Essential For Generations

Annual Integrated Report 2024

SOLVAY
ESSENTIAL FOR GENERATIONS

Our Purpose

We are essential chemistry, making progress possible for generations

Our Core Beliefs and Behaviors

Deliver excellence	Achieve more together	Create sustainable impact
FOCUS	COLLABORATION	OWNERSHIP

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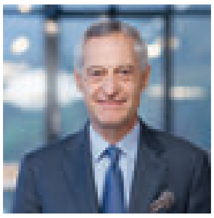

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Key figures 2024

We are a leader in essential chemistry, a pioneering company born from the groundbreaking soda ash process innovation of our founder Ernest Solvay.

Our new Purpose *We are essential chemistry, making progress possible for generations* highlights our essential products in everyday life and our unique position in the chemical industry. It builds on Solvay's 160+ year legacy of innovation, mastering our technologies and reinventing our industrial processes to bring progress to society.

We are a reference player in our businesses and our products serve multiple end-markets, purifying the air we breathe, conserving food resources, protecting health and well-being, making car tires more sustainable, enabling battery recycling, and manufacturing high-performance semiconductor chip.

Safety and integrity guide every action we take – it is our common fundamental commitment. As a responsible employer, we commit to advancing social progress for our employees and communities.

Sustainability and excellence are embedded in our operations and values. Our new ambitious sustainability roadmap reaffirms our commitment to driving the transition toward a carbon-neutral future by 2050 and creating a sustainable impact For Generations.

Global reach, close to our clients

>80% sales regional, from local production plants

41 countries

	Europe	North America	Latin America	Asia & Rest of the World[1]
€4.7bn Underlying net sales	33%	19%	22%	26%
~9,000 Employees	60%	10%	17%	13%
44 Production sites	19	7	6	12

1. Includes the Middle East and Africa.
The scope of reporting of these indicators is aligned with the financial consolidation scope.

Financial indicators

(2024 vs.2023)

Underlying EBITDA	Free Cash Flow[2] to Solvay shareholders from continuing operations	ROCE[3]	Dividend[4] per share
€1.05bn -8% (organic basis[1])	€361M	17.6%	€2.43
Underlying EBITDA margin 22.5% -1.0pp (organic basis[1])			

Sustainability indicators

(2024 vs.2021)

Planet progress (climate and nature)

Greenhouse gas emissions

Scope 1 & 2[5]
7.5Mt CO_2eq.
-17%

Scope 3[5,6,7]
14.1Mt CO_2eq.
-4%

Coal phase out[8]
sites consuming thermal coal for energy production
3
-2

Biodiversity
% of permeable land located near biodiversity sensitive areas in positive biodiversity management
NEW

Better life (people and communities)

Safety
Reportable Injuries (RI)[9]
41
-27

Gender parity
Women in mid and senior management[10]
27.3%
-0.7pp

1. Organic growth excludes forex conversion and scope effects. **2.** Free cash flow to Solvay shareholders is the free cash flow after payment of net interests, coupons of perpetual hybrid bonds and dividends to non-controlling interests. This represents the cash flow available to Solvay shareholders, to pay their dividend and/ or to reduce the net financial debt. **3.** Return on capital employed (ROCE) from continuing operations. **4.** Recommended to the Shareholders meeting on May 13, 2025. **5.** The scope of reporting of these indicators is aligned with the financial consolidation scope. **6.** Emissions upstream and downstream in the value chain (suppliers and customers). The scope 3 emissions focus 5 categories are "Purchased goods and services", "Fuel and energy related activities", "Processing of sold products", "Use of sold products" and "End-of-life treatment of sold products". **7.** 2021 Scope 3 emissions focus 5 categories adjusted with 2024 new methodology. This new methodology is based on GHGP (purchased goods & services, fuel and energy related) and WBCSD accounting guidance for reporting corporate GHG emissions in the chemical sector value chain. **8.** Includes coal and coal products used in energy production. **9.** Scope: Solvay employees and contractors. 2024 data as reported in Solvay's Annual Integrated Report. **10.** Management categories are defined on the basis of the Hay Job Evaluation Methodology. Middle and senior management levels refer to the entire active internal workforce having Hay points above 530.

We are Essential For Generations

Pierre Gurdjian
Chairman of the Board of Directors

"In 2025 the focus will be on deepening the transformation of Solvay, making it the reference player in essential chemistry."

In our first full year since the spin-off of our specialty business in December 2023, Solvay can look back at a strong performance delivered by a healthy and highly engaged organization.

Combined performance and health create strong foundations for the future. The current Solvay – built on a 160+ year legacy of an industrial platform with a fresh start-up mentality – has proven that we can define and shape our future.

Solvay's new profile as a unique type of company in the chemical industry is becoming recognized. We strongly believe that our chemicals are neither commodities nor specialty chemicals, indeed they are what we call Essentials.

This framework of essential chemistry is guiding our strategic and operational decisions.

Essential chemistry is much more than a concept or a category. It is a new space in the chemical industry that defines who we are. It is also a generative idea. It is not only a matter of our chemicals being essential for everyday life and the particular business and operational model that goes with it – it is also about something more fundamental: mindsets, ways of being, the postures that we have. It is a core defining principle for our identity.

Essential chemistry is thus not only about doing, but even more about being: being proud industrialists. We are industrialists by nature: curious, never satisfied, always wanting to improve and reinvent, believing in the intrinsic dignity of those who manufacture with care and passion things of lasting value.

Honoring the past is, deep in our heart, part of essential chemistry. Our past is an immense source of inspiration. When we go back to the genetic code of this Group since its founding in the 1860s, we are entrusted with the science, the progress, and the humanity of our founders and all those who have since built on the success and the essence of what Solvay is today. These three noble values – science, progress and humanity – remain our beacons and our flag. Nourished by the past, we reinvent them for the future.

We also know that we will need to change some things. Let me mention two, which became apparent through the encompassing cultural transformation initiative that we took last year.

First, we need to focus more. On what truly matters, on what creates value, for customers, for our stakeholders and for the planet. To fully benefit from the split, we need to relentlessly eliminate complexity and waste. We need to focus our efforts and resources where it matters and impacts most.

Second, we need to embrace change. This may sound as a trivial statement as success in industry always hinges on the ability to improve and change. But change is hard, it implies acknowledging that what we have done in the past, what we do today with commitment and care, should nevertheless evolve to remain competitive and innovative. Not because we have been wrong in the past but because we just can still become better. And this requires mental strength and humility.

Our concrete achievements, our ambitions and our ability to innovate are, we hope, why our customers place their trust in us. We are genuinely grateful that they continue to recognize the high quality and reliability of our products and technology.

We are equally grateful to our shareholders old and new, who are confident in the stable and at the same time exciting opportunity that an essential company like Solvay provides in our uncertain world.

In addition, we thank our valued Board members. Through their varied experiences and profiles they enrich the quality of our governance in a spirit of impeccable professionalism, trust and warm personal commitment.

And, finally, committed industrialists are nothing without a highly engaged and skilled workforce – our colleagues are at the heart of our exciting journey. Our sincere gratitude also goes to them.

This brings me to the theme of this Annual Report – Essential For Generations.

Our new Purpose *We are essential chemistry, making progress possible for generations* highlights both our essential products to everyday life and our unique position in the chemical industry. It builds on Solvay's 160+ year legacy of innovation to bring progress to society. The strength of Solvay lies in our ability to progress from generation to generation, to hand our knowledge from generation to generation, but also deeply care for the next generation – for the world we live in today and that we hand to our children tomorrow.

It is with pride that our new sustainability roadmap is called *For Generations*. It is our long term perspective on making our world a better place – an unwavering commitment to performance and purpose. This roadmap is structured around two pillars – Planet progress, focused on climate and nature, and Better life, addressing our people and communities.

For climate, we have updated our carbon neutrality roadmap, outlining a solid and affordable path to achieving our goals. We believe that we can cut around one third of our greenhouse gas emissions (scope 1 and 2) by 2030 and a second third by 2040 with the aim to achieve carbon neutrality by 2050. For nature, we have made a new commitment to biodiversity, aiming to be best in class and aligned with the Global Biodiversity Framework; this commitment includes dedicating 30% of the land around our facilities to nature conservation by 2030. For people, we confirm our ambitions related to safety, diversity, equity, and inclusion, and we aim to achieve 30% women in managerial roles by 2030.

We have also translated the essential principle in our governance. Our Board culture is built on stewardship, trust, transparency and learning. It extends to the dialogue between the Board and senior management. In the past year we have thus had intense and fruitful exchanges with the leadership team on the transformation of Solvay, developing the new company strategy and formulating the new sustainability roadmap of Solvay.

I applaud the Executive Leadership Team and the colleagues in Solvay for the progress made in 2024 in establishing these strong foundations for the future. In 2025 the focus will be on deepening the transformation of Solvay, making it the reference player in essential chemistry. —

Pierre Gurdjian

Delivering on our commitments

Philippe Kehren
Chief Executive Officer

“With our new strategy and sustainability roadmap *For Generations* in place, our direction is clear and our strengths are real.”

Since Solvay’s separation in December 2023, our teams have achieved a lot, and I extend my sincere thanks to every Solvay colleague for their contributions. Our new purpose-driven culture is clearly driving our organization forward. With our new strategy in place, we are confident in our ability to continue to meet our commitments, generate sustainable cash flow to reward shareholders, and strategically position Solvay for future growth.

Performance — Delivering on our commitments

Although market conditions in 2024 were challenging, we proved the resilience of our business and our strong execution, delivering solid results. In 2024, our underlying net sales reached €4.7bn driven by volume growth offset by lower prices due to market conditions. Our margins remained robust at 22.5% in 2024. We delivered a solid underlying EBITDA. This success is underpinned by continued year-on-year growth in volumes for businesses such as Bicarbonate and Peroxides, and significant cost savings achieved through our ongoing transformation and digitalization efforts. Our free cash flow of €361 million, along with a Capex of €355 million, demonstrates that the resilience of our businesses allows us to generate enough cash to support all of our commitments: notably the energy transition and the investment in future growth. This allows us to confirm our 2028 EBITDA mid-single digit annual growth target.

Sustainability

We have also made significant strides in sustainability and continued to advance new energy transition projects to reduce our environmental footprint. Our energy transition projects in Green River (U.S.), Rheinberg (Germany) and Ciudad Juárez (Mexico) will reduce our total Group greenhouse gas emissions (scope 1 & 2) by around 10% from 2025 compared to 2021, while these projects contribute significantly to our ambition of a coal phase out. We are also well on track to achieve ahead of schedule our UN Global Compact commitment on living wage for all employees.

In 2024, Solvay defined its new *For Generations* roadmap – our agenda for responsible business. Building on our heritage and company strengths, it sets the sustainability agenda of the company, while aligning with the new Solvay profile and strategy. This roadmap is structured around two pillars – Planet progress, focused on climate and nature, and Better life, addressing our people and communities.

As a responsible business, we will continue to drive our sustainability agenda by reaffirming our commitment to carbon neutrality, and continuing to advance new energy transition projects to reduce our environmental footprint, while also continuing to drive a social agenda focused on fairness and inclusiveness. And we're showing it to the world by aligning our sustainability disclosures with the EU Corporate Sustainability Reporting Directive (CSRD). All the relevant information is available in the Sustainability statements.

Safety

Solvay strives for zero accidents and never compromises its integrity. Every person, whether an employee or contractor, working on a Solvay site should be safe. This is our fundamental commitment. Regrettably, our results are overshadowed by three colleagues who lost their lives to accidents in 2024. Our thoughts are with the families and colleagues of each one.

These fatal accidents brought home again that we can never relent our focus on safety. While our overall recordable injuries showed a slightly positive trajectory, clearly our safety journey still has a way to go. We will continue to do everything in our power to reach our target of zero accidents. We have made changes to our internal organization to bring our safety culture and behavioral compliance with our safety rules to a next level. To do so, we have decided to create a dedicated Group Safety Taskforce to integrally lead on safety with the assignment to accelerate on all aspects needed in line with our culture that safety is our fundamental commitment.

Transformation

Following the demerger, we initiated our Transformation program. Our primary focus was on eliminating complexity to create a leaner and more agile organization, and preparing for the termination of the Transition Services Agreements. We also implemented a comprehensive digital strategy and started the transition to a fit-for-purpose SG&A organization. These initiatives enable us to simplify our structure and achieve new levels of efficiency.

This Transformation program is showing clear progress. Structural cost savings initiatives delivered €110 million in 2024, well above the target of €80 million thanks to the acceleration of savings initiatives at manufacturing sites and in corporate functions. We expect these measures to deliver €350 million of gross annual cost savings by 2028.

In 2024 we defined our new culture with teams across the globe, with overall almost 3,000 people contributing to our new Culture and Beliefs program, focusing on three core behaviors – focus, ownership, and collaboration. In our first year our regular Pulse survey among employees achieved an employee engagement score of 80%. Our employee net promoter score (eNPS) – which measures the likelihood of recommending Solvay as a workplace – rose 3% throughout the year to 84%. Also the input we received from our employees will help us create an even better work environment.

Looking ahead — Ambitious goals for a sustainable future

Looking ahead, we don't expect a significant market rebound in 2025. Our approach is clearly working, and those measures will increasingly contribute to the bottom line. We are making Solvay stronger, more dynamic and more competitive. This will serve us well when our end markets start growing again, putting us on track to deliver on our mid-term ambitions. With our new strategy and sustainability roadmap *For Generations* in place, our direction is clear and our strengths are real.

On behalf of the entire Executive Leadership Team, I want to thank all our shareholders, customers, partners and other stakeholders for your support throughout 2024. And I also want to thank our people across the world for their ongoing effort and dedication. They continued to demonstrate their wholehearted passion and commitment, and I am proud to work with them as we take Solvay forward to a new level of success and achievement. —

We are essential chemistry

Essential products to daily life

For decades our products have proven to be essential to everyday life. Our soda ash is a key raw material of glass used for construction, automotive, and food containers, and our sodium bicarbonate is used as a disinfectant and for hemodialysis. Our silica is essential to manufacturing safer and energy-efficient tires with increased lifespan, and extending the battery range for EV. In addition, our bio-based solvents for air care and home cleaning provide a sustainable and safer alternative to petrochemical solutions. Our hydrogen peroxide is used for bleaching in the pulp and paper industry and in new growing applications such as battery recycling and urban mining.

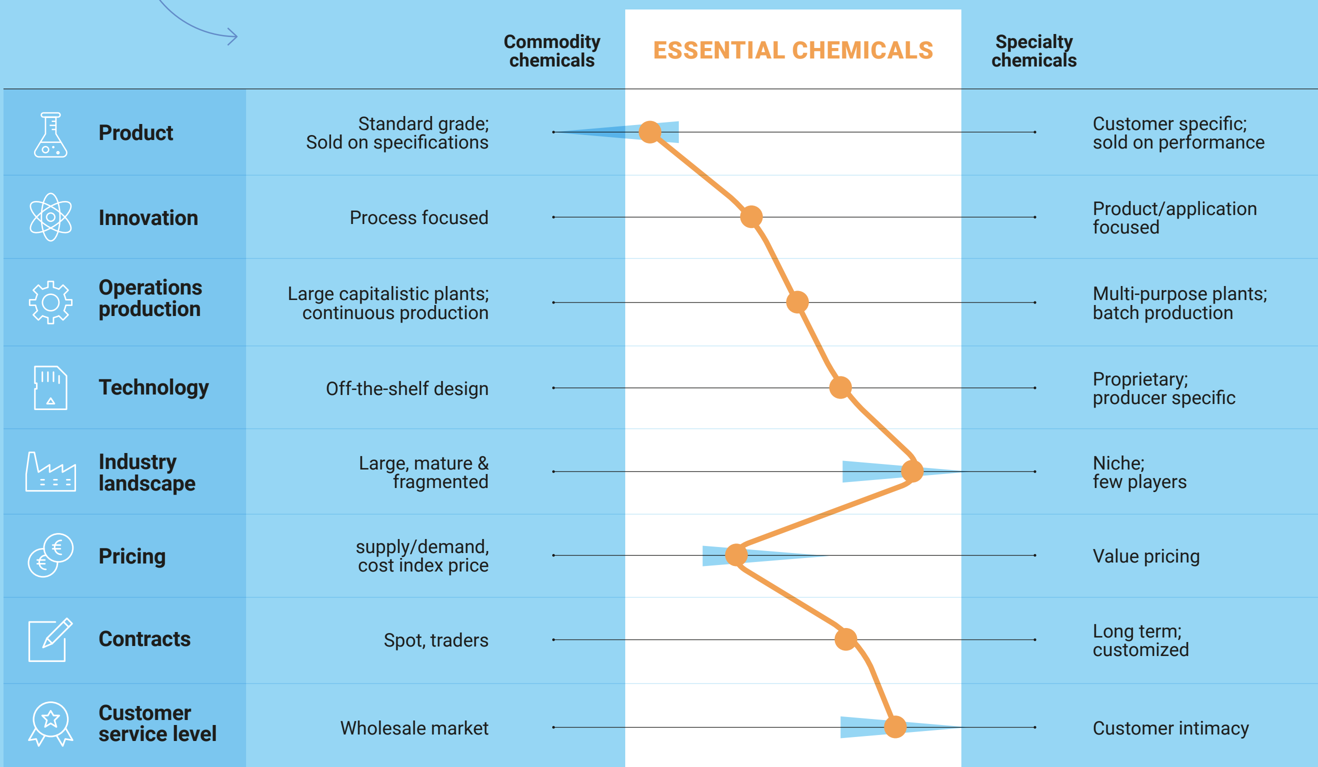
Essential chemistry, a unique industry position

We are essential chemistry. We represent a unique type of company in the chemical industry landscape, with specific requirements in terms of our operating model and success factors.

Essential chemicals are neither commodity nor specialty chemicals – they can be found on the spectrum between commodity and specialty chemicals. Essential chemistry has distinct characteristics, some being very different from commodities and specialities, some being common. Being "essential" also impacts the way we do business. —

Not Speciality, not Commodity...

Essential



Solvay matches the essential chemistry main dimensions

There is no single, unique criterion to define essentials. An essential chemical is somewhere on the spectrum between commodity and specialty. We defined six dimensions to characterize an essential company. What makes it "essential chemistry" is the unique combination of these dimensions within the spectrum.

Product

Essential product must bring performance and differenciate first on **quality and consistency, with large quantities of standard grades** making up the bulk of business.

Innovation

Innovation is focused on **process and application** rather than on product; industry leaders own and develop the most advanced and efficient processes.

Industry landscape

Fewer players due to strong requirements related to technology and capital.

Operations production

Within essentials, **cost competitiveness** is a key factor, leading players to generally use continuous large-scale processes that are highly automated.

Technology

Process technology requires **strong expertise and know-how** to be able to design and operate plants. Owning and operating best-in-class technology is critical to success.

Marketing & Sales

Products are sold in large quantities mostly **directly** with global customers; prices are influenced by **market conditions** (supply/demand) and are generally not linked to published indexes.

INNOVATION

New e.Solvay soda ash production process

Process innovation has been in our DNA for 161 years, starting with our founder Ernest Solvay, who disrupted the soda ash industry by introducing his new production process. Today we are reinventing our process to make it more sustainable and competitive. Our patented e.Solvay breakthrough technology adopts an electrochemical process that can be powered by renewable energy instead of fossil fuels while requiring 20% less energy than the existing process. It is expected to reduce our scope 1 & 2 GHG emissions by around 50%, water and salt consumption by 20%, and limestone consumption by 30%, compared to the current process, while eliminating limestone residues. We are in the industrial piloting phase for this technology that will set a new standard for the industry. —

MARKETING & SALES

Long-lasting relationships with our Silica tire customers

In the Silica business, we have developed strong, valued relationships with the major tire manufacturers. As a global player with operations in Europe, Asia, North America, and Latin America, Solvay is able to supply its global customers locally in each of these regions. This is crucial to ensure security of supply, optimizing inventory needs for customers, and keeping logistical costs to a minimum. We invented the HDS (Highly Dispersible Silica) technology in the 1990s thanks to the collaboration with our global customers. Since then we have been nurturing a close relationship with their teams to offer cutting-edge solutions in mobility with the highest performance HDS grades, and we are now supporting their move to circular materials. —

TECHNOLOGY

Hydrogen peroxide mega-scale technology

As a leading global producer and supplier of hydrogen peroxide solutions and a technology leader in the hydrogen peroxide production process, Solvay operates several megaplants featuring our Hydrogen Peroxide for Propylene Oxide (HPPO) technology in Belgium, Thailand, and Saudi Arabia. Additionally, we are developing a new business model where our proprietary mega-scale process technology is licensed to our chemicals partners. We provide customers an energy efficient and cost-competitive solution backed by our 50+ years of experience and excellent safety track record, together with a range of services to ensure reliable, optimized output. In 2024, our licensing agreement with North Huajin Refining and Petrochemical Company for the construction of a 300 kiloton propylene oxide plant in China was the third of its kind in this country. —

Our businesses

Solvay holds a high quality and focused portfolio of industry benchmark assets including five global technologies – soda ash, peroxide, silica, fluorine, and rare earths – and a solid regional business in Latin America, focused on solvents and the polyamide chain.

Two essential business segments

The majority of our portfolio, consisting of products that are essential to a wide variety of end-use applications in everyday life, is aligned with GDP growth. This brings predictability, making us resilient to economic cycles. The remaining part of our portfolio serves highly-valued applications on fast-growing markets, representing an inherent growth potential, with double digit growth in most of these markets.

For example, our soda ash goes into lithium carbonate used in batteries; our bicarbonate demand growth is driven by special applications, like in pharma to provide electrolytes and stabilize the pH in hemodialysis; and our ultra-high-purity grade of hydrogen peroxide is critical for semiconductor chip production where it serves primarily in the cleaning and etching stages.

Read more about our businesses — **page 35**

Basic Chemicals 61%
(Soda Ash & Derivatives, Peroxides)

- Chemical intermediate businesses focused on mature and resilient markets in which Solvay is a reference player.
- Serve major markets such as consumer goods, healthcare, food, electronics and building & construction.

Soda Ash	29%
Bicarbonate	12%
Peroxides	20%

- Soda ash
- Peroxides
- Bicarbonate

Performance Chemicals 39%
(Silica, Coatis, Special Chem)

- A wider range of products that are subject to customization based on unique formulations and application expertise. These high-quality assets hold strong positions in their markets.
- Serve various markets like automotive, consumer goods, electronics, etc.

Precipitated Silica	12%
Solvents & Polyamide chain	13%
Rare earth	7%
Fluorine	7%

- Highly Dispersible Silica
- Rare earth for auto-catalysis
- In Latin America
- Aluminium brazing

% of Group underlying net sales

The scope of reporting of these indicators is aligned with the financial consolidation scope.

Serving diversified end markets in all main regions

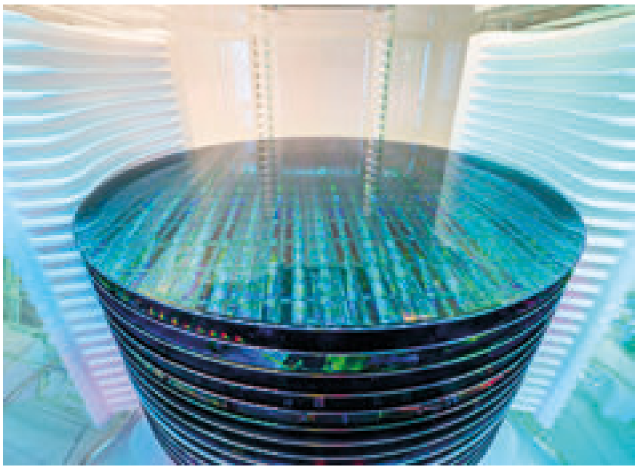
Our key technologies make us a vital supplier of chemical products and intermediates for a broad array of industries. Our products serve a variety of end markets, none of which make up more than 24% of Solvay's sales, allowing for a good balance between our segments' performance. In addition, our unique global footprint, featuring global and regional manufacturing plants, gives us the flexibility to cater to a diverse customer base. By combining this with our strong market positions, our end-market diversification, and our technological competitive advantage, our businesses are very resilient. —

Read more about our geographical footprint — **page 6**

Essential to multiple end-markets

Chemical industry and Industrial applications	24%
Automotive	19%
Consumer, Home & Personal Care, Healthcare	17%
Food and Feed	15%
Resources, Environment and Energy	12%
Building and Construction	9%
Electronics	4%

% of Group underlying net sales



The scope of reporting of these indicators is aligned with the financial consolidation scope.

End markets driven by megatrends

Our portfolio aligns with megatrends that drive our businesses' main end markets and provide us with opportunities in our main business lines. This includes a move toward sustainable resources, resource efficiency, and reduced environmental impact; implementing shorter supply chains with local sourcing and manufacturing; and the swift development of AI and digitalization across organizations and end-consumers' life.

Climate change and resource scarcity

How Solvay brings solutions

- Soda ash for flat glass is used in double and triple glazing to meet the increased demand for insulation materials in construction, and in solar photovoltaic panels that provide cleaner energy.
- Our sodium-based SOLVAir® provides flue gas cleaning solutions that can remove up to around 99% of SOx, HF, and HCl emissions from exhausts in a range of sectors, including energy production and cement manufacturing. SOLVAir® Marine solution, designed for ships using heavy fuel oil, helps the marine industry reduce pollutant emissions, in line with international regulations.
- Our breakthrough soda ash process, e.Solvay, is expected to reduce our scope 1 & 2 greenhouse gas emissions by around 50%, and the consumption of natural resources, to result in 20% less water and salt and 30% less limestone, compared to the current process.
- Interox® Volt peroxide solutions enhance recovery of valuable metals from used batteries.
- Our proprietary process for bio-sourced Highly Dispersible Silica made from rice husk ash, a rice byproduct, will offer the tire industry a circular silica with a reduced carbon footprint.

Regionalization

How Solvay brings solutions

With production plants based in key geographic zones, Solvay is poised to embrace the regionalization megatrend. This positions us well to answer customers' need for local supply, ensuring reliability and reducing the environmental footprint.

- Our soda ash plants in Europe and the U.S. are strategically located near customers and often connected by rail. This helps minimize transportation expenses and ensure efficient supply chains, maximizing market competitiveness.
- Electronic H_2O_2 grades are produced locally for local semiconductors demand at our Shinsol JV in Taiwan.
- Our myH_2O_2 plant in Imperatriz, Brazil, is a breakthrough concept of small, safe, and reliable hydrogen peroxide units conceived for installation at customer sites, eliminating transportation costs and minimizing environmental impact.

>80%

of Solvay's product sales are regional, sourced from local production sites

Artificial Intelligence and digitalization

How Solvay brings solutions

Our high-purity solutions are needed for advanced cleaning, an increasingly important factor as electronic devices become smaller.

- Solvaclean®, an environmentally-friendly cleaning gas for semiconductor tools made from eco-friendly fluorinated gas mixtures, offers the industry an alternative cleaning option that provides zero global warming potential. It is also more efficient, helping to save energy and water.
- INTEROX® Hydrogen Peroxide PicoPlus is our ultra-purified electronic grade H_2O_2 primarily used in the cleaning and etching stages of semiconductor chip production.
- Rare earths' abrasive Zenus® is used in a critical step of the semiconductor manufacturing process to remove excess materials and create a smooth surface on each wafer layer.

The scope of reporting of these indicators is aligned with the financial consolidation scope.

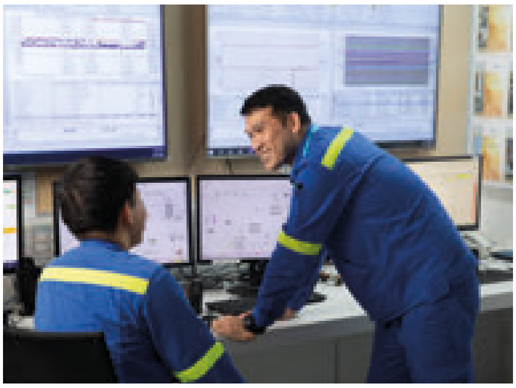
Key achievements of 2024

CULTURE

Redefining our Purpose and Culture

We are essential chemistry, making progress possible for generations. Our new Purpose highlights both our essential products to everyday life and our unique position in the chemical industry. It builds on Solvay's 160+ year legacy of innovation to bring progress to society. Our three Core Beliefs and their associated Behaviors reflect how we act at Solvay, and are critical to our success as an essential company. In shaping our new Solvay identity, we have created a unique, shared Culture that will help us unlock the potential of every project and deliver on our strategy. —

Read more — **page 8**



PEOPLE ENGAGEMENT

Strong employee engagement

At Solvay, people come first. With an employee engagement rate of 80%, they are the foundation of our success. Furthering Ernest Solvay's pioneering social vision, we are committed to enhancing their well-being through various initiatives, while developing their skills and capabilities. To strengthen the sense of belonging and reinforce this momentum of change, members of our Executive Leadership Team visited Solvay sites across all regions and businesses, celebrating achievements, engaging with employees in the field to explain our strategy and evolving culture, and discussing challenges. —

Read more — **page 162**

TRANSFORMATION

Accelerating our transformation

Being a successful leader in essential chemistry means driving continuous improvement in all fields and strengthening competitiveness. We have launched an in-depth transformation of the Group, simplifying our structure and operating models, standardizing and streamlining our processes, optimizing operations, and leveraging digital tools to speed up the delivery of our plans. Our people and new culture are critical enablers to foster change and implement the best practices that will make Solvay more resilient, sustainable, and cost-competitive – a benchmark in the industry. —

Read more — **page 27**

ENERGY TRANSITION

World's first soda ash plant primarily powered by renewable energy

In 2024, we stopped using coal to produce energy at our Rheinberg soda ash and bicarbonate plant in Germany, becoming the first site in the world to be primarily powered by locally sourced biomass. After completing the first step in 2021, the next stage of the project was inaugurated at the end of 2024. This shift will contribute to a 4%[1] reduction of Solvay's overall greenhouse gas emissions by 2025 while enhancing our long-term competitiveness. —

Read more — **page 29**

ENERGY TRANSITION

Reducing GHG emissions in Paulínia, Brazil

We announced climate and water projects in Paulínia, Brazil, which will reduce this major production plant's greenhouse gas emissions by 40%[1] annually by 2028 and decrease annual water intake. Installing biomass-fired boilers, fueled primarily by sugarcane bagasse, will support renewable energy adoption while implementing a closed-loop cooling system that will reduce water usage. Paulínia stands as a benchmark for sustainability in Brazil, pioneering sustainable practices. In November 2024, the Wildlife Habitat Council renewed its Gold level biodiversity conservation Certification to the plant for its remarkable reforestation project which will be completed in 2028. —

Read more — **page 26 & 29**

ENERGY TRANSITION

Green River, U.S. plant completed its transformation journey

Our U.S. trona-based soda ash plant in Green River, Wyoming, is set to drive a 4%[1,2] reduction in Group-wide GHG emissions by 2025 by deploying an innovative process and phasing out coal. The launch of our regenerative thermal oxidation (RTO) process, the first of its kind in the trona mining industry, marks a key milestone in Solvay's energy transition journey. Combined with a 600kt capacity expansion, it enables us to answer customers' growing needs for more sustainable products, further positioning us as the supplier of reference in the U.S. and export markets. —

Read more — **page 28 & 29**

1. Scope 1 & 2 emissions, versus 2021.
2. Taking into account the impact of the 600kt capacity expansion which will be commissioned in 2025
The scope of reporting of these indicators is aligned with the financial consolidation scope.

SUSTAINABLE SOLUTIONS OPPORTUNITIES

New production unit of Alve-One® at Rosignano, Italy

We announced the opening of a significant production facility for Alve-One®, a chemical blowing agent made from sodium bicarbonate, eco-designed to transform the thermoplastic foaming industry.
It marks a pivotal advancement in our mission to lead transformative change across multiple industries. This new facility equips us to effectively address our customers' growing needs for safer, healthier, and more sustainable blowing agents used in various industries like automotive or footwear, while reducing the environmental footprint of foamed end-products. —

Read more — **page 29**

CIRCULAR SOLUTIONS

Bio-based Carbon Neutral Augeo® portfolio

Our new Augeo® Carbon Neutral portfolio[1] offers bio-based, readily biodegradable, Low Volatile Organic Compounds (LVP-VOC), and high-performance solvents including a new carbon neutral product for air care and home cleaning. It is produced at our Paulínia, Brazil, plant that introduced renewable-source products such as bio-based solvents.
This is a new step forward in meeting our carbon neutrality objective, while strengthening our responsible market leadership and our low-carbon, circular solutions. —

Read more — **page 14 & 26**

1. serving the U.S., Brazil, Asian and additional South American markets

OPPORTUNITIES CIRCULAR SOLUTIONS

Establishing a European rare earths hub for the permanent magnets value chain

We announced our partnership with Cyclic Materials to supply our plant in La Rochelle, France, with recycled mixed rare earth oxide for further separation and purification, contributing to the creation of a circular supply chain for rare earths. It supports our efforts that began in late 2022 to establish a rare earths hub for the permanent magnets value chain at our plant, aimed at enhancing European self-sufficiency. Building on our technology leadership in rare earths processing, we are committed to serving customers in the fast-growing electric vehicles, wind power, and electronics markets as of 2025. —

Read more — **page 16 & 29**

OPPORTUNITIES

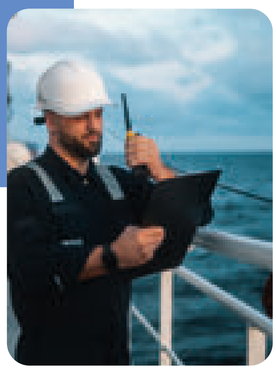
New business model for hydrogen peroxide process technology licensing

Our partnership with North Huajin in China illustrates our new business model of licensing agreements for our proprietary high-productivity, mega-scale hydrogen peroxide process technology. Using Solvay's process expertise, our partner will build a mega-plant to manufacture propylene oxide, starting in 2026. In addition to our comprehensive support, we also provide the key chemical contributing to the high productivity and environmentally-friendly chemical process of our technology. The third of its kind in China, this partnership will support our business growth in the country. —

Read more — **page 13**

02

Strategy



Our strategy: a leader in essential chemistry

Our Purpose: *"We are essential chemistry, making progress possible for generations."* This is the foundation of our strategy. Our ambition is to be the best at what we do; be a leader in essential chemistry.

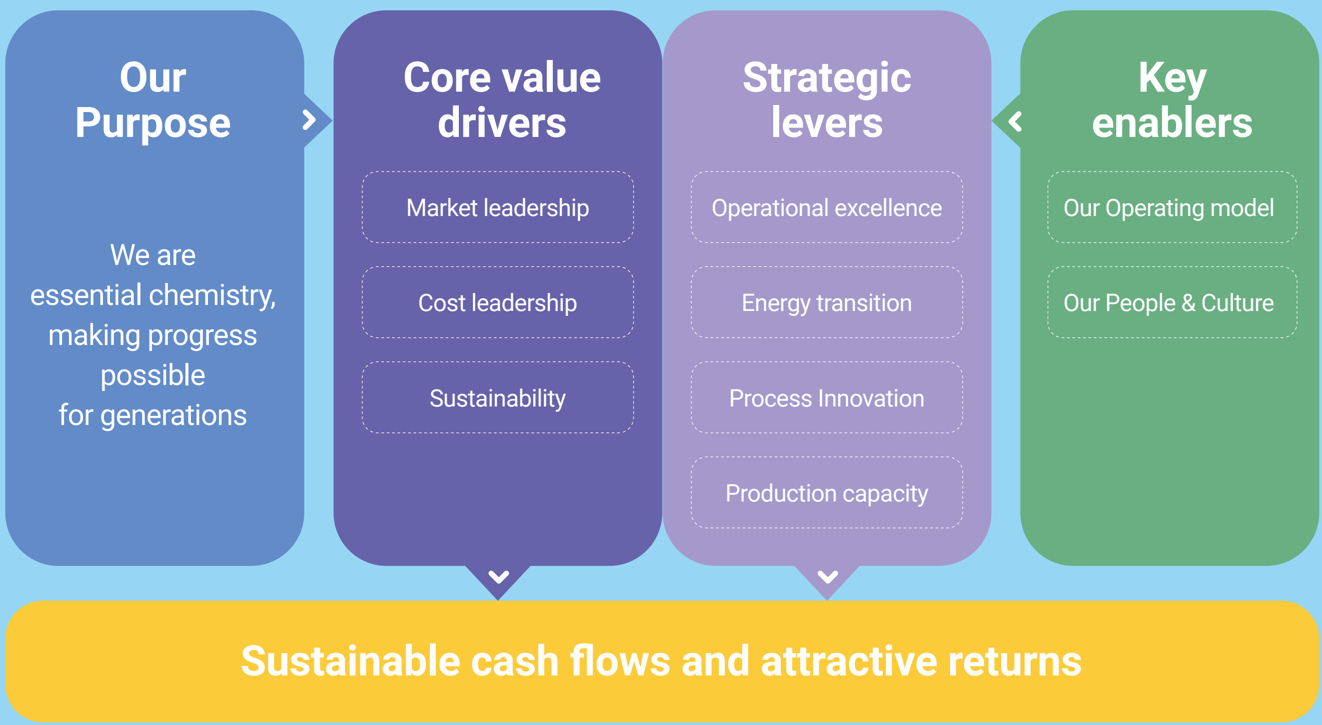
We have identified the core value drivers that make Solvay successful as a leader in essential chemicals: our market leadership, cost leadership, and sustainability.

To make a difference, we are focusing our resources on four strategic levers:
- → Improving our competitiveness through operational excellence.
- → Developing process innovation to improve the environmental footprint of our products and stay ahead of the competition.
- → Accelerating our energy transition to achieve carbon neutrality and meet customer needs.
- → Adding production capacity to support our business growth while capturing opportunities in fast-growing segments.

Key to our strategy's success are two enablers: our skilled and engaged people, essential to our operations, with our new culture to support change; and our new operating model with strong central governance.

These enablers are at the heart of the profound transformation we are driving throughout the Group to make it simpler, more cost-efficient and sustainable, and deliver the financial results we strive for: sustainable cash flows and attractive returns.

Our strategy



Market leadership

Cost leadership

Sustainability

Our core value drivers

Market leadership, cost leadership, and sustainability, supported by a robust process technology expertise, are key differentiating drivers in essential chemistry. At Solvay, they are our core value drivers.

In all of our businesses, Solvay benefits from **strong product know-how, expertise, and leading process technology strengthened by continuous innovation**. This is integral to our performance as it supports our market presence and our cost-competitiveness. In addition, our mastery of the processes we use is critical in helping us produce essential products in the most sustainable and competitive way.

Market leadership

Our five global businesses and one regional business in Latin America are reference players in their markets. This performance is possible because of the scale of our operations, our global presence, and strong supply chains, which result in solid market shares for our key products. We are well positioned to continue our growth path building on these foundations.

Our solid position is primarily due to a combination of three factors:

- a well-balanced geographical footprint of both global and regional manufacturing plants close to our customers, providing a key competitive advantage;
- our balanced portfolio and close relationships with our customers; and
- our strong brand, linked to the quality and reliability of our products.

Cost leadership

Our cost-competitive position and lower operating costs are supported by several factors that are related to our businesses, and our legacy and culture:

- large-scale replicable processes;
- our proprietary technologies, reflective of our innovative heritage;
- vertical integration in the value chain of our main businesses; and
- our track record of continuous improvement and operational excellence, rooted in our legacy as a 160+ year-old industrial company.

Sustainability at our core: our new *For Generations* roadmap

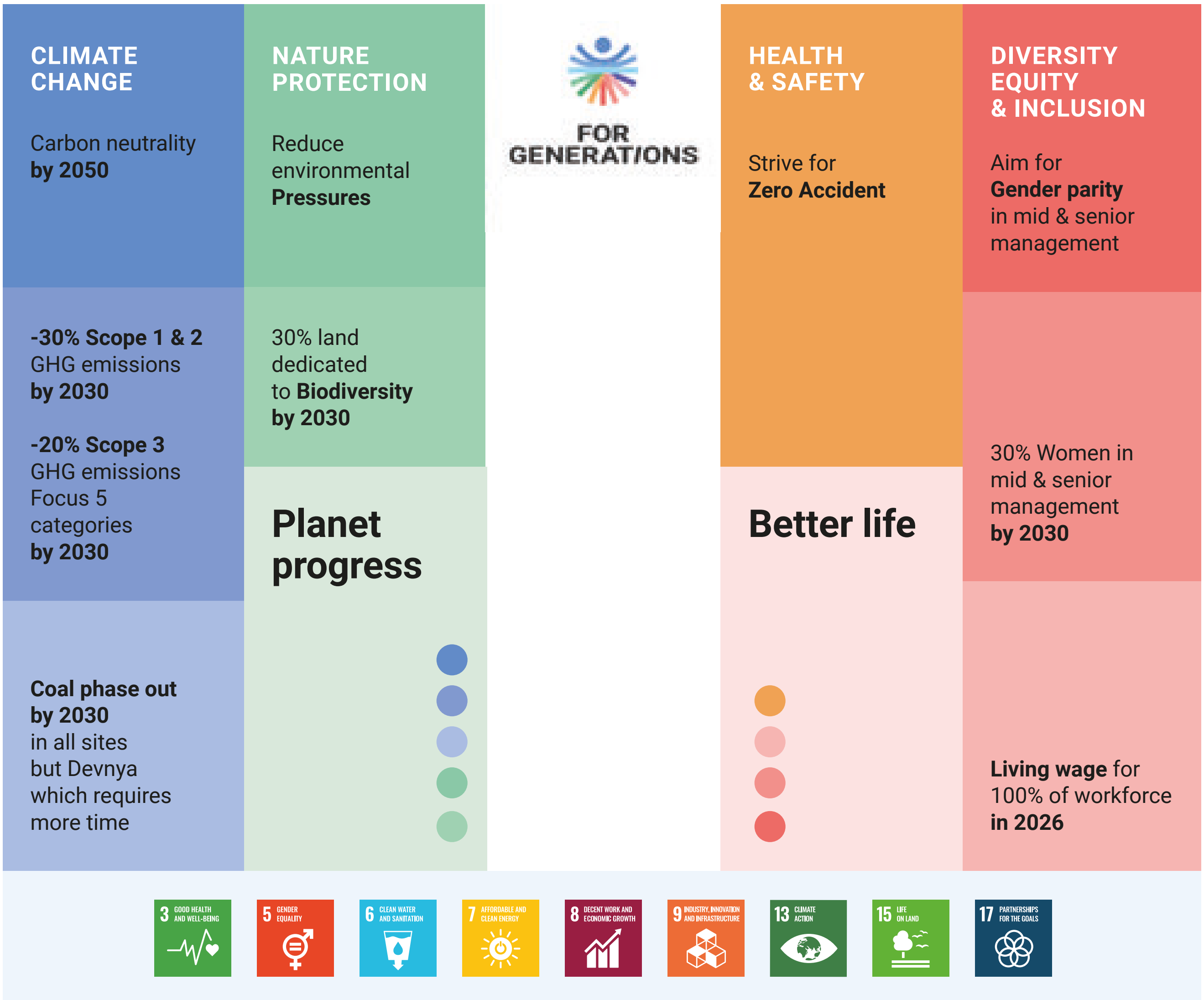
Sustainability is deeply embedded in Solvay's culture and operations. We are committed to achieving carbon neutrality by 2050 and reducing our impact on the planet, protecting biodiversity and saving resources, while meeting our customers' requests for more sustainable and competitive products. In line with Ernest Solvay's long-lasting heritage, we also continue to make social welfare and caring for our people and communities a priority.

In 2024, we defined our new *For Generations* sustainability roadmap that aligns with the new Solvay profile and strategy. This roadmap is structured around two pillars – Planet progress, focused on Climate and Nature, and Better life addressing our People and Communities.

For Climate, we have updated our carbon neutrality roadmap, outlining a solid and affordable path to achieving our goals. We believe that we can cut around one third of our emissions by 2030 and a second third by 2040.

For Nature, we have made a new commitment to biodiversity, aiming to be best in class and aligned with the Global Biodiversity Framework. This commitment includes dedicating 30% of the land around our facilities to nature conservation by 2030. To do it right, we are partnering with Wildlife Habitat Council (WHC) in Latin America and International Union for Conservation of Nature (IUCN) in the EU.

For People, we confirm our ambitions related to safety, diversity, equity, and inclusion, and we aim to achieve 30% women in managerial roles by 2030. —



Four strategic levers

To deliver on our strategy, as a leader in essential chemistry, we actively engage four strategic levers. They drive our decisions for resource allocation and for setting priorities.

01.

Delivering operational excellence to strengthen our competitiveness

Cost-competitiveness is key to being a leader in essential chemistry. To deliver continuous improvement, we are spearheading a comprehensive transformation of the Group, with simplification, standardization, and digitalization as drivers. For example, an estimated 70% of our assets (namely our soda ash, peroxides, and silica businesses) are based on replicable technologies, which allows duplication among sites. In 2024, we conducted initiatives to both optimize the Group's operating model and our operations in the field.

A key enabler of success is our new culture featuring our core beliefs and behaviors to support change, helping us to put in place good practices that make Solvay more sustainable, resilient, and cost-competitive. Through these shared behaviors, we will embrace a mindset of continuous improvement and unlock the potential of every project.

Ensuring an engaged and future fit workforce

Our people are key to our operations and the success of our strategy, and we continuously focus on ensuring well-being at work and nurturing social dialogue, while creating the skills and capabilities to support our future performance.

80%

Employee engagement
Source: 2024 internal Pulse survey

- **Employee welfare is a priority to us.** Our various initiatives contribute to enriching well-being at work, such as Solvay Cares that guarantees minimum social benefits to 100% of our workforce, and our Diversity, Equity and Inclusion strategy that develops a sense of belonging and values diversity. We are also taking actions to close gender pay gaps and to promote diversity in recruitment, and are committed to providing a living wage to 100% of our employees by 2026. Social dialogue is essential to us. We continue to engage with our employees through diverse channels and have renewed our global agreement with IndustriALL, the union for the chemical industry.

Reshaping the organization with a strong central governance

We are building fit-for-purpose operating models with a strong central governance to boost efficiency and cost-competitiveness. We are driving simplification and standardization throughout our organization and within our processes, creating new organizations with a lower cost base, new tools, and ways of working. This includes a wide array of dimensions such as defining function target operating models and a new interaction governance at all Group levels, and setting up talent profiles and development initiatives for each capability.

- **Simplification in the Group organization.** Following the demerger, a new leaner organization has already been put in place, with a lower number of management layers in our corporate support functions. We have also started to simplify the number of legal entities across the world and the future new ERP will allow us to go even further. Finally, we are working on optimizing our office footprint around the globe.

02.

Driving continuous progress in our production sites

We implemented plans to drive continuous progress and optimization of the operations and systems in our production sites, with digital tools playing a significant role. We are focused on delivering fixed and variable cost savings with a significant pipeline of projects and we have invested in our digital infrastructure.

→ **100% of our plants joined our STAR Factory program.** We continued to deploy our program, transforming operations and preparing our plants to be the facilities of the future. STAR Factory aims to fully implement our *For Generations* sustainability program at each of our plants around the world. Each site's roadmap addresses all dimensions of safety, productivity, and sustainability. This is central in the Group's transformation.

~€90M

structural savings in operational efficiency and plant fixed costs from STAR operations delivered in 2024

→ **Enhancing predictive maintenance efficiency with digital.** By structurally changing the way we manage our industrial data, we are able to implement several initiatives at scale. For example, integrating IoT in the condition-based monitoring of assets in our plants transforms the way we manage maintenance, ensuring increased efficiency, reliability, and cost-effectiveness across our global sites. Our Paulínia, Brazil, plant that pioneered this journey a few years ago observed a maintenance cost reduction up to 60% in the related equipment. At the end of 2024, we had installed nearly 2,000 sensors on critical equipment with a target of 12,000 by 2027. —

The scope of reporting of these indicators is aligned with the financial consolidation scope.

Driving process innovation to stay ahead of competition

Process technology is the core value creator for Solvay and process innovation is crucial to our future performance. We are pioneering process innovation, investing to make our operations safer and more reliable, and reducing our carbon-footprint to provide our customers with cleaner and more cost-competitive products.

→ **New circular silica for tires.** Precipitated silica is instrumental in achieving the ambitious targets set by tire manufacturers in terms of sustainable raw materials. Solvay's proprietary process for bio-circular silica derived from rice husk ash will help reduce the tire industry's carbon footprint and increase the share of renewable materials in the tires. The new process enables a reduction of GHG emissions of the precipitated silica, thanks to a less-energy-intensive manufacturing process while delivering the same performance. Production will begin in 2025 in Livorno, Italy, using locally sourced raw materials, while we are working on other silica circular alternatives to enable significant circular conversion. —

03.

Accelerating energy transition to advance sustainable growth

Progressing on the energy transition at our plants and delivering carbon neutrality by 2050 is crucial to improving our competitiveness and meeting customers' needs for more sustainable solutions. Our global energy transition roadmap includes various initiatives, from phasing out coal, to driving efficiency projects to lower energy consumption at our sites, to switching to renewable energy sourcing, like in Ciudad Juárez, Mexico, where a new biodigester was commissioned in 2024 to substitute natural gas with biomethane. Overall, across our plants, we manage a significant pipeline of projects through the STAR Factory program.

In 2024, we significantly advanced our energy transition roadmap.

→ **Switching to competitive local biomass and waste energy sources for our European soda ash plants.** We made our Rheinberg, Germany, plant, the world's first soda ash plant primarily powered by renewable energy, namely local waste wood. Projects are also underway in our plants in Europe. In Dombasle, France, we are substituting coal with refuse-derived fuel, with an expected start in late 2025 whereas in Torrelavega, Spain we are considering replacing coal with biomass by 2027. These energy transition projects will substantially decarbonize our European operations while simultaneously mitigating exposure to fossil fuel price risks, thereby bolstering their long-term sustainability.

→ **Creating a U.S. benchmark for sustainable soda ash in Green River, Wyoming.** In 2024, we announced the completion of two very noteworthy projects at our trona-based, soda ash plant in the U.S. The first one involves phasing out coal and adopting natural gas, and the second one is the launch of a new regenerative thermal oxidation process (RTO), a first in the trona mining industry. These projects will significantly reduce GHG emissions, with the RTO project alone contributing up to a 8% Group-level emissions reduction. Even when combined with the planned 600kt capacity expansion, these efforts will allow to lower the Group's GHG emissions by a net 4%[1] by 2025, strengthening Green River's position as a benchmark for sustainable soda ash production in the U.S. —

~10%[2]

Group GHG emission reduction thanks to Rheinberg, Green River, and Ciudad Juárez projects

04.

Expanding capacities to align with market growth and seize high-value opportunities

Both market growth and high potential opportunities fuel the growth of Solvay.

Growing with the market

To meet our customers' steadily growing needs for our products, we invest to expand our production capacities, build new units and/or increase production through partnerships.

→ **We announced a capacity expansion at our Shandong Huatai Interox Chemical site in China.** This reaffirms our consistent efforts to remain an industry benchmark in hydrogen peroxide while positioning us to efficiently meet the rising demand from the photovoltaic industry in China.

Seizing high-potential opportunities on fast-growing markets

Part of our portfolio serves highly-valued applications on rapidly expanding markets, with double digit growth in most of them. We make timely investments in fast-growing markets to be prepared to capture the growth when it arises. This includes the production of rare earths from recycled material at La Rochelle.

→ **We launched a significant European production facility for Alve-One® in Rosignano, Italy.** This chemical blowing agent, made from sodium bicarbonate aims to address the growing demand for safer, healthier, and more sustainable blowing agents in various consumer and industrial uses globally – including automotive, footwear, building and construction. It will reduce the carbon footprint of foamed end-products while enhancing overall health and safety standards that protect both people and the environment. —

1. Scope 1 & 2, compared to 2021, taking into account the impact of the 600kt capacity expansion which will be commissioned in 2025
2. Scope 1 & 2, from 2025 compared to 2021
The scope of reporting of these indicators is aligned with the financial consolidation scope.

Sustainable cash generation and disciplined allocation

Our objective is to generate attractive returns and sustainable cash flows, while maintaining our investment grade rating. Capital is thus allocated with a strict discipline.

This is what we have done when accelerating our Capex in the second half of 2024, reaching a total €355 million for the full year, in order to support the ongoing transformation of our company and our willingness to strengthen our position in specific growth areas, so that we are prepared to seize new growth opportunities when they arise. —

Clear capital allocation policy

Essential Capex

Investing to keep our assets running efficiently and safely: maintenance, safety and regulatory, as well as energy transition projects.

Reward shareholders

Distributing stable or increasing dividends, as we have been doing over the last 40 years.

Prepare for the future

Allocating discretionary Capex to value-creative growth projects based on merit and affordability.

3. Business performance

3. Business performance

Note to the Business Performance section: The comparative figures have been restated to reflect the changes mentioned in 3.2. Preparation Background.

3.1. OVERVIEW OF THE CONSOLIDATED RESULTS

Financial figures

FY key figures	Notes	IFRS			Underlying		
(in € million)		FY 2024	FY 2023	% yoy	FY 2024	FY 2023	% yoy
Net sales	P1	**4,540**	**4,880**	**-7.0%**	**4,686**	**4,880**	**-4.0%**
Net operating costs, excluding depreciation & amortization	P2	-3,744	-4,178	+10.4%	-3,634	-3,633	-
EBITDA	P3	**795**	**701**	**+13.4%**	**1,052**	**1,246**	**-15.6%**
EBITDA margin					*22.5%*	*25.5%*	*-3.1pp*
Depreciation, amortization & impairments	P4	-362	-423	+14.4%	-320	-321	+0.1%
EBIT		**433**	**278**	**+55.6%**	**732**	**926**	**-20.9%**
Net financial charges	P5	-113	-98	-15.0%	-132	-140	+5.9%
Income tax expenses	P6	-87	-208	+58.2%	-155	-198	+21.8%
Tax rate	*P6*				*26.0%*	*26.7%*	*-0.8pp*
Profit from continuing operations		**233**	**-28**	**n.m.**	**445**	**588**	**-24.2%**
Profit / (loss) from discontinued operations	P7	-	2,132	n.m.	2	842	n.m.
Profit / (loss) for the period		**233**	**2,105**	**-88.9%**	**447**	**1,430**	**-68.7%**
(Profit) / loss attributable to non-controlling interests		-10	-12	-14.4%	-15	-13	+20.8%
Profit / (loss) attributable to Solvay shareholders		223	2,093	-89.3%	432	1,417	-69.5%
Basic earnings per share (in €)	P17	2.12	20.09	-89.4%	4.11	13.61	-69.8%
of which from continuing operations	**P17**	**2.12**	**-0.36**	**n.m.**	**4.10**	**5.55**	**-26.2%**
Dividend[1]	P18	**2.43**	**2.43**	**-**	**2.43**	**2.43**	**-**
Capex in continuing operations	**P8**				**355**	**450**	**-21.1%**
Underlying cash conversion (continuing operations)	P8				66.3%	63.9%	+2.4%
FCF to Solvay shareholders from continuing operations	**P9**				**361**	**561**	**-35.7%**
FCF conversion ratio (LTM, continuing operations)					**34.6%**	**45.4%**	**-10.7pp**
Net working capital	P10	577	509		601	509	
Net working capital / annualized quarterly total sales	P10				11.6%	9.5%	
Net financial debt	**P11**				**1,544**	**1,489**	**+3.7%**
Underlying leverage ratio	P11				1.5	1.2	+22.8%
ROCE (continuing operations)					***17.6%***	***20.4%***	***-2.8pp***

(1) Recommended dividend for 2024

Extra-financial figures

In 2024, Solvay defined its new *For Generations* roadmap, which sets the Sustainability agenda of the company, while aligning with the new Solvay profile and strategy. This roadmap is structured around two pillars - Planet progress, focused on climate and nature, and Better life, for people and communities.

The table below provides an update on Solvay's progress in 2024 on the *For Generations* KPIs:

Planet progress	2024	2023	2021	Progress vs 2021	Comment	2030 Target
GHG Scope 1 & 2 emissions Million tons[a]	7.5	7.3	9.0	-17%	Innovative regenerative thermal oxidation technology introduced in Green River, Wyoming, for the first time in the trona mining industry	**-30%** vs 2021
GHG Scope 3 emissions Focus 5 categories[a][b][c] Million tons	14.1	13.2	14.7	-4%	methodology revised and aligned to the GHG protocol requirements and WBCSD accounting guidance. Target unchanged (d)	**-20%** vs 2021
Coal phase out[e] # of sites consuming thermal coal for energy production	3	5	5	-2	Coal phase out completed in Green River, Wyoming and in Rheinberg, Germany; 2030 deadline at risk in Devnya, Bulgaria	**All sites by 2030**, except Devnya
Biodiversity % of permeable land located near biodiversity sensitive areas in positive biodiversity management	New	-	-	-	WHC Gold medal renewed for Paulinia, Brazil IUCN partnership	**30%**

Better life	2024	2023	2021	Progress vs 2021	Comment	Target
Safety Reportable Injuries - RI[f]	41	45	68	-27	3 fatalities in 2024	**Aim for zero accident**
Diversity % of women in mid & senior management[g]	27.3%	26.3%	28.0%	-0.7ppt	Good progress by 1pt made in 2024 vs 2023	**30% by 2030**

(a) The scope of reporting of these indicators is aligned with the financial consolidation scope.

(b) The scope 3 emissions focus 5 categories are "Purchased goods and services", "Fuel and energy related activities", "processing of sold products", "Use of sold products" and "End-of-life treatment of sold products".

(c) 2023 and 2021 Scope 3 emissions focus 5 categories adjusted with 2024 new methodology.

(d) New methodology based on GHGP (purchased goods & services, fuel and energy related) and WBCSD accounting guidance for reporting corporate GHG emissions in the chemical sector value chain.

(e) Includes coal and coal products used in energy production.

(f) Scope: Solvay employees and contractors. 2023 data as reported in Solvay's Annual Integrated Report.

(g) Management categories are defined on the basis of the Hay Job Evaluation Methodology. Middle and senior management levels refer to the entire active internal workforce having Hay points above 530.

Planet progress

Reducing GHG Scope 1 & 2 emissions: at the end of 2024, the cumulative Scope 1 and 2 emissions reduction since 2021 at constant perimeter amounts to -17% or -1.50 Mt CO_2eq (financial consolidated perimeter). However, its emissions increased by +1.9% or +0.14 Mt CO_2eq vs 2023 due to the activity recovery impact (+0.26 Mt CO_2eq) which was partly mitigated by new GHG reduction projects (-0.12 Mt CO_2eq). In 2024, €25 million in capital expenditure were allocated to Solvay's transition plan.

Phasing coal out: In November 2024, Solvay's plant in Rheinberg, Germany completed its coal phase out and it is now the world's first soda ash plant primarily powered by renewable energy, namely waste wood. Earlier in the year, the coal phase out of Green River, Wyoming, USA, was also completed by adopting natural gas. Another project of coal phase out is underway in Dombasle, France, where coal will be substituted with refuse-derived fuel by the end of 2025.

Switching to renewable or low carbon energy: In 2024 a new biodigester was commissioned in Juarez, Mexico, which substitutes natural gas with biomethane. More projects are underway notably in Collonges, France, where fuel oil will be phased out thanks to a new electric furnace, with an expected start in late 2025, and in Rosignano where by 2026 green hydrogen will be produced, powered by a new solar farm, to be one of the largest in Italy. Moreover, a new project was announced in 2024 to substitute natural gas with biomass in Paulinia, Brazil, with an expected start-up in 2027.

Innovating our processes: In October 2024, after the completion of the coal phase out at Green River, Solvay inaugurated the new regenerative thermal oxidation technology (RTO), a first in the trona mining industry, contributing up to a 8% Group-level emissions reduction at current scope, and creating a U.S. benchmark for sustainable soda ash. In the meantime, Solvay is progressing in Europe with the new e.Solvay pilot plant in Dombasle.

Reducing GHG Scope 3 emissions: In 2024, calculation methodologies were aligned with market best practices and GHG Protocol recommendations. Following these changes, the 2021 baseline has been restated with 2024 reporting methodology. The focus 5 categories represent 90% of the new 2021 baseline. At the end of 2024, the cumulative emission reduction from the focus 5 categories since 2021 at constant scope amounts to -4% or -0.6 Mt CO_2eq (financial consolidated perimeter).

Acting for nature and climate**:** In November 2024, the WHC (Wildlife Habitat Council) renewed its Gold Level Biodiversity Conservation Certification to Paulinia where Solvay undertakes a remarkable reforestation project which started in 2017 and will be concluded in 2028. Two new forestation projects were launched in 2024 in Linne Herten, Netherlands (tiny forest) and close to Map Ta Phut, Thailand (mangrove). These projects are financed by the new Solvay Travel Carbon Fund collecting €100 / ton CO_2 emitted by our business travels. On top of their positive impact for biodiversity, these forestation projects allow the removal of GHG.

Better Life

Safety: Following the high severity incidents with 3 tragic fatalities in 2024, Solvay launched a Dedicated Group Safety team led by a Group Safety Director reporting to the COO. This team will engage in a safety transformation to raise safety culture, engagement of all leaders and operational discipline in the plants. This transformation will be supported by an external safety culture consultant company.

Diversity: Solvay increased by 1pp to 27.3% the percentage of women in mid and senior management positions.

Living wage: in 2024 we completed the global living wage analysis for all of the countries it operates in, with a strive to close the gap in 2025.

3.2. PREPARATION BACKGROUND

3.2.1. Restatements

In December 2023, the separation of Solvay SA/NV (EssentialCo) and Specialty Businesses was effected by means of a partial demerger. The Specialty Businesses, renamed to Syensqo SA/NV, became a public company, independent of Solvay. Consequently, to reflect the separation, Solvay's measures of performance were restated, and the Specialty Businesses were classified as discontinued operations. In the tables below, the figures related to 2023 financial performance were restated to reflect the continuing business only.

Following the announced transfer of the eH2O2 activities from Special Chem to Peroxides on January 1, 2024, the sales of Special Chem and Peroxides and the EBITDA of Basic Chemicals and Performance Chemicals have been restated in prior periods.

On April 15, 2024, Solvay published quarterly information for 2023, taking into account some changes in scope, and the application in the Consolidated Income Statement of a change in APM for Peroxidos do Brasil, which is accounted for under the "equity method" in IFRS statements, and proportionally in the APM. The following table presents the details of these adjustments.

New Segments - underlying	FY 2023			
(in € million) - unaudited	Historical	APM changes	Scope changes	New base
Net sales	**4,880**	**163**	**-132**	**4,911**
Basic Chemicals	2,835	163	-25	2,973
Soda Ash & Derivatives	2,093			2,093
Peroxides	742	163	-25	880
Performance Chemicals	2,039		-107	1,932
Silica	583			583
Coatis	646			646
Special Chem	810		-107	703
Corporate	6			6
EBITDA	**1,246**	**24**	**-116**	**1,154**
Basic Chemicals	950	24	-8	965
Performance Chemicals	371		-54	317
Corporate	-75		-53	-128
EBITDA margin	***25.5%***			***23.5%***
Basic Chemicals	*33.5%*			*32.5%*
Performance Chemicals	*18.2%*			*16.4%*

3.2.2. Comparability of results & reconciliation of underlying Income Statement indicators

In addition to IFRS accounts, Solvay also presents underlying Income Statement performance indicators to provide a more consistent and comparable indication of Solvay's economic performance. These figures adjust IFRS figures for the non-cash Purchase Price Allocation (PPA) accounting impacts related to acquisitions, for the coupons of perpetual hybrid bonds classified as equity under IFRS but treated as debt in the underlying statements, and for other elements to generate a measure that avoids distortion and facilitates the appreciation of performance and comparability of results over time.

3.2.3. Alternative performance metric (APM)

Solvay measures its financial performance using alternative performance metrics, which can be found below. Solvay believes that these measurements are useful for analyzing and explaining changes and trends in its historical results of operations, as they allow performance to be compared on a consistent basis. Definitions of the different metrics presented here are included in the glossary at the end of this financial report.

3.2.4. Description of the operational segments

In 2024, the Group is internally organized in the following reportable segments

- Basic Chemicals host chemical intermediate businesses focused on mature and resilient markets. Solvay is a world leader in soda ash, bicarbonate, and peroxides. These global businesses share similar economic characteristics and serve major markets that include building and construction, consumer goods, and food.
- Performance Chemicals host a wider range of products (in the Silica, Coatis and Special Chem businesses) that are subject to customization based on unique formulations and application expertise. These businesses share similar economic characteristics and are high-quality assets with strong positions in their markets.
- Corporate comprises corporate and other business services, such as its Global Business Services, as well as Procurement and Energy expertise.

Basic Chemicals businesses

- **Soda Ash & Derivatives** - (€1.9 bn Underlying net sales, 9 production sites): Solvay is a world leader in the production of sodium carbonate or soda ash and its derivative, sodium bicarbonate. Soda ash is used by customers in glass for building, solar panels, glass containers, and packaging; in lithium-ion batteries for electric vehicles; and for detergents and chemicals. Solvay solutions based on sodium bicarbonate serve traditional markets such as food and animal feed, but also growing applications such as flue gas treatment or healthcare.
- **Peroxides** - (€0.9 bn Underlying net sales, 20 production sites): Solvay are is a global leader in hydrogen peroxide. This environmentally friendly oxidant is used for bleaching, decontamination, disinfection, and antiseptic purposes in industries including pulp and paper, textile, water, and food. It serves as an intermediate for the production of chemicals, such as propylene oxide and caprolactam. It is also essential in growing and emerging applications such as in semiconductors, photovoltaic, urban mining, and battery sectors

Performance Chemicals businesses

- **Silica** - (€0.5 bn Underlying net sales, 7 production sites): Solvay is a global producer of precipitated silica, an essential component in applications in the tire, home and personal care, feed and food industries. As a world innovation leader in Highly Dispersible Silica (HDS), Solvay offers global tire manufacturers the broadest HDS portfolio and develops specialty grades in all tire parts providing unrivaled environmental performance that enables lower fuel consumption and extended battery range in electric vehicles.
- **Coatis** - (€0.6 bn Underlying net sales, 2 production sites): Solvay provides high-performance solvents and polyamide chain products, predominantly for the Latin American market. Coatis is a regional leader in oxygenated solvents used in paintings, hygiene and home care applications, and for the production of phenol and derivatives, used as intermediates to produce synthetic resins employed in foundries, construction, and abrasives.
- **Special Chem** - (€0.7 bn Underlying net sales, 11 production sites): Solvay produces fluorine and rare-earth formulations for automotive, electronics, and various niche chemical and industrial applications. Solvay is a strategic partner for the automotive sector, as a producer of materials used in emission-control catalysis and aluminum brazing, and for the electronics industry, in cleaning and polishing materials for semiconductors.

3.3. UNDERLYING GROUP FIGURES

NOTE P1
NET SALES

Net sales bridge

(in € million)

FY 2023	**4,880**
Scope & APM*	+70
Forex conversion	-66
Volume & mix	+231
Price	-428
FY 2024	**4,686**

* *2024 includes €163 million of APM change. FY 2023 sales restated with the new APM definition would amount to €5,043 million.*

Underlying net sales of €4,686 million for the full year 2024 were lower by -4.0% versus 2023 (-4.0% organically) primarily due to lower prices (-8.8%), while volumes were up (+4.7%) in the majority of the businesses.

Sales by end-markets

2024 sales by end-markets (in %)	Basic Chemicals	Performance Chemicals	Solvay
Automotive	1%	46%	19%
Consumer, HPC & Healthcare	20%	13%	17%
Food & Feed	19%	8%	15%
Resources, Environment & Energy	18%	4%	12%
Building & Construction	10%	6%	9%
Electronics	5%	4%	4%
Chemical industry & Industrial applications	27%	19%	24%

More information on the Net Sales and especially the details of Net sales by country and region is available in the Financial Statements in NOTE F1 Revenue and Segment information

NOTE P2
UNDERLYING RAW MATERIALS & ENERGY COSTS

The overall raw materials expense of the Group amounted to circa €0.95 billion in 2024 (vs. €1.0 billion in 2023). The raw materials expense can be split into several categories: crude oil derivatives for 32% (e.g. cumen, adiponitrile, butanol…) minerals derivatives for 28%, natural gas derivatives circa 22% and others for 18%.

Net energy costs represented around €0.7 billion (vs €0.8 billion in 2023). The distribution per region is the following: in Europe (71%) followed by the Americas (19%), and Asia and the rest of the world (10%). The main energy sources expense are coke, anthracite, petcoke and coal for 35% (vs 39% in 2023), natural gas (net of steam and electricity sold) for 33% (vs 33% in 2023), electricity for 25% (vs 21% in 2023), steam, hydrogen and biomass for 7% (vs 6% in 2023).

More information on energy consumption is available in the Sustainability statements in the NOTE E1-5 Energy consumption and mix

NOTE P3
UNDERLYING EBITDA

Underlying EBITDA evolution – by segment

(in € million)

FY 2023	**1,246**
Scope & APM*	-90
Forex conversion	-10
Basic Chemicals	-185
Performance Chemicals	+15
Corporate	+75
FY 2024	**1,052**

* *2024 includes €24 million of APM change. FY 2024 EBITDA restated with the new APM definition would amount to €1,270 million.*

Underlying EBITDA evolution – by lever

(in € million)

FY 2023	**1,246**
Scope & APM*	-90
Forex conversion	-10
Volume & mix	+104
Net pricing	-236
Fixed costs	+45
Other	-6
FY 2024	**1,052**

* *2024 includes €24 million of APM change. FY 2024 EBITDA restated with the new APM definition would amount to €1,270 million.*

Underlying EBITDA of €1,052 million in 2024 was down -15.6% (-8.2% organically), including a negative scope, APM and conversion impact (-8.0%) from the exit of the thermal insulation and energy third parties businesses, and the change in APM in relation with Peroxidos do Brasil. Volumes were higher (+8.3%) and fixed costs lower (+3.6%) from strong cost discipline, which was offset by decreased Net Pricing (-18.9%). Overall, the EBITDA margin decreased by -3.1pp year on year (-1.0pp organically) to 22.5%.

NOTE P4
UNDERLYING DEPRECIATION & AMORTIZATION

Depreciation, amortization and impairment charges were €320 million in 2024, stable compared to €321 million in 2023.

NOTE P5
UNDERLYING NET FINANCIAL CHARGES

(in € million)		FY 2024	FY 2023
Cost of borrowings		-111	-63
Interest on loans & short term deposits		24	36
Other gains & losses on net indebtedness		-5	2
Net cost of borrowings	a	**-91**	**-25**
Coupons on perpetual hybrid bonds	b	-	-70
Cost of discounting provisions	c	-41	-45
Result from equity instruments measured at fair value	d	-	-
Net financial charges	e = a+b+c+d	**-132**	**-140**

Prior to the Partial Demerger in 2023, Solvay undertook various liability management transactions, including the redemption of hybrid bonds. At the time of the Partial Demerger, the financial debt of Solvay was primarily constituted by €1.5 billion Bridge Term Loan. In April 2024, Solvay issued a €1.5 billion dual tranche bond that replaced the short term Bridge Term loan. The costs of borrowings and coupons on perpetual hybrids both reflect these changes. Overall, net financial charges decreased to €132 million in 2024, -6% compared to €140 million in 2023.

NOTE P6
UNDERLYING INCOME TAXES

(in € million)		FY 2024	FY 2023
Profit / (loss) for the period before taxes	a	600	786
Earnings from associates & joint ventures	b	4	46
Income taxes	c	-155	-198
Underlying tax rate	e = -c/(a-b)	**26.0%**	**26.7%**

The -0.8 percentage point decrease to 26.0% in 2024 from 26.7% in 2023 is mainly due to the change in taxable profit by country.

NOTE P7
UNDERLYING PROFIT FROM DISCONTINUED OPERATIONS

The profit from discontinued operations in the consolidated income statement is analyzed as follows (where 2023 – from January 1, 2023, to December 8, 2023).

(in € million)	2023
Sales	**6,656**
of which revenue from non-core activities	167
of which net sales	6,489
Cost of goods sold	-4,357
Gross margin	**2,299**
Commercial costs	-272
Administrative costs	-466
Research and development costs	-318
Other operating gains / (losses)	-132
Earnings from associates and joint ventures	18
Results from portfolio management and major restructuring	-53
Results from legacy remediation and major litigations	-274
EBIT	**802**
Cost of borrowings	-54
Interest on loans and short term deposits	14
Other gains and (losses) on net indebtedness	-22
Cost of discounting provisions	-20
Result from equity instruments measured at fair value	3
Profit/(loss) for the year before taxes	**723**
Income taxes	-242
Profit for the year from discontinued operations	**481**
Gain on Partial Demerger according to IFRIC17	1,651
Profit for the year from discontinued operations with the gain of the Partial Demerger	**2,132**

NOTE P8
CAPEX

(in € million)		FY 2024	FY 2023
Acquisition (-) of tangible assets	a	-272	-967
of which capital expenditures required for the Partial Demerger and excluded from Free Cash Flow		-	57
Acquisition (-) of intangible assets	b	-13	-97
of which capital expenditures required for the Partial Demerger and excluded from Free Cash Flow		2	-
Payment of lease liabilities	c	-63	-112
Capex	d=a+b+c	**-347**	**-1,119**
Capex in discontinued operations	e	-	-669
Capex in continuing operations	f=d-e	**-347**	**-450**
Capex from Peroxidos do Brasil	g	-8	N/A
Underlying Capex in continuing operations	h=f+g	**-355**	**-450**
Basic Chemicals		-234	-294
Performance Chemicals		-90	-121
Corporate		-31	-35
Underlying EBITDA	i	**1,052**	**1,246**
Basic Chemicals		786	950
Performance Chemicals		324	371
Corporate		-58	-75
Underlying cash conversion (continuing operations)	j = (h+i)/i	**66.3%**	**63.9%**
Basic Chemicals		70.2%	69.0%
Performance Chemicals		72.3%	67.5%

Underlying Capex in continuing operations was €355 million in 2024, a -21% decrease compared to €450 million in 2023.

Underlying cash conversion ratio increased to 66.3%, +2.4pp vs 63.9% in 2023.

More information on the main Capex projects is available in the Financial Statements in NOTE F16 Cash Flows from investing activities - acquisition/disposal of assets and investments

NOTE P9
FREE CASH FLOW

(in € million)		FY 2024	FY 2023
Cash flow from operating activities	a	615	1,911
of which voluntary pension contributions	b	-30	-116
of which cash flow related to internal portfolio management and excluded from Free Cash Flow	c	-87	-270
Cash flow from investing activities	d	-281	-1,792
of which capital expenditures required for the Partial Demerger and excluded from Free Cash Flow	e	-2	-57
Acquisition (-) of subsidiaries	f	-	-2
Acquisition (-) of investments - Other	g	-13	-12
Loans to associates and non-consolidated companies	h	1	-4
Sale (+) of subsidiaries and investments	i	1	-718
Payment of lease liabilities	j	-63	-112
FCF	k = a-b-c+d-e-f-g-h-i+j	**400**	**1,187**
FCF from discontinued operations	l	-	528
FCF from Peroxidos do Brasil	m	17	-
Net interests received/(paid) from Peroxidos do Brasil	n	4	-
Net interests received/(paid) from continuing operations	o	-57	1
Dividends paid to non-controlling interests (continuing operations)	p	-4	-4
Coupons paid on perpetual hybrid bonds	q	-	-95
FCF to Solvay shareholders from continuing operations	r=k-l+m+n+o+p+q	**361**	**561**
FCF to Solvay shareholders from continuing operations (LTM)	s	**361**	**561**
Dividends paid to non-controlling interests (continuing operations) (LTM)	t	-4	-4
Underlying EBITDA (LTM)	u	1,052	1,246
Underlying FCF conversion ratio (LTM, continuing operations)	v=(s-t)/u	**34.6%**	**45.4%**

Free cash flow to shareholders from continuing operations amounted to €361 million in 2024 thanks to the solid EBITDA performance and good control over Working Capital while Capex accelerated in Q4, as planned, to reach €355 million in 2024. Provisions cash-outs (€-193 million) included especially higher restructuring and other costs than last year while financing cash-outs were lower due to the timing of coupon payments from the newly issued bonds.

NOTE P10
NET WORKING CAPITAL

(in € million)		December 31, 2024	December 31, 2023
Inventories	a	623	642
Trade receivables	b	826	840
Other current receivables	c	396	462
Trade payables	d	-810	-850
Other current liabilities	e	-458	-585
Net working capital (IFRS)	f = a+b+c+d+e	**577**	**509**
Net working capital (Peroxidos do Brasil)	g	24	-
Underlying net working capital	h=f+g	**601**	**509**
Quarterly total sales	i	1,291	1,341
Annualized quarterly total sales	j = 4*i	5,163	5,365
Underlying net working capital / annualized quarterly total sales	k = h / j	**11.6%**	**9.5%**

Underlying net working capital over sales increased to 11.6% in 2024, +2.1pp compared to a low base of 9.5% in 2023 (which was due to softer demand around year end, combined with the effects of the simplification of the portfolio).

NOTE P11
UNDERLYING NET DEBT

(in € million)		December 31, 2024	December 31, 2023
Non-current financial debt	a	-1,983	-1,981
Current financial debt	b	-155	-211
IFRS gross debt	c = a+b	-2,138	-2,192
Underlying gross debt	d = c+h	-2,099	-2,192
Other financial instruments (current + non-current)	e	16	118
Cash & cash equivalents	f	539	584
Total cash and cash equivalents	g = e+f	555	703
IFRS net debt	i = c+g	**-1,583**	**-1,489**
Net debt of Peroxidos do Brasil	h	39	
Underlying net debt	j = i+h	**-1,544**	**-1,489**
Underlying EBITDA (LTM)	k	1,052	1,246
Underlying leverage ratio	l = -j/k	**1.5**	**1.2**

(in € million)	
Net Debt at the end of 2023	**-1,489**
FCF to Solvay shareholders	361
Dividends to Solvay shareholders	-256
Voluntary pensions contributions	-30
In/outflow from M&A	-12
Remeasurements, separation project, changes in scope and other	-118
Net Debt at the end of 2024	**-1,544**

Underlying net financial debt was €1.5 billion at the end of 2024, stable compared to the end of 2023. The underlying leverage ratio was 1.5x at the end of 2024.

NOTE P12
PROVISIONS

(in € million)	
Provisions at the end of 2023	**-1,645**
Payments	225
Net new provisions	-250
Unwinding of provisions	-85
Additional voluntary pensions contributions	30
Asset return	70
Remeasurements	94
Separation project, changes in scope and other	18
Provisions at the end of 2024	**-1,544**

Provisions amounted to €1.5 billion at the end of 2024, and included €674 million of provisions relating to employee benefits (primarily pensions) and €511 million of environmental provisions.

More information on the Provisions is availabe in the Financial Statements in NOTE F31 Provisions

NOTE P13
ROCE

(in € million)		2024 as calculated	2023 as calculated
EBIT (LTM)	a	732	926
Accounting impact from EUAs and amortization & depreciation of purchase price allocation (PPA) from acquisitions	b	-3	-7
Numerator	c = a+b	**728**	**918**
WC industrial	d	696	533
WC Other	e	-134	99
Property, plant and equipment	f	2,184	2,152
Intangible assets	g	219	216
Right-of-use assets	h	281	273
Investments in associates & joint ventures	i	77	417
Other investments	j	30	32
Goodwill	k	782	783
Denominator	l = d+e+f+g+h+i+j+k	**4,135**	**4,506**
ROCE	*m = c/l*	***17.6%***	***20.4%***

ROCE was 17.6% in 2024, -2.8pp compared to 20.4% in 2023 as a result of lower EBIT.

3.4. UNDERLYING FIGURES PER SEGMENT

Segment overview

(in € million)	FY 2024	FY 2023	% yoy	% organic
Net sales	**4,686**	**4,880**	**-4.0%**	***-4.0%***
Basic Chemicals	2,842	2,835	+0.2%	*-5.1%*
Soda Ash & Derivatives	1,907	2,093	-8.9%	*-8.8%*
Peroxides	935	742	+26.1%	*+3.4%*
Performance Chemicals	1,834	2,039	-10.1%	*-2.7%*
Silica	543	583	-6.8%	*-6.5%*
Coatis	631	646	-2.3%	*+4.1%*
Special Chem	660	810	-18.6%	*-5.3%*
Corporate	10	6		
EBITDA	**1,052**	**1,246**	**-15.6%**	***-8.2%***
Basic Chemicals	786	950	-17.3%	*-19.1%*
Performance Chemicals	324	371	-12.7%	*+4.9%*
Corporate	-58	-75	+22.5%	*n.m*
EBITDA margin	***22.5%***	***25.5%***	***-3.1pp***	**-1.0pp**
Basic Chemicals	27.7%	33.5%	-5.9pp	-4.8pp
Performance Chemicals	17.7%	18.2%	-0.5pp	+1.3pp
Capex in continuing operations	**355**	**450**	**-21.1%**	**-**
Basic Chemicals	234	294	-20.5%	
Performance Chemicals	90	121	-25.6%	
Corporate	31	35	-10.7%	
Cash conversion (continuing operations)	**66.3%**	**63.9%**	**+2.4pp**	**-**
Basic Chemicals	70.2%	69.0%	+1.2pp	
Performance Chemicals	72.3%	67.5%	+4.8pp	

NOTE P14
BASIC CHEMICALS

(in € million)	FY 2024	FY 2023	% YoY	% Organic
Net sales	**2,842**	**2,835**	**-4.0%**	**-4.0%**
Soda Ash & Derivatives	1,907	2,093	-8.9%	-8.8%
Peroxides	935	742	+26.1%	+3.4%
EBITDA	**786**	**950**	**-17.3%**	**-19.1%**
EBITDA margin	27.7%	33.5%	-5.9pp	-
Capex in continuing operations	**234**	**294**	**-20.5%**	**-**
Cash conversion	**70.2%**	**69.0%**	**+1.2pp**	**-**

Net sales bridge

(in € million)	
FY 2023	**2,835**
Scope & APM*	177
Forex conversion	-18
Volume and mix	202
Price	-355
FY 2024	**2,842**

* *2024 includes €163 million of APM change. FY 2023 EBITDA restated with the new APM definition would amount to €2,998 million.*

Basic Chemicals sales in the full year 2024 were up +0.2% (-5.1% organically) compared to 2023, with positive impacts from conversion, scope and change in APM (+5.6%) and higher volumes (+7.1%) being offset by the negative price impact (-12.5%). Full year EBITDA for the segment was down -17.3% (-19.1% organically), mostly due to lower prices in soda ash. The EBITDA margin decreased to 27.7%, -5.9pp year on year (-4.8pp organically).

Soda Ash & Derivatives sales for 2024 were lower by -8.9% (-8.8% organically), from lower prices in soda ash, while volumes were higher in both soda ash and bicarbonate. Soda ash demand was higher year-on-year in the seaborne market, though this was partly offset by the reduced demand from container glass, especially in Europe. Bicarbonate demand was supported by the feed and flue gas treatment applications.

Peroxides sales for 2024 increased by +26.1%, including the consolidation of the Peroxidos do Brasil sales (+3.4% organically). Volumes were up in the merchant market, especially in the chemicals, mining, food and disinfection, and pulp applications. Demand was also higher in the HPPO segment and for electronic grades peroxides, especially in Asia.

NOTE P15
PERFORMANCE CHEMICALS

(in € million)	FY 2024	FY 2023	% YoY	% Organic
Net sales	**1,834**	**2,039**	**-10.1%**	**-2.7%**
Silica	543	583	-6.8%	-6.5%
Coatis	631	646	-2.3%	+4.1%
Special Chem	660	810	-18.6%	-5.3%
EBITDA	**324**	**371**	**-12.7%**	**+4.9%**
EBITDA margin	17.7%	18.2%	-0.5pp	-
Capex in continuing operations	**90**	**121**	**-25.6%**	**-**
Cash conversion	**72.3%**	**67.5%**	**+4.8pp**	**-**

Net sales bridge

(in € million)	
FY 2023	**2,039**
Scope & APM*	-107
Forex conversion	-48
Volume & mix	23
Price	-73
FY 2024	**1,834**

* *No APM.*

Performance Chemicals sales for the full year 2024 were down -10.1% (-2.7% organically) compared to 2023, with negative scope and conversion impact (-7.6%), and lower prices (-3.6%) while volumes increased slightly (+1.1%). Full year EBITDA was down -12.7% (+4.9% organically), from the positive volume impact and essentially flat Net pricing. The EBITDA margin ended up at 17.7%, -0.5pp year on year but +1.3pp organically.

Silica sales for the 2024 year were lower by -6.8% (-6.5% organically), with lower prices from formula indexations partially offset by higher volumes. Demand recovered especially in the consumer and industrial goods markets but was also slightly higher in the tire market, especially in the first half of the year.

Coatis sales in 2024 were down by -2.3% year-on-year but up +4.1% organically, with higher volumes especially in phenol and in the overall polyamide chain.

Special Chem sales for 2024 were lower year-on-year by -18.6% from the exit of the thermal insulation activities, while organically, sales were down -5.3%. Volumes were slightly lower especially in rare earth oxides for autocatalysis.

NOTE P16
CORPORATE

(in € million)	FY 2024	FY 2023	% YoY	% Organic
Net sales	**10**	**6**	**n.m.**	**n.m.**
EBITDA	**-58**	**-75**	**+22.5%**	**n.m.**
Capex in continuing operations	**31**	**35**	**-10.7%**	**-**

For the full year 2024, EBITDA was €-58 million, €+17 million compared to 2023, and €+76 million organically, i.e. excluding the impact of the exit of the energy third party supply activities. The negative impact of inflation was largely offset by the structural savings from a leaner organization, combined with contained spend on discretionary expenses and with the lower accruals for the Dombasle energy project (€-29 million in 2024 compared to €-49 million in 2023).

3.5. RECONCILIATION OF UNDERLYING AND IFRS MEASURES

In addition to IFRS accounts, Solvay also presents underlying Income Statement performance indicators to provide a more consistent and comparable indication of Solvay's economic performance. These figures adjust IFRS figures for the non-cash Purchase Price Allocation (PPA) accounting impacts related to acquisitions, for the coupons of perpetual hybrid bonds classified as equity under IFRS but treated as debt in the underlying statements, and for other elements in order to generate a measure that avoids distortion and facilitates the appreciation of performance and comparability of results over time.

FY consolidated income statement	FY 2024			FY 2023		
(in € million)	IFRS	Adjustments	Underlying	IFRS	Adjustments	Underlying
Sales	**5,130**	**146**	**5,276**	**6,024**	**-**	**6,024**
of which revenues from non-core activities	590	-	590	1,145	-	1,145
of which net sales	4,540	146	4,686	4,880	-	4,880
Cost of goods sold	-3,984	-96	-4,080	-4,642	-	-4,642
Gross margin	**1,146**	**50**	**1,196**	**1,382**	**-**	**1,382**
Commercial costs	-93	-3	-96	-100	-	-100
Administrative costs	-326	-10	-336	-426	68	-357
Research & development costs	-34	-1	-35	-47	-	-47
Other operating gains & losses	-91	89	-2	15	-14	1
Earnings from associates & joint ventures	38	-34	4	53	-7	46
Result from portfolio management & major restructuring	-134	134	-	-550	550	-
Result from legacy remediation & major litigations	-73	73	-	-50	50	-
EBITDA	**795**	**257**	**1,052**	**701**	**545**	**1,246**
Depreciation, amortization & impairments	-362	42	-320	-423	102	-321
EBIT	**433**	**299**	**732**	**278**	**647**	**926**
Net cost of borrowings	-76	-15	-91	-41	16	-25
Coupons on perpetual hybrid bonds	-	-	-	-	-70	-70
Cost of discounting provisions	-15	-25	-41	-62	17	-45
Result from equity instruments measured at fair value	-22	22	-	4	-4	-
Profit / (loss) for the period before taxes	**320**	**280**	**600**	**180**	**606**	**786**
Income taxes	-87	-68	-155	-208	10	-198
Profit / (loss) for the period from continuing operations	**233**	**212**	**445**	**-28**	**616**	**588**
Profit / (loss) for the period from discontinued operations	-	2	2	2,132	-1,291	842
Profit / (loss) for the period	**233**	**214**	**447**	**2,105**	**-675**	**1,430**
attributable to Solvay share	223	209	432	2,093	-676	1,417
attributable to non-controlling interests	10	5	15	12	1	13
Basic earnings per share (in €)	2.12	1.99	4.11	20.09	-6.49	13.61
of which from continuing operations	2.12	1.98	4.10	-0.36	5.91	5.55
of which from discontinued operations	-	0.02	0.02	20.45	-12.39	8.06
Diluted earnings per share (in €)	2.10	1.97	4.07	19.85	-6.41	13.44
of which from continuing operations	2.10	1.95	4.06	-0.35	5.84	5.48
of which from discontinued operations	-	0.02	0.02	20.20	-12.24	7.96

Sales and Cost of goods sold (gross margin) on an IFRS basis were €1,146 million, versus €1,196 million on an underlying basis to adjust for the change from equity accounting to proportional consolidation under the modified APM for Peroxidos do Brasil.

EBITDA on an IFRS basis totaled €795 million, versus €1,052 million on an underlying basis. The difference of €257 million is mainly explained by the following adjustments to IFRS results, which are done to improve the comparability of underlying results:

- €89 million to adjust for the "Result from portfolio management and major restructuring" (excluding depreciation, amortization and impairment elements), mainly including costs incurred for the project aimed at the separation of the Group into two independent, publicly listed companies and other restructuring initiatives.
- €73 million to adjust for the "Result from legacy remediation and major litigations", mainly due to legacy environmental provisions and legal fees for major litigations.
- €27 million to adjust for the change from equity accounting to proportional consolidation under the modified APM for Peroxidos do Brasil.

EBIT on an IFRS basis totaled €433 million, versus €732 million on an underlying basis. The difference of €299 million is explained by the above-mentioned €257 million adjustments at the EBITDA level and €42 million of "Depreciation, amortization & impairments". The latter consist of €45 million to adjust for the impact of impairment of other non-performing assets in "Results from portfolio management and major restructuring".

Net financial charges on an IFRS basis were €-113 million versus €-132 million on an underlying basis. The €-19 million adjustment made to IFRS net financial charges mainly consists of:

- €-25 million related to the impact of an increase in discount rates on environmental provisions.
- €-21 million related to the reevaluation of Long-term incentive liabilities due to the Syensqo shares.
- €+22 million related to the re-measurement of the Syensqo shares at fair value.

Income taxes on an IFRS basis were €-87 million, versus €-155 million on an underlying basis. The €-68 million adjustment mainly relates to the adjustments of the earnings before taxes described above and valuation allowances on deferred tax assets related to prior periods.

Profit / (loss) attributable to Solvay shareholders was €223 million on an IFRS basis and €432 million on an underlying basis. The delta of €209 million reflects the above-mentioned adjustments to EBIT, net financial charges, and income taxes.

3.6. NOTES TO THE FIGURES PER SHARE

Historical key share data

		2024	2023[1]
Number of shares (in thousand shares)			
Issued shares at end of year	a	105,876	105,876
Treasury shares at end of year	b	1,411	862
Shares held by Solvac	c	32,622	32,622
Outstanding shares at the end of the year	d = a-b	104,465	105,014
Average outstanding shares (basic calculation)	e	105,001	104,162
Average outstanding shares (diluted calculation)	f	106,055	105,437
Data per share (in €)			
Equity attributable to Solvay share		13.75	12.43
Underlying profit for the period (basic)	g	4.11	13.61
IFRS profit for the period (basic)	h	2.12	20.09
IFRS profit for the period (diluted)	i	2.10	19.85
Gross dividend[2]	j	2.43	2.43
Net dividend[2]	k = j*(1-30%)[3]	1.70	1.70
Share price data (in €)[4]			
Highest		39.35	27.73
Lowest		22.21	20.62
Average		30.72	25.41
At the end of the year	l	31.16	27.73
Underlying price/earnings	m = l/g	7.58	2.04
IFRS price/earnings	n = l/h	14.70	1.38
Gross dividend yield	o = j/l	7.8%	8.8%
Net dividend yield	p = k/l	5.5%	6.1%
Stock market data[4]			
Average daily volume (in thousand shares)		321	1,818
Annual volume (in thousand shares)	q	82,060	N/A [5]
Annual volume (in € million)		2,417	N/A [5]
Market capitalisation, end of year (in € million)	r = l*d/1000	3,255	2,912
Velocity	s = q/a	77.5%	N/A [5]
Velocity adjusted for free float	t = q/(a-b-c)	114.0%	N/A [5]

(1) Where applicable, 2023 financial figures refer to continuing operations.

(2) Recommended 2024 dividend, pending General Shareholders meeting on May 13, 2025

(3) Belgian withholding tax applicable, 30% since 2017.

(4) Stock market data is based on all trades registered by Euronext ; all share price data are considering Euronext closing price. 2023 data refers the period December 11, 2023 (following the partial demerger of the specialty businesses to Syensqo) to December 31, 2023

(5) Not relevant for 2023 given that the partial demerger only happened on December 11, 2023

NOTE P17
EARNINGS PER SHARE

		FY 2024	FY 2023
Profit attributable to Solvay share (in € m)			
Underlying profit for the period	a	432	1,417
Underlying profit from continuing operations	b	430	578
IFRS profit for the period	c	223	2,093
IFRS profit from continuing operations	d	223	-37
Number of shares (in thousand shares)			
Issued shares at end of year	e	105,876	105,876
Treasury shares at end of year	f	1,411	862
Outstanding shares at the end of the year	g = e-f	104,465	105,014
Average outstanding shares (basic calculation)	h	**105,001**	**104,162**
Average outstanding shares (diluted calculation)	i	**106,055**	**105,437**
Data per share (in €)			
Underlying profit for the period (basic)	j = a/h	**4.11**	**13.61**
Underlying profit from continuing operations (basic)	k = b/h	**4.10**	**5.55**
IFRS profit for the period (basic)	l = c/h	**2.12**	**20.09**
IFRS profit from continuing operations (basic)	m = d/h	**2.12**	**-0.36**
IFRS profit for the period (diluted)	p = c/i	**2.10**	**19.85**
IFRS profit from continuing operations (diluted)	q = d/i	**2.10**	**-0.35**

NOTE P18
DIVIDEND

The Board of Directors has decided to propose a total gross dividend of €2.43 per share, subject to Shareholders' approval during the Ordinary General Meeting scheduled for May 13, 2025. If approved and taking into account the interim gross dividend of €0.97 per share paid on January 22, 2025, a final gross dividend of €1.46 per share will be paid on May 21, 2025.

3.7. 2025 OUTLOOK

For 2025, current macroeconomic and geopolitical contexts do not suggest any significant volume recovery in Solvay main end markets. Solvay thus expects the trends of the latter part of the previous year to continue for at least the first semester. Net pricing is anticipated to be resilient compared to 2024, including the impact of the soda ash annual contracts.

In light of these external dynamics, management will continue to focus on the transformation of the company. Cost savings are expected to reach €200 million by year end (from €110 million at the end of 2024), offsetting both inflation and the temporary Corporate stranded costs expected in 2025 from the exit of the Transition Service Agreement with Syensqo.

In that context, Solvay expects its full year 2025 underlying EBITDA to be between €1.0 billion and €1.1 billion (representing an organic growth of -5 to +5% using EUR/USD rate of 1.05). Free cash flow to Solvay shareholders from continuing operations is expected to be around €300 million. Capex are expected to be between €300 million to €350 million, and provision cash-out will increase by more than €50 million year-on-year, mainly due to planned payments for the Dombasle energy transition project, accrued for in prior years.

3.8. 2028 FINANCIAL TARGETS

Solvay has a profile that allows the company to deliver top quartile and resilient financial performance over the years. Its focused strategy will enable Solvay to continue generating sustainable cash flows and attractive returns, while preparing the future growth of the company.

At the Capital Markets Day in November 2023, Solvay announced mid-term targets for the period 2024-2028. After this first successful year post spinoff, Solvay confirms its 2028 trajectory and the following mid-term targets:

→ Organic underlying EBITDA growth: confirmed at mid-single digit (in %, annual average). Solvay expects this growth to be driven both by top line growth and cost savings.
→ Underlying EBITDA margin expansion (in %): confirmed at mid-to-high 20s
→ Gross savings annual run-rate: increased from €300 to €350 million.
→ ROCE: confirmed to increase to low 20s (in %)

Finally, Solvay replaces its free cash flow conversion ratio target by the existing Capital Allocation policy, which confirms the company's commitment toward free cash flow generation:

→ Investing in essential capex, which will represent €250-300 million per year, including €30-35 million capex in energy transition projects
→ Rewarding shareholders with stable to increasing dividends, with 2024 dividends at €260 million as a starting point
→ Preparing for the future with a priority given to growth capex based on affordability and value creation, with an optionality for additional shareholder return

4. Corporate governance statement

4. Corporate governance statement

4.1. INTRODUCTION

Solvay SA/NV ("Solvay" or the "Company") – headquartered in Belgium and listed on Euronext Brussels and Euronext Paris – is committed to upholding the highest level of Belgian governance practices and disclosures. We consistently seek to strengthen our corporate governance, emphasizing transparency and promoting a culture of sustainable long-term value creation, in line with our Purpose.

Solvay's Board is responsible for maintaining the Solvay Group's long-term strategic thinking and for overseeing, challenging, and supporting the Executive Leadership Team's implementation of Solvay's strategy.

In accordance with Belgian law, Solvay adheres to the principles and provisions of the 2020 Belgian Corporate Governance Code (the "Belgian Governance Code"), which is based on a "comply or explain" principle. The English, French, and Dutch versions of the Belgian Governance Code can be found on the website of the Belgian Corporate Governance Committee.

Solvay's Board has adopted a Corporate Governance Charter (the "Governance Charter"). The Governance Charter is available in English, French, and Dutch on Solvay's corporate website. It describes the main aspects of Solvay's approach to corporate governance, including the governance structure and the internal rules of the Board, its Committees, and of the Executive Leadership Team.

In addition, Solvay publishes a Corporate governance statement in the Annual Integrated Report, which includes the information required by the Belgian Code of Companies and Associations (hereafter the "Code of Companies and Associations" or "BCCA") and the Belgian Governance Code. The Corporate governance statement includes additional factual information regarding Solvay's corporate governance practices and relevant modifications thereto, together with details on the remuneration of directors and executives and on relevant events that took place during the preceding year.

This section of the Annual Integrated Report constitutes Solvay's Corporate governancesStatement for the year 2024.

4.2. HIGHLIGHTS OF THE YEAR

In 2024, the Board of Directors of Solvay provided effective oversight of the newly composed Executive Leadership Team (ELT), constructive input and support on a range of relevant matters covering strategic, sustainability, and operational priorities. The highlights of the year include defining our new Purpose, "*We are essential chemistry, making progress possible for generations,*" which is the foundation of Solvay's strategy and new Culture. The Board of Directors approved the Double-Materiality Assessment under CSRD as well as the Company's updated sustainability targets and new *For Generations* roadmap. The ELT also continued to deploy an ambitious Transformation Program, reshaping the organization with a strong central governance operating model.

4.3. CAPITAL, SHARES, AND SHAREHOLDERS

4.3.1. Capital

On December 31, 2024, Solvay's share capital amounted to €236,583,447.18 and was represented by 105,876,416 issued ordinary shares.

4.3.2. Solvay shares

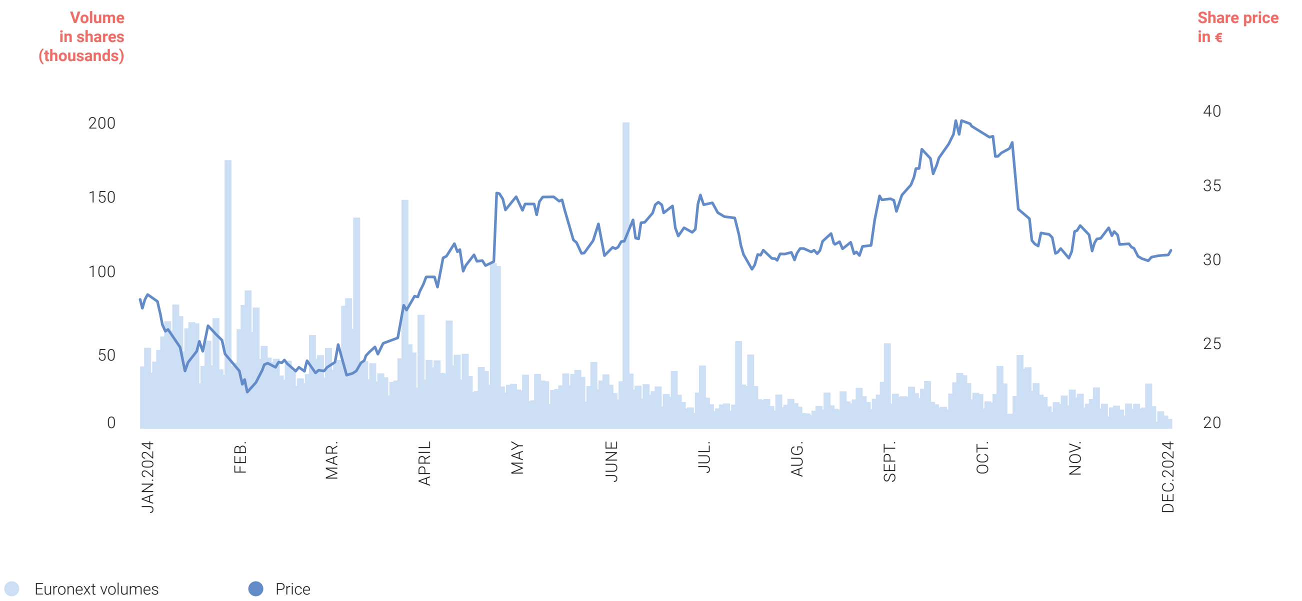
Solvay (SOLB.BE) is listed on Euronext Brussels, which is its primary listing. Solvay has a secondary listing on Euronext Paris. Solvay shares are also traded over the counter (OTC) as an unsponsored American Depository Receipt (ADR).

On December 31, 2024, Solvay was a member of the BEL20, the main Belgian index. Solvay shares are also part of other major indexes including the Euronext Next 150, SBF 120, STOXX Europe 600 Chemicals, and other indices indexes from the STOXX, FTSE or MSCI families, among others.

Between January 1, 2024, and December 31, 2024, the average closing price of the Solvay share was €30.72, the price range was €22.21 to €39.35 and the average daily trading volume as reported by Euronext was 319,829.

Solvay's closing share price on December 31, 2024, was €31.16 (compared to €27.73 on December 31, 2023, i.e. an increase of +12.4%).

Solvay share prices and trading volumes on Euronext from January 2024 to December 2024



4.3.3. Shareholders

Shareholder structure

As of December 31, 2024, Solvay's capital was represented by 105,876,416 ordinary shares. As there are no different classes of shares, all Solvay shares carry the same rights. Each share comes with the right to one vote, following the "one share, one vote" principle.

Solvay ordinary shares can be held as either:

→ Registered shares: Shares represented by an entry within Solvay's share registry, managed by Solvay's Shareholder Services; or
→ Dematerialized shares: Shares represented by a book entry in the name of the shareholder with a recognized account keeper or a clearing institution.

The transparency notifications are required by Belgian law and Solvay's bylaws when an investor crosses the thresholds of 3%, 5%, 7.5% or any multiple of 5% of Solvay voting rights. Unless otherwise indicated, section 2.3.1 of this Annual Integrated Report refers to theoretical voting rights, taking into account all the shares to which voting rights are attached, even if the exercise of these rights is suspended.

As of December 31, 2024 the following investors had indicated through transparency notifications that they had crossed the threshold of 3%:

Institutions	Voting rights	Equivalent financial instruments	Total	Date of notification
Solvac	30.81%	0%	30.81%	August 9, 2024
DME Advisors/DME Capital Management (Greenlight Capital)	5.21%	0%	5.21%	March 15, 2024
BNP Paribas Asset Management	3.07%	0%	3.07%	October 2, 2024

Solvac

Solvay's largest shareholder is Solvac SA ("Solvac"). Solvac is a public limited liability company established under Belgian law, founded in 1983. Its annual reports indicate that its primary asset consists of shares in Solvay and Syensqo SA/NV.

Solvac's most recent notification to Solvay is dated from August 9, 2024, and indicates it owns 32,621,583 shares of Solvay, representing 30.81% of the total number of shares issued by Solvay.

Solvac's shares are traded on Euronext Brussels. It has approximately 14,000 shareholders. Among these, more than 2,400 individuals are related to the founding families of Solvay and Solvac, which, combined, are reported to hold approximately 77% of Solvac's shares.

A relationship agreement with Solvac has not been considered necessary so far. Under Solvay's new Corporate Governance, implemented at the end of 2023, the Company continues to welcome the proportional representation of Solvac's representatives on the Board of Solvay as a sign of long-term commitment to Solvay's new chapter and its continued success.

Treasury shares

From time to time, Solvay acquires its own shares on the market for the purpose of meeting any delivery obligations of Solvay shares arising from grants of its PSU and RSU plans (Performance Share Units and Restricted Share Units) and Employee Share Purchase Plan.

As of December 31, 2024, Solvay held a total of 1,411,344 own shares, spread out as follows:

→ 1,149,924 Solvay shares held by Solvay SA; and
→ 261,420 Solvay shares held by Solvay Stock Option Management SRL ("SSOM"), a wholly owned indirect subsidiary of Solvay SA. The voting rights attached to the shares held by Solvay Stock Option Management are, as a matter of law, suspended.

Employee Share Purchase Plan

In December 2021, Solvay announced a global employee shareholding initiative, the Employee Share Purchase Program ("ESPP"), in coordination with the Solvay Global Forum, a global employee representative body created in 2015 to meet with Solvay's top management on a quarterly basis to comment on and discuss the quarterly results of Solvay and to keep everyone informed of the main new projects. The ESPP was set up to increase the Solvay Group employees' understanding of Solvay's performance and enhance their sense of belonging and ownership in Solvay.

In September 2022, 6,105 employee shareholders participated in the first employee shareholder plan.

Following the Partial Demerger of the Specialty businesses in December 2023, 1,907 active employees at Solvay were part of the ESPP and received, in October 2024, their free and matching Solvay shares. The number of those free and/or matching shares was determined based on the 30-day average closing price of the Solvay share relative to the combined 30-day average closing prices of the Syensqo share and the Solvay share.

4.3.4. Relations with investors and analysts

Solvay maintains an open, ongoing, and constructive dialogue with the investment community. We always seek to provide pertinent and accurate information to ensure understanding of Solvay's business and strategy, helping the financial community to make its own informed assessments and judgments. Detailed information on our business activities, strategy, and financial performance is available through various regulatory and other publications, such as the Annual Integrated Report, financial reports and press releases, as well as other media, such as webcasts, which are available on our website.

The Investor Relations (IR) team maintains a close relationship with investors throughout the year. The CEO and CFO also prioritize interactions with the investment community.

4.3.4.1. Interactions with sell-side analysts

Solvay is covered by 19 sell-side analysts who regularly publish research on the Company. The up-to-date list of analysts can be found on Solvay's website.

Apart from regular individual meetings, emails, and phone conversations, Solvay organizes quarterly conference calls and webinar series between the senior management and the financial community, following the publication of the Group's results. Although specifically geared toward analysts, these conference calls are accessible live to all investors, and remain available in the form of a video and transcript on the Solvay website.

Where opportunities permit, such as when Solvay management undertakes investor roadshows or participates in investor conferences, face-to-face meetings with analysts are also periodically arranged in major financial cities.

In June 2024, Solvay organized a webinar on its Performance Chemicals segment, to present its Silica, Coatis and Special Chem businesses. It also highlighted the resilience of these activities and the opportunities offered by them to deliver future growth.

4.3.4.2. Interactions with investors and shareholders

Solvay mainly interacts with institutional investors following the announcement of quarterly, half- and full-year results. In 2024, Solvay participated in many events, including with senior management. This included 20 conferences and roadshows in countries across Europe and North America, as well as virtual meetings in addition to these events.

Solvay's CEO and CFO attended many of the meetings with the financial community. They discussed different topics, including quarterly earnings results, market conditions, the prospects for the current year, and the medium-term strategy.

In addition, Solvay also holds regular meetings with its reference shareholder, Solvac. In 2024, the CEO gave two presentations to Solvac's Board of Directors, after the Solvay Group's half- and full-year results.

Finally, Solvay interacts with individual investors and shareholders on a regular basis. In 2024, the IR team participated in the VFB Happening, a shareholder event for individual investors hosted in Antwerp, Belgium.

4.3.4.3. Interactions with proxy advisors, shareholders stewardship teams, ESG research providers, and ESG analysts

The management of the company regularly engages with the proxy advisors, the stewardship teams of institutional investors, and ESG research providers and ESG investors. The purpose of this engagement exercise is to provide an update on Solvay's key governance and/or ESG evolutions and commitments. In 2024, topics included:

- the impact of the separation project: employees' commitment, culture, performance, governance;
- the definition and functioning of the Board;
- the ESG roadmap and results; and
- the remuneration policy of the company after the partial demerger: what has already changed, and what are the planned evolutions.

Solvay also treats these engagements as an opportunity to understand changes in the methodologies and policies used by the stewardship teams and service providers, as well as to actively solicit their feedback on how Solvay can improve its ESG practices and disclosures.

4.4. BOARD OF DIRECTORS AND BOARD COMMITTEES

4.4.1. Board of Directors

4.4.1.1. Structure and composition

The composition and functioning of the Board of Directors is continuously reviewed to ensure that the right profiles are represented, with the skills and experience considered necessary to drive Solvay's business and sustainability strategy.

- Mr. Pierre Gurdjian (Chair and Independent Director)
- Ms. Aude Thibaut de Maisières* (Vice Chair)
- Mr. Philippe Kehren (Executive Director and Chief Executive Officer)
- Mr. Thomas Aebischer (Independent Director)
- Mr. Thierry Bonnefous*
- Mr. Yves Bonte (Independent Director)
- Mr. Wolfgang Colberg (Independent Director)
- Mr. Melchior de Vogüé*
- Ms. Marjan Oudeman (Independent Director)
- Ms. Annette Stube (Independent Director)

* *Director whose appointment was proposed by Solvac to the Company.*

As a result, as of December 31, 2024, the Board was composed of 10 directors and had the following attributes:

→ The role of Chair of the Board and CEO are separated.

→ Nine of the 10 directors on the Board are non-executive and represent diverse competencies, as highlighted in the directors' skills and qualification matrix below (*see page 59*).

→ Three of the 10 directors (30%) are women.

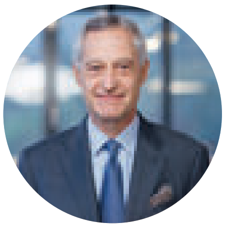
→ Six of the 10 directors (60%) are considered to be independent non-executive directors, according to the criteria defined by the Belgian Governance Code, and have been recognized as such by the respective Annual and Extraordinary Shareholders' Meetings during which they were elected. Three of the 10 directors were appointed upon the proposal of Solvac.

→ Each of the 10 members of the Board has a four-year mandate.

→ The Board is represented with six different nationalities.

The table that follows includes information about the members of the Board as of December 31, 2024:

✪ Year of appointment ☑ Presence at Board meetings in 2024



Pierre Gurdjian
Chair of the Board of Directors
Independent Director

Belgian/**Born in**: 1961

✪ 2022 ☑ 8/8

Solvay SA mandates:
Chair of the Board of Directors
Chair of the Finance Committee
Member of the Compensation and Nomination Committees

Directorship expiry date: 2026

Diplomas:
Degree in Commercial Engineering from the Free University of Brussels (VUB) (Belgium)
MBA from Harvard Business School (USA)

Other roles:
Board Member of Lhoist;
Board Member of Queen Elisabeth Music Chapel (Belgium)
Co-founder of Belgium's "40 under 40" societal leadership development platform

Directorships in public companies:
Board Member of UCB SA

Aude Thibaut de Maisières
Non-independent Director

Belgian/**Born in:** 1975

✪ 2020 ☑ 7/8

Solvay SA mandates:
Vice Chair of the Board of Directors
Chair of the ESG Committee
Member of the Nomination and of the Compensation Committees

Directorship expiry date: 2028

Diplomas:
MBA from Columbia Business School, New York (USA)
MSc from the London School of Economics, London (UK)
MA from the University of La Sorbonne, Paris (France)

Other roles:
Board Member, Paradigm Capital Value Fund SICAV
Cofounder & Managing Director, Sonic Womb Productions Limited

Directorships in public companies: None

Philippe Kehren
Executive Director

French/**Born in:** 1971

✪ 2023 ☑ 8/8

Solvay SA mandates:
Chair of the Executive Leadership Team
Member of the Finance and ESG Committees

Directorship expiry date: 2027

Diplomas:
Master of Science in Chemical Engineering from the University of Wisconsin - Madison (USA)
Bachelor in Engineering-Petroleum (Spec. in Refining, Engineering and Gas) from the French Institute of Petroleum School, Paris (France)
Bachelor in Engineering from École Polytechnique, Paris (France)

Other roles: None

Directorships in public companies: None

Thomas Aebischer
Independent Director

Swiss/**Born in**: 1961

✪ 2023 ☑ 8/8

Solvay SA mandates:
Chair of the Audit and Risk Committee
Member of the Finance Committee

Directorship expiry date: 2027

Diplomas:
Advanced Management Program, Harvard Business School (USA)
Trustee Exams and School for Swiss Certified Accountants, Zurich (Switzerland)

Other roles:
Audit Committee Chair and Vice Chairman of the Board of dormakaba, Rümlang, CH
Audit Committee Chair of the Board of Sika AG, Baar, CH

Directorships in public companies:
Board Member of dormakaba, Rümlang, CH
Board Member of Sika AG, Baar, CH

✪ Year of appointment ☑ Presence at Board meetings in 2024

Thierry Bonnefous
Non-independent Director

French/**Born in**: 1979

✪ 2023 ☑ 8/8

Solvay SA mandates:
Member of the ESG Committee

Directorship expiry date: 2027

Diplomas:
Master of Engineering, Science and Technology from École Polytechnique, Paris (France)
Master of Science in Project, Innovation and Design Management from École Polytechnique, École des Mines and École des Ponts – ParisTech (France)
INSEAD – Advanced Management Executive Programme (Singapore & France)

Other roles:
Digital Train Program Director at Alstom

Directorship in public companies: None

Yves Bonte
Independent Director

Belgian/**Born in:** 1961

✪ 2023 ☑ 8/8

Solvay SA mandates:
Member of the Nomination and of the Compensation Committees

Directorship expiry date: 2027

Diplomas:
Post-graduate degree in Business, Administration and Management, and Master's degree in Civil Engineering (Metallurgy and Materials Engineering) from the Catholic University of Leuven (Belgium)
International Directors Programme at INSEAD Business School, Paris (France)

Other roles:
Chair of the Board of Directors and Chief Executive Officer at Domo Chemicals NV
Chair of the Board of Domo Chemicals Holding NV

Directorships in public companies: None

Wolfgang Colberg
Independent Director

German/**Born in:** 1959

✪ 2021 ☑ 8/8

Solvay SA mandates:
Chairman of the Compensation Committee
Member of the Audit and Risk, Finance, and Nomination Committees

Directorship expiry date: 2025

Diplomas:
PhD in Political Science (Business Administration and Business Informatics) from the University of Kiel (Germany)

Other roles:
Chairman of AMSilk GmbH (Germany)
Board Member of Fire (BC) Holdco Ltd. (UK)
Industrial Partner of Capmont (Germany)

Directorships in public companies:
Board Member of Thyssenkrupp AG and Burelle SA

Marjan Oudeman
Independent Director

Dutch/**Born in:** 1958

✪ 2015 ☑ 8/8

Solvay SA mandates:
Chair of the Nomination Committee
Member of the Audit and Risk Committee
Member of the ESG and Compensation Committees

Directorship expiry date: 2027

Diplomas:
Law Degree from Rijksuniversiteit Groningen (the Netherlands)
Master's Degree in Business Administration from the University of Rochester New York (USA) and Erasmus Universiteit Rotterdam (the Netherlands)

Other roles:
Board Member SHV Holdings NV and KLM NV
Chair of Groenvermogen, Dutch innovation Fund for Green Hydrogen

Directorships in public companies:
Board Member of UPM-Kymmene Oyj

✪ Year of appointment ☑ Presence at Board meetings in 2024

Annette Stube
Independent Director

Danish/**Born in:** 1967

✪ 2023 ☑ 7/8

Solvay SA mandates:
Member of the ESG Committee

Directorship expiry date: 2027

Diplomas:
Master's degree in Psychology (Spec. in Organizational Development) from the University of Copenhagen (Denmark)

Other roles:
Member of the Board of Directors of WWF (Denmark)
Chief Sustainability Officer at the LEGO group

Directorships in public companies: None

Melchior de Vogüé
Non-independent Director

French/**Born in:** 1962

✪ 2023 ☑ 8/8

Solvay SA mandates:
Member of the Audit and Risk, and Finance Committees

Directorship expiry date: 2027

Diplomas:
Master's degree in Business, Administration and Management from HEC (École des Hautes Études Commerciales), Paris (France)

Master's degree in Business, Administration and Management at the Paris IX-Dauphine University (France)

Certified Analyst degree from the French Society of Financial Analysts, Paris (France)

Other roles:
Board Member of Centre Médical de Bligny
Chief Financial Officer of the Etex Group

Directorships in public companies:
Board Member and Chairman of the Risk and Audit Committee of Solvac SA

4.4.1.2. Director skills and qualification matrix

Collectively, the members of the Board bring the wide set of skills and experience required to develop and oversee the Solvay Group's long-term strategy. This experience has been aggregated in the Director Skills and Qualification Matrix. The Board's skills and experience range from international industries and markets – for many of them at executive level – to functional domains, like human resources.

This matrix also helps the Nomination Committee, together with the Board, to identify the skills and experience needed to help drive Solvay's business and sustainability strategy when considering new Board members.

Each director's skills and experience is presented in the Director Skills and Qualification Matrix below.

	Chemical industry	Finance	Corporate governance	Industrial	Research & Development	Digital/IT	Human resources	ESG	International
Pierre Gurdjian	X	X	X	X			X		X
Philippe Kehren	X	X		X	X			X	X
Thomas Aebischer	X	X	X	X		X			X
Thierry Bonnefous				X	X	X		X	X
Yves Bonte	X	X	X	X	X			X	X
Wolfgang Colberg	X	X	X	X		X	X		X
Marjan Oudeman	X	X	X	X	X		X	X	X
Annette Stube			X	X			X	X	X
Aude Thibaut de Maisières	X	X	X		X			X	X
Melchior de Vogüé	X	X	X	X		X			X

4.4.1.3. Diversity at Board level

Solvay values diversity of its directors, including in terms of gender, age, nationalities, experience, education, and skill sets. Details of the qualifications and experience of the Board members can be found in sections 4.4.1.1 and 4.4.1.2. The composition of the Board satisfies the legal requirements applicable in Belgium relating to gender diversity though the Board considers this to be the minimum threshold to be met and will continuously review the requirements of its institutional investors and proxy advisors. Furthermore, Solvay's commitment to diversity at Board level is further evidenced by the criteria for appointment of directors listed in section 5.2.3 of the Governance Charter, which is available on Solvay's corporate website.

4.4.1.4. Functioning

- The Articles of Association provide that the Board shall meet as often as the Company's interests so require. The meeting of the Board is convened by the Chairperson or, in the absence of the Chairperson, the Vice Chairperson or a director with day-to-day responsibilities. The Board of Directors shall be convened each time that the Executive Leadership Team, a director with day-to-day responsibilities, or three directors so request(s) it. Further information on the functioning of the Board of Directors is provided in the Corporate Governance Charter.
- In 2024, the Board held eight meetings, most of which were in-person meetings. The below table indicates the individual attendance rate of directors at Board meetings in 2024.

	Board of Directors
	8 meetings in 2024
Attendance	· Mr. Pierre Gurdjian: 8/8 · Ms. Aude Thibaut de Maisières: 7/8 · Mr. Philippe Kehren: 8/8 · Mr. Thomas Aebischer: 8/8 · Mr. Thierry Bonnefous: 8/8 · Mr. Yves Bonte: 8/8 · Mr. Wolfgang Colberg: 8/8 · Mr. Melchior de Vogüé: 8/8 · Ms. Marjan Oudeman: 8/8 · Ms. Annette Stube: 7/8
Main areas of discussion, review, and decisions	· Business updates, which included an overview of the Company's performance, key projects, and market challenges as well as geopolitical and macro-economic developments; site visit at Rheinberg site · One Onboarding session in which the Board was familiarized with the Company, its portfolio and governance, and one Strategic session focused on the strategy in relation to the new perimeter of the Group, the Group mid-term performance trajectory, the capital expenditure allocation, and the sustainability ambition and strategy · Budget, consolidated results and financial profile, investments and capital allocation initiatives, IAS 34 Interim Reporting simplifications, interim dividend, issuance of €1.5bn senior unsecured fixed rate bonds, extension of credit facility agreements, share buy-back program · Double-Materiality Assessment under CSRD and updated sustainability targets · Internal Audit plan, Group risks, overall risk management, and compliance · Board governance and relationship with Solvac, Board self-assessment, Culture and people, succession planning · Board and executive compensation · Updates on Safety, the Transformation Program, and the Company's Operating Model

4.4.1.5. Disclosure pursuant to Article 7:96 of the Code of Companies and Associations

On March 11, 2024, the procedure of Article 7:96 of the Code of Companies and Associations relating to conflicts of interests was applied by the Board of Directors in relation to the remuneration of Philippe Kehren, Chief Executive Officer of the Company, and Pierre Gurdjian, Chairman of the Board of Directors, as follows:

"Philippe Kehren declared he was conflicted, as set out in article 7:96 of the Code of Companies and Associations, with respect to the resolution relating to his compensation package, performance objectives and ST incentive payout 2023. Pierre Gurdjian also declared he was conflicted, as set out in article 7:96 of the Code of Companies and Associations, with respect to the resolution of the Board pay for the Chair.

Wolfgang Colberg provided an update regarding the Compensation Committee meeting to the Board. He indicated that the Committee had a comprehensive meeting addressing a lot of complex topics, especially due to the partial demerger.

Mark van Bijsterveld further updated the Board on the following topics as per the pre-read documentation and the following discussions ensued on the various topics:

(...)

CEO compensation package, performance objectives, and ST incentive payout 2023: It was confirmed the package was formulated based on the new peer group and approved by the previous Board prior to the partial demerger and in line with the remuneration policy.

RESOLUTION

After discussions, the Board approved (i) the CEO compensation package, (ii) CEO performance objectives, and (iii) CEO ST incentive payout 2023, it being understood that Philippe Kehren did not vote in this respect.

(...)

Remuneration for the Chair: Recommendation for the Board Chair remuneration to be an aggregation of Board and Committee fees.

RESOLUTION

After discussions, the Board approved the new contemplated remuneration for the Chair to be submitted to the 2024 annual general meeting and with effect as of 1 January 2024, it being understood that Pierre Gurdjian did not vote in this respect."

4.4.1.6. Evaluation

In accordance with the Governance Charter, the Board, under the direction of the Chairperson of the Board of Directors and the Nomination Committee, evaluates on a regular basis its composition, its functioning, its information and interactions with the executive management, and the composition and functioning of the Committees created by it.

The members of the Board of Directors are invited to express their opinions on those various points.

In addition, every three years, the evaluation is led by an external consultant.

The Nomination Committee, together with an external consultant where applicable, analyze the outcome of the evaluation and submit conclusions and recommendations to the Board of Directors. The Board of Directors decides on possible improvements to be made at the end of this evaluation process.

A self-evaluation of the Board was carried out internally in 2024 and the next external evaluation is foreseen in 2025.

4.4.1.7. Induction and continuous Board training

An Induction Program is in place for new directors. The program includes a review of the Group's strategy, activities, and corporate governance.

The Board is also actively engaged on the topic of sustainability. On top of regular updates provided by the Environment, Social, and Governance Committee, every year a specific session is organized, dedicated to receiving updates on various themes from sustainability teams, so as to better understand the Group's strengths and weaknesses, and to determine the impact of emerging trends on the Group's business and performance.

Site visits are also part of the Board's continuous training program. They consist of meetings with management and local teams, business presentations, and field tours.

4.4.2. Board committees

The Board of Directors has the following permanent committees: Audit and Risk Committee, Finance Committee, Compensation Committee, Nomination Committee and Environment, Social, and Governance Committee ('ESG Committee'). The principles governing the composition, role, and missions of the committees, as well as their internal rules, are set out in the Corporate Governance Charter.

The composition of the committees is regularly reviewed, including whether they meet the expectations of the market and our diverse shareholder base. As we continue to refresh the Board, we also consider adding independent members to our committees. As of today, all key committees (Audit and Risk Committee, and the Nomination and Compensation Committees) are composed solely of non-executive directors, a majority of which are independent. More importantly, these committees comprise members that have the experience and skills necessary to add value and deliver effectively on their mandate. The Group Corporate Secretary acts as Secretary to each of the Board committees.

4.4.2.1. The Audit and Risk Committee

Composition and functioning

The below table indicates the composition of the Audit and Risk Committee as well as the number of meetings organized respectively during this period.

Number of meetings	**6 meetings** in 2024
Composition	· Mr. Thomas Aebischer (Chair) 6/6 · Mr. Wolfgang Colberg 6/6 · Mr. Melchior de Vogüé 6/6 · Ms. Marjan Oudeman 6/6

As of December 31, 2024, the composition was as follows:

- Four members
- The CFO is invited to meetings
- All members are non-executive directors, a majority of whom are independent
- All the members fulfill the competency criterion by virtue of the training and the experience they gained in previous functions

Internal rules relating to the Audit and Risk Committee are set out in the Governance Charter.

Report of activities

Over the course of the financial year 2024, the Audit and Risk Committee met six times and mainly:

- Reviewed and considered reports from the CFO, the Head of the Group Internal Audit and Risks, and the auditor in charge of the external audit, EY Bedrijfsrevisoren BV / EY Réviseurs d'Entreprises SRL (represented by Ms. Marie Kaisin, then by Mr. Eric Van Hoof as of the General Meeting of Shareholders which approved the annual accounts of 2023).
- Reviewed the independence, non-audit services, and effectiveness of the external auditor, EY.
- Reviewed the audit approach on the sustainability disclosure required by CSRD.
- Reviewed the quarterly report by the Group General Counsel on significant ongoing legal disputes and reports.

4.4.2.2. The Finance Committee

Composition and functioning

The below table indicates the composition of the Finance Committee as well as the number of meetings organized respectively during this period.

Number of meetings	**4 meetings** in 2024
Composition	· Mr. Pierre Gurdjian (Chair) 4/4 · Mr. Philippe Kehren (CEO) 4/4 · Mr. Thomas Aebischer 3/4 · Mr. Wolfgang Colberg 4/4 · Mr. Melchior de Vogüé 4/4

As of December 31, 2024, the composition was as follows:

- Five members
- Four non-executive directors and the CEO
- The CFO is invited to the meetings
- All the members fulfill the competency criterion by virtue of the training and the experience they gained in previous functions

Internal rules relating to the Finance Committee are set out in the Governance Charter.

Report of activities

Over the course of the financial year 2024, the Finance Committee met four times and mainly:

- Provided opinions and recommendations to the Board of Directors on financial matters. This included the amount of the interim and final dividends; the levels, conditions, and currencies of indebtedness; issuance of guarantees; monitoring of the credit strength of the Solvay Group's balance sheet; hedging foreign exchange and risks; the hedging of our long-term incentive plans through a share buy-back program; the CO_2 (EUA) risk management and hedging; the content of financial communication; and a refinancing through issuance of bonds for €1.5 billion as well as extension of credit facilities.
- Reviewed and provided recommendations on the preparation of press releases announcing the Solvay Group's results.

4.4.2.3. The Compensation Committee

Composition and functioning

The below table indicates the composition of the Compensation Committee as well as the number of meetings organized respectively during this period.

Number of meetings	**4 meetings** in 2024
Composition	· Mr. Wolfgang Colberg (Chair) 4/4 · Mr. Yves Bonte 4/4 · Mr. Pierre Gurdjian 4/4 · Ms. Marjan Oudeman 4/4 · Ms. Aude Thibaut de Maisières 3/4

As of December 31, 2024, the composition was as follows:

- → Five members
- → All members are non-executive directors, a majority of whom are independent
- → The Chief People Officer is invited to the meetings as well as the Chief Executive Officer (except for the matters in relation to the Chief Executive Officer personally)
- → All the members fulfill the competency criterion by virtue of the training and the experience they gained in previous functions

Internal rules relating to the Compensation Committee are set out in the Governance Charter.

Report of activities

Over the course of the financial year 2024, the Compensation Committee met four times and mainly:

- → Reviewed the remuneration report of the Company for the Corporate Governance Statement in the Annual Report.
- → Reviewed the remuneration levels for members of the Board and the ELT including the proposal to change the non-executive directors' compensation.
- → Reviewed the remuneration, both the short- and long-term incentives as well as the performance assessment of the ELT.
- → Reviewed the allocation of long-term incentives (performance share units and stock options) to the Company's senior management.
- → Conducted a full review of the Remuneration Policy with the support of an independent Compensation Consultant. The updated Remuneration Policy will be submitted for approval to the General Meeting of Shareholders in May 2025.

4.4.2.4. The Nomination Committee

Composition and functioning

The below table indicates the composition of the Nomination Committee as well as the number of meetings organized respectively during this period.

Number of meetings	**3 meetings** in 2024
Composition	· Ms. Marjan Oudeman (Chair) 3/3 · Mr. Yves Bonte 3/3 · Mr. Wolfgang Colberg 3/3 · Mr. Pierre Gurdjian 3/3 · Ms. Aude Thibaut de Maisières 3/3

As of December 31, 2024, the composition was as follows:

- → Five members
- → All members are non-executive directors, a majority of whom are independent
- → All the members fulfill the competency criterion by virtue of the training and the experience they gained in previous functions

Internal rules relating to the Nomination Committee are set out in the Corporate Governance Charter.

Report of activities

Over the course of the financial year 2024, the Nomination Committee met three times and mainly:

- → Reviewed its way of functioning and qualifications, including Director Skills and Qualification Matrix, appointment process, and Board assessment.
- → Led Talent discussions and reviewed the succession plans of the ELT and GLT to ensure succession readiness in case of emergency, short-term and medium-term needs.
- → Reviewed updates on and provided oversight on the definition and implementation of Solvay's Purpose and new culture.

4.4.2.5. The Environmental, Social, and Governance (ESG) Committee

Composition and functioning

The below table indicates the composition of the ESG Committee as well as the number of meetings organized respectively during this period.

Number of meetings	**5 meetings** in 2024
Composition	· Ms. Aude Thibaut de Maisières (Chair) 4/5 · Mr. Thierry Bonnefous 5/5 · Mr. Philippe Kehren 5/5 · Ms. Marjan Oudeman 5/5 · Ms. Annette Stube 5/5

The ESG Committee was created in 2021 and is continually evaluated and evolving. In this respect, in the framework of the amendments to the Governance Charter following the Partial Demerger, the respective roles and missions of the ESG Committee and of the Audit and Risk Committee in terms of ESG KPIs were specified.

As of December 31, 2024, the composition was as follows :

- five members, including the CEO and non-executive directors
- All the members fulfill the competency criterion by virtue of the training and the experience they gained in previous functions

Internal rules relating to the ESG Committee are set out in the Governance Charter.

Report of activities

Over the course of the financial year 2024, the ESG Committee met five times and mainly:

- Provided guidance and recommendations to help the Board of Directors define the new sustainability program "For Generations":
  - Considering the ESG profile of the Solvay Group under its new perimeter of business activities
  - Performing during four of its meetings, a review of the Solvay Group's ESG policies, progress and effectiveness
  - Aligning the ESG KPIs, incentives and philanthropy actions
- Advised the Board to be in line with the EU Corporate Sustainability Reporting Directive (CSRD), its implementing laws and regulations, and other similar laws and regulations:
  - Discussing the material Impacts, Risks and Opportunities relevant to Solvay, as defined by the CSRD, during four different meetings
  - Recommending the topics for the CSRD Double-Materiality Assessment approved by the Board of Directors.

4.5. EXECUTIVE LEADERSHIP TEAM (ELT)

4.5.1. ELT

Following completion of the Partial Demerger, the Board appointed the following members of the Executive Leadership Team ("ELT"):

- Mr. Philippe Kehren (Chief Executive Officer)
- Mr. Alexandre Blum (Chief Financial and Strategy Officer)
- Ms. Lisa J. Brown (Group General Counsel and Corporate Secretary)
- Mr. Lanny Duvall (Chief Operations Officer)
- Dr. Mark van Bijsterveld (Chief People Officer)

The ELT is composed of five members, one member being a woman, representing 20% of ELT's members. The ELT carries out regular deep-dives consisting of in-depth reviews on people, strategy, finance, sustainability, innovation, and other specific topics, depending on current events.

In 2024, Solvay's Executive Leadership Team undertook a lot of initiatives following the split of the company, including:

- Embarking on a Roadshow, that reached nearly 90% of sites around the world.
- It launched the new company culture, redefining its Purpose and Core Beliefs to better position Solvay in the market, supporting its transformation, and shaping the way we work together.
- It worked extensively to develop and define the strategy of the company under the guidance of the Board of Directors.
- It reviewed and refreshed the Sustainability ambition of Solvay, to reflect the new perimeter of business activities.
- It reinforced Solvay Life-Saving Rules across all our operations, to ensure that our workplaces remain safe and productive.
- It defined and launched a group-wide Transformation addressing cost, ways of working and culture, supporting improved and simplified processes.
- It also set a clear mandate to embark on Digitization initiatives across the organization, particularly in our STAR Factory program, with a clear plan for each plant. These efforts are paving the way for a more agile and digitally equipped Solvay.

All of these achievements reflect the collective dedication to transforming Solvay into a simpler, more competitive, and more sustainable company.

The ELT met 11 times in 2024 to share information, decide upon activities and projects within its mandate, and to align priorities allowing Solvay to deliver excellent performance.

The table that follows includes information about the members of the ELT as of December 31, 2024:

Year of appointment

Philippe Kehren
Chief Executive Officer

French / **Born in:** 1971

2023

Term of office ends: 2027

Diplomas and main Solvay activities:
Master of Science in Chemical Engineering from the University of Wisconsin – Madison (USA)
Bachelor in Engineering-Petroleum (Spec. in Refining, Engineering and Gas) from the French Institute of Petroleum School, Paris (France)
Bachelor in Engineering from École Polytechnique, Paris (France)

Chair of the Executive Leadership Team
Member of the Finance and ESG Committees

Alexandre Blum
Chief Financial and Strategy Officer

French / **Born in:** 1973

2023

Term of office ends: 2027

Diplomas and main Solvay activities:
Master's degree in Business Administration and Management from HEC (École des Hautes Études Commerciales), Paris (France)

Executive Leadership Team member and Chief Financial and Strategy Officer

Lisa J. Brown
Group General Counsel and Corporate Secretary

British/Belgian / **Born in:** 1978

2023

Term of office ends: 2027

Diplomas and main Solvay activities:
LL.B. (Hons) Law from the University of Derby (UK)
Diploma in Legal Practice from Nottingham Law School (UK)
UK Chartered Trade Mark Attorney, London (UK)

Executive Leadership Team member and Group General Counsel and Corporate Secretary

Lanny Duvall
Chief Operations Officer

American / **Born in:** 1968

2023

Term of office ends: 2027

Diplomas and main Solvay activities:
Bachelor of Science, Chemical Engineering at the University of Washington, Seattle (USA)

Executive Leadership Team member and Chief Operations Officer

✪ Year of appointment	
 **Mark Van Bijsterveld** Chief People Officer Dutch / **Born in:** 1969 ✪ 2023 **Term of office ends:** 2027 **Diplomas and main Solvay activities:** PhD in Business Studies at Radboud University, Nijmegen (the Netherlands) Masters in Organizational Psychology at Leiden University (the Netherlands) Executive Leadership Team member and Chief People Officer	

The role, responsibilities, composition, procedures, and evaluation of the ELT are described in detail in the Corporate Governance Charter, which is available on Solvay's corporate website.

4.6. REMUNERATION REPORT 2024

4.6.1. Year in overview

This annual remuneration report marks Solvay's first year as a focused, purpose-driven organization following the partial demerger. This pivotal year has been dedicated to building momentum, laying the foundation for a transformative journey that will shape Solvay for generations to come. Our people are and always have been at the very heart of our company. Their dedication, collaboration, and sense of ownership are essential to creating progress for generations. This report details how we are establishing the new Solvay and demonstrating our credibility through key strategic initiatives supported by our remuneration practices.

Business Transformation: We have embarked on an active and comprehensive business transformation designed to ensure Solvay's long-term success by strengthening our overall market leadership position for our business, further improve our cost leadership in the essential chemistry industry and ensure we deliver upon our sustainability ambitions in a rapidly evolving world. This transformation encompasses standardizing and simplifying our business processes for greater efficiency, optimizing resource allocation to maximize impact, and strategically investing in key areas where Solvay can leverage its unique expertise and create sustainable, long-term value. This is not simply a restructuring effort; it is a fundamental shift toward building a more agile, resilient, and future-proof Solvay, one that is capable of delivering sustainable value for all our stakeholders. This requires a deep commitment to continuous improvement, a relentless focus on anticipating and meeting evolving customer needs, and an unwavering dedication to our ambitious sustainability goals.

Social Agenda: We are deeply committed to engaging constructively with our social partners and actively listening to the perspectives of our employees. At Solvay we cultivate interaction and proximity with our stakeholders through open and constructive dialogue. We operate as a responsible employer and are firmly committed to continuous progress among others in social relations as a longstanding company conviction. We believe in fostering open communication through social dialogue, addressing employee concerns proactively, and working collaboratively to find solutions that benefit both the company and its valued workforce. Through this regular and ongoing partnership, we strive to create a better future for Solvay and its employees based on trust and mutual respect. At Solvay we recognize that our employees well-being is intrinsically linked to the success of our business transformation. We therefore actively address concerns and negotiate terms on issues such as working conditions, employee rights, and organizational changes, ultimately fostering a positive and cooperative work environment. Our commitment includes labour rights and local communities' rights, as outlined in our Global Framework Agreement (GFA) on social responsibility and sustainable development with IndustriALL Global Union in place since 2011.

New Solvay Culture: A critical enabler of our transformation is the deliberate cultivation of a new Solvay culture. We believe that culture is the foundation upon which winning companies are built – places where people feel a strong sense of belonging and are empowered to perform at their best. This new Solvay culture is anchored by three core values: Deliver with Excellence, Achieve More Together, and Create Sustainable Impact. These values, and the associated behaviors that underpin them, are not merely words on a page. The defined behaviors: Focus, Collaboration, and Ownership are actively being integrated into our ways of working at all levels of the organization, from the boardroom to the shop floor. They represent Solvay's renewed and deepened commitment to making progress possible for generations supported by our focus on innovation both in our processes as well as the application of our products. They underscore our belief in the power of collaboration, both internally across teams and functions, and externally with our partners and stakeholders. And they reinforce our unwavering dedication to sustainability, recognizing that our long-term success is inextricably linked to the health of our planet and the well-being of the communities in which we operate. This cultural transformation is about nurturing an environment where our employees feel valued, inspired, and motivated to contribute to creating a better future for all our stakeholders. We do that by consistently embedding our beliefs and behaviors in all our people processes but also the way we develop leaders and recognize individuals and teams. It's about fostering a sense of shared purpose and creating a workplace where everyone can thrive.

Fairness and Equity: At Solvay, we believe that fairness, inclusiveness, and equity are fundamental principles that underpin a successful and thriving organization. A core commitment in this regard is ensuring a living wage for all our employees. We recognize that a living wage is more than just a number; it represents the means for our employees to meet their basic needs, live with dignity, and provide for their families. Achieving this commitment is a top priority for Solvay, and we are making very clear and concrete progress to ensure that all our employees earn a living wage by 2025, one year ahead of our commitment. In alignment with this we continue our journey to have a diverse workforce and an inclusive workplace. We do this as we are convinced that diversity in backgrounds, thoughts, gender, nationality, perspectives, and so many more facets is making clear business sense. It drives better business decisions, financial performance and innovation, it strengthens customer insights, market adaptability and customer loyalty, and last but not least, it enables us to attract talent, boost motivation, and create a workplace where all thrive. We therefore have again reinforced our strive for gender parity as soon as possible and defined a first milestone commitment to reaching 30% women in mid-senior leadership roles by 2030.

Employee Connection and Engagement: We firmly believe in the power of authentic human connection, short lines of communication, and an open and transparent work climate. We understand that these elements are fundamental drivers of employee engagement and commitment, creating an environment where our people feel valued, heard, and motivated to contribute their best. In 2024, we have consistently achieved an impressive 80% employee engagement level, further validated by a strong 70% response rate to our regular pulse surveys. This achievement reflects our ongoing commitment to fostering a culture of open dialogue and mutual respect. A key initiative in this regard has been the Executive Leadership Team's (ELT) prioritization of direct engagement with teams across the organization. Through an extensive and ongoing roadshow initiative, our leaders have actively sought opportunities to connect with employees at all levels and across our global locations. These direct interactions have been invaluable in fostering open and honest communication, and breaking down traditional barriers. The roadshow has provided a platform for two-way dialogue, allowing employees to share their perspectives, ask questions, and provide feedback directly to leadership. Moreover, these engagements have served to reinforce our shared vision for the future of Solvay, ensuring that everyone understands the strategic direction of the company and their role in achieving our collective goals.

Our commitment to shareholders and social partners engagement

Solvay's Compensation Committee, and the Board as a whole, undertook a comprehensive review of the Remuneration Policy, utilizing Korn Ferry as independent remuneration consultants for this project. This process prioritized shareholder feedback, beginning with an analysis of proxy and institutional investor policies, and continuing with dialogues with proxy advisors and social partners in several rounds during 2024 and early 2025. The review also incorporated current labor market trends and peer best practices in remuneration and disclosure. Key outcomes included amongst others: enhancing transparency by disclosing specific performance measures and their weightings for CEO and ELT short-term and long-term incentives in the annual report, refining the TSR modifier to the STOXX Europe 600 Chemicals index for greater clarity and focus, and revising the derogation clause to guide Board discretionary power.

As committed at the end of 2023, a revised Remuneration Policy will be put to shareholders vote during the Ordinary General Shareholders Meeting in May 2025.

The Compensation Committee will continue to regularly review Solvay's remuneration practices, disclosures, and market practices to ensure the Remuneration Policy remains appropriate. Any changes to the Remuneration Policy regarding the Board's and/or the Executive Leadership Team's remuneration will be submitted to shareholders in accordance with the BCCA.

4.6.2. Board of Directors

4.6.2.1. Introduction

At the beginning of 2024 the Compensation Committee and the Board performed a review of the Board of Directors' remuneration structure with the objective to establish a sustainable policy aligned with current market trends, ensuring a median positioning within a peer group reflecting the size, complexity, and geographic presence of the new Solvay.

The analysis was conducted on the basis of an independent benchmark of European companies and the new Board pay structure was put to vote and highly supported by shareholders (99.6%) during the Ordinary Shareholders Meeting on May 28, 2024. Therefore effective January 1, 2024 the fee structure for Board members has been adjusted focusing on fixed fees (retainer) while decreasing meeting fees, in line with market practice.

4.6.2.2. Remuneration principles

Solvay Directors are remunerated, in line with the newly approved Board pay structure with fixed emoluments (retainers & meeting fees). In addition, to the extent that Solvay Directors would be entrusted with special duties distinct from their directorship, they may also be granted additional fixed remuneration as decided by the Board, which shall be granted only for the duration of those special duties. The process is based on Article 24 of our Articles of Association (Articles), which states that:

- "Directors shall receive fixed emoluments, the amount and terms of which shall be determined by the General Meeting. The decision of the General Meeting shall stand until otherwise decided.
- The Board of Directors is authorized to grant fixed emoluments in addition to the emoluments provided for in the preceding paragraph to Directors entrusted with special duties, distinct from their directorship.
- The Directors responsible for day-to-day management and the members of the Executive Leadership Team, are also each entitled to a variable remuneration determined by the Board of Directors on the basis of their individual performance and the consolidated performance of the Solvay Group."

Board fees are determined after considering in function of the roles and responsibilities of to which each director is appointed (ie board committee memberships), and the practices of companies of a similar size and international complexity. Board fees are approved by the General Shareholders' meeting.

4.6.2.3. Board of Directors individual remuneration

As voted at Ordinary Shareholders Meeting of May 2024 the following fixed fees and meeting fees have been introduced, effective January 1, 2024.

		Gross amount in €
Board	Retainer (Chair)	275,000
	Retainer (Vice Chair)	95,000
	Retainer (Member)	67,000
	Meeting fee	2,000
Audit and Risk Committee	Retainer (Chair)	18,000
	Retainer (Member)	8,000
	Meeting fee (Chair)	2,000
	Meeting fee (Member)	2,000
Other committee	Retainer (Chair)	16,000
	Retainer (Member)	6,000
	Meeting fee (Chair)	1,000
	Meeting fee (Member)	1,000

Additional considerations in relation to the Board of Directors' remuneration:

- Board Members are not eligible for additional meeting fees if they attend more than one Committee meeting on the same date.
- The highest meeting fee will prevail.
- In accordance with the Remuneration Policy, the annual gross fixed remuneration (retianer) for the CEO is offset in the annual remuneration fees as an ELT member, and the Board meeting fees are paid for the board meetings attended.
- There are no committee meeting fees for the Chairman of the Board, nor the CEO.
- Non-executive directors do not receive any additional remuneration linked to results or other performance criteria. More specifically, non-executive directors are not entitled to annual bonuses, stock options, or performance share units, or to any supplemental pension scheme.
- Solvay reimburses directors' travel and expenses for meetings related to their Board and Board Committee functions.
- The Group provides administrative support, in the form of an office, and use of the General Secretariat to the Chairman of the Board only. The other non-executive directors receive logistical support from the General Secretariat when needed.
- Solvay also provides customary insurance policies covering the Board of Directors' activities when they are carrying out their duties.

4.6.2.4. Share ownership guidelines for the Board

Solvay acknowledges that the Belgian Governance Code recommends that a portion of the remuneration paid to Board members be in shares (Principle 7.6), and that Solvay's Remuneration Policy does not provide for this. However, the Compensation Committee considers that the current Remuneration Policy complies with the spirit of Principle 7.6 of the Belgian Governance Code, because of the Share Ownership Guidelines applicable to non-executive directors requiring them to hold shares equivalent to 100% of their gross annual fixed board fees. (retainers)

The introduction of the new Board pay structure with a rebalancing of the total Board remuneration toward more fixed fees (retainers) increases the share ownership requirement for Board members.

These shares should be held until at least one year after the non-executive director leaves the Board of Directors and, in any case, for at least three years after the shares were acquired. The dividends attached to these shares are paid at the same time as for the other shareholders.

4.6.2.5. Amount of remuneration and other benefits granted directly or indirectly to Board members by the Company or by an affiliated company

Board and Committees overview

	Board	Finance Committee	Audit and Risk Committee	Compensation Committee	Nomination Committee	ESG Committee
Pierre Gurdjian	Chair	Chair				
Aude Thibaut de Maisières	Vice Chair					Chair
Philippe Kehren						
Annette Stube						
Marjan Oudeman					Chair	
Melchior de Vogüé						
Thierry Bonnefous						
Thomas Aebischer			Chair			
Wolfgang Colberg				Chair		
Yves Bonte						
Number of meetings	**8**	**4**	**6**	**4**	**3**	**5**

There are no committee meeting fees for the Chairman of the Board, nor the CEO.

Amount of remuneration and other benefits granted directly or indirectly to Board members by the Company or by an affiliated company from January 1-December 31, 2024

	Total	Board		Committees	
in €	Total gross amount including fixed fees	Board fixed remuneration[(1)]	Board Meeting fee[(2)]	Committee fixed remuneration	Committee Meeting fee
Pierre Gurdjian	291,000	275,000	16,000	0	0
Aude Thibaut de Maisières	144,000	95,000	14,000	28,000	7,000
Philippe Kehren	16,000	0	16,000	0	0
Annette Stube	92,000	67,000	14,000	6,000	5,000
Marjan Oudeman	136,000	67,000	14,000	36,000	19,000
Melchior de Vogüé	111,000	67,000	14,000	14,000	16,000
Thierry Bonnefous	94,000	67,000	16,000	6,000	5,000
Thomas Aebischer	120,000	67,000	14,000	24,000	15,000
Wolfgang Colberg	137,000	67,000	14,000	36,000	20,000
Yves Bonte	99,000	67,000	16,000	12,000	4,000
Total	**1,240,000**	**839,000**	**148,000**	**162,000**	**91,000**

(1) *The Board fixed remuneration (retainer) for the CEO Philippe Kehren is included in his annual fix remuneration.*
(2) *One Board Meeting was an Audit and Risk Committee extended to all Board Members which resulted in Audit and Risk committee members only receiving the Committee attendance fee.*

4.6.3. Remuneration of the Executive Leadership Team (ELT)

4.6.3.1. Introduction

The Executive Leadership Team appointment in December 2023 was a unique opportunity to initiate a review of the executive compensation taking into account the latest market pratices and shareholder interests. This led to the introduction of a new peer group, carefully selected to reflect our company's size, industry, complexity, and competitive landscape. We believe the updated group is providing a more accurate and relevant basis for evaluating and adjusting our executive compensation packages. The review encompassed several key elements, including base pay, short-term incentive (STI) target percentage, long-term incentive (LTI) target percentage, benefits package, as well as termination conditions. This comprehensive analysis aimed to position ELT compensation appropriately within the market, attracting and retaining top talent while aligning their interests with long-term shareholder value creation.

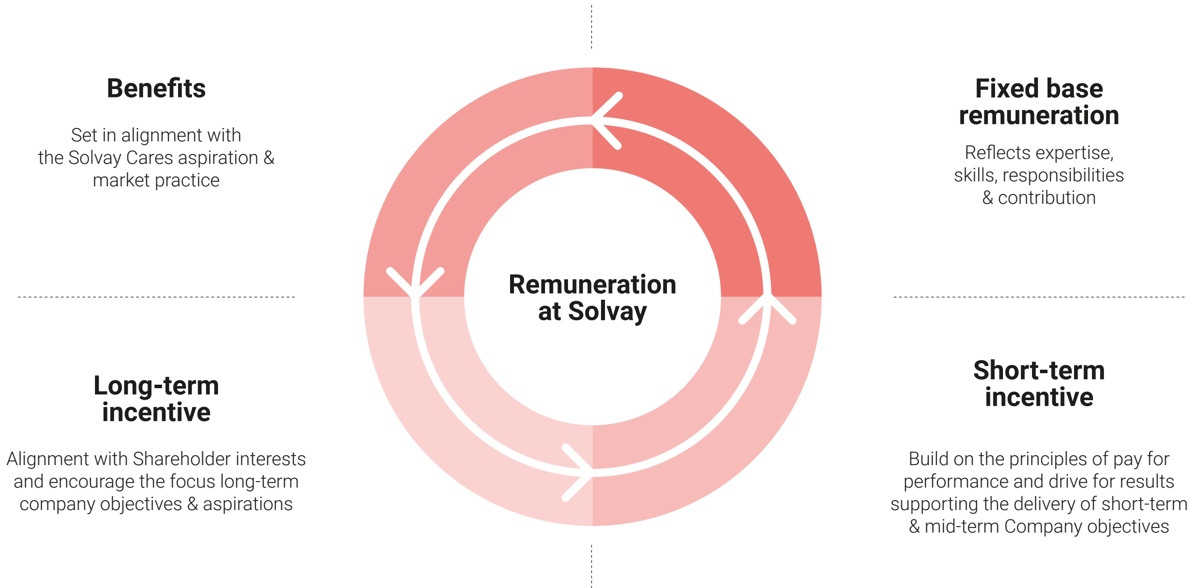
4.6.3.2. Solvay's remuneration philosophy and policy

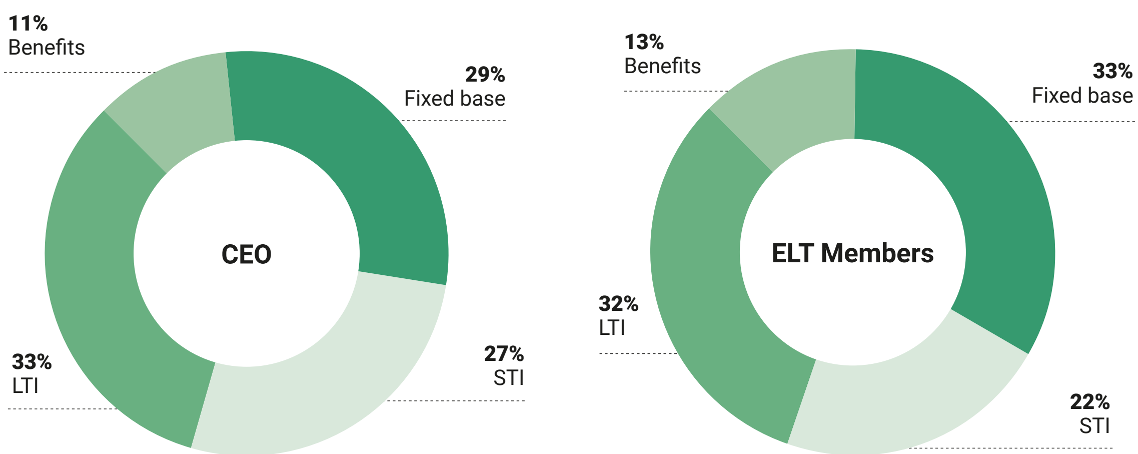
Solvay's Remuneration Policy is designed to appropriately reward the Executive Leadership Team (ELT) based on their expertise, responsibilities, and individual performance. The Policy emphasizes meritocracy and performance, striving to optimize returns responsibly and sustainably for the benefit of all stakeholders. It aims to attract, motivate, and retain top executive talent, aligning with market standards and the long-term interests of shareholders. These guiding principles also shape the remuneration policies and programs extended to Solvay employees worldwide.

The remuneration structure is designed in line with the following principles, which apply both to ELT members and other Senior Executives:

- **Fixed remuneration** aims to provide market-aligned cash income, which is regularly reviewed by the Compensation Committee considering positioning relative to the peer market median, performance, and role changes.
- **Short- and long-term variable remuneration (STI & LTI)** is tied to the achievement of strategic objectives, including driving sustainable performance, and recognizes excellent results once delivered.
- **Total remuneration** is set at a level that is competitive in the relevant market and sector, in order to attract, retain, and motivate the right talent needed to deliver the Group's strategy and drive business performance.
- **Remuneration decisions** are fair, equitable, and sustainable, keeping in mind pay levels within the wider workforce, and balance cost and value appropriately.

The following table summarizes the core elements of Solvay's Remuneration Policy:





4.6.3.3. Use of market data

In alignment with the Remuneration Policy, remuneration of ELT members is benchmarked against a peer group.

At the end of 2023 in light of Solvay's new scope of activities after the Partial Demerger, a review of the peer group was conducted to select companies that better reflected Solvay's size, industry, complexity, and competitive landscape while also ensuring competitive remuneration to attract the relevant talent.

ACEA	Alfa Laval	Arcadis	Covestro
Drax Group	Evonik	Fuchs	Holcim
IMI	K+S	Kemira	Lanxess
OCI	Saint-Gobain	SSAB	Umicore
Valeo	Wacker Chemie	Weir Group	

Solvay's Peer Group is built around a selection of relevant European chemical and industrial companies whose international operational footprint and model, as well as annual revenues and headcount, positions Solvay broadly at the median of the peer group.

The Compensation Committee aims to position Solvay's remuneration at the market median for all key elements of the package.

4.6.3.4. Pay mix and remuneration opportunity of the ELT Members as of December 31, 2024

The pay mix of ELT members at the end of the reporting period is outlined below displaying their Total Direct Remuneration at target.

In €	Annual fixed remuneration	Value measurement	STI target	LTI target issued as Performance Share Units	LTI target issued as Restricted Share Units	Total LTI value	Total target direct remuneration
Philippe Kehren *CEO and Chairman of the ELT*	810,000	Amount	769,500	652,050	279,450	931,500	2,511,000
		% of Salary	95%	80.5%	34.5%	115%	Fixed 32%/ Variable 68%
Alexandre Blum *CFO and ELT member*	500,000	Amount	325,000	332,500	142,500	475,000	1,300,000
		% of Salary	65%	67%	29%	95%	Fixed 38%/ Variable 62%
Lanny Duvall *ELT member*	480,000	Amount	312,000	319,200	136,800	456,000	1,248,000
		% of Salary	65%	67%	29%	95%	Fixed 38%/ Variable 62%
Mark Van Bijsterveld *ELT member*	460,000	Amount	299,000	305,900	131,100	437,000	1,196,000
		% of Salary	65%	67%	29%	95%	Fixed 38%/ Variable 62%
Lisa Brown *ELT member*	445,000	Amount	289,250	295,925	126,825	422,750	1,157,000
		% of Salary	65%	67%	29%	95%	Fixed 38%/ Variable 62%

4.6.3.5. Base remuneration and benefits

Fixed base remuneration

Fixed base remuneration reflects an individual's experience, skills, responsibilities, and performance. It is regularly reviewed based on:

- Positioning relative to the peer market median;
- Individual and business performance; and
- Changes in the scope of the role.

As part of the annual compensation review, the Compensation Committee also takes into account the stakeholder experience, including average workforce and Peer Group increase, when awarding increases to Executive fixed-base remuneration.

The base remuneration, which does not include the value of any benefits offered to ELT Members, is used to calculate targets for variable remuneration. Details of the base remuneration of the CEO and ELT Members are disclosed in section 4.6.5 of this Annual Integrated Report.

In 2024 the Board of Directors did not recommend an increase to the base salary of the CEO and other ELT Members, as they remain aligned with the market median of the new peer group. In 2025, the Board of Directors recommends a 4.5% fixed base increase for the CEO and ELT members, based on performance, peer market position and movement, as well as general Solvay Belgium workforce salary changes.

Benefits, including pension

In alignment with the Solvay Cares aspirations, benefits are seen as a critical part of Solvay's Executive value proposition and are not dependent on an individual's performance. Solvay aims to ensure that the nature and level of these other benefits are in line with market practice and what is provided to other Executives in the Group.

In accordance with Belgian market pratice, the CEO has a contractual agreement as a self-employed Executive. Similar self-employed contractual agreements apply to the ELT Members based in Belgium.

- Alexandre Blum (CFO)
- Lisa Brown (General Counsel and Corporate Secretary)
- Lanny Duvall (Chief Operations Officer) - since June 2024

Self-employed Executives are entitled to the payment of an annual fixed base fee under their contractual agreement with the Company, which also covers pension contributions (defined contribution plan), death-in-service, disability, and healthcare benefits, as well as certain benefits-in-kind (e.g., company car).

The ELT Members based outside of Belgium are in principle engaged on an employment contract and are entitled to pension, death-in-service, and disability and medical plan benefits on the basis of the provisions of the plans applicable in their contractual home countries which is the case for Mark Van Bijsterveld (Chief People Officer) based in the Netherlands under a local employment contract.

4.6.3.6. Short-term Incentive (STI) plan

STI award opportunities

The Compensation Committee used its discretionary power to reduce STI award opportunities for ELT Members following the Partial Demerger, to align with peer practice to better reflect Solvay's new scope. To this end, the target award opportunity provided by the STI plan in 2024 for the CEO, Philippe Kehren, was 95% of fixed base remuneration, and 65% of fixed base remuneration for the other ELT Members.

The minimum payout remains at 0% and maximum at 200% of target STI.

Malus and clawback

As per the Remuneration Policy, the Compensation Committee may exercise discretion to activate malus and clawback provisions in exceptional circumstances, such as serious reputational damage, risk management failures, financial errors, misconduct, regulatory breaches, significant losses, or deteriorating financial health, with clawback potentially extending up to three years for awards under the Remuneration Policy.

Setting STI performance objectives

Annually, the Board establishes performance objectives for both the Group and the CEO, a process typically conducted during the March Board meeting.

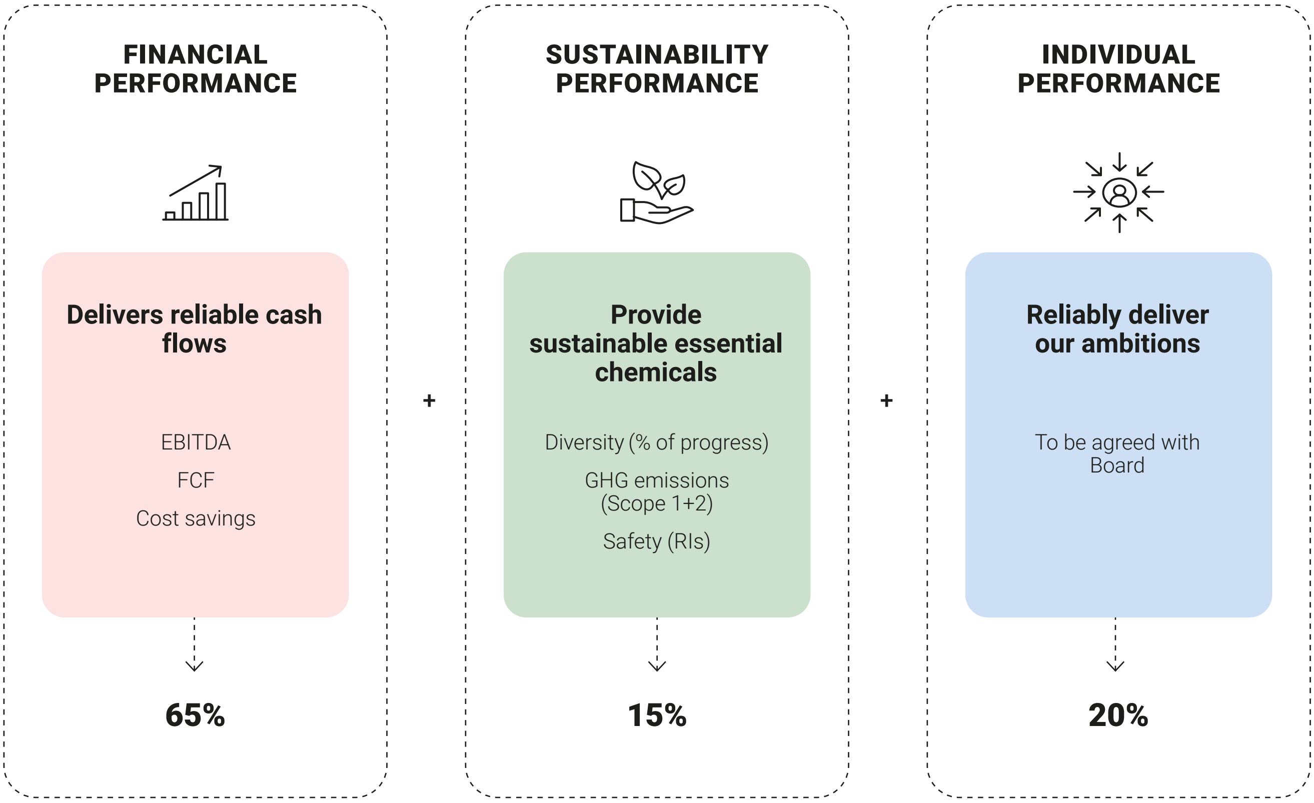
The performance objective-setting aims to establish challenging yet achievable targets, incorporating input from various perspectives within the business while ensuring alignment with Solvay's long-term ambitions and sustainability goals communicated to the market. The maximum awards are reserved for achieving exceptionally high performance levels, ensuring adherence to the principle of pay-for-performance. Moreover, this process is also mindful of not incentivizing Executives to take excessive risks that could jeopardize the company's stability, reputation, and long-term sustainability.

Due to the commercial sensitivity of disclosing short-term targets prospectively, Solvay discloses actual performance objectives set and the performance against them on a retrospective basis only. In the spirit of transparency, Solvay does however also disclose short-term objective categories that will be operated in respect of the current performance year (see "STI Objectives 2025" below).

2024 STI performance objectives

The STI plan provides a cash opportunity that is based solely on the achievement of pre-determined annual financial, non-financial, and individual objectives.

The STI plan focuses on three broad performance categories (Financial, Sustainability, and Individual performance) with the following weightings for all ELT Members:[1]



The Individual objectives are customized for each ELT member to align with their specific roles and responsibilities within the organization. These objectives are pre-determined, and may be quantitative and/or qualitative; they are reviewed and validated by the Board. The CEO is absent from the Compensation Committee and Board meetings during all discussions relating to CEO pay. Details of the individual performance of the CEO, including the targets set and their achievement, are explained below.

(1) *Further informations can be found in the sections "Summary of CEO objectives and performance for the STI 2024" and "STI objectives 2025".*

2024 Group performance

The Group's 2024 performance results are

			Minimum 0%		Target 100%		Maximum 200%		Result
Financial performance	EBITDA € m		900		1,000	1,052	1,200		126%
	FCF € m		250		280	340	350		186%
	Cost saving € m		40		60		100	110	200%
Sustainability Performance	GHG emissions (scope 1+2 kT)	7,406	7,270		7,170		6,950		0%
	Safety (RIs)	41 3 deaths*	45		40		33		0%
	DEI (% women S19+)		26.3		27.3		28.3		100%

* In case of death, the Safety score is 0%

Comments Group Performance

Full year 2024 underlying EBITDA reached €1,052 millions, down -8.2% organically, as positive volume and cost savings partially offset lower Net pricing. Underlying EBITDA margin was at 22.5% for the year.Structural cost savings initiatives delivered €110 millions in 2024, well above the target of €80 million thanks to the acceleration of savings initiatives at manufacturing sites and in corporate functions. Free Cash Flow amounted to €340 millions in 2024 (excluding Peroxidos Do Brazil), underpinned by the solid EBITDA performance and the working capital discipline, while Capex accelerated in Q4 2024, as planned, to reach € 355 million for the full year.

In 2024, the sustainability STI pillar was streamlined to focus on three key performance indicators (KPIs): Climate, Safety, and Diversity, each given equal importance. This shift from seven KPIs in 2023 reflects our core commitments. While we achieved our diversity target (27.3% women in S19+), safety performance fell short, with 41 incidents, including three fatalities, compared to 45 incidents in 2023 (no fatalities). Greenhouse gas (GHG) emissions (Scope 1+2) missed targets, reaching 7.46 MT, due to increased production and delayed impact from energy transition projects. While commissioned projects like the Regenerative Thermal Oxidation technology and the Rheinberg coal phase-out are expected to reduce emissions, these reductions will not materialize until 2025.

Summary of CEO objectives and performance for the STI 2024

The below section provides an overview of the STI objectives set for the CEO as the performance achieved against the targets set.

Objectives	Performance measures	Weighting	Performance
Group - 80%	EBITDA €	25%	31.5%
	Free Cash Flow €	25%	46.5%
	Cost savings €	15%	30%
	Sustainability – Diversity progress	5%	0%
	Sustainability – Safety (RI)	5%	0%
	Sustainability – GHG emissions (scope 1+2)	5%	5%
Individual - 20%	Build credibility of the new Solvay on the market	10%	10%
	Achieve the transformation of the Group	10%	10%

Group performance

Details on Group performance results can be found under the section *"2024 Group performance" above.*

CEO Indidivual performance

Build the credibility of the new Solvay on the market

In its first year as an independent company following the December 2023 demerger, Solvay, under CEO Philippe Kehren's leadership, has successfully established its market credibility. The company defined and communicated its new purpose, reflecting its focused portfolio of essential businesses, along with its commitment to group-wide sustainability, effectively engaging key stakeholders. A new strategic frame around the specificity and strength of essentials chemicals has been defined and serves as a guiding principle. A robust investor relations program, including regular analyst meetings, earnings calls, and roadshows, has built investor confidence and broadened the company's investor base.

Recognizing the importance of strong relationships, the CEO and his executive team prioritized internal and external engagement, visiting the vast majority of Solvay's sites and connecting with key customers across all business units, leading amongst others to a strong employee engagement. An effective program of external outreach to public sector stakeholders has enabled support to key energy transitions projects. Finally, strong and predictable financial performance, underscored by an investment-grade rating and dividend payouts, has clearly demonstrated Solvay's financial strength and stability in a challenging market context.

Achieve the transformation of the Group

In 2024, Philippe Kehren successfully launched Solvay's next phase of transformation, aligning the company with its external commitments and solidifying its position as a leader in essential chemistry. As part of the new Solvay, a foundation of effective and transparent governance was established with the new Board of Directors and Executive Leadership Team, supported by a new Approval Matrix that clarifies decision-making responsibilities and fosters accountability. A key milestone was also the launch of Solvay's purpose-driven culture, defining core purpose, values, and key behaviors. The transformation roadmap, focused on standardizing and sharpening the operating model, business processes, and delivering significant cost savings, achieved its ambitious 2024 targets, while generating a robust pipeline of future initiatives. The year, however, was clouded unfortunately with severe safety incidents, showing more steps need to be made to live up to Solvay's fundamental commitment that safety and integrity are guiding every action we take.

STI objectives 2025

The Board has decided to maintain the same breakdown of performance objectives for the CEO and the ELT Members for the 2025 financial year – 65% based on financial results, 15% on sustainability, and 20% on individual objectives.

Objectives	Performance measures	Weighting	Sub-weighting
Group Financial	EBITDA €	65%	26%
	Free Cash Flow €		26%
	Cost savings €		13%
For Generations	Diversity progress	15%	5%
	Safety (RI)		5%
	GHG Intensity		5%

Objectives	Performance measures	Weighting	Sub-weighting
Individual - CEO	Drive strategic business performance	20%	5%
	Strengthen the credibility of Solvay on the market		5%
	Enhance organizational effectiveness		5%
	Achieve Group transformation		5%

Objectives	Performance measures	Weighting	Sub-weighting
Individual - CFO	Strengthen quality of capital markets relationship	20%	5%
	Effectively roll-out new Group strategy		5%
	Strengthen finance leadership bench		5%
	Achieve Group Transformation		5%

Objectives	Performance measures	Weighting	Sub-weighting
Individual - COO	Strengthen Group Safety and Execute Star Operations	20%	5%
	Deliver Energy & Procurement ambitions		5%
	Create a future fit GBS organization		5%
	Achieve Group Transformation		5%

Objectives	Performance measures	Weighting	Sub-weighting
Individual - GC & Corporate Secretary	Business Support and Intellectual Asset Management	20%	5%
	Enhance Corporate Governance		5%
	Safeguard Compliance & Ethics		5%
	Achieve Group Transformation		5%

Objectives	Performance measures	Weighting	Sub-weighting
Individual - CPO	Drive workforce agility and future capabilities	20%	5%
	Strengthen executive leadership bench		5%
	Champion culture and employee engagement		5%
	Achieve Group Transformation		5%

As in previous years, due to the commercial sensitivity surrounding the short-term targets set, Solvay will disclose on a retrospective basis the performance achieved against the specific performance objectives set by the Board.

4.6.3.7. Long-term Incentive (LTI)

Solvay aims to incentivize its ELT Members by implementing Long-term Incentive (LTI), wherein a substantial portion of equity awards is contingent upon performance criteria aligned with the Company's communicated strategy. This approach fosters alignment with shareholder interests, promoting accountability and driving long-term value creation through strategic execution and performance excellence.

Solvay uses two equity programs, the first plan is a Performance-based Share Units (PSUs) which vest by meeting pre-defined long-term financial and non-financial objectives over a three-year performance period to promote a focus on long-term enterprise value growth and sustainability. The second equity program consists of Restricted Stock Units (RSUs) which vest over three years with the primary objective to retain executive leaders and encourage share ownership.

In line with the Remuneration policy and Belgian market pratice, LTI grants for ELT Members were offered with the following split:

- 70% of the annual grant value delivered in the form of Performance-based Share Units (PSU); and
- 30% of the award offered in the form of Restricted Share Units (RSU).

LTI award opportunity

As for the Short-term Incentive Plan, the Compensation Committee used its discretionary power to reduce LTI award opportunities for ELT Members following the Partial Demerger to align with peer practice to better reflect Solvay's new scope. The CEO, Philippe Kehren, has an LTI grant target of 115% of fixed base remuneration and for all other ELT Members, the grant target value has been set at 95% of the fixed based remuneration.

In March 2024, the Board granted a total of 76,739 PSUs and 32,890 RSUs to ELT Members. Approximately 144 Executives and high-potential employees also participated in the LTI Plan.

Performance Share Units (PSUs)

The PSUs determine 70% of the annual LTI grant, which vest three years from the date of grant, subject to the achievement of the pre-set performance objectives. The opportunity varies from a minimum of zero, if the minimum target is not met, to a maximum payout of 150%, if the maximum target is achieved.

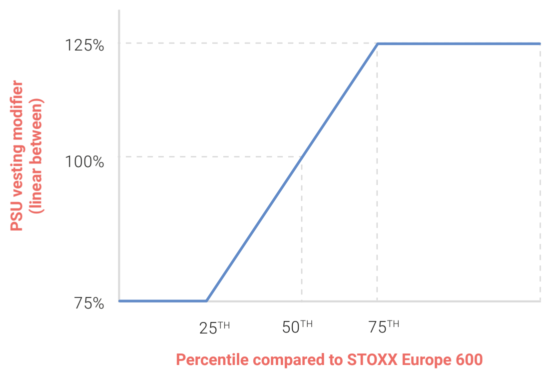
Performance objectives are distributed across two pillars:

- Financial (60% to 80% of the award) and
- Sustainability (20% to 40% of the award)

The targets and their respective weights are established to align with the Group's mid- and long-term strategy.

In addition, when determining the level of vesting for PSUs, an additional performance measure was introduced as of 2023 to compare the performance of the Group to the TSR performance of the Stoxx 600 Index ensuring a clear focus within the ELT to create shareholder value. Where the PSU result is above zero, the TSR measure can decrease the PSU outcome by 25% when the TSR is in the lower quartile of the Stoxx 600 Index, and increase the PSU result by 25% when the TSR is in the top quartile of the Stoxx 600 Index. For performance in between the 25th and 75th percentile the PSU outcome is linearly adjusted with the 50th percentile as the 'on target' performance.

Percentile compared to STOXX Europe 600	PSU vesting modifier (linear between)
75th	125%
50th	100%
Below 25th	75%



The Board assesses the achievement of the targets set, based as a rule on the audited results of the Group.

Every year, the Board determines the budget available for distribution and the total volume of PSUs available is subsequently allocated to the eligible population.

Restricted Share Units (RSUs)

The remaining portion of the LTI grant is in RSUs (30%), where Executives receive shares that vest after three years. RSUs feature employment or presence conditions, and dividends accrue solely on vested awards, paid out at the conclusion of the three-year vesting period.

PSUs, RSUs allotted in 2024 to ELT Members

Country	Name	Position	Number of PSUs[1]	Number of RSUs[1]
Belgium	Philippe Kehren	CEO & Chairman of the ELT	26,258	11,254
Belgium	Alexandre Blum	CFO & ELT Member	13,390	5,739
Belgium	Lanny Duvall	ELT Member	12,855	5,509
Netherlands	Mark Van Bijsterveld	ELT Member	12,319	5,280
Belgium	Lisa Brown	ELT Member	11,917	5,108
Total			**76,739**	**32,890**

(1) PSUs/RSUs share price for March 2024 grant was €24.83.

LTI Performance Share Unit plan performance results

2021-2023 LTI Performance Share Unit plan

The results of the 2021 PSU grant were calculated in December 2023 and paid in June 2024, based on a three-year performance period ending on December 31, 2023, with a vesting factor of 100% of the target.

The three years achievements against the objectives set at the start of the performance period in 2021 are summarized below:

Performance criteria	Weight	Performance year 2021		Performance year 2022		Performance year 2023	
		Target	Result	Target	Result	Target	Result
Underlying EBITDA organic growth	40%	11%	27%	8%	29%	8%	-5%
ROCE growth (bp)	40%	150	443	150	467	150	-181
CO_2 emissions reduction (Mt)	20%	10.7	11	10.7	11	10.7	9.1

Based on the performance achieved against the targets set at the start of the performance period, this resulted as per the applicable plan rules in a payout of 100% of the PSU value granted in 2021, with the addition of the total dividends, taking into account the number of vested units calculated over three years (€11.65 per unit).

Payouts made in 2024 to ELT Members relating to the 2021-2023 PSU plan are disclosed in the section below: 4.6.3.8 *"Amount of remuneration paid and other benefits granted directly or indirectly to the CEO and other ELT Members."*

2022-2024 LTI Performance Share Unit Plan

As detailed in the 2023 annual report and approved in the 2024 AGM, the Board, with Compensation Committee guidance, adjusted existing long-term incentive plans due to the Partial Demerger. Consequently, the 2022 PSU grant results were calculated in December 2023 at the demerger and converted to RSUs, with a 100% target vesting factor, for the remaining period ending December 31, 2024.

Performance criteria	Weight	Performance year 2022		Performance year 2023		Performance year 2024	
		Target	Result	Target	Result	Target	Result
Underlying EBITDA growth	40%	5%	29%	6%	-5%	converted to RSU	
ROCE growth (bp)	40%	50	467	50	-181	converted to RSU	
CO_2 Emissions reductions (Mt)	20%	10,7	11,0	10,7	9,1	converted to RSU	

Based on the performance achieved up to the Partial Demerger, the 2022 PSU will result in participants receiving in March 2025, 100% of the grant's value in shares (Solvay and Syensqo) in line with the Shareholder approach. Specifically, for ELT participants, the PSU payout is 114%, reflecting a TSR performance at the 64th percentile at the time of the demerger. Additionally, participants will receive the total dividends accrued, calculated based on the number of vested units over the three-year period.

LTI Performance Share Unit unvested plans

LTI plans	Objectives	Weight
PSU 2023-2025	EBITDA organic growth	40%
	ROCE growth (bp)	40%
	CO_2/GHG Emissions reduction (Mt)	20%
PSU 2024-2026	EBITDA organic growth	40%
	ROCE growth (bp)	40%
	CO_2/GHG Emissions reduction (Mt)	20%
PSU 2025-2027	EBITDA organic growth	40%
	ROCE	40%
	CO_2/GHG Emissions reduction (Mt)	20%

Clawback provisions relating to LTI

Solvay has the right to claim reimbursement of any amounts paid or shares delivered, in accordance with the plan from any PSU and RSU plan participant, during a period of three years from the date of the payment, on the basis of erroneous results that were subsequently adjusted or corrected. This clawback clause has not been applied in the past because there have not been any instances where such events occurred.

Stock option plans (SOP)

The historical Stock Option Plan has been replaced by the PSU and RSU plans detailed above. However, as of December 31, 2024, stock options remained outstanding under the 2017, 2018, 2019, 2020, and 2021 SOPs, and the rules thereof are reiterated below.

Under Belgian law, unlike most other jurisdictions, taxes on stock options are due at the time of grant. Solvay, like other Belgian companies, had therefore set no additional performance criteria for determining the vesting of stock options. The options have a vesting period of three full calendar years, meaning that options will vest on the first day of the fourth year after the grant year, followed by a four-year exercise period.

When they were granted, the SOPs gave each beneficiary the right to buy Solvay shares at a strike price corresponding to the fair market value of the shares upon grant. Every year, the Board determines the volume of stock options available for distribution, based on an assessment of the economic fair value at grant, using the Black Scholes valuation formula. The total volume of options available was subsequently allocated to the eligible population

Features:

- Options are granted at money or fair market value.
- They become exercisable for the first time three full calendar years after they are granted.
- They have a maximum term of eight years.
- They are not transferable inter vivos.
- The plan includes a bad leaver clause.

The outstanding SOPs were adjusted in the context of the Partial Demerger with a view to safeguard the interests of the beneficiaries. Such adjustments were described in the Solvay 2023 Annual Report.

The 2022 SOP is the only plan that was not adjusted in the context of the Partial Demerger. Accordingly, the 2022 stock options remain basket options, entitling their holders to acquire one Solvay share and one Syensqo share against payment of the exercise price. This plan was subject to performance conditions (implementation of the separation by 2025 and a combined share price of Solvay and Syensqo above €100 for at least 15 trading days in total).

Considering the performance conditions have been met the options under the 2022 SOP plans will be exercisable by beneficiaries between January 1, 2026, and December 31, 2027. The Exercise Price of each option is €84.34, which was the fair market value of the Solvay share at the time of the grant (August 2022).

Stock options and share plans granted and held in 2024 by ELT Members

The table below shows the evolution of outstanding balances of stock options, RSUs, and PSUs issued and held by ELT Members on December 31, 2024. No new stock options were granted in 2024.

Stock options - ELT Members

Name	SOP	Balance on 12/31/2023	Granted in 2024	Exercised in 2024	Vested	Non-vested	Balance on 12/31/2024
Philippe Kehren	Solvay (segregated options)[1]	2,573	-	-	2,573		2,573
	Syensqo (segregated options)[1]	2,573			2,573		2,573
	Basket options [2]	7,616				7,616	7,616
Alexandre Blum	Solvay (segregated options)[1]	8,937		4,221	3,216		4,716
	Syensqo (segregated options)[1]	16,307		-	3,216		16,307
	Basket options[2]	-	-	-	-		-
Total	**Solvay (segregated options)[1]**	**11,510**		**4,221**	**5,789**		**7,289**
	Syensqo (segregated options)[1]	**18,880**			**5,789**		**18,880**
	Basket options[2]	**7,616**				**7,616**	**7,616**

(1) Options granted under the historical SOPs reflecting the adjustments described above (Adjustments to the outstanding SOP, and PSU and RSU plans in the context of the Partial Demerger) and which, accordingly, entitle their holder to acquire a Solvay share or a Syensqo share against the payment of separate exercise prices.

(2) Options granted under the 2022 Partial Demerger SOP and which, accordingly, entitle their holder to Solvay share and a Syensqo share against the payment of a single exercise price.

None of the other ELT Members held any stock options as of December 31, 2024.

ELT Shares plan (PSU and RSU)

Name	Numbers of shares/units	Balance on 12/31/2024	Vested	Non-vested
Philippe Kehren	RSU 2022 (restricted shares) - Solvay	3,402	3,402	
	RSU 2022 (restricted shares) - Syensqo	3,402	3,402	
	PSU 2023 (performance shares)	10,056		10,056
	RSU 2023 (restricted shares)	4,311		4,311
	PSU 2024 (performance shares)	26,258		26,258
	RSU 2024 (restricted shares)	11,254		11,254
Alexandre Blum	RSU 2022 (restricted shares) - Solvay	1,595	1,595	
	RSU 2022 (restricted shares) - Syensqo	1,595	1,595	
	PSU 2023 (performance shares)	4,714		4,714
	RSU 2023 (restricted shares)	2,024		2,024
	PSU 2024 (performance shares)	13,390		13,390
	RSU 2024 (restricted shares)	5,739		5,739
Lanny Duvall	PSU 2023 (performance shares)	4,714		4,714
	RSU 2023 (restricted shares)	4,270		4,270
	PSU 2024 (performance shares)	12,855		12,855
	RSU 2024 (restricted shares)	5,509		5,509
Lisa Brown	PSU 2023 (performance shares)	10,056		10,056
	RSU 2023 (restricted shares)	4,311		4,311
	PSU 2024 (performance shares)	11,917		11,917
	RSU 2024 (restricted shares)	5,108		5,108
Mark Van Bijsterveld	PSU 2023 (performance shares)	10,056		10,056
	RSU 2023 (restricted shares)	4,311		4,311
	PSU 2024 (performance shares)	12,319		12,319
	RSU 2024 (restricted shares)	5,280		5,280
Total	**RSU 2022 (restricted shares) - Solvay**	**4,997**	**4,997**	**4,997**
	RSU 2022 (restricted shares) - Syensqo	**4,997**	**4,997**	**4,997**
	PSU 2023 (performance shares)	**39,596**		**39,596**
	RSU 2023 (restricted shares)	**19,227**		**19,227**
	PSU 2024 (performance shares)	**76,739**		**76,739**
	RSU 2024 (restricted shares)	**32,890**		**32,890**

Share Ownership Guidelines

To align Executives' interests with those of shareholders, a requirement to build and maintain a shareholding in Solvay equivalent to 150% of fixed base remuneration for the CEO and 100% of fixed base remuneration for other ELT members is included in the Remuneration Policy. This shareholding should normally be built up over a period not exceeding five years.

Any shares acquired to meet this requirement should be held until at least one year after the ELT member leaves the Group and, in any case, for at least three years after the shares were acquired.

At this stage every ELT member is building his or her shareholding.

Extraordinary items

The Solvay Board of Directors did not make use of its discretion to grant any additional payments and/or benefits to the CEO or any other ELT members. Therefore there are no extraordinary items based on discretion to be reported.

4.6.3.8. Amount of remuneration paid and other benefits granted directly or indirectly to the CEO and other ELT Members

According to the Remuneration Policy and based on the Board's assessment of the performance of the Group and ELT Members in 2024, the remuneration of the CEO and other ELT Members was as follows (in €):

Name, Position	Fixed Remuneration/Base salary(1)	Variable remuneration(2)		Total direct remuneration	Extraordinary items(3)	Benefits(4)		Total remuneration (excluding Extraordinary items)
		Annual variable pay based on 2024 paid in 2025	The value of vested equity based remuneration 2024			Pension	Other	
Philippe Kehren, *CEO & Chairman of the ELT*	810,000	1,022,281	72,810	1,905,091	5,744	255,052	131,822	2,291,965
Alexandre Blum, *CFO & ELT member*	500,000	464,263	91,013	1,055,276	8,176	143,720	139,421	1,338,417
Lanny Duvall, *ELT member*	503,119	414,492	0	917,611	93,757	142,176	107,053	1,166,840
Lisa Brown, *ELT member*	445,000	413,194	0	858,194	8,913	133,112	74,589	1,065,895
Mark Van Bijsterveld, ELT member	460,000	397,222	0	857,222	0	132,825	153,242	1,143,289

(1) *Remuneration paid for the period related to their ELT mandate from January 1-December 31, 2024, for Mr. Lanny Duvall this also includes payments made in 2024 related to 2023 employment.*

(2) *The vested equity based remuneration 2024 represents the PSU 2021 vested on December 31, 2023 and paid in June 2024.*

(3) *Reimbursement of Belgian social security contributions paid by ELT Members for the period October 1-December 8, 2023, prior to ELT appointment. For Mr. Lanny Duvall it also includes mandatory elements related to the mutual termination of the employment contract on May 31, 2024 due to the change of status to self-employed.*

(4) *Benefits Other includes Long-term benefits (death-in-service, disability & medical benefits) & benefits in kinds.*

Comparative information of the evolution of remuneration and company performance

The table below shows the change in remuneration of the Board and the ELT in comparison to the Group's performance over a period of five years.

	2020	2021	2022	2023	2024
Remuneration					
Remuneration of the Board (€)	1,687,500	1,620,587	1,575,538	2,182,606	1,240,000
Remuneration of the CEO (€)	3,790,614	4,025,971	5,738,535	5,842,772	2,291,965
· Ilham Kadri (€) (CEO until December 8, 2023)	3,790,614	4,025,971	5,738,535	5,704,676	-
· Philippe Kehren (€) (CEO as of December 9, 2023)	-	-	-	138,096	2,291,965
Remuneration of ELT Members (€)	7,726,374	7,707,462	8,327,681	8,117,104	4,714,450
Ratio between the remuneration of the CEO and the average remuneration of employees	61x	59x	75x	85x	35x
Solvay performance	**2020**	**2021**	**2022**	**2023**	**2024(1)**
Underlying profit for the period (€ million)	650	1,081	1,772	1,430	445
Underlying EBITDA (€ million)	1,945	2,356	3,229	2,923	1,052
Free Cash Flow (€ million)	1,206	1,043	1,255	1,041	361

(1) *Performance are based on the new Solvay perimeter post partial demerger*

The ratio of the CEO's pay (highest paid executive in the Group) to that of the lowest paid Solvay employee in Belgium in 2024 is 40x, compared to 125x in 2023, 114x in 2022, 90x in 2021, and 108x in 2020. The CEO remuneration for 2024 is calculated as the sum of the remuneration as reported in section 4.6.3.8. The lowest paid employee is defined as a full-time employee in Belgium who has worked for a full year and holds the lowest base salary at year end. We anticipate an increase in the ratio in the coming year primarily driven by the low initial LTI vesting value for the new CEO. Based on the 2024 CEO target remuneration the ratio would be 51x.

4.6.3.9. Key provisions of Executive Leadership Team members' contractual relationships with the Company and/or an affiliated company, including provisions relating to remuneration in the event of early departure

ELT Members, including the Chairman (or CEO), have directorships in Group subsidiaries as a function of their responsibilities. Where such directorships are compensated, they are included in the amounts given above, regardless of whether the position is deemed to be salaried or undertaken on a self-employed basis under local legislation.

ELT Members have been appointed under a self-employed status and have a management agreement of Belgian law with Solvay for a definite period of four years that is tacitly renewed when their mandate is renewed. By way of exception, the CPO (Mr. Mark Van Bijsterveld) has an employment contract of Dutch law.

The following termination arrangements have been agreed upon with the CEO and the ELT Members:

In the event that Solvay terminates the contract of the CEO (Mr. Philippe Kehren), the CFO (Mr. Alexandre Blum), the General Counsel (Ms. Lisa Brown), and the COO (Mr. Lanny Duvall) or if their mandate is not renewed at the end of a four-year period, they will be eligible for a contractual termination indemnity equal to 6 months for a seniority of less than one year or 12 months remuneration for a seniority of more than one year (calculated on the basis of the annual fixed fees and the short-term variable fees at target). Their management contracts provide for a non-competition period of 12 months after termination, with an indemnity equal to 50% of the remuneration for the non-competition period unless Solvay waives the application of the clause. This indemnity, if due by the Company, is included in the termination indemnity, from which it shall be deducted.

In the event that Solvay terminates the employment contract of the CPO (Mr. Mark Van Bijsterveld) he will receive a severance package equal to the higher of the statutory transition payment according to Dutch law or 12 months gross salary (the basis for the calculation of this severance package is the annual gross salary and the average of the STIs received in the past three years). His employment contract provides for a non-competition period of 12 months after termination.

In the event that Mr. Philippe Kehren resigns, he has to respect a notice period of six months. In the event that Mr. Alexandre Blum, Ms. Lisa Brown, Mr. Lanny Duvall, or Mr. Mark Van Bijsterveld resigns, they have to respect a notice period of three months.

All ELT Members are subject to the non-competition agreements described above in the event of resignation, unless Solvay waives the application of the clauses.

In the event of a change in control over the Company, Ms. Lisa Brown may terminate the management agreement with three months notice to the Company within six months after the occurrence of such change in control. In such event, she will receive a termination indemnity at the same conditions as in case of termination by Solvay (the non-competition indemnity, if due by the Company, is included in the termination indemnity, from which it shall be deducted).

4.6.4. Statements of compliance of remuneration for Chairman and ELT Members

This report has been prepared by the Compensation Committee.

The remuneration packages of the CEO and the ELT Members, are in compliance with Article 7:91 of the Belgian Code of Companies and Associations, which provides that, in the absence of statutory provisions to the contrary or express approval by the Annual General Meeting of Shareholders, at least 25% of the variable remuneration shall be linked to predetermined performance criteria that are objectively measurable over a period of at least two years, and at least another 25% should be based on predetermined performance criteria that are objectively measurable over a period of at least three years.

The remuneration packages are set by the Board, based on recommendations from the Compensation Committee. These remuneration packages are also compliant with the Belgian Code of Corporate Governance (2020).

The variable remuneration of the ELT and the CEO consists in:

- An annual incentive (STI) based on the performance achieved relative to the Group's financial and sustainable performance objectives and the performance of the individual measured against a set of pre-determined individual objectives; and
- Long term incentives (PSU & RSU) delivered in the form of shares.

The expenses of the ELT Members, including those of its Chairman (the CEO), are governed by the same rules that apply to all senior management staff, namely the justification of all business expenses, item by item. Private expenses are not reimbursed. In the case of mixed business and private expenses, such as cars, a proportionate rule is applied in the same way as to all management staff in the same position.

According to Belgian Law, any changes to our Remuneration Policy need to be submitted to shareholders for approval before implementation.

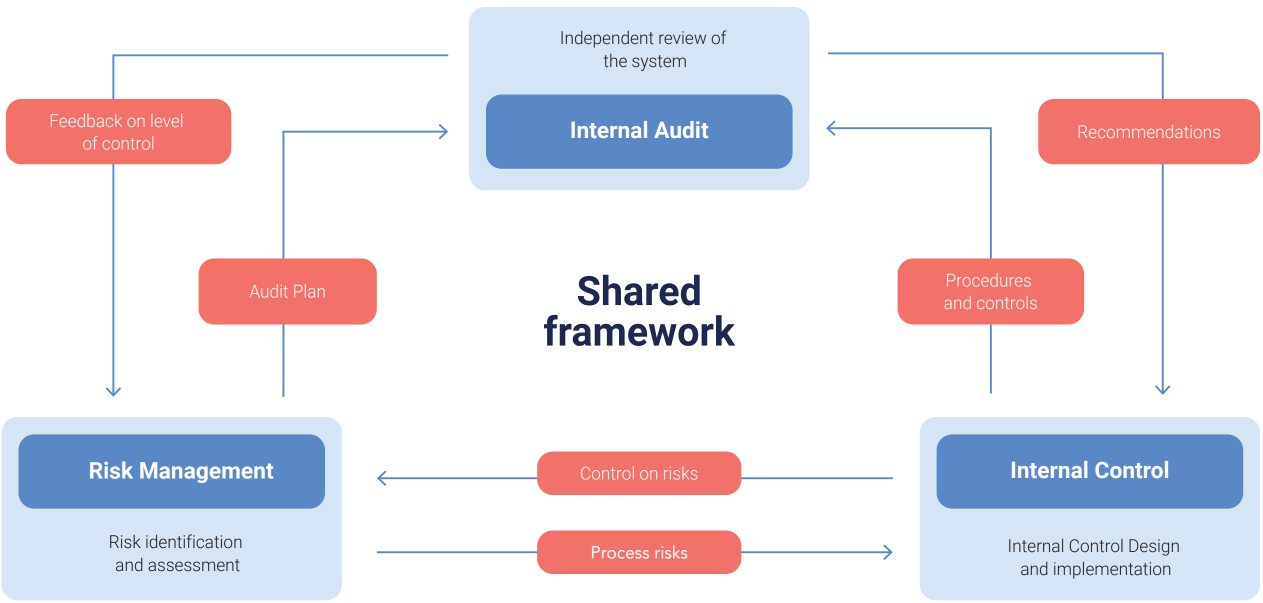
4.7. MAIN CHARACTERISTICS OF RISK MANAGEMENT, INTERNAL CONTROL, AND INTERNAL AUDIT

4.7.1. Roles and responsibilities

Solvay leaders and managers are accountable for ensuring the adequacy of the risk management and internal control framework in their respective Global Business Units (GBUs) and Functions. This applies to both financial and sustainability-related matters.

The Internal Audit and Risk Management department (IA/RM) organizes internal audit, internal control, and risk management activities in a global assurance function to strengthen the efficiency and effectiveness of the risk management and internal control systems.

The Risk Management and Internal Control teams provide advice and ensure that leaders address the challenges at stake. They are in charge of setting up and maintaining a comprehensive and consistent system for risk management and internal control across the Group, which is independently reviewed by the Internal Audit team.



The extent to which Solvay is willing to take risk in pursuit of the Group's business strategy and the objective to create shareholder value is defined and managed by a number of qualitative and quantitative measures such as limits, triggers, and indicators according to its risk appetite. The IA/RM department communicates directly with the Audit and Risk Committee on a regular basis to ensure that risk management activities by Solvay management are aligned with the Board.

Solvay has set up an internal control system designed to provide reasonable assurance that:

- current laws and regulations are respected;
- policies and objectives set by general management are implemented;
- financial and sustainability-related information is accurate; and
- internal processes are efficient and effective, particularly those contributing to the protection of Solvay's assets.

The five components of the internal control system and the role of internal audit as an independent assurance provider are described below.

4.7.2. The control environment

As the foundation of the internal control system, the control environment reflects the tone from the top, thus promoting awareness and compliant behavior among all employees. Its various elements create a clear structure of principles, rules, roles, and responsibilities, while demonstrating management's commitment to compliance.

- The Code of Business Integrity is available on Solvay's website. It refers to underlying policies and procedures. Employees regularly receive training on the Code. *For more details, please refer to section 6.4.1 Business Conduct in the Sustainability statements.*
- An Ethics Hotline, managed by a third party, enables employees to report potential Code of Business Integrity violations if they cannot approach their managers or the compliance organization, or if they wish to remain anonymous. *For more details, please refen to section 6.4.1 Business Conduct in the Sustainability statements.*
- Standardized processes and controls, including delegations of authority and signature rules, as well as the application of the segregation of duties principle, are in place for financial and sustainability-related activities and transactions.

4.7.3. The risk assessment process

The Group-wide risk management process takes into account the organization's strategic objectives and the results of the Double Materiality Assessment (DMA). It is structured into the following phases:

- Risk analysis (identification and evaluation), risk assessment, and decision on how to manage critical Risks, Impacts, and Opportunities (IROs).
- Implementation of mitigation plans with risk owners accountable for delivery.
- Monitoring of risk mitigation plans to ensure adequacy and effectiveness.

The Audit and Risk Committee meets with the CEO and all other members of the Board once a year to discuss and approve the major risks facing the Group ("Group Risks"). During the year, the Audit and Risk Committee systematically reviews progress and regularly invites the relevant leaders and risk owners to provide overviews of their risk assessments and progress on mitigating actions addressing the identified risks.

For more details on Enterprise Risk Management and the management of material IROs, including a description of the Group's main risks and the actions taken to avoid or mitigate them at different levels in the organization, please refer to the Risk Management section of this report. For more details on the Double Materiality Assessment, please refer to section 6.1.4 IRO management of the Sustainability statements.

4.7.4. Control activities

Solvay uses a systematic approach to design and implement internal control activities for the Group's most relevant processes. It includes a risk assessment step to define the key control objectives for processes at corporate, global shared services platforms named Global Business Services (GBS), Global Business Unit (GBU), and site level to ensure the production of reliable Financial and Sustainability Statements. Under the sponsorship of the CFO, a network of corporate process owners and GBU representatives has been set up to promote an internal control system tailored to the risks of each GBU and corporate function.

Following the risk assessment phase, the controls are designed and described by the corporate process owners with the support of the Internal Control team. The control descriptions are used as a reference for the internal control roll-out and assessment across the Group. At each level in the organization, the manager in charge of the process is responsible for control execution.

Solvay implements policies and processes applicable to all employees in the following financial domains: management control, financing and cash flow; financial control; financial communication; and tax and insurance policies. Control activities are defined for all of these financial processes and for major Group-wide projects, like acquisitions and divestitures. Furthermore, an online Financial Reporting Guide explains how the IFRS rules should be applied throughout the Group.

Financial elements are consolidated monthly and analyzed by Controlling teams at all levels in the organization, as well as by Group Accounting and Reporting and the Executive Leadership Team. Elements are analyzed using plausibility and consistency checks, as well as various other methods, such as variance analysis, ratio analysis, and comparison with forecasts.

In addition to the monthly reporting analysis, the Executive Leadership Team thoroughly reviews GBU performance every quarter in the context of business forecast reviews.

Internal controls for sustainability-related activities and transactions that are considered material as a result of the Double Materiality Assessment follow the same approach as internal controls over financial reporting. Process and internal control descriptions covering material IROs are designed and described by Corporate process and control owners with the support of the Internal Control team. Depending on their scope of applicability these controls are either implemented centrally or will be rolled out to the relevant level in the organization and executed under the responsibility of the manager in charge.

Key group-wide policies and procedures addressing the material IROs, i.e., the Code of Business Integrity, the Supplier Code of Business Integrity, Anti-Bribery and Anti-Corruption Policy, Speak-up Policy, Capital Expenditure Procedure, Procurement Governance Policy, as well as several Health Safety Environment and Remediation (HSER) policies that are to be followed by all employees and external business partners, where applicable, provide the underlying foundation for the sustainability-related internal control framework. Moreover, to ensure the correctness of the sustainability reporting, a group-wide set of policies and processes have been developed and are being rolled out to all relevant stakeholders in the organization.

4.7.5. Internal control monitoring

The Audit and Risk Committee monitors the effectiveness of the risk management and the internal control system. It supervises the work of the Internal Audit and Risk Management team relating to financial, sustainability, operational, and compliance monitoring. It is kept informed of the scope, programs, and results of internal control testing, internal control self-assessments, and internal audit work. It also verifies that audit recommendations are properly implemented *(for more details on the work of Internal Audit, please refer to section 4.7.7. below)*. For more details on the role and responsibilities of the Audit and Risk Committee, please see the Audit and Risk Committee Charter included in the Corporate Governance Charter of Solvay.

Besides that, the Ethics and Compliance department coordinates investigations of potential Code of Business Integrity infringements. *For more details on the work of the Ethics and Compliance department, please refer to section 6.4.1 Business Conduct of the Sustainability statements.*

4.7.6. Information and communication

Group-wide information systems are operated by the IT department. A large majority of Group operations are supported by a small number of integrated Enterprise Resource Planning (ERP) systems. Financial consolidation is supported by a dedicated tool.

Financial reporting procedures and internal controls ensure that all material information disclosed by Solvay to investors, creditors, and regulators is accurate, transparent, and timely, and that it fairly represents the Group's most relevant developments, financial fundamentals, and performance. For sustainability reporting, the data collection and review process is more manual. Review controls are in place to ensure material disclosed information is correct and complete.

The Group Accounting and Reporting department provides detailed written instructions to all financial actors involved before each quarterly closing.

The publication of the quarterly financial results and the yearly sustainability statements is subject to various review and approval steps:

- The Investor Relations team designs, develops, and issues messages and information about the Group with the needs of financial markets in mind. It does so under the supervision and control of the Executive Leadership Team.
- The Audit and Risk Committee ensures that financial and sustainable statements (in coordination with the ESG Committee) and communications by Solvay SA and the Group conform to generally accepted accounting principles (IFRS for the Group, Belgian accounting law for Solvay SA) and the Corporate Sustainability Reporting Directive and corresponding standards.
- The Board of Directors approves the consolidated periodic financial statements and those of Solvay SA (quarterly, semi-annual, and annual), the sustainability statements, and all related communications.

4.7.7. Internal Audit

The Internal Audit team provides risk-based, independent, and objective assurance to enhance and protect the organization's value. It uses a systematic and methodological approach to evaluate and improve the effectiveness of governance, risk management, and internal control processes and procedures, helping the organization accomplish its objectives.

The team performs internal audit assignments across the entire Group on the basis of its Audit Charter and the risk-based annual internal audit plan approved by the Audit and Risk Committee. The audit plan takes into consideration internal and external data, risk factors, and benchmarks. It includes both entity-level audits and transversal, Group-wide assignments to address the Group's main risks, which are identified as part of the enterprise risk management process.

The assignments are scoped, planned, and defined on the basis of a risk analysis focusing on key risk areas. It is the management's responsibility to ensure that internal audit recommendations are translated into action plans and implemented. The implementation status is monitored by the Internal Audit team and reported to the Executive Leadership Team and the Audit and Risk Committee on a regular basis.

In 2024, the Internal Audit team conducted 16 assignments across all Solvay regions relating to the efficiency of operations and internal controls, as well as to governance, compliance, business integrity, information security, and value protection topics.

The Head of Internal Audit and Risk Management reports to the Chief Financial Officer and maintains reporting relationships with the Chair of the Audit Committee and the CEO. She attends all Audit and Risk Committee meetings and periodically presents an activity report summarizing audit missions performed, the follow-up of recommendations, and the annual audit program. She has direct access at all times to the Chair of the Audit and Risk Committee and the CEO.

4.8. EXTERNAL AUDIT

The audit of the Company's financial situation, financial statements, Sustainability statements, and the conformity of these statements – and the entries to be recorded in the financial statements in accordance with the Code of Companies and Associations and the bylaws – are entrusted to one or more auditors. The auditors are appointed at the Annual Shareholders' Meeting and chosen from among the members, either natural or legal persons, of the Belgian Institute of Company Auditors.

The responsibilities and powers of the auditor(s) are set by law.

- The Annual Shareholders' Meeting sets the number of auditors and their emoluments in accordance with the law. Auditors are also entitled to reimbursement of their travel expenses for auditing the Company's sites and administrative offices.
- The Annual Shareholders' Meeting may also appoint one or more alternate auditors. Auditors are appointed for three-year renewable terms, which cannot be revoked by the Annual Shareholders' Meeting without good reason.
- The Audit and Risk Committee assesses the effectiveness, independence, and objectivity of the external auditor with regard to the:
  - content, quality, and insights provided in key external auditor plans and reports, in particular those summarizing audit work performed on risks identified by the Company;
  - engagement with the external auditor during Committee meetings;
  - robustness of the external auditor in their handling of key accounting principles; and
  - provision of non-audit services.

For the year ending December 31, 2024, professional services were performed by EY Bedrijfsrevisoren BV / EY Réviseurs d'Entreprises SRL, duly incorporated and validly existing under the laws of Belgium, whose registered office is at Kouterveldstraat 7b, 1831 Diegem, Belgium, registered in the register of legal entities of Brussels under business registration number 0446.334.711, and their respective affiliates.

The EY mandate has started at the date of the Shareholders' meeting of May 10, 2022. EY is the statutory auditor of the company for a duration of three years, ending after the Ordinary Shareholders' Meeting of 2025, which will be called upon to approve the accounts for the year 2024, and be requested to renew the mandate of EY for three years.

4.9. DEVIATION FROM THE 2020 CODE

The Company deviates from Rule 7.6 of the Corporate Governance Code which recommends that a portion of the remuneration paid to non-executive directors be in shares. The Company considers however that its remuneration practices remain relevant and comply with the spirit of Rule 7.6 because non-executive directors are required to hold a number of Company shares equivalent to 100% of their gross annual fixed board fees.

For more details, please refer to section 1.6 of the Corporate governance statement.

4.10.ITEMS TO BE DISCLOSED PURSUANT TO ARTICLE 34 OF THE BELGIAN ROYAL DECREE OF NOVEMBER 14, 2007

According to Article 34 of the Belgian Royal Decree of November 14, 2007, the Company hereby discloses the following items:

Capital structure

As of December 31, 2024, the capital of the Company amounted to €236,583,447.18, represented by 105,876,416 ordinary shares with no designated par value, fully paid up.

All Solvay shares are entitled to the same rights. There are no different classes of shares.

Transfer of shares and shareholders' arrangements

Solvay's Articles of Association do not contain any restriction on the transfer of shares.

To the Company's knowledge, there are no binding agreements among shareholders relating to the Company that may result in restrictions on the transferability of the Company's shares, or the exercise of voting rights. However, the Company is informed that certain individual shareholders who hold shares directly in Solvay may decide to consult one another when questions of particular strategic importance are submitted by the Board of Directors to the Shareholders' Meeting. Each of these shareholders, however, remains free to vote as he or she chooses. None of these individuals, either individually or in concert with others, reaches the initial 3% transparency notification threshold (as Solvay has not been notified of any such holding).

Solvay is not aware of any voting agreements among our shareholders or of the existence of a concert between our shareholders.

Holders of securities with special control rights

There are no such securities.

Control mechanism of any employee share scheme where the control rights are not exercised directly by the employees

There is no employee share scheme with such a mechanism.

Restrictions on the exercise of voting rights

Each Solvay share entitles its holder to exercise one vote at Shareholders' Meetings.

Article 10 of the Company's Articles of Association provides that the exercise of voting rights and other rights attached to shares that are jointly owned, or of which the usufruct and bare ownership rights have been separated or are pledged, are suspended pending the appointment of a single representative to exercise the rights attached to the shares.

The voting rights attached to the shares in Solvay held by Solvay Stock Option Management, a wholly-owned indirect subsidiary of the company, are, as a matter of law, suspended.

Appointment, renewal, resignation, and dismissal of Directors

The Articles of Association of the Company provide that the Company is to be managed by a Board of Directors composed of no less than five members, their number being determined by the Shareholders' Meeting (Article 12). Directors are, in principle, appointed by the Shareholders' Meeting for four years, and may be reappointed (Article 13).

The Board of Directors submits directors' appointments, renewals, resignations, or dismissals to the Ordinary Shareholders' Meeting for approval.

The Ordinary Shareholders' Meeting decides on proposals made by the Board of Directors on this matter by a simple majority.

If a directorship becomes vacant during a term of office, the Board of Directors may appoint a new member, subject to ratification at the next Ordinary Shareholders' Meeting.

Amendment of Solvay's Articles of Association

Amendments to the Company's Articles of Association must be submitted as a resolution to the Shareholders' Meeting, at which at least 50% of the share capital of Solvay must be present or represented. In principle, amendments must be passed by a 75% majority of the votes cast.

If the attendance quorum is not met at the first Extraordinary Shareholders' Meeting, a second Shareholders' Meeting may be convened and will take a decision without any attendance quorum requirement.

For certain other matters, such as amendment of the purpose of the Company, higher voting majorities may apply.

Powers of the Board of Directors

The Company has adopted a "one tier" governance structure whereby the Board of Directors is vested with the power to perform all acts that are necessary or useful for the realization of the Company's corporate purpose, except for those actions that are specifically reserved by law or the Articles of Association to the shareholders' meeting.

On December 9, 2023, the Board delegated certain powers to the ELT. Such delegations of powers are reflected in the Governance Charter.

In all matters for which it has exclusive responsibility, the Board of Directors works in close cooperation with the Executive Leadership Team, which, in particular, is responsible for preparing most of the proposals for decisions made by the Board of Directors.

The Extraordinary Shareholders' Meeting of December 8, 2023, granted the following authorizations to the Board of Directors:

- Authorized capital:
  - Authorization to increase the capital pursuant to Articles 7:198 and following of the BCCA, in one or several instances, for a period of five (5) years, up to a maximum of €23,650,000 (excluding any issuance premium).
  - Authorization to increase the capital in the event of a takeover bid on Solvay, in one or several instances, for a period of two (2) years, under the conditions and within the limits set out in the new Article 8 of the Articles of Association and Article 7:202 of the BCCA.
- Acquisition, disposal, and cancelation of own shares:
  - Authorization to acquire and pledge, for a period of five (5) years, own shares at a unit price which may not be lower than one euro (€1.00) and which may not be higher than ten percent (10%) higher than the highest price of the last twenty (20) trading days preceding the transaction, without Solvay at any time holding more than ten percent (10%) of the total number of shares issued.
  - Authorization to acquire and pledge own shares when such acquisition or pledging is necessary to prevent serious and imminent harm to Solvay, including in case of a public takeover bid on Solvay, for a period of two (2) years, in accordance with Article 7:215, §1, paragraphs four and five of the BCCA.
  - Authorization to dispose of own shares to one or more specified persons other than employees, subject to the conditions and within the limits set out in Article 7:218, §1, 4° of the BCCA.
  - Authorization to dispose of own shares in order to prevent serious and imminent harm to Solvay, including in case of a public takeover bid on Solvay, for a period of two (2) years, in accordance with Article 7:218, §1, 3° of the BCCA.
  - Authorization to cancel, at any time, treasury shares and to amend the Articles of Association to reflect the reduction of the total number of shares of Solvay.

Significant agreements or securities that may be impacted by a change of control of the company

Separation Agreement dated December 4, 2023

In the context of the Partial Demerger, Solvay and Syensqo entered into a separation agreement governing certain matters relating to the separation of Syensqo from Solvay and prior reorganization transactions, and the relationship of Solvay, Syensqo, and their respective affiliates as from the effective date of the Partial Demerger, and implementing certain additional arrangements relating thereto, including certain cross-indemnification undertakings related to environmental liabilities (the "Separation Agreement"). Under Section 4.2 of the Separation Agreement, Syensqo has the right to terminate (for the future) its indemnification undertakings toward Solvay for environmental liabilities allocable to Syensqo for which Solvay would remain liable notwithstanding the Partial Demerger, in the event of a change of control over Solvay (defined as the case where a third party reaches or crosses, alone or in concert, the threshold of 25% of voting securities of the Company, irrespective of whether this threshold is reached or crossed as a result of an acquisition of voting securities or otherwise, and subject to certain exceptions relating to Solvac). The change of control clause was approved by the Extraordinary Shareholders' Meeting of December 8, 2023.

U.S. Tax Matters Agreement dated October 31, 2023

In the context of the Partial Demerger, Solvay and Syensqo entered into a U.S. Tax Matters Agreement, governing the respective rights, responsibilities, and obligations of the Company and Syensqo with respect to certain U.S. tax matters, including with respect to U.S. tax liabilities (including, generally, responsibility and potential indemnification obligations for U.S. taxes attributable to each company's business and taxes and losses arising, under certain circumstances, in connection with the intragroup spin-off of certain U.S. entities (the "U.S. Spin-Off") and the Partial Demerger (and certain related transactions), U.S. tax attributes, U.S. tax contests and U.S. tax returns (the "U.S. Tax Matters Agreement"). Under Section 3.02 of the U.S. Tax Matters Agreement, the Company may be required to indemnify Syensqo or Solvay Holding, Inc. for certain adverse U.S. federal income tax consequences that may result from (i) certain future actions or omissions that could reasonably be expected to cause the Partial Demerger or the U.S. Spin-Off (or certain associated transactions) to fail to qualify for their intended U.S. tax treatment, including actions or omissions which lead to or may lead to a change of control over the Company (within the meaning of Article 1:14 and following of the BCCA), or (ii) the acquisition by one or more persons of a 50% or greater interest (measured by vote or value) in the capital of the Company, including for the avoidance of doubt pursuant to a takeover bid (even if Solvay does not participate in or otherwise facilitate the acquisition). The change of control clause was approved by the Extraordinary Shareholders' Meeting of December 8, 2023.

Agreements between the Company and its directors or employees providing for compensation if directors resign or are good leavers, or in the case of a public takeover bid

Not applicable.

5. Risk management

5. Risk management

In a context of elevated global economic and geopolitical uncertainty, increasingly volatile market cycles, supply chain constraints, and heightened sensitivity, expectations, and requirements related to climate change and sustainability, we believe that effectively monitoring and managing risks is key to achieving Solvay's strategic objectives.

5.1. RISK MANAGEMENT PROCESS

Value can be created when risk is well understood and managed. Anticipating, measuring, mitigating, and monitoring risks is as important to Solvay as the related activity of identifying, managing, and optimizing opportunities. The extensive risk-related processes that we apply across the entire organization and value chain demonstrates this - from the Board of Directors and front-line workers, to supply chain partners and customers. These processes are outlined below.

5.1.1. Risk analysis and decision on how to manage critical risks

We analyze risks in three ways. First, we establish their level of priority for Solvay, which means categorizing them as "main risks" (most critical) or "other risks." Second, we identify in which area the risk would have the most serious consequences: impact on the environment, and/or on people, economic consequences and/or reputational damage for the Group. And third, we classify risks according to their time horizon: short term (up to one year); medium term (more than one year and less than five); and long term (more than five years).

In accordance with the European Sustainability Reporting Standards (ESRS), we also assess and categorize our main risks as "Environmental (E)," "Social (S)," or "Governance (G)," where applicable, thus creating a direct link between the Group's Enterprise Risk Management (ERM) and the Sustainability reporting process.

Risk management in action

Solvay's Enterprise Risk Management methodology, which is inspired by the Committee of Sponsoring Organizations (COSO) principles, requires our Global Business Units (GBUs) and Functions – and the Group as a whole – to prioritize risks, develop and deliver on mitigation plans, continually scan the environment to assess whether risks and exposures are changing, and test whether priorities and plans remain appropriate. This process is closely followed by the Corporate Risk Management team, with systematically recorded assessments that enable us to monitor decisions and measure actions and progress.

The process we use is regularly adjusted to constantly improve the identification and classification of risks. While we have been using a systematic classification process to help us identify and integrate ESG risks and impacts into our ERM methodology since 2023. We conducted our first Double Materiality Assessment (DMA) in accordance with the requirements of the Corporate Sustainability Reporting Directive (CSRD) in 2024. The results of the DMA exercise showed significant alignment between the Group's most critical risks ("Group risks") and the ESG risks and opportunities identified in the DMA exercise.

For further details on the DMA, please refer to the chapter 6.1.4. IRO Management in the Sustainability Statements section of this report. For further details on how the Group integrates the findings of its risk assessment and internal controls as regards to the sustainability reporting process intro relevant internal functions and processes, please refer to the chapter 6.1.2 Governance - GOV-5 in the Sustainability Statements section of this report.

Business and Function leaders integrate risk management into decision-making to support delivery of objectives

Leaders of GBUs and Functions are responsible for identifying, monitoring, and managing the key risks in their scope of responsibility. Risk management is embedded in the day-to-day operations of each entity, and operational managers are expected to anticipate and react rapidly when circumstances change. The GBU risk matrices and follow-up actions needed to mitigate any critical risks are formally presented to the Executive Leadership Team (ELT) at least once a year.

Group risks are overseen at Executive Leadership Team level

Group-level risks are managed at the top level. They are closely and systematically monitored by the Group Risk Committee, which ensures that these risks are identified and assessed for criticality, then adequately addressed accordingly. The Committee is composed of the ELT, establishing a direct link between the Group's strategy and the risk management process, the Chief Sustainability Officer, the Senior Vice President Communication & General Public Affairs, the Capital Markets Director, and the Chief Information Officer. Group Risk Committee meetings are facilitated by the Internal Audit and Risk Management Director.

ELT members act as risk sponsors contributing to risk treatment and response. In addition, Board Members provide independent input based on their broad expertise.

Further input is gathered by the Corporate Risk Management Team, which scans external sources, such as the World Economic Forum Global Risks report, the Risk in Focus report from the European Confederation of Institutes of Internal Auditing (ECIIA), the AXA Future risks report, the Alianz Risk Barometer, or the Economist Intelligence Unit Risk Outlook for relevant information. The Corporate Risk Management Team also performs a reconciliation between existing and any newly identified Group Risks, as well as the results of the DMA (specifically for ESG-related risks & impacts), to ensure consistency during the following cycle.

Group Risks are reviewed and validated by the ELT once a year, while risk-mitigating initiatives are presented at least twice a year. More frequent updates are prepared and reviewed when necessary.

The Audit and Risk Committee meets with the CEO and CFO, as well as all other members of the Board, once a year to discuss the major risks facing the Group. During the year, the Audit and Risk Committee systematically reviews progress and regularly invites the relevant leaders and Risk Owners to provide overviews of their risk assessments and progress on mitigating actions. In accordance with the defined Group risks, topics such as industrial safety, physical security, cybersecurity, climate change, or ethics and compliance matters are addressed.

Solvay’s Risk Management Process

	Risk analysis and decision	Implementation	Monitoring
Board	Approve changes to the Group risks based on recommendations by the Group Risk Committee* and the Audit and Risk Committee	–	Annual Group risk assessment and approval
Audit and Risk Committee	Gather input through survey or dedicated session on Group risks	–	· Assess effectiveness of risk management · Quarterly presentations by risk owners (rotation) · Periodic review and assessment of Group risks (minimum bi-annually)
Group Risk Committee*	· Contribute to identifying and addressing risks · Decide upon definition of Group risks	–	Annual Group risk assessment and review of mitigating actions based on Group Risk Cards
Executive Leadership Team (ELT)	Provide input on Group risks, establishing a direct link between the Group strategy, the DMA, and the risk management process	· Oversee progress as individual risk sponsors · Ad hoc risk sessions and bi-annual review of mitigating actions based on Group risk Cards	
GBUs and Functions	· Define risks at business and function levels · Escalate critical risks to Group level	· Mitigation plan developed with risk owners accountable for delivery · Ongoing systematic progress update · Regular update (minimum twice per year) and disclosure to ELT (at least annually)	

* *The Group Risk Committee comprises the Executive Leadership Team (ELT); the Chief Sustainability Officer; the Senior Vice President Communication & General Public Affairs; the Capital Markets Director; and the Chief Information Officer.*

Management of major projects linked to Solvay’s transformation

An appropriate risk assessment methodology is applied to significant transformation initiatives. Among others, this is the case for the implementation of – and gradual exit from – the Master Services Transition Agreement (MSTA) between Solvay and Syensqo, which the two groups had entered into following the successful partial demerger project that split the Group into two, independent, publicly traded companies and for which a distinct organization and governance structure has been implemented.

Internal control

Internal control is a key aspect of risk management. The Corporate governance chapter of this report provides a detailed description of Solvay’s risk management and internal control system - *For more details, please refer to Corporate governance statement, section 4.7.1.*

5.1.2. Crisis preparedness

There is a structured network within the Group to ensure crisis preparedness. Members of this network perform tasks and implement programs to ensure that their Business Units and Functions are prepared for specific crisis situations. These programs include crisis simulations, media training for potential spokespersons, maintenance of key databases, and analysis of relevant internal and external events. The risks identified using our ERM methodology influence the scenarios used in our simulations.

5.2. SOLVAY'S MAIN RISKS

The Group Risk Committee assesses the risks against two dimensions: the level of severity and the level of control.

Severity

To assess the severity, we use a four-level scale: low, medium, high, or very high.

Severity	Low	Medium	High	Very high
Economic (Loss of EBITDA)	Less than EUR 10m	EUR 10m to EUR 50m	EUR 50m to EUR 100m	EUR 100m or larger
Injury to people	Nuisance (noise, smoke, odor)	One or multiple first aid injuries or shelter-in-place	One irreversible injury or multiple reversible injuries	One or multiple fatalities, or multiple irreversible injuries
Reputation	A specific Consequence Scale is used for Reputation, see details below			
Environment	Non-reportable operating permit limits exceeded	· Damages limited to the immediate vicinity of the site · Minor impact on plants or animals around the site	· Reversible off-site damages · Major impact on plants or animals around the site	Long-term off-site damages (greater than or equal to 10 years)

A specific Reputation Consequence Scale has been established following the type of stakeholders involved, grouped here as "Risk Factors":

Risk Factors	Potential Consequence	Low	Medium	High	Very high
Shareholders' perception	Loss in value/share price Activism	Point of time loss	· Lower share price for a period · Activism without large shareholder base support	· Continued share price undervaluation · High-profile activism	· Continued share price undervaluation · Shareholders' assembly challenge
Government/political intervention/regulators, supervisory authorities, judiciary	· Obstacles to operations or projects · Regulatory scrutiny · Litigation/fines	· Minor delay · Local authority reminder of rules · Amount at Stake < EUR 10m	· Impairment to operations or projects with by-pass solution possible · Local authority challenge · 10m < Stake < EUR 50m	· Significant impairment to operations or significant delay of project · National-level litigation · 50m < Stake < EUR 100m	· Ban on operation · Asset seizure · National or multi - national litigation · Stake > EUR 100m
International organizations	· Negative reporting · Blacklists	Mention in a report	Negative depiction of the company	Named and shamed at international level	Blacklisting
General public	· Protests, blockades · Compensation	Limited social media negative item, without physical protests	· Large and long-lasting social media noise · Short or small number of physical protests	· Extended social media impact (national) · Operations blocking demonstrations	· Extended social media impact (international) · Demonstrations with attack on our people or assets
NGO and media	Negative campaigning PR costs	Isolated news Limited social media	· Local NGO campaign or media news · Large social media noise	· National NGO campaign or media news · Extended social media impact	Global media/campaign
Business partners, contracting parties	Termination or rejection of cooperation	Minor cooperation delayed	Significant cooperation delayed	Significant cooperation stopped	Major deal broken
Financing partners	Limitation or loss of financing	Minor issues with suppliers	Significant issue with supplier or bank still with financing access	Significant loss of financing	Major loss of financing

The assessment considers all relevant types of potential consequences and retains the highest level, which becomes applicable to the risk.

Level of control

The Group Risk Committee reviews and acknowledges the level of control over the main Group risks on the basis of a Group Risk Cards review by considering the following questions:

- → Are key actions and controls clearly identified?
- → Was the effectiveness of key actions and controls assessed?
- → Was the level of control adequate and proportionate to the risk?
- → Are additional mitigation actions appropriate?

Solvay's main risks

To determine how critical a risk is, we combine the two dimensions described above, i.e., the severity and the level of control. All risks with a high-to-very-high severity level are considered to be critical, independently of their level of control.

The table below shows the connection between ESG-related Group Risks and the sustainability topics deemed material under the DMA.* As such, it references the material ESRS** identified through the DMA process. The Impacts, Risks, and Opportunities (IROs) in the DMA can be considered ESG risks within the overall risk management framework. The material IROs listed in each ESRS form a subset of the Group Risks.

Level of Severity	ESG	Risk	Time horizon	Trends in level of control	Link with Sustainability topics deemed material in the ESRS structure
Very High	G	Compliance	Short to Long term	Stable	Business Conduct G1
	G	Business integrity	Short to Long term	Stable	· Business Conduct G1 · Workers in the value Chain S2
	E	Substance hazard risk	Short to Long term	*New risk*	Pollution E2
	N/A	Physical security	Short to Long term	Stable	N/A
	N/A	Cybersecurity	Short to Long term	Stable	N/A
	S	Operations safety	Short to Long term	Deteriorating	· Own workforce S1 · Workers in the value Chain S2
	E	Climate change	Short to Long term	Sustained actions within a more stringent context	· Climate change E1 · Water E3
	E	Environmental impact and controversies	Short to Long term	Stable	· Pollution E2 · Biodiversity E4 · Circular Economy E5
	N/A	Geopolitical risk	Short to Long term	Stable	N/A
to High	Partially S	Digital and human transformation	Short to Medium term	Progressing	Own workforce S1 (for human transformation risks only)

Short term ≤ 1 year < Medium term ≤ 5 years < Long term
** Double Materiality Assessment ** European Sustainability Reporting Standards*

5.2.1. Compliance risk

TIME HORIZON: SHORT TO LONG TERM	LEVEL OF CONTROL TREND: STABLE
Description: A non-compliance (competition law, export control, anti-bribery, industrial) causes major financial and reputational damages.	**Comments:** As this ESG risk is deemed material under the DMA, *please refer to the relevant Impacts, Risks, and Opportunities (IROs) in the following section of the Sustainability Statements for further details:* • *ESRS G1 Business Conduct*

5.2.2. Business integrity risk

TIME HORIZON: SHORT TO LONG TERM	LEVEL OF CONTROL TREND: STABLE
Description: 1. A major violation of Solvay business integrity standards, linked to its operations, leads to economic and/or reputational damages. 2. A major violation of Solvay business integrity standards, linked to its value chain, leads to economic and/or reputational damages.	**Comments:** As these ESG risks are deemed material under the DMA, *please refer to the relevant Impacts, Risks, and Opportunities (IROs) in the following sections of the Sustainability Statements for further details:* • *ESRS G1 Business Conduct (for 1.)* • *ESRS S2 Workers in the Value Chain (for 2.)*

5.2.3. Substances hazard risk

TIME HORIZON: SHORT TO LONG TERM	NEW RISK: TREND NOT APPLICABLE (NEW RISK)
Description: Evolving hazard classification of substances and increasing expectations in their use, sale, and emissions through our operations lead to increased adaptation measures in our operations, possibly to loss of operating permits, site closure, reputational damage, phase-outs, and loss of businesses due substitution threats.	**Comments:** As this ESG risk is deemed material under the DMA, *please refer to the relevant Impacts, Risks, and Opportunities (IROs) in the following section of the Sustainability Statements for further details:* • *ESRS E2 Pollution*

5.2.4. Physical security risk

TIME HORIZON: SHORT TO LONG TERM	LEVEL OF CONTROL TREND: STABLE
Description: A security event (terrorism, crime, violence, vandalism, theft) impacts employees, sites, and assets.	**Comments:** Solvay is exposed to physical security risks because it has 44 industrial sites, a large part of which have a high Seveso level. A number of our products, if mishandled, can cause severe damage. We also have sites located in countries where security concerns are rated high by our security intelligence providers.

Main developments in 2024

The year 2024 has been dedicated to securing a new travel assistance provider with the introduction of digital tools, which contributes to a higher degree of safety for Solvay's employees during business trips. We have also worked on the creation of a new digital training program to sensitize the employees to the various security threats the company can be exposed to

In the field of Physical Security at our sites, Solvay kept in 2024 the commitment of the previous years to enhance site security measures, recognizing the importance of safeguarding our assets and sensitive sites. 33 sites (32 industrial and 1 administrative site) have undergone a Security Vulnerability Self-Assessment (SVSA) in 2024 and only one industrial site has been assessed as having the highest level of security risk – Level 1 – since the previous SVSA.

In 2024, we executed numerous projects focused on enhancing physical security across sites, starting with the highest risk sites. The projects range from improvements at the structural level (fences, gates) to improvements to the systems (cameras, access control, intrusion detection). We prioritized standardization to ensure a robust and consistent security infrastructure across all our facilities. Our dedicated projects aimed at elevating security levels involved the integration of advanced surveillance systems, access control mechanisms, and intrusion detection technologies. We tailored our strategies and investments to create a layered defense that not only deters potential threats but also promptly responds to any security incidents.

5.2.5. Cybersecurity risk

TIME HORIZON:
SHORT TO LONG TERM

LEVEL OF CONTROL TREND:
STABLE

Description:

A cyber event leads to an industrial accident, data breach and theft, extortion, business disruption, and non-compliance, impacting employees, sites, assets, critical information, or intellectual property and reputation.

Comments:

Solvay's exposure to cyber risk, as for most major companies, stems from our extensive use of information and communication technologies and the gradually increasing automation level of our sites. Like most multinationals, Solvay experiences cyber incidents and actively responds to those incidents to limit the impact. The Solvay management team is not aware of any incident that would have significant consequences for our financial statements or our business.

Until the end of 2025, Solvay is also exposed to this risk in connection with major group transformations and reorganizations, as well as the services it provides to Syensqo under the Master Transition Services Agreement (MTSA).

Prevention & mitigation actions

Governing bodies

Solvay has a risk-based security approach to protecting sites, information, and people.

Two governance bodies lead the security risk management effort:

- A Security Board, chaired by the Chief Operating Officer, which provides strategic direction for the Group's security risk mitigation.
- A Cybersecurity Leadership Committee, chaired by the Chief Information Security Officer, which oversees all cybersecurity activities and provides budget and priority recommendations to the Security Board.

Solvay management provides updates on information security to the Board at least once a year and even more frequently to the Audit and Risk Committee.

Cybersecurity program

The two governance bodies leading the security risk management effort also supervise our cybersecurity program, which includes:

- the use of assessments conducted by external experts;
- the use of penetration tests and internal phishing simulations;
- substantial training for all Solvay Global Business Services and Digital Technology (DT) professionals, and mandatory security training for all employees;
- the regular publication of cybersecurity tips to increase employee awareness; and
- timely completion and successful deployment of security projects, monitoring the performance of implemented security controls to identify areas for improvement, and regularly reviews and updates cybersecurity policies and procedures to adapt to evolving threats.

Insurance

Solvay is insured against the potential financial impact of a cyberattack. This insurance covers damage to assets, business interruption, and third-party liability in case of loss of third-party confidential information. Solvay is also a founding member of Mutual Insurance and Reinsurance for Information Systems (MIRIS), a mutual insurance company focused on cyber risks, which provides exclusive additional capacity and loss prevention advice to its members.

Main developments in 2024

Solvay's commitment to managing security-related risks remains solid, guided by efficiency and by the belief that proactive measures are vital in safeguarding our people, assets, and ensuring the resilience of our operations.

We have substantially enhanced Solvay's cybersecurity culture across the organization. To reinforce awareness and preparedness, senior executives participated in a tabletop exercise, simulating real-world cyberattacks. Furthermore, purple team and red team exercises were conducted to identify and address vulnerabilities proactively. Streamlining policies and establishing clear governance frameworks have solidified Solvay's cybersecurity foundation. Onsite cybersecurity training programs were delivered to industrial personnel, empowering them to recognize and respond to potential threats.

To enhance Solvay's technical defenses, we have strengthened our authentication processes, hardened proactive vulnerability management practices, and improved our security monitoring capabilities.

To streamline and unify cybersecurity practices across the organization, we have developed a new cybersecurity roadmap, which incorporates the requirements of the NIS2 Directive.

5.2.6. Operations safety risk

TIME HORIZON:
SHORT TO LONG TERM

LEVEL OF CONTROL TREND:
DETERIORATING

Description:

A major accident on-site (occupational, process) or off-site (related to transportation), or a chronic exposure of employees (industrial hygiene) causes irreversible injuries, fatalities, environmental damages, and asset damages.

Comments:

As these ESG risks are deemed material under the DMA, *please refer to the relevant Impacts, Risks, and Opportunities (IROs) in the following sections of the Sustainability Statements for further details:*

- *ESRS S1 Own Workforce (for occupational safety and occupational health)*
- *Entity-specific Process Safety (for process safety) included in ESRS S1 Own Workforce section*
- *ESRS S2 Workers in the Value chain (for transport safety)*

5.2.7. Climate change risks

TIME HORIZON: SHORT TO LONG TERM	LEVEL OF CONTROL TREND: SUSTAINED ACTIONS WITHIN A MORE STRINGENT CONTEXT
Description: 1. The Group strategy to address climate change related physical risks (including extreme weather events and water scarcity) is not effective, impacting business and reputation. 2. The Group strategy to address transition risks (including the corresponding regulatory changes and requirements) is not effective, impacting competitiveness, sales, and reputation.	**Comments:** As these ESG risks are deemed material under the DMA, *please refer to the relevant Impacts, Risks, and Opportunities (IROs) in the following sections of the Sustainability Statements for further details:* · *ESRS E1 Climate Change (for 1. and 2.)* · *ESRS E3 Water & Marine resources (water scarcity covered in 1.)*

5.2.8. Environmental impact and controversies

TIME HORIZON: SHORT TO LONG TERM	LEVEL OF CONTROL TREND: STABLE
Description: Failure to meet evolving regulatory obligations and growing societal expectations related to human health and the environment, which may lead to significant reputational damages, third-party claims, and liabilities: 1. Emissions in the air, water, and soil 2. Environmental rehabilitation of legacy contaminations 3. Pressure on biodiversity through land-use change 4. Waste	**Comments:** As these ESG risks are deemed material under the DMA, *please refer to the relevant Impacts, Risks, and Opportunities (IROs) in the following sections of the Sustainability Statements for further details:* · *ESRS E2 Pollution (for 1. and 2.)* · *ESRS E4 Biodiversity & Ecosystems (for 3.)* · *ESRS E5 Resource Use & Circular Economy (for 4.)*

5.2.9. Geopolitical risks

TIME HORIZON: SHORT TO LONG TERM	LEVEL OF CONTROL TREND: STABLE
Description: Geopolitical factors may compel the Group to consider its investments, adjust its supply chain, and realign its operational footprint to navigate the current volatile and uncertain environment, while seeking to transform threats into strategic advantages.	**Main developments in 2024** · Russia-Ukraine Conflict: Ongoing for several years, this situation has been effectively addressed through our mitigation plans. As long as there is no further escalation, the current status has created minimal new risks for 2024. · Middle East Tensions: While the situation worsened in 2024, the impact has been localized. The temporary disruption in the Gulf of Suez caused a short-term increase in logistics costs and a longer lead-time for Solvay. However, these costs have normalized and the situation is stabilizing. · U.S. Protectionism and Trade Tensions: The result of the latest U.S. election has introduced a protectionist stance, including heightened tariffs on imports. This policy is expected to affect Solvay's trade flows, particularly amid escalating tensions between the U.S. and China. This dynamic presents a significant challenge to trade relations and supply chains. · China-Taiwan Relations: The ongoing tension between China and Taiwan presents an uncertain risk and the likelihood of an outright conflict remains unclear. Given Solvay's limited presence in Taiwan, the direct impact on the operations is expected to be minimal.
Prevention & mitigation actions The geographical balance of our Group activities across the major regions of the world and the fact that in many of our global businesses we serve our customers locally means these risks are mitigated up to a certain point. Nevertheless, this is limited by the characteristics of our business supply chains. Decisions regarding future investments take into account geopolitical factors, including the way we assess business potential and the selection of geographical location for new industrial assets.	

5.2.10. Digital and human transformation

TIME HORIZON: SHORT TO MEDIUM TERM	**LEVEL OF CONTROL TREND:** PROGRESSING
Description: **1. Digital transformation risks:** Failure to achieve our digital transformation may jeopardize our competitive edge. **2. Human capital risks:** Our inability to attract, retain, and diversify human capital may jeopardize our competitive edge.	**Comments:** **1. Digital transformation risks:** Like the rest of the chemical industry, Solvay is undergoing significant changes due to technological evolution, which results in important investments in digitalization to further enhance operational efficiency, support sustainability standards, promote business resilience, and create competitive advantages. However, the implementation of these transformation initiatives may sometimes not occur at the envisaged pace and/or their full potential may not always immediately lead to the desired results. In addition, the required changes could potentially influence employment trends and lead to shifts in job profiles due to automation and artificial intelligence (AI). This will make it even more necessary to rethink talent attraction, retention, and diversification strategies. **2. Human capital risks:** As Human capital risks are deemed material under the DMA, *please refer to the relevant Impacts, Risks, and Opportunities (IROs) in the following section of the Sustainability Statements for further details:* · *ESRS S1 Own Workforce (for 2.)*
Prevention & mitigation actions **(Digital transformation risks)** The Transformation Office (acting as Project Management Office) drives and governs the transformation initiatives within the company. The Executive Leadership Team reviews progress on a monthly basis. Digital transformation projects are being implemented and owners manage effects and risks. These risks are monitored within the Digital Technology organization. *See IT risks in section "Other risks" below.* The Star Factory Program, launched in 2021, is a strategic multi-year program aiming to transform Solvay's site operations. See *Other risks* section/*Supply Chain and Manufacturing Reliability risks*. It is embedding digital technologies to fundamentally change the way we operate. This is a key program to contribute to the Group's overall transformation journey.	**Main developments in 2024** **(Digital transformation risks)** The Project Management Office was set up in 2024 and is now running at full speed. A pool of dedicated and specific automatization projects has been defined and initiated to ease and change the ways of working going forward. This covers production, maintenance, planning, logistics, and functional/transactional processes. The choice of a new ERP system is being finalized and a dedicated multi-functional project and program team is installed to manage selection, preparation, and implementation of a new ERP system in the next few years. This new ERP system plays a key role in the digital transformation of the Group.

5.3. OTHER RISKS

5.3.1. Market and growth – strategic risk

Description:

Solvay is exposed to a wide range of end markets and as a result has growth targets that are approximately in line with GDP. The ability to capture that growth relies on our relative cost competitiveness and on having production capacity available to supply the market. Strategic risks in market and growth relate to Solvay's exposure to cyclical or phasing out applications, or our competitive environment (for example, exposure to high energy or raw materials costs), and the risk of making erroneous strategic decisions (for example, failing to invest at the right time or in the right geographies, selection of new business development opportunities).

Prevention & mitigation actions:

- Continuous investment in innovation and process improvement to achieve and/or defend benchmark performance. For instance, with the introduction of the next generation soda ash process, called *e.Solvay*.
- Long-term contract agreement with large global or regional customers to secure stable market positions and prices.
- Built-in energy component in our price mechanisms to hedge our exposure to energy costs.
- Continuous cost-improvement projects (Star Factory program, operating model optimization) to improve and defend our cost competitiveness.
- Capture of new applications opportunities for our products (for instance, sodium bicarbonate use for flue gas treatment or rare earths for permanent magnets applications) in fast-growing end markets.
- Introduction of sustainable offer to differentiate from competitor's products (for instance, investment in rice-husk-derived silica or in biobased solvents).
- Adaptation of our operations to new energy and CO_2 markets leveraging parties to reduce cost and optimize investment efficiency.
- Systematic and formal analysis of markets and marketing challenges with respect to investments and innovation project ramp-ups.
- Rigorous allocation of our capex and strong focus on cash generation.
- Adjustment of our production capacity to adapt to market demand and balance offer when needed (for instance, reduction of production capacity of soda ash in Torrelavega).

5.3.2. Supply chain and manufacturing reliability risk

Description:

There are several risks relating to raw materials, energy, materials and equipment for construction and maintenance, suppliers, production, storage units, and inbound and outbound transportation. These include:

- Inability of suppliers to deliver contracted volumes or capacities in line with required specifications, due to force majeure, for example, or because the supplier has insufficient access to Logistic Service Provider capacities.
- Insufficient contracting of volumes or capacities, from both a volume and delivery timing perspective, to fulfill our demand.
- Delayed delivery of volumes or capacities.

Prevention & mitigation actions

To ensure manufacturing reliability, we:

- Ensure our production units are distributed across the world.
- Use Process Safety Management and Occupational Safety Management.
- Define equipment and materials as critical elements to be ordered ahead for projects and maintenance.
- Organize regular performance reviews with our key suppliers.
- Establish the Group property loss prevention program, which focuses on the prevention and mitigation of damage to assets and loss of profit due to fire, explosion, accidental chemical release, and other adverse events, such as natural catastrophes.
- Run the Star Factory Program, which is a strategic multi-year program, launched in 2021, with the aim of transforming Solvay's site operations to improve their performance, competitiveness, and sustainability, while positioning Solvay as a leader in industrial practices and embedding digital technologies to fundamentally change the way we operate.

To mitigate risks in our supply chain we:

- Use third-party corporate social responsibility assessments and ask that our suppliers adhere to the Solvay Supplier Code of Business Integrity.
- Continuously focus on improving our planning processes to help us anticipate demand, both in terms of volume and timing.
- Maintain contingency plans for the most critical suppliers.
- With uncertainty and volatility continuing to prevail, supply chains need to continue their transformation toward additional agility using end-to-end process revision and the implementation of new tools.
- We continuously identify and follow-up on options to achieve increased flexibility in sourcing, providing us with opportunities and enabling us to mitigate risks should they materialize.
- Our inventory management continues to improve toward better visibility and better end-to-end alignment.

5.3.3. Financial risk

Description:

We face various types of financial risk, including:

- Liquidity risk: *see note F32, in the consolidated financial statements, Financial instruments and financial risk management*
- Foreign exchange risk: *see note F32, in the consolidated financial statements, Financial instruments and financial risk management*
- Interest-rate risk: *see note F32, in the consolidated financial statements, Financial instruments and financial risk management*
- Counterparty risk: *see note F32 in the consolidated financial statements, Financial instruments and financial risk management*
- Pension obligation risk: *see note F30, in the consolidated financial statements, Employee benefits*
- Tax litigation risk: *see note F31, in the consolidated financial statements, Provisions*

Prevention & mitigation actions

A prudent financial profile and conservative financial discipline

Investment Grade status: BBB-/A3 (stable outlook) by Standard & Poor's (S&P) as of the partial demerger that occurred on 9 December 2023. This rating was reconfirmed in August 2024. While Solvay's long-term senior debt has been assigned an investment grade rating by S&P, no assurance can be given that Solvay will be able to receive or maintain such a rating. A decrease in the ratings assigned to Solvay by a rating agency may negatively impact Solvay's access to the debt markets and increase its cost of borrowing.

Solvay promotes transparency of information and engages in regular discussions with credit rating agencies.

Strong liquidity reserves

As of the end of 2024, the Group had EUR *0.55* billion in cash and cash equivalents (other current financial instruments), as well as EUR 1.4 billion of committed credit facilities (a multilateral revolving credit facility of EUR 1.1 billion and an additional EUR 0.3 billion from bilateral revolving credit facilities with key international banking partners), which were all undrawn at the end of 2024.

The Group has access to a Belgian Treasury Bill program for EUR 1 billion, which was unused at the end of 2024.

Main developments in 2024

- Successful inaugural bond transaction for EUR 1.5 billion on 3 April 2024. The 4-year EUR 750 million bond maturing on 3 April 2028 and the 7.5-year EUR 750 million bond maturing on 3 Oct 2031 will have coupons of 3.875% and 4.25% respectively. New liquidity reserves were also set up following the execution of the partial demerger.
- Reimbursement of the EUR 1.5 billion bridge facility, set up at the end of 2023 in relation to the partial demerger with the proceeds of the new bonds issued in April 2024.
- 1-year extension of the EUR 200 million term loan until November 2026.
- 1-year extension of the liquidity reserves including the EUR 1.1 billion Revolving Credit Facilities until December 2029 and 0.3 EUR million bilateral agreements until 2027.
- Further contribution of EUR 30 million in Q4 to the AXA pension fund for Rhodia Opérations in France.

Prevention & mitigation actions (continued):

Currency hedging policy

Solvay monitors the foreign exchange market closely and takes hedging measures to:

- Limit the fluctuation of the Group's forecasted gross margin caused by currency volatility for material exposures.
- Mitigate the foreign exchange transactional risk at Group level by limiting the profit and loss (P&L) impact of rate fluctuations between the time of invoicing and the time of cash settlement.

Interest rate hedging policy

The Group locks in the majority of its net indebtedne ss at fixed interest rates. Solvay monitors the interest rate market closely and enters into derivative instruments (interest rate swaps and zero cost collars) whenever they are deemed appropriate.

Energy and CO_2 hedging policy

The main objectives of Solvay's energy and CO_2 hedging policy are as follows:

- Ensuring price visibility and aligning with the company's commercial strategy.
- Reducing price volatility in energy purchases year over year.
- Managing energy exposures, including gas, power, and CO_2 credits required for compliance with the European Union Emissions Trading Systems (ETS) regulatory phases.

This hedging policy aims to deliver budget predictability while addressing energy risk management priorities.

Monitoring of Group counterparties' ratings

For our treasury activities, Solvay works with banking institutions of high creditworthiness (investment grade, selected based on major rating systems) and minimizes the concentration of risk by limiting our exposure to each of these banks to a predefined threshold. We regularly monitor trends in Credit Default Swaps to assess changes in bank creditworthiness and take rapid action if required.

For our commercial activities, Solvay's external customer risk and cash collection is monitored by a professional network of credit managers and cash collectors located in the Group's various operating regions. Their controls are supported by a set of detailed procedures and managed through Corporate and GBU Credit Committees. Over the past few years, these loss mitigation measures have led to a low rate of customer defaults.

Pension governance and pension plan optimization

With regard to pension governance, Solvay engages proactively and constructively with trustees and stakeholders to ensure that funding, liability management, and investment policies are appropriate, in line with best practice and in full compliance with domestic regulatory expectations and laws.

In terms of pension plan optimization, we reduce the Group's exposure to defined-benefit plans either by converting existing plans into pension plans with a lower risk profile for future services or closing them to new entrants.

For each of the main Group pension plans, which represent about 90% of the Group's gross or net pension obligations, Asset Liability Management (ALM) analyses are performed at least once every three years to identify and manage corresponding risks.

Control processes for tax regulation compliance and transfer pricing policies

Our control processes for tax regulation compliance involve monitoring procedures and systems, which we carry out through internal reviews and audits performed by reputable external consultants.

Solvay's transfer pricing policies, procedures, and controls are aimed at meeting the requirements of the domestic and international standards in-force.

Meanwhile, Solvay's Tax Department pays close attention to the correct interpretation and application of new tax rules. This ensures compliance with applicable rules and regulations to avoid tax and future litigation risks.

5.3.4. Information Technology (IT) risk

Description:

The Digital Technology department (DT) faces a multifaceted risk landscape that could impact its ability to support the business. Potential disruptions to critical IT services could lead to operational inefficiencies and financial losses. Additionally, DT must navigate complex transformation initiatives while adhering to the Master Transition Services Agreement (MTSA), increasing the risk of project delays and resource constraints.

Prevention & mitigation actions

DT conducts regular risk assessments to identify and prioritize potential threats and vulnerabilities. A defined incident response plan is in place to minimize the impact of incidents.

The department invests in employee training and development programs to cultivate a skilled and adaptable workforce. Collaborating with strategic partners enables the department to leverage expertise and resources. A culture of continuous improvement is fostered to drive operational excellence and adapt to evolving business needs.

To address the specific challenges outlined above, DT focuses on several key initiatives. Close monitoring of major transformation initiatives ensures timely delivery and minimizes risks. Comprehensive post-demerger roadmaps are being developed and implemented to facilitate a smooth exit from the MTSA.

To enhance the security posture, DT continuously monitors security and performance indicators, increases security requirements for third-party providers, and conducts IT audits to ensure compliance with group security policies.

To attract, develop, and retain top talent, DT is implementing strategies that include ad hoc actions to boost recognition, motivation, and employee well-being. Additionally, the department closely monitors IT/DT risks globally and implements appropriate mitigation measures *(please also refer **to Digital and human transformation risk in section "Solvay's main risks" above**).*

Maintaining ISO 27001 and ISO 9001 certifications demonstrates DT's commitment to information security and quality management.

Main developments in 2024

In 2024, DT successfully delivered essential services under the MTSA while simultaneously supporting the Group's ambitious transformation initiatives. This required careful orchestration and synchronization of approximately 300 projects.

To enhance service delivery and incident response capabilities, DT reinforced the Information Technology Infrastructure Library (ITIL). Additionally, the department successfully transitioned to the latest ISO 27001:2022 standard, further bolstering its security posture. To streamline the integration of cybersecurity in IT, the CISO Office was integrated into the DT organization. This strategic move empowered the CISO to more effectively align cybersecurity strategies with the broader IT and business objectives.

DT's risk management framework was further refined in 2024. Digital technology risks were regularly monitored and reassessed, with a willingness to synchronize (top-down and bottom-up) both the global and operational-level risks. This included a focus on security and project risks, third-party risks, and cybersecurity risks.

The high implementation rate of audit action plans has demonstrated DT's commitment to addressing identified issues and improving overall performance.

Finally, DT launched a Process Performance initiative to drive operational excellence and standardization, supporting the transformation toward the Solvay Target Operating Model. This initiative aims to optimize processes, improve efficiency, and enhance overall performance.

Litigation section

INTRODUCTION

As a result of the diverse nature of its activities, and the geographic footprint of its operations, the Solvay Group is exposed to legal risks, particularly in the areas of product liability, contractual relations, antitrust laws, patent disputes, tax assessments, and health, safety and environment (HSE) matters.

In this context, litigation is a normal recurring feature of the Solvay Group's operating businesses, both to protect against claims, some of which we believe to be without merit, and to defend the rights and interests of the Solvay Group.

Ongoing legal proceedings involving the Solvay Group that are currently considered to potentially involve significant risks are outlined below. The legal proceedings described below do not constitute an exhaustive list.

The proceedings summarized below represent the material matters pending against Solvay or its subsidiaries regardless of the merits of the claims and the strengths of Solvay's defenses. There can be no assurance regarding the outcome of any proceeding described below; the Solvay Group will continue to vigorously defend itself based on the merits of its defenses while opportunistically seeking consensual resolution in appropriate cases.

For certain cases, we have created reserves or provisions in accordance with appropriate accounting rules and policies, to cover financial risk and defense costs. *Please refer to Notes F31 "Provisions" and F36 "Contingent, Liabilities and Financial Guarantees" to Solvay's consolidated financial statements for the year ended December 31, 2024 for additional information regarding such reserves or provisions.* In doing so, we do not ordinarily disclose the extent to which provisions are made in relation to individual proceedings, because to do so would be prejudicial to Solvay's interests. In addition, we maximize all available insurance coverage. Adverse outcomes of material contested matters, individually or in the aggregate, could exceed the amounts of applicable provisions or insurance coverage, and could have a material adverse effect on the revenues and earnings of the Group.

ANTITRUST - BRAZIL

In Brazil, CADE (the Brazilian antitrust authority) levied fines against subsidiaries of Solvay and other third parties in May 2012, relating to hydrogen peroxide activities, and in May 2016, relating to sodium perborate activities. Solvay's aggregate share of these fines amounts to €29.6 million and €3.99 million respectively. We have since brought a lawsuit before the Brazilian Federal Court to contest these administrative fines. In 2024, we applied for the Brazilian 'Extraordinary Settlement Program.' The case related to hydrogen peroxide was settled in January 2025, and we may expect a settlement of the case related to sodium perborate activities in the first half of 2025.

HSE - ITALY

- Asbestos cases: Twenty-nine civil proceedings have been brought before Italian courts by past workers and relatives of deceased workers at Solvay sites seeking damages in relation to diseases allegedly caused by exposure to asbestos. One proceeding is pending before the Court of First Instance of Livorno and one proceeding is pending before the Supreme Court (Corte di Cassazione), whilst the remaining 27 proceedings definitely ended as a result of dismissals, court settlements, and condemnation to pay damages. During 2024, 11 proceedings were settled. As for the two still pending proceedings, the total remaining claim is equal to €3.4 million.
- Rosignano site: The Public Prosecutor's Office of Livorno (Italy) initiated four criminal investigations between 2019 and 2023, regarding the alleged groundwater contamination outside the facility and a former landfill of the Rosignano site, against four managers and former managers of the Company. Criminal proceedings are currently pending at the preliminary investigations stage and these investigations are still ongoing.

REGULATORY - BULGARIA

In Bulgaria, Solvay Sodi AD, a subsidiary of Solvay, is subject to certain state-imposed obligations for emergency oil stocks (reserves) for 2021 through 2023, for which it was not able to comply. As a result, the competent Bulgarian authority imposed fines for 2021 and 2022 on Solvay Sodi AD of approximately €15 million for our share of the penalties which were fully provisioned. For 2023, the order is suspended and as a result no fine is imposed and therefore no provision has been recorded. Should this suspension be lifted, an additional penalty of € 9 million may be imposed on Solvay Sodi AD. Starting from July 2024, Solvay Sodi AD complies with the requirements regarding emergency oil stocks.

Solvay Sodi AD has brought a lawsuit to contest these fines and is seeking relief through national authorities pleading that the existing Bulgarian emergency stocks system is not compatible with the EU law.

DISCONTINUED BUSINESS ACTIVITIES: PVC

Solvay SA and Solvay Argentina SA are respondents in a confidential arbitration proceeding arising from the 2016 sale of the entirety of Solvay’s majority shareholding interest in a Latin American subsidiary whose operations are no longer within Solvay’s business lines. Solvay disputes the merits of the claim relating to potential liabilities its former subsidiary might incur and that indemnification and/or monetary damages are available forms of relief that can or should be awarded. The case is now pending the final decision of the arbitration tribunal.

DISCONTINUED BUSINESS ACTIVITIES: PHARMACEUTICAL

The contractual arrangements for the sale of our pharmaceutical activities in February 2010 established the terms and conditions for the allocation and sharing of liability arising out of activities carried out before the sale. Subject to limited exceptions, Solvay’s exposure for indemnification to Abbott for liabilities arising out of sold activities is limited to an aggregate amount of €500 million, with limited duration. All post-closing indemnification claims made against Solvay have now been resolved except liabilities arising from private civil antitrust claims made against the buyer of the business. Solvay's potential exposure is limited to a possible clawback of up to the €300 million received by Solvay as an additional purchase price based on post-closing ANDROGEL® sales.

6. Sustainability statements

6. Sustainability statements

6.1. ESRS 2 GENERAL DISCLOSURES

6.1.1. Basis of preparation

Reporting framework

i. CSRD/ESRS: Solvay (hereafter also: "we", "the Company", "the Group") monitored and followed developments in the European Sustainability Reporting Standards (ESRS) that were included in the new European Union Corporate Sustainability Reporting Directive (CSRD), for which the reference is 2023/2772 of July 31, 2023 and which was published in the Official Journal of the European Union on December 22, 2023. The sustainability statements is prepared with reference to the ESRS developed by the European Financial Reporting Advisory Group (EFRAG) and adopted by the European Commission. All the data points included in the Environmental (E), Social (S), and Governance (G) sections have been assessed as material according to our double materiality assessment (DMA). In the climate change section, the greenhouse gas data points (GHG Scope 1-3) are mainly reported based on the Greenhouse Gas Protocol *(for more details refer to E1-6).*

ii. United Nations Sustainable Development Goals: We have identified nine Sustainable Development Goals to which we can contribute with the most impact, through our operations or across the value chain, in line with our materiality analysis:
- SDG3: Good health and well-being
- SDG5: Gender equality
- SDG6: Clean water and sanitation
- SDG7: Affordable and clean energy
- SDG8: Decent work and economic growth
- SDG9: Industry, innovation, and infrastructure
- SDG13: Climate action
- SDG15: Life and land
- SDG17: Partnerships for goals

iii. ***United Nations Global Compact:*** The information provided serves as a progress report on the implementation of the United Nations Global Compact's ten principles.

Third-party verification

The whole Sustainability Statements, including the EU taxonomy, is covered by external review (limited assurance), conducted by EY Bedrijfsrevisoren BV / EY Réviseurs d'Entreprises SRL. EY's limited assurance report can be found in Chapter 8**.**

BP-1 General basis for preparation of sustainability statements

BP-1 (a) Consolidated or Individual Basis

The sustainability statements has been prepared on a consolidated basis. This ensures that the information provided encompasses the entire scope of Solvay's operations, reflecting a comprehensive view of the company's sustainability performance.

BP-1 (b) Scope of Consolidation

The scope of consolidation is the same as for financial statements as described in the "List of companies included in the consolidation scope" *in the financial statement note F40*. The scope of consolidation includes fully consolidated companies (subsidiaries) and joint operations, which are consolidated according to the Group's contractual share of assets, liabilities, revenue, and expenses, typically aligned with ownership interest. An exception is Solvay Sodi AD, Bulgaria, which is consolidated at 75.0% despite a holding percentage of 73.5%. Companies consolidated by the equity method (joint-ventures and associates) are excluded from the environmental and social reporting boundaries. Indicators related to ESRS E1, ESRS E2, ESRS E3, ESRS E4, and ESRS E5 cover only production, research, and innovation sites, as contributions from other sites are considered irrelevant or immaterial.

A deviation from these boundaries and consolidation rules applies to sustainability indicators for energy consumption (ESRS E1-5), gross Scopes 1, 2, 3, and total GHG emissions (ESRS E1-6), pollution to air and water (ESRS E2-4), and process and transport safety. These indicators encompass all production and research centers under operational control, consolidated at 100% regardless of the site's company consolidation method. This includes production sites in joint-operations and joint-venture companies such as BASF Interox H2O2 Production NV (Belgium), Solvay Sodi AD (Bulgaria), Saudi Hydrogen Peroxide Co (Saudi Arabia), Shinsol Advanced Chemicals Corporation (Taiwan), and MTP HP JV Ltd (Thailand), as well as specific units in associate companies like the peroxide production unit in Solvay (Zhenjiang) Chemicals Co Ltd (China) and the energy production and water treatment units in GIE Chimie Salindres (France).

The ESRS S1 social indicators include all employees with an employment contract with Solvay, classified as active. Health & Safety indicators in ESRS S1-14 cover all sites under operational control, regardless of the site's company consolidation method.

Operations sold or demerged during the year are excluded unless specified. Climate and environmental metrics for new or acquired operations during the reporting year are included for the full year unless otherwise mentioned. Data from discontinued or closed operations are included for the part of the reporting period when they were operational, unless otherwise stated.

BP-1 (c) Upstream and Downstream Value Chain

The sustainability statements covers material upstream and downstream information related to non-Solvay entities in the value chain, as well as that which is inclusive of our own operations.

BP- 1 (d-e) Omission and exemption

The option to omit a specific piece of information corresponding to intellectual property, know-how, or the results of innovation has not been used. We have not used the exemption from disclosure of impending developments or matters in the course of negotiation as provided in articles 19a(3) and 29a(3) of the Directive 2013/34/EU.

The undertaking is not required to disclose classified information or sensitive information, even if such information is considered material.

BP-2 Disclosures in relation to specific circumstances

Our sustainability report is drafted according to ESRS, considering current EU CSRD laws and upcoming guidance. Despite challenges, we see opportunities to improve our reporting. We are dedicated to transparent reporting, continuously improving our sustainability practices, and communicating any uncertainties in our sustainability statements. This transparency helps users understand our processes and decisions. We remain committed to full compliance with ESRS and forthcoming legislation and will continually enhance our report's comprehensibility and quality.

Time horizons

The time horizons for the occurrence of the impacts, risks, and opportunities (IRO) ranges from short, to medium and long term, following ESRS 1 Definition Section 6.4. These time horizons have been chosen because they correspond to the usual management cycles of Solvay, i.e. respectively: the budget cycle; the mid-term plan; and the strategic review. The sustainability statements therefore also uses these time horizon definitions :

- Short term: less than or equal to one year
- Medium term: above one and up to five years
- Long term: above five years and up to 30 years

Value Chain estimation

We use upstream and downstream value chain data estimated from indirect sources for our Scope 3 emissions. Emission factors were taken from certified data sources such as Ecoinvent, BaseEmpreinte, the International Energy Agency (IEA), or the GLEC 3.0. In particular, the WBCSD Guidance for Accounting and Reporting Corporate GHG Emissions in the Chemical Sector Value Chain was used as guidance for the calculation of the emission factors applied in Scope 3 categories 2, 10, 11, and 12.

*Please refer to **Climate change chapter for more information.***

Sources of estimation and outcome uncertainty

In preparing the Sustainability statements, management made use of assumptions, judgments and estimates that affect certain of the amounts reported. As a result, there is an inherent uncertainty in our calculations with respect to such amounts reported The estimations and underlying assumptions are based on management's experience and various other factors, including input from experts where deemed needed, and are believed to be reasonable. Such estimations and underlying assumptions are reviewed frequently to improve accuracy going forward in our reported metrics. Our actions in this respect, include, amongst others, reducing the dependency on the use of assumptions or estimation when better data sources become available.

None of the disclosed quantitative metrics or monetary amounts in our sustainability statements are subject to a high level of measurement uncertainty or estimations, except :

Topic	Source of measurement uncertainty or estimations	Section
Scope 3 metrics	Use of proxies and indirect sources	E1-6 Reference to accounting guidance and methodology
Energy Capex related to non-eligible manufacturing activities	Lack of granular data	6.2.2.Reporting according to EU Taxonomy
Number and area of sites near biodiversity-sensitive areas that it is negatively affecting	Lack of granular data for site selection and estimates of the total site areas	E4 – IRO 1, E4-4 and E4-5
SOC / SVHC in raw materials	Lack of granular data	E2-5 Raw Material

We have aligned our sustainability report with the ESRS requirements, incorporating national legal and regulatory requirements implementing the EU CSRD. While we believe Solvay is prepared to report on sustainability matters, we have identified opportunities to enhance sustainability reporting throughout the process. Our commitment to transparent and responsible reporting includes providing stakeholders with company-specific interpretations or uncertainties in our sustainability statements. By doing so, we aim to ensure that users of our sustainability statements can understand the key interpretations, materiality judgments, uncertainties, and areas for improvement throughout the report. This transparency does not diminish our commitment to compliance with ESRS and applicable legislation. As additional implementation guidance becomes available, we will refine our understanding of requirements to enhance the comparability and quality of information in future reporting cycles.

Changes in preparation or presentation of sustainability information

This year, we changed the preparation and presentation of Solvay's sustainability information to comply with the reporting requirements of the CSRD. These changes make the disclosure of comparative figures for the previous reporting period impracticable due to differences in the disclosed metrics, definitions, or reporting perimeter.

Scope 3: In 2023, emissions reported under category 3.1 included those from categories 3.4 and 3.5. A methodology accuracy limit was identified, requiring a revision in 2024 using a direct calculation based on raw materials quantities, waste quantities, and raw material origin of transportation, aligning Solvay's methodology for category 3.1, 3.4, and 3.5 with the GHG Protocol.

The same methodology was applied for the restatement of 2021 (baseline), 2023 (comparative year), and 2024 (reporting year), ensuring comparability between these years. The change resulted in a 1.3 MT CO_2eq increase for 2023 total Scope 3 reported emissions (15.3 MT vs 14.0 MT CO_2eq reported with previous methodology) and a 0.9 MT CO_2eq decrease for 2021 (16.5 MT vs 17.4 MT CO_2eq reported with previous methodology).

Please refer to E1-4 for more details.

Reporting errors in prior periods

No material prior period error was identified.

Incorporation by reference

The index table on p. 106-107 provides a list of the disclosure requirements of ESRS that have been incorporated by reference.

Use of phase-in provisions in accordance with Appendix C of ESRS 1

We have applied the following phased-in disclosure requirements as permitted in ESRS 1 and in Appendix C ESRS 1:

- **Disclosure requirements**: ESRS 2 SBM-3 48(e), ESRS E1 E1-9, ESRS E2-6, ESRS E3 E3-5, ESRS E4 E4-6, ESRS E5 E5-6, ESRS S1 S1-7, ESRS S1 S1-8, and ESRS S1 S1-12.
- **Transitional provision related to Chapter 5: Value Chain,** as we do not have all the necessary information regarding Solvay's upstream and downstream value chain. When disclosing information on policies, actions, and targets in accordance with ESRS 2 and other ESRS, we have limited upstream and downstream value chain information, mainly limited to information available in-house. When disclosing metrics, we did not include any upstream or downstream value chain information (except for the reporting of Scope 2 and Scope 3 GHG emissions as per their definitions).
- **Transitional provision related to the presentation of comparative information** for ESRS E1 (except for E1-5 Energy consumption and E1-6 gross GHG emissions metrics), ESRS E2, ESRS E3, ESRS E4, and ESRS E5. For this first reporting year under CSRD, only 2024 data are presented.

Action plans (CapEx and OpEx) related to ESR Standards (except E1) and Entity specific:

Solvay allocated financial resources toward its actions but is not equipped to report the CAPEX and OPEX with the granularity required by CSRD. Solvay will investigate opportunities to improve this situation for future reporting.

Please note that the definition of CSRD allocated resources is based on different scoping compared to IFRS accounting standards. A reference has been made to the respective note in the financial statements.

6.1.2. Governance

GOV-1 The role of Board of Directors, management, and administrative bodies

For more information, please refer to Corporate governance statement points 4.4 and 4.5.

Composition and Diversity of Administrative, Management, and Supervisory Bodies

The governance bodies of Solvay are composed of a Board of Directors, the Executive Leadership Team (ELT), and Board Committees.

- *Representation of employees and other workers*: There is no representation of employees and other workers at the level of the Board of Directors or the ELT of Solvay SA. Solvay SA does not have a supervisory board.

Percentage by gender and other aspects of diversity that the undertaking considers: Please refer to the Corporate governance statement points 4.4 and 4.5.

Roles and Responsibilities of Administrative, Management, and Supervisory Bodies

For more information, please refer to IRO Management section 1.4, Corporate governance statement point 4.4.1.4 and the overall Risk Management section 5 of this report.

The Board of Directors is Solvay's highest management body. The Board is vested with all the powers that are not reserved, by law or by the articles of association, to the Shareholders' Meeting.

The Corporate Governance Charter sets out the different mandates of the Board and its committees in terms of their roles in addressing IROs in our sustainable development and environmental, social, and governance topics.

We have set up a team of experts, structured into three different groups - one of whose roles is to inform the ELT, the ESG Committee, and the Board to enable them to constantly improve their general knowledge and expertise, as well as to bring up topics deemed material for the Group (steering committees).

Although the Board of Directors approved the DMA result and corresponding material IROs, which are managed as part of Solvay's overall ERM approach, the oversight of the IROs is done collectively in accordance with the following diagram:

ESG Governance: Roles & Responsibilities

Board
Defines ESG strategy

- Defines ESG orientations and sets strategic ESG targets (Including material IROs).
- Oversees Company culture and values.
- Conducts, at least once a year, a review of global issues in terms of sustainable development, Solvay's exposure, and related management.

ESG Committee
Advises on ESG strategy

The ESG Committee advises and makes recommendations to the Board (it has no decision-making role on strategy). It reports regularly to the Board and at the Annual Shareholders' Meeting with the entire Board.

Main missions of the ESG Committee:

- Provides **guidance** and **recommendations** to the Board on the material ESG issues relevant to the Group's business activities.
- Defines the key ESG performance indicators with regard to overall Group strategy.
- Ensures alignment with the EU Corporate Sustainability Reporting Directive and all related regulations.
- Performs periodic reviews (at least once a year) of the Group's ESG policies and their progress and effectiveness, taking into account:
  — relevant risk and opportunity mapping;
  — the new sustainability developments, and their impact on the Group;
  — the Group's current sustainability performance, and its main strengths, priorities, opportunities and (future) challenges.

Audit and Risk Committee
Monitors ESG-related risks management and internal control systems

- Ensures the conformity of key ESG performance indicators with the statutory and regulatory requirements (including with the statutory auditor).
- Monitors the ESG reporting practices.
- Meets, at least once a year, with the Board to discuss and approve major Group risks (ESG and non-ESG risks).

ELT
Executes ESG strategy

- Is responsible for translating the strategy decided by the Board into the Group's activities.
- Reviews Steerco's outputs, including on the material IROs and the achievement of related targets, before submission to the ESG committee.
- The CEO appoints a Chief Sustainability Officer (CSO) who, a.o. supports the ELT and the Board in identifying the material IROs and defining the policies and targets to address the material IROs. He also monitors the proper implementation of the policies and reports on Solvay's ESG Performance.

Steering committees
Collect information from business to improve ESG Strategy

Main mission: Gather information from a business point of view to steer the implementation of the ESG Strategy and to develop insights on potential adjustment to the ESG Strategy (including material IROs).

The 3 Steerco's are:

- **The Sustainability Committee** (composed of the ELT, the 4 GBU Presidents, the Chief Information Officer and the CSO). It covers topics related to Environment (climate change, pollution, water, biodiversity and circular economy), safety of Own Workforce, and Workers in the Value Chain.
- **The Better Life Committee** (composed of the Chief People Officer, 2 GBU Presidents, the CSO as well as 8 Business and HR representatives). It covers topics related to Own Workforce except Safety.
- **The Business Ethics & Compliance Board** (composed of the Group General Counsel, the Chief People Officer, 1 GBU President, the CSO, the Head of Internal Audit & Risk Management and the Chief Ethics & Compliance Officer). It covers topics related to Business Conduct.

GOV-2 Sustainability matters addressed by management

Please refer to the Sustainability Statements and topical section with list of IROs, Corporate governance statement point 4.4 and 4.5 and Risk management Section 5.

In 2024, the Board of Directors reviewed the Group's strategy, taking into account the recommendations on ESG ambition formulated by the ESG Committee in collaboration with the ELT. With the assistance and recommendations of the ELT and Committees, the Board of Directors validated the material IROs on the basis of the DMA - and this in accordance with the methodology described in the Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards (the “ESRS”).

The Audit & Risk Committee, with the support of the Internal Audit and Risk Management department, reviews the main risks, including those related to IROs.

Across the Group, Solvay leaders and managers are accountable for ensuring the adequacy of the risk management and internal control framework in their respective GBUs and Functions. This applies to both financial and sustainability-related matters (including IROs).

GOV-3 Sustainability-related performance in incentive schemes

Please refer to the Remuneration Policy in MDR-P table on p. 121 for more information.

Performance Assessment Against Specific Sustainability-Related Targets

We operate different incentive schemes for different employee groups:

- **Short-term incentive scheme**: applicable to the Management, Senior Management, and Executive population,
- **Global Profit Sharing scheme**: applicable for non-management employees, and
- **Long-term incentive scheme**: applicable for Senior Management and Executives.

All these schemes share the common objective of rewarding employees for achieving strategic company objectives, both in the short-term and long-term. The schemes are structured around two or three performance pillars: financial performance, the Company’s sustainability ambition, and, in the case of the short-term incentive scheme, individual contribution.

In 2024, we reiterated Solvay’s commitment to sustainability in our short-term and long-term incentive schemes. The short-term incentive scheme and the Global Profit Sharing scheme include specific sustainability-related targets for all eligible employees under the sustainability pillar. For the short-term incentive scheme, the 2024 targets are set as follows:

	2024 Short-term Incentive Targets
GHG emissions (Scope 1 and 2 kT CO_2 eq) based on financial perimeter	7,170
Safety (Recordable Injuries)	40
Diversity % women in mid and senior management	27.3

For the Global Profit Sharing scheme, payout will only start once the target is reached. GHG emission reduction (Scope 1 & 2) is reinforced in the long-term incentive plan. The LTI targets and achievements will be disclosed at the end of the performance period.

The sustainability related performance metrics are included in the Group Remuneration policies such as the Executive Remuneration Policy, the Short-term Incentive scheme, the Long-term Incentive plan, and the Global Profit Sharing agreement under the Sustainability pillar.

The sustainability-related targets account for:

- **15%** of the Short-term incentive scheme for all management levels.
- **15%** of the Global Profit Sharing scheme for non-management levels.
- **20%** of the Long-term incentive scheme for all executives.

The terms of the incentive schemes are approved and updated at various levels within the undertaking. The target-setting process for the Short-term Incentive scheme involves several steps:

- The KPIs are defined in line with the Company budget and objectives set for the coming year.
- A first review is performed by the Global Incentive Committee meeting, which makes a recommendation to the Executive Leadership Team.
- A final recommendation is presented to the Compensation Committee, which reviews and approves it for recommendation to the Board of Directors.
- The Board of Directors gives the final approval.

Similarly, the Long-term Incentive scheme is set up every year for a period of three years, with the KPIs defined in line with the Company’s long-term objectives and ambition. The approval process involves the Global Incentive Committee, the ELT, the Compensation Committee, and the Board of Directors.

GOV-4 Sustainability statements about due diligence process

The following table indicates where in our sustainability statements we provide information about our due diligence process, including the main aspects and steps of our due diligence process.

Core elements of due diligence	Paragraphs in the sustainability statements
a) Embedding due diligence in governance, strategy, and business model	*6.4.1. Business Conduct, G1-2 Description of approaches in regard to relationships with suppliers*
	6.3.2. Workers in the value chain, S2-4 Action plans and resources to manage its material IROs related to value chain workers
b) Engaging with affected stakeholders in all key steps of due diligence	*6.3.2. Workers in the value chain, S2-2 Disclosure of how perspectives of value chain workers inform decisions or activities aimed at managing actual and potential impacts*
c) Identifying and assessing adverse impacts	*6.3.2. Workers in the value chain, S2-5 Targets set to manage material IROs related to value chain workers*
d) Taking actions to address those adverse impacts	*6.3.2. Workers in the value chain, S2-3 Disclosure of approach to and processes for providing or contributing to remedy in case of material negative impact on value chain workers*
	6.3.2. Workers in the value chain, S2-4 Action plans and resources to manage its material TOs related to value chain workers
e) Tracking the effectiveness of these efforts and communicating	*6.3.2. Workers in the value chain, S2-3 Disclosure of approach to and processes for providing or contributing to remedy in case of material negative impact on value chain workers*

GOV-5 Risk management and internal control system in relation to the sustainability reporting process

Please refer to Governance section point 4.7.1 and the general Risk Management section 5.1.

Our approach to risk management in relation to sustainability reporting is fully embedded in the overall Group Enterprise Risk Management (ERM) practices. This involves defining the scope through the annual risk identification and assessment process at GBU and Group level, encompassing both ESG and non-ESG risks, and aligning it with the DMA process.

Internal control processes and systems for sustainability reporting are defined based on the material topics identified through the DMA and are being implemented in the same way as those for financial reporting. We commit to continue enhancing the robustness of Solvay's internal control framework for sustainability and the level of maturity in the related reporting over the next 12 months.

In addition, sustainability reporting-related risks and mitigation strategies are identified, including risks associated with incomplete or inconsistent reporting, accuracy of data inputs, and manual errors in the reporting process. The Group has implemented review controls and access controls, and external auditors also perform testing (excluding Internal control) on sustainability reporting as part of the limited assurance provided over the company's sustainability statements.

The main sustainability risks and risk-mitigation actions are described in the Risk Management section of this report, marked as ESG risks with reference to the corresponding ESRS section. While the risk assessment and mitigation approach outlined is a mature process, the link with the corresponding ESRS is a new requirement, and efforts will continue in the next 12 months to reach the same level of maturity for the entire process.

As this year is the first year of CSRD implementation, our focus is on implementing observations issued by the external auditor. Action plans with allocation of responsibilities and deadlines, as well as regular follow-up and review, are in place. Formalized internal controls related to ESG risks and processes that already existed previously are documented and addressed as part of the regular annual internal control review.

We have established the same governance for our financial and sustainability reporting, which involves the ELT and the Audit & Risk Committee. Findings of risk assessments are reported twice a year to both bodies, whereas key stakeholders in the organization as well as the ELT and the Audit & Risk Committee receive a formal internal control assessment once per year.

6.1.3. Strategy

SBM-1 Strategy business model and value chain

Our business model

Our core activity as a chemical manufacturer is the production of **essential** chemical products. Our products and technologies serve very diverse end-markets in different geographies, contributing to our resilience. Our main end-markets are:

- Consumer, HPC & Healthcare
- Automotive
- Food & Feed
- Resources, Environment & Energy
- Building & Construction
- Electronics
- Chemical Industry & Industrial applications

Solvay has **two main business segments** with seven distinct mono-technologies. Segmentation has not changed compared to the previous reporting period:

- Basic Chemicals: Soda Ash, Sodium Bicarbonate (together under GBU Soda Ash & Derivatives) and Peroxides.
- Performance Chemicals: Rare Earths, Fluorine (together under GBU Special Chem), Silica and Coatis.

As a global manufacturing company, Solvay sells a wide range of products and services to customers worldwide, for various markets and industrial applications. Our products and services may be subject to trade restrictions based on their nature and destination. We are committed to complying with all international trade laws and regulations and have a robust Trade Compliance Program to ensure this. We also regularly assess the risks associated with doing business with specific countries and regions.

We create long-lasting value by focusing on the following **strategic drivers** (1) maintain our market leadership, (2) be the benchmark on costs, and (3) consider sustainability at the core of our business.

Solvay's sustainability strategy is inherently part of our group strategy. This ensures that the main sustainability matters and challenges are addressed and part of the strategic roadmap, whilst maintaining our competitiveness.

Our sustainability strategy – "For Generations" – is defined at the Group level and consists of two pillars: Planet Progress and Better Life. Please refer to ***the Solvay Corporate Social Responsibility Policy*** *(please refer to the MDR-P table on p. 121 for more information)* describing the governance, Solvay's commitments, stakeholders' engagement process, and overall sustainability management system. We recognize the growing need for sustainable products and are accelerating our energy transition roadmap.

Our portfolio is aligned with key societal **megatrends** that support our businesses' main end-markets: Climate change & resource scarcity, Regionalization, and AI & digitalization.

*Please refer to **Chapter 1 - Solvay at a glance page 16** for a description of these megatrends.*

Each year, we conduct a detailed **Sustainable Portfolio Management** (SPM) analysis for each GBU, reviewing the top 20 Product Application Combinations (PACs) and any new PACs. SPM focuses on sustainable business solutions and aims to boost Solvay's business performance by assessing two key factors: the environmental footprint related to production and associated risks and opportunities (cradle to gate Life Cycle Assessment), and how their applications create benefits or challenges from a market perspective.

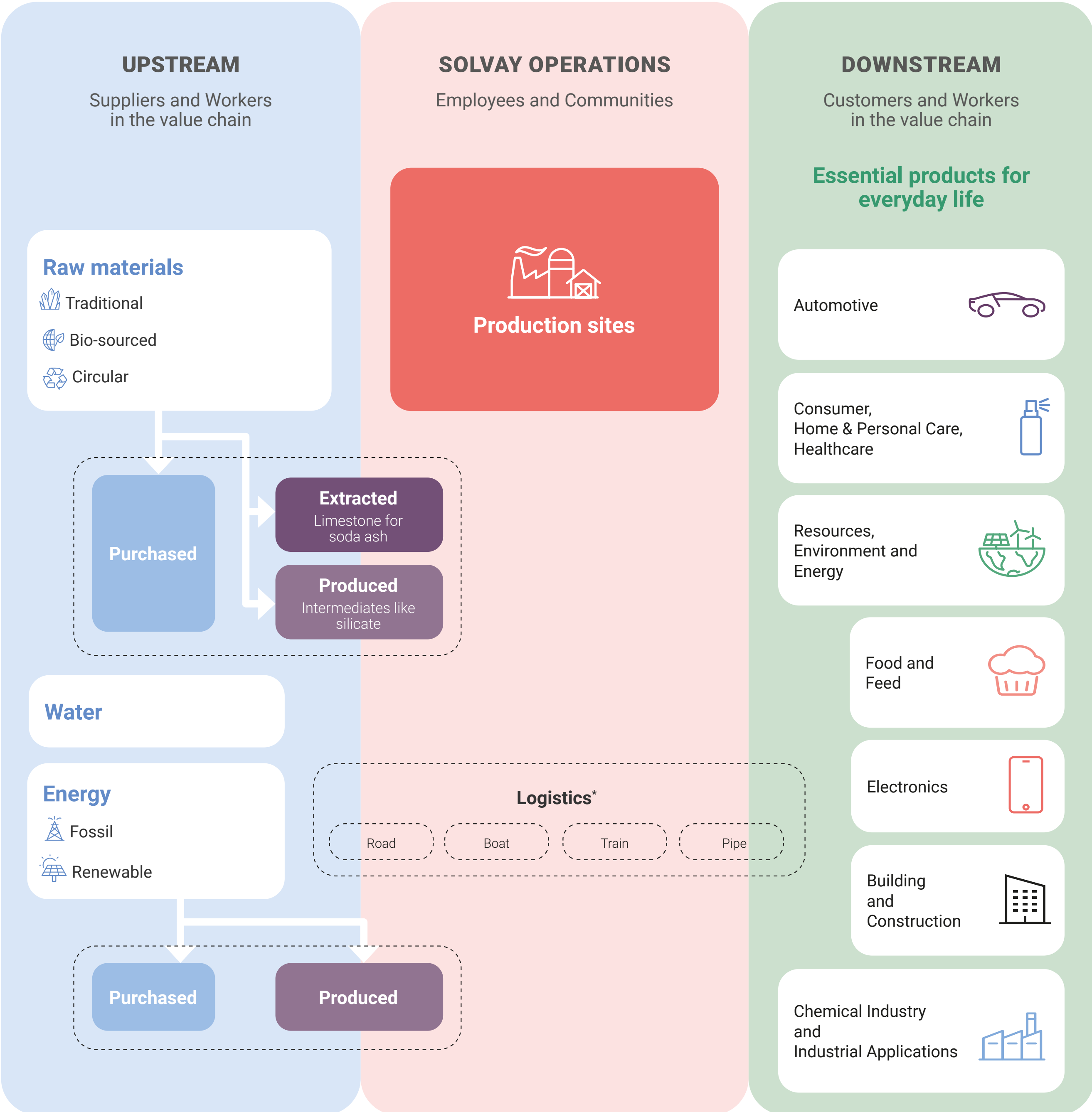
Our value chain

Depending on our different business models, we are involved upstream in the value chain, extracting some of the raw materials and producing utilities we use, or downstream, processing chemicals.

- Security of supply of raw materials and energy is important to us. We have guidelines in our Procurement Policy to secure these inputs. Main suppliers are categorized based on importance and risk. A list of critical raw materials is maintained for which risk mitigation plans are implemented.
- We aim to be a reliable supplier for our customers with consistent quality, whilst remaining competitive and having targets to reduce our environmental impact.

Please refer to the stakeholder engagement in SBM2 in the section below for a description of the main business actors and the benefits to them.

Solvay Value Chain



Non-exhaustive illustration
*logistics between the upstream and Solvay operations, and Solvay operations and the downstream

Company characteristics

8,905 employees (headcount) at the end of December with 895 in North America, 1,489 in Latin America, 5,356 in Europe and 1,165 in Asia and the rest of the world.

Solvay is active in chemical production as under Division 20.2 of Annex I to Regulation (EC) No 189. The entirety of our net sales can be considered as chemical production (EUR 4.6 bn for 2024).

SBM-2 Interests and views of stakeholders

We regularly engage with a diverse range of stakeholders to understand their positions, concerns, and expectations, allowing us to continuously shape our business model and strategy. Through ongoing dialogue and consultation, we seek to validate our reasoning and align our sustainability strategy based on the interests and views of all our affected stakeholders, as well as identifying material IROs through various methods. This stakeholder engagement includes employee satisfaction and engagement through Pulse surveys, investor events, and customer and supplier meetings. The resulting insights are instrumental to shaping our DMA.

In the context of the first reporting under CSRD and conducting the DMA for the first time, after a preliminary internal DMA we engaged with a representative sample of affected stakeholders (Employees, Communities, Customers, Suppliers, and Investors) as they will be impacted by our strategy and commitments. A total of 10 interviews were conducted with internal experts and 20 interviews with a representative set of impacted stakeholders.

The key stakeholders are described in our Corporate Social Responsibility Policy *(please refer to the MDR-P table on p. 121 for more information)*. Our key stakeholders are Regulators, Shareholders, Investors, Customers, Suppliers, Employees, and Communities:

1. Customers:
   - **Views:** Customers seek high-quality products that are safe to use and are competitively priced. Customers also increasingly value sustainable and environmentally friendly products (with a focus on climate change and biodiversity).
   - **Interests:** Reliable supply, product performance, competitive pricing, innovation, and sustainability.
2. Investors and shareholders:
   - **Views:** Investors and shareholders seek a good return on investment and expect Solvay to be financially stable and well-managed. Investors and shareholders are also becoming more interested in environmental, social, and governance (ESG) performance (with a focus on climate change, biodiversity and pollution).
   - **Interests:** Profitability, growth, dividends, risk management, and ESG performance.
3. Employees:
   - **Views:** Employees value fair wages, safe working conditions, opportunities for professional development, and a positive work environment.
   - **Interests:** Job security, fair compensation, career advancement, work-life balance, and a safe and healthy workplace.
4. Communities:
   - **Views:** Communities near chemical plants are concerned about potential environmental and social impacts. Communities also want Solvay to be a responsible neighbor and contribute to the local economy.
   - **Interests:** Environmental protection, safety, community engagement, and local economic development.
5. NGOs and Environmental Groups:
   - **Views:** NGOs and environmental groups are concerned about issues such as climate change, pollution, and the potential impact of chemicals on human health and ecosystems.
   - **Interests:** Environmental protection, sustainability, transparency, and corporate social responsibility.
6. Governments and Regulators:
   - **Views:** Governments and regulators aim to ensure that chemical companies operate safely and responsibly, complying with environmental and safety regulations. Governments and regulators also promote innovation and economic growth in the chemical sector.
   - **Interests:** Public safety, environmental protection, economic development, and regulatory compliance.
7. Suppliers:
   - **Views:** Suppliers seek stable and long-term relationships with Solvay, fair prices for their products, and timely payment. Suppliers increasingly take into account sustainability matters
   - **Interests:** Business stability, fair pricing, reliable demand, and long-term partnerships.

The views and the interests of key stakeholders regarding our sustainability-related subjects have been integrated into the DMA process and communicated to our ESG committee. We also integrated their feedback when defining our sustainability strategy. Going forward, we will continue to regularly update our ESG committee on the views and interests of affected stakeholders regarding sustainability-related impacts. Changing trends or expectations that result from the outside-in review are considered in the strategic updates and consequently play a role in adapting the business model.

Please refer to GOV-2 with respect to how administrative, management, and supervisory bodies are informed about the views and interests of affected stakeholders.

SBM-3 Disclosure of material impacts, risks, and opportunities and how they interact with its strategy and business model

The full list and description of material IROs can be seen ***in the corresponding ESRS sections of this Sustainability Statements****.*

DMA results

The DMA identifies material IROs in sustainability matters based on our activities, products, value chains, and global presence. Besides the topical CSRD standards, we have an entity-specific disclosure - "Process and transport safety" - linked to risk incidents management**.**

We consider the following to be material in relation to our strategy and business model:

- **Impacts** Our impacts originate mainly from our upstream value chain and from our own operations. We have identified actual and potential impacts:
  - Actual negative impacts in the areas of Climate change, Pollution,Land-use change and Waste. The materiality comes from, for example but not limited to, our use of solid fuels and our CO_2 emissions, from having some marketed products that contain more than 0.1% of Substances of Very High Concern.
  - Potential negative impacts in the areas of Energy, Pollution, Own workforce, Workers in the value chain. The materiality comes, for example but not limited to, from potential pollution to the air and water from our operations, from our impact on land with operations of quarries and dykes, from the exposure of our employees to potential incidents, and from the exposure of external workers within our supply chain to potential incidents and breaches of human rights.
  - Actual and Potential positive impacts in the areas of Business Integrity and Working Conditions for our Own Workforce. The materiality comes, for example but not limited to, from our practices in place to prevent corruption and bribery practices, for the protection of whistle-blowers, and from the Group's social dialogue and Health & Well-being programs in place.
- **Risks**
  - Our potential risks are mainly concentrated in the context of our operations. We identified risks related to Climate change, Energy, Pollution, Water consumption, Land degradation, Land-use change and Business Integrity and Compliance. The materiality comes, for example but not limited to, from increasing extreme weather events due to climate change affecting potentially our assets, CO_2 and energy transition costs, regulatory evolutions, the risk of potential anti-competitive behaviors, potential non-compliance to Trade Compliance rules and Sanctioned parties lists.
- **Opportunities**
  - Our opportunities originate mainly from our own operations and downstream value chain. We identified potential opportunities relating to climate change and to our own workforce. For example, the materiality comes, but is not limited to, from our presence in multiple end-markets driven by sustainable megatrends *(for more details see section "Climate related transitions risks and opportunities")*, and also from our global footprint and asset presence in all regions that allow the Group to overcome potential supply chain disruptions due to extreme weather events.

Current and anticipated effects on business model

We conduct an annual IRO review for each of the businesses. During this review, we consider evolutions and changes that have occurred internally and externally in the business context of Solvay, which would lead to modified or new risks and opportunities for the Group.

These results are considered as an input for the strategic planning update ("Value Creation Plan" with a time horizon beyond five years) and the financial planning update ("Mid-term Plan" with a five-year time horizon), which is a joint exercise between the corporate functions and the businesses. The budget period (time horizon: one year) considers short-term IROs but also anticipates medium to long-term risk mitigation plans. Actions that result from IRO reviews are considered in the strategic updates and consequently play a role in adapting the business model. These are reported in each topical ESRS section.

Material positive and negative impacts

Solvay's potential positive and negative impacts can affect, for example:

- The Group's own workforce and surrounding communities' health, safety, through our assets and operations (short term).
- Workers from the Group's value chains, their working conditions through our raw material supplier and contractor selection (short and medium-term).
- The quality of air, water, and soil through emissions coming from our operations and supply chain (short and medium-term).
- Climate change effects through direct greenhouse gas (GHG) emissions from Solvay's operations and indirect GHG emissions from our value chain (short, medium-to-long term).
- Land degradation and land-use change under Biodiversity.

Financial effects

In accordance with the transitional provisions outlined in Appendix C "List of phased-in Disclosure Requirements," our company will be phasing-in the quantitative disclosure. However, for this initial reporting period, we have focused on providing qualitative information.

We are enhancing our data collection and analysis capabilities to better assess and quantify the potential financial implications of these IROs. As we progress through subsequent reporting cycles, we will gradually introduce more comprehensive financial effect disclosures, aiming to provide a full picture of the financial materiality of our sustainability matters.

This phased approach allows us to ensure the accuracy and reliability of the financial information we disclose while we develop robust methodologies for estimating and reporting these effects. We are committed to improving our disclosures year-on-year and providing stakeholders with increasingly detailed insights into how sustainability matters may influence our financial position, performance, and long-term value creation.

Our Group leverages a diversified portfolio of funding sources to drive our sustainability strategy:

- We utilize internally generated cashflows to fund our capital expenditure and key process innovation projects.
- Third-party investors and industrial partners contribute substantial financial support to our other projects, for example in energy transition and decarbonization projects.
- Public funding - including government subsidies and tax credits - plays a crucial role in advancing our sustainable development goals.

This multi-faceted financing approach ensures robust implementation of our comprehensive sustainability strategy.

Resilience of Strategy and Business Model

Please refer to the actions in each of the ESRS sections

Our strategy and business model demonstrate resilience through targeted initiatives. These address identified material impacts and risks while positioning us to capitalize on emerging opportunities in our industry.

As an example, we are screening Solvay's assets and business activities for potential exposure to transition events with our SPM tool (see SBM-1 Strategy business model and value chain). This process systematically evaluates the sustainability risks and opportunities associated with the company's products throughout their lifecycle and market assessment. This process is only done in the short-term but leveraged for mid- and long-term strategic decisions.

Changes to material IROs

In 2023, we performed a review of the materiality analysis to anticipate some of the provisions of the CSRD and several changes have already been made in comparison to previous years. In 2024, we aligned our DMA to the CSRD requirements as described in the "EFRAG implementation guidance for the materiality assessment."

6.1.4. Impacts, Risks and Opportunities (IRO) management

IRO-1 Description of the process to identify its impacts, risks, and opportunities and to assess which ones are material

Please refer to the specific IRO-1 description in the ESRS chapters.

Methodologies and Assumptions

Please refer to SBM-2 on the interests and views of stakeholders.

To determine material sustainability-related matters, we conducted a structured DMA in accordance with the requirements of the CSRD and ESRS 1. A five-step approach was followed:

1. Define the scope and objective:	**2. Identify ESG topics and IROs**:	**3. Assess the IRO's materiality:**	**4. Validate DMA results:**	**5. Document the process and the outcome**:
We defined the assessment boundaries, main activities, value chain, selected stakeholder focus groups and appropriate communication channels to engage with them.	We collected data through desktop analysis of external and internal sources to identify potential ESG topics. We adopted the ESRS topics structure and added process and transport safety as entity specific. We determined IROs of each sustainable performance topic in the short-list via desk research and internal and external stakeholder consultation.	We mapped impact materiality and financial materiality for each identified IRO through desk research and internal and external stakeholder consultation. We then consolidated the results and developed the double materiality result.	We validated the outcomes of the double materiality assessment by the validation bodies: ELT Committee, A&R committee, ESG Committee, and Board of Directors.	We developed the materiality report and detailed assurance-ready supporting documentation.

As a result, a tailored list of mutually exclusive and collectively exhaustive ESG topics was defined and a stakeholder engagement strategy was developed by identifying the key internal and external stakeholder representatives to be consulted via direct (surveys, individual interviews, employee focus groups, and workshops) or indirect methods (internal and external desk research). Their opinions were integrated during the DMA definition.

An IRO evaluation was also defined, based on the consolidated list of IROs and inspired by Solvay's ERM process, but further distinguishing impact materiality from the financial materiality. This framework assessed each IRO’s materiality. Considering Solvay's ERM evaluation and materiality thresholds, IROs were classified as material or not. A topic was identified as material when at least one underlying IRO was classified as such. Outcomes of the DMA were reviewed by internal and external experts and the CSRD Readiness Project Steering Committee, recommended for approval by the ELT, Audit & Risk Committee, ESG Committee, and approved by the Board.

Overview of the Process for impacts

The creation of a value chain map in the first phase of the DMA process ensured full coverage of Solvay's operations, value chain, and geographies. Based on the value chain, stakeholders and experts involved with different activities were consulted, as well as the different geography and end-market leads within Solvay.

Some affected stakeholders were directly involved (e.g. a sample of employees), whereas Nature is indirectly involved through available documentation. Potentially affected communities or end-users were either consulted directly (e.g. major customers) or indirectly via representatives or public information.

Impacts related to business relationships were identified via consultation with the most prominent business partners, or through interaction with internal experts managing the relationship. We gathered further valuable input from several external experts, such as business partners or sector associations.

The assessment of each negative impact on society and the environment is based on severity and likelihood. Detailed impact assessment criteria were defined for scope, scale, and remediability - taking into account E, S, and G topics - considering our own operations and value chain. A score between 1 and 5 was assigned, considering the most appropriate option for each evaluation criterion and for each impact.

For positive impacts, scale, scope, and likelihood were evaluated. For each criterion, a five-level scale was defined. For both positive and negative impacts, scores were normalized such that the maximum score amounts to 15. The selection of the most appropriate option for likelihood resulted in a likelihood factor ranging between 1 (very high) and 0.6 (very low). The final score on impact materiality, obtained by multiplying the sum of the severity scores with the likelihood factor, was compared with a materiality threshold of 8. Impacts with a score equal to or higher than 8 are considered material.

Overview of the process for risks and opportunities

Please refer to risk management section 5.

The outside-in perspective - the identification, assessment, and prioritization of actual and potential risks and opportunities related to ESG topics - was also performed through the stakeholder consultation process and documentation.

As part of the DMA process, we assessed which risks and opportunities were connected with impacts, dependencies, or other risk factors. We also identified impacts (inside-out) and risks & opportunities (outside-in) for each of the ESRS reporting standards, as well as any relevant interdependencies.

The evaluation framework for ESG-related risks and opportunities as part of the DMA was aligned with our existing approach to ERM used in the Group:

→ Magnitude and nature of effects have been aligned with the ERM severity scales and thresholds.
→ The likelihood has been determined following qualitative probability assessment criteria, considering the management cycle horizons as reference for thresholds.

Five potential options were considered for both magnitude and likelihood. Based on the selected option, risks and opportunities were categorized into five categories. Concretely, a 1-5 score for the magnitude of the financial impact was applied. For the likelihood factor, identical values to those used for the likelihood of potential impacts were applied. The total score for financial materiality is obtained by multiplying the score for the magnitude of the financial impact with the likelihood factor. Risks and opportunities with a total score equal to 3 or higher are considered material.

ESG risks are treated in the same way as other risks. The most material risks are managed diligently and risk mitigation actions are put in place. Results of the risk assessments are therefore integrated into the strategic planning and decision-making processes.

Monitoring of actual impacts presents a newly formalized approach required by the CSRD. This 2024 Sustainability Statements is the baseline. The Group’s due diligence process captures this monitoring aspect.

Decision-making process

The decision-making process and related internal control procedures involve multiple experts and bodies within Solvay. The DMA is validated at different levels of the organization, including the CSRD Steering Committee, the ELT, the ESG Committee, the Audit & Risk Committee, and the Board of Directors. The external auditors also perform a review of the DMA and related IROs as part of the Sustainability Statements verification.

Integration into overall (risk) management process

The process to identify, assess, and manage impacts and risks is integrated into Solvay’s overall risk management process and is used to evaluate the Group’s overall risk profile and risk management processes. The evaluation criteria of likelihood and magnitude of financial impact of ESG-related risks and opportunities are aligned with Solvay’s ERM methodology. The ERM team was actively engaged throughout the DMA process, and the output of the DMA has been integrated into the ERM repository.

ESG risks are treated in the same way as other risks in the ERM framework.

The results of the risk and opportunities assessments are further considered in Solvay's strategic planning and decision-making.

Input Parameters

The DMA covered all of Solvay's operations and geographies with value chains. Company-specific sources of information were collected via consultation with key internal and external. Publicly available data and documents are also taken into account, such as media coverage, sector reports, and research papers. Whenever no direct information is available, estimates and/or assumptions are used, accurately described, and explained.

Changes Compared to Prior Reporting Period

A DMA was set up for the first time in 2024. As the materiality assessment is a dynamic process that is subject to the inherent evolution of Solvay, it will be updated when deemed necessary.

IRO-2 Disclosure Requirements included in the undertaking's sustainability statements as a result of the double materiality assessment

Please refer to Appendix 1 which includes a list of datapoints from other EU legistaltion.

The DMA defines the material topics for an organization, including its own operations and the upstream and downstream value chain. Our material topics are:

Climate change	Pollution	Water and Marine resources	Biodiversity and Ecosystems
Climate change mitigation & adaptation Energy	Pollution of air, water, soil SOC, SVHC	Water consumption	Land degradation Land-use change
Circular Economy	**Own workforce**	**Workers in the value chain**	**Business Conduct**
Waste	Health & Safety Social dialogue Diversity	Health & Safety Social Labor Forced labor	Corporate culture Bribery and Corruption Whistleblower protection

The content table lists disclosure requirements used in preparing the sustainability statements post-materiality assessment, specifying pages or paragraphs where these disclosures appear. Appendix 1 comprises a table of datapoints from other EU legislation, noting their location in the sustainability statements and identifying non-material datapoints.

Material topics are disclosed as per related disclosure requirements, which include application requirements for specific sustainability issues in the relevant ESRS, and entity-specific disclosures when an ESRS does not sufficiently cover a matter.

When information is deemed material for stakeholders, it is disclosed according to the Disclosure Requirement – including datapoints or entity-specific disclosures. Once a topic or subtopic is deemed material via IRO, it becomes material for reporting purposes.

MDR-P: All the policies listed in the sustainability statements are reported here and the ELT is accountable for their implementation. They are available on Solvay's website and intranet and are thus available for all our stakeholders.

Policy	Content	Scope
Corporate Social Responsibility	Our commitment to fostering a sustainable and responsible value chain.	Value chain
Responsible Care Policy	Focus on people (safety) and environment (pollution, waste, impact on the environment including product stewardship over its life cycle).	Own operations
Climate change GHG scope 1+2 Emissions and Energy	(In)direct emission reduction, energy efficiency within operational control.	Own operations
Climate change GHG scope 3 Emissions	Scope 3 emissions reduction and calculating methodologies.	Value chain
Climate change physical Risks	Identification and mitigation of physical risks related to climate change on Solvay's operations.	Own operations
Climate change Business transition	Identification and mitigation of business risks and opportunities related to low-carbon economy transition.	Value chain
Environmental management	Pollution, water and waste management.	Own operations 17 Solvay priority sites for water
Biodiversity Conservation & Restoration	Measure, act, and monitor our progress on biodiversity conservation and restoration.	16 Solvay Priority sites
Health and Safety	Our commitment to Health & Safety, SoC and SVHC reduction.	Own operations including contractors
Social Dialogue	Our global agreement with a trade union federation and global representative body for our commitment to a collaborative environment.	Own operations
Remuneration policy	Executive remuneration: short-term incentive scheme; long-term incentive scheme; global profit-sharing scheme.	Own operations
Diversity, Equity and Inclusion	Guidelines and principles to ensure an inclusive culture & workplace.	Own operations
Supplier Code of Business Integrity	The code addresses legal compliance for business integrity (including corruption, bribery, conflict of interest, and competition law), confidentiality, respect for human rights, health and safety protection, environmental protection, sustainability, and communication to supplier employees and subcontractors.	Value chain
Human Rights	Human rights and business ethics across the entire value chain.	Value chain
Code of Business Integrity	The Code addresses topics such as bribery, corruption, facilitation payments, gifts, and entertainment (including in dealings with government officials), conflicts of interest, international trade, fair competition, and political contributions.	Own operations
Conflicts of interest	Rules, principles and guidelines for avoiding and disclosing any actual or potential conflict of interest or an appearance thereof.	Own operations
Anti-Bribery & Anti-Corruption	Our commitment to the prevention and elimination of bribery and corruption.	Own operations
Speak up	Solvay's commitment to ethical and compliant behavior in which stakeholders can report concerns or potential violations.	Value chain
Gifts, Entertainment, Charitable Donations and Sponsorship Policy	Rules and procedures when exchanging Gifts and Entertainment; making Charitable Donations; and Sponsoring Events.	Own operations
Group Trade Compliance Policy	Our approach to ensure compliance with all applicable laws and regulations related to international trade, export control, economic sanctions, customs operations, and anti-boycott.	Value chain

6.2. ENVIRONMENTAL INFORMATION

6.2.1. Climate change

Financial materiality:

Topic	Sub-topic	Sub-sub-topic	IRO Type	Actual / Potential	IRO Description	Geography	Value Chain	Time Horizon
Climate change	Climate change adaptation	NA	Risk	Potential	More severe and frequent extreme weather events (droughts, flooding, wind, extreme temperature) put our assets at risk and can lead to property damage, business interruption, and will necessitate adaptation measures.	WW	Own operations + Upstream + Downstream	Short term
Climate change	Climate change adaptation	NA	Opportunity	Actual	Solvay has a global footprint with facilities in all regions. This allows the Group to overcome local supply chain disturbances due to extreme weather events and secure supply to its global customers and hence create a competitive advantage.	WW	Own operations	Short term
Climate change	Climate change mitigation	NA	Risk	Potential	Evolving regulations and local policies will increase the cost of CO_2 leading to loss of competitiveness.	EU	Own operations	Short term
Climate change	Climate change mitigation	NA	Opportunity	Potential	Decarbonization can help sustain market leadership	WW	Own operations	Medium term
Climate change	Energy	NA	Risk	Potential	Energy cost increase impacting Solvay's competitiveness.	WW	Own operations	Medium term
Climate change	Energy	NA	Opportunity	Potential	Increased resilience thanks to the substitution of imported volatile fossil fuels by locally sourced renewable fuels	WW	Own operations	Medium term

Impact materiality:

Topic	Sub-topic	Sub-sub-topic	IRO Type	Actual / Potential	IRO Description	Geography	Value Chain	Time Horizon
Climate change	Climate change mitigation	NA	Negative impact	Actual	GHG emissions contribute to the increase of climate change events.	WW	Own operations + Upstream + Downstream	Medium term
Climate change	Energy	NA	Negative impact	Potential	Inability to reduce energy intensity of our processes and switch to lower carbon energy sources will prevent us from reducing GHG emissions.	WW	Own operations	Medium term

E1 GOV-3 Integration of sustainability related performance in incentive schemes

Climate-related considerations are factored into the Remuneration of Solvay's employees throughout various schemes:

- For the ELT and the Senior Management - GHG emission reduction targets are set in both the Short-term Incentive plan as well as in the Long-term Incentive plan.
- For the general Management population (except Commercial/Sales) the GHG emission reduction is part of the Short-term Incentive plan.
- GHG emission reduction is also reflected in the Company Profit Sharing plan applicable to the non-management employees.

In addition to the GHG emission-reduction targets set out above, other climate-related objectives are being tracked internally and may be impacting employees' individual performance depending on their role in the organization.

Please refer to GOV-3 section for more details.

E1-1 Transition plan for climate change mitigation

Solvay's transition plan for climate change mitigation is designed to ensure that its strategy and business model are compatible with the transition to a sustainable economy.

Our targets are to become carbon neutral on GHG Scope 1 and 2 emissions by 2050, and to reduce by 30% our Scope 1 and 2 emissions and by 20% our Scope 3 - focus 5 categories - emissions by 2030 vs. our 2021 baseline.

These 2030 targets are more ambitious than the ones validated by SBTi in March 2023, which had a baseline of 2018, as opposed to the new baseline of 2021 *(please refer to E1-4 for explanations)*. However they are not compatible with the objective of limiting global warming to 1.5°C in line with the Paris Agreement.

To align on a 1.5°C target, we are currently looking at how to accelerate the delivery of our projects with the support of key stakeholders among which customers and governments.

We are not excluded from the EU Paris-Alignment benchmark.

Decarbonization roadmap

To ensure we meet our ambitious emission reduction target, we have developed a decarbonization roadmap. For our own operations related Scope 1 & 2 emissions we rely on several key levers:

- **Energy Transition** including:
  - Phasing out thermal coal using primary energy sources with a lower carbon footprint. Successful implementations occurred in 2024 in Green River, Wyoming, and Rheinberg, Germany.
  - Switching from fossil fuels to renewable or low carbon energy. It includes the use of Renewable Energy Certificates (RECs) or Guarantees of Origin (GOs). Nuclear power is part of the technology spectrum contemplated by Solvay.
- **Energy Efficiency** to consume less primary energy per production unit thanks to practices and technologies that minimize energy usage, reduce energy losses, and enhance process control.
- **Process Innovation** to tackle emissions released by the chemical process - including through its electrification. In 2024, Solvay innovated in pioneering the regenerative thermal oxidation (RTO) technology for its Trona mine in Green River. Solvay keeps developing the innovative e.Solvay manufacturing process for soda ash which notably aims to reduce CO_2 emissions by up to 50%.

Our Scope 3 GHG emissions reduction plan focusses on 5 key categories that represent 90% of Solvay's Scope 3 GHG emissions in 2021 and for which we took a 20% reduction commitment by 2030:

- Upstream in our value chain with Category 1 (Purchased Goods & Services) and Category 3 (Fuel & energy-related Activities)
- Downstream in our value chain with Category 10 (Processing of sold products), Category 11 (Use of sold products and Category) and Category 12 (End of life treatment of sold products).

Our Scope 3 GHG emissions reduction plan relies on the following decarbonization levers:

- **Lowering the emissions from raw materials and fuels:** We are working closely with suppliers to reduce Scope 3.1 emissions, integrating sustainable solutions like biogenic CO_2 at our Dombasle and La Rochelle plants. We engage with our suppliers in decarbonization discussions and collect primary Product Carbon Footprints to substitute secondary data. As a founding member of Together for Sustainability (TfS), we drive industry-wide improvements.
- **Reducing the emissions from product processing, use and end of life:** By collaborating with customers, we support their decarbonization efforts and expect a significant reduction in Scope 3 downstream emissions by 2030.

On top of the focus on the previously mentioned 5 categories, we also aim at reducing the GHG emissions from the transportation of our goods (Category 4: Upstream transportation and distribution and Category 9: Downstream transportation) and people (Category 6: Business traveling and Category 7: Employee commuting) which represent another 5% of Solvay's Scope 3 GHG emissions in 2021:

- **Lowering the emissions from transportation of raw materials, fuels and products**: We are actively collaborating with transportation providers to mitigate emissions associated with logistics. For example, our buyers have successfully engaged with several vendors to secure biofuel transportation to and from several sites, e.g. Voikkaa in Finland, Collonges and La Rochelle in France, Qingdao in China.
- **Lowering the emissions from transportation of our employees**: Solvay engages its employees in reducing Scope 3 emissions associated with business travel and commuting.

In addition to the above, Solvay is studying other decarbonization levers:

- carbon capture usage or sequestration projects within its value chain.
- responsible offsets, such as carbon capture and sequestration projects outside its value chain, including initiatives like forest growth, to compensate and neutralize hard-to-abate emissions.

Locked-in GHG emissions from assets

Solvay has conducted a qualitative assessment of potential locked-in GHG emissions from its key assets.

In 2021, around 30% of our Scope 1 and 2 emissions were linked to thermal coal producing steam for Soda Ash plants. Solvay is on track to phase out thermal coal from its energy production by 2030, except at one site in Devnya, Bulgaria, where we started at the end 2022 to substitute petcoke with sustainable biomass and we aim at growing the share of sustainable biomass in the site fuel mix. In Devnya, Bulgaria, we believe our target to phase out coal by 2030 is at risk as there is no possibility to access mid to long-term local reliable renewable sourcing. We keep on working with determination on all the options including nuclear small modular reactors which require more time to be implemented.

In 2021, another 40% of our scope 1 and 2 emissions were linked to fossil sources of energy, other than coal. Through our energy transition we are gradually switching to renewable or low carbon energy, while we are reducing our consumption of energy through our energy efficiency program.

In 2021, the remaining 30% of our Scope 1 and 2 emissions were released by the Soda Ash chemical process. In 2024, we introduced for the first time ever the RTO technology to abate GHG released by Solvay's Trona Mine in Green River. Beyond, we are at the forefront of innovation, reinventing the Soda Ash process with our new patented e.Solvay process. The new process is being piloted in Dombasle, France. We aim at starting the industrial scale-up before 2030 and at rolling out until 2050.

Locked-in GHG emissions from key products

Solvay has conducted a qualitative assessment of potential locked-in GHG emissions from its key products.

In 2021, about 30% of our Scope 3 emissions came from the processing and use of our products, mainly due to SF6 leakage and CO_2 release from sodium carbonate and bicarbonate in certain applications:

- SF6 is a GHG locked into the application it is used for, though an average leakage ratio is considered to estimate its release in the atmosphere. The cumulative potential future leakage of SF6 is fully accounted for at the time of sale, considering expected leakage over time.
- Sodium carbonate (soda ash) and bicarbonate release CO_2 in some applications.

Progress in implementing transition plan

The locked-in emissions are well identified and addressed in our roadmap and do not jeopardize our commitments.

At the end of 2024, the Group has reduced its Scope 1 and 2 emissions by 16.7% vs 2021 baseline (considering financial consolidated perimeter). Looking forward, we have identified solutions to cut 30% our Scope 1 and 2 emissions by 2030 and 80% by 2050 vs 2021 baseline. To achieve carbon neutrality by 2050, we will rely on further innovation and offsets (up to 10%).

At the end of 2024, the Group has reduced its Scope 3 emissions - focus 5 categories by -4%, progressing toward the 20% reduction target by 2030.

Board approval

Carbon neutrality is a key pillar of Solvay strategy. To support Solvay's commitment to carbon neutrality, we have developed a roadmap which has been reviewed by the Board of Directors.

This roadmap is composed of decarbonization projects that can be segmented into the decarbonization levers listed earlier. These projects can have different status : They can either be validated - their construction is completed or ongoing, ot they can be not yet validated - their design is ongoing in view of a future decusion

The projects with an expected financial impact within a five-year time horizon are integrated into Solvay's financial planning, i.e. the annual budget and the five-year mid-term plan.

Decarbonization projects being designed have to go through Solvay's investment process for decision (like other investment projects). They are reviewed by an Investment Committee, which makes recommendations for a decision by the ELT. Projects above the financial thresholds listed in paragraph ESRS 2 GOV-1 22 shall be validated by the Board of Directors.

Decarbonization projects are evaluated, challenged, and prioritized according to their GHG impact, profitability, marginal abatement cost, and impact on Solvay's competitiveness. We aim to decarbonize Solvay's operations while preserving our competitiveness.

The profitability of decarbonization projects, like all investment projects, factors in an internal CO_2 price amounting to EUR 100/t CO_2eq to assess the merits of the projects, including the negative externalities or potential future regulated CO_2 cost.

This thorough decision process aims at ensuring that our transition plan is fully embedded in and aligned with the overall business strategy and financial planning of Solvay.

Financial resources to fund our action plan

Solvay is committed to decarbonizing its operations while maintaining cost competitiveness. In 2024, we allocated approximately EUR 25 million in capital expenditure toward our transition plan. We plan to invest EUR 30–35 million annually until 2030 and around EUR 50 million per year in the following decade. Operating expenses related to the transition should remain minimal due to efficiencies in energy consumption and the shift to lower-carbon energy sources. Maintaining the affordability of decarbonized projects is essential to balancing capital allocation, preserving our investment grade, and ensuring shareholder returns.

During the reporting period, no significant capital expenditure was directed toward coal-, oil-, or gas-related projects. Investments related to climate change mitigation and adaptation are reflected in several financial statements notes, including Note F16 (cash flows from investing activities), Note F20 (property, plant, and equipment), and Note F21 (right-of-use assets and lease obligations). Research and development costs that are not capitalized are recorded as expenses in the consolidated income statement, while capitalized development costs and technology-related intangible assets are included in Note F18 (intangible assets).

Under the Commission Delegated Regulation (EU) 2021/2178, we disclose capital expenditures and operational expenditures linked to eligible economic activities. However, Solvay does not currently report aligned sales, as full compliance with certain criteria remains unclear. We aim to align the Bernburg (Germany), Rheinberg, and Green River production sites with the EU Taxonomy on climate mitigation within the next five years, covering a significant portion of our soda ash sales.

These financial allocations and reporting structures support Solvay's broader sustainability goals. Relevant figures are disclosed in Section 2.2 of our EU Taxonomy reporting, ensuring transparency in our progress toward climate adaptation and mitigation.

E1 SBM-3 Material IRO climate-related (climate related physical risk or climate related transition risk) for each material climate-related risk identified

Solvay has identified several material climate-related risks and opportunities, which are categorized into two main types: climate-related physical risks and climate-related transition risks and opportunities that have strategic implications for the Group.

Climate-Related Physical Risks

Physical risks are associated with the direct impacts of climate change on Solvay's operations and assets. These risks include acute risks such as cyclones, hurricanes, floods, droughts, and fires, as well as chronic risks like heat waves and sea level rise.

Solvay performed a dedicated physical risk resilience analysis in 2022 covering the entire value chain, including all countries where Solvay has a site, the top 25 countries by procurement, and the top 25 countries by revenue.

The analysis utilized climate scenario analysis from the Intergovernmental Panel on Climate Change (IPCC), considering different Representative Concentration Pathways (RCPs) and Shared Socioeconomic Pathways (SSPs). The following scenarios were compared with a "business as usual" reference scenario, over three time horizons 2030, 2050 and 2100, considering changes in hazard frequency per country, sector vulnerabilities, and risk scores based on statistical global distribution per hazard:

- >4°C of global warming (corresponding with the IPCC's RCP 8.5 and SSP-5.85) and
- 3°C of global warming (corresponding with the IPCC's RCP 4.5 and SSP-2.45).

The analysis concluded that

- Solvay's upstream value chain is especially vulnerable to flooding which will increase extremely until 2050 in the 3°C scenario and the >4°C scenario. This risk is present throughout the different regions.
- Solvay's downstream value chain is especially vulnerable to flooding which will increase extremely until 2050 in the 3°C scenario and the >4°C scenario. Asia Pacific countries see high risk to extreme increases across scenarios.
- For Solvay's own operations, Asia Pacific countries are generally at a higher risk across hazards especially for tropical cyclones. US and Brazil are also higher risk countries. Flooding shows high increases until 2050 across regions and scenarios.

Consequently, the analysis was complemented by a quantitative analysis focused on four high-contribution margin Solvay sites (including indirect impacts on other sites): Green River in Wyoming USA, Paulinia in Brazil, Linne Herten in the Netherlands and Devnya in Bulgaria. This quantitative analysis excluded the other Solvay sites as well as the upstream and downstream value chain. The quantitative analysis concluded that:

- Overall risk levels are moderate. Across the scenarios, convective storms in Green River were identified as a high risk while floods in Paulinia were assessed as a medium risk until 2050. In Devnya, heatwaves are assessed medium risk in 2030 and grow to high risk in 2050.
- Green River would be the site the most financially impacted. However potential damage would remain moderate.

Climate-Related Transition Risks and Opportunities

Transition risks and opportunities are associated with the shift toward a low-carbon economy and the regulatory, market, and technological changes that accompany this transition.

Solvay performed a dedicated analysis of transition risks and opportunities in 2022 and 2023, focusing on three business units: Soda Ash & Derivatives, Peroxides, and Special Chem, which represent 73% of Solvay's 2022 sales.

The analysis evaluated the potential impacts of new technology adoption, market dynamics, policy and regulation changes, and supply chain engagement over two time horizons 2030 and 2050. Assumptions of price and cost changes, volume changes, and adaptation potential were taken from the consultant's models, which helped us conduct this analysis.

The following scenarios proposed by the **International Energy Agency (IEA)** were considered:

- **1.5°C scenario**, representing a pathway where global warming is limited to 1.5°C above pre-industrial levels (IEA Net Zero Emissions Scenario 2021)
- **3°C scenario**, representing a pathway with higher GHG emissions and greater climate change impacts (IEA Stated Policy Scenario 2021)

The analysis evaluated the potential impacts of new technology adoption (investment in new, lower-emission technologies, including the adoption of green hydrogen and the phase-out of coal were evaluated for their financial implications), market dynamics (the adaptation to changing customer behavior in markets such as electronics and buildings), policy and regulation changes (regulations and actions to limit CO_2 emissions, such as increasing carbon taxes, banning internal combustion engines, mandating the use of certain fuel types, and tightening environmental standards), and supply chain engagement (the analysis includes an evaluation of the engagement and collaboration with suppliers in managing climate-related risks and opportunities) over two time horizons 2030 and 2050. Assumptions of price and cost changes, volume changes, and adaptation potential were taken from the consultant's models, which helped us conduct this analysis. The magnitude of the impacts of these different drivers are summarized in the table underneath. They are qualified on a qualitative range scoring from (-3) for the most challenging ones to (+3) for the most supportive ones:

Financial impact drivers		1.5°C scenario	3°C scenario
Technology	Green hydrogen	(-2)	0
	Coal phase-out	+2	+1
	Oil and gas	+1	(-2)
Market	Electronics	+2	+2
	Automotive	(-2)	+1
	Buildings	+2	+1
Policy	CO_2 price	(-3)	(-2)
Reputation	CO_2 emission reduction	+2	+1
	Supply chain engagements	+1	+1

The analysis confirmed that the transition to a low-carbon economy presents both risks and opportunities for Solvay. Overall, Solvay's strategy and business model is well-positioned to manage the identified climate-related risks and capitalize on opportunities, ensuring long-term sustainability and competitiveness in a changing climate landscape. Solvay's business portfolio is perceived as robust with positive drivers outweighing negative ones.

On top of these resilience analyses to climate change adaptation performed over 2022 and 2023, Solvay runs recurring processes to keep monitoring physical risks as well as transition risks and opportunities (for more details, refer to E1.IRO-1 below). These recurring processes allow us to address the areas of uncertainties of these resilience analyses.

We run these recurring processes to adjust or adapt our strategy and business model to climate change over the short-, medium- and long-term, including securing ongoing access to finance at an affordable cost of capital, the ability to redeploy, upgrade or decommission existing assets, shifting our products and services portfolio, or reskilling our workforce.

E1 IRO-1 Description of process to identify and assess climate-related impacts risks and opportunities on climate change and in particular GHG emissions

Climate related physical risks

On top of the physical risk resilience analysis performed in 2022 which covered the whole value chain (refer to section E1 SBM3), we aim to mitigate physical risks related to Climate Change for our assets. To address these, we are collaborating with FM (an independent company specialised in property insurance) which performs site visits and combines engineering data with climate change insights to prepare a Climate Change Risk report for us. This report assesses our acute and chronic risks at Solvay locations across three climate scenarios and two time horizons (2030 and 2050), taking into account the long-term lifespan of our assets. The information provided by FM is crucial in helping us manage our physical climate-related risks and exposure and in building a more resilient future for our organization.

FM identifies climate-related hazards by considering high emission climate scenarios. The company uses three different RCPs to describe the future evolution of CO_2 concentration in the atmosphere and its impact on global temperatures:

- **Low Climate Scenario (RCP 2.6)**: This scenario limits radiative forcing to 2.6 W/m² and requires significant global efforts to reduce GHG emissions.
- **Intermediate Climate Scenario (RCP 4.5):** This scenario stabilizes GHG emissions by 2050 and then declines.
- **High Climate Scenario (RCP 8.5):** This scenario assumes continued rise in GHG emissions, representing a worst-case scenario.

FM identified the climate physical exposures that can cause damages to Solvay's assets and generate business interruption. These physical risks identified include:

- Extreme Precipitation (P): The increasing number or intensity of extreme rainfall events will make flooding at our plants more probable. A location is exposed if it's assessed to be in a 100-year or 500-year flood zone, based on a risk engineer's evaluation.
- Wind (W): Increasing wind speeds can damage roofs, roof-mounted equipment and compromise the building's envelope. Wind damage can result from several atmospheric phenomena including tropical storms, winter storms, thunderstorms and tornados. A location is exposed if situated in a Full Wind Evaluation zone or in a region with 100-year wind speed exceeding 100mph based on current risk engineering data or wind maps.
- Temperature (T): Extreme heat causes thermal stress to outdoor equipment, increases the demand for cooling and can overwhelm power grid infrastructure. These factors elevate the likelihood for physical damage or business interruption at our sites. Exposed locations are situated in a region where future changes in temperature/drought exceed the 75th percentile of the global climate model projections for any of the three climate change scenarios and based on the selected time period (by 2030 or by 2050).

- Drought (D): More intense or prolonged drought in some areas of the world where our sites are located can lead to diminishing water resources necessary to our production, increase operational and safety risks and cause potentially more wildfires. The exposed locations are defined the same way as temperature.
- Sea level rise (S): The rise in sea levels paired with the potential stronger storms, increases coastal flood risk. Solvay locations exposed are those situated in a coastal flood zone as determined by risk engineering data (if available) or low-elevation coastal zone (defined as a region with less than 10 m terrain elevation above mean sea level and within 60 miles of the nearest coastline).

These risks are evaluated based on the exposure of Solvay's facilities to these hazards, using data from risk engineering visits, natural hazards maps, and global climate model data.

An exposed location is an insured facility visited by FM risk engineers within the last five years that is exposed to at least one of the five climate perils listed above and by combining information from the risk engineering visit, natural hazards maps and global climate model data. The exposed assets on the 2030 horizon are shown below:

		Exposure				
Site	**Country**	**P**	**W**	**T**	**D**	**S**
Banksmeadow	Australia					x
Brotas	Brazil		x		x	
Paulinia	Brazil		x		x	
Devnya	Bulgaria			x		
Coronel	Chili				x	
Qingdao	China			x		x
Voikkaa	Finland			x		
La Rochelle	France				x	x
Bernburg	Germany	x				
Rosignano	Italy				x	x
Anan	Japan					x
Wloclaweck	Poland			x		
Gunsan	South Korea					x
Torrelavega	Spain				x	x
Chicago Height	USA			x		
Deer Park	USA					x
Green River	USA			x		
Parachute	USA			x		

On the 2050 time horizon, the same locations have been identified as exposed to the same perils with one exception: Paulinia (Brazil) will also be exposed to extreme precipitation (P).

Following these assessments, FM has issued 26 active recommendations aimed at maintaining a strong emergency and business contingency response program focused on safety and loss prevention, developing measures to adapt assets and operations for climate resilience, and incorporating climate resilience into infrastructure planning and design through systematic project review.

Additionally, all site projects undergo early-stage review by FM risk engineers to incorporate adequate protection, and the location of green field projects and acquisitions are assessed in the early stages.

Climate related transition risks and opportunities

On top of the transition risk & opportunity analysis performed in 2022 and 2023, Solvay has developed and runs a recurring process called Sustainable Portfolio Management (SPM) to assess and manage notably climate-related transition risks and opportunities.

This involves systematically evaluating the sustainability risks and opportunities associated with Solvay's products throughout their lifecycle and market application, particularly focusing on the environmental impact of manufacturing and the potential benefits or challenges these products may face in the market due to sustainability trends.

The SPM process identifies "solutions", "potentials", "transitions" or "challenges" based on the impact, risks and opportunities of a specific product in a specific application:

- Solutions significantly contribute to customer's environmental performance while having a low environmental manufacturing footprint.
- Potentials can become Solutions by improving the environmental manufacturing footprint, which is currently neither high nor low. Customers need these products to sustain their environmental performance.
- Transitions identify moderate environmental challenges for both manufacturing and customers application.
- Challenges get strong negative signals from sustainability market trends or manufacturing footprint, reducing expected revenues over time.

The breakdown of Solvay sales by SPM in 2024 is shown below:

SPM assessment	2024 Sales
Solutions	51%
Potentials	14%
Transitions	21%
Challenges	10%
Not evaluated	4%
Total	100%

We also use SPM to evaluate projects and investments.

SPM findings are integrated into strategic and operational decision-making processes, to ensure informed decisions for a sustainable future. It helps Solvay to anticipate transition events and their related risks and opportunities such as:

- The electrification of vehicles which is supporting Solvay's businesses: Soda ash is used in mineral extraction and the production of lithium carbonate for Li-ion batteries to power electric vehicles. When added to a tire, our special silica grade for electric vehicles extends the battery range for electric vehicles up to 10% without wear compromise by combining best-in-class technologies, while improving the lifetime of tires and the grip performance for safety. We are developing a technology to separate rare earth elements to be used in the production of innovative rare earth permanent magnet solutions for electric vehicles.
- The energy efficiency and thermal insulation requirements of buildings: Creating more demand for glass and soda ash.
- The overall energy transition: Solvay's salt caverns offer a large-scale, long-duration and readily dispatchable solution for clean energy storage - in the form of compressed air or hydrogen. They will play a vital role in the European energy transition.

E1-2 Policies related to climate change mitigation and adaptation

Solvay has developed distinct policies to manage its material IROs related to climate change mitigation and adaptation (defined at the beginning of this section on E1). These policies are designed to address the identification, assessment, management, and remediation of climate change IROs, ensuring alignment with the company's sustainability goals and regulatory requirements. These policies apply universally across all Solvay Group enterprises (under operational control) and relate to active sites across all regions.

Climate change mitigation (including energy efficiency and renewable energy deployment):

- GHG Scope 1 and 2 emission reduction and energy management: This policy addresses direct and indirect emissions associated with the company's operations (where Solvay has operational control), along with comprehensive energy management including phase out of thermal coal for energy production, renewable energy deployment and energy efficiency.
- GHG Scope 3 emission reduction: It is shaped around the broader spectrum of emissions produced by the Solvay value chain. The key content of this policy includes our commitment for reducing the Scope 3 emissions and the methodology for calculating Scope 3 emissions.

Climate change adaptation:

- Physical risks: This policy aims at identifying and mitigating physical risks related to the natural impacts of climate change for Solvay own operations.
- Business transition: This policy aims at identifying and mitigating business risks and seizing business opportunities related to the transition toward a low carbon economy along the value chain.

These policies also involve some stakeholders in the value chain:

- The policy related to Scope 1 and 2 emission reduction and energy management involves our suppliers of energy.
- The policies related to Scope 3 emission reductions and Business transition involve all stakeholders along the value chain.
- The policy related to Physical risks involves our mutual insurer, FM. So far it does not involve other stakeholders along our value chain.

The accountability for these policies is allocated to the ELT as described in the corporate governance section. Here, the ELT assumes final responsibility for policy validation, with periodic reviews conducted with the relevant Corporate Function team to maintain effectiveness and relevance from an operational perspective:

- Energy department for GHG Scope 1 and 2 emission reduction and energy management
- Sustainability department for GHG Scope 3 emission reduction
- Insurance & Prevention department for Physical risks
- Sustainability department for Business transition

Solvay is committed to complying with external standards, regulations, and initiatives which support our climate change and energy management objectives.

For the MDR-P's, regarding scope, publicity, and stakeholder engagement we refer to table MDR-P.

E1-3 Actions and resources in relation to climate change policies

Solvay has established a robust climate action plan targeting carbon neutrality for GHG Scope 1 and 2 emissions by 2050, along with a selective reduction of these emissions and GHG Scope 3 - focus 5 categories - emissions by 30% and 20% respectively by 2030, against the 2021 baseline (considering financial consolidated perimeter).

The key actions taken in 2024 are allocated between Scope 1 and 2 emission reduction and Scope 3 emission reduction. The expected decarbonization levers for these measures are already disclosed in E1-1: transition plan.

Climate change mitigation: GHG Scope 1 and 2 emissions

1. Energy transition to phase out coal from the energy mix at our soda ash plants

Solvay is currently undertaking an energy transition initiative to eliminate the use of thermal coal from the energy mix at its soda ash plants located in various countries. The production of soda ash relies on an energy-intensive process that originally depended on local coal sources at these facilities. The company has made significant progress in this endeavor, with each plant pursuing a unique approach to phasing out coal and transitioning to more sustainable energy sources. At the beginning of 2024, five Solvay sites were still using thermal coal to produce energy, however actions performed in 2024, resulted in the phase-out of coal in 2 sites :

- Green River, Wyoming, United States: The plant has completed an investment to substitute coal with natural gas, resulting in a significant reduction of approximately 280 kilotons of CO_2eq per year compared to the situation prior to coal substitution, and 190 kilotons compared to the 2021 levels.
- Rheinberg, Germany (financed through leasing): The plant is now primarily using locally sourced biomass waste for power, and the project is expected to achieve a notable reduction of around 480 kilotons per year in CO_2eq compared to the situation prior to coal substitution, and 385 kilotons CO_2eq per year compared to the 2021 levels upon its completion at the end of 2024.

Coal phase-out is also ongoing at other sites:

- Dombasle, France: Solvay is partnering with Veolia through an equity investment to eliminate the use of coal for energy generation by the end of 2025, substituting it with local refuse-derived fuel (RDF) and aiming to reduce around 200 kilotons CO_2eq per year.
- Torrelavega, Spain: The plant plans to phase out coal through the introduction of a new biomass cogeneration plant, which is anticipated to reduce around 330 kilotons CO_2 eq per year upon its completion in 2027. Developed by a partner, this project is still subject to subsidies and will take the form of a Power Purchase Agreement.
- Devnya, Bulgaria: The plant has already reduced approximately 100 kilotons CO_2eq per year compared to the 2021 baseline following an investment to introduce co-combustion with biomass in 2022. While we aim at growing the share of sustainable biomass in the site fuel mix, we believe that our target to totally phase out coal by 2030 is at risk in Devnya, due to the unavailability of mid- to long-term local reliable renewable sourcing. We keep working with determination on all the options including nuclear small modular reactors which require more time to be implemented.

2. Energy transition to use primary energy sources with lower emissions or decarbonized sourcing

- Qingdao Silica plant in China: Starting in 2024, a solar panel installation program is in progress as part of the shift toward renewable energy sources.
- Juarez, Mexico: A biodigester has been installed to produce biomethane using city wastewater slurry, with operation commencing in Q4 2024, expected to reduce 10 kilotons CO_2eq per year.
- Collonges Silica plant in France: Implementation of an electric furnace to replace the existing fuel-powered one by the end of 2025, aiming to reduce 20 kilotons CO_2eq per year.
- Rosignano, Italy: The finalization of a power purchase agreement for on-site solar energy from a third party is underway, expected to be in place by the end of 2026, with a projected reduction of around 45 kilotons CO_2eq per year. This on-site solar energy will be used to produce hydrogen peroxide from green hydrogen, in the partnership with Sapio- a first at such a scale in Europe. Moreover, the share of renewable energy will also gradually grow in Rosignano from 2026 onwards thanks to new biomethane sourcing contracts substituting natural gas.
- Paulinia, Brazil: A new project was approved to produce renewable steam from biomass instead of natural gas, for a reduction of 140 kilotons CO_2eq per year starting 2028.

3. Energy efficiency

In 2024, energy efficiency projects implemented across all our sites have brought a reduction of around 10 kilotons per year in CO_2eq per year. These initiatives can be categorized into three main areas:

- Reduction of energy usage: Implementation of equipment such as Variable Speed Drives and digital tools to determine energy-efficient configurations across all production scenarios.
- Reduction or reusing energy losses: Implementation of steam traps monitoring and heat recovery assets in various plants to prevent and utilize energy losses.
- Process control: Utilizing advanced algorithms and automation tools to adjust critical operating parameters and ensure equipment operates at peak efficiency.

4. Process innovation

- Solvay inaugurated the regenerative thermal oxidation (RTO) technology at the Green River plant on October 10, 2024, aiming to reduce GHG emissions by approximately 500 kilotons CO_2eq per year at current production level. This innovative technology is the first of its kind in the trona mining industry.
- At the Dombasle site, pilot testing of the new e.Solvay soda ash manufacturing process is underway, with a projected 50% reduction in CO_2 emissions compared to the current process, along with other sustainable benefits.

Climate change mitigation: GHG Scope 3 emissions

1. Reducing emissions

- As a member of Together for Sustainability, Solvay collaborates with suppliers to reduce Scope 3 upstream emissions and promotes the use of recycled or renewable resources. In 2024, we engaged with 15 new suppliers in decarbonization discussions.
- Solvay focuses on reducing Scope 3 downstream emissions through collaboration with customers, promoting sustainable product usage, and guidance on disposal and recycling practices.
- Solvay actively works with transportation providers to mitigate emissions related to logistics.
- Solvay engages its employees in reducing Scope 3 emissions associated with business travels and commuting through responsible travel practices and promoting sustainable commuting methods, including the transition to electric vehicles for the company fleet. Solvay tracks travel-related carbon footprint and since 2023 contributes €100 per ton of CO_2 emitted to a new Travel Carbon Fund. This fund supports sustainability projects with a focus on nature conservation and carbon offsetting.

2. Collecting Primary Data - Suppliers

We actively collaborate with our most GHG-emitting raw materials suppliers to collect data on the product carbon footprint (PCF) of the raw materials they supply - a preliminary step that enables Solvay to track and manage progress. In 2024, we collected 23 additional primary PCFs from 22 suppliers, representing 12% of Category 3.1 emissions. Solvay's ambition is to collect 100% of primary PCF data.

Climate change mitigation: Carbon capture usage or sequestration projects

Some carbon capture usage or sequestration projects in our value chain are under study.

In addition, we are acting for nature and climate in Paulinia, Brazil, where a reforestation project named "Reserva Legal" consists in planting native seedlings of the Atlantic Forest and undertaking forest management activities (pest control, fire prevention, replacement of dead seedlings, etc.) to assure a good quality forest growth. This project started in 2017 and will be concluded in 2028.

Two new forestation projects have been validated in 2024 and should start in 2025 in Linne Herten (tiny forest) and close to Map Ta Phut, Thailand (mangrove). These new projects were financed by the new Travel Carbon Fund described above.

The emissions removed by these projects are not considered in Solvay reporting.

Climate change adaption

Regarding the adaptation to climate-related physical risks, we have implemented permanent flood protection measures, including dikes and levees, for critical utilities and buildings at our sites in Paulinia, Torrelavega, and Qingdao, which are exposed to future extreme precipitation and flooding. We are currently conducting formal flood studies and analyzing solutions for physical flood protection at other exposed sites.

In terms of adaptation to climate-related transition risks and opportunities, we are developing a technology to separate rare earth elements for the production of innovative rare earth permanent magnet solutions, which are essential for the electric vehicle market and clean energy applications such as wind power. We are investing in our plant in La Rochelle, France, to create a hub that will support Europe in developing more autonomous and sustainable solutions in these areas.

Humanitarian needs due to climate change

Solvay is willing to support people that are harmed by the material impacts of climate change.

At the end of April 2024, the southern region of Brazil went through the worst climate crisis ever seen in the country's history. The Solvay Group and the Ernest Solvay Fund made a financial donation to the special fund set up within the Government of Rio Grande do Sul state in Brazil to provide effective aid where it was needed, based on a mapping of the most urgent needs. In addition, volunteer groups in each Solvay location in Brazil ran campaigns to collect drinking water, non-perishable food, clothing, and hygiene items. Together with our partner transport companies, Solvay organized the delivery of these donated items to those in need.

Looking forward, the statutes of the historical philanthropic "Hannon fund for employees" were enlarged to be able to support employees and communities that suffer hardships due to climate change impact near our industrial sites. We have committed to inject EUR 2 million over 5 years in this new "Solvay Solidarity Fund".

Achieved and expected CO_2 emission reductions

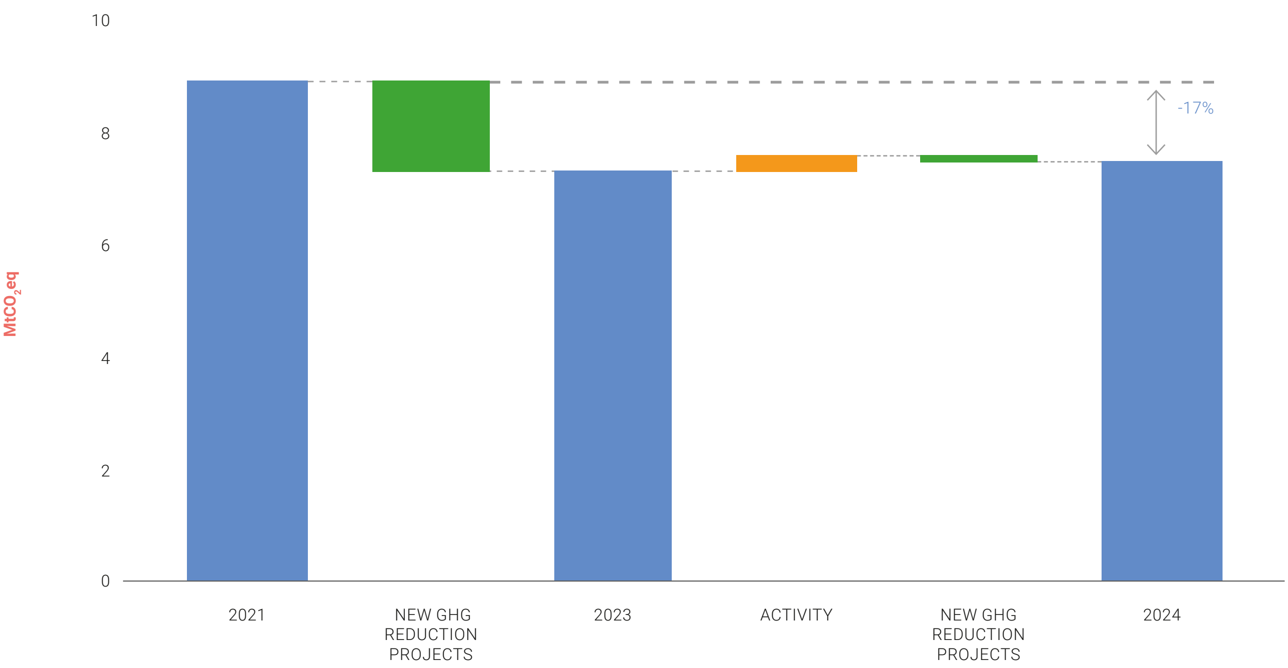
GHG Scope 1+2 emissions

At the end of 2024, the cumulative Scope 1 and 2 emission reduction since 2021 amounts to -17% (-1.498 Mt CO_2eq) at constant scope (considering financial consolidated perimeter).

From 2023 to 2024, Scope 1 and 2 emissions increased by +0.136 Mt CO_2eq at constant scope. This is due to activity recovery (+0.261 Mt CO_2eq) partly mitigated by decarbonization projects that came on stream in the same period (-0.125 Mt CO_2eq).

In 2024, Scope 1 emissions were 0.118 Mt CO_2eq higher than in 2023 at constant scope and 1.327 Mt CO_2eq lower than in 2021 at constant scope which represents -16%. Scope 2 emissions were 0.018 Mt CO_2eq higher than in 2023 at constant scope and 0.170 Mt CO_2eq lower than in 2021 at constant scope which represents -20%.

While 2023 was a record low activity year, Scope 1 and 2 emissions decreased from 2021 to 2024 thanks to structural reduction driven by decarbonization projects delivery.



The expected GHG Scope 1 and 2 emissions reductions are as follows (considering financial consolidated perimeter):

		2021	2030	2050
GHG Scope 1 and 2 emissions	Mt CO_2eq	9.0	6.3	0.0
Energy transition				
Coal phase-out	Mt CO_2eq	-	-2.0	-0.5
Renewable or low carbon energy sourcing	Mt CO_2eq	-	-0.45	-2.1
Energy efficiency			-0.05	-0.2
Process innovation	Mt CO_2eq	-	-0.2	-1.7
Offsets	Mt CO_2eq	-	-	-0.9
Further innovation (technology and economics not mature)	Mt CO_2eq	-	-	-0.9

GHG Scope 3 emissions

In 2024, we continued Solvay's commitment to improving Scope 3 emissions reporting by aligning our calculation methodologies with market best practices and GHG Protocol recommendations. A significant refinement was made to the Scope 3.1 Purchased Goods and Services methodology, incorporating procurement database integration for enhanced data accuracy and granularity. Furthermore, Solvay has begun independently calculating categories 3.4 Upstream Transportation and 3.5 Waste Generated in Operations, which were previously included within category 3.1. This provides a more comprehensive and transparent view of the company's Scope 3 emissions profile.

Following the important adjustments, the 2021 baseline has been restated with 2024 reporting methodology *(please refer to ESRS 2 for the reporting methodology)*.

At the end of 2024, the cumulative Scope 3 emission reduction since 2021 amounts to -2.7% (-0.452 Mt CO_2eq) at constant scope (considering financial consolidated perimeter). In relation to Solvay target on the focus 5 categories, the cumulative reduction from 2021 to 2024 amounts to -4% (-0.62 Mt CO_2eq).

The expected GHG Scope 3 emissions reductions are as follows (considering financial consolidated perimeter):

		2021	2030
GHG Scope 3 - Focus 5 categories - emissions	Mt CO_2eq	14.7	11.8
Focus upstream categories(*)	Mt CO_2eq	-	-1.3
Focus downstream categories	Mt CO_2eq	-	-1.6

(*) Estimated figure. Solvay suppliers decarbonization roadmaps will have a direct impact in the category 3.1 Purchased Goods & Services.

E1-4 Targets related to climate change adaptation and mitigation

Climate change adaptation

Solvay populates a sound Group-wide Resiliency Matrix and prioritizes recommendations to improve the site's Resiliency index based on information provided by our mutual insurer FM. Solvay set the objective to remove all sites from the Resilience Matrix Red Zone (<50% Resiliency Index) by 2025 and to bring all Solvay sites to a minimum of 75% Resiliency Index by 2028.

Resilience Matrix	Sites	Country
Resiliency Index above 75%	Curitiba	Brazil
	Bad Wimpfen	Germany
	Map Ta Phut AIE	Thailand
	Deer Park	USA
	Green River	USA
Resiliency Index between 50% and 75%	Other Solvay sites	
Resiliency Index below 50%	Paulinia	Brazil

We are committed to monitoring the effectiveness of our sustainability policies and actions in relation to Solvay's significant sustainability-related impact, risk, and opportunity. Solvay uses various processes for this purpose, with a robust approach that includes comprehensive policy reviews, strategic analyses, and metrics which includes Scope 1, 2, and 3 emissions.

Climate change mitigation

In 2024, we conducted a comprehensive review of our sustainability strategy, reaffirming and strengthening Solvay's dedication to reducing CO_2 emissions. Solvay confirms our commitment to achieve carbon neutrality on GHG Scope 1 and 2 emissions by 2050, and to reduce by 30% GHG Scope 1 and 2 emissions and by 20% GHG Scope 3 - focus 5 categories - emissions by 2030 vs. 2021 baseline (considering financial consolidated perimeter). This target is directly linked to our Climate Change policy on which our objective of achieving carbon neutrality is outlined. Solvay targets are aligned with a science-based scenario limiting global warming well below 2°C. As explained below, these 2030 targets are more ambitious than the ones validated by SBTi in March 2023, which had a baseline of 2018, as opposed to the new baseline of 2021, after the partial demerger.

Solvay's Scope 1 and 2 emission reduction targets are defined for the same perimeter as in section E1-6 as per the "financial consolidation".

Our Scope 3 emissions reporting encompasses Solvay's global operational perimeter, including all physical locations and activities under the company's direct control. It includes the proportion from investees for which Solvay has operational control. Solvay's Scope 3 emissions target concerns five focus categories representing 90% of Solvay's Scope 3 GHG emissions in 2021. The five focus categories are upstream (Category 1: Purchased Goods & Services, Category 3: Fuel & energy-related Activities) and downstream in our value chain (Category 10: Processing of sold products, Category 11: Use of sold products, Category 12: End of life treatment of sold products). Our decarbonization levers in achieving our ambitious targets are disclosed in our action roadmap in section E1-3.

Changes in baseline year and methodologies

Following the partial demerger of the Group into two publicly traded companies, Solvay SA/NV and Syensqo SA/NV, in December 2023, the baseline year for emission reduction targets shifted from 2018 to 2021. The selection of 2021 as the new baseline ensures a more accurate representation of Solvay's activity levels following the COVID period, reflecting both internal operations and external influences.

Together with this change of baseline, Solvay confirmed the commitment to a 30% reduction in Scope 1 and 2 emissions and a 20% reduction in Scope 3 - focus 5 categories - emissions by 2030. These 2030 targets are more ambitious than the ones validated by SBTi in March 2023 as aligned with a scenario limiting global warming to well below 2°C: -0.2 Mt for Scope 1 and 2 emissions and -2.6 Mt for Scope 3 emissions (our Scope 3 - focus 5 categories - emissions reduced by -4.1 Mt CO_2 eq or -21% from 2018 to 2021, this is why adopting the year 2021 as a new baseline significantly raised the bar) as detailed below:

Solvay targets	Unit	2021 baseline	2030 Targets
Scope 1 and 2 emissions	Mt CO_2eq	9.0	6.3 (-30%)
Scope 3 emissions - focus 5 categories (2024 methodology)	Mt CO_2eq	14.7 (90% x 16.5)	11.8 (-20%)
Scope 3 emissions - focus 5 categories (2022 methodology)	Mt CO_2eq	15.7 (90% x 17.4)	12.5 (-20%)

Previous targets validated by SBTi in March 2023	Unit	2018 baseline	2030 Targets
Scope 1 and 2 emissions	Mt CO_2eq	9.4	6.5 (-31%)
Scope 3 emissions - focus 5 categories (2022 methodology)	Mt CO_2eq	19.8 (90% x 22.0)	15.1 (-24%)

To maintain consistency in reporting, baseline data may be recalculated in response to perimeter or methodology changes. Perimeter changes, such as the addition or removal of sites, require adjustments to historical data to ensure comparability across reporting periods. Without these recalculations, trend analysis could be distorted, leading to artificial variations in key performance indicators. Similarly, methodology changes, including the adoption of AR6 rules for GHG emission coefficients and the reclassification of hydrogen emissions from Scope 1 and 2 to Scope 3.3, necessitate updates to previously published data. These adjustments help maintain the accuracy of emission reduction progress tracking.

In 2024, the baseline year remains 2021, with restatements only for scope changes. The shift of baseline from 2018 to 2021 means that progress achieved before 2021 is no longer reported. While these recalculations affect absolute target values for 2030, they do not alter Solvay's reduction commitments expressed as percentages. This approach ensures a transparent and consistent framework for tracking emissions and reinforces Solvay's commitment to achieving its decarbonization goals.

The table, outlining our CO_2-emissions for 2021, 2023 and 2024 are shown below per scope and category.

Scope 1 GHG emissions	2021 (Baseline)	2023 (Comparative)	2024	% 2024 versus 2023
Gross Scope 1 GHG emissions from the consolidated accounting group (tCO_2eq)	**8,119,000**	**6,673,000**	**6,791,000**	**1.8%**
Additional gross Scope 1 GHG emissions from investees for which Solvay has operational control (tCO_2eq)	*575,000*	*396,000*	*448,000*	*13.1%*
Gross Scope 1 GHG emissions from operational perimeter (tCO_2eq)	*8,694,000*	*7,069,000*	*7,239,000*	*2.4%*
Percentage of Scope 1 Greenhouse gas emissions reduction from the consolidated accounting group (as of emissions of base year)	0.0%	-17.8%	-16.3%	-8.2%
GHG emissions from regulated emission trading schemes from the consolidated accounting group (%)	65.9%	66.5%	67.1%	0.9%
Scope 1 CO_2 emissions				
Gross Scope 1 CO_2 emissions from the consolidated accounting group (tCO_2)	**7,087,000**	**5,856,000**	**5,761,000**	**-1.6%**
Additional gross Scope 1 CO_2 emissions from investees for which Solvay has operational control (tCO_2)	*575,000*	*396,000*	*448,000*	*13.1%*
Gross Scope 1 CO_2 emissions from operational perimeter (tCO_2)	*7,662,000*	*6,252,000*	*6,209,000*	*-0.7%*
Scope 1 emissions GHG other than CO_2				
Gross Scope 1 GHG emissions from the consolidated accounting group (tCO_2eq)	**1,032,000**	**817,000**	**1,030,000**	**26.1%**
Additional gross Scope 1 GHG emissions from investees for which Solvay has operational control (tCO_2eq)	*200*	*400*	*100*	
Gross Scope 1 GHG emissions from operational perimeter (tCO_2eq)	*1,032,200*	*817,400*	*1,030,100*	*26.0%*
Scope 2 GHG emissions				
Gross location-based Scope 2 GHG emissions from the consolidated accounting group (tCO_2eq)	**804,000**	**730,000**	**763,000**	**4.5%**
Additional gross location-based Scope 2 GHG emissions from investees for which Solvay has operational control (tCO_2eq)	*87,000*	*79,000*	*89,000*	*12.7%*
Gross location-based Scope 2 GHG emissions from operational perimeter (tCO_2eq)	*891,000*	*809,000*	*852,000*	*5.3%*
Gross market-based Scope 2 GHG emissions from operational perimeter (tCO_2eq)	***838,000***	***650,000***	***668,000***	***2.8%***
Additional gross market-based Scope 2 GHG emissions from investees for which Solvay has operational control (tCO_2eq)	*91,000*	*87,000*	*95,000*	*9.2%*
Gross market-based Scope 2 GHG emissions from operational perimeter(tCO_2eq)	*929,000*	*737,000*	*763,000*	*3.5%*
Absolute value of market-based Scope 2 Greenhouse gas emissions reduction from the consolidated accounting group	0	-187,000	-170,000	-9.4%
Percentage of market-based Scope 2 Greenhouse gas emissions reduction from the consolidated accounting group (as of emissions of base year)		**-22.3%**	**-20.2%**	
Total GHG emissions - Scope 1 + scope 2 - from the consolidated accounting group	**8,957,000**	**7,323,000**	**7,459,000**	**1.9%**
Percentage of Scope 1 + scope 2 (marked-based) emissions reduction from accounting group (as of emissions of base year)			**-16.7%**	
Significant scope 3 GHG emissions				
Total Gross indirect (Scope 3) GHG emissions (tCO_2eq)	**16,459,000**	**15,242,000**	**16,077,000**	**5.5%**
Percentage of Scope 3 emissions reduction from accounting group (as of emissions of base year)			**-2.3%**	
1 Purchased goods and services from the consolidated accounting group (tCO_2eq)	**5,206,000**	**4,860,000**	**5,241,000**	**7.8%**
1 Additional purchased goods and services from investees for which Solvay has operational control (tCO_2eq)	451,000	384,000	5,621,000	
1 Purchased goods and services from operational perimeter (tCO_2eq)	5,657,000	5,244,000	5,803,000	10.7%
2 Capital goods from the consolidated accounting group (tCO_2eq)	**702,000**	**1,108,000**	**874,000**	**-21.1%**
2 Additional capital goods from investees for which Solvay has operational control (tCO_2eq)	30,000	40,000	22,000	-45.0%
2 Capital goods from operational perimeter (tCO_2eq)	732,000	1,149,000	896,000	-22.0%
3 Fuel and energy-related Activities (not included in Scope1 or Scope 2) from the consolidated accounting group (tCO_2eq)	**1,391,000**	**1,147,000**	**1,195,000**	**4.2%**
3 Additional fuel and energy-related Activities from investees for which Solvay has operational control (tCO_2eq)	95,000	83,000	92,000	10.8%
3 Fuel and energy-related Activities from operational perimeter (tCO_2eq)	1,486,000	1,230,000	1,287,000	4.6%
4 Upstream transportation and distribution from the consolidated accounting group (tCO_2eq)	**314,000**	**325,000**	**351,000**	**8.0%**
4 Additional upstream transportation from investees for which Solvay has operational control (tCO_2eq)	5,000	4,000	14,000	250.0%
4 Upstream transportation from operational perimeter (tCO_2eq)	319,000	329,000	365,000	10.9%
5 Waste generated in operations from the consolidated accounting group (tCO_2eq)	**33,000**	**38,000**	**39,000**	**2.6%**
5 Additional waste generated in operations from investees for which Solvay has operational control (tCO_2eq)	6,000	6,000	7,000	16.7%
5 Waste generated in operations from operational perimeter (tCO_2eq)	39,000	44,000	46,000	4.5%

Scope 1 GHG emissions	2021 (Baseline)	2023 (Comparative)	2024	% 2024 versus 2023
6 Business traveling from the consolidated accounting group (tCO_2eq)	**1,000**	**2,000**	**3,000**	**50.0%**
6 Additional business traveling from investees for which Solvay has operational control (tCO_2eq)	0	0	0	
6 Business traveling from operational perimeter (tCO_2eq)	1,000	2,000	3,000	50.0%
7 Employee commuting from the consolidated accounting group (tCO_2eq)	**16,000**	**16,000**	**15,000**	**-6.3%**
7 Additional employee commuting from investees for which Solvay has operational control (tCO_2eq)	0	0	1,000	
7 Employee commuting from operational perimeter (tCO_2eq)	16,000	16,000	16,000	-5.9%
8 Upstream leased assets from the consolidated accounting group (tCO_2eq)	**2,000**	**2,000**	**2,000**	**0.0%**
8 Additional upstream leased assets from investees for which Solvay has operational control (tCO_2eq)	0	0	0	
8 Upstream leased assets from operational perimeter(tCO_2eq)	2,000	2,000	2,000	0.0%
9 Downstream transportation from the consolidated accounting group (tCO_2eq)	**531,000**	**449,000**	**542,000**	**20.7%**
9 Additional downstream transportation from investees for which Solvay has operational control (tCO_2eq)	14,000	12,000	19,000	58.3%
9 Downstream transportation from operational perimeter (tCO_2eq)	545,000	461,000	561,000	21.7%
10 Processing of sold products from the consolidated accounting group (tCO_2eq)	**1,790,000**	**1,594,000**	**1,679,000**	**5.3%**
10 Additional processing of sold products from investees for which Solvay has operational control (tCO_2eq)	92,000	77,000	88,000	14.3%
10 Processing of sold products from operational perimeter (tCO_2eq)	1,882,000	1,671,000	1,767,000	5.7%
11 Use of sold products from the consolidated accounting group (tCO_2eq)	**3,242,000**	**2,941,000**	**3,135,000**	**6.6%**
11 Additional use of sold products from investees for which Solvay has operational control (tCO_2eq)	3,000	13,000	16,000	
11 Use of sold products from operational perimeter (tCO_2eq)	3,245,000	2,954,000	3,152,000	6.7%
12 End-of-life treatment of sold products from the consolidated accounting group (tCO_2eq)	**3,106,000**	**2,633,000**	**2,869,000**	**9.0%**
12 Additional end of life treatment of sold products from investees for which Solvay has operational control (tCO_2eq)	46,000	31,000	38,000	
12 End of life treatment of sold products from operational perimeter (tCO_2eq)	3,152,000	2,664,000	2,906,000	9.1%
13 Downstream leased assets from the consolidated accounting group (tCO_2eq)	**0**	**0**	**0**	
13 Additional downstream leased assets from investees for which Solvay has operational control (tCO_2eq)	0	0	0	
13 Downstream leased assets from operational perimeter (tCO_2eq)	0	0	0	
14 Franchises from the consolidated accounting group (tCO_2eq)	**0**	**0**	**0**	
14 Additional franchises from investees for which Solvay has operational control (tCO_2eq)	0	0	0	
14 Franchises from operational perimeter (tCO_2eq)	0	0	0	
15 Investments from the consolidated accounting group (tCO_2eq)	**125,000**	**127,000**	**132,000**	**3.9%**
Additional investments from investees for which Solvay has operational control (tCO_2eq)	0	0	0	
Investments from operational perimeter (tCO_2eq)	125,000	127,000	132,000	3.9%
Total GHG emissions - Scope 1, 2 & 3 - from the consolidated accounting group				
Total GHG emissions - Scope 1, 2 & 3 (location-based) from the consolidated accounting group (tCO_2eq)	25,382,000	22,645,000	23,631,000	4.4%
Total GHG emissions - Scope 1, 2 & 3 (market-based) from the consolidated accounting group (tCO_2eq)	25,416,000	22,565,000	23,536,000	4.3%
Percentage of Total Greenhouse gas emissions - Scope 1, 2 & 3 - reduction from the consolidated accounting group (as of emissions of base year) - market-based			**-7.4%**	

Scope 1 emissions GHG other than CO_2	Units	2021	2023	2024
Methane – CH4 - from the consolidated accounting group	t CO_2eq	**1,007,500**	**803,500**	**1,002,700**
Additional methane emission from investees for which Solvay has operational control (tCO_2eq)		0	0	0
Methane emission from operational perimeter (tCO_2eq)		**1,007,500**	**803,500**	**1,002,700**
Nitrous oxide – N2O - from the consolidated accounting group	t CO_2eq	**20,600**	**10,200**	**17,500**
Additional nitrous Oxide emission from investees for which Solvay has operational control (tCO_2eq)		0	0	0
Nitrous Oxide emission from operational perimeter (tCO_2eq)		20,600	10,200	17,500
Sulfur hexafluoride – SF6 - from the consolidated accounting group	t CO_2eq	**1,400**	**1,300**	**7,600**
Additional sulfur hexafluoride emission from investees for which Solvay has operational control (tCO_2eq)		0	0	0
Sulfur hexafluoride emission from operational perimeter (tCO_2eq)		1,400	1,300	7,600
Hydro fluoro carbons – HFCs - from the consolidated accounting group	t CO_2eq	**2,500**	**2,000**	**2,200**
Additional hydro fluoro carbons emission from investees for which Solvay has operational control (tCO_2eq)		200	400	100
Hydro fluoro carbons emission from operational perimeter (tCO_2eq)		2,700	2,400	2,300
Perfluorocarbons – PFCs - from the consolidated accounting group	t CO_2eq	**0**	**0**	**0**
Additional perfluorocarbons emission from investees for which Solvay has operational control (tCO_2eq)		0	0	0
Perfluorocarbons emission from operational perimeter (tCO_2eq)		0	0	0
Nitrogen trifluoride – NF3 - from the consolidated accounting group	t CO_2eq	**0**	**0**	**0**
Additional nitrogen trifluoride emission from investees for which Solvay has operational control (tCO_2eq)		0	0	0
Nitrogen trifluoride emission from operational perimeter (tCO_2eq)		0	0	0
Total other greenhouse gas emissions other than CO_2 from the consolidated accounting group	t CO_2eq	**1,032,000**	**817,000**	**1,030,000**
Additional total other greenhouse gas emissions from investees for which Solvay has operational control (tCO_2eq)		200	400	100
Total other greenhouse gas emissions from operational perimeter (tCO_2eq)		1,032,200	817,400	1,030,100

E1-5 Energy consumption and mix

The different components of Solvay's energy consumption are converted into primary energy sources as follows:

- Fuels, using the net calorific values;
- Steam purchased, taking into account the boiler efficiency reference value for the type of fuel used to generate the steam, for example 90% efficiency based on the net calorific value for natural gas; and
- Electricity purchased, assuming an average efficiency of 39.5% for all types of fossil-fuel power production except for nuclear power (33%), hydro (100%), solar (100%), and wind (100%), based on net calorific value (source: International Energy Agency – IEA)

Energy consumption and mix for Solvay's own needs	2021 (Baseline)	2023 (Comparative)	2024
(1) Fuel consumption from coal and coal products from the consolidated accounting group (MWh)	**7,405,000**	**6,636,000**	**5,363,000**
Additional consumption from investees for which Solvay has operational control (MWh)	*932,000*	*707,000*	*787,000*
Consumption from operational perimeter (MWh)	*8,337,000*	*7,343,000*	*6,150,000*
(2) Fuel consumption from crude oil and petroleum products from the consolidated accounting group (MWh)	**88,000**	**51,000**	**79,000**
Additional consumption from investees for which Solvay has operational control (MWh)	*1,000*	*1,000*	*1,000*
Consumption from operational perimeter (MWh)	*89,000*	*52,000*	*80,000*
(3) Fuel consumption from natural gas - including steam and electricity sales from the consolidated accounting group (MWh)	**8,618,000**	**7,184,000**	**8,174,000**
Additional consumption from investees for which Solvay has operational control (MWh)	*429,000*	*367,000*	*384,000*
Consumption from operational perimeter (MWh)	*9,047,000*	*7,551,000*	*8,558,000*
(4) Fuel consumption from other fossil sources from the consolidated accounting group (MWh)	**44,000**	**24,000**	**27,000**
Additional consumption from investees for which Solvay has operational control (MWh)	0	0	0
Consumption from operational perimeter (MWh)	44,000	24,000	27,000
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources from the consolidated accounting group (MWh)	**5,405,000**	**4,290,000**	**4,638,000**
Additional consumption from investees for which Solvay has operational control (MWh)	*496,000*	*459,000*	*527,000*
Consumption from operational perimeter (MWh)	*5,901,000*	*4,749,000*	*5,165,000*
(6) Total fossil energy consumption from the consolidated accounting group (MWh) **(calculated as the sum of lines 1 to 5)**	**21,560,000**	**18,185,000**	**18,281,000**
Additional consumption from investees for which Solvay has operational control (MWh)	*1,858,000*	*1,534,000*	*1,699,000*
Consumption from operational perimeter (MWh)	*23,418,000*	*19,719,000*	*19,980,000*
Share of fossil sources in total energy consumption from the consolidated accounting group (%)	**95.9%**	**93.4%**	**90.5%**
Share of fossil sources in total energy consumption from operational perimeter (%)	**96.1%**	**93.6%**	**90.9%**
(7) Consumption from nuclear sources from the consolidated accounting group (MWh)	**226,000**	**196,000**	**503,000**
Additional consumption from investees for which Solvay has operational control (MWh)	*14,000*	*16,000*	*18,000*
Consumption from operational perimeter (MWh)	*240,000*	*212,000*	*521,000*
Share of consumption from nuclear sources in total energy consumption from the consolidated accounting group (%)	**1.0%**	**1.0%**	**2.5%**
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) from the consolidated accounting group (MWh)	**427,000**	**701,000**	**768,000**
Additional consumption from investees for which Solvay has operational control (MWh)	*11,000*	*48,000*	*69,000*
Consumption from operational perimeter (MWh)	*438,000*	*749,000*	*837,000*
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources from the consolidated accounting group (MWh)	**280,000**	**392,000**	**649,000**
Additional consumption from investees for which Solvay has operational control (MWh)	*0*	*0*	*0*
Consumption from operational perimeter (MWh)	*280,000*	*392,000*	*649,000*
(10) The consumption of self-generated non-fuel renewable energy from the consolidated accounting group (MWh)	**0**	**0**	**0**
Additional consumption from investees for which Solvay has operational control (MWh)	*0*	*0*	*0*
Consumption from operational perimeter (MWh)	*0*	*0*	*0*
(11) Total renewable energy consumption from the consolidated accounting group (MWh) **(calculated as the sum of lines 8 to 10)**	**707,000**	**1,093,000**	**1,416,000**
Additional renewable energy consumption from investees for which Solvay has operational control (MWh)	*11,000*	*48,000*	*69,000*
Total renewable energy consumption from operational perimeter (MWh)	*718,000*	*1,141,000*	*1,485,000*
Share of renewable sources in total energy consumption from the consolidated accounting group (%)	**3.1%**	**5.6%**	**7.0%**
Share of renewable sources in total energy consumption from operational perimeter (MWh)	**2.9%**	**5.4%**	**6.8%**
Total energy consumption from the consolidated accounting group (MWh) **(calculated as the sum of lines 6, 7 and 11)**	**22,493,000**	**19,474,000**	**20,201,000**
Additional energy consumption from investees for which Solvay has operational control (MWh)	1,883,000	1,598,000	1,786,000
Total energy consumption from operational perimeter (MWh)	24,376,000	21,072,000	21,987,000

Energy production mix for third party*	2021 (Baseline)	2023 (Comparative)	2024
Renewable energy production (MWh)	1,053,000	825,000	715,000
Non-renewable energy production (MWh) - not included in section (9) above	5,709,000	4,446,000	4,624,000

* *Energy production for third party is mainly heat production for third party supply and co-produced power due to the use of high-efficiency co-generation of heat/cool and power from fossil gaseous fuels assets.*

High climate impact sectors used to determine energy intensity

All activities are considered as high climate impact.

Energy intensity per sales	2023 (Comparative)	2024	% 2024 / 2023
Total energy consumption from activities in high climate impact sectors (MWh)	24,746,000	25,539,000	3.2%
Total sales from activities in high climate impact sectors (€ million)	6,024	5,130	-14.9%
Total energy consumption per sales from activities in high climate impact sectors (MWh/€)	0.0041	0.0050	+21.2%

The amount of sales is in line with the figure disclosed in Note F1 Revenue and segment information.

E1-6 Gross scopes 1, 2, 3 and total GHG emissions

	Retrospective				Milestones and target years			
	Base year - 2021	2023 (Comparative)	2024	% 2024 / 2023	2025	2030	(2050)	Annual % target / Base year - 2021
Total greenhouse gas emissions Scope 1 and 2 (market based) from the consolidated accounting group (tCO_2eq)	8,957,000	7,323,000	7,459,000	1.9%	7,150,000	6,270,000	0	3.3% by 2030 and 3.5% 2030-2050
Total greenhouse gas emissions (Scope 1 and 2) - as published (tCO_2eq)	9,001,000							
Variation due to changes in reporting scope (structural changes) (tCO_2eq)	-55,000							
Variation due to changes in methodology or improvements in data accuracy (tCO_2eq)	11,000							
Significant scope 3 GHG emissions								
Total greenhouse gas emissions Scope 3 from the consolidated accounting group (tCO_2eq)	16,459,000	15,243,000	16,077,000	5.5%	15,968,000	13,746,000		
Greenhouse gas emissions Scope 3 - Focus 5 categories (scope of our target)	14,735,000	13,175,000	14,119,000	7.2%	14,010,000	11,788,000		2.2% by 2030

More details on retrospective data are reported in E1-4.

GHG emissions intensity (total GHG emissions per sales)

GHG intensity per sales (Scope 1, 2 & 3)	2023 (Comparative)	2024	% 2024 / 2023
Total GHG emissions (location-based) per sales (tCO_2eq/€)	0.0038	0.0046	+23%
Total GHG emissions (market-based) per sales (tCO_2eq/€)	0.0037	0.0046	+22%

Changes in methodology

For Scope 1 and 2, no significant changes have been made to the calculation methodology in 2024 - significant changes in reporting scope with an impact of +0.053 Mt CO_2eq have occurred in 2024 and the 2021 baseline has been restated accordingly.

The scope change is related to the financial consolidation change for 1 site of the Peroxides business.

In terms of year-to-year reported GHG emissions it would not have an impact as the baseline and 2023 data are recalculated accordingly.

For Scope 3, a significant change in the methodology has been integrated. Categories 3.1, 3.4, and 3.5 have been calculated separately. Solvay included the purchasing, supply chain, and waste treatment activity data to calculate this category. The years 2021, 2022, and 2023 have been restated with the new methodology therefore ensuring comparability between the years.

Reference to accounting guidance and methodology

Solvay references various industry standards and reports to address greenhouse gas (GHG) emissions, including the World Business Council for Sustainable Development's Guidance for Accounting and Reporting Corporate GHG Emissions in the Chemical Sector Value Chain, the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, and the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Standard. Additionally, they incorporate the global warming potentials on fluorinated greenhouse gases from the Intergovernmental Panel on Climate Change's Fifth Assessment Report for compliance with European Regulation (EU) No 517/2014.

To align with its sustainability policy and meet Global Reporting Initiative requirements, Solvay adopted the market-based method for calculating CO_2 emissions linked to purchased electricity (Scope 2). They established specific criteria for selecting the CO_2 emission factor for each electricity supply contract, prioritizing factors such as energy attribute certificates, contract-based agreements, supplier or utility emission rates, and residual mix. In cases where these factors are unavailable, national emission factors published by national authorities or international organizations are used, and alternative emission factors are applied for specific regions such as the USA and China based on specific recommendations from relevant organizations.

Solvay's approach to addressing GHG emissions reflects their commitment to compliance with industry standards and their dedication to following sustainable and transparent practices in calculating and reporting their environmental impact. By leveraging reputable references and implementing specific selection criteria for emission factors, Solvay aims to ensure accuracy and consistency in their GHG accounting and reporting efforts.

Scope 3 emissions are calculated by multiplying the activity data (e.g., purchased goods and services, business travel, etc.) by relevant emission factors. Emission factors can come directly from the supplier or from databases (e.g., Ecoinvent).

1. Purchased goods and services

Starting in 2024, Solvay leverages procurement databases to calculate Scope 3.1 emissions. For purchased raw materials and other goods & services, we utilize invoiced quantities and, when not available, spend-based calculations. Emission factors are derived from trusted sources, including the Ecoinvent database and, increasingly, primary data obtained directly from our suppliers' Product Carbon Footprints (PCFs). This category currently uses 86% primary activity data and 22% primary emission factor data.

2. Capital goods

Following the WBCSD Guidance for Accounting and Reporting Corporate GHG Emissions in the Chemical Sector Value Chain, we assume the capital goods are made out of 25% concrete and 75% steel.

Indeed, this methodology was privileged as the data on the composition of capital goods and/or their emission factors is not available. However, as part of Solvay's continuous improvement approach for Scope 3, we will work with procurement and industrial teams to use internal data in the calculation of this category.

3. Fuel-and energy-related activities not included in Scope 1 or Scope 2

To calculate Scope 3.3 emissions, Solvay considers the energy purchased and consumed within the reporting year, encompassing sources that fall under Scope 1 and Scope 2. This category includes a comprehensive range of energy types, specifically: electricity, gas (including hydrogen), steam, fuel oil, coal & petcoke, and biomass. By tracking and analyzing the consumption of these energy sources, Solvay can effectively quantify the indirect (i.e. upstream) emissions associated with our energy use.

4. Upstream transportation and distribution

Upstream transportation and distribution emissions cover the movement of products from suppliers to Solvay's plants. Using purchased raw material activity data (Category 1), the origin of these materials was mapped, and assumptions were made to determine distances and transportation modes. Emission factors were sourced from Ecoinvent.

5. Waste generated in operations

To calculate Scope 3 emissions associated with waste management (Category 5), we collect data on waste generated at our operational sites. This data, including the quantity of waste (dry matter) and its final treatment method (e.g., incineration, landfill), is reported annually. We then estimate the carbon footprint of each type of waste by calculating an emission factor based on its carbon content and the specific treatment process. For example, we estimate the proportion of waste that decomposes aerobically, producing CO_2, and the proportion that decomposes anaerobically, producing CH4. By applying these emission factors to the reported waste quantities, we can calculate the total Scope 3 emissions associated with waste management. This method was discussed with Solvay peers in the Together for Sustainability working group.

6. Business travel

Business travel undertaken by Solvay employees is recorded by our travel agency and monitored by our purchasing department. For air and rail travel, travel mileage is recorded. This covers more than 95% of our air and rail travel. The calculated GHG emissions are extrapolated to represent the totality of our travel. For each transportation mode, mileage is converted into CO_2 equivalent using emission factors from Ecoinvent.

7. Employee commuting

The estimation is based on assuming that Solvay employees based in industrial sites commute every day in an average diesel or petrol car. Employees at administrative and R&I sites commute three times per week (i.e. home office two days per week). As part of our continuous improvement mindset regarding Scope 3 data, Solvay is working to start including more representative data site by site.

8. Upstream leased assets

Upstream leased asset emissions (Category 8) cover Solvay's leased car fleet. Data on car types and distances driven were provided by the leasing company, and emission factors were sourced from Ecoinvent.

9. Downstream transportation and distribution

This category covers the transportation of Solvay products from its sites to customers. Activity data, comprising all transportation legs, is extracted from Solvay's ERP (Enterprise Resource Planning) system. A certified external service provider performs the calculations using the latest version of the GLEC emission factors.

10. Processing of sold products: 11. Use of sold products; and 12. End-of-life treatment of sold products

The computation principles for these three categories are the same. The emissions due to product processing and transformation by third parties subsequent to sale by Solvay are calculated according to product chemical composition and expected chemical reactions likely to generate emissions during the transformation, the usage, and end-of-life of our product.

13. Downstream leased assets

This is not applicable as Solvay leased assets are not material to the Group.

14. Franchises

This is not applicable as Solvay has no franchises.

15. Investments

Scope 1 and 2 emissions from non-consolidated entities (that are not consolidated in Solvay's Scope 1 and 2) are reported according to Solvay's financial interest in these entities, to ensure consistency with our financial statements.

We are not aware of any significant events or changes in circumstances impacting GHG emissions that could have occurred between the reporting dates of the entities in our value chains, and Solvay's reporting date.

Biogenic emissions of CO_2 from the combustion or bio-degradation of biomass not included in Scope 1 GHG emissions

	2021 (Baseline)	2023 (Comparative)	2024
Biogenic emissions of CO_2 from the combustion or bio-degradation of biomass not included in Scope 1 GHG emissions from the consolidated accounting group (in tCO_2eq)	1,211,000	1,071,000	1,079,000
Additional biogenic emissions of CO_2 from the combustion or bio-degradation of biomass not included in Scope 1 GHG emissions from investees for which Solvay has operational control (in tCO_2eq)	3,000	14,000	20,000
Biogenic emissions of CO_2 from the combustion or bio-degradation of biomass not included in Scope 1 GHG emissions from operational perimeter (in tCO_2eq)	1,214,000	1,085,000	1,099,000

Biogenic emissions from the combustion or bio-degradation of biomass not included in Scope 1 GHG emissions peaked in 2021 due to a record high activity in Brazil consuming bagass. The drop of this Brazilian activity since 2021 is partly mitigated by the increase of biomass consumption in Europe.

Contractual instruments used for sale and purchase of energy bundled with attributes about energy generation or for unbundled energy attribute claims

To better reflect our sustainability policy, we decided to use the market-based method to calculate CO_2 emissions associated with purchased electricity (Scope 2). To comply with Global Reporting Initiative requirements, we apply the following criteria, listed in decreasing order of priority, when selecting the CO_2 emission factor of each electricity supply contract:

- Energy attribute certificates: Emission factors resulting from specific instruments, such as green energy certificates.
- Contract-based: The emission factor obtained from contract agreements on specific sources for which there is no emission of specific attributes.
- Supplier or utility emission rates: The emission factor disclosed as a result of the supplier's retail mix.
- Residual mix: If a residual mix is unavailable, grid-average emission factors are used as a proxy.

Location-based: If none of the above factors are available, we use the national emission factor published by national authorities or the International Energy Agency. Based on a World Resources Institute (WRI) recommendation, Emissions and Generation Resource Integrated Database (eGRID) emission factors published by the United States Environmental Protection Agency are used for the US, instead of the state emission factor. Similarly, grid emission factors published by the Ministry of Ecology and Environment are used for China, instead of the state emission factors.

	2021 (Baseline)	2023 (Comparative)	2024
Number of Scope 2 GHG emissions from contractual instruments (tCO_2eq)	131,000	98,000	130,000
Percentage of contractual instruments, Scope 2 GHG emissions	16%	13%	17%
Percentage of contractual instruments used for sale and purchase of energy bundled with attributes about energy generation in relation to Scope 2 GHG emissions	3%	5%	4%
Percentage of contractual instruments used for sale and purchase of unbundled energy attribute claims in relation to Scope 2 GHG emissions	13%	9%	13%

Power purchase agreement and steam based on biomass purchases are considered in energy bundled and renewable electricity certificates and guarantees of origin purchases are considered in energy unbundled.

Biogenic emissions of CO_2 from combustion or bio-degradation of biomass that occur in value chain not included in Scope 3 GHG emissions

Biogenic CO_2 emissions from the combustion or biodegradation of biomass are included in Scope 3 upstream emissions. Category 3.3 of Scope 3 specifically covers the upstream emissions associated with the production of purchased biomass. Additionally, biogenic emissions are also accounted for at the end-of-life stage when biomass waste is sent to landfill. However, at this stage, only methane (CH_4) emissions from biomass degradation are considered, while N_2O emissions are not included.

E1-7 GHG Removals and GHG mitigation projects financed through carbon credits

Solvay does not use in its own operations, nor in its upstream nor its downstream value chain, removals or carbon credits to compensate for emissions reported here.

However, in 2023 Solvay bought 2,000 VCUs (Verified Carbon Units) from a reforestation project of native species in Brazil, outside Solvay' value chain and managed by the Office National des Forêts - Brazil (ONF Brazil) to market a carbon-neutral portfolio of products commercialized in Brazil and in the United States. The VCUs were issued by Verra, a well-recognised organization in the development and management of high-integrity, high impact programs for climate and environmental projects, highligting Solvay's commitment to apply verified and recognized quality standards for the biogenic removal projects. 37 VCUs were retired in 2023, and 351 VCUs were retired in 2024 to offset the remaining GHG emissions from the extraction of raw materials, the manufacturing of these products. The 1,612 remaining VCUs are held in the Verra registry and are planned to be retired in the future in order to maintain the carbon-neutrality of this portfolio of products.

E1-8 Internal Carbon Pricing

E1-8 Disclosure whether internal carbon pricing schemes are applied, and if so, how they support its decision making and incentivize the implementation of climate-related policies and targets

The company applies an internal carbon pricing scheme of EUR 100/t CO_2eq to all investment projects, regardless of geographic location, to incorporate negative externalities and potential future CO_2 costs into decision-making. This price is factored into profitability assessments and capital expenditure (capex) procedures for projects impacting Scope 1 and Scope 2 emissions throughout their lifetime. By integrating carbon costs, the company ensures alignment with climate-related policies and targets while incentivizing sustainable investments.

The internal carbon price is also used for the Sustainable Portfolio Assessment covering Scope 1 and 2 as well as Scope 3 - categories 3.1, 3.3, 3.4 and 3.5 - emissions.

Last the internal carbon price is also applied for the Travel Carbon Fund related to Scope 3 category 3.6 emissions.

For further details on pricing assumptions and financial implications, refer to financial section 7.2 Notes to the consolidated financial statements

The share of gross Scope 1, Scope 2 and Scope 3 greenhouse gas emissions covered by internal carbon pricing scheme is shown below:

Internal carbon pricing scheme		**t CO_2eq**
Percentage of gross Scope 1 greenhouse gas emissions covered	100%	6,791,000
Percentage of gross Scope 2 greenhouse gas emissions covered	100%	668,000
Percentage of gross Scope 3 greenhouse gas emissions covered	42%	6,829,000

6.2.2. Reporting according to EU Taxonomy

The EU taxonomy (2020/852) is a classification system, establishing a closed list of environmentally sustainable economic activities. It is intended to play an important role in helping the EU scale up sustainable investment and implement the European Green Deal. The EU taxonomy provides companies, investors, and policymakers with appropriate definitions under which economic activities can be considered environmentally sustainable.

In order to be taxonomy-eligible, an economic activity should match the description of the activity in the Delegated Acts (EU) 2023/2485 & (EU)2023/2486. As such, the EU Taxonomy only addresses a limited number of Solvay activities.

To be taxonomy-aligned, an economic activity first needs to be eligible as described above, and must then fulfill the following criteria:

- The economic activity must make a substantial contribution to one or more of the climate and environmental objectives relevant to that activity.
- The activity should do no significant harm to the other remaining objectives.
- The activity should fulfill the minimum social safeguard standards based on OECD and UN guidelines.

EU Taxonomy report basis of preparation

We use our Sustainable Portfolio Management tool to identify the sales of each product and application combinations matching the descriptions of EU taxonomy activities. A cumulative minimum threshold of 1 Million Euro of sales per economic activity is set to select the reported economic activity. We cross-check that each product and activity well corresponds to the EU taxonomy description. For the non-manufacturing and the no-revenue-related activities, we performed sanity checks with the industrial controlling and the finance reporting teams to ensure the completeness of the review.

The following eligible economic activities for 2024 relate to their contribution to the climate change mitigation.

- Revenue-related eligible economic activities
  - activity 3.3 manufacture of low carbon technologies for transport
  - activity 3.4 manufacture of batteries
  - activity 3.12 manufacture of soda ash
  - activity 3.17 manufacture of plastics in primary form
  - activity 4.20 cogeneration of heat/cool and power from bioenergy
  - activity 4.30 high-efficiency cogeneration of heat/cool and power from fossil gaseous fuels
- No-revenue-related eligible economic activities
  - activity 6.2 freight rail transport
  - activity 6.3 urban and suburban transport, road passenger transport

The reporting perimeter for the EU Taxonomy figures corresponds to Solvay's consolidated accounting group, and the financial data are collected from our financial data system. Solvay avoids double-counting of its economic activities by ensuring that sales, capex and opex were allocated only once to the taxonomy activities and only to the climate change mitigation as the environmental objective.

The Turnover indicator defined in EU taxonomy corresponds to sales as reported in Solvay's consolidated income statement and in financial note F1: revenue and segment information.

The Capex indicator denominator defined in the EU Taxonomy corresponds to the capital expenditures from continuing operations that include acquisitions of property, plant and equipment, acquisition of intangible assets and acquisition of Right of use assets. These elements are covered in Solvay's financial statements in note F1: Revenue and segment information, note F16: Cash flow from investing activities - acquisition/disposal of asset and investments, note F20: Property, plant and equipment, and note F21: Right of use (IFRS16). For the reporting of capital expenditure of the no-revenue-related economic activities, Solvay reports only amounts higher than €5 million.

The Opex indicator denominator as per the definition of the EU taxonomy equals the direct non-capitalised costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to day-to-day servicing of assets. The definition of the EU taxonomy Opex indicator denominator differs from the IFRS definition of operating expenditures. Solvay applied the definition of the EU taxonomy to the best of its understanding. For the reporting of the operational expenditures of the no-revenue-related economic activity, Solvay reports amounts higher than 2% of the group operational expenditures.

Solvay is internally organized as per the following reportable segments: Basic Chemicals (Soda ash & derivatives and Peroxides businesses), Performance Chemicals (Silica, Coatis and Special Chem businesses) and Corporate. Solvay does not have a system that allows direct tracking of the capital and operational expenditures indicators related to the eligible economic activities as defined in the EU taxonomy. The share of capital expenditures (respectively operational expenditures) for some eligible economic activities are estimated. For all manufacturing activities, the indicators are calculated as the capital expenditures (respectively the operational expenditures) of the corresponding Global Business Unit pro-rated by the sold volume in this economic activity over the total volume sold by that GBU.

Given the current organization of our reportable segments and the limitation due to the corresponding setup of our information systems, the capital expenditures and operational expenditures indicators defined by the EU taxonomy for the 4.20 cogeneration of heat/cool and power from bioenergy and 4.30 high-efficiency cogeneration of heat/cool and power from fossil gaseous fuels are not reported separately but are embedded in the other taxonomy-eligible and non-eligible activities at the pro rata of the eligible sales volumes.

The right-of-use assets related to the "6.2 freight rail transport" and "6.3 urban and suburban transport, road passenger transport" eligible activities are included in the capital expenditures indicators.

Results of Solvay's taxonomy-eligible and taxonomy-aligned economic activities in 2024

EU Taxonomy indicator	Total (MEUR)	Share of taxonomy eligible economic activities(%)	Share of taxonomy non-eligible economic activities (%)	Share of taxonomy aligned economic activities(%)	Share of taxonomy non-aligned economic activities (%)
Turnover indicator as per definition of the EU taxonomy	5 130	33%	67%	0%	100%
Capex denominator as per definition of the EU taxonomy	349	45%	55%	0%	100%
Opex denominator as per definition of the EU taxonomy	317	53%	47%	0%	100%

Please refer to the tables on the following pages for a more detailed breakdown.

Sales (defined as turnover in the EU taxonomy):

The manufacture of soda ash activity is the main contributor to Solvay's eligible sales. The reported figures correspond to our Soda Ash & Derivatives business, which is a mono-technology business. As prescribed by the Regulation (EU) 2020/852, we report the figures from manufacture of disodium carbonate (soda ash, sodium carbonate, carbonic acid disodium salt) excluding the manufacture of sodium bicarbonate. We do not report in 2024 any aligned activity for our soda ash activity as we are not in a position yet to document that the technical criteria and the minimum safeguards and the “do no significant harm” criteria are fulfilled given some ambiguity in the current EU Taxonomy Regulation text and its associated delegated acts.

The sales generated in the manufacture of plastics in primary form activity are made of the smart, functional and sustainable yarns and polymers from Coatis.

As part of its operations Solvay produces steam and electricity primarily for its own use. Solvay reports some non-core sales of utilities to third parties (see Note F3 revenue from non-core activities in the Financial Statements). Energy production for third parties is mainly heat production for third parties and co-produced power by high-efficiency cogeneration of heat/cool and power from fossil gaseous fuels assets that Solvay operates for its own use but that are sometimes part of larger industrial integrated platforms. Energy sales to third parties are reported under the economic activities 4.30 "high-efficiency cogeneration of heat/cool and power from fossil gaseous fuels assets” and 4.20 “cogeneration of heat/cool and power from bioenergy”.

We have launched the Solvay’s STAR Factory Program, which aims to fully implement the “For Generations” sustainability program at site level. STAR Factory is now deployed in almost all our plants. We believe that it will gradually deliver the required data to allow us to qualify some of our activities as aligned.

Capital expenditure indicators (as defined in the EU Taxonomy):

The manufacture of soda ash activity is the main contributor to Solvay's taxonomy-eligible capex (€120M). The investments in energy assets for the decarbonisation roadmap of the soda ash activity are partially included in that figure.

The other capex of taxonomy-eligible activities corresponds to the leasing of transportation equipment that mainly consist of railcars to transport our products and company cars.

Operational expenditure indicators (as defined in the EU taxonomy):

The manufacture of soda ash activity is the main contributor to Solvay's taxonomy-eligible opex (€168M) out of the total Opex indicator denominator (€317M).

The Group works hard to constantly improve our share of economic activities considered eligible for, or aligned with, the EU taxonomy. We believe that STAR Factory and other major programs will deliver on these objectives in the coming years.

Form 1 for the economic activities of certain energy sector – nuclear energy and fossil gas related activities

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to the research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using the best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to the safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to the construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES*
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

* *Solvay does not publish the tables as per template 4 (taxonomy-eligible but not taxonomy-aligned economic activities) as Solvay is not in a position to segregate the information to that level of detail due to the organization of its reportable segments and the corresponding structure of its finance data systems.*

EU Taxonomy Indicators: 2024 Sales (Turnover)

	2024			Substantial contribution criteria						Do Not Significant Harm Criteria (DNSH)								
Economic activities	Code	Sales	Proportion of Sales	Climate change mitigation	Climate change adaptation	Water & marine resources	Circular Economy	Pollution	Biodiversity & ecosystems	Climate change mitigation	Climate change adaptation	Water & marine resources	Circular Economy	Pollution	Biodiversity & ecosystems	Minimum safeguards	Category: Enabling Activities	Category: Transitional Activities
		k€	in %	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	E	T
A. Taxonomy-eligible activities																		
A.1 Environmentally sustainable activities (taxonomy-aligned)																		
Sales of environmentally sustainable activities (taxonomy aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%									
of which Enabling			0%														E	
of which Transitional			0%															T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)																		
Manufacture of low carbon technologies for transport	CCM 3.3	22 920	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								E	
Manufactures of batteries	CCM 3.4	15 270	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								E	
Manufacture of soda ash	CCM 3.12	1 349 460	26%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									T
Manufacture of plastics in primary form	CCM 3.17	68 000	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									T
Cogeneration of heat/cool and power from bioenergy	CCM 4.20	2 174	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									
High-efficiency cogeneration of heat/cool and power from fossil gaseous fuels	CCM 4.30	223 114	4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									T
Sales of taxonomy-eligible but not environmental sustainable activities (not taxonomy aligned) (A.2)		1 680 938	33%	33%	0%	0%	0%	0%	0%									
A. Sales of taxonomy eligible activities (A.1 + A.2)		**1 680 938**	**33%**	**33%**	**0%**	**0%**	**0%**	**0%**	**0%**									
B. Taxonomy non-eligible activities																		
Sales for taxonomy non-eligible activities		3 448 836	67%															
Total - Sales denominator (A.+ B.)		**5 129 774**	**100%**															

EL = eligible

N/EL = non-eligible

EU Taxonomy Indicators: 2024 Capital Expenditures (Capex)

	2024			Substantial contribution criteria						Do Not Significant Harm Criteria (DNSH)								
Economic activities	Code	Capital Expenditures	Proportion of Capex	Climate change mitigation	Climate change adaptation	Water & marine resources	Circular Economy	Pollution	Biodiversity & ecosystems	Climate change mitigation	Climate change adaptation	Water & marine resources	Circular Economy	Pollution	Biodiversity & ecosystems	Minimum safeguards	Category: Enabling Activities	Category: Transitional Activities
		k€	in %	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes;No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	E	T
A. Taxonomy-eligible activities																		
A.1 Environmentally sustainable activities (taxonomy-aligned)																		
Capex of environmentally sustainable activities (taxonomy aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%									
of which Enabling			0%														E	
of which Transitional			0%															T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)																		
Manufacture of soda ash	CCM 3.12	120 283	34%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									T
Freight rail transport	CCM 6.2	30 995	9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									
Urban and suburban transport, road passenger transport	CCM 6.3	5 036	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									
Capex of taxonomy-eligible but not environmentally sustainable activities (not taxonomy aligned) (A.2)		156 314	45%	45%	0%	0%	0%	0%	0%									
A. Capex of taxonomy eligible activities (A.1 + A.2)		**156 314**	**45%**	**45%**	**0%**	**0%**	**0%**	**0%**	**0%**									
B. Taxonomy non-eligible activities																		
Capex of taxonomy non-eligible activities		192 455	55%															
Total - Capex denominator (A.+ B.)		**348 769**	**100%**															

EL = eligible
N/EL = non-eligible

EU Taxonomy Indicators: 2024 Operational Expenditures (Opex)

	2024			Substantial contribution criteria						Do Not Significant Harm Criteria (DNSH)								
	Code	Operational Expenditures	Proportion of Opex	Climate change mitigation	Climate change adaptation	Water & marine resources	Circular Economy	Pollution	Biodiversity & ecosystems	Climate change mitigation	Climate change adaptation	Water & marine resources	Circular Economy	Pollution	Biodiversity & ecosystems	Minimum safeguards	Category: Enabling Activities	Category: Transitional Activities
Economic activities		k€	in %	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes;No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	E	T
A. Taxonomy-eligible activities																		
A.1 Environmentally sustainable activities (taxonomy-aligned)																		
Opex for environmental sustainable activities (taxonomy aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%									
of which Enabling			0%															
of which Transitional			0%															
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)																		
Manufacture of soda ash	CCM 3.12	168 228	53%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									T
Opex for taxonomy-eligible but not environmental sustainable activities (not taxonomy aligned) (A.2)		168 228	53%	53%	0%	0%	0%	0%	0%									
A. Opex of taxonomy eligible activities (A.1 + A.2)		**168 228**	**53%**	**53%**	**0%**	**0%**	**0%**	**0%**	**0%**									
B. Taxonomy non-eligible activities																		
Opex for taxonomy non-eligible activities		148 651	47%															
Total - Opex denominator (A.+ B.)		**316 879**	**100%**															

EL = eligible
N/EL = non-eligible

6.2.3. Pollution

E2-IRO-1 Pollution related IROs

Please refer to ESRS 2 IRO-1 Description of the process to identify its impacts, risks, and opportunities and to assess which ones are material.

Financial materiality:

Topic	Sub-topic	Sub-sub-topic	IRO Type	Actual / Potential	IRO Description	Geography	Value Chain	Time Horizon
Pollution	Pollution of air	NA	Risk	Potential	Increased sensitivity regarding pollutant emissions to air leads to increased adaptation measures in our operations and corresponding costs.	WW	Own operations	Medium term
Pollution	Pollution of water	NA	Risk	Potential	Increased sensitivity regarding pollutant emissions to water leads to increased adaptation measures in our operations and corresponding costs.	WW	Own operations	Medium term
Pollution	Pollution of soil	NA	Risk	Actual	Environmental remediation costs & provisions of legacy contaminations evolve with change in life cycle of assets and evolving regulations.	WW	Own operations	Short term
Pollution	Substances of concern	NA	Risk	Potential	Future expectations on SoC may impact operating permits, leading to needs for investment, site closure.	WW	Own operations	Medium term
Pollution	Substances of very high concern	NA	Risk	Potential	Update/evolving hazard classification of substances in products and emissions to become SVHC.	WW	Own operations	Medium term

Impact materiality:

Topic	Sub-topic	Sub-sub-topic	IRO Type	Actual / Potential	IRO Description	Geography	Value Chain	Time Horizon
Pollution	Pollution of air	NA	Negative impact	Potential	Impact to people and environment in case of pollutant emissions in the air.	WW	Own operations	Short term
Pollution	Pollution of water	NA	Negative impact	Potential	Impact to people and environment in case of pollutant emissions to water.	WW	Own operations	Short term
Pollution	Substances of very high concern	NA	Negative impact	Potential	Impact on environment and people's health due to potential exposure during production or incident, incorrect handling or misuse of SVHC.	WW	Own operations	Medium term

E2-1 Policies related to pollution

Please refer to the ESRS 2 - MDR-P policy table (Responsible Care Policy).

The policy related to pollution is part of Solvay's Environmental Management Policy, which commits the Group to decreasing its impact on the environment.

An overview of the Environmental Management Policy can be found in the table in section MDR-P.

During the production process, we prioritize cleaner approaches, implement pollution-abating technologies, and strive to decrease emissions. We focus on identifying substances of high concern, aiming to substitute them with safer equivalents. Employees participate in training on pollution control techniques and proper management of hazardous substances. Our policy also covers a comprehensive emergency response program prioritizing human health, environmental conservation, and community safety.

Scope of the policy

This policy applies universally across all Solvay Group enterprises under operational control and relates to active sites across all regions. Closed site management, reported separately by the Remediation team, falls outside of this policy's scope.

Stakeholder consultation

Solvay's affected stakeholders were not directly consulted in setting this policy; however, their interests and views were considered when conducting the DMA and developing the corresponding IROs.

Emissions to air, water, and soil

Solvay's sites manage air and water emissions through comprehensive health, safety, and environmental management systems that comply with regulatory requirements. Each site provides regular reports on the substances they are permitted to emit, in accordance with their exploitation permits. We actively collaborate with local stakeholders to enhance air and water quality at both local and regional levels.

Solvay adheres to the IED to identify material emissions and evaluate the most environmentally effective and economically viable methods for preventing and controlling these emissions, following the Best Available Techniques (BAT) guidelines. Implementing effective pollution control technologies and practices will help minimize emissions of pollutants into the environment. Additionally, developing and enforcing stringent procedures for the handling and disposal of hazardous substances is vital to prevent pollution incidents.

Regular monitoring of air, water, and soil quality is necessary to identify pollution hotspots and areas that require remediation. Maintaining a robust emergency response program focused on safety is also critical to address any incidents or accidents effectively, prioritizing the protection of human health, the environment, and surrounding communities.

To foster a culture of environmental responsibility, we provide training for site and corporate employees on pollution prevention techniques and best practices.

Marketed products

Please refer to the ESRS 2 - MDR-P policy table (Health and Safety Policy).

We ensure that Solvay's products are safe throughout their whole life cycle, which includes ensuring safe delivery of supplied products and safe transportation of the finished products. Following the CSRD requirements and going beyond that, we established our own reference list of substances of very high concern (SVHC) called **"Solvay - Substances Risk Monitoring (S-SRM)"** (previously called "Solvay - Substance of Very High Concern" (S-SVHC)) since 2015. This list is updated every year and includes two key categories:

- The so-called 'black list' includes all substances already undergoing a regulatory phase-out process with a known deadline in at least one country or zone across the world, or a restriction for uses relevant to Solvay.
- The so-called 'red list' includes all substances that could enter into a process of special authorization or restriction in the medium term.

The S-SRM methodology is part of the Global Policy - Health & Safety. It allows Solvay to control the potential risk of updates of hazard classification of substances in products, especially before they become Substances of Very High Concern (SVHC). S-SRM also allows Solvay to anticipate future regulatory expectations regarding SoC.

As part of our ambition, we always strive to go beyond compliance with all relevant regional and national chemical regulations such as REACH (Registration, Evaluation, Authorization, and Restriction of Chemical Substances) or REACH-like regulatory frameworks all over the world. Our ambition involves continuously lowering the presence of SVHC and SoC, whenever possible in all of our marketed products of the value chain. Solvay concentrates on SVHC from the EU REACH annex XIV and candidate list, while also monitoring S-SRM substances in marketed products for safer alternatives.

E2-2 Actions and resources related to pollution

We are dedicated to continuously minimizing our environmental impact by implementing strategies that prevent pollution and mitigate existing pollution.

Solvay's key actions were launched together with the STAR factory program in 2022 by adopting a strategic approach to managing emissions to the environment. The actions are currently ongoing, with 2030 as the time horizon by which Solvay aims to complete each action.

Resources allocation

As for the resource allocation and monitoring of the actions related to pollution, the STAR Factory program provides a framework to efficiently implement improvements across Solvay's sites and prioritize resources to support. The site HSE manager and STAR Factory leader are the main contacts for environmental topics and resources are allocated on a case-by-case basis in collaboration with the HSER department and GBU Sustainable Development Champions. Those actions result in Capex and Opex when it comes to ongoing activities. Where Solvay has an obligation to remediate, provisions have been recognize based on the future remediation costs to be incurred *(see note F31 - Provisions, and note F36 - Contingent Liabilities)*

Actions monitoring

A digital portfolio management tool, managed at a corporate level, has been deployed for monitoring the progress and impact of STAR Factory initiatives in all dimensions, with Sustainability being one of the key pillars.

Some of the main actions are listed below.

Emissions to water and to air

Implementation of pollution control technologies to minimize emissions of pollutants to the environment.

Investments in cleaner production methods and technologies to reduce pollution at the source.

These actions are monitored regularly at site, GBU, and corporate level and drive our ongoing efforts to minimize Solvay's environmental impact. For pollution of soil, risk assessments are done by the industrial sites and the corporate function and actions are put in place to prevent pollution.

Water Emissions: Metals and compounds

Most of metals and compounds originate from the limestone used as raw material in our sod ash plants and are found as traces encapsulated in the limestone residues discharged by Solvay's soda ash activities. These traces of metals will be targeted by the new e.Solvay process which will deliver a number of environmental benefits. Developed over 30 years and patented in 2014, this new technology aims to improve environmental impact by reducing limestone consumption by 30% and eliminating limestone residues, thereby reducing metal emissions to water.

More information, about this **new technology**

Water Emissions: Chlorides

Chlorides are co-produced together with soda ash, in a proportion close to 1 ton of chloride for 1 ton of soda ash produced by our European plants. While there is a merchant market for some quantities of chlorides, the demand can not absorb most of our volumes that are consequently emitted to the water. Chlorides are harmless to health but they can lead to accelerated corrosion of industrial installations or require a desalination step for drinking water production. Actually, more than 2/3 of our chlorides co-production is discharged into the sea or the ocean with limited impact on the salinity of the water which is naturally high. Less than 1/3 of our Chlorides co-production is discharged in rivers with some impact on the salinity of the water.

It is notably the case in Dombasle, France, where we initiated in January 2022 a project in collaboration with local stakeholders to decrease chloride levels in the Moselle and Meurthe rivers. Chloride originates from natural sources and industrial discharges, including those from Solvay. The work carried out in 2023 and 2024 has led to some encouraging initial results, which need to be taken further. Through a diverse team, technical concepts were developed, and initial research was conducted. Among the technologies selected was the possible separation and recovery of salt (sodium chloride) from industrial activities using nanofiltration. Laboratory tests at the Universitat Politècnica de Catalunya (UPC) and pilot testing at CETAQUA demonstrated a 15% reduction in chloride discharges, with simulations predicting a potential reduction of over 20%.

Air emissions: NMVOC (non-methane volatile organic compounds)

In Green River, we are implementing a breakthrough technology to reduce emissions originating from trona mining operations. This innovation makes Solvay the first company to implement regenerative thermal oxidation technology to decrease emissions in a trona mine. Launched in 2024, in combination with the coal phase-out plan, a proportion of NMVOC will also be abated by this technology.

Similarly, the Paulínia site has initiated the Leak Detection and Repair (LDAR) Program following US EPA guidelines to address fugitive NMVOC emissions. Since its introduction, four units have participated, achieving a minimum 50% reduction in annual NMVOC emissions across three units. The program aims for completion by 2026. We are committed to enhancing air emissions control by implementing Best Available Techniques at prioritized sites such as Bad Wimpfen, La Rochelle, Garbsen, and all GBU Peroxides sites.

Air emissions: SOx (Sulfur Oxides)

Solvay excels in flue gas treatment using our innovative SOLVAir® solutions to efficiently clean exhaust gases. Our focus is on enhancing customers' industrial, business, and environmental performance. For three decades, our global team has crafted sodium-based solutions to eliminate acid gases (HCl, SOx, HF) from various industries like energy from waste, industrial, marine, and energy production. We have installed SOLVAir® solutions in our sites in Rheinberg (Germany), Devnya (Bulgaria), and Torrelavega (Spain). In Torrelavega, SOLVAir® captures SO_2 and fine particles.

Case study available online: https://www.solvairsolutions.com/en/case-study-solvay-plant-spain

SoC and SVHC in marketed products and supply chain

We identify SoC and SVHC substances and run risk monitoring processes to update our risk studies and strive to substitute them with safer alternatives. In our supply chain, we engage with suppliers to look for opportunities to prevent, reduce, and/or remediate pollution.

To ensure responsible stewardship over the life cycle of Solvay's products, we take actions focused on continuous improvement. Through Product Stewardship Management Systems, we promote the use of Solvay - Substances Risk monitoring (S-SRMs)[1] to substitute substances whenever possible or reduce them below required levels, or halt production altogether. Our internal list of SVHCs, S-SRMs[1], currently comprises approximately 3,400 substances identified as "black and red." In 2024, 26 of these substances were found in Solvay products at concentrations above 0.1% w/w, accounting for 4.7% of net sales.

Aside from the 26 products that are present on the black or red S-SRM lists, there is only one substance listed on the EU Candidate list: Bisphenol A. It appears on the black and red Solvay Substances Risk Monitoring (S-SRM) inventory because the analysis is done worldwide. However, it is neither marketed nor sold in the EU, and the global phasing out of Bisphenol A is effective from the end of 2024.

Trifluoroacetic acid (TFA) is part of S-SRM. Due to financial challenges, regulatory changes, and global competition, we announced a plan in September 2024 to halt TFA production and fluorinated derivatives at the Salindres site by the first quarter of 2025. This plan has been approved by the competent state Authority in January 2025. The TFA emissions to the environment have been significantly reduced in recent years and continue to be monitored.

E2-3 Targets related to pollution

Emissions

We are committed to minimizing and responsibly managing our emissions. This commitment includes consistently meeting compliance obligations and proactively seeking to exceed them by reducing emissions of substances of environmental concern. These efforts are supported by the action plan outlined above.

To assess the effectiveness of our policies and actions, we annually monitor and measure pollution-related metrics and performance indicators for both air and water.

Marketed products

We aim to phase out the SVHC and the black and red Solvay Substances Risk Monitoring (S-SRMs) present in marketed products at a quantity of more than 0.1%, whenever feasible.

E2-4 Consolidated amounts of each pollutant (Pollution of air, water, and soil)

The emissions data presented in this report represent a group-level consolidation of values from sites that exceed the specific thresholds established in Annex II of the E-PRTR Regulation. These thresholds are defined for each pollutant and environmental medium (air, water). In accordance with E-PRTR requirements, only emissions from sites surpassing these predetermined thresholds are included in the reported figures. Other pollutants from the E-PRTR list are either below thresholds or not monitored as they are irrelevant to our activities.

In compiling this report, we have utilized the highest quality information available. Our data collection and analysis methods include, but are not limited to: monitoring data, emission factors, mass balance equations, indirect monitoring or other calculations, engineering judgements, and other methods in compliance with the E-PRTR Regulation and in accordance with internationally approved methodologies, where these are available. Emissions are measured using standard methods (e.g. EN or ISO). When direct measurement is impractical or infeasible, calculation methods (e.g. mass balance) or estimates (e.g. emission factors) are applied.

Air Pollution Data:

Pollutant	Releases to air (kg/a)
Ammonia	3,721,563
Benzene	68,432
Cadmium and compounds (as Cd)	31
Carbon monoxide (CO)	43,578,491
Chlorofluorocarbons (CFCs)	15
Dichloromethane	3,980
Hydrochlorofluorocarbons (HCFCs)	309
Naphthalene	110
Nitrogen oxides (NO_X/NO_2)	3,101,161
Particulate matter (PM_{10})	194,299
Sulfur oxides (SO_X/SO_2)	1,788,582
Non-methane volatile organic compounds (NMVOC)	2,161,150

(1) We have established our own reference list of SVHCs called S-SRMs, which goes beyond the official SVHC list.

Water Pollution Data:

Pollutant	Releases to water (kg/a)
Benzo(g,h,i)perylene	1.08
Chlorides (as total Cl)	Omitted*
Dichloromethane (DCM)	182
Fluorides (as total F)	59,058
Phenols (as total C)	40
Tetrachloromethane (TCM)	0
Trichloromethane	0
Total nitrogen	1,785,321
Total phosphorus	99,974
Total organic carbon (TOC)	228,759
Metals and compounds	
· Arsenic and compounds (as As)	1,057
· Cadmium and compounds (as Cd)	229
· Chromium and compounds (as Cr)	5,200
· Copper and compounds (as Cu)	5,143
· Lead and compounds (as Pb)	14,453
· Mercury and compounds (as Hg)	47
· Nickel and compounds (as Ni)	2,881
· Zinc and compounds (as Zn)	22,598

* *Chlorides are co-produced by our European plants together with Soda Ash, in a proportion close to 1 ton of Chloride for 1 ton of Soda Ash produced. A disclosure of the quantities of chloride emitted to water would, therefore, divulge the amount of soda ash that Solvay produced in 2024 in Europe. However, as per paragraphs 385 and 391 of the "European Commission's Guidelines on the applicability of Article 101 of the Treaty of the Functioning of the European Union to Horizontal Co-operation Agreements" (hereinafter, the "Guidelines"), information on production and quantities in unaggregated format – i.e. pertaining to one single product from one single producer – is considered commercially sensitive if undertakings active in a genuinely competitive market would not have an incentive to reveal such information to each other. Furthermore, according to paragraph 387 of said Guidelines, legitimate reasons to inform shareholders, potential investors or the general public cannot be relied on to disclose commercially sensitive information. Therefore, information about the quantities of chloride emitted to water should not be made public.*

Metals and compounds listed in the table above are mostly traces of metal encapsulated in the large quantities of limestone residues discharged by Solvay's soda ash activities. These traces of metals originate from the limestone used as raw material. They will be tackled by the new e.Solvay process.

Soil Pollution Data

Solvay's industrial activities do not generate emissions to soil under normal operating conditions. Any emissions to soil would be due to uncontained accidental events (leaks, chemical spills, etc.). In 2024, no such events occurred; therefore, no emissions to soil need to be reported.

E2-5 Substances of Concern and Substances of very high concern

Marketed products

Solvay decided to use the threshold value of 0.1% w/w for SoC as it is referenced in the REACH regulation for EU Substances of Very High Concern (SVHC).

The share of 2024 net sales made with	Units	2024
Marketed products that are or that contain substances of concern (SOC)	%	5.3
Marketed products that are or that contain substances of very high concern (SVHC)	%	0.3
Solvay - Substances Risk Monitoring (S-SRM) *Please refer to the next chapter for the full details of this entity specific disclosure.*	%	4.7

Amount of SoC that are marketed as products or as part of products by hazard class category, as defined at the end of this chapter:

Hazard class category	SoC that leave Solvay's facilities(*)	Amount of SoC (ton)
Category 1	As marketed products	8,243
	of which SVHC(**)	*8,243*
	As part (at concentration >0.1% w/w) of marketed products	16
	of which SVHC(***)	*0*
Category 2	As marketed products	112
	As part (at concentration >0.1% w/w) of marketed products	1
Category 5	As marketed products	122,113
	As part (at concentration >0.1% w/w) of marketed products	2,634
Category 7	As marketed products	4,811
	As part (at concentration >0.1% w/w) of marketed products	251

(*) Reference period for the analysis: January 1, 2024 - December 31, 2024.
(**) Category 1 as marketed products: 8,243 metric tons of substances referred to in Article 59(10) of the REACH Regulation (Candidate List) and 0.0 metric tons of substances referred to in Article 57 and Annex XIV of the REACH Regulation (Authorization List).
(***)Category 1 as part of marketed products: 0.0 metric tons of substances referred to in Article 59(10) of the REACH Regulation (Candidate List) and in Article 57 and Annex XIV of the REACH Regulation (Authorization List).

There is no amount of SoC that leaves Solvay's facilities as product or as part of product in the hazard class categories 3, 4, and 6.

Solvay - Substances Risk Monitoring (S-SRM) - Entity specific disclosure

Today, the "black list" and "red list" contain about 3,400 substances. In 2024, out of these 3,400 substances, 26 were present in Solvay-marketed products at a concentration of more than 0.1% w/w.

	Units	2024
All black and red **S-SRMs**(*) present in marketed products above 0.1% w/w on a worldwide scope	Number	26
Analysis of safer alternatives required(**)	Number	20
Of which completed	%	100
Of which effective replacement achieved or that became irrelevant to Solvay's activities	%	25

(*) According to the black and red S-SRM lists. S-SRMs manufactured by, or forming part of, the composition of products sold by Solvay worldwide. Reference period for the analysis: January 2023 - January 2024.
(**) Analysis of Safer Alternatives for potential substitution for black and red S-SRMs. A substance may be present in more than one product.

In 2024, Analysis of Safer Alternatives (ASA) was required and planned for a total of 20 combinations of products and applications. Of the 20 analyses of safer alternatives completed as of December 31, 2024, since the start of the program:

- Five have led to an effective replacement, either through a substitution, through a reduction below the required threshold, through a stop of production, or otherwise discarded as they became irrelevant to Solvay's activity.
- Three are ongoing, which means that an alternative has been identified and discussed with customers for implementation.
- 12 have resulted in no available alternatives, either because no substitute is available, because of regulatory obligations to use SVHC for some applications, or because an alternative has not been requested due to the application in the final product.

Raw materials

The perimeter of reporting this year is limited to raw materials labelled as SoC or SVHC and used in our European production plants. It excludes raw materials that are not labelled as SoC or SVHC but could contain SoC or SVHC.

We have been unable to reach a level of reasonable comfort to determine even a high-level estimate relating to such substances in our other locations outside Europe and with respect to raw materials which could partly include such substances, which would be relevant and useful to our readers in determining our full impact in tons, and which would adhere to the qualitative characteristics of information as prescribed in Appendix B of ESRS 2.

This is an area of significant management judgment, and we commit to improvements in our estimation process during 2025 when better data sources will become available with respect to substances of concern and very high concern, and which could result in a materially different outcome in 2025 with respect to substances of concern or very high concern data.

Amount of SoC procured products in 2024 by main hazard class category (European production plants perimeter only).

Hazard class category	SoC that enters Solvay's facilities	Amount of SoC (ton)
Category 1	As procured products	1,498
	of which SVHC	345

There is no amount of SoC that enters Solvay's European production facilities as a procured product in the hazard class categories 2, 3, 4, 5, 6 and 7.

Hazard class categories used for Marketed products and Raw materials

- Category 1:
  - Carcinogenicity, category 1
  - Germ cell mutagenicity, category 1
  - Reproductive toxicity, category 1
- Category 2: Chronic hazard to the aquatic environment, categories 1
- Category 3:
  - Endocrine disruption for human health, category 1
  - Endocrine disruption for the environment, category 1
- Category 4:
  - Persistent, Mobile, and Toxic or Very Persistent, Very Mobile properties
  - Persistent, Bioaccumulative, and Toxic or Very Persistent, Very Bioaccumulative properties
- Category 5:
  - Carcinogenicity, category 2
  - Germ cell mutagenicity, category 2
  - Reproductive toxicity, category 2
- Category 6:
  - Endocrine disruption for human health, category 2
  - Endocrine disruption for the environment, category 2
- Category 7:
  - Respiratory sensitization, category 1
  - Skin sensitization, category 1
  - Chronic hazard to the aquatic environment, categories 2 to 4
  - Hazardous to the ozone layer
  - Specific target organ toxicity, repeated exposure, categories 1 and 2
  - Specific target organ toxicity, single exposure, categories 1 and 2

6.2.4. Water & Marine Resources

E3-IRO-1 Water and marine resource IROs

Please refer to ESRS 2 IRO-1 Description of the process to identify its impacts, risks, and opportunities and to assess which ones are material.

Financial materiality:

Topic	Sub-topic	Sub-sub-topic	IRO Type	Actual / Potential	IRO Description	Geography	Value Chain	Time Horizon
Water and marine resources	Water	Water consumption	Risk	Potential	More severe droughts create a water scarcity situation, impairing Solvay's production capacity and industrial operations.	Sites in water scarcity zones	Own operations	Long term

E3-1 Policies related to water consumption

Solvay's policy related to water outlines our commitment to reducing freshwater withdrawal in locations identified as water scarce. This commitment to water conservation is demonstrated through the adoption of advanced technologies and methods to decrease water withdrawal and optimize water resource efficiency. Investments in innovative production methods and technologies are aimed at reducing water consumption at the source, preserving both water availability and the quality of marine ecosystems, thereby de-risking Solvay's production capacity and industrial operations. This water policy is part of Solvay's Environmental Management Policy, which commits the Group to decreasing its impact on the environment.

Please refer to ESRS 2 - MDR-P policy table.

E3-2 Actions and resources related to water consumption

2024 was again a year marked by record high temperatures, long periods without rainfall around the world, as well as more frequent extreme events such as floods and droughts, which had an important impact on the availability of freshwater. The resulting scarcity of freshwater poses a critical challenge for Solvay, since freshwater is essential to our operations and shortages can have a significant risk, which may even lead to production losses. Repeated episodes of drought and the associated environmental and industrial risks have been the driving force behind the construction of a roadmap for water sobriety. Solvay's strategic action plan outlines our methods for water conservation, including regular reporting of water withdrawals, risk mitigation plans for each industrial site, and the launch of water consumption reduction projects at priority sites where water scarcity is an issue.

These actions span all of Solvay's industrial locations that depend on freshwater withdrawals, spotlighting specifically those sites under jeopardy of water scarcity. A benchmark initiative, the STAR Factory program, is set to create water withdrawal and consumption reduction strategies for Solvay's facilities, particularly those in areas of water risk.

This program centers on key areas to help counteract the risks posed by restricted freshwater availability at Solvay's facilities. To mitigate the risk of water scarcity at the respective sites, there are several water management initiatives in active operation. Some initiatives are already yielding results, demonstrating the following progress:

→ A coherent annual report of water withdrawals alongside direct monitoring of water consumption at high-priority sites, delivering weekly updates in times of drought crisis. Thanks to this, we can monitor over 90% of Solvay's daily freshwater withdrawal globally.
→ We are composing and revising water-related risk mitigation schematics for all industrial sites.
→ We are introducing projects to reduce water consumption at high-risk sites.

The profitability of all investment projects factors in an internal price for water to assess the projects, including the negative externalities or potential future water cost. Different prices of water have been defined depending on hydric stress and water usage and quality (cooling water vs. process water). This internal price has already been used in pilot Capex projects. The goal is to apply these internal reference prices during the project lifetime in the reference and base case of all projects. Current market prices will be used as a sensitivity in financial analysis.

To ensure responsible management of water resources throughout the organization, we provide training for employees on effective water conservation techniques and best practices.

We also invest in innovative production methods and technologies that significantly reduce water consumption at the source, especially for areas at water risk, thereby improving our industrial sites' water efficiency, mitigating the risk for production capacity and operating continuity. Regular monitoring of water usage and withdrawal rates will help to identify inefficiencies and areas needing improvement.

With water scarcity and frequent droughts intensifying globally, the Paulínia site has implemented a closed-loop cooling system to cut water withdrawal in December 2024, running at full capacity in January 2025. This project builds on the Site's commitment to resource conservation, having already reduced water withdrawal by over 70% over the last decades to protect this finite resource and ensure business resilience. In the new closed-loop system, water continuously circulates to cool industrial equipment, with two cooling towers minimizing river temperature impacts and drift losses, reducing 4.2 million m^3/year of water withdrawal, compared to a 2024 baseline, from the rivers that cross the site in Paulinia. This approach not only conserves water but also enhances water quality used in our process, reducing scaling and corrosion to extend equipment lifespan and decrease maintenance costs.

At Qingdao in China, by capturing condensation water from the production process and reusing it, the site has achieved 14,000 m³ of water saved annually - equivalent to six Olympic-sized swimming pools, reducing water withdrawal from the Yellow River. This project was financed by our new Travel Carbon Fund, a Solvay initiative that charges business units based on their travel emissions. This encourages responsible travel practices while financing sustainability projects that deliver both environmental and economic benefits.

E3-3 & E3-4 Targets and Metrics related to water consumption

We are committed to reducing and responsibly managing water use, particularly in water-scarce areas. This commitment is supported by our action plan, which is implemented through the STAR Factory Program.

To evaluate the effectiveness of our policies and actions, Solvay monitors and measures water-related metrics and performance indicators annually. These include water consumption, withdrawal, discharge, and recycling.

The impact of our water management initiatives is tracked using a centralized project tracking tool, with progress assessed annually against defined metrics and KPIs. In 2024, we successfully monitored over 90% of freshwater withdrawal across our operations, demonstrating considerable progress in our water management efforts.

Disclosure requirement	Unit	Value
Total water consumption	m³	24,306,723
Total water consumption in areas at water risk	m³	12,523,045
Total water withdrawals(*)	m³	310,390,773
Total withdrawals in areas at water risk(**)	m³	162,551,038
Water intensity ratio (per million EUR of sales)(***)	m³/Million EUR	4,738

(*) Water included in raw materials and rainwater is not taken into account in the total water withdrawal.
(**) We do not consider seawater withdrawals as a risk. Consequently, seawater withdrawals (circa 73 millions m^3) are excluded from the total withdrawals in areas at water risk.
(***)Water intensity ratio calculated as the total water consumption over sales (as reported in the consolidated income statement in the financial statements).

Contextual information

Water management encompasses the management of water flows and water quality, from extraction from the natural environment to restitution in the same or another part of the environment.

Water withdrawal, measured in cubic meters per year, is the amount of incoming water purchased from third parties, such as drinking water from the public network, or pumped by Solvay from freshwater systems, such as rivers and lakes, and from groundwater sources, such as aquifers.

The total 2024 water consumption (see table above), also expressed in cubic meters per year, is the sum of water lost through evaporation, leakage, and exportation of products and waste. Water purchased or pumped for third parties is included in water withdrawals. For example, water that is taken from a river for cooling and returned after use counts as water withdrawal but not as water consumption.

Solvay's main water consumption areas are in production or industrial water. We identified sites in areas subject to hydric stress corresponding to a high to extremely high water stress criteria according to the Water Stress indicator (18 sites) in the Aqueduct database, a Free and Open Source Geographic Information System. In addition, Solvay performs water risk reviews with its industrial sites to assess the actual and local hydric stress situation. Based on these assessments, 7 sites were added to that list while 8 sites were removed. According to this methodology, we have 17 priority sites located in areas of water scarcity. As per our policy, we will review that list every year.

6.2.5. Biodiversity & Ecosystems

Financial materiality:

Topic	Sub-topic	Sub-sub-topic	IRO Type	Actual / Potential	IRO Description	Geography	Value Chain	Time Horizon
Biodiversity and ecosystems	Impacts on the extent and condition of ecosystems	Land degradation	Risk	Potential	Use of land for industrial purposes in areas under biodiversity pressure leads to future non-operated land/sites.	Extraction activities of Solvay (mainly EU Soda Ash Sites)	Own operations	Long term
Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	Land-use change, fresh water-use change, and sea-use change	Risk	Potential	Failure to obtain extensions of operations due to protection of natural capital.	Extraction activities of Solvay (mainly EU Soda Ash Sites)	Own operations	Medium term

Impact materiality:

Topic	Sub-topic	Sub-sub-topic	IRO Type	Actual / Potential	IRO Description	Geography	Value Chain	Time Horizon
Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	Land degradation	Negative impact	Potential	Construction and long-term use of facilities (operations) could potentially lead to land degradation and biodiversity loss.	Extraction activities of Solvay (mainly EU Soda Ash Sites)	Own operations	Long term
Biodiversity and ecosystems	Impacts on the extent and condition of ecosystems	Land-use change, fresh water-use change, and sea-use change	Negative impact	Potential	Extraction activities could potentially lead to some damage to affected ecosystems.	Extraction activities of Solvay (mainly EU Soda Ash Sites)	Own operations	Short term

E4-1 – Transition plan and consideration of biodiversity and ecosystems in strategy and business model

At Solvay, we are aware of the interconnection of biodiversity with other environmental topics and affected communities, as well as the potential rebound effect, trade-offs, and amplifying nature of the sustainability agenda when viewed holistically. The assessments and efforts that we have made in terms of Nature in recent years have been considered and clustered in multiple standards, including ESRS E1, ESRS E2, ESRS E3 and ESRS E5. This approach allows for clarity and consistency in the way we report and act on the different sustainability matters.

It is important that this chapter, and its associated policies, actions, targets, and metrics are read in conjunction with the aforementioned standards/chapters.

Refer to E4 IRO-1 for more details

E4 SBM-3 Material IROs and their interaction with Strategy and business model

Following the EFRAG guidelines on DMA, we identified land-use change and land degradation as a material topic for European Soda Ash sites for the extraction of natural resources (limestone and brine) from quarries and mines, and the discharge of residues (limestone) into ponds which may cause irreversible damage.

To better understand Solvay's potential impacts on biodiversity, we conducted a detailed analysis of assets located near or in biodiversity-sensitive areas, presence of threatened species, and potential biodiversity-related risks across all global business units.

E4 IRO-1 Process to identify and assess material biodiversity and ecosystem-related IROs

Please refer to ESRS 2 IRO-1 Description of the process to identify its impacts, risks, and opportunities and to assess which ones are material.

Prior to the DMA, an evaluation of potential impacts on biodiversity was conducted across the value chain using the Science Based Targets Network (SBTN) assessment, in which biodiversity impacts were highlighted for mineral-based compounds, identified as part of Solvay's Soda Ash activities. The SBTN analysis was further validated through a DMA assessment which identified land-use change and land degradation as a material topic. Impacts, physical and transition risks, and opportunities associated with biodiversity and ecosystems were assessed through stakeholder consultation processes.

We are aware of systemic risks associated with the potential collapse of ecosystems. However, these risks have not been structurally assessed to date. Moreover, a holistic evaluation of the dependencies within our business model is scheduled for the coming two years. This critical assessment will deepen our understanding of the resilience of both our business and value chain, particularly in the context of increasing biodiversity-related pressures, ensuring that we are well-prepared to address and adapt to future challenges. The dependency evaluation will encompass our entire value chain, including upstream (raw material sourcing) and downstream (product life cycle) activities. Within our operations, we assess site-level biodiversity impacts and dependencies, prioritizing the most critical raw materials.

To ensure a comprehensive view of all our sites, we conducted an assessment of biodiversity-sensitive areas. We used the Integrated Biodiversity Assessment Tool (IBAT - developed and maintained by the IBAT Alliance) to gather information on three global biodiversity datasets: the International Union for the Conservation of Nature (IUCN) red list of protected species, the protected areas (incl. UNESCO and Natura 2000 sites), and the Key Biodiversity Areas (KBAs). The analysis was conducted in a buffer zone of 50km around the sites in operation for the protected species and 5km around the sites for the protected areas and KBAs.

Similarly, the Biodiversity risk Filter (BrF) developed by the World Wide Fund for Nature (WWF) was applied to better understand the reputational and the regulatory risks of human activities by analyzing the sensitivity of each location among several criteria. Biodiversity importance, water quantity, and water quality were selected to calculate risk on a scale of 0 to 15.

Furthermore, during the DMA, we conducted a consultation with a variety of stakeholders. More specifically, consultations with local communities at major sites such as Rosignano, Jemeppe, and Bernburg were conducted. These engagements ensured the incorporation of affected communities in the materiality of biodiversity and ecosystems. While no significant negative impacts on local communities were identified, we continue to assess and manage potential risks, particularly regarding water use and pollution.

This process led to the identification of 6 Soda Ash sites in Europe with a proven material impact on biodiversity and another 10 sites that could have a potential impact on biodiversity. Our impact assessment and prioritization process relied on significant management judgment. We commit to improvements when better data sources will become available, which could result in a materially different outcome in 2025 with respect to biodiversity and ecosystems.

Refer to SBM-2 for stakeholder engagement in the DMA.

E4-2 Policies related to biodiversity

Please refer to ESRS 2 - MDR-P policy table (Biodiversity Conservation & Restoration)

To reinforce Solvay's commitment to preserving and restoring biodiversity, aligning with broader sustainability ambitions of the Group, we developed Solvay's Global Policy on Biodiversity Conservation & Restoration. This policy draws inspiration from international and regional agreements and standards, such as the Global Biodiversity Framework (COP15), which mandates achieving no net loss by 2030 and progressing toward a net positive impact thereafter, as well as the EU Biodiversity Strategy for 2030.

This policy covers 16 priority sites within our direct operations, including ventures in which Solvay holds a majority interest, extending our influence worldwide and encompassing all employees as stakeholders. It considers the views of stakeholders through the incorporation of the material IROs for which multiple stakeholders were directly engaged (see General Requirements SBM-2). This policy was validated by the ELT, the department of HSER is responsible for its enforcement. Other environmental impacts linked to pressures on biodiversity are covered in other relevant policies.

It is important to mention that this policy considers the views of stakeholders through the incorporation of the material IROs for which multiple stakeholders were directly engaged (see General Requirements SBM-2). To ensure the policy meets the needs of stakeholders, it is publicly available and Solvay has opened channels to ensure any feedback and question on the policy is considered in following updates.

The policy lays down Solvay's group and site-level approach to measure, act, and monitor our progress on biodiversity conservation and restoration. In addition to the overarching scope of the Global Policy on Biodiversity Conservation & Restoration in our own operations, Solvay also acknowledges in this policy the relevance of taking a holistic approach to environmental impact (climate change, pollution, water, waste, and biodiversity). As such, we are committed to engaging in Life Cycle Assessments (LCAs) throughout our product portfolio. LCA plays a critical role in identifying and assessing the actual and potential environmental impacts, including those on biodiversity and ecosystems, at each stage of a product's life cycle.

No policies were engaged related to deforestation and oceans given that these matters were not defined as material for Solvay.

E4-3 Actions and resources related to biodiversity

We have outlined a comprehensive series of actions to achieve Solvay's 30x30 biodiversity target (see below) and ensure alignment with our Group Policy on Biodiversity Conservation & Restoration.

A key priority for Solvay is to engage in a thorough baselining exercise. As such, an inventory of permeable areas with restoration potential is under development. This task, already initiated in 2021, is expected to be completed for at least 16 priority sites by 2030; it contributes directly to the biodiversity policy and target by ensuring thorough knowledge and documentation of available restoration opportunities.

Another significant effort is the development of roadmaps with detailed action plans for the 16 priority sites and facilitate coordination at each site, forming a critical step in realizing the broader target. Solvay aims to identify, through these action plans, site-specific blockers to ensure proactive management of potential issues that could hinder progress. These plans are already underway.

Further contributing to the biodiversity policy, Solvay has started implementing defined actions across its priority sites such as:

- Paulina (Brazil), which renewed its Wildlife Habitat Council (WHC) gold certification in November 2024 and where Solvay runs a reforestation project, planting native Atlantic Forest seedlings and taking care of all forest management activities to assure good-quality forest growth.
- Torrelavega (Spain), where the restoration of the Cuchia Quarry received recognition from CEFIC (European Council of Chemical Industry Federation) in 2021.
- Rosignano (Italy), where the Santa Luce lake built in the 1960s to provide water to the plant has become a natural reserve certified as a Natura 2000 protected area.

Moreover, the biodiversity roadmap in Rosignano, includes 35 different actions, with a total budget estimated at EUR 5 million. At the end of 2024, almost EUR 2 million have been engaged to reshape and vegetate a storage area, to plant vegetation around the site, to support actions toward several nature protection associations and training activities for employees. In the coming years, Rosignano's biodiversity roadmap will be enhanced in the frame of our new partnership with IUCN (see below).

Besides, pursuant to the September 5, 2022, cooperation and settlement agreement with one of our partners, Solvay undertook to publicly report at least annually, through its annual report or otherwise, on the implementation of its action plan to reduce limestone residues released into the sea, as part of the Group's efforts to continually optimize the efficiency and sustainability of its operations, and in line with the IPPC permit renewed in January 2022 regarding its soda ash operations:

- Solvay's objective by 2030 is to reduce the discharge of limestone by 20% vs the maximum volume currently set by the 2022 IPPC permit.
- Solvay's ambition by 2040 is to reduce the discharge of limestone by 40% vs the maximum volume currently set by the 2022 IPPC permit, through investment in research and innovation, in collaboration with the relevant stakeholders, subject to permit granting and public interest priorities.
- This action plan represents an estimated €15 million investment in new technical and process solutions, some of which will require approval by the authorities. The plan will include targeted improvements at different steps of the production process, as well as an optimization of the limestone granulometry and quality.

In terms of suspended solid discharge for the year 2024, we are at -20% and we need to consolidate these results in the next coming years. 17% of the estimated investment has been spent at this stage.

All these initiatives for biodiversity include ongoing and planned measures that incorporate nature-based solutions (NBS) and partnerships with local communities and associations to integrate site-specific and local knowledge. This collaborative approach enriches the ecological strategies, ensuring that restoration actions are informed by local expertise.

NBS is further promoted and implemented leveraging the Travel Carbon Fund with first projects:

- Tiny forest plantation in Linne Herten (Netherlands)
- Mangrove plantation close to Map Ta Phut (Thailand)

Furthermore, no biodiversity offsetting activities are part of Solvay's plan of action toward nature restoration for this reporting year.

We also emphasize awareness and education, and will activate awareness campaigns. Awareness generation aims to deepen understanding and foster a culture of restoration action across our organization.

To ensure actions are driving positive impact toward Solvay's 30x30 target, we defined a selected list of milestones:

- Regular ecological status (once every three years at least) will be conducted from 2026 to 2030, ensuring continued oversight and adaptive management.
- Launch of restoration/conservation projects in four priority sites by 2027.
- All identified areas with high restoration/conservation potential will be under active restoration/conservation by 2030.

To deliver on our new 30x30 biodiversity target, we signed in 2024 a new partnership with the International Union for the Conservation of Nature (IUCN), in addition to the one we already have with the WHC, and we renewed our commitments to Act4Nature International.

E4-4 Tracking effectiveness of policies and actions through targets

In alignment with material IROs, and with the resolve to actively contribute to the Global Biodiversity Framework (GBF) and the EU Biodiversity Strategy, Solvay has set a target to have **30% of permeable land located near biodiversity sensitive areas under conservation and restoration with measurable positive impacts by 2030 ("30x30 target")**.

This target is supported by our Policy on Biodiversity Conservation & Restoration, covering 16 priority sites. As summarized below, these 16 priority sites include six European Soda Ash sites with identified material impact on biodiversity and an additional 10 non-material sites, which nonetheless have potential relevance due to their proximity to biodiversity-sensitive areas.

Priority	Number of material sites (including respective ancillary sites)	6
Priority	Other non-material sites with potential relevance due to their proximity to biodiversity-sensitive areas	10
	Sites within the scope of ESRS E4 policy, targets, and actions	**16**

According to our first estimation based on qualitative interviews and questionnaires with internal stakeholders and local site correspondence, the 16 priority sites account for a total surface of 8,500 ha, including 7,733 ha of permeable soils which leads to a target of 2,320 ha (30%).

We will engage in a second monitoring of the "as is" situation with a detailed baselining for all in-scope sites in 2025. As such, the performance against the target for 2024 is not available. Along the six-year target, both geospatial and on-site assessments will be used to conduct periodic monitoring of the target.

Moreover, tracking effectiveness will be based on conclusive scientific evidence supporting the benefits of ecosystem restoration. *Although no ecological thresholds have been determined yet, the continuous monitoring of such activities in concerned areas will contribute to the identification and quantification of relevant ecological thresholds to establish and respect in the future.*

E4-5 Report metrics to enable an understanding of the performance of the undertaking against impacts identified as material on land use change and land degradation

Material impacts on biodiversity and ecosystems at Solvay are generated by the change in land use and land degradation caused by our **six European Soda Ash sites**. This could particularly be caused by activities that involve long-term land occupation, which could potentially lead to land degradation and biodiversity loss. Moreover, extraction activities could potentially lead to some damage and affect ecosystems. This methodology, which leads to the identification of 6 sites with potential impact on biodiversity will be strengthened and further formalized in the near future.

Along with their ancillary sites extracting and supplying raw materials to the manufacturing sites, they account for a total surface of 6,992 ha according to the first estimation mentioned above.

By engaging in ecosystem conservation and restoration, we will work toward a better management and reduction of Solvay's material impacts on biodiversity and ecosystems on these sites. ***Internal and external stakeholders, including biodiversity experts and local site managers, will be involved to ensure a comprehensive approach to conservation and restoration activities.***

6.2.6. Circular Economy

E5-IRO-1 Resource use and circular economy-related IROs

Please refer to ESRS 2 IRO-1 Description of the process to identify its impacts, risks, and opportunities and to assess which ones are material.

Impact materiality:

Topic	Sub-topic	Sub-sub-topic	IRO Type	Actual / Potential	IRO Description	Geography	Value Chain	Time Horizon
Circular economy	Waste	NA	Negative impact	Actual	Non-hazardous and hazardous waste are treated following various channels to avoid affecting people and the environment when accumulated in our assets.	WW	Own operations	Short term

The only actual impact considered material is concerning waste management and disposal. No other IROs triggered the materiality thresholds.

E5-1 Policies related to waste management

Waste reduction policy

Please refer to the ESRS 2 - MDR-P policy table.

Our strategic approach to mitigating Solvay's material impact on people, the environment, and local communities is deeply rooted in our aim to reduce waste generation and ensure appropriate waste treatment processes. The link between Solvay's waste reduction policy and the material impact within our own operations is direct; by taking steps to minimize waste generation, the negative impact on the environment is being addressed.

Solvay's waste reduction policy primarily focuses on minimizing waste production and ensuring that produced waste undergoes suitable treatment processes. The policy underlines resource-efficient technologies, use of recycled or bio-based materials wherever possible, and investments in sustainable production methods. The policy also covers training of employees in resource efficiency and circular economy principles to cultivate a culture of sustainable resource management. This waste reduction policy is part of Solvay's Environmental Management Policy, which commits the Group to decreasing its impact on the environment.

Our operations comply with local regulations, federal environmental laws, and EU action plans. To set our actual policy, we did not use third-party standards or initiatives. The company assesses resource utilization, focusing on materials and waste generation, to integrate resource-efficient technologies and practices for minimizing waste and reducing negative impacts. We also invest in sustainable production methods and technologies, continuously monitoring resource usage and waste generation to optimize resources and reduce waste.

E5-2 Actions and resources related to waste management

Please refer to the actions description in E2 Pollution for the resource allocation and monitoring of the actions.

We have long been taking actions to reduce waste. We promote circular economy principles and initiatives to minimize resource consumption, maximize resource reuse and recycling, and reduce reliance on virgin materials. Our key actions in relation to Solvay's waste reduction policy and material impact encompass the implementation of sustainable practices and technologies aimed at minimizing waste generation and optimizing resource utilization.

1. STAR Factory program

In 2024, projects were deployed at more than 20 plants across the world to address non-sustainable industrial waste and this is expected to continue growing through the STAR Factory program in order to reduce the impact on the environment. Key actions were launched together with the STAR Factory program in 2022 and are currently ongoing, with 2030 as the time horizon by which Solvay aims to complete each action.

2. Recycling wastewater treatment sludges at the Paulínia plant, Brazil

At the Paulínia site, Brazil, Solvay is committed to a sustainable approach for managing industrial waste. As a result of partnering and innovation, Paulínia achieved its goal of Zero Non-Recoverable Industrial Waste in May 2024. This means that no waste was sent to landfill or incineration without energy recovery, thereby reducing the pressure on the environment. This milestone has been realized by repurposing part of the waste as fuel or raw material in the cement industry's co-processing. The site continues to collaborate with partners to identify additional alternatives, including the reuse of materials in the ceramic industry for brick production.

3. Regular resource assessment

To enhance resource management, we are undertaking a thorough assessment of current resource utilization, focusing on materials and waste generation. We aim to integrate resource-efficient technologies and practices that reduce consumption while maximizing resource use across operations. We will also establish and enforce rigorous procedures for the effective handling and management of resources, thereby minimizing waste and optimizing utilization. These actions are continuously completed by regularly monitoring resource usage and waste generation to identify opportunities for improvement, and implementing strategies aimed at optimizing resources and reducing waste.

E5-5 Metrics and targets related to waste management

The total waste generated is defined as the waste resulting from our regular manufacturing and research activities. It does not include domestic waste, non-recurrent waste or waste from demolition or construction projects as their contribution to total waste volumes are not significant. Mining waste, which results from the prospecting and extraction of minerals, is considered entity specific, but included in the total amount of waste generated.

The waste is mostly inorganic in nature due to Solvay's core operations. A relatively small proportion of waste volume comes from biosludge from some of our sites' effluent treatment.

For EU sites, Hazardous Industrial Waste is defined according to Appendix III of the Waste Framework Directive (2008/98/EC). For non-EU countries, classification follows local legislation.

Solvay is dedicated to minimizing waste generation and handling it responsibly. This effort is guided by our action plan and executed through our STAR Factory Program.

To evaluate the effectiveness of our policies and actions, we monitor and measure waste-related metrics and performance indicators annually. These include waste generation, reuse, recycling, and disposal.

The impact of our waste management initiatives is tracked using a centralized project tracking tool, with progress assessed annually against defined metrics and KPIs.

Disclosure requirement	Unit	Value
Total waste generated	Metric ton	**725,934**
1. Total amount of hazardous waste	Metric ton	**41,142**
1.1. Total of hazardous waste diverted from disposal	Metric ton	32,908
1.1.1. Preparation for reuse	Metric ton	242
1.1.2. Recycling	Metric ton	25,776
1.2.3. Incineration with energy recovery	Metric ton	3,645
1.1.4. Other recovery operations	Metric ton	3,245
1.2. Total of hazardous waste directed to disposal	Metric ton	8,234
1.2.1. Incineration without energy recovery	Metric ton	3,918
1.2.2. Landfill	Metric ton	3,159
1.2.3. Other disposal operations	Metric ton	1,157
2. Total amount of non-hazardous waste	Metric ton	**371,234**
2.1. Total of non-hazardous waste diverted from disposal	Metric ton	343,660
2.1.1. Preparation for reuse	Metric ton	38,720
2.1.2. Recycling	Metric ton	151,024
2.1.3. Incineration with energy recovery	Metric ton	1,796
2.1.4. Other recovery operations	Metric ton	152,119
2.2. Total of non-hazardous waste directed to disposal	Metric ton	27,574
2.2.1. Incineration without energy recovery	Metric ton	366
2.2.2. Landfill	Metric ton	24,857
2.2.3. Other disposal operations	Metric ton	2,351
3. Mining waste	Metric ton	**313,558**
3.1. Recovery of non-hazardous mining waste	Metric ton	313,558
Non-recycled waste (amount and % of total waste generated)	Metric ton	**41,249**
	%	**5.7**

6.3. SOCIAL INFORMATION

6.3.1. Own Workforce

Financial materiality:

Topic	Sub-topic	Sub-sub-topic	IRO Type	Actual / Potential	IRO Description	Geography	Value Chain	Time Horizon
Own workforce	Working conditions	Social dialogue	Opportunity	Potential	Effective social dialogue is an enabler for the ongoing transformation and the related cost reduction target	WW	Own operations	Medium term
Own workforce	Equal treatment and opportunities for all	Diversity	Opportunity	Potential	Focus on generation to retain knowledge and upskilling to ensure transformation, Organizations demonstrating diversity & inclusion are more performant	WW	Own operations	Short term

Impact materiality:

Topic	Sub-topic	Sub-sub-topic	IRO Type	Actual / Potential	IRO Description	Geography	Value Chain	Time Horizon
Own workforce	Working conditions	Health and safety	Positive impact	Potential	Solvay's employee health & well-being approach (engagement, performance, satisfaction, fulfilment, mental health, less stress) aims to have a positive impact on employees	WW	Own operations	Long term
Own workforce	Working conditions	Social dialogue	Positive impact	Actual	Constructive interactions between management and employee representatives have a positive impact, leading to employee well-being, engagement, and satisfaction	WW	Own operations	Short term
Own workforce	Equal treatment and opportunities for all	Diversity	Positive impact	Actual	Diversity feeds innovation and allows the Group to be more competitive in the market by attracting and retaining talented people	WW	Own operations	Short term
Own workforce	Working conditions	Health and safety	Negative impact	Potential	Exposure of our workers to working conditions in our operations leading to health issues (hazardous substances, noise, vibration, etc...)	WW	Own operations	Short term
Own workforce	Working conditions	Health and safety	Negative impact	Potential	A potential major accident (occupational, process) in our operations, mines, quarries, and/or cavities causes fatalities, irreversible injuries, and/or environmental damage.	WW	Own operations	Short term

S1-SBM-2 Interest and views of stakeholders

The interests, views, and rights of our workforce are considered in our Better Life and Social Dialogue strategies:

Better Life strategy

- **Pulse surveys**: We assess well-being and engagement on a recurring basis through employee pulse surveys that take place twice per year. In April, we use an extended version of the pulse survey that also includes topics such as safety; wellbeing and opportunity accross all our workforce demographics ; and culture. The subjects systematically assessed in both surveys are workload, stress, and engagement. The pulse survey gives employees the opportunity to make open comments on any topic that they want to highlight, in complete confidentiality. The global HR team reviews the survey results with the ELT to identify which entities or countries are showing strong results and which are experiencing difficulties that might require targeted actions. The survey also serves to open dialogue within the teams. Each manager and leader is provided with a “dialogue toolkit” to discuss the results and identify an action to be taken to improve the results before the next survey. Managers can be supported throughout this process by HR.
- **Speak Up policy**: Our Speak Up policy and program are available to all employees. Speak Up involves open dialogue within the workplace and employees are encouraged to bring matters to their supervisors, members of HR, Legal, and Compliance and Internal Audit functions, in confidentiality.
- **Employee assistance program**: Thanks to the global Solvay assistance program, employees can contact psychologists or coaches in complete confidentiality. We then receive an anonymized summary of the most frequently discussed topics. We also have an internal work psychologist and a medical network (doctors and nurses) who receive and listen to employees in complete confidentiality, analyze risks, and propose appropriate preventative and corrective actions as needed.

Social dialogue strategy

- We engage with our workers on labor rights through a variety of channels, including meetings with labor unions, works councils, and joint management-worker committees. In addition to the European Works Council (EWC), Solvay has concluded a global agreement with a trade union federation (IndustriALL) and has created a global representative body to promote social dialogue, the Solvay Global Forum (SGF).

S1- SBM-3 Material IROs and their interaction with Strategy and business model

We are dedicated to identifying and addressing the needs of all Solvay employees, recognizing their significant role in the company's operations and overall success. This commitment is exemplified through initiatives such as Solvay’s commitment to **social dialogue,** which creates a collaborative environment across the organization, or Solvay's **Better Life agenda,** which actively focuses on promoting health, safety, inclusion, and well-being. Additionally, the **STAR Factory** program - Solvay’s engine for the Group transformation of Operations - focuses on people engagement and capability building to drive transformation and innovation.

Workforce diversity and types of worker

Solvay employs a diverse workforce, including **Internal Employees** (regular staff) and **External Employees** (contingent workers, temporary staff, trainees, students, and apprentices). This diverse group brings a wide range of skills and expertise to various roles and functions. Recognizing this diversity, we invest in our employees through targeted programs that support personal and professional growth, such as upskilling and reskilling initiatives aligned with future business needs.

By embedding the understanding of our workforce's specific needs and vulnerabilities into Solvay’s strategy and business model, we ensure a more sustainable and inclusive approach to business.

Solvay manages a diverse workforce composed of different types of employees, including both internal and external workers. The internal workforce is further classified into regular classes, while the external workforce includes contingent workers, temporary staff, trainees, students, and apprentices. Employee status is categorized as active, active leave (long-term, partial absence/inactivity), or inactive leave (long-term, full-time absence/inactivity), and employee class encompasses regular, expatriate, trainee, student, apprentice, temporary, and contingent worker designations.

It is important to note that non-employees or self-employed individuals are not covered in this disclosure, as we do not retain data on these types of workers. These individuals are currently not identifiable within Solvay’s HRIS system. We define our own workforce as the active internal workforce, thus excluding trainees, students, and external workers from this designation, as they are not included in the reported numbers. All employees included in the report are directly employed by Solvay.

Both internal employees and the external workforce are subject to the material impacts described in the "Financial materiality" and "Impact materiality" tables, highlighting the significance of these workforce categories in the company’s operational and strategic considerations.

Workforce impacts and operational risks

Solvay's activities generate positive impacts on our workforce, particularly through our focus on social dialogue, health and safety, and diversity. Our commitment to social dialogue fosters a constructive, transparent, and collaborative environment across all levels of the organization. Through our Global Framework Agreement (GFA) with IndustriALL Global Union, we ensure the protection of labor rights, human rights, and the well-being of our workforce. Key initiatives that result in positive impacts include promoting freedom of association and collective bargaining, engaging actively with employees through European and global forums like the EWC and the SGF, and encouraging employees to report any potential deviations or concerns through the Speak Up Policy or via their representative bodies.

These initiatives have a wide-reaching impact on our workforce. All employees benefit from safety programs, social initiatives, diversity, equity, and inclusion efforts, and many employees are covered by collective bargaining agreements. In addition, we have developed safety partnerships with contingent workers at various sites to ensure their safety.

The risk of forced and child labor is not considered material, and no issues or individual incidents have been identified in the regions where the Group operates, including areas outside the EU. We have identified that upskilling and training are not considered material and therefore do not have any negative or positive impacts linked to transition or restructuring programs. Moreover, Solvay has maintained a relatively low employee voluntary turnover rate of 4.1% in 2024.

Please refer to SBM-3 in chapter 1.3. Strategy for details on the material risks and opportunities arising from impacts and dependencies on Solvay’s own workforce.

Through thorough evaluations of Solvay's production sites with manufacturing and mining operations, we have not identified any significant risks or incidents within the company's operations that could be at risk of breaching human rights, including forced or compulsory labor and child labor.

We have developed a comprehensive understanding of the potential risks faced by specific segments of Solvay's workforce. This understanding has been cultivated through a combination of risk assessments, employee engagement, and data analysis. To develop this understanding, we employ ongoing risk monitoring through an ESG risk management platform, Dow Jones, which identifies factors such as socio-economic conditions, local regulatory frameworks, and the specific nature of the work being performed. Furthermore, our Internal Audit team assesses the effectiveness of site-specific policies and worker engagement processes, ensuring that all workers have access to grievance channels and that their concerns are promptly addressed. Material own workforce-related risks and opportunities apply to all of Solvay's workforce (no specificity for any particular group of employees). However, applicable mitigation actions are adjusted to specific groups of people when needed. For example, in view of retaining knowledge and upskilling, learning programs are adjusted to the needs of specific groups (e.g. onboarding of starters, lifelong learning of experienced people).

Please refer to the IRO table for the material risks and opportunities.

S1-1 Policies related to own workforce

Please refer to the ESRS 2 - MDR-P policy table.

Health and Safety:

We are committed to maintaining a workforce policy framework that addresses the identification, assessment, and management of material impacts and risks on our workforce, while identifying and seizing related opportunities.

We prioritize the health and safety of Solvay employees in all our operations, fostering a proactive prevention culture to minimize work-related injuries, accidents, and illnesses. This commitment to a healthy and safe work environment drives our pursuit of world-class standards, continuous improvement, and innovation. Solvay's HSE strategy relies on an approved HSE management system, which is implemented at every industrial (manufacturing and research & innovation) site. This includes a **Responsible Care Policy,** Life saving Rules and a set of risk-based procedures that apply to all areas, including health monitoring, industrial hygiene, occupational safety, process safety, transport safety, and environment and product safety. For each domain, a network is organized at the group level to ensure implementation of the procedures, compliance with regulations, and sharing of good practice.

The structured system of procedures on **Health & Safety** includes regular internal Solvay audits on minimum requirements and regular compliance audits with Solvay internal experts or selected third parties that permit Solvay to manage all these issues. We have developed a 'YouGrow' digital platform to provide various HSE training programs to workforces who need learning or self-development opportunities in specific HSE domains. Safety culture is fostered through the implementation of the "SAFE" charter and safety days at sites, as well as a "Safety climate assessment" in some sites. Solvay's Health, Safety, and Environment (HSE) management system is aligned with ISO 45001 and ISO 14001 definitions, as well as our Responsible Care approach. Through these standards, we commit to safeguarding people, communities, and the environment by continuously improving environmental, health, and safety performance, the security of facilities, processes, technologies, and chemical product safety and stewardship throughout the supply chain.

Solvay's accident prevention policy emphasizes a culture of safety, whereby every employee is empowered to contribute to a safe working environment. The company has implemented a management system to support this policy, which includes regular risk assessments, safety training programs, incident reporting, and investigation procedures.

We are dedicated to continuous improvement in our safety performance. We regularly review our accident prevention policy and management system to ensure they remain effective and aligned with best practices.

Solvay maintains a robust and comprehensive workplace accident prevention policy and management system. The company is committed to ensuring the health and safety of all our employees, contractors, and visitors. This commitment is reflected in our proactive approach to identifying, assessing, and mitigating risks in the workplace.

Social Dialogue:

Solvay's Social Dialogue Policy ensures the proactive identification, assessment, and management of workforce-related impacts during organizational transformations by fostering open communication and collaboration between management, employees, and their representatives. Through structured dialogue, transparency in strategic decisions, and co-creation of policies, the policy facilitates early detection of potential challenges and mitigates adverse impacts on employees, thereby supporting a smooth transition in line with human rights, labor standards, and Solvay's transformation objectives. Additionally, the **Speak Up Policy** provides a formal channel for employees to raise concerns directly, which are then investigated and remediated.

At Solvay, social dialogue is a cornerstone of our culture and operating model. We ensure our employees' representatives stay informed about the company's strategic direction and key decisions and structurally arrange dialogue around this. Representative bodies form a sounding board for draft policies before they are implemented, resulting in a high level of maturity, transparency, and trust among senior management and employees. Our belief in achieving more together is embodied in our social dialogue bodies and practices, leveraging multiple levels of dialogue at global, regional, and local or site levels through various forums.

DEI:

Solvay's **DEI and Non-Discrimination Policy** plays a key role in identifying, assessing, and managing workforce initiatives that drive innovation, retain critical knowledge, and enhance upskilling efforts. By fostering a diverse and inclusive environment, the policy helps to leverage the collective strength of different perspectives, enabling the organization to remain competitive and agile. Through targeted DEI programs, we ensure that all employees are equipped with the skills needed for future growth, contributing to improved organizational performance and a continuous cycle of innovation. The **Solvay Cares Policy** guarantees minimum global social benefits, including parental leave, health insurance, and disability and life insurance for all employees, reflecting our long-standing commitment to social welfare.

We actively promote a culture of diversity, equity, inclusion, and non-discrimination. Solvay's **DEI & Non-Discrimination Policy** outlines our commitment to providing equal opportunities, fostering an inclusive environment, and contributing positively to the communities in which we operate.

Solvay's DEI policy explicitly articulates the value we place on our employees and their diverse contributions. It acknowledges the importance of individual differences, life experiences, backgrounds, and talents in shaping Solvay's culture and achievements. We view diversity as the driving force behind our innovative mindset and competitive edge in the industry. Our DEI policy highlights the celebration and support of our employees' differences, whether visible or invisible, including their backgrounds, age, gender identity, ethnicity, religion, sexual orientation, and ability.

The DEI policy also emphasizes the significance of equity and inclusion within Solvay. It aims to create equal opportunities and fair representation for all employees, acknowledging that certain groups may require additional support to ensure their full inclusion. We define equity as promoting impartiality and fairness while recognizing and addressing barriers that some employees may face. The company actively engages with diverse individuals and encourages the formation of Employee Resource Groups to contribute to an inclusive culture for all employees.

Our DEI and Non-Discrimination Policy is designed to prevent, mitigate, and respond to discrimination within Solvay. It emphasizes that all employees have a shared responsibility to treat others with dignity and respect, and to collectively fulfill the company's objectives. This policy applies worldwide and requires employees to embody DEI principles in their behavior at work, company functions, and off-site events. We provide regular awareness training to enhance employees' understanding of DEI, encourage them to build a culture of trust and respect, and empower them to challenge non-inclusive or discriminatory behaviors.

Compliance, ethics & human Rights:

We are strongly committed to upholding human rights within our own workforce. In relation to the Code of Business Integrity and the Social Dialogue Policy, we have implemented a comprehensive Human Rights in Business Policy, which includes strict adherence to labor rights, safety, and non-discrimination across all our operations. Our approach includes grievance mechanisms and continuous engagement with stakeholders to address any concerns related to human rights.

Solvay's general approach to respecting human and labor rights focuses on promoting the culture of a safe, inclusive, and respectful working environment for all employees. We prioritize fair treatment, freedom of association, and the elimination of forced labor and child labor. These principles are integrated into our global operations by regularly reviewing Solvay's practices, ensuring compliance with local and international labor standards, and fostering a culture of responsibility and accountability. We employ a robust grievance mechanism that allows employees and stakeholders to raise concerns regarding potential human rights violations, which includes accessible reporting channels and guarantees protection from retaliation for those who come forward. We also conduct thorough investigations of reported incidents and take corrective actions, including policy adjustments or remediation efforts, to address any adverse human rights impacts.

Solvay's policies explicitly address trafficking in human beings, forced labor, compulsory labor, and child labor. The company's **Human Rights in Business Policy** and **Code of Business Integrity** unequivocally prohibit all forms of human trafficking and forced or compulsory labor. They are also supported by a **Social Dialogue Policy**. These documents are designed to ensure that no employee is subjected to involuntary work or exploitation. The company adheres to international standards and legal requirements to protect the rights of young workers and ensure that all employees meet the minimum age requirements.

Furthermore, the policy outlines disciplinary measures for employees who exhibit inappropriate conduct or discrimination. Solvay encourages employees and partners to speak up if they witness or experience any form of discrimination, providing various channels for reporting concerns and seeking support, including the option to remain anonymous. Employees can access the company's Speak Up guidebook for additional information on reporting concerns and can also contact the Compliance Department for further assistance.

S1-2 Processes for engaging with own workers and workers representatives about impacts

We actively seek the perspectives of our workforce to inform our decision-making and actions aimed at managing impacts on employees in line with group policy and local legislation. The company emphasizes a culture of open communication and collaboration, evident in the establishment of various representative bodies like the EWC and the SGF. These platforms enable employee representatives to engage directly with senior management, including the CEO and ELT, providing a channel for their voices to be heard and considered in strategic decisions.

We employ a dual approach to engagement, interacting directly with our workforce, for example, via ELT visits to the manufacturing sites, promoting town halls and the use of pulse surveys, while also recognizing the value of worker representation through established bodies.

Solvay's engagement strategy is designed to involve employees and their representatives at various stages, primarily focusing on the policy development and implementation phases. Representative bodies, such as labor unions and works councils, are actively involved in discussions and negotiations concerning new policies and procedures. This proactive approach ensures that potential concerns and implications are addressed before policies are rolled out, promoting a sense of ownership and transparency.

We utilize a multi-faceted approach to engagement, employing various channels to facilitate communication and collaboration. These include formal meetings with labor unions, local works councils, and joint management-worker committees, as well as global platforms like the SGF and the EWC, fostering dialogue and collaboration on a broader scale. We also conduct annual site visits to monitor compliance with agreements and encourage feedback through the Speak Up Policy or representative bodies.

The frequency of engagement varies depending on the type and level of interaction. Global forums like the SGF meet quarterly, while the EWC Secretariat convenes monthly, and site visits are conducted annually by IndustriALL and the Select Committee of the EWC to ensure ongoing communication and collaboration. The Human Resources function, led by a senior executive such as the Head of HR Country & Labor Relations, has the operational responsibility for driving and ensuring the effectiveness of our stakeholder engagement efforts.

Solvay’s Global Framework Agreement (GFA) with IndustriALL is a key component of our commitment to respecting global human rights and provides mechanisms for gaining insights into the workforce perspectives. This involves annual site visits by IndustriALL representatives, fostering open communication channels, and actively involving employee representatives in collaborative policy development. We have also implemented various indicators and mechanisms, such as periodic policy reviews, compliance monitoring, feedback mechanisms like the Pulse Survey and Speak Up program, as well as collective bargaining agreements and other commitment outcomes to evaluate and address the needs and concerns of our workforce. We have further established general mechanisms and commitments like Employee Resource Groups, the Speak Up Policy, the Global Framework Agreement, and the Human Rights Policy, which contribute to understanding the needs of vulnerable or marginalized groups.

S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns

We emphasize Solvay’s commitment to sustainability and employee well-being. We have implemented processes and an accessible helpline that allow employees, including from the workforce, to raise concerns, ensuring that any negative impacts are promptly addressed. This includes **grievance mechanisms** whereby employees can safely and confidentially report grievances or unethical practices. These channels are integral for fostering an environment in which our workforce can voice concerns without fear of retaliation, supporting a culture of transparency.

See G1-1 in the Sustainability statements for more details on the grievance mechanism.

Solvay has a structured remediation framework in place to address material negative impacts on our workforce. We ensure that any remediation action - whether it involves compensation, corrective measures, or training - is carefully implemented. The effectiveness of the remedy is evaluated through **pulse surveys** to ensure that the solutions provided mitigate the identified harm and prevent recurrence. The results of the surveys enable the Group, local management, and all operational managers to identify strengths and areas in which the working environment and employee experience can be improved.

Our remediation processes also consider long-term strategies like **workforce training** and **safety improvements** to prevent future impacts. Lifesaving Rules are also part of Solvay’s culture.

Solvay's grievance processes include steps for escalation and resolution, ensuring that complaints are investigated thoroughly and that appropriate actions are taken to remedy any issues identified. Our policy aligns with international standards and ESG reporting requirements, ensuring that these processes are robust, well-communicated, and integrated into our overall human resources and governance framework.

We promote a "Speak Up" culture, whereby employees are encouraged to report any concerns or potential violations of the Code of Business Integrity (CoBI) or other internal policies. Solvay’s Speak Up Program, overseen by the Audit & Risk Committee of the Board of Directors, includes comprehensive training that educates employees on the importance of reporting and the channels available to them. In line with the Speak Up Policy, all reports are investigated promptly, independently, and objectively, providing a secure and confidential process for employees including workforce and stakeholders to report concerns, ensuring that investigations are handled with appropriate follow-up actions to address any misconduct.

The Ethics Helpline, an external third-party helpline accessible 24/7 throughout the year, is available for employees and external parties to report concerns anonymously if they choose. This helpline operates in 19 languages, covering all of Solvay’s locations, and can be found in the Ethics and Compliance section of Solvay’s website. In addition to the Ethics Helpline, we provide various internal reporting channels through which employees can raise concerns. These channels, including line management, Ethics & Compliance function, the General Counsel Function, Internal Audit, Human Resources, and employee representatives, are designed to ensure that reports are received and handled with confidentiality and without fear of retaliation.

See G1-3 in the Sustainability Statements for more details on investigation and reporting.

S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks

Action plans

We have implemented comprehensive action plans and allocated dedicated resources to manage material IROs related to Solvay's workforce. These action plans are described in the table below:

Material impacts	Action plans to address negative impacts	Action plans to enable remedy	Action plans to address positive impacts	Tracking
Health & Safety	In all our operational sites, through a framework of **Health & Safety management systems** - a set of rules, procedures, guidelines, audit, discipline, metrics, or digital tools - we are targeting full compliance with applicable legislations, Solvay's requirements, and recognized international standards, like ISO 45001 and Responsible Care. Our facilities are designed and operated to safeguard Health & Safety as core elements of our sustainable business success. All our own workforce and value chain workers are eligible to apply this policy, and all our entities are involved in supporting the standards, procedures, norms, and processes. Following the high severity incidents with 3 tragic fatalities in 2024, Solvay launched a **Dedicated Group Safety team** led by a Group Safety Director reporting to the COO. This team will engage in a safety transformation to raise safety culture, engagement of all leaders and operational discipline in the plants. This transformation will be supported by an external safety culture consultant company. **Solvay Pulse Survey**: to evaluate and measure the evolution of well-being and commitment, three times each year. This survey is accompanied by a tool to open dialogue. The aim is to enable teams to discuss results and identify improvement actions. Lifesaving Rules. Emergency Response Plans and First Aid. **Risk assessments of health risks** (chemical, physical, ergonomic, biological, and psycho-social). Initial and periodic risk-based medical surveillance. Return to work, accommodation, and maternity protection processes. Burnout observatory. **Advice and support provided** to employees, sites, and the company by experts.	**Workload assessment tool**: for assessing workload problems and identifying solutions. **Employee Assistance program:** external psychologists and coaches for work-related and private topics. Recording, analysis, and corrective actions upon incidents. Emergency Response Plans and First Aid. Exposure reduction action plans.	**Well-being ambassador** per site, to raise awareness on tools for enhancing well-being. **Make Life Easier program**: company rules to make employees' lives easier and ensure productivity. **Training** to raise awareness about different topics. Promotion of safety like SAFE charter or Life Saving Rules. Medical surveillance of employees. Physical and mental health promotion. **Advice and support provided** to employees, sites, and the company by experts.	Health & Safety · Reportable Injuries Rate (RIR) · Lost Time Injury Rate (LTIR) · Fatal accidents · High Severity Reportable Injury Rate (H-RIR) · Recordable, work-related, ill health: number, causes, fatalities, days lost · Advanced risk-based medical surveillance · Health Promotion indicators · Mental health and well-being at work indicators · General Health perception Solvay conducts regular pulse surveys to measure the overall engagement of our workforce. Turnover and absenteeism (due to illness) are tracked using the Better Life dashboard.
Social Dialogue	**Employee Engagement Programs:** Platforms like Solvay Global Forum, or initiatives promoted by EWC and IndustriALL promote communication and collaboration, while the site visits also allow a close monitoring of material risks and opportunities.	**Feedback mechanisms** like the Speak Up program and Pulse Surveys also allow our employees to voice their concerns.	Solvay Cares Policy (see above).	Solvay monitors progress by feedback from Solvay Global Forum.
DEI	**DEI strategy:** These actions foster an overall diverse, inclusive work environment and address gender pay gaps. **Living Wage analysis:** After implementing three successful pilot programs in the US, UK, and China, Solvay now conducts an analysis to understand what percentage of our workforce is paid below the living wage.	**Living wage extension**: In 2024 we completed the global living wage analysis for all of the countries it operates in, with a strive to close the gap in 2025 and provide a living wage for 100% of our employees by 2026.	**Employee Development and Training:** Solvay invests in training programs and development opportunities to enhance the skills and knowledge of our workforce, promoting career growth and personal development.	Diversity tracking focusing on mid-level and senior management. Recruitment tracking of diverse candidates. Auditing Solvay workforce to ensure that 100% are paid a living wage. Employee development is measured by hours of learning per employee.

We place a strong emphasis on regularly reviewing various metrics to ensure the effectiveness of program initiatives and to identify whether any corrective action is necessary. This commitment is reflected in Solvay's robust risk management process, which entails the identification, assessment, and mitigation of potential negative impacts on the workforce. We have established procedures for reporting and investigating workplace incidents, allowing the company to pinpoint root causes and implement necessary corrective actions. We also actively engage with our employees through a variety of channels, such as employee resource groups, pulse surveys, and employee representatives, to gather feedback, understand concerns, and address their needs effectively. This inclusive dialogue empowers the company to take appropriate action and continually improve the workplace environment.

Continuous monitoring and improvement are integral parts of our approach, utilizing key performance indicators (KPIs), audits, and other tools to monitor our performance and identify areas for enhancement. This approach ensures that our actions remain effective and relevant, demonstrating our strong commitment to prioritizing the well-being and satisfaction of Solvay's workforce.

Solvay has a robust mechanism to mitigate risks and pursue opportunities for employees at the identified material impact areas:

Material impact areas	Actions to mitigate risk	Actions to pursue opportunities
Health & Safety	**Safety** · Our ten life saving rules are mandatory for everyone. Everywhere, we apply risk-based thinking to take actions to prevent, mitigate, or remediate negative impacts. · We have in place emergency rescue and mitigation measures against potential damage and Solvay reputational impacts related to short-, medium- and long-term risks. · Value chain and safety transports have clear requirements for performance and drive industry change. **Health** · Health risk assessments. · Initial and periodic risk-based medical surveillance, including biomonitoring. · Return to work and accommodation processes. · Medical emergency response and first aid. **Well-being** · Seek continuous feedback from employees through pulse surveys and Employee Resource groups. · Team Pulse results are analyzed by an occupational psychologist, who can make the psychosocial risk assessment, if it seems necessary, or on request from employees. · Individual listening to employees by an occupational psychologist (internal), occupational physicians and nurses, or EAP (external). · Training to raise awareness about different well-being topics, like how to identify the weak signals of excessive stress.	· All workers have the same right to a safe and healthy workplace. · Where we operate, we are building capability within neighbors and communities for mutual benefit. · Our own workforce is invited to raise concerns with their representatives. · Based on employee feedback, Solvay launched the "Make Life Easier" program to decrease the workload of employees. The program allows for meeting-free Friday afternoons, prescribes a rest period between each meeting, and guides employees on how to create clear expectations for meetings. · Team discussions to analyze pulse results and identify actions for improvement.
DEI	· Talent acquisition: promoting diverse recruitment through diverse recruitment panels and measuring progress. · Embed DEI in our performance review and promotion process to ensure fair process and reduce bias.	· Create an inclusive environment to increase employee engagement through a new culture and set of behaviors so that every employee can thrive. · Extend the UN Global Compact living wage initiative to all employees to ensure that all of them are paid a living wage by 2026. · Provide equitable development opportunities to all employees to ensure equal chances to move forward in the organization (for instance, through the Star Factory program).
Social dialogue	· Seeking feedback from employee representatives through different forums like the European Works Council, Solvay Global Forum, and other local bodies.	· Complete living wage global analysis and close the gap for all Solvay employees. · Communicate on pay and equity.

We are committed to balancing business performance with our responsibility to mitigate negative impacts on our workforce. We address potential conflicts between these priorities by adhering to our core values of safety, integrity, and sustainability, which guide our decision-making processes.

Mitigation negative impacts on employees

When business pressures arise, such as during periods of restructuring, rapid scaling, implementation of new technologies, or cost-cutting measures, we prioritize employee well-being and environmental responsibility. This commitment is embedded within our structured governance framework and ethical policies, including the Code of Business Integrity (COBI), the Speak Up Policy, and the Employee Assistance Program. The COBI, for instance, provides guidelines for ethical decision-making in situations where business needs may conflict with employee well-being, emphasizing transparency and respect for employee rights.

We proactively identify potential negative material impacts on the workforce resulting from business pressures, focusing on areas such as employee well-being, safety, and work-life balance. We anticipate potential impacts on employee workloads and job security. This identification is conducted centrally by the Labor Relations, HR, and Transformation teams, and also through continuous feedback collection via Pulse surveys and the Speak Up Policy. This multi-faceted approach ensures we capture a comprehensive understanding of potential challenges. Following the identification of potential impacts, Solvay engages in consultation with representative bodies, first at the global/European level and then locally, to discuss and agree upon appropriate mitigation measures. These measures are designed to minimize negative impacts on employees in line with global and local labor standards.

We also consider the impact on our own employees when potentially terminating a business relationship. This is addressed through a robust due diligence process, ensuring compliance with existing contractual clauses, purchase orders, and the signed Supplier COBI. The COBI reinforces our commitment to ethical conduct in all business dealings, including the responsible treatment of employees affected by business decisions. Specifically, in the context of business relationship terminations, the due diligence process includes an assessment of potential impacts on employees at the other entity and, where possible, we work with the other entity to ensure a responsible transition.

By continuously monitoring, consulting, and adapting our approach, we strive to effectively balance business pressures with the well-being of our workforce, creating a sustainable and responsible business.

Resources

To implement ambitious policies and action plans, Solvay has dedicated Health and Safety, DEI, well-being, learning, and labor relations teams, with annual budgets that allow effective implementation.

Dedicated resources:

Areas	FTEs
Health, Safety & Environment (HSE)	261 FTEs
Diversity, Equity, & Inclusion (DEI)	2 FTEs globally, with support of local HR teams (60 FTEs)
Social Dialogue	21 FTEs

Negative impacts on workers from green transition

Please refer to the ESRS 2 - MDR-P policy table.

We have focused on transitioning to sustainable technologies to mitigate negative impacts on our workforce. For instance, the complete phase-out of coal use at the Green River facility in the US and the planned coal phase-outs in Germany and France represent key steps toward reducing harmful emissions that could affect workers' health. The e.Solvay process, currently being piloted, further reduces the environmental impact by lowering CO_2 emissions and resource consumption. In cases like Dombasle and Torrelavega, staff operating new boilers or power plants built for the energy transition have been transferred to third-party operators. This approach ensures continuity of employment while aligning with sustainable practices.

We also facilitate employees' adaptation to the sustainability transition through various upskilling programs, such as the framework of Solvay's STAR Factory (STAR Operations Academy) and through continuous discussions with social partners, for instance in the Solvay Global forum.

Solvay's global travel policy reflects our commitment to sustainability and efficiency by promoting responsible travel practices. To address the remaining emissions from business travel, the Travel Carbon Fund initiative compensates for these emissions through investments in biodiversity projects, further supporting our broader sustainability goals. The Travel Carbon Fund charges business units based on their travel emissions. This encourages responsible travel practices while financing sustainability projects that deliver both environmental and economic benefits.

S1-5 Targets related to managing material impacts, advancing positive impacts, as well as to risks and opportunities on own workforce

Target	% or #	Description
a) reducing negative impacts on its own workforce		
Improving employee well-being	Qualitative	By promoting engagement and HSE initiatives, such as Employee Assistance Programs included in the Solvay Cares program, Solvay uses Pulse surveys to gauge our employees' engagement (%) and workload (%) to enable preventive action and policy steering to create a supportive environment. There is no quantitative target defined, but continuous monitoring is taking place.
Health & Safety Management	0 accidents	We reinforce Solvay's commitment to track and deploy preventive actions to improve health & safety worldwide, by targeting zero accidents: · Reportable Injuries and Illness Rate: A Work-related Injury or Illness resulting from accidents requiring a treatment greater than a First Aid Injury. · Lost Time Injury and Illness rate: A Work-related Injury or Illness that results in a work interruption of one or more days, not including the day of the accident. · Fatal Accident: An Occupational Accident resulting in a loss of life.
b) advancing positive impacts on its own workforce		
Diversity Target (Equal Workforce)	30% by 2030	Strategic objective to have 30% women in mid & senior management by 2030, and to achieve gender parity as soon as possible. Annual Target to improve female representation in mid & senior management linked to the Short-term Incentive scheme.
Provide Fair Living Wage	100% by 2026	Solvay is committed to and actively working on providing a living wage to 100% of our workforce by 2026, aligning with the UN Global Compact Forward Faster initiative.
Ensure Pay Equity	Qualitative	Solvay committed with other initiatives to make an assessment on how to improve transparency and drive cultural change to increase the pay equity for our workforce by 2026. In addition, Solvay is committed to integrating pay equity to hiring, internal promotion and annual merit increase processes.
Solvay Cares Agreements	Qualitative	Solvay reinforced our commitment as a responsible employer by guaranteeing a minimum level of protection in terms of welfare and healthcare for all our employees worldwide. This minimum level covers protection in relation to the following: Major Health Costs; Disability leave; Maternity and Paternity leave; Adoption leave; Death of an employee; and Employee Wellbeing support.
Make Life Easier program	Qualitative	Deployment of Solvay initiative to improve work-life balance for all employees through a toolkit that helps our workforce to better balance their workload.
(c) managing material risks and opportunities related to its own workforce		
Employee Development and Training	Depends on local regulation	Solvay keeps track of employee training hours to ensure compliance with local rules and standards. These training sessions include mandatory sessions on topics like confidentiality, compliance, and privacy, as well as voluntary programs to help employees develop new skills, such as leadership, language courses, and sustainability-related learning.

We involved our workforce through various Employee Resource Groups to establish these targets, while the central representative body played a significant role in defining the programs and targets for the Employee Share Purchase Program (ESPP) and Better Life strategy, including pay equity and fair living wage. We engaged our workforce by organizing town halls with the ELT in different Solvay countries and through the Solvay+ ELT broadcast, where progress on various metrics was shared, and workforce representative bodies, such as the EWC, were consulted for performance tracking. We actively engaged our workforce to identify lessons learned following the pulse surveys and provided a manager toolkit to identify action points from team-level results, with the involvement of workforce representative bodies like the EWC to help identify lessons learned.

S1-6 Characteristics of Solvay's Employees

Gender distribution

Gender	Number of employees (head count) 2024	%
Male	6,737	75.65%
Female	2,163	24.29%
Other	2	0.02%
Not Disclosed	3	0.03%
Total Employees	**8,905**	**100.00%**

Calculation method

The total active internal workforce (headcount)[1] as of December 31, 2024, categorized by gender (Male, Female, Others, and Not Disclosed).

Gender and geographic distribution

The average number of employees in countries with 50 or more employees representing at least 10% of total number of employees is 3,844.

Number of employees (head count) 2024

Country/Gender	Female	Male	Other	Not Disclosed	Total
Brazil	260	1,068	1	0	1,329
France	294	980	0	0	1,274
Germany	193	1,014	0	0	1,207
USA	177	717	0	1	895
Total	**924**	**3,779**	**1**	**1**	**4,705**

Calculation method

Active internal Workforce (Headcount), for December 2024 (31 Dec), split by country and the different types of gender (Male, Female, Others, and Not disclosed). Filtering only countries with 50 or more employees, representing at least 10% of the total number of active internal workforce in the specific month.

Employment characteristics

Employment characteristics by gender Dec 2024

	Female	Male	Other	Not Disclosed	Total
Number of employees (head count)	2,163	6,737	2	3	8,905
Number of permanent employees (head count)	2,056	6,527	1	3	8,587
Number of temporary employees (head count)	107	210	1	0	318
Number of non-guaranteed hours employees (head count)	N/A	N/A	N/A	N/A	N/A
Number of full-time employees (head count)	2,023	6,641	2	3	8,669
Number of part-time employees (head count)	140	96	0	0	236

Calculation method

Active internal workforce (headcount), for December 2024 (at 31 Dec), split by the different types of gender (Male, Female, Others, Undeclared, and Unknown) and contract type (Permanent + Temporary) and by percentage of utilization (full-time + part-time).

Average number of Active Internal Workforce (headcount): For the year of 2024, we counted the months from January until December. The numbers per month always refer to the last day of each month.

In Solvay HRIS system the non-guaranteed hours employees cannot be identified and reportable.

(1) The Headcount listed does not include the 83 employees part of Shandong Huatai Interox Chemicals, China (abbreviation SHIC) for 2024. This entity is partially owned and its employees will be incorporated into our HR system in 2025.

Employment characteristics by region 2024

	EUROPE	LATIN AMERICA	ASIA PACIFIC+ROW	NORTH AMERICA	Total
Number of employees (head count)	5,356	1,489	1,165	895	8,905
Number of permanent employees (head count)	5,242	1,455	996	894	8,587
Number of temporary employees (head count)	114	34	169	1	318
Number of non-guaranteed hours employees (head count)	N/A	N/A	N/A	N/A	N/A
Number of full-time employees (head count)	5,121	1,489	1,165	894	8,669
Number of part-time employees (head count)	235			1	236

Calculation method

Active internal workforce (headcount), for December 2024 (at 31 Dec), split by regions (ASIA PACIFIC + ROW, EUROPE, LATIN AMERICA and NORTH AMERICA) and contract type (Permanent + Temporary) and by percentage of utilization (full-time + part-time).

The non-guaranteed hours employees are N/A because in Solvay HRIS system they cannot be identified and reportable.

Part-time Employees (per country) (Top 4)

Country of Company	December.2024
GERMANY	112
FRANCE	52
BELGIUM	40
SPAIN	11

Average number of employees (headcount).

Employees Average 2024	8,996

Employee turnover

Employee turnover	Jan - Dec 2024
number of employees	836
% of employee Turnover	9.3%
% of employee Voluntary Turnover	4.1%

Calculation method

Turnover rate calculations are based on the number of employees who have left, voluntarily or involuntarily, since the start of the year, divided by the average number of active employees during the same period. The voluntary turnover rate provides insight into employees who left voluntarily compared to the average number of employees, considering the split between Solvay and Syensqo and the exit from TSA.

The data is sourced from Solvay's Human Resources Information System (HRIS) and has a global scope, covering the time periods of December 2024 for end-of-year data and January to December 2024 for current year data. The active internal workforce data includes only company employees and excludes trainees, students, and external workers. Terminations refer to employees who no longer have an active employment contract with Solvay, including both voluntary and involuntary departures, and data is provided for January to December 2024. Employee numbers are presented as headcount data, representing the total number of individuals employed and are reported at the end of each month in 2024.

Contextual information

Solvay provides contextual information to supplement the previously presented data. We experienced a slight decrease in headcount in 2024 (-2.09%), attributed to strategic decisions aimed at streamlining operational areas to boost efficiency. Notably, there was a marginal increase in the gender ratio in 2024 (+0.37% female representation). These trends were consistent across the representative countries of Brazil, France, and Germany, with the USA excluded from monthly average calculations despite reaching a 10% threshold in December 2024.

Across the monthly view, the limited fluctuation in headcount aligns with Solvay's strategic direction. Our presence is predominantly in the EUROPE and LATIN AMERICA regions, accounting for 60% and 17% of the workforce, respectively. Temporary employees, primarily located in EUROPE and ASIA PACIFIC, make up less than 4% of Solvay's own workforce, serving short-term needs, seasonal demands, projects, and offering flexibility to employees while complying with local labor regulations. The notable prevalence of female part-time employees reflects Solvay's flexible working policies, accommodating maternity and family support needs within regulatory frameworks, although our HRIS currently lacks the capability to differentiate non-guaranteed hour employees.

Furthermore, Solvay reports a low total employee turnover rate, with the uptick in turnover in 2024 attributed to the split between Solvay and Syensqo, impacting the Global Business Services workforce due to the end of the TSA. Voluntary turnover at Solvay remains lower, constituting 4.1% of the overall turnover figures.

In the 2024 Annual Integrated Report, Solvay provides a clear cross-reference to the most representative figures concerning our workforce. The total headcount is prominently displayed in the key figures of the introduction section of the report, offering stakeholders a snapshot of the company's size and scale. Further insights into the workforce composition are revealed in "S1-6 Characteristics of Solvay employees" of the report, where a breakdown by region is presented.

S1-8 Collective bargaining coverage and social dialogue

The percentage of our employees covered by collective bargaining is 74.83% (6,664 out of 8,905 of total employees).

Coverage Rate	Collective Bargaining Coverage		Social Dialogue
	Employees - EEA (for countries with >50 empl. representing >10% total empl.)	Employees - non-EEA (estimate for regions with >50 empl. representing >10% total empl.)	Workplace representation (EEA only) (for countries with >50 empl. representing >10% total empl.)
0-19%		NORTH AMERICA	
20-39%			
40-59%			
60-79%	Germany		
80-100%	France	LATIN AMERICA	France, Germany

Complementary note: The countries included in the non-EEA scope are Brazil and USA.

As much as possible, we will regularly monitor and report on social dialogue KPIs, mainly related to Collective Bargaining Agreements (CBAs) as all Solvay employees are covered by an umbrella collective agreement.

The overarching principle is that CBAs exert a considerable influence on employment practices following local labor law legislation, although in varying degrees depending on the employee category and specific legal entity. These agreements apply across all entities and distinguish between non-cadre, cadre, and executive employees, ensuring tailored provisions for each group. For most of our workforce, excluding executive-level employees, the CBAs are the foundation of employment terms. The interplay of CBAs, Internal Labor Rules, and individual contracts ensures a balanced and equitable approach to employment, regardless of one's position or contractual arrangement.

S1-9 Diversity metrics

The table below shows the gender distribution at the top management level in the number and percentages of employees.

Headcount & percentage of gender distribution for top management roles (S23+) - Senior Management (≥S23) in Management Level (data: December 2024)

Gender	Number of top management employees (headcount)	% of top management employees (headcount)
Male	76	73.1%
Female	28	26.9%

The percentage of women in senior management level was 26.9%, and in mid & senior management 27.3% in 2024. Management levels at Solvay are defined by pay grades on the basis of the Hay Job Evaluation Methodology. For “Senior Management” level the pay grade is equal or higher than S23 (Hay points above 925) and for "Middle and Senior management" equal or higher than S19 (Hay points above 530).

As illustrated in the table below, the data includes the number of employees (headcount) under 30 years old, the corresponding percentage of employees under 30 years old, the number of employees (headcount) between 30 and 50 years old, the percentage of employees between 30 and 50 years old, the number of employees (headcount) over 50 years old, and the percentage of employees over 50 years old.

Headcount & percentage per age distribution for Solvay (data: December 2024)

Age Range	Number of employees (headcount)	% of employees (headcount)
Number of employees (headcount) under 30 years old	931	10.5%
Number of employees (headcount) between 30 and 50 years old	4,819	54.1%
Number of employees (headcount) over 50 years old	3,147	35.3%

Note: The total number of employees does not match the number of employees in section S1-6 because we have employees categorized in the age range “Not assigned”. Top Management (S23+) classification is based on the pay grade of the employees. Having S23+ pay grade determines who is under this level.

S1-10 Adequate wages

In our analysis of 2024, all employee data including Annual Basic salary and guaranteed bonuses/allowances were scrutinized against city-regional benchmarks provided by our external provider, WageIndicator, to ensure alignment with adequate wage standards.

As of December 2024, it was established that 100% of Solvay's worldwide employees are receiving compensation at or above local adequate wage standards, demonstrating the company's commitment to ensuring that all staff members receive remuneration that aligns with established market benchmarks.

Moreover, we conducted a comprehensive living wage assessment across the company's operating countries and regions. In cases where discrepancies in meeting living wage benchmarks were identified, plans have been outlined to implement targeted strategies in 2025 to address gaps and ensure that all employees are fairly compensated in accordance with local living wage standards.

S1-14 Health and safety metrics (Own workforce & Communities)

Health and safety management system

The percentage of individuals within our own workforce who are working on sites with health & safety management systems is 73.88% (6,579 out of 8,905 of total employees). According to the Group HSE procedure, the HSE system is applicable to all Industrial and R&I Solvay sites with more than 10 employees.

Recordable work-related injuries

In 2024, there were no fatalities recorded within Solvay's own workforce. However, three fatalities involving contractors (value chain workers) occurred during the year: one at the Torrelavega site on August 27, one at the Devnya site on October 28, and one again at the Torrelavega site on December 4, all under the SA&D GBU.

Furthermore, a total of 41 Recordable Injuries (RIs) were documented in 2024, with 24 RIs concerning the own workforce and 17 RIs related to contractors. The Recordable Injury Rate (RIR) for Solvay's own workforce was calculated at 1.47 based on 24 RIs and a total work hours figure of 16,343,385 in 2024.

In 2024, there were 17 Lost Time Injuries (LTIs) from the own workforce, resulting in a total of 720 days lost to work-related injuries and fatalities. Losses included 235 days from previous year LTIs affecting 2024, with an additional 485 days lost due to the 17 LTIs in 2024. Notably, two cases from 2024 continued to incur lost days into 2025, with the total lost days to be consolidated in preparation for the next AIR period, including SA&D, Bernburg site (LTI date: November 8, 2024) and SA&D, Rosignano site (LTI date: September 27, 2024).

Recordable work-related ill health

In 2024, there were no fatalities within the company's own workforce caused by work-related ill health, nor were there any fatalities due to work-related ill health recorded for other workers on the undertaking's sites during the same year. The total number of days lost to work-related ill health and fatalities from ill health related to employees in 2024 amounted to 2008 days, with all 2008 lost days attributable to work-related ill health issues and none due to fatalities caused by such health concerns. The table presented below details the types of recordable occupational illnesses.

Employees

	Units	Diagnosed or declared in 2024	Other cases from previous years known in 2024
Hearing disorders	Number	0	0
Musculoskeletal diseases	Number	2	0
Other non-carcinogenic diseases	Number	6	0
Asbestos-related diseases and cancers	Number	0	0
Other cancers	Number	0	0
Not specified/Unknown	Number	0	0
Total	**Number**	**8**	**0**

The figures in the table above relate to recordable work-related illnesses contracted by Solvay employees who are active.

People who were formerly in Solvay's workforce

	Units	Diagnosed or declared in 2024	Other cases from previous years known in 2024
Hearing disorders	Number	1	0
Musculoskeletal diseases	Number	0	0
Other non-carcinogenic diseases	Number	0	1
Asbestos-related diseases and cancers	Number	12	11
Other cancers	Number	0	0
Not specified/Unknown	Number	0	0
Total	**Number**	**13**	**12**

The figures in the table above relate to recordable work-related illnesses contracted by Solvay former employees who are retired or have left the company.

S1-16: Remuneration metrics

Gender pay gap

The unadjusted gender pay gap of 6.21% reflects both the strides Solvay has taken in fostering gender equality and the remaining work to be done, influenced by various factors such as roles, seniority, representation imbalances, and geographical disparities within the organization. We remain dedicated to reducing this gap through initiatives like promoting diversity in recruitment, supporting career advancement for underrepresented groups, and continually evaluating pay practices for fairness. This metric is derived from the average hourly remuneration of all male and female employees across the organization in 2024, providing valuable insights into gender-based compensation differentials and undergoes thorough data quality validations to ensure accuracy and reliability aligning with actual pay practices.

The data, collected primarily from our global payroll systems covering over 90% of the workforce in the group, includes actual total remuneration figures for employees in 2024, encompassing various cash elements like Basic Salary, Seniority, Overtime, and Bonuses, as well as annual payments such as Christmas allowances and local Benefits. In cases where total remuneration details are not centrally available, the HR system is used to derive information from employees' target Annual Base Salary and actual bonus payments for comprehensive coverage. We are driving enhanced data accuracy and coverage through the initiation of a Payroll Transformation Project, aiming to transition to a truly global operational model starting in 2025 and nearing completion by 2027.

Total remuneration ratio

This year, we introduced an enhanced methodology for determining the ratio between the CEO's total remuneration and the unadjusted global median pay, resulting in a ratio of 50 for 2024. This updated approach focuses on total remuneration to ensure a comprehensive representation of the organization's compensation framework, covering elements such as annual base salary, guaranteed bonuses, allowances, short-term and long-term incentives, and employee benefits in kind. The application of this formula aligns with the gender pay gap methodology for the total remuneration ratio to support transparency within the leadership compensation structure, especially during transitions.

The annual hours definition stipulates that salary is based on a general figure, not necessarily actual worked hours, utilizing actual working hours data where available and estimated hours in its absence. The total remuneration definition varies for global and non-global payroll solution countries, encompassing all cash elements and benefits on top of the basic salary in European standard alignment. Data coverage involves primary sourcing from payroll systems for the majority of employees and secondary estimation based on historical trends for uncovered individuals, ensuring comprehensive depiction. Reporting as of December 31, 2024, consolidates data for all active employees on this date and annualizes information for 2024 hires to provide full-year equivalents, maintaining accuracy and inclusivity in remuneration analysis.

S1-17: Incidents, complaints, and severe human rights impacts within its own workforce

During the reporting period, we meticulously tracked social and human rights incidents concerning discrimination, harassment, and severe human rights violations within our workforce, with 30 cases of discrimination and harassment documented but none related to human rights. The total number of complaints filed through Solvay's Ethics Helpline is 109, 30 of which reported by third parties, with no cases escalated to the National Contact Points under the OECD Guidelines for Multinational Enterprises. Solvay did not incur material fines, penalties, or compensations for social and human rights violations, and there were zero instances of forced labor, human trafficking, child labor, or violations of UN Guiding Principles and OECD Guidelines. We also reported no material fines, penalties, or compensations for severe human rights issues, showcasing our commitment to ethical standards and human rights principles in our operations.

6.3.2. Process Safety and Transport Safety Management

Material impacts, risks and opportunities (IROs) related to Process Safety and Transport Safety

Please refer to ESRS 2 IRO-1 Description of the process to identify its impacts, risks, and opportunities and to assess which ones are material.

The topic Process Safety and Transport Safety Management is an entity-specific topic of Solvay, deemed material based on the following potential material impacts:

Topic	Sub-topic	Sub-sub-topic	IRO Type	Actual/ Potential	IRO Description	Geography	Value Chain	Time Horizon
Own workforce	Working conditions	Health and safety	Negative impact	Potential	A potential major accident (occupational, process) in our operations, mines, quarries, and/or cavities causes fatalities, irreversible injuries, and/or environmental damage.	WW	Own operations	Short term
Workers in the value chain	Working conditions	Health and safety	Negative impact	Potential	An accident off site (e.g., transportation, warehousing, tolling) could potentially cause fatalities and/or environmental damage.	WW	Own operations + Downstream	Short term

Policies to manage IROs related to Process Safety and Transport Safety

Please refer to the ESRS 2 - MDR-P policy table (Health & Safety Policy).

Process Safety and Transport Safety is embedded in Solvay's globally applicable Health & Safety Policy:

- Process Safety Management is implemented to oversee industrial processes handling hazardous chemicals to prevent and address incidents. The topic applies to all production sites and research and innovation centers under Solvay's operational control where a process safety risk may be identified. For preventing and controlling incidents in industrial processes, Solvay applies the Process Safety Management PSM Principles on all industrial sites, regardless of whether the site is covered by regulatory requirements.
- Transport Safety entails the prevention and reaction to incidents that could occur during the movement of a chemical product in a Solvay site, and outside a Solvay site when circulating on public roads, rail, air, inland waterways or seas, or during loading or unloading at an off-site location, only if Solvay or a logistics provider contracted by Solvay is performing the loading or unloading.

Specific procedures complement the Health & Safety policy and guide the implementation of process safety management, including risk-based Process Hazard Analyses and Transport Emergency Response at GBUs/Sites.

Stakeholder considerations

Solvay site managers are responsible to apply this policy and implement the Group procedures in their sites. The HSER team enforces the policy implementation through its day-to-day operational oversight, supported by Correspondents at each operational site. HSER organization is responsible for communicating the policy to each GBU and industrial site for its implementation. Employees' representatives are also encouraged to provide feedback on the policy. Other key stakeholders, such as local authorities, local communities, and emergency external entities, are involved at the various steps of the process: risk analysis and control, risk management, and emergency plans.

Actions and resources to manage its material IROs related to Process Safety and Transport Safety

Please refer to the actions in S1 and S2 developed to remediate those harmed by material impact.

Process safety management

We have created and used a Process Safety Management System. Among other things, this system includes:

- A preventive risk-based approach founded on systematic Process Hazard Analyses (PHA), and the identification of critical scenarios for which mitigation actions must be implemented in a committed time frame.
- A team of process safety experts trained and qualified to apply the PHA methodologies. In some cases, external qualified consultants collaborate with Solvay.
- A process safety network covers all zones to manage and deploy process safety to all sites.

Key actions

Below is a description of the key elements of the Process Safety Management System and some actions, applicable to all sites, which are performed either routinely or on an ad hoc basis, depending on the nature of the event (e.g. Management of change or investment projects) and/or severity of an incident.

Actions performed routinely

- Completion of Process Hazard Analyses (PHA) to identify high-risk situations. These are performed on each unit with a unique risk matrix to quantify the risk level of every potential accidental scenario, combining severity and probability factors.
- Conclusion of PHA may result in taking preventive and protective measures to prevent and reduce the impact of more severe scenarios. These measures may require additional investments.
- Management Of Change is a management system for ensuring that changes to processes are properly analyzed, documented, and communicated to affected personnel.
- Central reporting of Process and Transport Safety Incidents. The incident severity – medium, high, or catastrophic – is assessed by applying internal criteria, including on-site or off-site consequences, damage to the immediate vicinity, and quantity of spilled material (if any) (see section below for process safety indicators).
- Publication of process safety bulletins for significant incidents, distributed to all sites. These bulletins are used by the sites as support materials for safety talks to increase the process safety knowledge of employees.
- Training of workforce and contractors. Training modules/videos on process safety knowledge are available to all Solvay employees and concerned contractors working on industrial sites.
- Process safety performance is regularly measured by conducting regulatory compliance and Solvay HSE Group Requirement audits according to Solvay's HSE Compliance and Group Requirements Audit procedure.

Actions performed on ad hoc basis (pending occurrence of an incident or specific event):

- Safety study during the design phase of new installations or changes to existing equipment.
- Activation of an Emergency Response Plan in case of severe incidents on site. Relevant internal and external parties are informed through the application of Solvay's crisis management procedure. If needed, the Corporate Crisis Cell (crisis alert duty 24/7) is also activated.
- In case of an accident (process- or transport-related), root cause analysis, including actions to prevent recurrence and lessons-learned bulletins are mandatory for all high and catastrophic severity incidents, and for medium severity incidents resulting in a fire or an explosion, as well as for High Severity Potential incidents (HSPos). The HSE Management System is a dynamic risk management system, continuously enhanced on past experiences.

Resource allocation

Transport safety management

The major goal of the Transport Safety Management is to prevent incidents that could lead to catastrophic consequences. We have put in place a number of tools and procedures that allow us to identify and take action to mitigate transport-related risks.

Below is a description of the key elements and some actions that are performed either routinely or in exceptional circumstances, depending on the nature of the incident:

- regulatory watch and compliance with applicable transport regulations
- qualification standards for carriers of dangerous goods
- selection process for Logistics Service Providers, based on hazard and risk assessment
- implementation of safety procedures and guidelines
- operational management of day-to-day transport operations, including loading and unloading
- emergency preparedness and response for levels 1, 2, and 3
- providing emergency response hotlines worldwide and in many languages
- incident reporting and investigation
- training of workforce and contractors
- auditing

Action monitoring

We monitor the effectiveness of measures taken as part of process and transport safety management by means of a series of indicators presented in the section below. Actions taken on the reporting year are also systematically reviewed according to the ISO45001 principles (cf. Dynamic risk management system).

Targets and metrics set to manage material IROs related to Process Safety and Transport Safety

Our ambitions

We aim at zero accidents within our premises and from our operations. We are dedicated to prevention and mitigation of incidents. This effort is guided by our global and local action plans.

To evaluate the effectiveness of our policies and actions, we monitor and measure process safety- and transport- related metrics and performance indicators periodically.

Our process safety and transport safety indicators are tracked using a centralized project tracking tool, with progress assessed on an annual basis against defined metrics and KPIs.

Process safety indicators

Our facilities are designed and operated to safeguard Health & Safety as a core element of our sustainability strategy. In particular, we aim to have no incidents of medium or higher severity (defined below) within the reporting year, and to reduce the number of low severity incidents and the Process Safety Incident rate compared to the previous year.

All incidents are recorded, managed, and followed up at site levels. The Group HSE reporting procedure is defining the process for each site to centralize the reporting of every incident equal or above the medium severity level and/or HSPo incidents.

The incidents are categorized as per the following scale of severity:

- High or catastrophic severity: reversible injuries off-site, or irreversible injuries on-site, or reversible environmental damage off-site, or damage to equipment with direct cost above EUR 2 million.
- Medium severity incident: first aid injuries off-site, reversible injuries on-site, or operating permit limits exceedance, fire, explosion, rupture of a piece of equipment with damage above EUR 2,500, or chemical release with amount above the ICCA thresholds.
- Low severity incident: none of the high or medium severity criteria is met.

Process safety indicators for 2024 are summarized in the table below:

PROCESS SAFETY	Units	2024
Process Safety Incidents with C (catastrophic severity)	Number	0
Process Safety Incidents with H (high severity)	Number	0
Process Safety Incidents with M (medium severity)	Number	59
Total process safety incidents (medium, high, catastrophic)	**Number**	**59**
Process safety incidents (medium, high, catastrophic) with environmental consequences (medium, high or catastrophic) with reportable operating permit limit exceedance	Number	5
Process safety incidents (medium, high, catastrophic) with environmental consequences (medium, high or catastrophic) without reportable operating permit exceedance	Number	7

Transport safety indicators

A HSPo incident is a low or medium severity incident, or near misses that might have been worse (high or catastrophic) if the circumstances had been slightly different.

Solvay had three transport safety incidents of medium severity in 2024.

TRANSPORT SAFETY	Units	2024
Catastrophic	Number	0
High Severity	Number	0
Medium Severity	Number	3

6.3.3. Workers in the value chain

Impact materiality:

Topic	Sub-topic	Sub-sub-topic	IRO Type	Actual/ Potential	IRO Description	Geography	Value Chain	Time Horizon
Workers in the value chain	Working conditions	Health and safety	**Negative impact**	Potential	Inadequate working conditions at our suppliers' mines could potentially lead to (injuries and/or?) fatalities amongst their workers.	Countries at risk	Upstream	Short term
Workers in the value chain	Working conditions	Health and safety	**Negative impact**	Potential	An accident off site (e.g., transportation, warehousing, tolling) could potentially cause fatalities and/or environmental damage.	WW	Own operations + Downstream	Short term
Workers in the value chain	Other work-related rights	Child labour	**Negative impact**	Potential	Raw material suppliers may breach human rights principles by using child labor in their activities.	Countries at risk	Upstream	Medium term
Workers in the value chain	Other work-related rights	Forced labour	**Negative impact**	Potential	Our suppliers for raw materials may breach human rights principles by using forced labor to supply Solvay.	Countries at risk	Upstream	Medium term

S2- SBM-3 Material IROs and their interaction with Strategy and business model

All value chain workers likely to be materially impacted are included in the scope of this disclosure. We have developed an understanding of workers at greater risk from market knowledge and experience. This understanding helped us to conclude that the most at-risk workers are in the raw materials value chain. Thanks to this understanding, we have started, for example, to apply a specific CSR questionnaire for workers in mines to be able to address all risks related to doing mining activities and working in this particular context with particular characteristics. However, no material risks or opportunities have been identified; Solvay only potentially has negative impacts.

Furthermore, no significant risk of child labor has been identified, nor of forced or compulsory labor, for our workers who are on-site but not part of our own workforce, workers in the upstream and downstream value chain, workers in joint ventures or special purpose vehicles, or vulnerable workers.

We have subscribed to a third-party risk management platform for adverse media screening to monitor and identify Solvay's supply chain's risks and impacts related to different matters such as modern slavery and human rights (including forced labor and child labor), anti-bribery and corruption, and environmental, social, and governance considerations. This provides transparency through our value chain, enabling us to develop risk mitigation action and remediation plans. In 2023, we requested that our service provider conduct a comprehensive screening of the suppliers in at-risk countries and value chains, and our core suppliers. The value chains include: Technical Goods and Technical Services, Raw Materials, Logistics, Packaging, General Expenses, Energy, IT, and Telecommunication.

In 2024, all suppliers doing business with Solvay in Germany were added to the screening. The batch screening results highlighted four suppliers with eight adverse media alerts regarding human rights during 2023 and 2024, but none of the alerts concerned direct and proven involvement in forced labor or child labor practices. None of the eight alerts condemn our suppliers. These are articles about widespread, systemic impacts, not individual ones.

S2-1 Policies to manage IROs related to value chain workers

We are committed to meeting our responsibility to respect human rights and act with due diligence to avoid any infringement of human rights or any adverse impact on or abuses of such rights, according to Solvay's **Human Rights in Business Policy** *(see MDR-P table for more information)*. Solvay's Human Rights in Businesss policy is publicly available to all stakeholders who may potentially be impacted by our operations. This Policy serves as a foundation for integrating the responsibility to respect human rights into Solvay's business activities. It outlines the human rights that are most relevant to our operations and value chain, including health and safety; the right to a clean, healthy, and sustainable environment; freedom of association and collective bargaining; non-discrimination; and the prohibition of child labor, forced labor, or human or sex trafficking.

In committing to fostering a sustainable and responsible value chain, we engage with our suppliers to promote responsible sourcing practices. We require suppliers to adhere to Solvay's **Supplier Code of Business Integrity**, which includes provisions related to labor rights, safety, and environmental standards. To reinforce this further, we have created and implemented Solvay's Sustainable Procurement Policy *(see MDR-P table for more information).*

To demonstrate this commitment, Solvay undertakes to uphold internationally recognized human rights as outlined in the following standards and conventions:

- Universal Declaration of Human Rights,
- International Covenant on Civil and Political Rights,
- International Covenant on Economic, Social and Cultural Rights,
- International Labor Organization's (ILO) eight core labor conventions,
- ILO Declaration on Fundamental Principles and Rights at Work, and
- Convention on the Rights of the Child.

Moreover, Solvay adheres to the following standards outlining expectations of companies:

- United Nations (UN) Global Compact,
- ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy,
- OECD Guidelines for Multinational Enterprises,
- UN Guiding Principles on Business and Human Rights, and
- Children's Rights and Business Principles.

We engage with various stakeholders to foster a collaborative approach to human rights. This engagement includes ongoing dialogue with suppliers to understand their perspectives and concerns regarding human rights practices. We adopt a proactive approach to engaging with value chain workers, ensuring their rights and welfare are prioritized throughout Solvay's operations.

Our engagement strategy includes several key components:

- Request for all suppliers to commit to Solvay's Supplier Code of Business Integrity,
- Corporate Social Responsibility (CSR) Questionnaire, to assess the suppliers' engagement and practices related to labor rights, safety, and environmental standards.
- Collaboration with third-party organizations such as EcoVadis and Together for Sustainability (TfS) to conduct assessments and audits of supplier performance. This helps us to identify risks and areas for enhancement in Solvay's supply chain engagement. In 2024, 1,345 of our suppliers were assessed by EcoVadis and 18 of our suppliers were audited. 96% of our core suppliers are assessed by EcoVadis.

We are committed to continuously improving our approach to human rights remediation. The company regularly reviews and updates the policy and practices based on emerging best practices, changes in the legal and regulatory landscape, and stakeholder feedback, if any. If updates are made to the policy, alterations are also reflected in the version available to our stakeholders via our website. Currently, there are no additional mechanisms in place except those already mentioned to make this policy available to potentially affected stakeholders or those involved in its implementation.

S2-2 Processes for engaging with value chain workers about impact

Under the Global Framework Agreement on social responsibility and sustainable development between Solvay Group and IndustriALL Global Union, Solvay demonstrates a strong commitment to human rights across all operations.

Key aspects include adherence to:

- ILO conventions: Protecting freedom of association and the right to collective bargaining, while strictly prohibiting forced labor, child labor, and discrimination of any kind.
- United Nations Global Compact: As a signatory, Solvay commits to its ten principles, specifically regarding human rights, labor rights, environmental responsibility, and anti-corruption. This includes supporting human rights within Solvay's influence and ensuring no complicity in human rights abuses.
- Universal Declaration of Human Rights and UN Guiding Principles on Business and Human Rights.

We expect Solvay's suppliers, contractors, and subcontractors to comply with the law and with statutory regulations, as well as basic human rights stipulated by international agreements and standards, and therefore contribute to Solvay's compliance with the provisions of the Agreement.

We assess the effectiveness of our engagement with value chain workers through a comprehensive approach. The procurement team, led by the Chief Procurement Officer, is responsible for the engagement. This includes third-party screening via Dow Jones, which evaluates suppliers' adherence to social and environmental standards. We also use the TfS initiative to conduct audits focused on labor conditions and human rights in the supply chain. EcoVadis scorecards are also collected to monitor supplier performance on sustainability, including worker rights and welfare. If any issues are identified, Solvay works with suppliers to implement corrective actions, ensuring continuous improvement in worker engagement and compliance. Solvay does not directly engage with value chain workers or their legitimate representatives, or with credible proxies directly, but via independent third parties - EcoVadis or similar players - and via auditing, especially in cases of low ESG scores on human rights. According to Solvay's Sustainable Procurement Policy *(see MDR-P table for more information)*, the third-party assessments are performed every three years unless the supplier has an EcoVadis score below 45 or 30, in which case an assessment is performed in the second or first year, respectively. An audit is performed when a supplier has an EcoVadis score below 30 on human rights. We help our suppliers improve on a continuous basis.

The perspectives of value chain workers inform our decisions or activities. For example, we have developed a specific CSR questionnaire for workers in mines to be able to address all risks related to working in these specific areas and insert more rigor when working or selecting suppliers with such workers.

No additional steps are in place to gain insight into the perspectives of vulnerable and/or marginalized workers.

S2-3 Disclosure of approach to and processes for providing or contributing to remedy in case of material negative impact on value chain workers

Currently, there are no direct engagement initiatives for workers in the value chain. However, in alignment with the Corporate Sustainability Due Diligence Directive, a comprehensive project on Responsible Value Chain Due Diligence is currently underway, aiming to assess and mitigate risks related to workers' rights and environmental conditions. However, Solvay is committed to ensuring that effective communication channels are available for all stakeholders, including suppliers and value chain workers.

To support this commitment, the organization has implemented a grievance mechanism that allows stakeholders to report concerns or violations confidentially and without fear of retaliation. The organization promotes transparency by publicly disclosing information about the available channels through the website, internal communications, and training, ensuring that all stakeholders are aware of their rights and the processes available to them. Additionally, Solvay ensures that workers within the value chain are informed about - and have confidence in - Solvay's grievance system by mentioning, in the Supplier Code of Business Integrity, the possibility for the suppliers' workers to report through Solvay's channel.

Solvay adopted an external third-party helpline, available 24/7 throughout the year, ensuring that all complaints are taken seriously and addressed promptly. Employees and external parties can report concerns anonymously if they choose. This helpline operates in 19 languages, covering all of Solvay's locations, and is in the Ethics and Compliance section of Solvay's website.

We have established robust mechanisms for identifying, reporting, and investigating concerns regarding unlawful behavior or actions that breach Solvay's Code of Business Integrity, policies, and other internal rules. Solvay's Code of Business Integrity, the Suppliers Code of Business Integrity and the Speak Up Policy ensure that each incident is reviewed and, as appropriate, investigated promptly, independently, and objectively, providing a secure and confidential process for employees (including workforce) and stakeholders to report concerns, ensuring that investigations are handled with appropriate follow-up actions to address any misconduct. Currently, no mechanism is in place to assess whether the remedy provided is effective.

Solvay's Speak Up Policy upholds three key principles: confidentiality, anonymity, and non-retaliation. The company ensures that reports and information that could reveal an individual's identity remain confidential to the extent reasonably possible, disclosed only on a need-to-know basis or as required by local laws. Individuals can choose to remain anonymous, and such reports are treated with equal seriousness. All individuals are protected from retaliation when reporting breaches of law, policy, or the Code of Business Integrity in good faith.

The management of investigations into human rights issues falls under the direct responsibility of the Ethics & Compliance Department, which is an independent function within Solvay, as indicated in the Code of Business Integrity. This department oversees all aspects of the investigation process, from initial assessment to final resolution, ensuring strict confidentiality and compliance with Solvay's internal policies and legal standards. High-risk and impact cases are reported by the Chief Ethics & Compliance Officer to the Business Ethics & Compliance Board, the Sustainability Committee and to the Audit & Risk Committee of Solvay's Board of Directors.

S2-4 Action plans and resources to manage its material IROs related to value chain workers

We are committed to preventing, mitigating, and remediating material negative impacts on workers throughout our value chain. As part of this commitment, we are planning to organize targeted training sessions for contractors to be rolled out in March 2025. Additionally, a comprehensive project on Responsible Value Chain Due Diligence is currently underway. Its objective is to consolidate the Group's Responsible Value Chain Due Diligence Policy *(see MDR-P table for more information)*, with a particular focus on areas such as Human Rights, among other critical topics. The final objective is to take measures by the end of 2025 to strengthen prevention or mitigation of any potential and real impacts on the above topics, which could arise from Solvay's own operations and business relationships across the value chain.

We ensure that appropriate actions will be taken to provide or enable remedy in cases of actual material impacts by utilizing Solvay's grievance mechanism. This mechanism facilitates the reporting of any issues, ensures a thorough investigation, and drives timely resolution. Once an issue is reported, Solvay takes corrective actions tailored to the specific nature of the impact. These actions are continuously monitored to ensure they effectively address the underlying issues and mitigate any potential further harm. No significant positive impacts have been identified.

We ensure that Solvay's practices do not cause or contribute to negative impacts on value chain workers through a comprehensive approach. This includes mandating compliance with Solvay's Supplier Code of Business Integrity (SCOBI), which sets clear expectations for ethical conduct, labor rights, and workplace safety among our suppliers. We also include specific clauses in contractual agreements with suppliers that require adherence to human rights standards and prohibit practices that could harm workers in the value chain. Additionally, we conduct human rights assessments and can confirm there have been no significant human rights violations reported within Solvay's operations or those of their suppliers.

The responsibility for managing material impacts related to workers in the value chain falls under the leadership of two functions: Ethics & Compliance and Procurement.

The Ethics & Compliance Department operates under the leadership of the Group General Counsel and Corporate Secretary General. It is structured with Regional Compliance Officers based in each region where the Group operates, all of whom report directly to the Chief Compliance Officer. The Procurement Department operates under the leadership of the Chief Procurement Officer who reports to the Chief Operations Officer. The department is structured both globally and regionally for each region where the Group operates. All procurement staff in the Group report to the Chief Procurement Officer except the energy buyers who report to the Group Energy Officer.

In the past years, we implemented several actions to uphold the Human Rights of our value chain workers as stated in our Supplier Code of Business Integrity. The progress of those actions was not monitored as we expect all our suppliers to adhere to the Human Rights principles as set out for our value chain workers. The actions mentioned above are recent initiatives from Solvay and their progress has not yet been recorded. Although the rights of our value chain workers are a top priority for us, we have not yet assigned any financial resources to our action plan. We do have a dedicated Ethics & Compliance Team as part of our internal resources. Because of this, we can not connect our financial resources with the amounts shown in the financial statements.

S2-5 Targets set to manage material IROs related to value chain workers

Currently, we are still in the process of developing targets externally. We have internal metrics and KPIs to track the effectiveness of our actions and reduce risks. For example, 100% of our core suppliers shall be covered by a third-party ESG assessment and audited in case of a low score on human rights. In addition, all suppliers in a high-risk country and value chain, as well as those doing business with us in Germany, shall be screened. In 2024, 1,345 of our suppliers were assessed by EcoVadis, 18 - audited, and 3951 - screened. 96% of our core suppliers are assessed by EcoVadis. However, we plan to expand this list to incorporate more suppliers continuously.

For more details on all our actions, please refer to paragraph S2-4.

6.4. GOVERNANCE INFORMATION

6.4.1. Business conduct

Financial materiality:

Topic	Sub-topic	Sub-sub-topic	IRO Type	Actual / Potential	IRO Description	Geography	Value Chain	Time Horizon
Business conduct	Corporate culture	N/A	**Risk**	Potential	Risk of Solvay being engaged in anti-competitive behavior (participation in a cartel, abuse of market power etc.).	WW	Own operations	Long term
Business conduct	Corporate culture	N/A	**Risk**	Potential	A non-compliance to Export Control rules, Trade Compliance rules or Sanctioned parties lists causes major financial and reputational damages.	WW	Own operations	Medium term

Impact materiality:

Topic	Sub-topic	Sub-sub-topic	IRO Type	Actual / Potential	IRO Description	Geography	Value Chain	Time Horizon
Business conduct	Protection of whistle- blowers	N/A	**Positive impact**	Potential	Ethics Helpline open to external business partners and treatment of submitted cases at Solvay, helps protecting whistleblowers.	WW	Own operations + Upstream + downstream	Short term
Business conduct	Corruption and bribery	Prevention and detection including training	**Positive impact**	Actual	Implementing training practices to ensure business integrity has a positive impact by helping to prevent bribery and corruption practices and contributing to reducing unfairness.	WW	Own operations	Short term
Business conduct	Corporate culture	N/A	**Positive impact**	Potential	Solvay Compliance and business integrity policies and practice with clear governance at Compliance office prevent from corruption and bribery cases.	WW	Own operations	Short term

G1- GOV-1 The role of the Board of Directors, management, and administrative bodies

As a global chemical group operating in many sectors with a large number of business partners, ethical and compliant behavior is essential to our people and how we do business at Solvay. We have established an organization to reinforce a Group-wide culture based on ethics and compliance. The Ethics & Compliance Department operates under the leadership of the Group General Counsel and Corporate Secretary General. It is composed of Ethics & Compliance Officers located in the regions in which the Group operates, reporting to the Chief Ethics & Compliance Officer. This department is responsible for fostering Solvay's culture of integrity, building a strong 'speak up' culture, addressing and mitigating compliance risks, overseeing the implementation of Solvay's Code of Business Integrity and Compliance policies, increasing third-party oversight, providing guidance and advice to the Group's leadership and operations, and managing and investigating all violations or concerns that are brought to its attention, either alone or with the assistance of other departments.

We have a dedicated legal expert for competition law within the General Counsel Function, who is responsible for implementing the Competition Law Policy and Competition Law Compliance Program, 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.

The Chief Ethics & Compliance Officer reports annually to the Audit & Risk Committee of Solvay's Board of Directors on key achievements, risk mitigation priorities, trends, and data related to the Speak Up Program, in accordance with confidentiality standards. As set out in the Governance Charter, the Audit & Risk Committee ensures the Group's financial statements and communications conform to accounting standards, monitors the effectiveness of internal controls and risk management (including those related to ESG considerations), oversees the systems generating financial data, and verifies key ESG indicators. It evaluates risks impacting the Group's financial position, reviews internal audit processes, and ensures management addresses audit findings. The Committee also handles concerns about financial reporting, recommends the statutory auditor to the Board, monitors external audit implementation, and ensures the auditor's independence. It meets at least four times per year, before each Board of Directors' meeting. The Audit & Risk Committee invites the Chief Financial Officer, the Head of Group Accounting & Reporting, officers of the Internal Audit & Risk Management function, the Group General Counsel, the statutory auditor for the Group, and the Chief Ethics & Compliance Officer to give their respective reports during each of its meetings or as relevant.

The Chief Ethics & Compliance Officer chairs the Business Ethics & Compliance Board, with members including the Group General Counsel, the Chief People Officer, the Chief Sustainability Officer (CSO), a GBU President, and the Head of Internal Audit & Risk. This Board has a semi-annual periodicity, and its agenda is organized by the Chief Ethics & Compliance Officer, who reports on ethics and compliance focus areas strategy, reviews policies and procedures, and ensures that Solvay complies with applicable rules, regulations, and requirements within the business. The Chief Ethics & Compliance Officer also ensures that Solvay's ethical standards are clear, documented, and followed where applicable.

The Ethics & Compliance Disciplinary Committee oversees the investigation and approves the outcome and potential sanctions of cases with a high risk and impact from a people or reputational perspective, such as all reports related to allegations of corruption, antitrust, human rights violations, or reports related to senior management. The Disciplinary Committee is composed of senior leaders with specific expertise in governance, legal affairs, human resources, and business operations, ensuring a comprehensive and informed approach to evaluating serious Ethics & Compliance cases. The Disciplinary Committee is constituted by the Group General Counsel, Chief People Officer, and Chief Ethics & Compliance Officer, who are the voting members. Invitees, such as the GBU President/Functional Head and the Investigating Ethics & Compliance Officer, provide business input and perspectives, with the latter offering insights but not participating in the decision-making process.

G1- IRO-1 Description of the processes to identify and assess material IROs

The process to identify and assess material IROs is described in the General Disclosure section 1.4 IROs management.

G1.1 7 Policies in place to manage its material impacts, risks, and opportunities related to business conduct and corporate culture

For a list of our policies, please refer to the MDR-P table in section ESRS 2.

G1-1 Corporate culture and Business conduct policies

Solvay's Code of Business Integrity serves as a foundational framework, guiding responsible decision-making, enhancing accountability, and showcasing the company's dedication to integrity, sustainability, and stakeholder engagement. The Code addresses topics such as bribery, corruption, facilitation payments, gifts, and entertainment (including in dealings with government officials), conflicts of interest, international trade, fair competition, and political contributions. Our Code of Business Integrity applies to all Solvay employees, across the globe, and to majority-owned joint ventures. We expect our business partners to operate in compliance with laws and regulations within their operations and adapt to the spirit of Solvay's Code of Business Integrity.

To further strengthen Solvay's high ethical legal standards, our commitments to integrating economic, societal, and environmental sustainability in our activities and our partnerships in the supply chain, Solvay also has a Supplier Code of Business Integrity. This Supplier Code applies to all Solvay suppliers of goods or services and all the suppliers' subcontractors under their control. It sets forth the minimum requirements of ethical behavior and legal compliance acceptable to be a supplier to Solvay, addressing legal compliance for business integrity (including corruption, bribery, conflict of interest, and competition law), confidentiality, respect for human rights, health and safety protection, environmental protection, sustainability, and communication to supplier employees and subcontractors.

The ELT holds the primary responsibility to validate and approve the Code of Business Integrity and the policies that are part of the Ethics & Compliance Program. The Chief Ethics & Compliance Officer is the most senior level in the organization accountable for the implementation of these policies. Solvay's policy-setting mechanisms do not directly incorporate the interests of key stakeholders. Instead, engagement is achieved through our comprehensive DMA process, which values stakeholder viewpoints, uses these insights to shape our Code of Business Integrity, and ensures their interests are considered in our strategic ambitions.

We make Solvay's Ethics & Compliance Program, Code of Business Integrity, and policies accessible to all stakeholders via the company's intranet and website. We also conduct orientation training for new employees and annual refreshers. There is provision for reporting any violations through the Speak Up Program, an internal grievance system available to both internal and external stakeholders. For further inclusivity, we have set up a 24/7 external helpline for anonymous reporting of concerns in multiple languages, thereby ensuring that the policy is implemented and upheld globally.

Anti-bribery and anti-corruption

Solvay demonstrates robust commitment to the prevention and elimination of bribery and corruption. Our Code of Business Integrity expressly states that the Group prohibits bribery in any form. 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. Our approach to preventing corruption and bribery is supported by more detailed policies and elements, including the Anti-Bribery and Anti-Corruption Policy; Gifts, Entertainment, Charitable Donations, and Sponsorship Policy; Conflict of Interest Policy; Training and Communication; and Risk Management and Internal Controls. More specifically, the Anti-Bribery and Anti-Corruption Policy reflects best practices consistent with global standards, such as the United Nations Convention against Corruption.

For more information on our policies, please refer to the MDR-P table.

Competition Law and Antitrust

Complying with competition and antitrust law requirements is a priority for Solvay. For that reason, in 2024 we renewed our Competition Law Policy *(please refer to the MDR-P table for more information)*, which propagates a zero-tolerance approach toward competition law infringements. This formal policy was approved by the ELT and is published on our intranet, to which all Solvay employees have access. Any violation of this policy may result in disciplinary action, subject to and in conformity with applicable laws, as per the procedures set out in this section.

To implement Solvay's Competition Law Policy, we have a concrete Competition Law Compliance Program in place, designed to mitigate the specific risks the Group has identified in this field of law. It has been in force since 2003 and is updated annually. It includes a competition law toolkit on our intranet with up-to-date guidelines on specific areas of competition law, including distribution agreements, information exchange in joint ventures and swaps, among other topics. To minimize cartel risks, we have put in place a computer-based system that tracks all contacts that relevant employees have with competitors through a managerial approval procedure. Solvay provides e-learning courses on (i) competition law in general and (ii) on the use of the computerized tracking system of meetings with competitors, which we deem especially important for employees with roles that involve greater likelihood of meeting competitors and exposure to antitrust risks.

Antitrust litigation serves as an example of why competition law compliance remains a priority for the Group. In Brazil, CADE (the Brazilian antitrust authority) levied fines against subsidiaries of Solvay and other third parties in May 2012, relating to hydrogen peroxide activities, and in May 2016, relating to sodium perborate activities. Solvay's aggregate share of these fines amounts to EUR 29.6 million and EUR 3.99 million, respectively. We have since brought a lawsuit before the Brazilian Federal Court to contest these administrative fines.

In an environment of increasing trade complexity, we have implemented a Group Trade Compliance Policy *(please refer to the MDR-P table for more information)* to ensure compliance with all applicable laws and regulations related to international trade, export control, economics sanctions, customs operations, and anti-boycott, thereby avoiding major financial and reputational risks to Solvay. This policy is supplemented, for its practical and effective implementation, by the Group Trade Compliance Program, which is a set of more detailed requirements, guidelines, missions, and templates consolidated into one document.

Human Rights

The Human Rights in Business Policy states Solvay's strong commitment to Corporate Social Responsibility, including the protection and advancement of Human Rights, establishing the principles to ensure respect for human rights.

This policy is further detailed in section S1-1: Policies related to own workforce, as well as in the MDR-P table.

Solvay's Code of Business Integrity and the policies and procedures adopted to enhance good governance apply to all employees wherever they are located. Majority-owned joint ventures are held to the Solvay Code of Business Integrity, or to a separate code adopted based on similar principles. We expect Solvay's business partners to comply with all laws and regulations governing their activities, both within their own worksites and at the Group, and to encourage adherence to the spirit of this Code of Business Integrity throughout their operations.

To ensure employee awareness and the effective communication of Solvay's Ethics & Compliance Program, Code of Business Integrity, and policies, periodic global awareness campaigns are implemented, and documents are accessible both on Solvay's intranet for employees and website for all stakeholders. All employees are also required to complete the Code of Business Integrity training as part of their onboarding, which must be repeated on an annual basis.

Speak Up

Solvay's commitment to ethical and compliant behavior is materialized through our Speak Up Program, which is overseen by the Audit Committee of the Board of Directors and promotes a culture in which stakeholders are encouraged to report any concerns or potential violations via internal channels or Solvay's grievance system, which is available to both internal and external stakeholders. The company has established robust mechanisms for identifying, reporting, and investigating concerns regarding unlawful behavior or actions that breach Solvay's Code of Business Integrity, policies, and other internal rules. The Code and the Speak Up Policy ensure that each incident is reviewed and, as appropriate, investigated promptly, independently, and objectively, providing a secure and confidential process for employees and stakeholders to report concerns, while ensuring that investigations are handled with appropriate follow-up actions to address any misconduct.

Solvay offers various internal channels through which employees can raise concerns. These include line management, Ethics & Compliance, the General Counsel Function, Internal Audit, Human Resources, and employee representatives. In addition, Solvay set up an external third-party helpline, available 24/7 throughout the year, available for employees and external parties to report concerns anonymously if they choose. This helpline operates in 19 languages, covering all of Solvay's locations, and can be found in the Ethics & Compliance section of Solvay's website.

Solvay's Speak Up Policy upholds three key principles: confidentiality, anonymity, and non-retaliation. The company ensures that reports and information that could reveal an individual's identity remain confidential to the extent possible, disclosed only on a need-to-know basis or as required by local laws. Individuals can choose to remain anonymous and such reports are treated with equal seriousness. Solvay's external third-party helpline is set up and has technical features to ensure confidentiality and anonymity. Solvay has established clear procedures to protect the identity of individuals who report concerns to the company, including restricted access to information relating to reports and minimizing personal data throughout the investigation process. All individuals are protected from retaliation when reporting breaches of law, policy, or the Code of Business Integrity in good faith, in accordance with the applicable law transposing Directive (EU) 2019/1937 of the European Parliament and of the Council. Solvay's strict non-retaliation policy is detailed in the Code of Business Integrity and Speak Up Policy.

Employees and leadership are trained on how to identify and act against retaliation through a specific module on the yearly Code of Business Integrity training. We encourage our employees to report any retaliation matters through Solvay's grievance system, which has a specific issue type for "harassment including retaliation". Retaliation acts toward individuals that raised concerns in good faith result in disciplinary action, up to and including termination of employment.

Upon receiving a report of unlawful behavior or breach to the Code of Business Integrity and policies, Solvay promptly reviews the information and, as appropriate, initiates an investigation process led by independent, dedicated, and trained compliance professionals, who are part of the Ethics & Compliance department and report to the Chief Ethics & Compliance Officer. These are professionals experienced in conducting investigations, who continuously and actively update and expand knowledge on relevant laws, regulations and practices, which includes reviewing industry publications, attending webinars and conferences and participating in compliance professionals groups to discuss market trends and exchange on best practices.

We demonstrate Solvay's commitment to accountability through our approach to resolving identified issues. Based on the investigation's findings, appropriate actions are taken, which may include disciplinary measures, policy updates, or other corrective steps, focusing continuous improvement to mitigate risks and ensuring the highest standards of ethical behavior.

Employees receive training and information on the speak-up culture, internal reporting channels, and grievance system through specific modules included in the Code of Business Integrity training, ad-hoc classroom and remote training, regular internal communications, and information available and accessible on the company intranet (Solvay ONE).

G1-3 Prevention and detection of corruption and bribery

Solvay's framework for preventing and detecting corruption and bribery is built on several key policies, which ensure ethical behavior across the organization. Our action plan involves implementing and maintaining a robust framework to prevent, detect, and address potential violations of anti-corruption and commercial bribery laws. At the core of this framework is the Code of Business Integrity, which defines the company's ethical principles and is complemented by more specific policies, such as the Anti-Bribery and Anti-Corruption Policy, the Policy on Gifts, Entertainment, Charitable Donations, and Sponsorship, the Conflict-of-Interest Policy, and the Speak Up Policy. Together, these policies create a comprehensive approach to mitigating risks related to unethical behavior.

For more information on these policies, please refer to the MDR-P table.

Anti-Bribery and Anti-Corruption Policy

In line with global standards and regulations, Solvay's Anti-Bribery and Anti-Corruption Policy provides a framework of rules and procedures to detect, prevent, and address potential violations foreseen in anti-corruption and commercial bribery laws. Our action plan applies to all Solvay employees, including executives, and third parties acting on Solvay's behalf. The policy contains the definition and strict prohibition of bribery and facilitation payments, as well as the procedures for high-risk transactions such as retention of intermediaries, mergers and acquisitions, and the obligation to report.

Policy on Gifts, Entertainment, Charitable Donations, and Sponsorship

The Policy on Gifts, Entertainment, Charitable Donations, and Sponsorship sets strict rules for employees regarding the acceptance or offering of gifts and hospitality. This policy ensures that gifts or entertainment, whether received or offered, do not influence business decisions, or create conflicts of interest. The Policy also prohibits the exchanges of gifts and entertainment with government officials, politically exposed persons, or their immediate family members, except for limited circumstances described in the document and after the approval of Ethics & Compliance. Ethics & Compliance's analysis and prior approval is also required when charitable donations exceed a defined threshold, ensuring adherence to the policy and compliance with the law. Solvay also uses an online tracking system (Gifts and Entertainment Tracking System - GETS), accessible to all employees in Solvay's intranet, to monitor these transactions, ensuring traceability, transparency, analysis, and approval from management and Ethics & Compliance. The use of the tracking system is part of Solvay's Internal Audit review process and complies with ethical standards.

The Code of Business Integrity sets the scenarios that are deemed to be a conflict of interest, such as intimate or familial relationships with business partners. The Code is complemented by the Conflict of Interest Policy, which further details the risk scenarios and expected conduct. Employees are required to report potential conflicts of interest immediately to management, Human Resources, or Ethics & Compliance, ensuring that any risk of undue influence or bias in decision-making is addressed promptly. Employees and third parties acting on our behalf exercise fair, objective, and impartial judgment in all business dealings and place the interests of Solvay over any personal interests in matters relating to Solvay's business.

Solvay's approach to preventing bribery and corruption is supported by more detailed policies and elements, including the Anti-Bribery and Anti-Corruption Policy; Gifts, Entertainment, Charitable Donations, and Sponsorship Policy; Conflict of Interest Policy; Training and Communication; and Risk Management and Internal Controls. More specifically, the Anti-Bribery and Anti-Corruption Policy reflects best practices consistent with global standards, such as the United Nations Convention against Corruption.

In terms of detection, Solvay's Speak Up Policy provides employees, business partners, and all stakeholders with confidential channels through which they can report concerns about unethical conduct (Ethics Helpline). The management of investigations into potential corruption and bribery falls under the direct responsibility of the Ethics & Compliance Department, which is an independent function within Solvay, as indicated in the Code of Business Integrity. This department oversees all aspects of the investigation process, from initial assessment to final resolution, ensuring strict confidentiality and compliance with Solvay's internal policies and legal standards. Investigation of reports related to allegations or incidents of corruption and bribery received by Ethics & Compliance directly or through the grievance system is overseen and approved by the Ethics & Compliance Disciplinary Committee, which ensures involvement of senior leadership, and effective risk management. Appropriate actions approved by the Committee may include disciplinary measures, enhanced controls, or additional training. We ensure that individuals conducting, overseeing, and approving investigations are independent from the matter at hand.

High-risk and impact cases involving allegations or incidents of corruption or bribery, particularly those with potential legal or reputational risks, are reported by the Chief Ethics & Compliance Officer to the Business Ethics & Compliance Board and to the Audit Committee of Solvay's Board of Directors.

One of the key pillars in Solvay's anti-corruption framework is the continued training of employees, to maintain our culture of integrity. Mandatory training on the Code of Business Integrity and the policies is rolled out regularly, ensuring that all staff, from entry-level to executives, are well-versed in the potential risks, scenarios, expected conduct, obligation to report, and reporting channels. To obtain the completion certificate, participants need to achieve a pass mark between 80% and 100%, which varies by chapter.

Anti-bribery and anti-corruption web-based training is carried out on a two-year cycle for a pre-identified target population, which includes all employees grade S15 and above, irrespective of their function and including all the company's executives, to ensure that all employees exposed to risk are periodically trained. Targeted employees on leave (e.g., sick leave, parental leave) must provide justification for their absence and complete the training upon their return. The most recent online training course, available in 16 languages, took place in 2023; 98.80% of the target population was trained.

The anti-bribery and anti-corruption web-based training content covers the definition of bribery, high-risk transactions, working with third parties, working with distributors and sales agents, and how to report a potential violation. For employees to obtain the completion certificate, they have to check their knowledge and answer at least 80% of the questions in the test correctly.

In addition, an export control and sanctions compliance web-based training, mandatory for all S15 and above employees, including executives. No specific participation rates were given for this training, but employees must answer end-of-module test questions to receive a completion certificate, with a minimum of 80% of correct answers.

When a Solvay policy is implemented or reviewed, a communication campaign ensures that all employees are updated. In addition to the information available on Solvay's website, business partners are informed of the company's integrity and compliance standards through the Code of Business Integrity, Supplier Code of Business Integrity, and compliance clauses inserted into partnership agreements.

Solvay provides e-learning courses on (i) competition law in general and (ii) on the use of the computerized tracking system of meetings with competitors, which we deem especially important for employees with roles that involve greater likelihood of meeting competitors and exposure to antitrust risks. The participation rate of the relevant training campaign for onboarders for both e-learning courses in 2024 was 100%. We also organized additional, tailored, face-to-face training for 57 high-risk individuals.

The Code of Business Integrity training is web based, offered in 16 languages, and covers a wide range of topics, including behavioral risks such as bribery, corruption, harassment, Speak Up culture and retaliation, and the grievance system, with specific modules for leadership roles, including Listening Up. This training is rolled out every year to all Solvay employees who must answer test questions at the end of every module and confirm their adherence to the Code of Business Integrity and their commitment to report violations through the available channels to obtain the completion certificate. To obtain the completion certificate, employees answer test questions at the end of every module and confirm their adherence to the Code of Business Integrity and their commitment to report violations through the available channels. In 2024, 95.40% of the target population was trained on the Code of Business Integrity. Internal Audit routinely reviews the implementation and completion rates of training modules as part of their audit engagements.

Although business conduct and detection and prevention of corruption and bribery are a top priority for us – and we already have a dedicated Ethics & Compliance team in place as part of our internal resources- we have not yet assigned any financial resources, such as Capex and Opex, to our action plan. Because of this, we cannot connect our financial resources with the amounts shown in the financial statements.

G1-4 Confirmed incidents of corruption or bribery

Solvay employees or stakeholders have various channels through which they can report their concerns to the company about unlawful behavior or behavior breaching the company's Code of Business Integrity and additional business conduct policies. Through the Speak Up Program, any concerns are reviewed, followed-up on, and investigated by Ethics & Compliance, as appropriate. In keeping with our commitment to transparency, Solvay's grievance system - available and easily accessible to employees and third parties through our website or a toll-free number - is used to report progress on investigations and give feedback to those concerned, where appropriate.

We continued to increase awareness about speaking up and raising concerns without fear of retaliation. Speak Up was also part of the annual mandatory training for all our employees, to raise awareness that speaking up applies to the full spectrum of topics referenced in the Code of Business Integrity, which includes bribery and corruption. Speaking up enables Ethics & Compliance to investigate and address concerns or potential breaches. Of the reports received and investigated in 2024, there was no increase in severity in comparison to the previous year and none of the reported cases were critical to our business or caused adjustments to our financial results.

For the 2024 period, Solvay had no convictions for violations of anti-corruption and anti-bribery laws. Additionally, the company incurred no fines related to any such violations. These results reflect the effectiveness of our strong governance framework, including the Anti-Bribery and Anti-Corruption Policy *(please refer to the MDR-P table for more information)*, robust training programs, and the diligent efforts of Ethics & Compliance to uphold the highest ethical standards across our global operations.

At Solvay, we have not established specific targets relating to business conduct, anti-corruption, anti-bribery, or other ethics and compliance aspects, although we continuously monitor these areas. We remain committed to upholding best practices and adhering to our stringent business conduct framework to safeguard our integrity and ethical standards.

6.5. APPENDIX 1: DATA POINTS DERIVING FROM OTHER EU LEGISLATION

Disclosure Requirement and related datapoint[*]	SFDR	Pillar 3	Benchmark Regulation	EU Climate Law	Section in Sustainability statements
ESRS 2 GOV-1 **Board's gender diversity paragraph 21 (d)**	X		X		Governance -The role of the Administrative, Mangement and supervisory Board
ESRS 2 GOV-1 **Percentage of board members who are independent paragraph 21 (e)**			X		Governance -The role of the Administrative, Mangement and supervisory Board
ESRS 2 GOV-4 **Statement on due diligence paragraph 30**	X				Governance - Disclosure of mapping of information provided in sustainability statements about due diligence process
ESRS 2 SBM-1 **Involvement in activities related to fossil fuel activities paragraph 40 (d) i**	X	X	X		Not material
ESRS 2 SBM-1 **Involvement in activities related to chemical production paragraph 40 (d) ii**	X		X		Basis of preparation - United Nations Sustainable Developpment Goal
ESRS 2 SBM-1 **Involvement in activities related to controversial weapons paragraph 40 (d) iii**	X		X		Not material
ESRS 2 SBM-1 **Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv**			X		Not material
ESRS E1-1 **Transition plan to reach climate neutrality by 2050 paragraph 14**				X	ESRS E1 : Climate Change -Our Transition Plan for Climate change Mitigation
ESRS E1-1 **Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)**		X	X		ESRS E1 : Climate Change -Our Transition Plan for Climate change Mitigation
ESRS E1-4 **GHG emission reduction targets paragraph 34**	X	X	X		ESRS E1 : Climate Change - Targets
ESRS E1-5 **Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38**	X				ESRS E1 : Climate change - Energy Consumption and mix
ESRS E1-5 **Energy consumption and mix paragraph 37**	X				ESRS E1 : Climate change - Energy Consumption and mix
ESRS E1-5 **Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43**	X				ESRS E1 : Climate chang- Energy Consumption and mix
ESRS E1-6 **Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44**	X	X	X		ESRS E1 : Climate Consumption - GHG Emissions
ESRS E1-6 **Gross GHG emissions intensity paragraphs 53 to 55**	X	X	X		ESRS E1 : Climate Consumption - GHG Emissions intensity
ESRS E1-7 **GHG removals and carbon credits paragraph 56**				X	ESRS E1 : Climate Consumption - GHG removals and carbon credits
ESRS E1-9 **Exposure of the benchmark portfolio to climate-related physical risks paragraph 66**			X		2025 Phase-in
ESRS E1-9 **Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)**		X			2025 Phase-in
ESRS E1-9 **Location of significant assets at material physical risk paragraph 66 (c)**		X			2025 Phase-in
ESRS E1-9 **Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)**		X			2025 Phase-in
ESRS E1-9 **Degree of exposure of the portfolio to climate- related opportunities paragraph 69**			X		2025 Phase-in
ESRS E2-4 **Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28**	X				ESRS E2 : Pollutions- Metrics

Disclosure Requirement and related datapoint(*)	SFDR	Pillar 3	Benchmark Regulation	EU Climate Law	Section in Sustainability statements
ESRS E3-1 **Water and marine resources paragraph 9**	X				ESRS E3 : Water consumption actions and resources
ESRS E3-1 **Dedicated policy paragraph 13**	X				ESRS E3 : Water consumption policies
ESRS E3-1 **Sustainable oceans and seas paragraph 14**	X				Not Material
ESRS E3-4 **Total water recycled and reused paragraph 28 (c)**	X				Not Material
ESRS E3-4 **Total water consumption in m^3 per sales on own operations paragraph 29**	X				ESRS E3 : Water consumption Metrics
ESRS 2- SBM 3 - E4 paragraph 16 (a) i	X				ESRS E3 : Biodiversity and Ecosystems-Policies and actions
ESRS 2- SBM 3 - E4 paragraph 16 (b)	X				ESRS E3 : Biodiversity and Ecosystems-Metrics
ESRS 2- SBM 3 - E4 paragraph 16 (c)	X				ESRS E3 : Biodiversity and Ecosystems-Metrics
ESRS E4-2 **Sustainable land / agriculture practices or policies paragraph 24 (b)**	X				Not Material
ESRS E4-2 **Sustainable oceans / seas practices or policies paragraph 24 (c)**	X				Not Material
ESRS E4-2 **Policies to address deforestation paragraph 24 (d)**	X				Not Material
ESRS E5-5 **Non-recycled waste paragraph 37 (d)**	X				ESRS E5 : Waste management metrics
ESRS E5-5 **Hazardous waste and radioactive waste paragraph 39**	X				ESRS E5 : Waste management metrics
ESRS 2- SBM3 - S1 **Risk of incidents of forced labour paragraph 14 (f)**	X				ESRS S1 : Own workforce - Strategy
ESRS 2- SBM3 - S1 **Risk of incidents of child labour paragraph 14 (g)**	X				ESRS S1 : Own workforce - Strategy
ESRS S1-1 **Human rights policy commitments paragraph 20**	X				ESRS S1 : Own workforce - Policies
ESRS S1-1 **Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8, paragraph 21**			X		ESRS S1 : Own workforce - Policies
ESRS S1-1 **processes and measures for preventing trafficking in human beings paragraph 22**	X				ESRS S1 : Own workforce - Policies
ESRS S1-1 **workplace accident prevention policy or management system paragraph 23**	X				ESRS S1 : Own workforce - IROs actions
ESRS S1-3 **grievance/complaints handling mechanisms paragraph 32 (c)**	X				ESRS S1 : Own workforce - IROs actions
ESRS S1-14 **Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)**	X		X		ESRS S1 : Own workforce - Health & Safety metrics
ESRS S1-14 **Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)**	X				ESRS S1 : Own workforce - Health & Safety metrics
ESRS S1-16 **Unadjusted gender pay gap paragraph 97 (a)**	X		X		ESRS S1 : Own workforce - Remuneration metrics
ESRS S1-16 **Excessive CEO pay ratio paragraph 97 (b)**	X				ESRS S1 : Own workforce - Remuneration metrics
ESRS S1-17 **Incidents of discrimination paragraph 103 (a)**	X				ESRS S1 : Own workforce - Incidents, complaints, and severe human rights impacts metrics
ESRS S1-17 **Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)**	X		X		ESRS S1 : Own workforce - Incidents, complaints, and severe human rights impacts metrics

Disclosure Requirement and related datapoint(*)	SFDR	Pillar 3	Benchmark Regulation	EU Climate Law	Section in Sustainability statements
ESRS 2- SBM3 – S2 **Significant risk of child labour or forced labour in the value chain paragraph 11 (b)**	X				ESRS S2 : Workers in the value chain - Strategy
ESRS S2-1 **Human rights policy commitments paragraph 17**	X				ESRS S2 : Workers in the value chain - Policies
ESRS S2-1 **Policies related to value chain workers paragraph 18**					ESRS S2 : Workers in the value chain - Policies
ESRS S2-1 **Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19**	X		X		ESRS S2 : Workers in the value chain - Policies
ESRS S2-1 **Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8, paragraph 19**			X		ESRS S2 : Workers in the value chain - Policies
ESRS S2-4 **Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36**	X				ESRS S2 : Workers in the value chain - Actions plan and resources
ESRS S3-1 **Human rights policy commitments paragraph 16**	X				Not material
ESRS S3-1 **Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17**	X		X		Not material
ESRS S3-4 **Human rights issues and incidents paragraph 36**	X				Not material
ESRS S4-1 **Policies related to consumers and end-users paragraph 16**	X				Not material
ESRS S4-1 **Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17**	X		X		Not material
ESRS S4-4 **Human rights issues and incidents paragraph 35**	X				Not material
ESRS G1-1 **United Nations Convention against Corruption paragraph 10 (b)**	X				ESRS G1 : Business conduct - Policies
ESRS G1-1 **Protection of whistle- blowers paragraph 10 (d)**	X				ESRS G1 : Business conduct - Policies
ESRS G1-4 **Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)**	X		X		ESRS G1 : Business conduct - Confirmed incidents of corruption or bribery
ESRS G1-4 **Standards of anti- corruption and anti- bribery paragraph 24 (b)**	X				ESRS G1 : Business conduct - Confirmed incidents of corruption or bribery

(*) This table is listing all the data points that derive from other EU Legistalion as listed in ESRS 2 appendix, indicating where they can be found in our 2024 Annual Intergated Report and which data points are 'Not material' or subject to 'Phase In'

7. Financial statements

7. Financial statements

7.1. CONSOLIDATED FINANCIAL STATEMENTS

Corporate information

Solvay SA/NV (the "Company" or "Solvay") is a public limited liability company governed by Belgian law and listed on Euronext Brussels and Euronext Paris. The principal activities of the Company, its subsidiaries, joint operations, joint ventures and associates (jointly the "Group") are described in note F1 Revenue and Segment Information.

The Solvay Group operates in 44 production sites, 6 research centers, and over 41 countries, employs approximately 9,000 employees and delivered net sales of €4.5 billion in 2024. Solvay SA/NV is the Solvay Group's ultimate parent with its registered office located at Rue Ransbeek 310, B-1120 Brussels, Belgium.

On March 5, 2025, the Board of Directors authorized the consolidated financial statements for issuance.

Main events and changes in the consolidation scope

Liability management

New bond issue in 2024

On March 26, 2024, Solvay completed the placement of a 4-year €750 million bond maturing on April 3, 2028, and a 7.5-year €750 million bond maturing on October 3, 2031, with the coupons of 3.875% and 4.250% respectively – this represented an important milestone after the Partial Demerger effectuated in December 2023. The bonds were settled on April 3, 2024, and their trading began on the Euro MTF market of the Luxembourg Stock Exchange on the same day. Apart from the general corporate purposes, the proceeds from the bonds' issue, were used for the refinancing of the €1.5 billion bridge facility set up at the end of 2023 in relation to the Partial Demerger.

The interest rate of the issued bonds had been hedged in 2023 with two flexi-swap instruments. At the time of the bonds' placement, these instruments were unwound and replaced by two new instruments classified as financial debt (€ 33 million in non-current and € 4 million in current), payable in instalments that match bonds' coupon payment dates. The conversion had no net cash-flow effect as the unwinding of the flexi-swap (€ -37 million) was compensated with an equivalent amount received from the bank related to the two new instruments.

The cash flow hedge reserve accumulated in OCI and related to the unwound flexi-swap has been frozen and is being recycled to profit or loss over the duration of the two bonds (€ 5.0 million recognized in borrowing costs in 2024). As at December 31, 2024, the remaining cash-flow hedge reserve accumulated in OCI linked to the flexi-swap is €-32 million.

Please refer to Note F32 Financial Instruments for further details.

2023 - Effect of the Partial Demerger

Prior to the Partial Demerger, Solvay undertook various liability management exercises in respect of certain of its outstanding debt securities. The purpose of the liability management exercises was to repurchase or redeem certain debt securities, and to transfer liability for the remaining relevant debt securities or related guarantees to the Syensqo Group upon the Partial Demerger becoming effective. The liability management exercises were also intended to amend certain contractual provisions in certain of the debt securities to facilitate the implementation of the Partial Demerger.

On September 4 and 5, 2023, Solvay announced the results of liability management transactions relating to certain senior and hybrid bonds denominated in euros. The transactions included the following:

- a request for consent of bondholders to the substitution, effective upon completion of the Partial Demerger, of Syensqo SA/NV for Solvay SA/NV as issuer of (i) the €500,000,000 Undated Deeply Subordinated Fixed to Reset Rate Perp-NC5.5 Bonds with first call date on December 2, 2025 (ISIN: BE6324000858) (the "2025 Hybrid Bonds"), and (ii) the €500,000,000 2.750% Fixed Rate Bonds due December 2, 2027 (ISIN: BE6282460615) (the "2027 Bonds").
- a tender offer relating to the €500,000,000 Undated Deeply Subordinated Fixed to Reset Rate Bonds with first optional redemption date of June 3, 2024 (ISIN: XS1323897725) (the "2024 Hybrid Bonds") issued by Solvay Finance S.A. and irrevocably guaranteed on a subordinated basis by Solvay (the "Tender Offer").

Please refer to Note F33 Net Indebtedness for further details.

Provisions

Salindres

On September 24, 2024, Solvay announced a project to consult with its social partners to cease the production of TFA and its fluorinated derivatives at its Salindres site in France. The plan to cease production is due to the continued negative financial performance of the Salindres plant over the past few years, driven by unfavorable market conditions that are unlikely to improve in the future. The social consultation ended on December 19, 2024. The discontinuation of these activities will result in the suppression of 65 positions. As result of the announcement, the net book value of the site's assets of €9 million were impaired in Q3, 2024. Solvay recognized a provision of €51 million including severance costs, dismantling, demolition, exit costs, and for environmental provisions. Beyond the provision considered for remediation of the known pollution in the Salindres subsoil, some areas of the site will require further analyses to determine if additional remediation is needed. This uncertainty was reflected accordingly as a contingent liability.

Please see also Note F36 Contingent Liabilities.

Transition Services Agreement (TSA) exit

In 2023, Solvay SA/NV and Syensqo SA/NV entered into a transition services agreement (the "TSA"), effective from the completion of the Partial Demerger for a non-renewable term of 24 months, whereby the Solvay Group and the Syensqo Group will, to the extent that certain business functions and corporate functions have not been separated prior to the completion of the Partial Demerger, each provide to the other (or the other's respective subsidiaries) various services and support on an interim transitional basis. In particular, given that the Syensqo Group will not have certain internal corporate functions fully in place upon completion of the Partial Demerger (such as finance, legal, tax, human resources, payroll, information technology and other support services), the Solvay Group will provide support with such matters under the terms of the TSA. From the completion of the Partial Demerger and going forward, the fees payable by the Syensqo Group to the Solvay Group have been determined internally using a limited mark-up, in line with the Solvay Group's practice for internal servicing and have not been the subject of independent bids.

In 2024, Solvay launched the process to exit from the TSA and redesign of Solvay's Global Business Services (GBS) and Digital Technology (DT) organization which is an important initial step in designing the future new Solvay Target Operating Model (TOM). At the end of TSA, which is expected for Q4 2025, employees who will not be part of the future Solvay organization and will not move to Syensqo will be impacted by the restructuring plan. In 2024 a restructuring provision currently estimated at €28 million was recognized and may be reduced should Solvay employees transfer to Syensqo in accordance with the terms of the TSA.

According to the TSA, Solvay will be compensated by Syensqo for restructuring costs currently estimated at €22 million (€19 million in Other Receivables, and €3 million in Loans and Other Assets).

Dombasle Energie

Other operating gains and losses in the consolidated income statement (see also Note F4 Other Operating Gains and Losses), include a €29 million expense related to the increase of the provision in 2024 (coming on top of €49 million in 2023, of which €6 million was used in 2024) related to an onerous contract for an energy transition project in Dombasle, France. This provision (€72 million in total as of December 31, 2024) reflects the best estimate of the expenditure required to settle the present obligation at the end of December 2024, which relate to delays and overruns (mostly attributed to external factors, including record high inflation and supply disruptions). This situation is unique within the different energy transition projects already completed or in progress within the Group and has to do with the particular contractual engagement of this project. The project is expected to be completed in H2 2025.

Group portfolio management

Shandong Huatai Interox Chemical Co., Ltd.

In March 2024, the Group increased its ownership in its equity accounted investment in Shandong Huatai Interox Chemical Co. by 10% from 50% to 60%, for €4 million. The transaction resulted in Solvay obtaining control over the legal entity. The acquisition was accounted for as a business combination achieved in stages and resulted in a €10 million gain on derecognizing the equity investment and recognizing €18 million of goodwill and €3 million of intangible assets based on the fair value of the entity upon consolidation. The Group finalized the purchase price allocation in December 2024 and recognized no material change between the provisional asset carrying amounts and fair values.

Option to sell the Neder-Over-Heembeek site

On September 16, 2024, Solvay entered into an exclusive purchase option agreement with Revive a specialist in urban regeneration, regarding the NOH site in Brussels. The developer will be able to exercise the option and finalize the transfer of ownership following the due diligence process which is planned to end in 2025. Due to the ongoing due diligence, IFRS 5 condition of 'asset being available for sale in the present condition' is not met. Consequently, Solvay has not yet classified the NOH site as an asset held-for-sale. The asset's carrying amount is in line with the fair value less cost to sell.

Partial Demerger of the Specialty Businesses in December 2023

On December 8, 2023, at the extraordinary general meeting, Solvay SA/NV's shareholders agreed that the group separates into two independent, publicly traded companies - Solvay Group and Specialty Businesses forming Syensqo Group. The separation was effected by means of a partial demerger ("scission partielle") of Solvay SA/NV, under Belgian law. The Partial Demerger became effective on December 9, 2023 at 00:00 a.m. CET. In connection with the Partial Demerger, Syensqo became a public company, independent from Solvay, with its ordinary shares trading on the regulated markets of Euronext in Brussels and Paris starting on December 11, 2023. Consequently, in the comparative information in 2024, the Group presents the Specialty Businesses as discontinued operations:

- for 2023 financial year, the discontinued operations are included for the period until December 8, 2023, in the income statement;
- in the consolidated statement of financial position, the assets and liabilities related to the Specialty Businesses have been derecognized from the consolidated statements as a part of the deconsolidation of the Specialty Businesses from the Group;
- in the consolidated statement of cash flows, the cash-flows present both continuing and discontinued operations in the primary statement. For 2023 financial year, the cash flows from discontinued operations are included for the period until December 8, 2023, Below the primary statement, Solvay separately presents the consolidated cash-flows from discontinued operations.

The Separation Agreement

Solvay SA/NV and Syensqo SA/NV entered into a Separation Agreement on December 4, 2023, and effective from the completion of the Partial Demerger, to govern certain practical aspects of the separation of the two groups, as well as the allocation of certain liabilities, including environmental liabilities. The Separation Agreement will be effective until the thirtieth anniversary of December 9, 2023, except with respect to claims relating to environmental liabilities, which can be made until twelve months after the relevant statute of limitations expires. The Separation Agreement may not be terminated early without written consent of each party.

The Separation Agreement governs certain aspects of the separation of Syensqo from the Solvay Group, including, among other arrangements, those relating to:

i. the settlement and termination of certain intercompany balances and arrangements - see note F37 Related parties, note F32 Financial Instruments;
ii. the substitution, removal or release of legal entities that are part of the Solvay Group or the Syensqo Group, as applicable, in respect of certain third-party credit or other support obligations, as well as the provision of counter guarantees - see note F32 Financial Instruments and note F36 Contingent liabilities;
iii. the allocation of certain fees, costs and expenses incurred in connection with the Partial Demerger - see note F8;
iv. the transfer to the other party of any assets (identified within 24 months of the completion of the Partial Demerger) allocated erroneously to the Syensqo Group or the Solvay Group;
v. the transfer of all rights and obligations to Syensqo in relation to certain transferred employees' supplementary pension schemes in Belgium - see note F30 Employee Benefits.

The Separation Agreement contains provisions to allocate to the Solvay Group or the Syensqo Group environmental liabilities for certain operating, closed or divested sites, including sites for which provisions have been established in the Solvay Group's consolidated financial statements, and cross-indemnity obligations applicable where a party incurs claims, liabilities or expenses for sites allocated to the other party in the Separation Agreement.

Under the cross-indemnity provisions, each of the Solvay Group, on the one hand, and the Syensqo Group, on the other hand, have agreed to indemnify the other party for certain environmental liabilities allocated to the other party. The Separation Agreement includes provisions regarding the management of environmental claims, remediation obligations and related actions. The Separation Agreement also provides that claims will be deemed to have been made, automatically, under the cross-indemnity provisions for specifically allocated environmental liabilities that are the subject of existing provisions as set forth in the Solvay Group consolidated financial statements as of and for the six-month period ended June 30, 2023. For all other environmental liabilities that are subject to the cross-indemnity provisions, claims may be submitted for up to 12 months following the expiry of the relevant statute of limitations. The Separation Agreement also contains customary provisions aimed at avoiding double recoveries. See note F31 Provisions for further details on provisions.

U.S. Tax Matters Agreement

The rules for determining whether a distribution such as the Partial Demerger and the internal separation of the U.S. Specialty Businesses and the U.S. Essential Businesses (the "U.S. Spin-Off") qualify for tax-free treatment for U.S. federal income tax purposes are complex and depend on all the relevant facts and circumstances. Solvay intends for the Partial Demerger and the U.S. Spin-Off to each qualify as a tax-free reorganization under Sections 368(a)(1)(D) and 355 of the U.S. Internal Revenue Code of 1986, as amended (the "U.S. IRC"). Solvay has received a private letter ruling from the U.S. Internal Revenue Service (the "IRS") confirming such qualification (except with respect to certain requirements under Section 355 of the U.S. IRC on which the IRS does not rule). Solvay also received a tax opinion from US tax counsel addressing those matters upon which the IRS would not rule and relying on the IRS' ruling as to matters covered by the ruling.

In connection with the U.S. Spin-Off and the Partial Demerger, Solvay and Syensqo entered into a U.S. Tax Matters Agreement (the "U.S. TMA") intended to (among other things) preserve the tax-free treatment of the Partial Demerger and the U.S. Spin-Off for U.S. federal income tax purposes. Under the U.S. TMA, Solvay and Syensqo will generally be required to indemnify the other for any U.S. taxes and certain related losses resulting from (or relating to) the failure of the U.S. Spin-Off and the Partial Demerger (and certain associated transactions) to qualify for their intended U.S. tax treatment, where such taxes or losses are attributable to (1) untrue representations and breaches of covenants made in connection with the U.S. Spin-Off, the Partial Demerger or the U.S. TMA (including in the IRS ruling and tax opinion described above), (2) the application of certain provisions of U.S. federal income tax law to the U.S. Spin-Off or the Partial Demerger (for example, in connection with a change of control of either party) or (3) other actions or omissions within the party's control which give rise to U.S. taxes (or related losses) in connection with the U.S. Spin-Off and the Partial Demerger.

Under the U.S. TMA, Solvay and Syensqo are prohibited from taking actions that are reasonably expected to cause the Partial Demerger or U.S. Spin-Off (or certain associated transactions) to fail to qualify for their intended U.S. tax treatment, or that could jeopardize the conclusions of, or that are inconsistent with, the IRS ruling or the tax opinion discussed above. Additionally, the parties are generally prohibited (subject to certain exceptions in the U.S. TMA), for the two-year period following completion of the Partial Demerger, from engaging in certain acquisitions, mergers, liquidations, sales, and redemption transactions with respect to their respective stock and assets that could jeopardize the tax-free status of the Partial Demerger or the U.S. Spin-Off for U.S. federal income tax purposes. Neither Solvay's nor Syensqo's obligations under the U.S. TMA are limited in amount or subject to any cap.

As of December 31, 2024 Solvay was not aware of any breach or alleged breach by it of its obligations under the U.S. TMA and had not received any notice from Syensqo relating to a breach or alleged breach thereof.

Consolidated income statement

In € million	Notes	2024	2023
Sales	**(F1)**	**5,130**	**6,024**
of which revenue from non-core activities	(F3)	590	1,145
of which net sales		4,540	4,880
Cost of goods sold		-3,984	-4,642
Gross margin		**1,146**	**1,382**
Commercial costs		-93	-100
Administrative costs		-326	-426
Research and development costs		-34	-47
Other operating gains and (losses)	(F4)	-91	15
Earnings from associates and joint ventures	(F22)	38	53
Results from portfolio management and major restructuring	(F5)	-134	-550
Results from legacy remediation and major litigations	(F5)	-73	-50
EBIT		**433**	**278**
Cost of borrowings	(F6)	-108	-71
Interest on loans and short term deposits	(F6)	17	36
Other gains and (losses) on net indebtedness	(F6)	15	-6
Cost of discounting provisions	(F6)	-15	-62
Result from equity instruments measured at fair value	(F6)	-22	4
Profit/(loss) for the year before taxes		320	180
Income taxes	(F7)	-87	-208
Profit/(loss) for the year from continuing operations		**233**	**-28**
Profit for the year from discontinued operations	(F8)	0	2,132
Profit/(loss) for the year		**233**	**2,105**
attributable to:			
· Solvay share - continuing operations		223	-37
· Solvay share - discontinued operations		0	2,130
· non-controlling interests - continuing operations		10	9
· non-controlling interests - discontinued operations		0	2
Basic earnings per share from continuing operations (€)		2.12	-0.36
Basic earnings per share from discontinued operations (€)		0	20.45
Basic earnings per share (€)	(F9)	2.12	20.09
Diluted earnings per share from continuing operations (€)		2.10	-0.35
Diluted earnings per share from discontinued operations (€)		0	20.20
Diluted earnings per share (€)	(F9)	2.10	19.85

Consolidated statement of comprehensive income

In € million	Notes	2024	2023
Profit/(loss) for the year		**233**	**2,105**
Other comprehensive income			
Gains and losses on hedging instruments in a cash flow hedge	(F10)	48	-228
Currency translation differences - Subsidiaries and joint operations	(F10)	4	-138
Share of other comprehensive income of associates and joint ventures	(F10)	-11	202
Recyclable components		**41**	**-164**
Gains and losses on equity instruments measured at fair value through other comprehensive income	(F10)	0	0
Remeasurements of the net defined benefit liability	(F10)	60	-30
Share of other comprehensive income of associates and joint ventures	(F10)	0	0
Non-recyclable components		**60**	**-30**
Income tax relating to recyclable and non-recyclable components	(F10)	-24	2
Other comprehensive income/(loss), net of related tax effects	**(F10)**	**76**	**-192**
Comprehensive income/(loss) for the year		**309**	**1,913**
attributable to:			
· Solvay share		298	1,902
· non-controlling interests		11	11

Consolidated statement of cash flows

The amounts below include both continuing and discontinued operations. The consolidated cash-flows from discontinued operations (for 2023 comparatives) are disclosed in the second table below.

In € million	Notes	2024	2023
Profit/(loss) for the year		**233**	**2,105**
Adjustments to profit / (loss) for the year			
· Depreciation, amortization and impairments	(F11)	362	994
· Earnings from associates and joint ventures	(F22)	-38	-71
· Other non-operating and non-cash items	(F12)	-48	-1,481
· Additions and reversal of employee benefits and other provisions	(F15)	250	644
· Net financial charges		111	178
· Income tax expense/income	(F13)	87	450
Changes in working capital	(F14)	1	-78
Payments related to employee benefits and use of provisions	(F15)	-225	-304
Use of provisions for additional voluntary contributions (pension plans)	(F15)	-30	-116
Dividends received from associates and joint ventures	(F22)	21	25
Income taxes paid (excluding income taxes paid on sale of investments)	(F13)	-109	-434
Cash flow from operating activities		**615**	**1,911**
of which cash flow related to portefolio management and excluded from Free Cash Flow		*-87*	*-270*
Acquisition (-) of subsidiaries	(F16)	0	-2
Acquisition (-) of investments - Other	(F16)	-13	-12
Loans to associates and non-consolidated companies		1	-4
Sale (+) of subsidiaries and investments	(F16)	1	-718
Acquisition (-) of property, plant and equipment	(F16)	-272	-967
of which capital expenditures required by share sale agreement and excluded from Free Cash Flow		*0*	-57
Acquisition (-) of intangible assets	(F16)	-13	-97
of which capital expenditures required by share sale agreement and excluded from Free Cash Flow		-2	
Sale (+) of property, plant and equipment and intangible assets	(F16)	11	7
Dividends from equity instruments measured at fair value		1	1
Changes in non-current financial assets		3	0
Cash flow from investing activities		**-281**	**-1,792**
Proceeds from perpetual hybrid bonds issuance	(F27)	0	0
Redemption of perpetual hybrid bonds	(F27)	-1	-1,309
Acquisition (-) / sale (+) of treasury shares	(F29)	-16	39
Increase in borrowings	(F33)	1,683	3,221
Repayment of borrowings	(F33)	-1,743	-1,500
Changes in other financial assets	(F33)	58	98
Payment of lease liabilities	(F33)	-63	-112
Net interests paid		-57	-38
Coupons paid on perpetual hybrid bonds	(F27)	0	-95
Dividends paid		-260	-424
Acquisition of non controlling interests		0	0
Other	(F17)	34	-337
Cash flow from financing activities		**-364**	**-455**
of which increase/decrease of borrowings related to environmental remediation			
Net change in cash and cash equivalents		**-30**	**-335**
Currency translation differences		-15	-13
Opening cash balance		584	932
Closing cash balance	(F33)	539	584

Consolidated cash flows from discontinued operations

In € million	2024	2023
Cash flow from operating activities	0	1,108
Cash flow from investing activities	0	-675
Cash flow from financing activities	0	-64
Net change in cash and cash equivalents	**0**	**368**

Consolidated statement of financial position

In € million	Notes	December 31, 2024	December 31, 2023
ASSETS			
Intangible assets	(F18)	217	201
Goodwill	(F19, F23)	782	764
Property, plant and equipment	(F20)	2,150	2,144
Right-of-use assets	(F21)	264	267
Equity instruments measured at fair value	(F32)	63	88
Investments in associates and joint ventures	(F22)	216	230
Other investments		29	33
Deferred tax assets	(F7)	301	317
Loans and other assets	(F32)	221	266
Non-current assets		**4,243**	**4,309**
Inventories	(F24)	623	642
Trade receivables	(F32)	826	840
Income tax receivables		51	66
Other financial instruments	(F33)	16	118
Other receivables	(F25)	396	462
Cash and cash equivalents	(F33)	539	584
Current assets		**2,451**	**2,714**
Total assets		**6,694**	**7,022**
EQUITY & LIABILITIES			
Share capital	(F27)	237	237
Share premiums		174	174
Other reserves		928	853
Non-controlling interests	(F28)	65	42
Total equity		**1,404**	**1,305**
Provisions for employee benefits	(F30)	674	793
Other provisions	(F31)	556	550
Deferred tax liabilities	(F7)	136	131
Financial debt	(F32)	1,983	1,981
Other liabilities		54	70
Non-current liabilities		**3,402**	**3,525**
Other provisions	(F31)	315	302
Financial debt	(F32)	155	211
Trade payables	(F32)	810	850
Income tax payables		43	68
Dividends payables		107	175
Other liabilities	(F34)	458	585
Current liabilities		**1,888**	**2,192**
Total liabilities		**5,290**	**5,717**
Total equity and liabilities		**6,694**	**7,022**

Consolidated statement of changes in equity

In € million	Notes	Equity attributable to equity holders of the parent										Non-controlling interests	Total equity
		Share capital	Share premiums	Treasury shares	Perpetual hybrid bonds	Retained earnings	Revaluation reserve (fair value): Currency translation differences	Revaluation reserve (fair value): Equity instruments measured at FV through OCI	Revaluation reserve (fair value): Cash flow hedges	Defined benefit pension plan	Total other reserves		
December 31, 2022		**1,588**	**1,170**	**-225**	**1,786**	**6,854**	**-318**	**4**	**76**	**-332**	**7,846**	**61**	**10,664**
Profit for the year						2,093					2,093	12	2,105
Items of other comprehensive income	(F10)						65	0	-179	-76	-191	-1	-192
Comprehensive income				***0***	***0***	***2,093***	***65***	***0***	***-179***	***-76***	***1,902***	***11***	***1,913***
Redemption of perpetual hybrid bonds	(F27)				-1,292	-16					-1,308		-1,308
Cost of share based payment plans						24					24		24
Effect of share based payment plans modification						-20					-20		-20
Dividends						-420					-420	-12	-432
Coupons of perpetual hybrid bonds						-95					-95		-95
Acquisition (-) / sale (+) of treasury shares				50		-11					39		39
Partial Demerger of Syensqo		-1,352	-995	79	-494	-6,729	0	-4	0	-51	-7,199	-17	-9,563
Other(*)				81		3		0		0	84		84
December 31, 2023		**237**	**174**	**-15**	**0**	**1,683**	**-253**	**0**	**-103**	**-459**	**853**	**42**	**1,305**

(*) "Other" relates to the reclassification into equity investments at fair value through profit or loss due to the allocation of one Syensqo share for each Solvay share held by a subsidiary of Solvay SA upon completion of the Partial Demerger (See Note F27 Equity)

In € million	Notes	Equity attributable to equity holders of the parent										Non-controlling interests	Total equity
		Share capital	Share premiums	Treasury shares	Perpetual hybrid bonds	Retained earnings	Revaluation reserve (fair value): Currency translation differences	Revaluation reserve (fair value): Equity instruments measured at FV through OCI	Revaluation reserve (fair value): Cash flow hedges	Defined benefit pension plan	Total other reserves		
December 31, 2023		**237**	**174**	**-15**	**0**	**1,683**	**-253**	**0**	**-103**	**-459**	**853**	**42**	**1,305**
Profit for the year						223					223	10	233
Items of other comprehensive income	(F10)						-9	0	38	46	75	1	76
Comprehensive income				0	0	223	-9	0	38	46	298	11	309
Cost of share based payment plans						5					5		5
Dividends						-197					-197	-4	-201
Acquisition (-) / sale (+) of treasury shares				-29		-2					-31		-31
Other(**)						1	0	0	0	0	1	16	17
December 31, 2024		**237**	**174**	**-44**	**0**	**1,713**	**-263**	**0**	**-65**	**-413**	**928**	**65**	**1,404**

(**) The increase in "Other" is mainly related to the Shandong Huatai Interox Chemical Company (Shandong) NCI shares (40%) re-measured at fair value due to the step acquisition (see also Main Events).

7.2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Basis of preparation

This information was prepared in accordance with European Regulation (EC) 1606/2002 on the application of international accounting standards dated July 19, 2002. The Group's consolidated financial statements for the year ended December 31, 2024, were prepared in accordance with IFRS Accounting Standards as published by the International Accounting Standards Board (IASB) and endorsed by the European Union.

The accounting standards applied in the consolidated financial statements for the year ended December 31, 2024, are consistent with those used to prepare the consolidated financial statements for the year ended December 31, 2023. The Group has not early adopted any other standards, interpretations or amendments that have been issued but is not yet effective.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

Standards, interpretations and amendments applicable for the first time in 2024

The standards, interpretations and amendments that became effective for the financial statement beginning on January 1, 2024 or later, and which are relevant to the Group are presented below. An assessment was made that these amendments had no material impact on the Group's consolidated financial statements.

Amendments to IAS 7 and IFRS 7 *Supplier Finance Arrangements*

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As a result of implementing the amendments, the Group has provided additional disclosures about its supplier finance arrangement.

Amendments to IAS 1 *Classification of Liabilities as Current or Non-Current*

These amendments provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The clarification confirmed our classification of the bridge facility as long term.

Amendments to IFRS 16 *Lease Liability in a Sale and Leaseback*

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.

Standards, interpretations and amendments applicable for the first time after 2024

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements and which may have an impact on the Group are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to IAS 21 *Lack of Exchangeability*

In August 2023, the IASB issued amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments will be effective for annual reporting periods beginning on or after January 1, 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information. The amendments are not expected to have a material impact on the Group's financial statements.

IFRS 18 *Presentation and Disclosure in Financial Statements*

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 *Presentation of Financial Statements*. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes. In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after January 1, 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity*

On December 18, 2024, the IASB issued the amendments to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements. The amendments clarify the application of the ‘own use’ requirements, permit hedge accounting if these contracts are used as hedging instruments, and add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows. These amendments are required to be applied for annual reporting periods beginning on or after January 1, 2026. However, early application is permitted.

Basis of measurement and presentation

The consolidated financial statements are presented in millions of euros, which is also the functional currency of the parent company. Rounding differences may occur in respect of individual amounts or percentages.

The preparation of the consolidated financial statements requires the use of estimates and assumptions that have an impact on the application of accounting policies and the measurement of amounts recognized in the consolidated financial statements. The areas for which the estimates and assumptions are material with respect to the consolidated financial statements are presented in the section Key sources of estimation uncertainty.

Principles of consolidation

Consolidation scope

The consolidated financial statements incorporate the financial statements of the Company, and:

- entities controlled by the Company (including through its subsidiaries) and that hence qualify as subsidiaries;
- arrangements over which the Company (including through its subsidiaries) exercises joint control, and that qualify as joint operations;
- arrangements over which the Company (including through its subsidiaries) exercises joint control, and that qualify as joint ventures;
- entities over which the Company (including through its subsidiaries) has significant influence and that hence qualify as associates.

Where necessary, adjustments are made to the financial statements of the investees so as to align their accounting policies with those of the Group.

In accordance with the principle of materiality, certain companies, which are not of a significant size, have not been included in the consolidation scope. Companies are deemed not to be significant when, during two consecutive years, they do not exceed any of the three following thresholds in terms of their contribution to the Group’s accounts:

- sales of €18 million;
- total assets of €11 million;
- headcount of 100 persons.

Companies that do not meet these criteria are, nevertheless, consolidated where the Group believes that they have a potential for rapid development, or where they hold shares in other companies that are consolidated based on the above criteria.

In the aggregate, the non-consolidated companies have an immaterial impact on the consolidated financial statements of the Group.

In 2024, the above thresholds were updated to reflect the new size of the group following the Partial Demerger. There was no change in the consolidation scope resulting from the change in thresholds.

The full list of companies can be obtained at the Company’s head office.

Investments in subsidiaries

A subsidiary is an entity over which the Group has control. Control is achieved when the Group has (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor’s returns. To assess whether the Group has control, potential voting rights are taken into account. Subsidiaries are fully consolidated. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition and up to the effective date of disposal.

Intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group’s equity. Non-controlling interests are initially measured, either at fair value (full goodwill method), or at the non-controlling interests’ proportionate share in the recognized amounts of the acquiree’s identifiable net assets (proportionate goodwill method). The choice of measurement is made on an acquisition-by-acquisition basis. Subsequent to the acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests’ share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest, and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognized in other comprehensive income in relation to the subsidiary are accounted for (i.e. Reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is considered to be the fair value on initial recognition for subsequent accounting in accordance with IFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or joint venture in accordance with IAS 28 Investments in Associates and Joint Ventures.

Investments in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about relevant activities require the unanimous consent of the parties sharing control. In its consolidated financial statements, the Group recognizes its contractual share of the joint operations' assets, liabilities, revenue and expenses, which is generally aligned with the ownership interest in the joint operations.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence and that is neither a subsidiary, nor an interest in a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about relevant activities require the unanimous consent of the parties sharing control.

The results, assets and liabilities of associates and joint ventures are incorporated in the consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, on initial recognition, investments in associates and joint ventures are recognized in the consolidated statement of financial position at cost, and the carrying amount is adjusted for post-acquisition changes in the Group's share of the net assets of the associate or joint venture, less any impairment of the value of individual investments. Losses of an associate or joint venture in excess of the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture) are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and (contingent) liabilities of the associate or joint venture recognized at the date of acquisition is goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment.

Where a Group entity transacts with an associate or joint venture of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate or joint venture.

After application of the equity method, the Group reviews its investments in associates and joint ventures for impairment. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group performs its analysis and calculates any impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognizes the loss in the consolidated income statement.

Foreign currencies

The individual financial statements of each Group entity are prepared in the currency of the primary economic environment in which this Group entity operates (its functional currency). For the purpose of preparing the consolidated financial statements, the results and financial position of each Group entity are expressed in euros (EUR), which is the presentation currency of the Group's consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entities' functional currency are recognized at the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the closing rate. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rate when the fair value was measured. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the initial transactions.

Exchange differences are recognized in profit or loss in the period in which they arise except for:

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income under "currency translation differences;" and
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see note F32 Financial instruments and financial risk management for hedge accounting policies).

The main exchange rates used are:

		Year-end rate		Average rate	
1 Euro =		**December 31, 2024**	**December 31, 2023**	**2024**	**2023**
Brazilian Real	BRL	6.4210	5.3612	5.8244	5.4010
Yuan Renminbi	CNY	7.5865	7.8383	7.7878	7.6608
Pound Sterling	GBP	0.8295	0.8690	0.8467	0.8698
Indian Rupee	INR	88.9827	91.9678	90.5498	89.3107
Japanese Yen	JPY	163.0481	156.3416	163.8445	151.9821
Korean Won	KRW	1,530.0792	1,423.3871	1,474.9032	1,412.4780
Mexican Peso	MXN	21.5452	18.7359	19.8164	19.1854
US Dollar	USD	1.0394	1.1052	1.0823	1.0813

Climate change considerations

In preparing the consolidated financial statements, management has considered the impacts of climate change, particularly in the context of the disclosures included in the Risk Report and Sustainability Statements. Solvay's target is to become carbon neutral on GHG scope 1 and 2 emissions by 2050, and to reduce our scope 1 and 2 emissions by 30% and our scope 3 focus 5 categories emissions by 20% by 2030 vs. our 2021 baseline.

We are expecting to invest €30 million to €35 million per year toward Solvay's transition plan until 2030 and approximately €50 million per year in the following decade.

The Group's investments in this area are partially supported by external parties through equity-accounted investments and include non-recourse financing, government subsidies and tax credits, enabling Solvay to remain competitive. Further studies on technology innovation through our Star Factory program will determine the future investment needs beyond 2040.

Since 2015 the Group has adopted an internal carbon price and it has imputed that as an input cost into all investment decisions, irrespective of prevailing market prices. The Group has utilized a cost of €100 per ton since 2022. The profitability of all investment projects also factors in an internal price for water in order to assess the projects including the negative externalities or potential future water cost. Different prices of water have been defined depending on hydric stress and water usage and quality (cooling water vs process water). This approach ensures that all investments contribute positively to the resilience of the Group in the face of climate change risk and are oriented toward achieving carbon neutrality and reducing freshwater withdrawal in locations identified as water scarce.

In addition to the strategic direction, policies and commitments, it is important to note that Solvay is taking concrete actions aligned with its climate change commitments. These are extensively developed in the Sustainability Statements. As a demonstration of the Group's commitment to the reduction of its GHG scope 1 and 2 emissions by 30% by 2030, several investment projects were initiated or completed as of December 31, 2024.

- Green River, Wyoming, USA - Solvay incurred capital expenditures to switch its coal boilers to natural gas in March 2024. From that date, Solvay has fully phased out coal in the US. Solvay also invested in a new breakthrough technology project that abates greenhouse gas emissions originating from Trona mining operations, and which was commissioned in October 2024. This makes Solvay the first company to implement regenerative thermal oxidation technology to cut emissions from a trona mine.
- Rheinberg, Germany - The construction of two waste-wood boilers accounted for as finance leases; the first of the two boilers was commissioned in 2021 with the second boiler commissioned in November 2024. Solvay has now fully phased out coal in Germany.
- Dombasle, France - An equity investment in a cogeneration unit running on refuse-derived fuel in Dombasle Energie, France, of which Solvay has a 10% share. The project is largely financed through non-recourse debt executed in February 2022 and government subsidies. The project is expected to be fully deployed by the end of 2025.

Solvay also committed to several other investments to continue reducing its carbon footprint. See Note E1-1 of the Sustainability statements.

When such investments are made, the Group verifies the useful life of the assets that are replaced and adjusts the estimated useful life if necessary. The Group is also actively working on sourcing its energy needs from more environmentally friendly resources including long-term renewable energy generation solutions both onsite and offsite at certain facilities. These include long-term solar and wind power purchase agreements generally accounted for as executory own use contracts.

In 2024, with 8.3% of renewable sources in total energy consumption, Solvay has improved by around 21.4% since 2021.

In addition, the Star Factory program embeds the design and execution of the ESG roadmap of each industrial site including a specific effort on energy efficiency initiatives on the top of Energy transition projects.

Management has also considered the impact of climate change in making some key estimates within the consolidated financial statements, including the execution of the Solvay Sustainability strategy, which is included in the budgets, mid-term plan and long-term forecasts, which are used to:

- estimate future cash flows used in impairment assessments of the carrying value of non-current assets (such as intangible assets and goodwill) (see Note F23 Impairment) ;
- estimate future profitability used in the assessment of the recoverability of deferred tax assets (see Note F7.C. Deferred taxes in the consolidated statement of financial position);
- estimate provisions (see Note F31);
- estimate the long-term accounting assumptions, including CO_2 emission rights and energy prices for the energy intensive Soda Ash GBU (see Note F23 Impairment).

The Group's CO_2 emission rights and energy prices (gas/electricity/coal) are an important element of the cost structure, especially for the Soda Ash business. The Group has hedged a portion of its expected use through 2030. The hedges were taken into consideration in the goodwill impairment test performed and the long-term assumptions considered the higher capital expenditure required by the energy transition of the business after the hedged period. Considering the significant headroom on the Soda Ash CGU, no sensitivity is provided. See Note F23 Impairment.

The same exercise was done for the other cash generating units and management believes there are no realistic scenarios regarding climate change today, which would lead to an impairment of these assets. In summary, the Group's climate change considerations mentioned above did not have a material impact on the financial reporting judgments and estimates during the year. Further, the Group concludes that the climate change risk does not impact the going concern assessment for December 2024.

Moreover, in 2024, while confirming its mid-term targets, the Group considered the results of changes in legislation and economic circumstances which required Solvay to reassess its forecasts of CO_2 emissions used in its hedging documentation. The reassessment resulted in the discontinuation of certain hedging relationships. Further details are available in Note 4 Other operating gains and losses and Note F32.D Other market risks.

Key sources of estimation uncertainty

Impairment

The Group performs annual impairment tests on (groups of) CGUs to which goodwill has been allocated, and each time there are indicators that their carrying amount might be higher than their recoverable amount. This analysis requires management to estimate the future cash flows expected to be generated by the CGUs and a suitable discount rate in order to calculate present value. The recoverable amount is highly sensitive to discount and growth rates.

Further details are provided in note F19 Goodwill and Business Combinations and F23 Impairment.

Deferred tax assets

Deferred tax assets (DTA) are recognized for unused tax losses to the extent that it is probable that taxable profits will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits.

The Group has €706 million (2023: €685 million) of tax losses carried forward for which no deferred tax assets were recognized. These losses relate to subsidiaries that have a history of losses, do not expire, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries do not have any taxable temporary differences that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognize deferred tax assets on these tax losses carried forward.

The goals referred to in the Climate Change Considerations note may have an impact on the estimate of future probability used in the DTA recoverability assessment – see the note, above.

Further details are provided in Note F7 Income Taxes.

Defined benefit obligations – General

The actuarial assumptions used in determining the defined benefit obligations at December 31 as well as the annual cost can be found in note F30 Provisions for employee benefits. All main employee benefits plans are assessed annually by independent actuaries. Discount rates and inflation rates are defined centrally by management. The other assumptions (such as future salary increases and expected rates of medical care cost increases) are defined at a local level. All plans are supervised by the Group's central Human Resources department with the help of a central actuary to check the reasonableness of the results and ensure consistency in reporting. All assumptions are reviewed at each reporting date.

Further details are provided in note F30 Employee benefits.

Environmental provisions

Environmental provisions are managed and coordinated jointly by the Environmental Rehabilitation department and the Finance department. In case of environmental impacts stemming from historical production activities, generally, no provision is recognized for remediation works beyond the 20 years due to the inherent high level of uncertainty as to the timing and amount.

The forecasts of expenses are discounted to their present value. The discount rates fixed by geographical area correspond to the average risk-free rate on 10-year government bonds or the inflation rate if higher. These rates are set annually by the Finance department and can be revised based on the evolution of economic parameters of the country involved. To reflect the passage of time, the provisions are increased each year at the discount rates described above.

Further details are provided in note F31 Provisions.

Provisions for litigations

Any significant litigations (post M&A and other, including threat of litigation) are reviewed by Solvay's in-house lawyers with the support, when appropriate, of external counsels at least every quarter together with the Finance and Insurance Departments. This review includes an assessment of the need to recognize provisions and/or disclose contingent liabilities.

Further details are provided in note F31 Provisions and F36 Contingent liabilities and financial guarantees.

Leases

Identifying whether a contract includes a lease

The Group enters into various contracts to obtain goods and services. Determining whether those contracts include a lease requires judgment. Elements that are considered include assessing whether or not there is an identified asset. To make the determination the Group considers whether or not it has the right to obtain substantially all of the economic benefit of the asset(s) throughout the period of use. Additionally, the Group assesses the extent of its decision-making rights and the existence of any substantive substitution rights. All facts and circumstances relevant to the assessment are considered and the identification of a lease is determined with the support of the departments that have the relevant knowledge, and which mainly includes the GBU management. Refer to note F21 Right-of-use assets and lease obligations for the leases that were identified by the Group and accounted for in accordance with IFRS 16 Leases.

Assessment of lease term

Determining the lease term requires judgment. Elements that are considered include assessing the probability that early termination options or extension options will be exercised. All facts and circumstances relevant to the assessment are considered, and the main ones have been described in note F21 Right-of-use assets and lease obligations. Lease terms are determined with the support of the departments that have the relevant knowledge, and that mainly includes the Purchasing department, and the Facilities department.

Power Purchase Agreements

To comply with its environmental obligations, Solvay initiated a range of projects intended to limit the emission of Carbon Dioxide (see the note Climate Change Considerations). Some of these projects intend to provide the energy to Solvay production sites. These projects require assessment to determine if they contain lease arrangements (IFRS 16), qualify for the 'own use' exemption (IFRS 9), or contain material embedded derivatives (IFRS 9). This requires material judgment and introduces estimation uncertainty.

EUA – European carbon dioxide emission allowances

Solvay hedges its risk related to the emission of carbon dioxide in the European Union, for the entire period of EU ETS phase 4 i.e. until the end of year 2030. Solvay applies Cash Flow hedge accounting to a range of instruments to minimize the exposure risk, and to determine the future cost related to the obligatory redemption of the allowances. However, the volume of future CO_2 emission and the future free allowances granted by the EU state must be estimated, which introduces estimation uncertainty risk. Furthermore, because of the insufficient liquidity of EUA market regarding later years of the hedged period, Solvay decided to roll the existing instruments until they reach the desired delivery date. This introduces further cost estimation and allocation uncertainty.

See also the disclosure on Utility and CO_2 price risks, in Note F32.D Financial Risk Management.

Critical accounting judgments

No critical accounting judgements have been identified for the year ended December 31, 2024.

The following critical accounting judgment has been identified for the year ended December 31, 2023.

On March 15, 2022, the Group announced its plan to separate into two independent publicly traded companies. On December 9, 2023, the separation was effectuated through the means of the Partial Demerger. The Specialty Businesses were classified as discontinued operations following the approval of Partial Demerger by the shareholders and the net assets were distributed. Solvay applied IFRIC 17 Distribution of Non-cash-Assets to Owners to determine how to present the Partial Demerger which included estimating the fair value of the distribution. Solvay estimated the fair value of Syensqo by taking an average of the closing price of the first 30 days of trading activity of Syensqo to prevent distortions from short-term trading activity in the first weeks of trading. This being a fair value with observable inputs and was considered to be representative of the fair value at the distribution date.

The fair value was determined to be € 9.5 billion which resulted in a gain of € 1.65 billion over the then carrying amount of the net assets. The impact was recorded to the consolidated income statement in discontinued operations.

Non-IFRS (Underlying) Metrics

In addition to IFRS accounts, Solvay also presents alternative performance indicators to provide a more consistent and comparable indication of the Group's underlying financial performance and financial position, as well as cash flows. These indicators provide a balanced view of the Group's operations and are considered useful to investors, analysts and credit rating agencies as these measures provide relevant information on the Group's past or future performance, position or cash flows. These indicators are generally used in the sector it operates in and therefore serve as a useful aid for investors to compare the Group's performance with its peers.

See note F1 Revenue and Segment Information for the reconciliation of the underlying EBITDA measure. Further information on definitions of adjustments (IFRS vs Underlying metrics) can be found in Glossary, and more information about reconciliation of non-IFRS (underlying) metrics with IFRS figures in Business Performance.

Index of disclosures

Notes to the consolidated income statement

Consistent with the presentation in the consolidated income statement, the notes to the consolidated income statement as presented hereafter do not include the consolidated income statement impacts from discontinued operations that are presented on a separate line. The impact of discontinued operations only relates to 2023. Those are disclosed in note F8 Discontinued operations.

NOTE F1
REVENUE AND SEGMENT INFORMATION

Accounting policy

IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers:
- Identify the contract,
- Identify the performance obligations,
- Determine the transaction price,
- Allocate the transaction price to the performance obligations in the contract, and
- Recognize revenue when or as the Group satisfies a performance obligation.

Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer.

Sale of goods: Contracts can be short term (including based only on a purchase order) or long term, some have minimum off-take requirements. Contracts that contain take-or-pay provisions obligate customers to pay shortfall payments if the required volumes, as defined in the contracts, are not purchased. Shortfall payments are recognized as revenues when the likelihood of the customer purchasing the minimum volume becomes remote subject to renegotiation of the contract and collectability. As the Group is in the business of selling essential chemicals, and performance chemicals, contracts with customers generally concern the sale of goods. As a result, revenue recognition generally occurs at a point in time when control of the chemicals is transferred to the customer, generally on delivery of the goods.

Distinct elements: a good or service that is promised to a customer is distinct if both of the following criteria are met: (a) the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e. The good or service is capable of being distinct); and (b) the Group's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e. The promise to transfer the good or service is distinct within the context of the contract).

The revenue of the Group consists mainly of sales of chemicals, which qualify as separate performance obligations. Value-added services – mainly customer assistance services – corresponding to Solvay's know-how are rendered predominantly over the period that the corresponding goods are sold to the customer.

Variable consideration: some contracts with customers provide trade discounts or volume rebates. Trade discounts and volume rebates give rise to variable consideration under IFRS 15 and are required to be estimated at contract inception and subsequently at each reporting date. IFRS 15 requires the estimated variable consideration to be constrained to prevent overstatement of revenue.

Moment of recognition of revenue: revenue is recognized when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. Substantially all revenue stems from performance obligations satisfied at a point in time, i.e. The sale of goods. Revenue recognition for those takes into account the following:
- The Group has a present right to payment for the asset;
- The customer has legal title to the asset;
- The Group has transferred physical possession of the asset;
- The customer has the significant risks and rewards of ownership of the asset (in this respect, incoterms are considered); and
- The customer has accepted the asset.

Products sold to customers generally cannot be returned, other than for performance deficiencies. Customer acceptance clauses are in many cases a formality that would not affect the Group's determination of when the customer has obtained control of the goods. Revenue from services is recognized in the period those services have been rendered.

The Group sells its products to its customers, (a) directly, (b) through distributors, and (c) with the assistance of agents. When the Group delivers a product to distributors for sale to end customers, the Group evaluates whether that distributor has obtained control of the product at that point in time. No revenue is recognized upon delivery of a product to a customer or distributor if the delivered product is held on consignment. Indicators of consignment inventory include:
- The product is controlled by the Group until a specified event occurs, such as the sale of the product to a customer of the distributor or until a specified period expires;
- The Group is able to require the return of the product or transfer the product to a third party (such as another distributor); and
- The distributor does not have an unconditional obligation to pay for the product (although they might be required to pay a deposit).
- Agents facilitate sales and do not purchase and resell the goods to the end customer.

Warranties: warranties provide a customer with assurance that the related product will function as the parties intended because it complies with agreed-upon specifications. Substantially all warranties do not provide the customer with a service in addition to the assurance that the product complies with agreed-upon specifications and are hence accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Licensing: In case of performance obligations relating to licensing intellectual property (IP), the Group assesses if it grants a right to access the IP as it exists throughout the license period or a right to use the IP as it exists at the point in time at which the license is granted. If the performance obligation is to grant a right to access, then the related revenue is recognized over the license period; otherwise, it is recognized at a point in time, i.e. when the license period starts or when the customer starts using the IP. The Group assesses if the license provided can be considered as being distinct in the context of the contract. If not, the license will have to be bundled with other goods or services provided in the contract. Currently the Group grants a right to use IP, which means that revenue recognition occurs at a point in time.

An Operating Segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker and for which discrete financial information is available.

General

Solvay organizes its structure and groups the businesses around their similarities in financial performance which is systematically reviewed by the Chief Operational Decision Maker, products and production processes. Solvay's chief operating decision maker is the Chief Executive Officer.

Following the completion of the Partial Demerger of the Specialty Businesses on December 9, 2023, the structure of the internal organization changed what impacted the composition of the segments. Consequently, Solvay restructured its operating segments to better align with the Group's strategy and, in 2024, the Group is internally organized in the following reportable segments:

- ***Basic Chemicals*** host chemical intermediate businesses focused on mature and resilient markets. Solvay is a world leader in soda ash, bicarbonate, and peroxides. These global businesses share similar economic characteristics and serve major markets that include building and construction, consumer goods, and food.
- ***Performance Chemicals*** host a wider range of products (in our Silica, Coatis and Special Chem businesses) that are subject to customization based on unique formulations and application expertise. These businesses share similar economic characteristics and are high-quality assets with strong positions in their markets.
- ***Corporate*** comprises corporate and other business services, such as its Global Business services, as well as Procurement and Energy expertise.

The financial information related to 2023 was restated to reflect the change in segment composition and it reflects that "eH2O2" (electronic-grade hydrogen peroxide) business was transferred from GBU Special Chem to GBU Peroxides on January 1, 2024 (net sales of €109 million).

External net sales by cluster

In € million	2024	2023
Soda Ash & Derivatives	1,907	2,093
Peroxides	789	742
Basic Chemicals	**2,695**	**2,835**
Silica	543	583
Coatis	631	646
Special Chem	660	810
Performance Chemicals	**1,834**	**2,039**
CBS	10	6
Corporate	**10**	**6**
Total	**4,540**	**4,880**

There are no individual customers that contribute 10% or more to the Group's revenue or any individual segment's revenue in either 2024 or 2023.

The non-core revenue is disclosed in Note F3 Revenue from non-core activities.

Sales by market

Sales by market are presented in the Business Performance section - see note P1.

Net sales by country and region

The net sales disclosed below are allocated based on the customers' location.

In € million	2024	%	2023	%
Belgium	100	2%	93	2%
Germany	390	9%	449	9%
Italy	221	5%	267	5%
France	212	5%	236	5%
Netherlands	37	1%	55	1%
Spain	96	2%	130	3%
European Union - Other	379	8%	414	8%
European Union	**1,435**	**32%**	**1,645**	**34%**
Europe - Other	**91**	**2%**	**108**	**2%**
United States	839	18%	830	17%
Canada	58	1%	58	1%
North America	**897**	**20%**	**888**	**18%**
Argentina	42	1%	39	1%
Chile	85	2%	68	1%
Brazil	590	13%	610	13%
Mexico	118	3%	156	3%
Latin America - Other	49	1%	42	1%
Latin America	**882**	**19%**	**914**	**19%**
Australia	24	1%	27	1%
China	284	6%	298	6%
Egypt	35	1%	43	1%
India	43	1%	55	1%
Indonesia	60	1%	65	1%
Israel	41	1%	34	1%
Japan	73	2%	100	2%
Malaysia	71	2%	66	1%
Philippines	21	0%	17	0%
Saudi Arabia	111	2%	99	2%
South Africa	20	0%	32	1%
South Korea	97	2%	115	2%
Thailand	134	3%	138	3%
Turkey	37	1%	38	1%
Vietnam	38	1%	48	1%
Other	147	3%	149	3%
Asia and rest of the world	**1,235**	**27%**	**1,325**	**27%**
Total	**4,540**	**100%**	**4,880**	**100%**

Information per segment

2024 - In € million	Basic Chemicals	Performance Chemicals	Corporate	Group Total
Income statement items				
Sales	**3,218**	**1,877**	**35**	**5,130**
of which				
Net sales (including inter-segment sales)	2,706	1,834	10	4,550
· Inter-segment sales	-10	0	0	-10
Net sales	**2,695**	**1,834**	**10**	**4,540**
Revenue from non-core activities	**523**	**43**	**25**	**590**
Gross margin	735	404	7	1,146
Depreciation and amortization	221	106	34	362
Earnings from associates and joint ventures	38	1	0	38
Underlying EBITDA(1)	*786*	*324*	*-58*	*1,052*
EBIT	**499**	**165**	**-230**	**433**
Net financial charges				-113
Income taxes				-87
Profit for the year from discontinued operations				0
Profit/(loss) for the year				**233**

31 December 2024 - In € million	Basic Chemicals	Performance Chemicals	Corporate	Group Total
Statement of financial position and other items				
Capital expenditures(2)	226	90	33	349
Investments	5	0	8	13
Working capital				
· Inventories	311	293	19	623
· Trade receivables	496	212	118	826
· Trade payables	452	247	111	810

2023 - In € million	Basic Chemicals	Performance Chemicals	Corporate	Group Total
Income statement items				
Sales	**3,411**	**2,068**	**544**	**6,024**
of which				
Net sales (including inter-segment sales)	2,886	2,043	6	4,935
· Inter-segment sales	-51	-4	0	-55
Net sales	**2,835**	**2,039**	**6**	**4,880**
Revenue from non-core activities	**577**	**29**	**538**	**1,144**
Gross margin	887	449	46	1,382
Depreciation and amortization	185	163	69	418
Earnings from associates and joint ventures	45	0	8	53
Underlying EBITDA(1)	*950*	*371*	*-75*	*1,246*
EBIT	**739**	**159**	**-620**	**278**
Net financial charges				-98
Income taxes				-208
Profit for the year from discontinued operations				2,132
Profit/(loss) for the year				**2,105**

31 December 2023 - In € million	Basic Chemicals	Performance Chemicals	Corporate	Group Total
Statement of financial position and other items				
Capital expenditures(2)	294	120	35	450
Investments(3)	4	5	-427	-418
Working capital				
· Inventories	332	282	28	642
· Trade receivables	476	247	118	841
· Trade payables	419	253	181	853

(1) Underlying EBITDA is a key performance indicator followed by management and includes other elements than those presented above. See below for the reconciliation between Underlying EBITDA and EBIT. See Business Performance section for reconciliation of other Underlying measures with IFRS figures.

(2) Capital expenditures from continuing operations include acquisitions of property, plant and equipment, acquisition of intangible assets and acquisition of Right of use assets.

(3) The negative figure of €(427) million relates to RusVinyl sale of investment.

Reconciliation of Underlying EBITDA

2024 - In € million	Basic Chemicals	Performance Chemicals	Corporate	Group Total
EBIT	**499**	**165**	**-230**	**433**
Administrative costs			-5	-5
Other costs			-11	-11
Other operating gains and (losses)			89	89
Earnings from joint venture Peroxidos do Brazil	-34			-34
Proportional consolidation of Peroxidos do Brazil	52			52
Depreciation and amortization	205	85	30	320
Results from portfolio management and major restructuring and results from legacy remediation and major litigations	64	74	68	207
Underlying EBITDA	**786**	**324**	**-58**	**1,052**

Other costs relate to energy-sold activity.

The other operating gains and losses primarily consist of the CO_2 hedge management result (€69 million) and major change in environmental provisions at open sites (€15 million).

The reconciling items related to i) Earnings from associates and joint ventures, and ii) Proportional consolidation of Peroxidos do Brasil are linked to the change in Adjustments as explained in the Glossary.

For the reconciliation items "Result from portfolio management and major restructuring and results from legacy remediation and major litigations," see note F5.

The item depreciation and amortization exclude €41 million consisting of €5 million of the non-cash impact of purchase price allocation (PPA), amortization charges on intangible assets, and €45 million to adjust for the impact of impairment of other non-cash generating assets and includes the depreciations and amortizations for €9 million related to Peroxidos do Brasil.

2023 - In € million	Basic Chemicals	Performance Chemicals	Corporate	Group Total
EBIT	**739**	**159**	**-620**	**278**
Administrative costs			68	68
Other operating gains and (losses)			-14	-14
Earnings from associates and joint ventures			-7	-7
Depreciation and amortization	184	101	36	321
Results from portfolio management and major restructuring and results from legacy remediation and major litigations	27	112	461	600
Underlying EBITDA	**950**	**371**	**-76**	**1,246**

Non-current assets, capital expenditures and investments by country and region

	Non-current assets				Capital expenditures and investments			
In € million	December 31, 2024	%	December 31, 2023	%	2024	%	2023	%
Belgium	228	6%	272	7%	-29	8%	-26	2%
Germany	346	9%	338	9%	-48	13%	-56	5%
Italy	264	7%	259	7%	-32	9%	-131	12%
France	633	17%	653	18%	-50	14%	-318	28%
Spain	124	3%	128	3%	-12	3%	-12	1%
European Union - Other	694	19%	710	19%	-18	5%	-33	3%
European Union	**2,289**	**62%**	**2,359**	**63%**	**-189**	**52%**	**-577**	**51%**
Europe - Other	**2**	**0%**	**6**	**0%**	**-2**	**1%**	**-16**	**1%**
United States	813	22%	709	19%	-112	31%	-390	34%
Canada	0	0%	0	0%	0	0%	-19	2%
North America	**813**	**22%**	**709**	**19%**	**-112**	**31%**	**-409**	**36%**
Brazil	245	7%	276	7%	-25	7%	-41	4%
Latin America - Other	11	0%	11	0%	-2	1%	-5	0%
Latin America	**256**	**7%**	**287**	**8%**	**-27**	**7%**	**-46**	**4%**
Thailand	66	2%	72	2%	-5	1%	-5	0%
China	122	3%	102	3%	-20	5%	-54	5%
South Korea	41	1%	50	1%	-3	1%	-5	0%
India	0	0%	0	0%	0	0%	-12	1%
Singapore	0	0%	0	0%	0	0%	-1	0%
Japan	14	0%	15	0%	-1	0%	-3	0%
Other	117	3%	125	3%	-3	1%	-4	0%
Asia and rest of the world	**360**	**10%**	**364**	**10%**	**-32**	**9%**	**-84**	**7%**
Total	**3,720**	**100%**	**3,726**	**100%**	**-362**	**100%**	**-1,132**	**100%**

Non-current assets are those other than deferred tax assets, loans and other assets, and other financial instruments. Capital expenditures and investments include acquisitions of property, plant and equipment, right-of-use assets, intangible assets and investments in subsidiaries and other investments (joint operations, joint ventures and associates). Both exclude discontinued operations.

NOTE F2
CONSOLIDATED INCOME STATEMENT BY NATURE

In € million	Notes	2024	2023
Net sales	(F1)	4,540	4,880
Revenue from non-core activities	(F3)	590	1,145
Raw materials. utilities and consumables used		-2,208	-2,802
Changes in inventories		-18	-78
Personnel expenses		-823	-835
Wages and direct social benefits		*-615*	*-623*
Employer's contribution for social insurance		*-157*	*-163*
Pensions and insurance benefits		*-30*	*-26*
Other personnel expenses		*-21*	*-22*
Amortization. depreciation and impairment	(F11)	-362	-423
Other variable logistics expenses		-615	-568
Other fixed expenses		-445	-412
Addition and reversal of provisions (excluding employee benefit provisions)	(F31)	-235	-279
Significant income related to prior years	(F4)	0	0
M&A costs and gains and losses on disposals	(F5)	-29	-404
Earnings from associates and joint ventures	(F22)	38	53
EBIT		**433**	**278**

Other fixed expenses mainly include costs of services, licenses, and professional fees.

The change in raw materials, utilities, and consumables used is largely explained by the decrease in energy prices, and lower volume.

NOTE F3
REVENUE FROM NON-CORE ACTIVITIES

This revenue primarily comprises commodity and utility third party transactions, non-core licensing transactions, and other revenue, considered not to correspond to Solvay's core business (mainly in France and Italy).

In 2024, the non-core sales mainly include €469 million of sale of utilities, and €25 million of licensing transactions.

In 2023, this revenue primarily comprised commodity and utility third party transactions, mainly in France and Italy.

The decrease in 2024 compared to 2023 is mainly related to phasing out the Energy business and the rest from the decrease of utilities price.

NOTE F4
OTHER OPERATING GAINS AND LOSSES

In € million	2024	2023
Start-up and preliminary study costs	-3	-2
Capital gains/losses on sales of property, plant and equipment and intangible assets	6	3
Net foreign exchange gains and losses	0	2
Amortization of intangible assets resulting from PPA	-4	-7
Gain (Loss) on CO_2 hedge management	-69	-14
Financial result linked to operational activities	14	14
Costs linked to energy transition project[1]	-29	-50
Other	-6	68
Other operating gains and losses	**-91**	**15**

(1) Costs linked to energy transition project, were presented together with "Other", in 2023.

The variation of the loss on CO_2 hedge management includes the OCI recycling effect (€38 million) linked to the change in hedging strategy. See note F32 for more details.

The cost linked to the energy transition project are related to Dombasle Energie – See also Main Events and changes in the consolidation scope.

In 2023, the row Other mainly includes the gain realized on the settlement of the energy financial instruments in the context of the Partial Demerger (€52 million).

NOTE F5
RESULTS FROM PORTFOLIO MANAGEMENT AND MAJOR RESTRUCTURINGS, LEGACY REMEDIATION AND MAJOR LITIGATIONS

Accounting policy

Results from portfolio management and major restructurings include:
- gains and losses on the sale of subsidiaries, joint operations, joint ventures, and associates that do not qualify as discontinued operations;
- acquisition costs of new businesses;
- one-off operating costs related to internal management of portfolio (carve-out of major lines of businesses);
- gains and losses on the sale of real estate not directly linked to an operating activity;
- restructuring charges driven by portfolio management and by major reorganizations of business activities, including impairment losses resulting from the shutdown of an activity or a plant;
- impairment losses (reversals) resulting from testing of CGUs.
- It excludes non-cash accounting impact from amortization and depreciation resulting from the purchase price allocation (PPA) from acquisitions

Results from legacy remediation and major litigations include:
- the remediation costs not generated by on-going production facilities (shutdown of sites, discontinued productions, previous years' pollution); and the impact of significant litigations.

Results from portfolio management and major restructuring

In € million	2024	2023
Restructuring costs and impairment	-107	-146
Impairment	*-45*	*-95*
Restructuring costs	*-62*	*-51*
M&A costs and gains and losses on disposals	-27	-404
Results from portfolio management and major restructuring	**-134**	**-550**

In 2024, The Group impaired some tangible assets in the Special Chem Fluorine business for €(9) million and other non-cash-generating assets for €(36) million – see Note F23 for further details on the impairment.

The restructuring costs are mainly linked to the shutdown of the site of Salindres for €(31) million, the Peroxide Footprint rationalization program €(13) million, and TSA exit (€28 million compensated by €22 million of indemnification asset).

In 2023, the impairment includes goodwill impairment of energy CGU €(38) million, and impairment in the Special Chem CGU for Fluor Gases in Europe for €(48) million – see note F23 for further details on the impairment.

The restructuring costs in 2023 are mainly linked to the separation plan of the Solvay Group €(35) million.

In 2023, M&A costs is mainly explained by the costs incurred for the ongoing separation plan of the Solvay Group €(218) million, and the recycling of RusVinyl of currency Translation Adjustment reserve €(176) million.

Results from legacy remediation and major litigations

In € million	2024	2023
Major litigations	-1	-12
Remediation costs and other costs related to non-ongoing activities	-72	-38
Results from legacy remediation and major litigations	**-73**	**-50**

Remediation costs and other costs related to non-ongoing activities increased mainly due to the shut-down of the Salindres site (€18 million).

NOTE F6
NET FINANCIAL CHARGES

Accounting policy

Interest on borrowings is recognized in costs of borrowings as incurred, except for borrowing costs directly attributable to the acquisition, construction and production of qualifying assets (see note F20 Property, Plant and Equipment).

Net foreign exchange gains or losses on financial items and changes in fair value of derivative financial instruments related to net indebtedness are presented in "Other gains and losses on net indebtedness," with the exception of changes in fair value of derivative financial instruments that are hedging instruments in a cash flow hedge relationship, and which are recognized on the same line as the hedged item, when the latter affects profit or loss.

In € million	2024	2023
Cost of borrowings	-96	-60
Interest expense on lease liabilities	-12	-11
Interest on loans and short term deposits	17	36
Other gains and losses on net indebtedness	15	-6
Net cost of borrowings	**-76**	**-41**
Cost of discounting provisions	-41	-45
Impact of change of discount rate on provisions	25	-17
Result from equity instruments measured at fair value	-22	4
Net financial charges	-113	-98

More details are included in note F33 Net indebtedness.

The net cost of borrowings variance is mainly explained as follows.

Higher cost of borrowings for €(36) million attributable to the liability management exercise that Solvay undertook in 2023 prior to the partial demerger during which the perpetual hybrid bonds that qualified as equity were replaced by other non-current debts triggering interest expenses. In 2023, coupons of perpetual hybrid bonds deducted from equity upon declaration amounted to €(70) million.

Lower interest income on loans and short-term deposits explained by lower volumes of excess cash following the partial demerger.

Other gains and losses on net indebtedness from €(6) million in 2023 to €15 million in 2024, attributable to :

- lower currency swaps income €5 million (interest element)
- other financial income €21 million mainly explained by the change in fair value of stock option plans which includes options on Syensqo SA shares
- a decrease in other financial charges by €8 million mainly explained by costs related to the separation plan in 2023.
- foreign exchange results €(3) million

The cost of discounting provision relates to post-employment benefits for €(22) million and to environmental provisions €(19) million.

The impact of a change of discount rates for €25 million is attributable to the evolution of the discount rates (see note F31 – part on environmental provisions).

The result of Equity Instruments measured at fair value through profit or loss relate to the variation of Syensqo SA share price, in the context of hedging of LTI plans prior to the Partial Demerger.

NOTE F7

INCOME TAXES IN THE INCOME STATEMENT AND THE STATEMENT OF FINANCIAL POSITION

Accounting policy

Current taxes

The current tax payable is based on taxable profit of the year. Taxable profit differs from profit as reported in the consolidated income statement because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxes

Deferred taxes are recognized for temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and their corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are generally recognized for all taxable temporary differences.

No deferred tax liabilities are recognized following the initial recognition of goodwill. In addition, no deferred tax assets or liabilities are recognized with respect to the initial recognition of an asset or liability in a transaction which is not a business combination and affects neither accounting profit nor taxable profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, joint operations, joint ventures, and associates, except where the Group can control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets other than tax loss carryforwards are analyzed on a case-by-case basis, considering all relevant facts and circumstances. For example, a zero taxable profit, after deducting the amounts paid to retirees under a defined benefit plan and for which a deductible temporary difference existed, can justify the recognition of the underlying deferred tax assets. Recognition of deferred tax assets for tax loss carryforwards requires a positive taxable profit during the year that enables the utilization of tax losses that originated in the past. Because of uncertainties inherent to predicting such positive taxable profit, recognition of deferred tax assets from tax loss carryforwards is based on a case-by-case analysis, which is usually based on five-year profit forecasts, except with respect to any financial company for which ten-year financial profit forecasts are considered highly predictable and are consequently used.

The corporate tax reporting team, which monitors the Group deferred tax positions, is involved in assessing deferred tax assets.

Further details are provided in note F7.C.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled, or the asset is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the way the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognized amounts and when the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred taxes for the period

Current and deferred taxes for the period are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognized outside profit or loss, or when they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is considered in the accounting for the business combination.

Exception to the above, as from January 1, 2019, the Group applies the amendments to IAS 12, that apply to the income tax consequences of dividends recognized on or after the beginning of the earliest comparative period, i.e. January 1, 2018. In 2018, the income tax consequences of the coupons on perpetual hybrid bonds classified as equity were recognized in equity. As a result of the adoption of the amendment, those income tax consequences are now recognized in profit or loss.

F7.A. Income taxes

The income taxes (net expense) recognized in the consolidated income statement decreased by €121 million in 2024 compared to 2023.

The income taxes (net expense) recognized in other comprehensive income increased by €26 million in 2024 compared to 2023, mainly due to the movement in employee benefit provisions (see note F30 Employee benefits) and due to the variation of the CO_2 emission rights contracts (see note F32 Financial instruments and financial risk management).

In € million	2024	2023
Current taxes related to current year	-107	-180
Provisions for tax litigations	-9	1
Other current taxes related to prior years (a)	14	5
Current taxes	**-102**	**-174**
Changes in unrecognized deferred tax assets (b)	-13	-91
Deferred tax income on amortization of PPA step-ups	1	2
Deferred tax impact of changes in the nominal tax rates	0	2
Deferred taxes related to prior years (a)	6	-5
Other deferred taxes (d)	21	59
Deferred taxes	**15**	**-34**
Income taxes recognized in the consolidated income statement	**-87**	**-208**
Income taxes on items recognized in other comprehensive income	**-24**	**2**

The current taxes (net expense) related to the current year decreased by €(72) million due to lower taxable profits in countries with high current tax rates (Italy, Belgium, France and Germany) as well as some favorable tax adjustments related to prior years (mainly in Italy for €12 million). Those effects are slightly offset by higher additions to provisions for tax litigations.

i. In 2024, the change in unrecognized deferred tax assets amounted to €(13) million resulting mainly from non-recognition of DTA in France and from a revision of the forecasted taxable results in South Africa,

ii. In 2024, the other deferred taxes (€21 million) mainly relate to provisions other than employee benefits.

F7.B. Reconciliation of the income tax expense

The effective income tax expense has been reconciled with the theoretical tax expense obtained by applying to the pre-tax profit of each Group entity the nominal tax rate prevailing in the country in which it operates.

In € million	2024	2023
Profit/(Loss) for the year before taxes	320	180
Earnings from associates and joint ventures	38	53
Profit/(Loss) for the year before taxes excluding earnings from associates and joint ventures	**282**	**127**
Reconciliation of the tax income/(expense)		
Total tax income/(expense) of the Group entities computed on the basis of the respective local nominal rates	-69	-27
Weighted average nominal rate	25%	21%
Withholding taxes	-11	-31
Tax effect of changes in nominal tax rates	0	2
Changes in unrecognized deferred tax assets	-13	-91
Tax effect of permanent differences	23	-36
Gain and losses with no tax expense and income	-10	-20
Taxes disconnected from profit before taxes, and other tax effects without basis	-12	0
Provisions for tax litigations	-8	1
Other tax effect of current and deferred tax adjustments related to prior years	20	0
Tax effect on distribution of dividends	-8	-4
Effective tax income/(expense)	**-87**	**-208**
Effective tax rate	27%	116%

The weighted average nominal rate increased from 2023 (21%) to 2024 (25%). This is due to mix effects between countries with different tax rates; in particular, the Bulgarian companies, where the nominal rate is low, had a higher contribution to the Group’s profit before tax in 2023, thus lowering the average rate.

The higher effective tax rate in 2023 was mainly linked to the reorganization of the Group which led to significant withholding taxes and derecognition of tax assets, and the impact of the RusVinyl disinvestment.

F7.C. Deferred taxes in the consolidated statement of financial position

2024 - In € million	Opening balance	Recognized in income statement	Recognized in other comprehensive income	Exchange rate effect	Other	Closing balance
Temporary differences						
Employee benefits obligations	**98**	4	-13	-3		86
Provisions other than employee benefits	**35**	8	0	-5		**39**
Property, plant and equipment	**-44**	-1	0	-4		**-49**
Intangible assets	**7**	-2	0	0	-1	**3**
Right-of-use assets	**-40**	4	0	-2		**-38**
Lease liabilities	**43**	-2	0	2		**42**
Goodwill	**0**	0	0	0		**0**
Other temporary differences	**-14**	3	-12	0	5	**-18**
Tax losses	**99**	-2	0	0	-3	**94**
Tax credits	**2**	4	0	0		**5**
Total (net amount)	**186**	**15**	**-24**	**-13**	**1**	**165**

2023 - In € million	Opening balance	Recognized in income statement	Recognized in other comprehensive income	Exchange rate effect	Other	Closing balance
Temporary differences						
Employee benefits obligations	234	-90	-47	0	1	98
Provisions other than employee benefits	175	24	0	1	-164	35
Property, plant and equipment	-234	34	0	11	145	-44
Intangible assets	-196	28	0	-3	178	7
Right-of-use assets	-81	4	0	1	35	-40
Lease liabilities	82	-4	0	-1	-34	43
Goodwill	58	0	0	-1	-57	0
Other temporary differences	-66	2	49	0	-3	-14
Tax losses	375	-17	0	0	-257	99
Tax credits	27	-16	0	0	-9	2
Total (net amount)	**374**	**-34**	**2**	**8**	**-166**	**186**

The significant components of the deferred tax assets and deferred tax liabilities at the end of 2024 and 2023 are as follows:

	2024				
In € million	Deferred tax assets	Deferred tax liabilities	Net deferred taxes before write-down	Write-down of deferred tax assets (unrecognized portion)	Net deferred taxes
Employee benefits obligations	187	-34	153	-68	86
Provisions other than employee benefits	175	-49	127	-87	39
Property, plant and equipment	48	-107	-59	10	-49
Intangible assets	10	-16	-6	9	**3**
Right-of-use assets	-4	-41	-45	7	**-38**
Lease liabilities	50	0	49	-7	**42**
Goodwill	0	0	0	0	**0**
Other	148	-159	-11	-7	**-18**
Temporary differences	**615**	**-406**	**208**	**-143**	**66**
Operational losses	205	-2	203	-171	**32**
Non-operational losses	76	-2	74	-12	**62**
Tax losses	**281**	**-4**	**277**	**-183**	**94**
Tax credits carried forward	**5**	**0**	**5**	**0**	**5**
Netting deferred taxes	-274	274	0	0	0
Deferred taxes	**627**	**-136**	**491**	**-326**	**165**

	2023				
In € million	Deferred tax assets	Deferred tax liabilities	Net deferred taxes before write-down	Write-down of deferred tax assets (unrecognized portion)	Net deferred taxes
Employee benefits obligations	208	-25	182	-84	**98**
Provisions other than employee benefits	165	-57	108	-73	**35**
Property, plant and equipment	56	-108	-52	8	**-44**
Intangible assets	14	-16	-1	8	**7**
Right-of-use assets	-6	-42	-47	7	**-40**
Lease liabilities	52	-1	51	-8	**43**
Goodwill	0	0	0	0	**0**
Other	200	-211	-10	-3	**-14**
Temporary differences	**689**	**-459**	**230**	**-145**	**85**
Operational losses	218	0	218	-165	**53**
Non-operational losses	58	0	58	-13	**46**
Tax losses	**276**	**0**	**276**	**-178**	**99**
Tax credits carried forward	**2**	**0**	**2**	**0**	**2**
Netting deferred taxes	-328	328	0	0	**0**
Deferred taxes	**639**	**-131**	**508**	**-322**	**186**

The evolution of the net deferred taxes between 2024 and 2023 mainly relates to the following items:

- The total net deferred taxes of €163 million at year-end 2024 are €23 million lower than in 2023.
- The main changes in 2024 are related to the following items:
  - Change of deferred tax recognized in the income statement for €15 million, primarily concerning provisions other than employee benefits (€8 million), Employee benefits obligations (€4 million).
  - Change of deferred tax recognized as OCI for €(24) million, related to actuarial changes in post-employment benefit obligations, and financial instruments used for CO_2 emission rights contracts mainly in France.
  - Exchange rate effect for €(13) million, mostly related to Brazilian companies.

Deferred tax liabilities on unremitted earnings were recognized in the Other Temporary differences for €(16) million at year-end 2024 (€(16) million at year-end 2023). The amounts of deferred tax liabilities not recognized, provided that the Group controls the timing of the reversal of the temporary differences, and it is probable that they will not reverse in the foreseeable future, were €37 million at year-end 2024 (€36 million at year end 2023).

Recognized deferred taxes for which utilization depends on future taxable profits in excess of the profit arising from the reversal of existing taxable temporary differences within entities that have suffered a tax loss in either current or preceding years in the related tax jurisdiction, amount to €156 million mainly in Belgium (€187 million in 2023). This recognition is supported by favorable expectations of future taxable profits.

In the assessment of the recoverability of deferred tax asset the management has also considered the impact of climate change in making some key estimates within the consolidated financial statements, including the execution of the Solvay Sustainability strategy.

F7.D. Other information

For the majority of the Group's tax loss carryforwards, no deferred tax assets have been recognized. The unrecognized tax losses are mainly located in countries where they can be carried forward indefinitely.

The tax losses carried forward generating deferred tax assets are given below by expiration date.

In € million	2024	2023
Within 1 year	2	13
Within 2 years	2	7
Within 3 years	1	2
Within 4 years	4	0
Within 5 or more years	4	53
No time limit	347	316
Total of losses carried forward which have generated recognized deferred tax assets	**360**	**391**
Tax losses carried forward for which no deferred tax assets were recognized	706	685
Total of tax losses carried forward	**1,065**	**1,076**

The tax losses carried forward of €360 million (€391 million in 2023) have generated deferred tax assets for €94 million (€99 million in 2023).

The tax losses carried forward in 2023, disclosed in 2023 financial statements, included the tax losses (€835 million) related to some of the Syensqo Group subsidiaries. This number has been restated to reflect the post Partial Demerger status of the group entities.

Solvay operates in multiple jurisdictions with often complex legal and tax regulatory environments. The Group engages constructively with the tax authorities and where needed asks support from local advisors and counsels to obtain the most correct position on tax legislation and principles.

The estimates are based on an approach which provides the best prediction of the resolution of the uncertainties with the tax authorities and is calculated using the most likely single amount or expected value method following IFRIC 23. The estimates are based on facts and circumstances existing at the end of the reporting period. Currently, the major uncertain tax positions (UTP) related to ongoing potential tax litigations are in Germany and India.

F7.E. Developments in International Taxation

The Pillar Two model rules were adopted in Belgium at the end of 2023 and are applicable starting from January 1, 2024. According to these rules, the Group is considered a multinational enterprise to which the Pillar Two rules shall be applied. At the same time, Pillar Two legislation has been enacted or substantially enacted in most jurisdictions in which the Group operates effective for the financial year beginning January 1, 2024.

The Group has performed an assessment of its potential exposure to Pillar Two income taxes based on the 2023 country-by-country reporting and 2024 financial information for the constituent entities in the Group. The Pillar Two effective tax rates in most of the jurisdictions in which the Group operates is above 15%. However, the Group has recognized a Pillar Two current tax expense of €2 million that arises in Bulgaria and Thailand due to low effective tax rates.

The Group continues to follow Pillar Two legislative developments, as further countries enact the Pillar Two model rules, to evaluate the potential future impact on its consolidated results of operations, financial position and cash flows.

NOTE F8
DISCONTINUED OPERATIONS AND PARTIAL DEMERGER

Accounting policy

A discontinued operation is a component of the Group which the Group has disposed of, or which is classified as held for sale, and which:
- represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

A component of the Group consists of operations and cash flows, which can be clearly distinguished operationally and for financial reporting purposes, from the rest of the Group.

In the consolidated statement of comprehensive income, the consolidated statement of cash flows, and disclosures, discontinued operations are restated for prior periods presented.

In accordance with IFRIC 17 Distribution of Non-cash Assets to Owners, and IFRS 10 Consolidated Financial Statements – chapter on loss of control – Solvay measures the profit on distribution in the form of demerger as the excess amount of the fair value of the distributed net assets over the then-carrying value of the net assets of the distributed businesses, adjusted for the related NCI.

The recognition of the fair value of the distributed net assets may require the use of valuation techniques. Solvay uses the observable values as input for such valuation techniques.

Solvay applies IFRS 5 requirements after intercompany elimination.

F8.A. Partial Demerger of the Specialty Businesses

Partial Demerger

On December 8, 2023 at the extraordinary general meeting, Solvay SA/NV's shareholders approved the partial demerger of the specialty businesses, which effected the separation of the Group into two public groups. Consequently, 2023 consolidated income statement figures reflect the Specialty Businesses as discontinued operations. In the consolidated statement of cash flows, the 2023 cash flows present both continuing and discontinued operations in the primary statement. However, below the primary cash flow statement, the consolidated cash flows from discontinued operations are disclosed.

The Partial Demerger impacted the market value of all of the issued and outstanding shares of Solvay SA/NV and the options on these shares. This includes the shares held by Solvay Stock Option Management SRL (SSOM), a wholly owned subsidiary of Solvay, for the purposes of hedging its exposure under LTI plans. For each share of Solvay SA/NV held by SSOM upon completion of the Partial Demerger, SSOM received one newly issued share of Syensqo SA/NV; the newly issued Syensqo shares were classified as investments at fair value through profit or loss and reclassified out of equity. The details on treasury shares and equity investments at fair value through profit or loss are provided in Notes F27 Equity, and F32 Financial Instruments.

Profit on discontinued operations

The profit from discontinued operations in the consolidated income statement is analyzed as follows (where 2023 means from January 1, 2023, to December 8, 2023):

In € million	2023
Sales	**6,656**
of which revenue from non-core activities	167
of which net sales	6,489
Cost of goods sold	-4,357
Gross margin	**2,299**
Commercial costs	-272
Administrative costs	-466
Research and development costs	-318
Other operating gains and (losses)	-132
Earnings from associates and joint ventures	18
Results from portfolio management and major restructuring	-53
Results from legacy remediation and major litigations(1)	-274
EBIT	**802**
Cost of borrowings	-54
Interest on loans and short term deposits	14
Other gains and (losses) on net indebtedness	-22
Cost of discounting provisions	-20
Result from equity instruments measured at fair value	3
Profit/(loss) for the year before taxes	**723**
Income taxes	-242
Profit for the year from discontinued operations	**481**
Gain on Partial Demerger in accordance with IFRIC17	1,651
Profit for the year from discontinued operations	**2,132**

(1) The Results from legacy remediation and major litigation includes the impact of the settlement of Solvay Specialty Polymers USA, LLC with NJDEP (around USD 250 million) and a compensation received by Solvay Specialty Polymers Italy S.p.A. from (Mont)Edison S.p.A. and Ausimont S.p.A. (€91.6 million).

F8.B. Partial Demerger - other related information

Gain on Partial Demerger in accordance with IFRIC 17:

In € million	
Fair value of the distribution	9,546
Net assets	-7,920
Other adjustments	7
Non-controlling interest associated with the net assets of Specialty Businesses	17
Gain on the Partial Demerger	**1,651**

The fair value of the distribution was measured by reference to the average of the closing price of the first 30 days of trading activity of Syensqo shares, following the Partial Demerger. This being a fair value measured with observable inputs, was considered to be representative of the fair value of the assets and liabilities effected by the demerger at the distribution date.

NOTE F9
EARNINGS PER SHARE

Accounting policy

The basic earnings per share are obtained by dividing profit for the year by the weighted average number of ordinary shares outstanding during the reporting period. The weighted average number of ordinary shares excludes the treasury shares held by the Group over the reporting period.

The diluted earnings per share are obtained by dividing profit for the year, adjusted for the effects of dilutive potential ordinary shares, by the weighted average number of ordinary shares, also adjusted by the number of dilutive potential ordinary shares attached to the issuance of share options.

The number of dilutive potential ordinary shares is calculated for the weighted average number of share options outstanding during the reporting period as the difference between the average market price of ordinary shares during the reporting period and the exercise price of the share option. Share options have a dilutive effect only when the average market price is above the exercise price (share options are "in the money").

For the purpose of calculating diluted earnings per share, there were no adjusting elements to the profit for the year (Solvay share).

Basic and diluted amounts per share for discontinued operations are presented in the consolidated income statement.

Number of shares (in units)	2024	2023
Weighted average number of ordinary shares (basic)	105,000,897	104,160,774
Dilution effect	1,053,934	1,288,845
Weighted average number of ordinary shares (diluted)	106,054,832	105,449,619

	2024		2023	
	Basic	Diluted	Basic	Diluted
Profit/(loss) for the year (Solvay share) including discontinued operations (in € thousands)	223,000	223,000	2,092,753	2,092,753
Profit/(loss) for the year (Solvay share) excluding discontinued operations (in € thousands)	223,171	223,171	-37,172	-37,172
Earnings per share (including discontinued operations) (in €)	2.12	2.10	20.09	19.85
Earnings per share (excluding discontinued operations) (in €)	2.12	2.10	-0.36	-0.35

More information regarding shares, including dividend per share, can be found in the Business Performance section.

The average market price during 2024 was €30.68 per Solvay share.

All the share options outstanding per December 31, 2024 were in the money and therefore dilutive. The 2022 plan has not been split and the underlying is a combined instrument of Solvay SA/NV and Syensqo SA/NV shares. Consequently, the strike price (€84.34) has not been adjusted.

Notes to the consolidated statement of comprehensive income

NOTE F10
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Accounting policy

In accordance with IAS 1 Presentation of Financial Statements, the Group elected to present two statements, i.e. a consolidated income statement immediately followed by a consolidated statement of comprehensive income.

The components of other comprehensive income (OCI) are presented before related tax effects with one amount shown for the aggregate amount of income tax relating to those components. Tax impacts are further disclosed in this note.

Presentation of the tax effect relating to each item of other comprehensive income

Note: the below table presents the total other comprehensive income items for the aggregate of the shares of Solvay and the non-controlling interests.

	2024		
In € million	Before-tax amount	Tax expense (-)/ income	Net of tax amount
Effective portion of gains and losses on hedging instruments in a cash flow hedge	*-7*	*-11*	*-18*
Recycling to the income statement	*55*		*55*
Gains and losses on hedging instruments in a cash flow hedge (see note F32)	48	-11	37
Currency translation differences arising during the year	*2*		*2*
Recycling of currency translations differences relating to foreign operations disposed of in the year	*0*		*0*
Other movement of currency translation differences (NCI) relating to foreign operations	1		1
Currency translation differences - Subsidiaries and joint operations	4		4
Currency translation differences arising during the year	*-11*		*-11*
Recycling of currency translations differences relating to foreign operations disposed of in the year	*0*		*0*
Share of other comprehensive income of associates and joint ventures	-11		-11
Recyclable components	**41**	**-11**	**30**
Gains and losses on equity instruments measured at fair value through other comprehensive income	0	0	0
Remeasurements of the net defined benefit liability (see notes F7 & F30)	60	-13	46
Share of other comprehensive income of associates and joint ventures	0		0
Non-recyclable components	**60**	**-13**	**46**
Other comprehensive income/(loss)	**100**	**-24**	**76**

In € million	2023 Before-tax amount	2023 Tax expense (-)/ income	2023 Net of tax amount
Effective portion of gains and losses on hedging instruments in a cash flow hedge	*-208*	*49*	*-159*
Recycling to the income statement	*-20*		*-20*
Gains and losses on hedging instruments in a cash flow hedge (see note F32)	-228	49	-179
Currency translation differences arising during the year	*-423*		*-423*
Recycling of currency translations differences relating to foreign operations disposed of in the year	*287*		*287*
Other movement of currency translation differences (NCI) relating to foreign operations	-1		-1
Currency translation differences - Subsidiaries and joint operations	-138		-138
Currency translation differences arising during the year	*23*		*23*
Recycling of currency translations differences relating to foreign operations disposed of in the year	*179*		*179*
Share of other comprehensive income of associates and joint ventures	202		202
Recyclable components	**-164**	**49**	**-115**
Gains and losses on equity instruments measured at fair value through other comprehensive income	0	0	0
Remeasurements of the net defined benefit liability (see notes F7 & F30)	-30	-47	-77
Share of other comprehensive income of associates and joint ventures	0		0
Non-recyclable components	**-30**	**-47**	**-77**
Other comprehensive income/(loss)	**-194**	**2**	**-192**

In 2023, the recycling of the currency translation differences was mainly due to the Partial Demerger €(292) million and due to derecognition of RusVinyl €(169) million.

Currency translation differences

Accounting policy

For the purpose of presenting consolidated financial statements at the end of each reporting period, the assets and liabilities of the Group's foreign operations are expressed in euros using closing rates. Income and expense items are translated at the average exchange rates for the period except when the impact of applying the average rate is materially different from applying the spot rate at the respective transactions' dates, in which case the latter is applied. Exchange differences arising, if any, are recognized in other comprehensive income as "currency translation differences".

Currency translation differences are reclassified from equity to profit or loss, on:

A disposal of the Group's entire interest in a foreign operation. In this case, all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognized, but they are not reclassified to profit or loss.

At the end of 2024, the carrying amount of Currency Translation consists of €(339) million on BRL, €(190) linked to the conversion of Member States' currencies to Euro, and €303 million on USD.

Notes to the consolidated statement of cash flows

NOTE F11
DEPRECIATION, AMORTIZATION AND IMPAIRMENTS

The table below presents the amounts of the total depreciation, amortization and impairment losses (reversals) of continuing operations included in the various headings of the Consolidated Statements of Income.

In € million	2024	2023
Cost of goods sold	267	269
Administrative costs	35	37
Research and development costs	9	12
Other operating gains and (losses)	6	10
Of Which PPA (see Note F4)	*4*	*7*
Total depreciation and amortization	317	328
Goodwill Impairment	0	38
Other net Impairment	45	57
Total depreciation, amortization and impairment losses (reversal)	**362**	**423**

Please refer to Note F5 Results from portfolio management and major restructurings, legacy remediation and major litigations for the details on impairment.

NOTE F12
OTHER NON-OPERATING AND NON-CASH ITEMS

In 2024, €(48) million mainly relate to the transition service agreement invoicing, as well as non-cash capital gains and other results for M&A deals.

The other non-operating and non-cash items for 2023 of €(1,481) million mainly comprise the result linked to the Partial Demerger €(1,651) million (see Note F8 for the details), reduced by recycling of CTA of RusVinyl €176 million.

NOTE F13
INCOME TAXES IN THE STATEMENT OF CASH FLOWS

Income tax expense in 2024 amounts to €87 million (€450 million in 2023).

Income tax paid in 2024 amounts to €109 million (€434 million in 2023). The income tax paid has decreased compared to previous years due to the partial demerger in December 2023.

The major components of Income taxes are discussed in note F7 income taxes in income statement and statement of financial position.

NOTE F14
CHANGES IN WORKING CAPITAL

In € million	2024	2023
Inventories	18	215
Trade receivables	3	122
Trade payables	17	-495
Other receivables/payables	-37	79
Changes in working capital	**1**	**-78**
Of which discontinued operations	0	-55

The higher numbers in 2023 result mainly from the process of the Partial Demerger.

NOTE F15
ADDITIONS, REVERSALS AND USE OF PROVISIONS

In € million	2024	2023
Additions and reversal of employee benefits and other provisions	**250**	**644**
Of which:		
Employee benefits	15	44
Restructuring	89	104
Environment	86	346
Payments related to employee benefits and use of provisions	**-225**	**-304**
Of which:		
Employee benefits	-38	-85
Restructuring	-73	-92
Environment	-66	-72
Use of provisions for additional voluntary contributions (pension plans)	**-30**	**-116**

See note F30 Employee Benefits and F31 Provisions for more information.

NOTE F16
CASH FLOWS FROM INVESTING ACTIVITIES – ACQUISITION/DISPOSAL OF ASSETS AND INVESTMENTS

The cash-flows in the table below present both continuing and discontinued operations.

2024 - In € million	Acquisitions	Disposals	Total
Investments	**-13**	**1**	**-12**
Subsidiaries	-4	1	-3
Other	-9		-9
Property, plant and equipment/Intangible assets	**-285**	**11**	**-274**
Total	**-298**	**12**	**-286**

2023 - In € million	Acquisitions	Disposals	Total
Total investments	**-12**	**-718**	**-730**
Subsidiaries		433	433
Cash in Partial Demerger		-1,151	-1,151
Other	-12		-12
Property, plant and equipment/Intangible assets	**-1,063**	**7**	**-1,057**
Total	**-1,075**	**-711**	**-1,786**

2024

The acquisitions primarily relate to two following groups:

- Energy Transition Projects (€15 million) out of which::
  - Soda Ash & Derivatives: RTO (Regenerative Thermal Oxidation) Unit (GHG reduction) in Green River
  - Silica: New Electric furnace in Collonges to reduce GHG
  - Silica: New capacity in Livorno for Circular Silicate from RHA (Rice Husk Ash)
- Other projects:
  - Soda Ash & Derivatives: capacity increase in Green River, Wyoming, (US)
  - Peroxides: New capacity for pre-EG (pre- Electronic Grade) in China
  - Special Chem: Rare earths separation for Magnets in La Rochelle

2023

In 2023, the amounts related to investment in subsidiaries related to the sale of RusVinyl. In regard to cash in the Partial Demerger, this is a result of the cash position in the demerged subsidiaries of Syensqo SA/NV.

The acquisition includes the following main projects:

- Soda Ash & Derivatives: Soda ash capacity increase in Green River (USA)
- Soda Ash & Derivatives: Coal phase-out in Green River (USA)
- Peroxides: Hydrogen Peroxide capacity increase in Antwerp (Belgium)
- Silica: New electric furnace in Collonges (France) to reduce CO_2 emissions
- Specialty Polymers: Polyvinylidene Fluoride (PVDF) capacity increase in Tavaux (France)
- Specialty Polymers: DCDPS monomer capacity increase in Augusta (USA)
- Specialty Polymers: Udel polysulfone capacity increase in Marietta (USA)
- Specialty Polymers: Compounding capacity increase at Changshu (PRC)
- Specialty Polymers: Wastewater treatment units at Tavaux (France) and Changshu (PRC)
- Novecare: internalization of IRIS intermediate chemical production in Melle (France)
- Aroma performance: internalization of natural vanillin fermentation (Portugal) and purification (France)
- Technology Solutions: Aldoxime capacity increase in Mount Pleasant (USA)
- O&G: Friction reducers production capacity in West Texas (USA)

NOTE F17
OTHER CASH FLOWS FROM FINANCING ACTIVITIES

The €34 millions of other cash flows from financing activities in 2024 (€(337) million in 2023) mainly relate to margin calls on hedging instruments as part of Energy Services' activities for €38 million (€(317) million in 2023).

For trading in futures of different commodities (CO_2, power, gas), Energy Services uses brokers. These deals are subject to margin calls. To cover the credit risk of the counterparty, brokers pay a margin call to Solvay in case the instrument is in the money for Solvay. If the instrument is out of the money for Solvay, Solvay pays a margin call to the brokers. The margin calls are presented as part of financial debt (see note F33 Net indebtedness). Cash flows from margin calls are recognized as financing cash flows that fluctuate with the fair value of the instrument. The actual settlement of these commodity derivatives is net of margin calls and the gross amount (including margin calls that are reclassified from financing cash flows) is recognized in operating cash flows.

Notes to the consolidated statement of financial position

NOTE F18
INTANGIBLE ASSETS

Accounting policy

An intangible asset is an identifiable non-monetary asset without physical substance. It is identifiable when it is separable, i.e. Is capable of being separated or divided from the Group, or when it arises from contractual or other legal rights. An intangible asset shall be recognized if, and only if:
(a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group; and
(b) the cost of the asset can be measured reliably.

Intangible assets acquired or developed internally are initially measured at cost. The cost of an acquired intangible asset comprises its purchase price, import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and any directly attributable cost of preparing the asset for its intended use. Subsequent expenditure on intangible assets is capitalized only if it is probable that it will increase the future economic benefits associated with the specific asset. Other expenditure is expensed as incurred.

After initial recognition, intangible assets are measured at cost less accumulated amortization and impairment losses, if any.

Intangible assets are amortized on a straight-line basis over their estimated useful lives, which do not exceed the contractual period, if any. The estimated useful lives, residual values and amortization methods are reviewed at each year-end, and any changes in estimates are accounted for prospectively.

Patents and trademarks	2-20	years
Software	3-5	years
Development expenditures	2-5	years
Customer relationships	5-29	years
Other intangible assets - Technologies	5-20	years

Amortization expense is included in the consolidated income statement within the cost of goods sold, administrative costs, research and development costs and other operating gains and losses.

The asset is tested for impairment if (a) there is a trigger for impairment, and (b) annually for projects under development (see note F23 Impairment).

Intangible assets are derecognized from the consolidated statement of financial position on disposal or when no future economic benefits are expected from their use or disposal. The gain or loss arising from derecognition of an intangible asset is recognized in profit or loss at the moment of derecognition.

Research and development costs
Research costs are expensed in the period in which they are incurred.

Development costs are capitalized if, and only if, all the following conditions are fulfilled:
- the cost of the asset can be reliably measured;
- the technical feasibility of the product has been demonstrated;
- the product or process will be placed on the market or used internally;
- the assets will generate future economic benefits (a potential market exists for the product or, where it is to be used internally, its future utility has been demonstrated);
- the technical, financial and other resources required to complete the project are available.

Development costs comprise employee expenses, the cost of materials and services directly attributable to the projects, and an appropriate share of directly attributable fixed costs including, and where applicable, borrowing costs. The intangible assets are amortized as from the moment they are available for use, i.e. When they are in the location and condition necessary for them to be capable of operating in the manner intended by management. Development costs, which do not satisfy the above conditions are expensed as incurred.

Patents, trademarks and customer relationships
Those intangible assets have mainly been acquired through business combinations. Customer relationships consist of customer lists.

Other intangible assets
Other intangible assets mainly include technology acquired separately or in a business combination.

In the table below, the 2023 additions and depreciation expenses include the items of Specialty Businesses until the Partial Demerger.

In € million	Development costs	Patents and trademarks	Customer relationships	Other intangible assets	Total
Gross carrying amount					
December 31, 2022	**577**	**1,744**	**2,066**	**765**	**5,153**
Additions	71	1		33	**105**
Disposals and closures	-66	-74		-100	**-239**
Increase through business combinations	0	0		0	**0**
Currency translation differences	-3	-25	-37	-14	**-80**
Partial Demerger	-482	-1,079	-1,781	-582	**-3,924**
Other	1	5		-10	**-4**
Transfer to assets held for sale	0	0		0	**0**
December 31, 2023	**98**	**572**	**248**	**92**	**1,010**
Additions	9	0		4	**13**
Disposals and closures	-2	0		0	**-3**
Increase through business combinations	0	0		3	**3**
Currency translation differences	-1	3	0	1	**4**
Other	1	25		7	**33**
Transfer to assets held for sale	0	0		0	**0**
December 31, 2024	**105**	**601**	**248**	**107**	**1,060**
Accumulated amortization					
December 31, 2022	**-277**	**-1,155**	**-1,061**	**-611**	**-3,104**
Amortization	-54	-72	-85	-17	**-228**
Impairment	0	0	0	0	**0**
Reversal of impairment	0	0		0	**0**
Disposals and closures	61	74		100	**235**
Currency translation differences	1	13	16	13	**43**
Partial Demerger	223	651	887	485	**2,246**
Other	0	24		-25	**0**
Transfer to assets held for sale	0	0		0	**0**
December 31, 2023	**-45**	**-466**	**-244**	**-55**	**-809**
Amortization	-7	-14	-1	-6	**-29**
Impairment	0	-1	0	-1	**-1**
Reversal of impairment	0	0		0	**0**
Disposals and closures	2	0		0	**2**
Currency translation differences	0	2	0	-1	**1**
Other	0	-8		-1	**-9**
Transfer to assets held for sale	0	0		0	**0**
December 31, 2024	**-50**	**-486**	**-245**	**-62**	**-843**
Net carrying amount					
December 31, 2022	300	590	1,005	154	**2,049**
December 31, 2023	52	107	5	37	**201**
December 31, 2024	**55**	**115**	**2**	**45**	**217**

The line “Other” mainly includes changes following portfolio transactions.

NOTE F19
GOODWILL AND BUSINESS COMBINATIONS

Accounting policy

Goodwill

Goodwill arising in a business combination is recognized as an asset at the date that control is obtained (the acquisition date). Goodwill is measured as the excess of the sum of:

(a) the consideration transferred

(b) the amount of any non-controlling interests in the acquiree; and

(c) in a business combination achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree, over the share acquired by the Group in the fair value of the entity's identifiable net assets at the acquisition date.

Goodwill is not amortized but is tested for impairment on an annual basis, and more frequently if there are any impairment triggers identified.

For impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) in accordance with IAS 36 Impairment of Assets.

A cash-generating unit (CGU) is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other group(s) of assets.

These tests consist of comparing the carrying amount of the assets or (groups of) CGUs with their recoverable amount. The recoverable amount of an asset or a (group of) CGU(s) is the higher of its fair value less costs to sell and its value in use. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized on goodwill shall not be reversed in a subsequent period.

Assets held for sale include their related goodwill.

On disposal of an operation within a CGU to which goodwill has been allocated, the goodwill associated with the operation disposed of is included in the determination of the profit or loss on disposal. It is measured based on the relative values of the operation disposed of and the portion of the CGU retained, unless another method better reflects the goodwill associated with the operation disposed of.

Goodwill – overview

In € million	Total
December 31, 2022	**3,472**
Addition	2
Currency translation differences	-36
Disposals	0
Impairment	-38
Partial Demerger	-2,637
December 31, 2023	**764**
Addition	18
Currency translation differences	0
Disposals	0
Impairment	0
December 31, 2024	**782**

In 2023, the currency translation differences mainly relate to goodwill expressed in US dollars, located in Specialty Businesses.

See note F23 for more details on impairment testing.

Business combinations in 2024

In March 2024, the Group increased its ownership in its equity accounted investment in Shandong Huatai Interox Chemical Co. by 10% from 50% to 60%, for €4 million. The transaction resulted in Solvay obtaining control over the legal entity. The acquisition was accounted for as a business combination achieved in stages and resulted in a €10 million gain on derecognizing the equity investment and recognizing €18 million of goodwill and €3 million of intangible assets based on the fair value of the entity upon consolidation. The Group finalized the purchase price allocation in December 2024 and recognized no material change.

Goodwill by (groups of) CGU(s)

Goodwill acquired in a business combination is allocated to the CGUs or groups of CGUs that are expected to benefit from that business combination.

	2024				
In € million	At beginning of the period	Additions	Impairment	Currency translation differences	At the end of the period
Special Chem	275			-1	275
Soda Ash & Derivatives	237				237
Coatis	82				82
Silica	72				72
Energy Services	0				0
Hydrogen Peroxide Europe	37				37
Hydrogen Peroxide Mercosul	27				27
Hydrogen Peroxide Nafta	15				15
Hydrogen Peroxide Asia	19	18		0	37
Total goodwill	**764**	**18**	**0**	**0**	**782**

	2023						
In € million	At beginning of the period	Additions	Impairment	Currency translation differences	Transfer	Partial Demerger	At the end of the period
Operating segments - Groups of CGUs							
Materials	**341**					-341	**0**
Chemicals	**121**				-121		**0**
Solutions	**264**				-65	-199	**0**
(Groups of) CGUs							
Composite Materials	**591**			-15		-577	**0**
Novecare	**565**	2		-3		-564	**0**
Technology Solutions	**734**			-17		-716	**0**
Special Chem	**210**			0	65		**275**
Specialty Polymers	**181**			-1		-180	**0**
Soda Ash & Derivatives	**162**				75		**237**
Coatis	**82**						**82**
Silica	**72**						**72**
Aroma Performance	**49**					-49	**0**
Energy Services	**50**		-38			-12	**0**
Hydrogen Peroxide Europe	**21**				17		**37**
Hydrogen Peroxide Mercosul	**14**				14		**27**
Hydrogen Peroxide Nafta	**7**				8		**15**
Hydrogen Peroxide Asia	**11**			0	8		**19**
Total goodwill	**3,472**	**2**	**-38**	**-35**	**0**	**-2,637**	**764**

See also note F23 Impairment.

As a result of the Partial Demerger of the Specialty Business, effectuated in December 2023, the Group realigned its Operating Segments as detailed in note F1 Revenue and Segment Information. The realignment resulted in the reallocation of segment level goodwill of €186 million (see €121 million + €65 million in column Transfer in 2023 table) to the CGUs using a relative value approach (respective fair values). The reallocation had no significant impact on the impairment analysis performed.

NOTE F20
PROPERTY, PLANT AND EQUIPMENT

Accounting policy

General
Property, plant and equipment are tangible items that:
- are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- are expected to be used during more than one period.

The items of property, plant and equipment owned by the Group are recognized as property, plant and equipment when the following conditions are satisfied:
- it is probable that the future economic benefits associated with the asset will flow to the Group;
- the cost of the asset can be measured reliably.

Items of property, plant and equipment are initially measured at cost. The cost of an item of property, plant and equipment comprises its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. If applicable, the cost comprises borrowing costs during the construction period.

After initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any.

Items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The components of an item of property, plant and equipment with different useful lives are depreciated separately. Land is not depreciated. The estimated useful lives, residual values and depreciation methods are reviewed at each year end, also considering the potential impact of climate change including the execution of the Solvay's sustainability strategy (see Note on Climate Change Considerations in the IFRS general accounting policies). Any changes in estimates are accounted for prospectively.

Within Land and buildings group		
Buildings	30-40	years
Within Fixtures and equipment group		
IT equipment	3-5	years
Machinery and equipment	10-20	years
Transportation equipment	5-20	years

Depreciation expense is included in the consolidated income statement within cost of goods sold, administrative costs, and R&D costs.

The asset is tested for impairment if there is a trigger for impairment (see note F23 Impairment).

Items of property, plant and equipment are derecognized from the consolidated statement of financial position on disposal or when no future economic benefits are expected from their use or disposal. The gain or loss which arises from derecognition of an item of property, plant and equipment is recognized in profit or loss at the moment of derecognition.

Subsequent expenditure
Subsequent expenditure related to items of property, plant and equipment is capitalized only if it is probable that it will increase the future economic benefits associated with the specific asset. Other expenditure is expensed as incurred. Subsequent expenditure incurred for the replacement of a component of an item of property, plant and equipment is only recognized as an asset when it satisfies the recognition criteria mentioned above. The carrying amount of replaced items is derecognized.

Repair and maintenance costs are recognized in the consolidated income statement as incurred.

Regarding its industrial activity, Solvay incurs expenditure for major repairs over several years for most of its sites. The purpose of this expenditure is to maintain the proper working order of certain installations without altering their useful life. This expenditure is considered as a specific component of the item of property, plant and equipment and is depreciated over the period during which the economic benefits are expected to be obtained, i.e. the major repairs' intervals.

Dismantling and restoration costs
Dismantling and restoration costs are included in the cost of an item of property, plant and equipment if the Group has a legal or constructive obligation to dismantle or restore. They are depreciated over the useful life of the items to which they pertain.

Generally, Solvay's obligation to dismantle and/or restore its operating sites is only likely to arise upon the discontinuation of a site's activities. A provision for dismantling of discontinued sites or installations is recognized when there is a legal obligation (due to a request or injunction from the relevant authorities), or when there is no technical alternative than to dismantle, to ensure the safety compliance of the discontinued sites or installations.

In the table below, additions and depreciation expenses include the items of Specialty Businesses until the Partial Demerger.

In € million	Land and buildings	Fixtures and equipment	Other tangible assets	Property, plant and equipment under construction	Total
Gross carrying amount					
December 31, 2022	**3,021**	**10,648**	**425**	**1,033**	**15,128**
Additions	77	136	7	777	**998**
Disposals and closures	-23	-216	-17	-3	**-258**
Increase through business combinations	0	1	0	0	**1**
Currency translation differences	-35	-126	-4	-16	**-181**
Partial Demerger	-1,516	-5,458	-186	-955	**-8,115**
Other	68	393	20	-354	**128**
Transfer to assets held for sale	0	0	0	0	**0**
December 31, 2023	**1,593**	**5,379**	**246**	**483**	**7,700**
Additions	8	39	4	201	**252**
Disposals and closures	-6	-87	-5	0	**-99**
Increase through business combinations	0	0	0	0	**0**
Currency translation differences	3	24	-1	12	**39**
Other	42	136	15	-160	**33**
Transfer to assets held for sale	0	0	0	0	**0**
December 31, 2024	**1,640**	**5,491**	**260**	**536**	**7,925**
Accumulated depreciation					
December 31, 2022	**-1,648**	**-7,818**	**-351**	**0**	**-9,816**
Depreciation	-76	-459	-22		**-557**
Impairment	-11	-44	-2		**-57**
Reversal of impairment	0	0	0		**0**
Disposals and closures	18	214	16		**249**
Currency translation differences	16	87	3		**105**
Partial Demerger	694	3,788	153		**4,634**
Other	-19	-90	-5		**-114**
Transfer to assets held for sale	0	0	0		**0**
December 31, 2023	**-1,027**	**-4,323**	**-206**	**0**	**-5,556**
Depreciation	-35	-178	-13		**-226**
Impairment	-6	-36	0		**-42**
Reversal of impairment	0	1	0		**1**
Disposals and closures	6	86	5		**97**
Currency translation differences	-2	-20	1		**-21**
Other	-3	-27	0		**-29**
Transfer to assets held for sale	0	0	0		**0**
December 31, 2024	**-1,066**	**-4,496**	**-213**	**0**	**-5,776**
Net carrying amount					
December 31, 2022	1,373	2,830	75	1,033	**5,311**
December 31, 2023	566	1,056	39	483	**2,145**
December 31, 2024	**574**	**995**	**46**	**536**	**2,150**

In 2024 and 2023, no borrowing costs were capitalized.

Please see Note F1 for the split of the capital expenditure by segments.

The line “Other” mainly includes changes following portfolio transactions and reclassification of property, plant and equipment under construction to the appropriate categories when they are ready for intended use.

The 2023 additions and depreciation figures include the amounts related to the Specialty Businesses until the Partial Demerger on December 8, 2023.

NOTE F21
RIGHT-OF-USE ASSETS AND LEASE OBLIGATIONS

Accounting policy

Definition of a lease

At inception of a contract, which generally coincides with the date the contract is signed, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

An asset is typically identified by being explicitly specified in a contract. However, an asset can also be identified by being implicitly specified at the time that the asset is made available for use by the customer. If the supplier has a substantive substitution right, then the asset is not identified. A substantive substitution right means that (a) the supplier has the practical ability to substitute the asset throughout the period of use, and (b) would economically benefit from doing so.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether, throughout the period of use, it has:
- the right to obtain substantially all of the economic benefits from use of the identified asset; and
- the right to direct the use of the identified asset. This is generally the case when the Group has the decision-making rights regarding how and for what purpose the asset is used.

The Group's leased assets relate mainly to buildings, transportation equipment, and industrial equipment.

Lease term

The Group determines the lease term as the non-cancellable period of a lease, together with both:
- periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and
- periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

In its assessment, the Group considers the impact of the following factors (non-exhaustive):
- contractual terms and conditions for the optional periods, compared with market rates;
- significant leasehold improvements undertaken (or expected to be undertaken) over the term of the contract;
- costs relating to the termination of the lease, including relocation costs, costs of identifying another underlying asset suitable for the Group's needs, costs of integrating a new asset into the Group's operations, and termination penalties;
- the importance of that underlying asset to the Group's operations, including the availability of suitable alternatives;
- conditionality associated with exercising the option (i.e. When the option can be exercised only if one or more conditions are met), and the likelihood that those conditions will exist; and
- past practice.

Right-of-use asset and lease liability

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date, which is the date that the lessor makes the asset available for use by the Group except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. The right-of-use assets are presented separately in the consolidated statement of financial position, and the lease liabilities are presented as part of financial debt.

Right-of-use asset

The right-of-use asset is initially measured at cost, which comprises:
- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentive received; and
- any initial direct costs incurred by the Group.

After the commencement date, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses. Right-of-use assets are depreciated using the straight-line depreciation method, from the commencement date to (a) the end of the useful life of the underlying asset, in case the lease transfers ownership of the underlying asset to the Group by the end of the lease term, or the lease contains a purchase option that the Group is reasonably certain to exercise, or (b) the earlier of the end of the useful life and the end of the lease term, in all other cases.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entity's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for early terminating the lease, if the Group is reasonably certain to exercise an option to early terminate the lease.

Service components (e.g. utilities, maintenance, insurance) are excluded from the measurement of the lease liability.

After the commencement date, the lease liability is measured by:
- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect the impact from a revised index or rate.

Leasing of Palladium

The Group uses palladium, a precious metal, for certain of its operations. Next to purchasing this palladium, the Group also enters into various "leasing" agreements with financial institutions that give the Group the right to use palladium for a certain period and then return it at the end of the "lease". Based on our analysis of these agreements, these contracts are not in the scope of IFRS 16 Leases or IFRS 9 Financial Instruments. Due to the lack of clear IFRS guidance, the Group applied judgment to determine whether these rights and obligations shall be accounted for on a gross or a net basis. Considering that the Group bears no price risk during the "lease" term and is not in full control of the asset (in accordance with the IFRS Conceptual Framework), the Group believes a net presentation gives a better view on the economic substance of the transaction. As a result, only accruals are recorded for the production losses and regeneration costs and the "lease" fee is recognized within cost of sales.

In € million	Land	Buildings	Transportation equipment	Industrial equipment	Other tangible assets	Total
Gross carrying amount						
December 31, 2022	**19**	**250**	**289**	**279**	**16**	**852**
Additions	0	17	62	15	7	101
Disposals and closures	0	-25	-16	-18	-2	-62
Increase through business combinations						0
Currency translation differences	0	-3	-7	-3	0	-14
Partial Demerger	-11	-170	-82	-133	-12	-409
Other	0	5	15	-10	1	11
December 31, 2023	**8**	**73**	**261**	**128**	**8**	**479**
Additions	0	2	38	7	3	50
Disposals and closures	0	-3	-16	-5	0	-25
Increase through business combinations	0	0	0	0	0	0
Currency translation differences	0	0	11	1	0	13
Other	0	-1	2	2	2	5
Transfer to assets held for sale	0	0	0	0	0	0
December 31, 2024	**9**	**70**	**296**	**134**	**13**	**522**
Accumulated depreciation						
December 31, 2022	**-5**	**-115**	**-148**	**-100**	**-9**	**-377**
Depreciation	-1	-31	-47	-32	-3	-114
Impairment	0	-1	0	0	0	-1
Disposals and closures	0	16	16	18	2	53
Currency translation differences	0	2	3	1	0	6
Partial Demerger	4	90	54	67	5	219
December 31, 2023	**-2**	**-39**	**-122**	**-45**	**-5**	**-213**
Depreciation	0	-10	-33	-16	-2	-62
Impairment	0	-4	0	0	0	-4
Disposals and closures	0	3	16	5	0	25
Currency translation differences	0	0	-5	-1	0	-5
Other	0	0	0	0	0	0
Transfer to assets held for sale	0	0	0	0	0	0
December 31, 2024	**-3**	**-48**	**-144**	**-56**	**-7**	**-258**
Net carrying amount						
December 31, 2022	14	134	141	178	6	474
December 31, 2023	6	34	139	83	3	267
December 31, 2024	**6**	**22**	**152**	**78**	**6**	**264**

The Group primarily leases buildings that include office buildings, and warehouses. Those leases are generally long-term leases and may include extension options.

The Group leases transportation equipment that mainly consists of railcars and containers to transport the Group's products.

Industrial equipment mainly relates to utility assets.

Generally, lease contracts are negotiated by the local teams and contain a wide range of different terms and conditions. Many lease contracts contain extension options and/or early termination options to provide the Group with operational flexibility. Such options are considered when determining the lease term and the lease liability when it is reasonably certain that they will be exercised.

If the group exercised its extension options not currently included in the lease liability, the present value of the additional payments would be €25 million at December 31, 2024 (€42 million at December 31, 2023).

The lease contracts signed not yet commenced amount was €203 million at December 31, 2024 (€210 million at December 31, 2023) and is mainly related to a second waste-wood boiler in Germany, industrial equipment in France, and terminal services and rail cars in the United States.

Total cash outflows for leases amount to €75 million for 2024, of which €63 million related to payment of lease liabilities and €12 million of interest expenses. Information on the corresponding lease liabilities (long-term part of €236 million and short-term part of €70 million) can be found in the note F32 Financial Instruments. Information on the finance expense related to lease liabilities can be found in note F6 Net financial charges.

The 2023 figures contain the amounts related to Specialty Businesses until December 8, 2023.

Low-value leases and short-term leases

In 2024, the expense related to both low-value and short-term leases was €5 million.

Lease of palladium

At the end of 2024, the total (gross) value of palladium leased still to be returned amounted to €28 million (end of 2023: €33 million). The difference is mainly due to the change of the market price of the commodity.

NOTE F22
INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The list of associates and joint ventures is available in the note F40 List of companies included in the consolidation scope.

The associates and joint ventures not classified as held for sale/discontinued operations are accounted for under the equity method of accounting.

	December 31, 2024			December 31, 2023		
In € million	Associates	Joint ventures	Total	Associates	Joint ventures	Total
Investments in associates and joint ventures	47	169	216	42	188	**230**
Earnings from associates and joint ventures	4	35	38	3	50	**53**

Investments in associates

In € million	2024	2023
January 1	**42**	**18**
Profit for the year	4	4
Dividends received	-1	-1
Currency translation differences	3	0
Partial Demerger	0	20
December 31	**47**	**42**

In 2023, the figures contain the amounts related to Specialty Businesses until December 8.

The amount in Partial Demerger results mainly from loss of control due to partial demerger and the change of the consolidation scope from full consolidation to equity accounting.

The tables below present the summarized financial information of all the associates and the summarized financial information of the major associates. The associates had no contingent liabilities or capital commitments as at December 31, 2024 and 2023.

	December 31, 2024			December 31, 2023		
In € million	Total	Of which Quingdao Hiwin Solvay Chemicals	Of which Solvay (Zhenjiang) Chemicals	Total	Of which Quingdao Hiwin Solvay Chemicals	Of which Solvay (Zhenjiang) Chemicals
Ownership interest		30%	9%		30%	9%
Operating Segment		Performance Chemicals	Basic Chemicals		Performance Chemicals	Basic Chemicals
Statement of financial position						
Non-current assets	**169**	**22**	**137**	**163**	**24**	**130**
Current assets	**242**	**22**	**211**	**231**	**20**	**202**
Cash and cash equivalents	9	7	1	139	4	135
Non-current liabilities	**4**	**1**	**1**	**4**	**2**	**1**
Non-current financial debt	2	0	1	2	0	0
Current liabilities	**89**	**16**	**68**	**86**	**20**	**61**
Current financial debt	4	4	1	4	4	0
Net asset	**319**	**27**	**279**	**304**	**23**	**270**
Carrying Amount of the interest in the Associate	**47**	**8**	**26**	**42**	**7**	**25**
Income statement	2024			2023		
Sales	340	52	276	69	54	
Depreciation and amortization	3	3	0	3	3	
Interest on loans and short term deposits	1	0	0	2	0	
Profit for the year from continuing operations	**29**	**3**	**25**	**3**	**1**	
Profit for the year	**29**	**3**	**25**	**3**	**1**	
Total comprehensive income	**29**	**3**	**25**	**4**	**1**	
Dividends received	**1**	**0**	**1**	**1**	**0**	

Investments in joint ventures

In € million	2024	2023
January 1	**188**	**790**
Additions	0	0
Capital increase / (decrease)	0	-3
Profit for the year	35	67
Dividends received	-20	-24
Currency translation differences	-13	-13
Impairment reversal		0
Other	-21	-3
Sale of RusVinyl		-428
Partial Demerger		-197
December 31	**169**	**188**

In 2023, the figures contain the amounts related to Specialty Businesses until December 8.
The amount in Partial Demerger mainly consists of demerged Strata Solvay Advanced Materials and Hindustan Gum & Chemicals.

The tables below present the summarized financial information of the material joint ventures. The joint ventures had no contingent liabilities or capital commitments as at December 31, 2024 and 2023.

December 31, 2024	Peroxidos do Brasil Ltda	Aqua Pharma Group	Shinsol Advanced Chemicals
In € million			
Ownership interest	69.40%	50%	51.0%
Operating Segment	Basic Chemicals	Basic Chemicals	Basic Chemicals
Statement of financial position			
Non-current assets	**125**	**20**	**24**
Current assets	**152**	**30**	**3**
Cash and cash equivalents	95	17	1
Non-current liabilities	**8**	**2**	**6**
Non-current financial debt	1	0	6
Current liabilities	**69**	**6**	**2**
Current financial debt	11	0	0
Net asset	**199**	**42**	**20**
Carrying Amount of the interest in the Joint Venture	**138**	**21**	**10**

2024 income statement			
Sales	176	51	0
Depreciation and amortization	-7	-4	0
Cost of borrowings	0	0	0
Interest on loans and short-term deposits	9	0	0
Income taxes	-24	-2	0
Profit for the year from continuing operations	**49**	**6**	**-6**
Profit for the year	**49**	**6**	**-6**
Other comprehensive income	-12	5	0
Total comprehensive income	**38**	**11**	**-6**
Dividends received	**20**	**0**	**0**

Other comprehensive income mainly comprises the currency translation differences.

December 31, 2023 In € million	Peroxidos do Brasil Ltda	Shandong Huatai Interox Chemical Co. Ltd	Aqua Pharma Group	Shinsol Advanced Chemicals
Ownership interest	69.40%	50%	50%	51.0%
Operating Segment	Basic Chemicals	Basic Chemicals	Basic Chemicals	Performance Chemicals
Statement of financial position				
Non-current assets	**121**	**7**	**24**	**22**
Current assets	**144**	**28**	**20**	**6**
Cash and cash equivalents	84	22	9	6
Non-current liabilities	**8**	**-**	**2**	**4**
Non-current financial debt	1	0	0	4
Current liabilities	**50**	**10**	**5**	**2**
Current financial debt	6	0	0	0
Net asset	**206**	**25**	**38**	**23**
Carrying Amount of the interest in the Joint Venture	**143**	**12**	**19**	**12**
2023 income statement				
Sales	195	40	32	0
Depreciation and amortization	-7	-1	-3	0
Cost of borrowings	0	0	0	0
Interest on loans and short-term deposits	8	0	0	0
Income taxes	-23	-3	-2	0
Profit for the year from continuing operations	**56**	**8**	**-2**	**-2**
Profit for the year	**56**	**8**	**-2**	**-2**
Other comprehensive income	4	0	-3	0
Total comprehensive income	**61**	**8**	**-5**	**-2**
Dividends received	**18**	**2**	**0**	**0**

Other comprehensive income mainly comprises the currency translation differences.

Litigation settlement

Peroxidos do Brasil and Solvay Brasil settled the antitrust cases with CADE (the Brazilian antitrust authority). The corresponding amounts and the legal fees were reflected in and adjusted the existing provisions, with a joint effect of € 3.6 million in the 2024 consolidated profit or loss.

Please refer to the Litigation section of the Risk Management chapter of the Annual Integrated Report for further details.

NOTE F23
IMPAIRMENT

Accounting policy

General

At the end of each reporting period, the Group reviews whether there is any indication that assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate. Future cash flows are adjusted for risks not incorporated into the discount rate.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss. An impairment loss recognized for goodwill shall not be reversed in a subsequent period.

Assets other than non-current assets held for sale

In accordance with IAS 36 Impairment of Assets, the recoverable amount of property, plant and equipment, intangible assets, right-of-use assets, CGUs or groups of CGUs, including goodwill, and equity method investees corresponds to the higher of their fair value less costs of disposal, and their value in use. The latter equals the present value of the future cash flows expected to be derived from each asset, CGU or group of CGUs, and equity method investees and is determined using the following inputs:

- business plan approved by management based on growth and profitability assumptions, considering past performances, forecast changes in the economic environment and expected market developments, including opportunity and risks resulting from climate change (taking into account the Solvay's sustainability strategy – see note Climate change in the IFRS general accounting policies) and environmental regulations such as products phasing out. For further details, refer to the Risk Management Section. Such business plan generally covers five years, unless management is confident that projections over a longer period are reliable;
- consideration of a terminal value determined based on the cash flows generally obtained by extrapolating the cash flows of the last years of the business plan referred to above, affected by a long-term growth rate deemed appropriate for the activity and the location of the assets;
- discounting of expected cash flows at a rate determined using the weighted average cost of capital formula.

Discount rate

Weighted average cost of capital (WACC) was estimated based on an extensive benchmarking with peers based on which management concluded the following:

- A short term WACC of 7.9% was utilized in 2024 to discount the expected cash flows of the initial four years, computed based on prevailing discount rates;
- A long term WACC of 8.15% was utilized in 2024 to discount the expected cash flows of the fifth year and the Terminal Value and is based on the 3-year averages of key parameters (risk free rates, betas, spreads).

	2024	2023
Short term discount rate (WACC)	7.9%	9.9%
Long term discount rate (WACC)	8.2%	8.2%

The decrease in the short-term WACC is mainly due to the variation in the Industry Capital Structure.

Long-term growth rates

After the reassessment of the long-term growth prospects the Group set at:

- Coatis – 0%
- Peroxides – 1%
- Silica – 1%
- Soda Ash – 1%
- Spec Chem – 1%

Other key assumptions are specific to each CGU (utility price, volumes, margin, etc.).

Impairment test 2024

The impairment tests performed at the CGU level at December 31, 2024, were based on the budget 2025 approved by the Board and the Mid Term Plan 2025-2028.

The impairment tests performed at the CGU level at December 31, 2024, did not lead to any impairment of assets, as the recoverable amounts of the (groups of) CGUs were higher than their carrying amounts. More specifically, the difference between the (groups of) CGUs' value in use and their carrying amount (headroom) represented in all cases more than 10% of their carrying amount. As a result, for these (groups of) CGUs, a reasonable change in a key assumption relating to the recoverable amount for which the (groups of) CGUs is based, would not result in an impairment loss. Given the significant headroom no sensitivities were performed.

Climate related matters were considered in the 2024 impairment analysis; however, it did not give rise to any impairments. In the annual impairment testing, the group considered the planned capital expenditures in its Soda Ash & Derivatives CGU related to the carbon neutrality initiative.

As detailed in the note on climate change, the management has considered the impact of climate change, and more specifically the impact of the execution of the Solvay's sustainability strategy, in the assessment of impairment. Furthermore, the long-term accounting assumptions, including CO_2 emission rights and energy prices for the energy intensive Soda Ash GBU have been considered together with applied relevant hedges. Considering the significant headroom on the Soda Ash CGU, the management believes that this headroom is enough to absorb climate change scenarios. Consequently, no sensitivity is provided. The same exercise was done for the other cash generating units and management believes there are no realistic scenarios regarding climate change today, which would lead to an impairment of these assets.

Other small groups of assets

In 2024, the Group impaired some tangible assets in the Special Chem CGU for Fluorine business for an amount of €(9) million and in other non-cash-generating assets for an amount of €(36) million.

NOTE F24
INVENTORIES

Accounting policy

Cost of inventories includes the purchase, conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories is generally determined by using the weighted average cost method except for CO_2 emission rights (see below).

Inventories are measured at the lower of purchasing cost (raw materials and merchandise) or production cost (work in progress and finished goods) and net realizable value. Net realizable value represents the estimated selling price, less all estimated costs of completion and the estimated costs necessary to make the sale.

CO_2 emission rights
With respect to the mechanism set up by the European Union to encourage manufacturers to reduce their greenhouse gas emissions, carbon dioxide (CO_2) emission rights are granted to the Group for free.

In the absence of any IFRS regulating the accounting treatment of CO_2 emission rights, the Group applies the Trade/Production model, according to which CO_2 emission rights are presented as inventories if they will be consumed in the production process within the next 12 months or in "Loans and other assets" for beyond 12 months. EUA inventory is carried at weighted average cost formula.

The result of hedging activities is recognized in OCI, while the recycling results in "other operating gains and losses".

Considering its centralized CO_2 emission rights' portfolio management, for emission rights that are substitutable between subsidiaries, the Group's financial statements reflect the Group's net position. If this net position is negative, a provision is recognized, measured based on the expected cost of redeemed EUA certificates.

Energy savings certificates (ESCs)
Energy savings certificates are presented as inventory items in finished goods. They are measured at weighted average cost. As their cost is not separately identifiable, and as they are a by-product, they are measured at their net realizable value upon initial recognition.

In € million	December 31, 2024	December 31, 2023
Finished goods	343	373
Raw materials and supplies	305	296
Work in progress	6	4
Total	**655**	**673**
Write-downs	-32	-31
Net total	**623**	**642**

The CO_2 emission rights amount to €38 million at the end of 2024 (at the end of 2023 €49 million) – this includes €14 million related to 2024 obligations (in 2023 this was €12 million) and is included in inventory, and €24 million related to obligations after 2024 (€38 million in 2023) which is included in Loans and other assets.

The cost of inventory is disclosed in Note F2 Consolidated income statement by nature – in line Raw materials, utilities, consumables used.

Inventory write-downs are included in cost-of-goods-sold in the consolidated income statement.

See Note F32 Financial instruments for further details on CO_2 hedging.

NOTE F25
OTHER RECEIVABLES (CURRENT)

In € million	December 31, 2024	December 31, 2023
VAT and other taxes	192	202
Advances to suppliers	32	37
Financial instruments - operational	67	56
Insurance premiums	23	36
Loan receivables	3	5
Other	80	127
Other current receivables	**396**	**462**

In 2023, the row Other contains a pending insurance reimbursement of €32 million (see also Note F34 Other liabilities) and Fluor quotas of €16 million, which both have been settled in 2024 with Syensqo.
Financial instruments – operational includes held for trading and cash flow hedge derivatives (see note F32.A. Overview of financial instruments).

NOTE F26
ASSETS HELD FOR SALE

At the end of 2024 and 2023, there were no assets and liabilities classified as held for sale.

NOTE F27
EQUITY

Accounting policy

Share capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issuance of new share capital are directly recognized in equity as a deduction, net of tax, from the equity issuance proceeds.

Reserves
The reserves include:
- treasury shares;
- perpetual hybrid bonds that qualify as equity absent any unavoidable contractual obligation to repay the principal and interest of the perpetual hybrid bonds (no maturity, interest is payable annually but can be deferred indefinitely at the issuer's discretion);
- retained earnings;
- currency translation differences from the consolidation process relating to the translation of the financial statements of foreign operations prepared in a non-euro functional currency to the euro presentation currency;
- the impacts of the fair value re-measurement of equity instruments measured at fair value through other comprehensive income;
- the impacts of the fair value re-measurement of financial instruments documented as hedging instruments in cash flow hedges;
- actuarial gains and losses related to defined benefit plans.

Non-controlling interests
Those represent the share of non-controlling interests in the net assets and comprehensive income of subsidiaries of the Group and correspond to the interests in subsidiaries that are not held by the Company or its subsidiaries.

Number of shares (in units)

	December 31, 2024	December 31, 2023
Shares issued and fully paid	105,876,416	105,876,416
Treasury shares held	1,411,344	868,490

The treasury shares held by the Group have been deducted from consolidated shareholders' equity.

The shares issued by Solvay have no par value.

Treasury shares

During 2024, Solvay has purchased €39 million treasury shares in order to hedge its exposure under ESPP and LTI plans. During 2024 Solvay has also sold €13 million treasury shares in order to fulfill its obligations under the Stock Option plans and has delivered 91,718 shares to the participants of the ESPP.

During 2023, Solvay has sold € 50 million treasury shares in order to fulfill its employee benefits commitments.

As part of the Partial Demerger, the treasury shares held by a former subsidiary of Solvay transferred to Syensqo as part of the Partial Demerger, at their carrying amount of € 79 million, were transferred to Syensqo SA/NV as part of the Specialty Businesses.

As a result of the Partial Demerger, for each treasury share held by Solvay Stock Option Management SRL ("SSOM"), a wholly owned subsidiary of Solvay, for the purposes of hedging its exposure under LTI plans, SSOM received one Syensqo share. Consequently, Solvay reclassified part of the equity (€ 81 million) related to treasury shares to equity investments at fair value through profit or loss.

NOTE F28
NON-CONTROLLING INTERESTS

The amounts disclosed below are fully consolidated amounts and do not reflect the impacts from elimination of intragroup transactions.

At the end of 2024, the following most material subsidiaries have non-controlling interests (NCI) totaling €60 million out of total NCI of €65 million.

In € million	Solvay Lantian (Quzhou) Chemicals	Salzgewinnungsgezel lschaft Westfalen	Shandong Huatai Interox Chemicals
Non-controlling ownership interest	45%	35%	40%
Statement of financial position			
Non-current assets	25	55	33
Current assets	60	37	21
Non-current liabilities	4	51	1
Current liabilities	14	6	7
Income statement			
Sales	86	11	28
Profit for the year	13	3	16
Other comprehensive income	2	1	1
Total comprehensive income	**15**	**4**	**17**
Dividends paid to non-controlling interests	2	0	0
Share of non-controlling interest in the profit for the year	6	1	2
Accumulated non-controlling interests	30	12	18

At the end of 2023, the following subsidiaries had non-controlling interests totaling €35 million, out of a total of €42 million.

In € million	Solvay Lantian (Quzhou) Chemicals	Salzgewinnungsgezel lschaft Westfalen
Non-controlling ownership interest	45%	35%
Statement of financial position		
Non-current assets	26	55
Current assets	47	22
Non-current liabilities	3	41
Current liabilities	15	4
Income statement		
Sales	89	11
Profit for the year	10	7
Other comprehensive income	-2	-1
Total comprehensive income	**8**	**6**
Dividends paid to non-controlling interests	3	0
Share of non-controlling interest in the profit for the year	4	2
Accumulated non-controlling interests	24	11

NOTE F29
SHARE-BASED PAYMENTS

Accounting policy

Solvay has set up compensation plans, including equity-settled and cash-settled share-based compensation plans.

In its equity-settled plans, the Group receives services as consideration for its own equity instruments (namely through the issuance of share options). The fair value of services rendered by employees in consideration for the granting of equity-instruments represents an expense. This expense is recognized on a straight-line basis in the consolidated income statement over the vesting periods relating to these equity-instruments with the recognition of a corresponding adjustment in equity. The fair value of services rendered is measured based on the fair value of the equity-instruments on the grant date. It is not subsequently remeasured. At each reporting date, the Group re-estimates the number of share options likely to vest. The impact of the revised estimates is recognized in profit or loss against a corresponding adjustment in equity.

In its cash-settled plans, the Group acquires services by incurring a liability to transfer to its employees rendering those services amounts that are based on the price (or value) of equity instruments (including shares or share options) of the Group (namely through the issuance of performance share units). The fair value of services rendered by employees in consideration for the granting of share-based payments represents an expense. This expense is recognized on a straight-line basis in the consolidated income statement over the vesting periods relating to these share-based payments with the recognition of a corresponding adjustment in liabilities. At each reporting date, the Group re-estimates the number of options likely to vest, with the impact of the revised estimates recognized in profit or loss. The Group measures the services acquired and the liability incurred at the fair value of the liability. Until the liability is settled, the Group remeasures the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognized in profit or loss for the period.

Service and non-market performance conditions are not considered when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to immediate expensing of an award unless there are also service and/or performance conditions. No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (further details are given in Note F9 Earnings per share).

Awards on shares of Syensqo SA/NV

The awards granted on shares of the Syensqo Group are not in scope of IFRS 2 Share Based Payments. Therefore, the Management has established the accounting policy for these awards.

For the awards granted on Syensqo Group shares, a liability is recognized and measured based on the fair value of the Syensqo Group awards at each reporting date. On initial recognition of the liability at the Partial Demerger date, a corresponding entry is recognized in equity for the vesting period that has passed to date and the remaining amount is recognized as Other Receivables. This asset represents the services that have yet to be rendered by the beneficiaries. The asset will be amortized to the consolidated income statement over the remaining vesting period of the plans.

The costs of the awards related to the Syensqo Group are presented within operational (Administrative) expenses. The fair value fluctuation on the liability will be presented in Financial Results together with the fair value fluctuation on the hedging options/shares, which will partially hedge the impact.

The liability will be remeasured to its fair value at each reporting date. This applies equally to vested plans so long as there remains outstanding (unexercised) options.

The liabilities related to the fully vested plans are disclosed as current given that the beneficiaries may exercise their awards at any time. The liabilities related to the unvested plans are disclosed as non-current.

Effects of the Partial Demerger – amendments to the plans

As part of the Partial Demerger, the Solvay Board approved the amendments to the existing long term incentive plans (LTI). The LTIs were adjusted based on the following approaches:

1. Shareholder approach – The existing awards were adjusted to entitle beneficiaries to receive one share option of Solvay SA/NV and one share option of Syensqo SA/NV.
2. Employer approach – The existing awards were adjusted to entitle beneficiaries to receive a certain number of awards of their employer.
3. Basket approach – The existing awards were modified to entitle beneficiaries to receive an option on both Solvay SA/NV and Syensqo SA/NV.

Stock option plans (shareholder approach)

All outstanding stock options were converted into options on both the Solvay Group and Syensqo Group shares, as described above. The options can be exercised individually on each Group's shares except for the 2022 SOP, which is a basket option i.e. the option is exercised on both shares of Solvay and Syensqo simultaneously.

Since the Partial Demerger in 2023, the 2022 SOP is no longer classified as an equity settled plan due to the basket option feature. This plan is treated similarly to the awards on Syensqo's shares.

The exercise prices of all the stock options (excluding the 2022 SOP) were reset at the Partial Demerger date taking into consideration the Solvay and Syensqo closing share prices at December 11, 2023. As per Belgian law requirements, the sum of new exercise prices of Solvay and Syensqo options equal the original exercise price of the plans.

In 2023, the share options resulted in an expense of €3 million, which includes the impact of the plan amendments, and is recognized in the consolidated income statement as part of administrative costs. The carrying amount of the liability for stock options on Syensqo shares at December 31, 2023 is €28 million.

Modification accounting

In accordance with the requirements of IFRS 2 modification accounting, the Group obtained updated fair values using Black-Scholes models of all the share-based payment plans at the date of the Partial Demerger based on (i) the original terms but updated to the Partial Demerger date, and (ii) the modified terms. The fair values were compared and where there was an increase in fair value under the modified terms, the Group will recognize this additional cost over the remaining vesting period for the unvested plans. The additional cost related to vested plans was recognized in full in Administrative Expenses for the year ended December 31, 2023. The impact of the incremental fair value for both unvested and vested plans was not material to the Group.

2022 Performance Share Unit (PSU) plan (shareholder approach)

The performance metrics were measured for the full year 2022, 2023 and 2024. The PSUs were converted to RSUs by applying an extrapolation method to the third performance year (2024). The vesting period remains unchanged. The RSUs vested at the end of December 2024 and the shares of Solvay and Syensqo Group will be delivered to the beneficiaries in Q1 2025.

2023 PSU and Restricted Share Unit (RSU) (employer approach)

The performance metrics were measured for the full year 2023 and 2024. The PSUs and RSUs will vest at the end of December 2025 and the Solvay shares will be delivered to the beneficiaries in Q1 2026.

2024 PSU and Restricted Share, Unit (RSU) (employer approach)

The performance metrics were measured for the full year 2024. The PSUs and RSUs will vest at the end of December 2026 and the Solvay shares will be delivered to the beneficiaries in Q1 2027.

2022 Employee Stock Purchase Plan (ESPP) (employer approach)

The ESPP free and matching shares vested at the end of September 2024 and delivered to the employees at that date.

Awards on Syensqo shares

For the awards granted on Syensqo shares, a liability is recognized, and it is measured on December 31, 2024, at €9 million.

The costs of the awards related to the Syensqo shares (€1 million) are presented within operational (administrative) expenses in the Consolidated Income statement. The fair value fluctuation on the liability (€19 million) is presented in Financial Results.

Stock Option Plans

Prior to the Partial Demerger, all the stock option plans were equity settled. Following the Partial Demerger, the Group also must account for awards granted on Syensqo shares (see the Shareholder approach). The table below includes both the options on Solvay shares as well as Syensqo shares. There was no stock option plan granted in 2024.

Share option plans	2021	2020	2019	2018 - 2	2018 - 1	2017	2016
Number of share options granted and still outstanding at December 31, 2023	105,594	171,427	165,839	53,640	260,611	216,709	68,935
Granted share options							
Forfeitures of rights and expiries	-6,432	-5,417	-13,225	-5,588		-3,182	-8,839
Share options exercised		-132,352	-112,687	-48,052	-171,604	-178,136	-60,096
Number of Solvay share options at December 31, 2024	99,162	33,658	39,927	0	89,007	35,391	0
Solvay share options exercisable at December 31, 2024		33,658	39,927	0	89,007	35,391	0
Exercise price (in €)	16.49	16.52	16.74	18.69	19.51	19.19	13.11
Fair value of options at measurement date (in €)	4.56	4.42	4.16	2.68	2.68	2.25	6.30
Number of Syensqo share options at December 31, 2023	105,594	171,427	177,109	65,653	279,888	238,861	168,429
Forfeitures of rights and expiries	-6,432	-5,417	-22,495	-5,588		-3,182	-108,833
Share options exercised		-41,302	-31,593	-12,013	-12,999	-21,637	-59,596
Number of Syensqo share options at December 31, 2024	99,162	124,708	123,021	48,052	266,889	214,042	0
Syensqo share options exercisable at December 31, 2024		124,708	123,021	48,052	266,889	214,042	0
Exercise price (in €)	79.09	79.28	80.31	89.69	93.60	92.08	62.87
Fair value of options at measurement date (in €)	22.45	21.76	20.50	13.37	13.37	11.27	31.22

Share option plans	2022
Number of share options granted and still outstanding at December 31, 2023	102,336
Granted share options	
Forfeitures of rights and expiries	
Share options exercised	
Partial Demerger of Syensqo	
Number of basket share options at December 31, 2024	102,336
Basket share options exercisable at December 31, 2024	0
Exercise price (in €)	84.34
Fair value of options at measurement date (in €)	30.58

The options in 2022 SOP have a higher exercise price compared to other SOPs because this plan was converted using the Basket approach and for each option exercised, the holder will acquire one Solvay SA/NV share and one Syensqo SA/NV share against payment of the exercise price.

	2024		2023	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
January 1	**1,145,091**	**21.82**	**3,072,197**	**102.45**
Granted during the year	0		0	
Forfeitures of rights and expiries during the year	-42,683	16.25	-610,796	16.25
Exercised during the year	-702,927	17.82	-539,838	17.82
Partial Demerger of Syensqo	0		-776,472	
December 31	**399,481**	**34.81**	**1,145,091**	**21.82**
Exercisable at December 31	**197,983**		**765,734**	
Shareholder approach				
· Options on Solvay Shares	297,145	17.75	1,042,755	17.74
· Solvay share options exercisable at December 31, 2024	197,983		765,734	
· Options on Syensqo Shares(1)	875,874	87.47	1,258,672	83.54
· Syensqo share options exercisable at December 31, 2024	776,712		929,940	
Basket approach(2)				
· **Basket options**	**102,336**	**84.34**	**102,336**	**84.34**
· **Basket share options exercisable at December 31, 2024**	**0**		**0**	

(1) Before the Partial Demerger, only options on Solvay shares existed.

(2) Following the completion of the Partial Demerger, the Shareholder approach or Basket approach were applied to SOP plans.

In 2024, the share options resulted in an expense of €1 million and is recognized in the consolidated income statement as part of administrative costs. The carrying amount of the liability for stock options on Syensqo shares at December 31, 2024 is €9 million.

Weighted average remaining contractual life of the share option plans

In years	2024	2023
2015		0.0
2016	0.0	0.2
2017	0.2	1.2
2018-1	1.2	2.2
2018-2	1.6	2.6
2019	2.2	3.2
2020	3.2	4.2
2021	4.1	5.1
2022	3.0	4.0

Performance Share Units Plan (PSU)

Performance share units	Plan 2024	Plan 2023
Number of PSUs	265,834	190,156
Grant date	21/03/2024	07/03/2023
Acquisition date	01/01/2027	01/01/2026
Vesting period	21/03/2024 to 31/12/2026	07/03/2023 to 31/12/2025

Performance conditions	40% of the initial granted PSUs are subject to the achievement of Year over Year Underlying EBITDA growth target for each of the 3 (2024,2025,2026) performance years ending on December 31, 2026	40% of the initial granted PSUs are subject to the achievement of Year over Year Underlying EBITDA growth target for each of the 3 (2023,2024,2025) performance years ending on December 31, 2025
	40% of the initial granted PSUs are subject to the sustained and /or improved ROCE % of the Company for each of the 3 (2024,2025,2026) performance years	40% of the initial granted PSUs are subject to the sustained and /or improved ROCE % of the Company for each of the 3 (2023,2024,2025) performance years
	20% of the initial granted PSUs are subject to the reduction of GHG absolute emissions during the same 3 years (2024,2025,2026)	20% of the initial granted PSUs are subject to the reduction of GHG absolute emissions during the same 3 years (2023,2024,2025)
	Achievement of the plan is measured for each separate performance year. The score achieved for each individual year is acquired definitively, whatever the achievement of the other years	Achievement of the plan is measured for each separate performance year. The score achieved for each individual year is acquired definitively, whatever the achievement of the other years
Validation of performance conditions	By the Board of Directors	By the Board of Directors

In 2024, the Board of Directors offered to executive staff a Performance Share Unit Plan, with the objective of promoting long-term success and to increase the focus on sustainable performance for the benefit of the Solvay Group and its stakeholders. All the managers involved subscribed to the PSU offered to them in 2024 with a grant date fair value of €24.83 representing the average stock market price of the share for the 30 days prior to the offer. The Total Shareholder Return (TSR) performance condition was met at the end of 2024.

For the PSU plan 2023, the participants who are also members of the Executive Leadership Team (including the CEO) on the grant date must achieve an additional performance condition. If achievement of the performance conditions outlined in the above table is positive (above zero), delivery of the PSUs is subject to further adjustment based on the TSR performance of the Group in comparison to the TSR of the Stoxx 600 index companies for the period equal to the Performance Period. The TSR performance condition was partially met at the end of 2024.

The PSU plan 2022 has been converted to an RSU plan in 2023. The shares will be delivered in March 2025.

The PSU plan 2021 is a cash settled plan with a three-year vesting period that vested on December 31, 2023. The payout was determined on the basis of the Solvay Group average share price (€104.29) during a 10-day trading period ending on November 30, 2023. At December 31, 2023, cumulative liability was (€9 million). In June 2024 the liability was settled.

In 2024, the impact on the consolidated income statement regarding PSUs (net of hedging – see note F32 Financial instruments) amounts to a cost of €(2) million compared to a cost of €(12) million in 2023.

At December 31, 2024, there were 265,834 PSUs 2024 and 259,924 PSUs 2023 outstanding. In order to settle the PSU 2023 plan in fully Solvay shares, a ratio of 4.53 has been used for the conversion and the result of the calculation has been rounded up to get a whole number of shares.

Restricted Share Units (RSU)

In 2024, the Board of Directors offered to executive staff two Restricted Share Unit Plans, with the objective of encouraging beneficiaries to remain employed by the Group by allowing them to become shareholders of the Group. All the managers involved subscribed to the RSUs offered to them in 2024 with a grant date fair value of €24.83 representing the average Solvay Group stock market price of the share for the 30 days prior to the offer.

The Restricted Share Units are equity-settled share-based plans with a vesting date of December 31, 2026, after which shares will be issued, if vesting conditions are met.

In 2024, the impact on the consolidated income statement of the RSUs amounts to a cost of €(6) million compared to €(8) million in 2023.

At December 31, 2024, there were 113,974 RSUs 2024, 144,369 RSUs 2023, and 79,628 RSUs 2022 outstanding. In order to settle the RSUs 2023 plan in full Solvay shares, a ratio of 4.53 has been used for the conversion and the result of the calculation has been rounded up to get a whole number of shares.

Employee Stock Purchase Plan (ESPP)

In September 2022, Solvay launched its first employee share purchase plan. By participating in the plan, employees had the opportunity to purchase Solvay Group shares on preferential terms. The grant date fair value was €82.85 representing the average stock market price of the share for the 30 days prior to the offer. In accordance with IFRS 2 requirements, the fair value of the ESPP has been updated to €18.23, being the initial grant date fair value adjusted by the weighted average closing price of both Groups for the 30 days post the Partial Demerger (22% of the initial grant date fair value allocated to Solvay).

These employees received one free Solvay Group share for joining the plan as well as one matching share for every two shares purchased.

On September 30, 2024, 91,718 shares were granted to the employees. In 2024, the impact on the consolidated income statement of the ESPP amounts to a cost of €(1) million.

The plan vested on September 30, 2024 which resulted in an issuance of free and matching shares.

Share buy-back program

The share buyback program allowed the Group to acquire 1,241,675 Solvay shares in 2024, for the purpose of meeting any delivery obligations of Solvay shares arising from grants of its 2022, 2023 and 2024 long-term incentive (Performance Share Units, Restricted Share Units and ESPP) plans.

Cash flow on treasury and Syensqo shares

Acquisition/sale of treasury shares in 2024 includes the cash proceeds received from the sale of Syensqo shares related to the settlement of long-term incentive plans for €15 million, from the sale of Solvay shares related to the settlement of long-term incentive plans for €7 million and the share buyback transactions for €(37) million.

NOTE F30
EMPLOYEE BENEFITS

Accounting policy

General

The Group's employees are offered various post-employment benefits, other long-term employee benefits, and termination benefits because of legislation applicable in certain countries, and contractual agreements entered into by the Group with its employees or constructive obligations.

The post-employment benefits are classified as defined contribution or defined benefit plans.

Defined contribution plans

Defined contribution plans involve the payment of fixed contributions to a separate entity, and release the employer from any subsequent obligation, as this separate entity is solely responsible for paying the amounts due to the employee. The expense is recognized when an employee has rendered services to the Group during the period.

Defined benefit plans

Defined benefit plans concern all plans other than defined contribution plans, and include:

- post-employment benefits: pension plans, other post-employment obligations and supplemental benefits such as post-employment medical plans.

Considering projected final salaries on an individual basis, post-employment benefits are measured by applying a method (projected unit credit method) using assumptions involving discount rate, life expectancy, turnover, wages, annuity revaluation and medical cost inflation. The assumptions specific to each plan consider the local economic and demographic contexts.

The discount rates are interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation.

The amount recognized under post-employment obligations corresponds to the difference between the present value of future obligations and the fair value of the plan assets funding the plan, if any. If this calculation gives rise to a deficit, an obligation is recognized in liabilities. Otherwise, a net asset limited to the lower of the surplus in the defined benefit plan and the present value of any future plan refunds or any reduction in future contributions to the plan is recognized. Therefore, the amount at which such an asset is recognized in the statement of financial position may be subject to a ceiling.

The defined benefit cost consists of service cost and net interest expense (based on discount rate) on the net liability or asset, both recognized in profit or loss, and remeasurements of the net liability or asset, recognized in other comprehensive income.

Service cost consists of current service cost, past service cost resulting from plan amendments or curtailments and settlement gains or losses.

The interest expenses arising from the reverse discounting of the benefit obligations, the financial income on plan assets (determined by multiplying the fair value of the plan assets by the discount rate) as well as interest on the effect of the asset ceiling are recognized on a net basis in the net financial charges (cost of discounting of provisions).

Remeasurements of the net liability or asset consist of:

- actuarial gains and losses on the benefit obligations arising from experience adjustments and/or changes in actuarial assumptions (including the effect of changes in the discount rate) recognized in other comprehensive income;
- changes as a consequence of plan amendments, recognized in profit or loss.
- the return on plan assets (excluding amounts in net interest) and changes in the limitation of the net asset recognized.

Other long-term employee and termination benefits

- Other long-term employee benefits related to long service benefits granted to employees according to their seniority in the Group. Termination benefits include early pension plans. Other long-term employee and termination benefits are accounted for in the same way as post-employment benefits but remeasurements are fully recognized in the net financial charges during the period in which they occur.
- The actuarial calculations of the main post-employment obligations and other long-term benefits are performed by independent actuaries.

Overview

Provisions by type of benefits

In € million	December 31, 2024	December 31, 2023
Post-employment benefits	596	705
Other long-term benefits	44	47
Termination benefits	33	42
Total employee benefits	**674**	**794**

A. Post-employment benefits - defined contribution plans

For defined contribution plans, Solvay pays contributions to publicly or privately administered pension funds or insurance companies.

B. Post-employment benefits - defined benefit plans

Defined benefit plans can be either funded via outside pension funds or insurance companies ("funded plans") or financed within the Group ("unfunded plans"). Unfunded plans have no plan assets dedicated to them.

The net liability results from the net of the provisions and the plan assets' surplus.

In € million	December 31, 2024	December 31, 2023
Provisions	596	705
Asset plan surplus (included in non-current loans and other assets)	-67	-90
Net liability	**529**	**614**

	2024	2023
Operational expense	9	31
Finance expense	22	34

The operating expense includes current service cost for €12 million (€28 million in 2023) (see also B.3.).

B.1. Management of risks

Over recent years, the Group has reduced its exposure to defined benefit plan obligations stemming from future services by converting existing plans into pension plans with a lower risk profile (hybrid plans, cash balance plans and defined contribution plans) or by closing them to new entrants.

Solvay continuously monitors its risk exposure, focusing on the following risks:

Asset volatility

Equity instruments, even though expected to outperform corporate bonds in the long-term, create volatility and risk in the short-term. To mitigate this risk, the allocation to equity instruments is monitored using Assets and Liabilities Management techniques, to ensure it remains appropriate given the respective schemes and Group's long-term objectives.

Changes in bond yields

A decrease in corporate bond yields will increase the carrying amount of the plans' liabilities. For funded schemes this impact will be partially offset by an increase in the fair value of the plan assets.

Corporate bond yields are highly dependent on global and local market situations, the decisions of central banks and the political situation.

Events that are currently impacting the financial markets are:

- the perspective of slow growth in the world with a fragmentation by geographic zones;
- the anticipation of a decrease of rates by the US and European central banks;
- a reduction of the inflation but with signs of resistance of some elements of the underlying inflation;
- continuing political instability due to the war in Gaza, Ukraine, tension with China, and outcome of US election.

Consequently, yields in the major currency zones (Eurozone, the UK, and the US) are increasing compared to the end of 2023 (see Actuarial assumptions used in determining the liability). The result is a decrease in the Group's defined benefit obligations in 2024.

Inflation risk

The defined benefit obligations are linked to inflation, and as a result, higher inflation may lead to an increase in the benefit obligation (although, in most cases, caps on the level of inflationary increases are in place to protect against extreme inflation). A limited part of the assets is either unaffected by or only partially correlated with inflation, meaning that an increase in inflation will also increase the plans' net liabilities.

The inflation rate in each country is based on the Global Economic Consensus Forecast (GCF) except for the UK, where the information is derived from the Bank of England. Long-term inflation assumptions have limited downward variation in the Eurozone in comparison to 2023. In the UK, the outlook for the retail price index and consumer price index has increased slightly from 2023.

Life expectancy

Most of the schemes' obligations are to provide benefits for the life of the member. Increases in life expectancy will therefore increase the plans' liabilities.

Regulatory risk

Especially with respect to funded plans, the Group is exposed to the risk of external funding following regulatory constraints. This should not impact the defined benefit obligation but could expose the Group to a potential significant cash outlay.

B.2. Description of obligations

The provisions have been set up to cover post-employment benefits granted by most Group companies in line, either with local rules and /or with established practices, which generate constructive obligations.

The largest post-employment plans in 2024 are in the United Kingdom, the United States, France, Germany, Belgium and Brazil. These six countries represent 98% of the total defined benefit obligations and represent 99% of the total recognized plan assets.

	December 31, 2024						
In € million	Defined benefit obligations	In %	Recognized plan assets	Net liability/ (Asset)	In %	Ratio plan assets on defined benefit obligations	of which Asset surplus recognized in the B/S
United Kingdom	134	8%	131	4	1%	97%	0
United States	231	13%	208	23	4%	90%	3
France	574	33%	293	282	53%	51%	34
Germany	362	21%	175	187	35%	48%	0
Belgium	284	17%	298	-15	-3%	105%	29
Brazil	93	5%	66	27	5%	71%	0
Other countries	37	2%	15	23	4%	39%	0
Total	**1,714**	**100%**	**1,185**	**529**	**100%**	**69%**	**67**

The asset surplus represents an economic benefit for the Group or can revert to the company in case of wind up of the plans. The main countries where recognized assets are surplus are in Belgium and France. In Belgium the surplus can be used to offset employer contributions. For France the surplus relates to receivables for pensioners with annuity that are administered by the Group but are partially borne by third party companies.

	December 31, 2023						
In € million	Defined benefit obligations	In %	Recognized plan assets	Net liability/ (Asset)	In %	Ratio plan assets on defined benefit obligations	of which Asset surplus recognized in the B/S
United Kingdom	142	8%	139	3	0%	98%	12
United States	231	13%	207	24	4%	89%	10
France	632	34%	288	344	56%	46%	33
Germany	388	21%	190	199	32%	49%	0
Belgium	274	15%	292	-18	-3%	107%	34
Brazil	129	7%	90	39	6%	70%	0
Other countries	38	2%	16	23	4%	41%	2
Total	**1,836**	**100%**	**1,222**	**614**	**100%**	**67%**	**90**

France

Solvay sponsors several defined benefit plans in France. The largest plans are the French compulsory retirement indemnity plan and three closed top hat plans. Solvay retains most of the liabilities for the defined benefit plans after Partial Demerger.

The main plan is for all former Rhodia employees who contributed to the plan prior to its closure in the 1970s. It offers a full benefit guarantee based on the end-of-career salary; more than 99% of the liabilities are attributable to current pensioners. The plan is partially funded. At the end of December 2024, an voluntary contribution of €30 million was paid to the plan (€18 million in 2023).

In accordance with French legislation, adequate guarantees have been provided.

Germany

Solvay sponsors various defined benefit plans in Germany. The largest plans are a closed final-pay plan and an open cash balance plan. At December 31, 2024, broadly about 79% of the liabilities are attributable to current pensioners. The plans are partially funded.

Belgium

Solvay sponsors two defined benefit plans in Belgium. These are funded pension plans. The plan for executives has been closed since the end of 2006, and the plan for the white and blue collars has been closed since 2004. The past service benefits provided under these plans continue to be adapted each year considering annual salary increase and inflation ("Dynamic management"). In accordance with market practice in Belgium, because of favorable retirement lump sum taxation, most benefits are paid as lump sum.

Furthermore, Solvay sponsors two open defined contribution plans, classified as defined benefit plans for accounting purposes due to the minimum guarantees explained hereafter. These are funded pension plans which are open since the beginning of 2007 for the one in favor of the executives and since the beginning of 2005 for the one in favor of the white and blue collars. Participants may choose to invest their contributions amongst four different investment funds (from "Prudent" to "Dynamic"). However, regardless of their choices, the Belgian law foresees that the employer must guarantee a return on employer contribution and on personal contribution, creating that way a potential liability for the Group. Since 2016 the return was fixed at 1.75% for both types of contributions, at the minimum of the range provided by law since January 1, 2016 (1.75% to 3.75%). As from January 1, 2025, the minimum return will be fixed at 2.50%. At the end of 2024, net liability recognized in the consolidated statement of financial position concerning these plans is not material.

Solvay's plans are administered through the Solvay Pension Fund that operates in compliance with local laws regarding minimum funding, investments principles, audited financial statements, governmental filings, and governance principles. The Pension Fund is managed through a General Assembly and a Board of Directors delegating day-to-day activities to an operational committee.

Solvay sponsors a few other smaller pension plans. All these plans are insured.

United States

Solvay sponsored two defined benefit pension plans in the United States, one qualified plan and one non-qualified plan.

A qualified plan is an employer-sponsored retirement plan that qualifies for special tax treatment under Section 401(a) of the Internal Revenue Code. The defined benefit plans are closed to new entrants where newly hired employees are eligible to participate in a defined contribution plan. The qualified defined benefit pension plan is funded while the non-qualified defined benefit pension plan is unfunded. The qualified plan makes up most of the pension liabilities as of December 31, 2024.

Solvay's plans comply with local laws regarding audited financial statements, governmental filings, and Pension Benefit Guaranty Corporation insurance premiums where applicable. The plans are reviewed and monitored locally by fiduciary committees for purposes of plan investments and administrative matters.

For the qualified plan, Solvay's contributions consider minimum (tax-deductible) funding requirements as well as maximum tax-deductible contributions, both regulated by the tax authorities.

Certain eligible participants may elect to receive their pension in a single lump sum payment instead of a monthly payment.

At year-end, about 24% of the liabilities are attributable to current employees, 11% to former employees for whom benefit payments have not yet commenced and 65% to current pensioners.

United Kingdom

Solvay sponsors one defined benefit plan, the Solvay Defined Benefits Pension Fund. It is a final salary funded pension plan, with entitlement to accrue a percentage of salary per year of service. It was closed to new entrants in 2005 and replaced by a defined contribution plan.

As of December 31, 2024, about 1% of the liabilities are attributable to current employees, 35% to former employees and 64% to current pensioners.

The Solvay Pension fund functions and complies with local legislation under a large regulatory framework. The Pensions Regulator has a risk-based approach to regulation and a code of practice, which provides practical guidance to trustees and employers of defined benefit schemes on how to comply with the scheme funding requirements. In accordance with UK legislation, it is subject to Scheme Specific Funding, which requires that pension plans are funded prudently.

The pension fund is governed by a Board of Trustees. They manage the fund with prudent and fair judgment. The Trustees determine the liabilities used for Statutory Funding Objectives based on prudent actuarial and economic assumptions. Any shortfall or deficit once these liabilities have been deducted from the fund's assets must be reduced by additional contributions and in a timeframe determined in accordance with the employer's ability to pay and the strength of covenant or contingent security being offered by the employer.

The pension fund is subject to a triennial valuation cycle for funding purposes. This valuation is performed by the scheme actuary in line with UK regulations and is discussed between the Trustees and the sponsoring employer to agree the valuation assumptions and a funding plan.

In December 2023, before the Rhodia Pension Fund was demerged, Solvay made a voluntary contribution of £75 million.

The last completed valuation was as of March 31, 2022, which established a fixed contribution rate of pensionable pay for active members plus a deficit recovery plan. The recovery plan involved the payment of deficit contributions by the company up to June 30, 2023. In May 2023 an exceptional one-off voluntary contribution from the company was paid to the fund (£10 million) which led to an agreement that no further deficit contributions are required to be paid by the company to the fund after June 2023.

Other plans

The majority of the obligations relate to pension plans. In some countries (mainly Belgium, Brazil, and the United States), there are also post-employment medical plans, which represent 4% (4% in 2023) of the total defined benefit obligation.

B.3. Financial impacts

Changes in net liability

In € million	2024	2023
Net amount recognized at beginning of period	**614**	**810**
Net expense recognized in P&L - Defined benefit plans	31	65
Actual employer contributions / direct actual benefits paid	-52	-173
Acquisitions and disposals	0	0
Remeasurements before impact of asset ceiling	-60	31
Change in the effect of the asset ceiling limit on remeasurements	0	-4
Reclassification and other movements	1	2
Currency translation differences	-5	0
Partial Demerger	0	-116
Net amount recognized at end of period	**529**	**614**

Remeasurements before the impact of asset ceiling €(60) million comprise:

- the favorable investment return on plan assets (excluding interests reported in the consolidated income statement) for €(6) million;
- increase in discount rates of €(83) million mainly in the United States, United Kingdom, Brazil and Eurozone;
- decrease in inflation rate of €(17) million for Eurozone;
- other remeasurements due to changes in the other financial assumptions, demographic and experience effects of €46 million.

Net expense

In € million	2024	2023
Current service costs	12	28
Past service costs (including curtailments and settlements)	-5	1
Service costs	**7**	**29**
Interest cost	67	86
Interest income	-45	-52
Net interest	**22**	**34**
Administrative expenses paid	2	1
Net expense recognized in P&L - Defined benefit plans	**31**	**65**
Remeasurements recognized in other comprehensive income	**-60**	**26**

The service costs and administrative expenses of these benefit plans are recognized within cost of sales, administrative costs, research & development costs or operating gains and losses and results from legacy remediation, and the net interest is recognized as a finance expense.

In 2024 the Group's current service costs amount to €12 million (€28 million in 2023), of which €10 million (€25 million in 2023) related to funded plans and €3 million (€4 million in 2023) related to unfunded plans.

Net liability

In € million	December 31, 2024	December 31, 2023
Defined benefit obligations - Funded plans	1,579	1,678
Fair value of plan assets at end of period	-1,185	-1,222
Deficit for funded plans	**394**	**456**
Defined benefit obligations - Unfunded plans	135	159
Deficit / surplus (-)	**529**	**614**
Amounts not recognized as asset due to asset ceiling (recognized in other comprehensive income)	0	0
Net liability (asset)	**529**	**614**
Provision recognized	596	705
Asset recognized	-67	-90

Changes in defined benefit obligations

In € million	2024	2023
Defined benefit obligation at beginning of period	**1836**	**3,800**
Current service costs	12	28
Past service costs (including curtailments)	-5	1
Interest cost	67	86
Employee contributions	2	2
Settlements	0	0
Acquisitions and disposals (-)	0	0
Remeasurements in other comprehensive income	-54	162
Actuarial gains and losses due to changes in demographic assumptions	*0*	*7*
Actuarial gains and losses due to changes in financial assumptions	*-100*	*-1*
Actuarial gains and losses due to experience	*45*	*156*
Actual benefits paid	-147	-134
Currency translation differences	0	0
Partial Demerger	0	-2,148
Reclassification and other movements	3	37
Defined benefit obligation at end of period	**1714**	**1,836**
Defined benefit obligations - Funded plans	1579	1,678
Defined benefit obligations - Unfunded plans	135	159

Changes in the fair value of plan assets

In € million	2024	2023
Fair value of plan assets at beginning of period	**1,222**	**2,995**
Interest income	45	52
Remeasurements in other comprehensive income	6	132
Return on plan assets (excluding amounts in net interests including on asset surplus)	6	132
Employer contributions	52	173
Employee contributions	2	2
Administrative expenses paid	-2	-1
Acquisitions / Disposals (-)	0	0
Settlements	0	0
Actual benefits paid	-147	-134
Currency translation differences	5	0
Partial Demerger	0	-2,032
Reclassification and other movements	2	35
Fair value of plan assets at end of period	**1,185**	**1,222**
Actual return on plan assets (including on asset surplus)	51	184

In 2024, the total return on plan assets, i.e. including interest income, is a gain of €51 million against €184 million gain in 2023.

In 2024, the Group’s cash contributions amounted to €52 million (€173 million in 2023), of which €30 million (€29 million in 2023) of voluntary cash contributions, and €22 million (€144 million in 2023) of direct benefits payments and mandatory contributions to funds.

In 2024, the voluntary cash contribution into the pension fund in France (€30 million) was made to improve the funding level and further de-risk with the additional plan assets.

Categories of plan assets

	December 31, 2024	December 31, 2023
Equities	17%	18%
Bonds	71%	76%
Properties and infrastructures	2%	2%
Cash and cash equivalents	3%	3%
Derivatives	0%	0%
Others	7%	1%
Total	**100%**	**100%**

With respect to the invested assets, it should be noted that these assets do not contain any direct investment in Solvay shares or in property or other assets occupied or used by Solvay. This does not exclude Solvay shares being included in mutual investment fund type investments.

Changes in asset ceiling

In € million	2024	2023
Effect of the asset ceiling limit at beginning of period	**0**	**4**
Partial Demerger		-4
Change in the effect of the asset ceiling limit on remeasurements	0	0
Effect of the asset ceiling limit at end of period	**0**	**0**

Assumptions regarding future benefits paid

The following are the expected benefits paid by the defined benefit plan in the future years.

Period	Total	Eurozone	United Kingdom	United States	Other
2025	137	94	7	23	13
2026	152	108	8	23	13
2027 - 2029	439	311	25	64	39

Actuarial assumptions used in determining the liability

Some of the retirement plans that Solvay has in place provide annuity payments that are adjusted on a regular basis to mitigate the effects for cost-of-living increases.

The salary growth assumption is used to determine what will be the salary at the end of the career of the individuals, as the defined benefit plans consider the last salary of the individuals. This assumption includes impacts of both inflation and merit increases.

The pension growth assumption defines the expected future adjustments for these annuity payments. The plan defines how these annuity payments will be adjusted and might be linked to inflation. Pension growth assumptions mainly apply for the defined benefit retirement plans in the United Kingdom, France and Germany.

The long-term inflation assumption is presented separately as salary growth and pension growth assumptions encompass more variables than inflation.

	Eurozone		United Kingdom		United States	
	2024	2023	2024	2023	2024	2023
Discount rates	3.40%	3.00%	5.50%	4.50%	5.40%	4.75%
Expected rates of future salary increases	1.80% - 4.00%	2.00% - 4.00%	3.00%	2.75%	3.10%	3.75%
Long-term inflation	1.80% - 2.00%	2.00% - 2.25%	3.00%	2.75%	2.20%	2.25%
Expected rates of pension growth	0.00% - 2.00%	0.00% - 2.25%	2.90%	2.55%	N/A	N/A

Actuarial assumptions used in determining the annual cost

	Eurozone		United Kingdom		United States	
	2024	2023	2024	2023	2024	2023
Discount rates	3.00%	3.75%	4.50%	4.75%	4.75%	5.00%
Expected rates of future salary increases	2.00% - 4.00%	2.00% - 4.25%	2.75%	2.50% - 3.00%	3.10%	3.10%
Long-term inflation	2.00% - 2.25%	2.00% - 2.50%	2.75%	3.00%	2.25%	2.50%
Expected rates of pension growth	0.00% - 2.25%	0.00% - 2.50%	2.55%	2.80%	N/A	N/A

Actuarial assumptions regarding future mortality are based on recent country specific mortality tables. These assumptions translate at January 1, 2024, into an average remaining life expectancy in years for a pensioner retiring at age 65:

In years	Belgium	France	Germany	United Kingdom	United States
Retiring at the end of the reporting period					
Male	19	25	21	22	21
Female	22	29	24	24	23
Retiring 20 years after the end of the reporting period					
Male	20	28	23	23	22
Female	24	32	26	26	24

For most countries the mortality assumptions reflect actual scheme experience and/or Solvay's expectations in terms of future mortality improvements.

The actuarial assumptions used in determining the employee benefits obligation at December 31, 2024, are based on the following employee benefits liabilities durations:

	Eurozone	United Kingdom	United States
Duration in years	9.2	12.7	7.2

Sensitivities on the defined benefits obligation for the post-employment benefits

Each sensitivity amount is calculated assuming that all other assumptions are held constant. The economic factors and conditions often affect multiple assumptions simultaneously.

Sensitivity to a change of percentage in the discount rates:

In € million	0.25% increase	0.25% decrease
Eurozone	-25	25
United Kingdom	-4	4
United States	-4	4
Others	-2	2
Total	**-35**	**35**

Sensitivity to a change of percentage in the inflation rates:

In € million	0.25% increase	0.25% decrease
Eurozone	24	-23
United Kingdom	3	-3
United States	0	0
Others	2	-2
Total	**29**	**-28**

Sensitivity to a change of percentage in salary growth rates:

In € million	0.25% increase	0.25% decrease
Eurozone	2	-2
United Kingdom	0	0
United States	0	0
Others	0	0
Total	**2**	**-2**

Sensitivity to a change of one year on mortality tables – The table shows impacts when the age of all beneficiaries increases or decreases by one year:

In € million	Age correction +1 year	Age correction -1 year
Eurozone	-49	50
United Kingdom	-6	6
United States	-5	5
Others	-3	3
Total	**-63**	**64**

NOTE F31
PROVISIONS

Accounting policy

General

Provisions are recognized when (a) the Group has a present obligation (legal or constructive) as a result of a past event, (b) it is probable that the Group will be required to settle the obligation, and (c) a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount is the present value of expenditures required to settle the obligation. Impacts of changes in discount rates are generally recognized in the financial result.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received when the Group settles the obligation.

Restructurings

A restructuring provision is recognized when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

Environmental remediation costs

Environmental liabilities are mainly related to non-ongoing activities (shut-down sites, discontinued activities or divested activities where Solvay maintains certain commitments) and, to a lower extent, to ongoing activities (see comments below).

An environmental provision is recognized, in accordance with IAS 37, when there is a current legal or constructive obligation resulting from past events which will result in a probable outflow of resources (expenses / cash outs) to settle it and for which a reliable estimate of such outflows and timing can be made.

The environmental expenses encompass, but are not limited to, the following key matters:
- Sampling and analytical costs for soil and ground water monitoring
- Cost related to dismantling when required to meet a remediation or permit obligation
- Asbestos removal when obligated by regulation
- Environmental investigations and studies (Risk Assessments, Phase I and II soil and groundwater)

The closing amount of the environmental provisions is based on the net present value of the future cash flows needed, for current and future years, to settle remediation obligations. Forecast expenditures are based on external consultant estimates, where appropriate and possible. Future expenditures are forecast and revised biannually and validated quarterly by Solvay finance and suitably qualified industrial experts led by the Group Environmental Rehabilitation Director and benefit from inputs of legal department staff for the evolution of Environmental Regulations.

In the absence of probable obligations, a contingent liability may be disclosed to represent the future possible liability. In some cases, contingent liabilities cannot be quantified. See Note F36 Contingent liabilities and financial guarantees.

In € million	Restructuring	Environment	Litigation	Other	Total
December 31, 2023	**83**	**506**	**61**	**202**	**852**
Additions	123	97	14	80	314
Reversals of unused amounts	-34	-11	-8	-26	-79
Uses	-73	-66	-8	-52	-199
Increase/decrease through discounting	0	-6	1	0	-6
Remeasurements	0	0	0	0	0
Currency translation differences	0	-9	-2	1	-10
Acquisitions and changes in consolidation scope	0	0	0	0	0
Disposals	0	0	0	0	0
Transfer to liabilities associated with assets held for sale	0	0	0	0	0
Other	0	0	-3	1	-2
December 31, 2024	**99**	**511**	**55**	**205**	**871**
Of which current provisions	67	70	29	149	315

The provisions increased by €19 million in 2024, of which an increase of €16 million for Restructuring and €5 million for Environment partially offset by €(2) million for litigation and other provisions.

See below for more details on the recognition and additions to the provisions.

The movements in Other provisions mainly relate to post-closing adjustments resulting from M&A warranties including indemnities for environmental remediation on sites subject to disinvestment.

Management expects provisions (other than employee benefits) to be used (cash outlays) as follows:

In € million	up to 5 years	between 5 and 10 years	beyond 10 years	Total
Total provisions for environment	243	71	197	511
Total provisions for litigation and other	235	25	0	260
Total provisions for restructuring	99			99
December 31, 2024	**578**	**96**	**197**	**871**

Restructuring provisions

In 2024, these provisions amount to €99 million, compared with €83 million at the end of 2023.

The provisions at the end of 2024 mainly relate to the restructuring charges for the simplification of all support functions in the frame of the Group's simplification and transformation program, including the strategic transformation measures, site closures, and the exit from the Transition Services Agreement (TSA). According to the TSA, Solvay will be compensated by Syensqo for restructuring costs currently estimated at €22 million (€19 million in Other Receivables, and €3 million in Loans and Other Assets).

Environmental provisions

These provisions amount to €511 million at the end of 2024, compared with €506 million at the end of 2023, and pertain to:

- mines and drilling operations to the extent that legislation and/or operating permits in relation to quarries, mines and drilling operations contain requirements to remedy or to pay compensation to third parties. Those provisions amount to €148 million at the end of 2024 and most of these, based on local expert advice, can be expected to be used within the 20-year horizon.
- lime dikes (settling ponds related mainly to soda ash plants), landfills at sites and third-party landfills sites (linked to several industrial activities). These provisions have a horizon of 1 to 20 years.
- various types of pollution (organic, inorganic) coming from miscellaneous historical chemical productions; these provisions mainly cover discontinued activities or closed plants. Most of these provisions have a horizon of 1 to 20 years.

The variation of environmental provisions was also impacted by the higher discount rate reducing the present value of the overall liability by € (25) million. This effect, combined with the unwinding of the opening liabilities for €19 million resulted in a net decrease of €(6) million related to discounting. The estimated amounts are discounted based on the probable date of settlement and are periodically adjusted to reflect the passage of time.

The breakdown of the environmental provisions and related uses for the main countries/regions is as follows:

	December 31, 2024				December 31, 2023			
In € million	Provisions	In %	Provisions ongoing activities	Use of provisions	Provisions	In %	Provisions ongoing activities	Use of provisions
France	154	30%	0	-26	147	29%	0	-21
Germany	135	26%	46	-12	115	23%	30	-4
Rest of Europe	167	33%	6	-18	170	34%	6	-17
North America	4	1%	0	-1	5	1%	0	-23
Rest of the world	51	10%	1	-9	69	13%	1	-10
Total	**511**	**100%**	**53**	**-66**	**506**	**100%**	**37**	**-75**

The disclosure of comparatives related to environmental provisions was restated to follow the classification of some provisions as resulting from ongoing activities.

Provisions for litigation

Provisions for litigation refer to indirect tax and legal exposures. They amount to €55 million in 2024 (€61 million in 2023). The balance at the end of 2024 relates to indirect tax risks (€13 million) and legal claims (€42 million).

Other provisions

Other provisions amount to €205 million in 2024 (€202 million in 2023) including €72 million linked to Dombasle Energie (see the part related to provisions in Main Events). They relate to various risks, of which the main risks concern (i) the shutdown or disposal of activities and (ii) risk related to the execution of contracts or termination. Other provisions also include a provision for litigation post M&A deal for which an indemnification asset for €24 million (In Loans and other assets) has been recognized as foreseen in the Separation Agreement.

NOTE F32
FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Accounting policy

General

Financial assets and liabilities are recognized when, and only when Solvay becomes a party to the contractual provisions of the instrument.

Amortized cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Financial assets

Trade receivables are initially measured at their transaction price, if they do not contain a significant financing component, which is the case for substantially all trade receivables. Other financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

A financial asset is classified as current when the cash flows expected to flow from the instrument mature within one year.

All recognized financial assets will subsequently be measured at either amortized cost or fair value under IFRS 9 Financial Instruments, specifically:

- A debt instrument that (i) is held within a business model whose objective is to collect the contractual cash flows and (ii) has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding is measured at amortized cost (net of any write down for impairment), unless the asset is designated at fair value through profit or loss (FVTPL) under the fair value option.
- All other debt instruments are measured at FVTPL.
- All equity investments are measured in the consolidated statement of financial position at fair value, with gains and losses recognized in profit or loss except that if an equity investment is not held for trading, nor contingent consideration recognized by an acquirer in a business combination, an irrevocable election can be made at initial recognition to measure the investment at FVTOCI, with dividend income recognized in profit or loss. This classification is determined on an instrument-by-instrument basis. Upon derecognition, the cumulative gains or losses previously recognized in other comprehensive income are reclassified to retained earnings.
- Equity investments in partnerships of investment funds are measured in the consolidated statement of financial position at fair value with gains and losses recognized in profit or loss. Based on the analysis of the characteristics of these funds the Group determined that they were not eligible for the FVTOCI option and therefore are accounted for at FVTPL.
- For instruments quoted in an active market, the fair value corresponds to a market price (level 1). For instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3). However, in limited circumstances, cost of equity instruments may be an appropriate estimate of their fair value. That may be the case if insufficient more recent information is available to measure fair value, or if there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

Impairment of financial assets

- The impairment loss of a financial asset measured at amortized cost is calculated based on the expected loss model, representing the weighted average of credit losses with the respective risks of a default occurring as the weights. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.
- For trade receivables that do not contain a significant financing component (i.e. substantially all trade receivables), the loss allowance is measured at an amount equal to lifetime expected credit losses. Those are the expected credit losses that result from all possible default events over the expected life of those trade receivables, using a provision matrix that considers historical information on defaults adjusted for the forward-looking information per customer. The Group considers a financial asset in default risk when contractual payments are 60 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is fully impaired when there is no reasonable expectation of recovering the contractual cash flows.

Impairment losses are recognized in the consolidated income statement, except for debt instruments measured at fair value through other comprehensive income.

In this case, the allowance is recognized in other comprehensive income.

Financial liabilities

Financial liabilities are initially measured at fair value minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability. Subsequently, they are measured at amortized cost, except for:

- financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value;
- financial guarantee contracts. After initial recognition, guarantees are subsequently measured at the higher of the expected losses and the amount initially recognized.

Derivative financial instruments
A derivative financial instrument is a financial instrument or other contract within the scope of IFRS 9 Financial Instruments with all three of the following characteristics:

- its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the "underlying");
- it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors;
- it is settled at a future date.

The Group enters into a variety of derivative financial instruments (forward, future, option, collars and swap contracts) to manage its exposure to interest rate risk, foreign exchange rate risk, and commodity risk (mainly utility and CO_2 emission rights price risks).

As explained above, derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in income or expense, unless the derivative is designated and effective as a hedging instrument. The Group designates certain derivatives as hedging instruments of the exposure to variability in cash flows with respect to a recognized asset or liability or a highly probable forecast transaction that could affect profit or loss (cash flow hedges).

A derivative with a positive fair value is recognized as a financial asset whereas a derivative with a negative fair value is recognized as a financial liability. Derivative instruments (or portions of them) are presented as non-current assets or non-current liabilities if the remaining maturity of the underlying settlements is more than 12 months after the reporting period. Other derivative instruments (or portions of them) are presented as current assets or current liabilities.

Hedge accounting
The Group designates certain derivatives and embedded derivatives, in respect of interest rate risk, foreign exchange rate risk, Solvay share price risk, and commodity risk (mainly utility and CO_2 emission rights price risks), as hedging instruments in a cash flow hedge relationship.

At the inception of the hedge relationship, there is a formal designation and documentation of the hedging relationship and the Group's risk management objective and strategy for undertaking the hedge. So to apply hedge accounting: (a) there is an economic relationship between the hedged item and the hedging instrument, (b) the effect of credit risk does not dominate the value changes that result from that economic relationship, and (c) the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

The requirement under (a) above that an economic relationship exists means that there is an expectation that the value of the hedging instrument and the value of the hedged item will systematically change in the opposite direction in response to movements in either the same underlying (or underlyings that are economically related in such a way that they respond in a similar way to the risk that is being hedged).

Cash flow hedges
The effective portion of changes in the fair value of hedging instruments that are designated in a cash flow hedge is recognized in other comprehensive income.

The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

As long as cash flow hedge qualifies, the hedging relationship is accounted for as follows:

(a) the separate component of equity associated with the hedged item (cash flow hedge reserve) is adjusted to the lower of the following (in absolute amounts):
  - *(i)* the cumulative gain or loss on the hedging instrument from inception of the hedge; and
  - *(ii)* the cumulative change in fair value (present value) of the hedged item (i.e. the present value of the cumulative change in the hedged expected future cash flows) from inception of the hedge.

(b) the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge (i.e. The portion that is offset by the change in the cash flow hedge reserve calculated in accordance with (a)) is recognized in other comprehensive income;

(c) any remaining gain or loss on the hedging instrument (or any gain or loss required to balance the change in the cash flow hedge reserve calculated in accordance with (a)) is hedge ineffectiveness that is recognized in profit or loss.

(d) the amount that has been accumulated in the cash flow hedge reserve in accordance with (a) is accounted for as follows:
  - *(i)* if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the Group removes that amount from the cash flow hedge reserve and includes it directly in the initial cost or other carrying amount of the asset or the liability. This is not a reclassification adjustment and hence it does not affect other comprehensive income;
  - *(ii)* for cash flow hedges other than those covered by i), that amount is reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss (for example, in the periods that interest income or interest expense is recognized or when a forecast sale occurs);
  - *(iii)* however, if that amount is a loss and the Group expects that all or a portion of that loss will not be recovered in one or more future periods, it immediately reclassifies the amount that is not expected to be recovered into profit or loss as a reclassification adjustment.

Most hedged items are transaction related. The time value of options, forward elements of forward contracts, and foreign currency basis spreads of financial instruments that are hedging the items affect profit or loss at the same time as those hedged items.

Hedge accounting is discontinued prospectively when the hedging relationship (or a part of a hedging relationship) ceases to meet the qualifying criteria (after considering any rebalancing of the hedging relationship, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised.

When the Group discontinues hedge accounting for a cash flow hedge it accounts for the amount that has been accumulated in the cash flow hedge reserve as follows:

- if the hedged future cash flows are still expected to occur, that amount remains in the cash flow hedge reserve until the future cash flows occur. However, if that amount is a loss and the Group expects that all or a portion of that loss will not be recovered in one or more future periods, it immediately reclassifies the amount that is not expected to be recovered into profit or loss as a reclassification adjustment;
- if the hedged future cash flows are no longer expected to occur, that amount is immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment. A hedged future cash flow that is no longer highly probable to occur may still be expected to occur.

The following table presents the financial assets and liabilities as current or non-current according to their classification under IFRS 9.

In € million	Classification	31 December 2024 Carrying amount	31 December 2023 Carrying amount
Non-current assets - Financial instruments		**194**	**234**
Available-for-sale financial assets			
Equity instruments measured at fair value through other comprehensive income	Financial assets measured at fair value through other comprehensive income	8	1
Equity instruments measured at fair value through profit or loss	Financial assets measured at fair value through profit or loss	55	87
Loans and other non-current assets (excluding pension fund surpluses and long-term inventory balance)	Financial assets measured at amortized cost	118	136
Others		118	136
Financial instruments - Operational		**13**	**10**
Held for trading	Held for trading	0	5
Derivative financial instruments designated in a cash flow hedge relationship	Cash-flow hedge	13	5
Current assets - Financial instruments		**1,448**	**1,598**
Trade receivables	Financial assets measured at amortized cost	826	840
Other financial instruments		16	118
Other marketable securities >3 months	Financial assets measured at amortized cost	4	50
Currency swaps	Held for trading	1	2
Other current financial assets	Financial assets measured at amortized cost	11	66
Financial instruments - Operational		**67**	**56**
Held for trading	Held for trading	2	11
Derivative financial instruments designated in a cash flow hedge relationship	Cash-flow hedge	64	45
Cash and cash equivalents	**Financial assets measured at amortized cost**	**539**	**584**
Total assets - Financial instruments		**1,642**	**1,833**
Non-current liabilities - Financial instruments		**2,017**	**2,051**
Financial debt		1,983	1,981
Bonds	Financial liabilities measured at amortized cost	1,492	0
Other non-current debts	Financial liabilities measured at amortized cost	253	1,735
Derivative financial instruments designated in a cash flow hedge relationship	Cash-flow hedge	2	2
Lease liabilities IFRS 16 - Non-current portion	Lease liabilities measured at amortized cost	236	243
Other liabilities	Financial liabilities measured at amortized cost	21	39
Financial instruments - Operational		**13**	**32**
Held for trading	Held for trading	1	17
Derivative financial instruments designated in a cash flow hedge relationship	Cash-flow hedge	11	15
Current liabilities - Financial instruments		**1,170**	**1,344**
Financial debt		155	211
Short-term financial debt	Financial liabilities measured at amortized cost	83	88
Currency swaps	Held for trading	2	1
Derivative financial instruments designated in a cash flow hedge relationship	Cash-flow hedge		59
Lease liabilities IFRS 16 - Current portion	Lease liabilities measured at amortized cost	70	63
Trade payables	Financial liabilities measured at amortized cost	810	850
Financial instruments - Operational		98	108
Held for trading	Held for trading	24	19
Derivative financial instruments designated in a cash flow hedge relationship	Cash-flow hedge	74	88
Dividends payables	Financial liabilities measured at amortized cost	107	175
Total liabilities - Financial instruments		**3,187**	**3,395**

In 2024 and 2023, long-term CO_2 inventory balances reported are not financial assets and hence are not included in the table above. They are presented as other non-current assets.

F32.A. Overview of financial instruments

The following table gives an overview of the carrying amount of all financial instruments by category as defined by IFRS 9.

Financial Instruments

	December 31, 2024	December 31, 2023
In € million	Carrying amount	Carrying amount
Fair value through profit or loss	**59**	**105**
Held for trading (financial instruments - operational - see note F26)	2	16
Held for trading (other financial instruments - see note F33, table Changes in financial debt)	1	2
Equity instruments measured at fair value through profit or loss	55	87
Financial assets measured at amortized cost	**1,497**	**1,677**
Financial assets measured at amortized cost (including cash and cash equivalents, trade receivables, loans and other current/non-current assets except pension fund surpluses and long-term inventory balance)	1,497	1,677
Financial assets measured at fair value through other comprehensive income	**85**	**51**
Derivative financial instruments designated in a cash flow hedge relationship (see note F26)	78	50
Equity instruments measured at fair value through other comprehensive income	8	1
Total financial assets	**1,642**	**1,833**
Fair value through profit or loss	**-27**	**-37**
Held for trading (financial instruments - operational - see note F34)	-26	-36
Held for trading (financial debt - see note F33, table Changes in financial debt)	-2	-1
Financial liabilities measured at amortized cost	**-2,766**	**-2,887**
Financial liabilities measured at amortized cost (excluding dividends payable and IFRS 16 lease liabilities)	-2,659	-2,712
Dividends payables	-107	-175
Lease liabilities measured at amortized cost	**-306**	**-307**
Lease liabilities IFRS16 measured at amortized cost	-306	-307
Financial liabilities measured at fair value through other comprehensive income	**-88**	**-165**
Derivative financial instruments designated in a cash flow hedge relationship (see note F34)	-88	-165
Total financial and lease liabilities	**-3,187**	**-3,395**

The category “Held for trading” contains derivative financial instruments that are used for management of foreign currency risk, utility and CO_2 emission rights price risks, index and shares. Contracts which have been documented as hedging instruments (hedge accounting under IFRS 9 Financial Instruments) or which meet the exemption criteria for own use are not included in the category “Held for trading.”

At the end of 2024, €55 million of instruments at fair value through profit or loss relate to equity instruments related to Syensqo Group.

F32.B. Fair value of financial instruments

Valuation techniques and assumptions used for measuring fair value.

Accounting policy

Quoted market prices are available for financial assets and financial liabilities with standard terms and conditions that are traded on active markets. The fair values of derivative financial instruments are equal to their quoted prices, if available. In case such quoted prices are not available, the fair value of the financial instruments is determined based on a discounted cash flow analysis using the applicable yield curve derived from quoted interest rates matching maturities of the contracts for non-optional derivatives. Optional derivatives are fair valued based on option pricing models, taking into account the present value of probability weighted expected future payoffs, using market reference formulas.

The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Fair value of financial instruments measured at amortized cost (excluding IFRS 16 lease liabilities)

	December 31, 2024		December 31, 2023	
In € million	Carrying amount	Fair value	Carrying amount	Fair value
Non-current assets - Financial instruments	**118**	**118**	**136**	**136**
Loans and other non-current assets (except pension fund surpluses and long-term inventory balance)	118	118	136	136
Non-current liabilities - Financial instruments	**-1,766**	**-1,814**	**-1,774**	**-1,774**
Bonds	-1,492	-1,540	0	0
Other non-current debts	-253	-253	-1,735	-1,735
Other liabilities	-21	-21	-39	-39

The carrying amounts of current financial assets and liabilities are estimated to reasonably approximate their fair values, due to the short term to maturity.

Financial instruments measured at fair value in the consolidated statement of financial position

The table "Financial instruments measured at fair value in the consolidated statement of financial position" provides an analysis of financial instruments that, after their initial recognition, are measured at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable. Financial instruments classified as held for trading and as hedging instruments in cash flow hedges are mainly grouped into Levels 1 and 2. They are fair valued based on forward pricing and swap models using present value calculations. The models incorporate various inputs including foreign exchange spot and interest rates of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity. The equity instruments measured at fair value through OCI and through profit and loss are presented within Level 1 and 3. The fair value of the instruments presented under Level 3 is measured based on the guidelines recommended by The International Private Equity and Venture Capital Valuation (IPEV).

In accordance with the Group internal rules, the responsibility for measuring the fair value level resides with (a) the Treasury department for the non-utility derivative financial instruments, and the non-derivative financial liabilities, (b) the Sustainable Development and Energy department for the utility derivative financial instruments and (c) the Finance department for non-derivative financial assets.

The Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. During the year, no such transfers have occurred.

Financial instruments measured at fair value in the consolidated statement of financial position

	December 31, 2024			
In € million	Level 1	Level 2	Level 3	Total
Held for trading	**0**	**4**	**0**	**4**
· Foreign currency risk	0	1	0	1
· Utility risk	0	1	0	1
· CO_2 risk	0	0	0	0
· Shares	0	1	0	1
· Index	0	0	0	0
Equity instruments measured at fair value through profit or loss	**55**		**0**	**55**
· Shares	55			55
Cash flow hedges	**0**	**77**	**0**	**77**
· Foreign currency risk	0	1	0	1
· Interest rate risk	0	0	0	0
· Utility risk		53	0	53
· CO_2 risk	0	23	0	23
· Shares	0	0	0	0
Equity instruments measured at fair value through other comprehensive income	**0**	**0**	**8**	**8**
· Shares			8	8
Total (assets)	**55**	**81**	**8**	**144**
Held for trading	**0**	**-27**	**0**	**-27**
· Foreign currency risk	0	-4	0	-4
· Interest rate risk	0	0	0	0
· Utility risk	0	-2	0	-2
· CO_2 risk	0	-18	0	-18
· Shares	0	0	0	0
· Index	0	-3	0	-3
Cash flow hedges	**0**	**-87**	**0**	**-87**
· Foreign currency risk	0	-7	0	-7
· Interest rate risk	0	-2	0	-2
· Utility risk		-47	0	-47
· CO_2 risk		-32	0	-32
· Shares	0	0	0	0
Total (liabilities)	**0**	**-115**	**0**	**-115**

	December 31, 2023			
In € million	Level 1	Level 2	Level 3	Total
Held for trading	**0**	**17**	**0**	**18**
· Foreign currency risk	0	3	0	3
· Utility risk	0	4	0	5
· CO_2 risk	0	0	0	0
· Shares		8	0	8
· Index	0	2	0	2
Equity instruments measured at fair value through profit or loss	**87**	**0**	**0**	**87**
· Shares	87			87
Cash flow hedges	**0**	**50**	**0**	**50**
· Foreign currency risk	0	2	0	2
· Interest rate risk	0	0	0	0
· Utility risk	0	47	0	48
· CO_2 risk	0	0	0	0
Equity instruments measured at fair value through other comprehensive income	**0**	**0**	**1**	**1**
· Shares	0	0	1	1
Total (assets)	**87**	**67**	**1**	**156**
				0
Held for trading	**0**	**-37**	**0**	**-37**
· Foreign currency risk	0	-1	0	-1
· Interest rate risk	0	0	0	0
· Utility risk	0	-8	0	-8
· CO_2 risk	0	-26	0	-26
· Shares	0	0	0	0
· Index	0	-2	0	-2
Cash flow hedges	**0**	**-166**	**0**	**-166**
· Foreign currency risk	0	-1	0	-1
· Interest rate risk	0	-61	0	-61
· Utility risk	0	-59	0	-59
· CO_2 risk	0	-44	0	-44
· Shares	0		0	0
Total (liabilities)	**0**	**-202**	**0**	**-202**

The fair value of the financial instruments to manage the utility risk reduced in 2024. This is mainly explained by the fact that Solvay had decided to concentrate on its own internal consumption only and the price increase of gas and electricity in comparison to 2023.

Movements of the period

Reconciliation of level 3 fair value measurements of financial assets and liabilities.

	December 31, 2024		
	At fair value through profit or loss	At fair value through other comprehensive income	Total
In € million	Equity instruments	Equity instruments	
Opening balance at January 1	**0**	**1**	**1**
Total gains or losses			0
Recognized in profit or loss			0
Recognized in other comprehensive income			0
Acquisitions		7	7
Capital decreases			0
Partial Demerger			0
Transfers out of level 3			0
Derivative instruments in designated hedge accounting relationships			**0**
Transfer to assets held for sale			0
Closing balance at December 31	**0**	**8**	**8**

	December 31, 2023		
	At fair value through profit or loss	At fair value through other comprehensive income	Total
In € million	Equity instruments	Equity instruments	
Opening balance at January 1	**47**	**24**	**71**
Total gains or losses			0
Recognized in profit or loss	2		2
Recognized in other comprehensive income			0
Acquisitions	0	8	8
Capital decreases		-1	-1
Partial Demerger	-49	-30	-79
Closing balance at December 31	**0**	**1**	**1**

Income and expenses of financial instruments recognized in the consolidated income statement and in other comprehensive income

In € million	2024	2023
Recognized in the consolidated income statement		
Recycling from OCI of derivative financial instruments designated in a cash flow hedge relationship		
· Foreign currency risk	-7	39
· Utility risk	-4	-1
· Interest rate risk		
Changes in the fair value of financial instruments held for trading		
· Foreign currency risk		
· Utility risk	-2	86
· CO_2 risk		15
Recognized in the gross margin	-14	138
Recycling from OCI of derivative financial instruments designated in a cash flow hedge relationship		
· Foreign currency risk	0	0
· Utility risk	0	0
· CO_2 risk	-38	
· Shares	0	0
Changes in the fair value of financial instruments held for trading		
· Utility risk	0	0
· CO_2 risk	8	0
· Shares	-3	0
Gains and losses (time value) on derivative financial instruments designated in a cash flow hedge relationship		
· Foreign currency risk	0	0
· Utility risk	0	0
· CO_2 risk		
Foreign operating exchange gains and losses	0	2
Recognized in other operating gains and losses	-33	2
Recycling from OCI of derivative financial instruments designated in a cash flow hedge relationship		
· Foreign currency risk	0	0
Changes in the fair value of financial instruments held for trading		
· Utility risk	0	0
· Shares	0	0
Ineffective portion of derivative financial instruments designated in cash flow hedge relationship		
· Foreign currency risk	0	0
Recognized in results from portfolio management and reassessments	0	0
Net interest expense	-79	-24
Financial charge on lease liabilities	-12	-11
Other gains and losses on net indebtedness (excluding gains and losses on items not related to financial instruments)		
· Foreign currency risk	-3	1
· Interest element of financial instruments	1	6
· Others	-3	-6
Recognized in charges on net indebtedness(*)	-97	-33
Dividends from equity instruments measured at fair value through other comprehensive income		
Capital gain on available-for-sale investment posted directly to the income statement		
Recycling from equity of unrecognized gain and losses related to disposed available-for-sale financial assets(*)	0	0
Recycling from equity of impairment losses on available-for-sale financial assets(*)	0	0
Total recognized in the consolidated income statement	**-144**	**107**

(*) The note F6 Net Financial Charges shows an amount of €(76) million for 2024 (€(41) million for 2023) reported under "Net cost of borrowing". This amount includes €(3) million for 2024 (€(6) million for 2023) of financial expenses not related to financial instruments that are excluded in this table from the line item "Recognized in charges on net indebtedness."

The loss on highly probable sales in foreign currency recognized in gross margin for €(7) million is mainly explained by the hedging of the US$ currency and the loss recognized on utility instruments for €(4) million.

The change in fair value of financial instruments held for trading recognized in gross margin is explained by:

- a gain of €86 million in 2023, due to the price increase of gas and electricity;

In 2024, the loss of €(33) million recognized in other operating gains and losses is mainly explained by:

- A gain of €8 million (a gain of €15 million in 2023) mainly due to the price variation of CO_2.
- The loss of €(38) million recognized in other operating gains and losses is explained by the discontinuance of cash flow hedge relationship on CO_2 in 2024. Refer also to F32D Other market risks.

In 2024, in the caption other gains and losses on net indebtedness, the foreign exchange income decreased by €(4) million in comparison to 2023. The gain of €1 million (€6 million for 2023) is related to the interest element of financial derivatives (forward points). The other costs decreased by €(4) million in 2024 in comparison to 2023 due to one off costs incurred in the frame of the separation plan in 2023.

Net interest expense of €79 million includes €5 million of interest rate risk recycled from OCI.

Income and expenses on financial instruments recognized in other comprehensive income:

	Cash flow hedges							
	Foreign currency risk		Interest rate risk		Commodity risk		Total	
In € million	2024	2023	2024	2023	2024	2023	2024	2023
Balance at January 1	**1**	**13**	**-61**	**0**	**-87**	**67**	**-148**	**81**
Recycling from other comprehensive income of derivative financial instruments designated in a cash flow hedge relationship	7	-41	5	9	43	13	55	-20
Effective portion of changes in fair value of cash flow hedge	-13	29	23	-70	-15	-167	-6	-209
Balance at December 31	**-5**	**1**	**-33**	**-61**	**-60**	**-87**	**-99**	**-148**

F32.C. Capital management

See 2 Capital, shares and shareholders in respect of capital in the Corporate Governance statement chapter of this annual report.

The Group manages its funding structure with the objective of safeguarding its ability to continue as a going concern, optimizing the return for shareholders, maintaining an investment-grade rating, and minimizing the cost of debt.

The capital structure of the Group consisted of equity and of net debt (see note F33 Net indebtedness).

Besides the statutory minimum equity funding requirements that apply to the Company's subsidiaries in the different countries, Solvay is not subject to any additional legal capital requirements.

The Treasury department reviews the capital structure on an ongoing basis under the authority and the supervision of the Chief Financial Officer. As appropriate, the Legal department is involved to ensure compliance with legal and contractual requirements.

F32.D. Financial risk management

The Group is exposed to market risk from movements in foreign exchange rates, interest rates and other market prices (utility prices, CO_2 emission rights prices and equity prices). The Group's senior management oversees the management of these risks and is supported by the Treasury department (non-commodity risks) and Solvay Sustainable Development and Energy department that advise on financial risks and the appropriate financial risk governance framework for the Group. Both departments provide assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. Solvay uses derivative financial instruments to hedge clearly identified foreign exchange, interest rate, index, utility price and CO_2 emission rights price risks (hedging instruments). All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. However, the required criteria to apply hedge accounting are not met in all cases.

Furthermore, the Group is also exposed to liquidity risks and credit risks.

Foreign currency risks

The Group is an essential chemical company with operations worldwide that result in transactions denominated in foreign currencies. Consequently, the Group is exposed to exchange rate fluctuations. In 2024, the Group was mainly exposed to US Dollar, Chinese Yuan and Brazilian Real.

To mitigate its foreign currency risk, the Group has defined a hedging policy that is essentially based on the principles of financing its activities in local currency and hedges the transactional exchange risk at the time of invoicing (risk which is certain). The Group constantly monitors its activities in foreign currencies and hedges, where appropriate, the exchange rate exposures on expected cash flows (risk which is highly probable).

Exchange rate exposures are managed within approved policy parameters utilizing forward foreign exchange contracts or, when appropriate, other derivatives like currency options.

In the course of 2024, the €/US$ exchange rate moved from 1.1052 at the start of January to 1.0394 at the end of December (from 1.0674 to 1.1052 in 2023).

A fluctuation of (0.10) to the US$/€exchange rate, would generate in 2024 about €33 million (€30 million for 2023) variation to the EBITDA; 64% of this variation is at conversion level and 36% at transaction level, the latter being mostly hedged. EBITDA is the key non-IFRS metric for operational performance as defined in the glossary.

At the end of 2024, a strengthening of the US dollar vs euro would increase the net debt by approximately €8 million (€0 million in 2023) per 0.10 US$/€fluctuation. Conversely, a weakening of the US dollar vs euro would decrease the net debt by approximately €7 million (€0 million in 2023) per 0.10 US$/€fluctuation.

The Group's currency risk can be split into two categories: translation and transactional risk.

Translation risk

The translation exchange risk is the risk affecting the Group's consolidated financial statements related to investees operating in a currency other than the euro (the Group's presentation currency).

During 2024 and 2023, the Group did not hedge the currency risk of foreign operations.

Transactional risk

The transactional risk is the exchange risk linked to a specific transaction, such as a Group entity buying or selling in a currency other than its functional currency.

To the largest extent possible, the Group manages the transactional risk on receivables and borrowings centrally and locally when centralization is not possible.

The choice of borrowing currency depends mainly on the opportunities offered by the various markets. This means that the selected currency is not necessarily that of the country in which the funds will be invested. Nonetheless, operating entities are financed essentially in their functional currencies.

In emerging countries, it is not always possible to borrow in local currency, either because funds are not available in local financial markets, or because the financial conditions are too onerous. In such a situation, the Group has to borrow in a different currency. Nonetheless, the Group considers opportunities to refinance its borrowings in emerging countries with local currency debt.

Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are classified into the two categories described below.

Held for trading

The transactional risk is managed either by spot or forward contracts. Unless documented as hedging instruments (see above), derivative financial instruments are classified as held for trading.

In 2024, the notional amounts transacted to manage the transactional risk are:

→ a long position of €368 million (compared to €271 million in 2023);
→ a short position of €(239) million (compared to €(284) million in 2023);
→ in comparison to 2023, the optimization of the cash centralization model led to a net long position increase of €142 million (mainly Chinese Yuan and US Dollar).

The following table details the notional amounts of the Group's derivatives contracts outstanding at the end of the period:

In € million	Notional amount[1]		Fair value assets		Fair value liabilities	
December 31	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Held for trading long position	368	271	1	1	-1	-1
Held for trading short position	-239	-284	1	2	-3	0
Total	**129**	**-13**	**2**	**3**	**-4**	**-1**

(1) Long/(short) positions (if the foreign exchange transaction does not involve the functional currency, both notional amounts are considered).

Cash flow hedge

The Group uses derivatives to hedge identified foreign exchange rate risks. It documents those as hedging instruments unless it hedges a recognized financial asset or liability when generally no cash flow hedge relationship is documented. Most hedges are transaction related.

At the end of 2024, the Group had mainly hedged highly probable sales in foreign currencies (short position) in a nominal amount of US$190 million (€183 million) and PLN55 million (€13 million). All cash flow hedge contracts that existed at the end of December 2024 will be settled within the next 12 months and will impact profit or loss during that period.

The following table details the notional amounts of Solvay's derivatives contracts outstanding at the end of the period:

Notional amounts

In € million	December 31, 2024						
	Notional amount of the instrument[1]	Notional amount of the risk exposure[1]	Percentage of exposure hedged	Average hedge exchange rate per risk category	Cash flow hedge reserve	Fair value of the hedging instrument	
					Equity	Assets	Liabilities
Cash flow hedges - Forecasted sales and purchases[3]							
EUR/PLN	-13	-20	65% [2]	4.37	0	0	0
Total EUR	**-13**	**-20**			**0**	**0**	**0**
USD/BRL	-51	-85	60% [2]	5.40	-2	0	2
USD/CNY	-60	-113	53% [2]	7.00	-2	0	2
USD/EUR	-42	-82	52% [2]	1.10	-2	0	2
USD/MXN	-13	-18	68% [2]	19.69	-1	0	1
USD/THB	-17	-35	50% [2]	34.77	0	1	0
Total USD	**-183**	**-332**			**-6**	**1**	**7**
Total	**-196**	**-352**			**-6**	**1**	**7**

(1) Long/(short) positions.

(2) In compliance with Group Treasury Policy the percentage of hedged exposure will reach the progressive minimum compliance level of 60% in 2024.

(3) The hedging instruments are in the line item: "Other Receivables" and "Other Liabilities" in the statement of financial position.

In € million	December 31, 2023						
	Notional amount of the instrument[1]	Notional amount of the risk exposure[1]	Percentage of exposure hedged	Average hedge exchange rate per risk category	Cash flow hedge reserve	Fair value of the hedging instrument	
					Equity	Assets	Liabilities
Cash flow hedges - Forecasted sales and purchases[3]							
JPY/EUR	-1	-1	50% [2]	126.94	0	0	0
JPY/USD	0	-3	4% [4]	145.33	1	1	0
Total JPY	**-1**	**-4**			**1**	**1**	**0**
USD/BRL	-63	-106	60% [2]	4.78	0	0	0
USD/CNY	-68	-138	49% [2]	6.92	0	0	0
USD/EUR	-24	-37	66% [2]	1.13	2	1	1
USD/MXN	-11	-23	48% [2]	18.32	1	0	1
USD/THB	-17	-39	44% [2]	33.75	0	0	0
Total USD	**-184**	**-342**			**3**	**2**	**1**
Total	**-185**	**-346**			**4**	**2**	**1**

(1) Long/(short) positions.

(2) In compliance with Group Treasury Policy the percentage of hedged exposure will reach the progressive minimum compliance level of 60% in 2023.

(3) The hedging instruments are recorded in the line item: "Other Receivables" and "Other Liabilities" in the statement of financial position.

(4) In compliance with Group Treasury Policy the hedging will be stopped in 2024 due to the low materiality exposure.

Hedge relationships are seldom perfect. Therefore, ineffectiveness could arise with the result that changes in the fair value or cash flows of the hedged item that are attributable to a hedged risk and the hedging instrument do not offset within a period. The sources of hedge ineffectiveness that could potentially affect the hedging relationship during its term are listed below:

→ A reduction in the amount of the forecast sales resulting in quantity or notional amount differences – the hedged item and hedging instrument are based on different quantities or notional amounts.
→ A significant change in the credit risk of parties.

Timing differences – the hedged item and hedging instrument occur or are settled at different dates.

In 2024, no hedge ineffectiveness was recognized in the consolidated income statement.

Interest rate risks

See the Financial risk in the Management of risks section of this annual report for additional information on the interest rate risks management.

- Interest rate risk is managed at Group level.
- The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. Interest rate risk is managed at Group level by maintaining an appropriate mix between fixed and floating rate borrowings.

Interest rate exposure by currency is summarized below:

In € million	December 31, 2024			December 31, 2023		
Currency	**Fixed rate**	**Floating rate**	**Total**	**Fixed rate**	**Floating rate**	**Total**
Financial debt						
EUR	-1,721	-216	-1,937	-164	-1,840	**-2,003**
USD	-146	0	**-146**	-137	-2	**-139**
BGN	-1	-21	**-22**	-1	-1	**-2**
GBP	-8	0	**-8**	0	0	**0**
KRW	-1	-3	**-4**	-2	-10	**-12**
THB	-8	0	**-9**	-9	0	**-10**
BRL	-5	-2	**-7**	-8	-2	**-10**
Other	-5	-1	**-5**	-13	-3	**-16**
Total	**-1,895**	**-243**	**-2,138**	**-333**	**-1,859**	**-2,192**
Cash and cash equivalents						
EUR		271	**271**		297	**297**
USD		68	**68**		138	**138**
CAD		0	**0**		2	**2**
THB		30	**30**		22	**22**
SAR		5	**5**		8	**8**
BRL		74	**74**		65	**65**
CNY		23	**23**		16	**16**
KRW		6	**6**		6	**6**
JPY		4	**4**		10	**10**
Other		57	**57**		20	**20**
Total		**539**	**539**		**584**	**584**
Other financial instruments						
CNY		4	**4**		12	**12**
EUR		7	**7**		65	**65**
SAR		4	**4**		4	**4**
Other		1	**1**		38	**38**
Total		**16**	**16**		**118**	**118**
Total	**-1,895**	**312**	**-1,583**	**-333**	**-1,156**	**-1,489**

At the end of 2024, €1,865 million of the Group's gross debt was at fixed-rate, and is largely comprised of:

- Two senior bonds issued in April 2024 for a total of €1,500 million maturing in 2028 and 2031 (carrying amount of €1,492 million);
- IFRS 16 lease liability for a total of €306 million (carrying amount of €306 million).

The floating-rate debt is mainly comprised of a term loan for an amount of €200 million maturing in 2026 which is subject to interest rate hedging via interest rate swaps reducing the volatility to interest rate fluctuations (discussed below).

The impact of interest rate volatility at the end of 2024 compared to 2023 is the following:

	Sensitivity to a + 100bp movement in EUR market interest rates		Sensitivity to a - 100bp movement in EUR market interest rates	
In € million	2024	2023	2024	2023
Profit or loss	0	-7	0	6

The sensitivity to interest rates volatility on the floating gross financial debt remains insignificant at the end of 2024 compared to 2023 thanks to the interest rates hedging. Most of the sensitivity disclosed in 2023 corresponds to the remaining volatility between the maximum interest rate payable (cap strike rate) and the minimum rate (floor strike rate) following the hedging of the bridge facility (€1,500 million) via zero cost interest collar.

Effects of IBOR market developments

All the new Liquidity Facilities (RCF, Bilateral lines) have been negotiated using only SOFR reference index and not IBOR anymore. This will not have any impact financially.

The ISDA's agreements were as well amended to include the SOFR.

All the other old agreements (before June 2023) still reflect IBOR on the agreements. Banks in that case will apply market standard approach and use the new SOFR reference rate for those agreements, therefore will not have an impact on our financial charges nor relations.

Interest rate risk hedged by instrument accounted for as held for trading

In 2024 and 2023, there are no outstanding interest rate instruments accounted for as held for trading.

Interest rate risk hedged by instrument accounted for as a hedging instrument in a cash flow hedge

In comparison to 2023, the remaining interest rate hedging is the hedge executed on the €200 million floating term loan.

All the other hedging relationships were settled following the repayment of the €1,500 million bridge facility drawdown and the issuance of the senior bonds totaling €1,500 million.

	December 31, 2024						
Cash flow hedges on floating interests rates	Notional amount of the instrument	Notional amount of the risk exposure	Percentage of exposure hedged	Hedge interest rate per risk category	Cash flow hedge reserve	Fair value of the hedging instrument	
						Assets	Liabilities
Floating rate debt (Euribor6M)	200	200	100%	3.52%	-2	0	-2
				1.99%	**0**	**0**	**0**

As of December 31, 2024, the cash-flow hedge reserve for interest rate risk also includes an amount of € 31 million related to the unwound Flexiswap hedge instruments and is recycled to profit or loss over the duration of the two bonds. On the Statement of Financial Position, the Flexiswap hedging instruments were replaced by two new instruments classified as financial debt, presented within "Other borrowings from third parties" in Note F33.

	December 31, 2023						
Cash flow hedges on floating interests rates	Notional amount of the instrument	Notional amount of the risk exposure	Percentage of exposure hedged	Hedge interest rate per risk category	Cash flow hedge reserve	Fair value of the hedging instrument	
						Assets	Liabilities
Floating rate debt (Euribor6M)	200	200	100%	3.52%	-2	0	-2
Floating rate debt (Euribor1M)	1,500	1,500	100%	3.55%	-1	0	-1
Future long-term refinancing (Euribor6M)	750	750	100%	3,20% + Fixed Margin	-25	0	-25
Future long-term refinancing (Euribor6M)	750	750	100%	3,05% + Fixed Margin	-33	0	-33

Other market risks

Utility and CO_2 price risks

The Group purchases a large portion of its coal, gas and electricity needs in Europe and the United States based on fluctuating liquid market indices. Moreover, the Group purchases raw materials with a price formula referring to market indices. In order to reduce the cost volatility, the Group has developed a policy for exchanging variable price against fixed price through derivative financial instruments. Most of these hedging instruments can be documented as hedging instruments of the underlying purchase contracts. Utility purchase contracts at fixed price with a physical delivery for use in the Group's operations are qualified as own use contracts and constitute a natural hedge. Those have not been included in this note.

Financial hedging of utility and CO_2 emission rights price risks is managed centrally by Energy Services on behalf of the Group entities.

Energy Services also carries out trading transactions with respect to utility and CO_2.

The following tables detail the notional principal amounts and fair values of utility and CO_2 derivative financial instruments outstanding at the end of the reporting period:

Held for trading	**Notional amount of the instrument**[1]		**Notional amount of the instrument** (in units)			**Fair value of the instrument - Asset**		**Fair value of the instrument - Liability**	
December 31	**2024**	**2023**	**2024**	**2023**		**2024**	**2023**	**2024**	**2023**
In € million (except where indicated)									
Power		22		118,090	MWh	0	0	0	-13
Standard Quality Gas	1	21	10,220	811,174	MWh	1	0	-1	0
CO_2	9	9	360,250	394,500	Tons	0	0	-18	-26
Total	**10**	**52**				**1**	**0**	**-19**	**-39**

(1) The hedging instruments are located in the line item: "Other Receivables" and "Other Liabilities" in the consolidated statement of financial position.

The amounts presented in the tables hereafter include hedging needs of the GBUs of the Group that are sourced through Energy Services, and not the full Group utility hedging needs.

	December 31, 2024											
Cash flow hedge In € million (except where indicated)	**Notional amount of the instrument**[1]	**Notional amount of the instrument (in units)**		**Notional amount of the risk exposure**	**Notional amount of the risk exposure (in units)**		**Percentage of exposure hedged**	**Average hedge price per risk category**		**Cash flow hedge reserve**	**Fair value of the instrument - Asset**	**Fair value of the instrument - Liability**
Power	224	2,205,840	MWh	417	3,772,347	MWh	58%	102	EUR/MWh	-29	0	-29
Standard Quality Gas	361	13,463,715	MWh	1,056	26,558,004	MWh	51%	22	EUR/MWh	35	53	-18
CO_2[2]	341	4,292,750	Tons	872	10,616,000	Tons	40%	75	EUR/Tons	-9	23	-32
Total	**926**			**2,345**						**-3**	**76**	**-79**

(1) The hedging instruments are in the line item: "Other Receivables" and "Other Liabilities" in the consolidated statement of financial position.
(2) Excluding the reserve frozen in OCI, following roll-over transactions (€(44) million).

Cash flow hedge In € million (except where indicated)												
Power	112	781,326	MWh	181	1,763,316	MWh	44%	142	EUR/MWh	30	33	-3
Standard Quality Gas	245	12,343,602	MWh	579	24,542,118	MWh	50%	27	EUR/MWh	-41	15	-56
CO_2[2]	553	3,469,500	Tons	801	9,230,909	Tons	38%	87	EUR/Tons	-43	0	-44
Total	**910**			**1,561**						**-54**	**48**	**-102**

(1) The hedging instruments are located in the line item: "Other Receivables" and "Other Liabilities" in the consolidated statement of financial position.
(2) Excluding the reserve frozen in OCI, following roll-over transactions (€(33) million).

In 2024, the group changed its hedge relationship on CO_2 emission rights price risk which resulted in the discontinuance of hedging cash flow hedge relationship at the end of December 2024. The related loss of €(38) million was recognized in other operating gains and losses in the consolidated income statement.

Fair value hedge

The Group covered a part of its CO_2 emission rights in inventory by forward sales of CO_2 emission rights to a related party. The Group qualifies this hedging strategy as fair value hedge. The change in fair value of forward sales is accounted for in profit and loss, concomitantly with the revaluation of the CO_2 emission rights held in inventory.

The Group has established a 1:1 hedge ratio for the underlying risk of the forward sales of CO_2 emission rights to the related party that is identical to the hedged risk component.

The impact of the hedging instrument on the statement of financial position as at December 31, 2024, is as follows:

	December 31, 2024						
			Carrying amount		Balance sheet line item(s)	Change in fair value used for calculating hedge ineffectiveness	
	Notional		Assets	Liabilities		Assets	Liabilities
	In Tons	In €million	In €million			In €million	
Fair Value Hedge							
CO_2 emission rights forwards	25.000	0		-1	Financial Instrument		0

	December 31, 2024						
			Carrying amount		Balance sheet line item(s)	Change in fair value used for calculating hedge ineffectiveness	
	Notional		Assets	Liabilities		Assets	Liabilities
	In Tons	In €million	In €million			In €million	
Fair Value Hedge							
CO_2 emission rights forwards	25.000	0	2		Inventories	0	

	December 31, 2023						
			Carrying amount		Balance sheet line item(s)	Change in fair value used for calculating hedge ineffectiveness	
	Notional		Assets	Liabilities		Assets	Liabilities
	In Tons	In €million	In €million			In €million	
Fair Value Hedge							
CO_2 emission rights forwards	25.000	0		-2	Financial Instrument	1	-1

	December 31, 2023						
			Carrying amount		Balance sheet line item(s)	Change in fair value used for calculating hedge ineffectiveness	
	Notional		Assets	Liabilities		Assets	Liabilities
	In Tons	In €million	In €million			In €million	
Fair Value Hedge							
CO_2 emission rights forwards	25.000	0		2	Inventories	1	

The sensitivities of commodity derivative financial instruments as of December 31, 2024, are presented below.

The sensitivities were defined based on the price levels and volatility levels of each commodity. These assumptions do not constitute an estimation of future market prices, and the sensitivities presented are not representative of future changes in Solvay's equity and results.

	December 31, 2024		
In €million	Price change	Other comprehensive income	Profit or loss
Natural gas	+10€ /MWh	-102	0
Natural gas	-10€ /MWh	102	0
Electricity	+30€ /MWh	66	0
Electricity	-30€ /MWh	-66	0
CO_2 emission rights	+5€ /T	-21	-2
CO_2 emission rights	-5€ /T	21	2

Performance Share Units Plan (PSU) and Restricted Share Units (RSU) risk on Solvay and Syensqo share price

The last cash settled PSU plan (granted in 2021) vested on 31/12/2023 and was paid out in June 2024. The PSU/RSU plans granted as from 2022 are equity settled. The RSU plan 2022 will deliver Solvay and Syensqo shares. The PSU/RSU plans 2023 and 2024 will deliver Solvay shares only. These PSU/RSU plans are hedged with treasury shares. However, in order to neutralize the volatility of the Syensqo share price, which will impact the liability valuation relating to the RSU plan 2022, the Group has entered into a hedge (equity forward transaction) covering 100% of the risk.

Credit risk

See the Financial risk in the Management of risks section of this annual report for additional information on credit risk management.

The Group continuously monitors the credit risk of important business partners.

The Group engages in transactions only with financial institutions with a good credit rating. The Group monitors and manages exposures to financial institutions within approved counterparty credit limits and credit risk parameters in order to mitigate the risk of default. For financial guarantees, see note F36 Contingent liabilities and financial guarantees.

The Group recognizes expected credit losses on all of its trade receivables: it applies the simplified approach and recognizes lifetime expected losses on all trade receivables, using a provision matrix in order to calculate the lifetime expected credit losses for trade receivables, using historical information on defaults adjusted for the forward-looking information.

The Group classifies the customers and their related receivables in various rating classes, based on the risks' grading attributed to the customers and on the aging balance of receivables. As such, for all receivables overdue below six months, the Group considers percentages within a range between 0.005% and 4.031%, depending on the rating class. For all receivables overdue in excess of six months, the Group considers a rate of 50% or of 100%, depending on the rating class. The customer's grading is reviewed annually for customers assessed as low risk profile, and every six months for customers assessed as higher risk profile.

There is no significant concentration of credit risk at Group level because the receivables' credit risk is spread over a large number of customers and markets.

The aging of trade receivables, financial instruments – operational, loans and other non-current assets is as follows:

December 31, 2024			With expected loss allowance, not credit-impaired				
In € million	Total	Credit-impaired	not past due	less than 30 days past due	between 30 and 60 days past due	between 60 and 90 days past due	more than 90 days past due
Trade receivables	**850**	22	804	18	1	2	2
Trade receivables - allowance	**-23**	-20	-1				-2
Trade receivables - net	**826**	**2**	**803**	**18**	**1**	**2**	**0**
Financial instruments - operational	**80**		**80**				
Loans and other non-current assets[(1)]	**116**	4	111	0			
Loans and other non-current assets - allowance	**-4**	-4					
Loans and other non-current assets - net[(1)]	**112**	**0**	**111**	**0**	**0**	**0**	**0**
Total	**1,018**	**3**	**994**	**18**	**1**	**2**	**0**

(1) Loans and other non-current assets do not include pension fund surplus and CO_2 -term inventory.

December 31, 2023			With expected loss allowance, not credit-impaired				
In € million	Total	Credit-impaired	not past due	less than 30 days past due	between 30 and 60 days past due	between 60 and 90 days past due	more than 90 days past due
Trade receivables	894	55	802	28	1	6	3
Trade receivables - allowance	-54	-53	-1				-1
Trade receivables - net	**840**	**3**	**801**	**28**	**1**	**6**	**2**
Financial instruments - operational	**66**		**66**				
Loans and other non-current assets[(1)]	140	4	135	0			
Loans and other non-current assets - allowance	-4	-4					
Loans and other non-current assets - net[(1)]	**136**	**0**	**135**	**0**	**0**	**0**	**0**
Total	**1,042**	**3**	**1,002**	**28**	**1**	**6**	**2**

(1) Loans and other non-current assets do not include pension fund surplus and CO_2 emission rights inventory.

The table below presents the allowances on trade receivables:

In € million	2024	2023
January 1	**-54**	**-72**
Additions	-3	-11
Uses	12	5
Reversal	15	9
Currency translation differences	2	-1
Transfer to assets held for sale	0	0
Partial Demerger		14
Other	5	0
December 31	**-23**	**-54**

Liquidity risk

See the Financial risk in the Management of risks section of this annual report for additional information on the liquidity risk management.

Liquidity risk relates to Solvay's ability to service and refinance its debt (including notes issued) and to fund its operations.

This depends on its ability to generate cash from operations and not to overpay for acquisitions. In addition, external factors impacting the global liquidity markets could also make financing sources less accessible.

The Finance Committee gives its opinion on the appropriate liquidity risk management for the Group's short-, medium-, and long-term funding and liquidity management requirements.

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecasts and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Group staggers the maturities of its financing sources over time in order to limit amounts to be refinanced each year.

The following tables detail the Group's remaining contractual maturity for its financial liabilities with contractual repayment periods.

The tables have been prepared using the discounted cash flows of financial liabilities, based on the earliest date on which the Group can be required to pay.

The following tables present discounted amounts (carrying amounts):

In € million	December 31, 2024				
Outflows of cash:	**Total**	**Within one year**	**In year two**	**In years three to five**	**Beyond five years**
Trade payables	**809**	809			
Dividends payables	**107**	107			
Financial instruments - operational	**111**	98	13		
Other non-current liabilities	**21**		5	5	11
Financial debt	1,831	84	217	777	753
Leasing debt	**306**	70	36	92	108
Total	**3,186**	**1,169**	**271**	**874**	**872**

In € million	December 31, 2023				
Outflows of cash:	**Total**	**Within one year**	**In year two**	**In years three to five**	**Beyond five years**
Trade payables	**850**	850			
Dividends payables	**175**	175			
Financial instruments - operational	**140**	108	32		
Other non-current liabilities	**34**		12	2	20
Financial debt	**1,885**	148	1,711	23	3
Leasing debt	**307**	63	44	92	107
Total	**3,390**	**1,344**	**1,799**	**117**	**130**

The following tables present undiscounted amounts (nominal value):

In € million	December 31, 2024				
Outflows of cash:	**Total**	**Within one year**	**In year two**	**In years three to five**	**Beyond five years**
Trade payables	**809**	809			
Dividends payables	**107**	107			
Financial instruments - operational	**111**	98	13		
Other non-current liabilities	**21**		5	5	11
Financial debt	1,842	84	219	781	757
Leasing debt	**306**	70	36	92	108
Total	**3,196**	**1,169**	**273**	**878**	**876**
Interests on financial debt and lease liabilities	**412**	75	71	174	91
Total outflows of cash	**3,608**	**1,244**	**345**	**1,052**	**967**

In € million	December 31, 2023				
Outflows of cash:	**Total**	**Within one year**	**In year two**	**In years three to five**	**Beyond five years**
Trade payables	**850**	850			
Dividends payables	**175**	175			
Financial instruments - operational	**140**	108	32		
Other non-current liabilities	**34**		12	2	20
Financial debt	**1,886**	148	1,711	23	4
Leasing debt	**307**	63	44	92	107
Total	**3,391**	**1,344**	**1,799**	**117**	**131**
Interests on financial debt and lease liabilities	**179**	82	61	17	19
Total outflows of cash	**3,570**	**1,426**	**1,860**	**134**	**150**

Solvay's liquidity amounts to €2.0 billion including €0.6 billion of cash and cash equivalents on the statement of financial position and €1.4 billion of committed fully undrawn credit facilities (€1.1 billion multilateral RCF maturing in 2029 with extension possibility, and €0.3 billion bilateral RCF maturing in 2027 with extension possibilities) unused at the end of December 2024.

In addition, Solvay has access to a Belgian Treasury Bill program for €1.0 billion (no outstanding balance on December 31, 2024). The program is covered by a back-up credit line.

See below (section F32.E) for further details on supplier financing programs within trade payables.

F32.E. Supplier finance arrangements

Accounting policy

General

The Group classifies financial liabilities that arise from supplier finance arrangements within Trade and other payables in the statement of financial position if they have a similar nature and function to trade payables. This is the case if the supplier finance arrangement is part of the working capital used in the Group's normal operating cycle, the level of security provided is similar to trade payables and the terms of the liabilities that are part of the supply chain finance arrangement are not substantially different from the terms of trade payables that are not part of the arrangement. Cash flows related to liabilities arising from supplier finance arrangements that are classified in Trade and other payables in the consolidated statement of financial position are included in operating activities in the consolidated statement of cash flows.

First application in 2024

This disclosure requirement was introduced by the Amendments *Supplier Finance Arrangements* (Amendments to IAS 7 and IFRS 7), published in May 2023 by the IASB. The amendments are effective for periods beginning on or after 1 January 2024. In the year of initial application, the requirements only apply to the annual financial report and the disclosure does not need to provide the comparative figures.

Qualitative information

Terms and conditions

The Group has established a supplier finance arrangement that is offered to some of the Group's key suppliers. Participation in the arrangement is at the suppliers' own discretion. Suppliers that participate in the supplier finance arrangement will receive early payment on invoices sent to the Group from the Group's external finance provider. If suppliers choose to receive early payment, they pay a fee to the finance provider, to which the Group is not a party. For the finance provider to pay the invoices, the goods must have been received or supplied and the invoices approved by the Group. Payments to suppliers ahead of the invoice due date are processed by the finance provider and, in all cases, the Group settles the original invoice by paying the finance provider in line with the original invoice maturity date described above.

The Group assesses each arrangement against indicators to determine if the liabilities which suppliers have sold to the partner bank under the supplier financing scheme continue to meet the definition of trade payables or should be classified as financial debt. On December 31, 2024 and 2023, all trade payables subject to the supplier finance arrangement meet the criteria of trade payables and are included in trade payables in the consolidated statement of financial position.

Quantitative information

In € million	December 31, 2024	December 31, 2023	January 1, 2023
Carrying amount of financial liabilities			
Presented in trade and other payables	62	N/A	N/A
· of which suppliers have received payment from finance provider	47	N/A	N/A
Range of payment due dates (days after the invoice date)			
Liabilities that are part of the arrangement	102-106 days	N/A	N/A
Comparable trade payables that are not part of the arrangements	45-49 days	N/A	N/A

NOTE F33
NET INDEBTEDNESS

The Group's net indebtedness is the balance between its financial debts and other financial instruments, and cash and cash equivalents.

In € million	December 31, 2024	December 31, 2023
Financial debt	2,138	2,192
Cash and cash equivalents	-539	-584
Other financial instruments	-16	-118
Net indebtedness	**1,583**	**1,489**

The financial debt at the end of 2024 includes:

- two senior bonds for a total of €1,500 million (€750 million maturing in 2028 and €750 million maturing in 2031);
- a term loan for an amount of €200 million;
- the lease debt IFRS16 €306 million;
- other financial debt (€140 million, excluding lease debt) mainly in current financial debt.

Solvay is Investment Grade rating BBB-/A3 (stable outlook) by Standard & Poor's (as of December 4, 2024).

Financial debt: main borrowings

	December 31, 2024						December 31, 2023	
In € million (except where indicated)	Nominal amount	Coupon	Maturity	Secured	Amount at amortized cost	Fair value	Amount at amortized cost	Fair value
2028 Bonds (issuance € 750 million)	750	3.875%	2028	No	746	766	n/a	n/a
2031 Bonds (issuance € 750 million)	750	4.250%	2031	No	746	774	n/a	n/a
Total senior € notes	**1,500**				**1,492**	**1,540**	**0**	**0**
Credit lines Drawdown (€ 1,500 million)		Floating rate	2025	No	0	0	1,500	1,500
Total Bridge facilities(1)	**0**				**0**	**0**	**1,500**	**1,500**
Term loan (€ 200 million)	200	Floating rate	2026		200	200	200	200
Other borrowings from third parties	140				140	140	185	185
Lease debts IFRS16	306				306	306	307	307
Total	**2,146**				**2,138**	**2,186**	**2,192**	**2,192**

(1) In 2023, the outstanding Solvay bridge facility had an initial maturity in October 2024, but the company had an unconditional right to extend two times the maturity by 6 months, until October 2025. The bridge facility was therefore classified as non-current.

There are no instances of default on the above-mentioned financial debts. There are no financial covenants breach, neither on Solvay SA/NV, nor on any of the Group's holding companies.

Other financial instruments

In € million	December 31, 2024	December 31, 2023
Non-current other financial instruments	**0**	**0**
Current other financial instruments	**16**	**119**
Currency swaps	1	2
Other marketable securities > 3 months	4	50
Other current financial assets	11	67
Other financial instruments	**16**	**119**

The other marketable securities >3 months include the bank drafts position.

In 2024, the decrease in other current financial assets is explained by the transfers of CO_2 derivative financial instruments to the OTC market (previously traded in the exchange market). As a consequence, margin calls of Energy Services for instruments with a negative fair value that represented collateral for the obligations decreased.

Cash and cash equivalents

In € million	December 31, 2024	December 31, 2023
Cash	211	300
Term deposits	328	285
Cash and cash equivalents	**539**	**584**

By their nature, the carrying amount of cash and cash equivalents is equal to, or a very good proxy of, its fair value.

As at December 31, 2024 and December 31, 2023, cash and cash equivalents were not subject to statutory, regulatory, or contractual restrictions and there were no material limitations on the ability to transfer cash or cash-equivalents within the group.

Changes in financial debt and in other financial instruments arising from financing activities

	Dec 31, 2023	2024									
In € million	Total	Cash flows from increase of borrowings	Cash flows from repayment of borrowings	Changes in foreign exchange rates	Changes in other current financial assets	Other in financing cash flows	Transfer from non-current to current	Payment of lease liabilities	Other	Partial Demerger	Total
Bonds	-	1,492	-	-	-	-	-	-	-	-	1,492
Other non-current debts	1,737	-	-1,500	0	-	-	-11	-	30	0	255
Long-term finance lease debt	243	-	-	7	-	-	-70	-	55	-	236
Interests rate swaps	2	-	-	-	-	-	-	-	0	-	2
Non-current financial debt	**1,983**	**1,492**	**-1,500**	**7**	**-**	**-**	**-81**	**-**	**85**	**0**	**1,985**
Current financial debt	**211**	**191**	**-242**	**0**	**-**	**-**	**81**	**-64**	**-22**	**0**	**156**
Total financial debt	**2,192**	**1,683**	**-1,742**	**7**	**-**	**-**	**-**	**-64**	**63**	**0**	**2,138**
Other Non-current financial instruments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Currency swaps	-2	-	-	0	-	-	-	-	1	-	-1
Other marketable securities > 3 months	-50	-	-	0	9	38	-	-	-	-	-4
Other current financial assets	-67	-	-	0	49	-	-	-	7	-	-11
Other financial instruments	**-119**	**-**	**-**	**0**	**58**	**38**	**-**	**-**	**8**	**-**	**-16**
Total		**1,683**	**-1,742**	**7**	**58**	**38**	**-**	**-64**	**70**	**0**	**50**

The financial debt decreased from €2,192 million at the end of 2023 to €2,138 million at the end of 2024.

The non-current financial debt in 2024 is stable compared to 2023. It is explained by:

→ the increase of €1,584 million, which is mainly explained by:
  - the issuance of two senior bonds for a total of €1,492 million,
  - two new instruments classified as financial debt for €30 million (non-current portion) following the unwinding of flexi-swaps transacted in 2023,
  - the increase of the long-term lease (IFRS 16) debt for €50 million,
  - the change in foreign exchange rates for €7 million.

→ the decrease of €(1,581) million, which is mainly explained by:
  - the repayment of €(1,500) million bridge facility set up at the end of 2023 in relation to the Partial Demerger
  - the transfer to current financial debt for €(70) million mainly on lease liabilities

The current financial debt decreased by €(56) million, is mainly resulting from:

→ the increase in borrowings of €191 million mainly explained by the drawdowns on credit lines of €185 million

→ the decrease of €(264) million explained by the repayment of the drawdowns on credit lines for €(185) million, the repayment of a current loan payable for €(52) million, and net impact of unwinding of flexi-swaps transacted in 2023 for €(22) million

→ the transfer from non-current financial debt for €81 million mainly on lease liabilities

→ the repayment of lease (IFRS 16) debts of €(64) million.

NOTE F34
OTHER LIABILITIES (CURRENT)

In € million	December 31, 2024	December 31, 2023
Wages and benefits debts	123	125
VAT and other taxes	105	107
Social security	18	29
Financial instruments - operational	98	108
Insurance premiums	14	31
Advances from customers	21	30
Long Term Incentive - current part	17	31
Other	61	126
Other current liabilities	**458**	**585**

The decrease in "Other" when compared to 2023 is primarily related to the Insurance reimbursement of €32 million (payable to Syensqo) which was outstanding at December 31, 2023 (see note F25 Other receivables) and paid in 2024.

Financial instruments – operational include held for trading and cash flow hedge derivatives (see note F32 Overview of financial instruments).

Other notes

NOTE F35
COMMITMENTS TO ACQUIRE PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

In € million	December 31, 2024	December 31, 2023
Commitments to acquire property, plant and equipment and intangible assets	101	124

The amount mainly relates to commitments for the acquisition of industrial property, plant and equipment.
The amount in 2023 was higher compared to 2024, mainly due to spending on Soda Ash capacity increase in Green River site throughout 2024.

NOTE F36
CONTINGENT LIABILITIES AND FINANCIAL GUARANTEES

Accounting policy

A contingent liability is:
(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
(b) a present obligation that arises from past events but is not recognized because:
  - *(i)* it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - *(ii)* the amount of the obligation cannot be measured with sufficient reliability

Contingent liabilities are not recognized in the consolidated financial statements, except if they arise from a business combination. They are disclosed unless the possibility of an outflow of economic benefits is remote.

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

To avoid double counting, only guarantees in excess of liabilities recognized or disclosures made elsewhere in the Group's consolidated financial statements are disclosed in this note. Regarding financial guarantees, all financial guarantees of the Group are presented in this note.

In € million	December 31, 2024	December 31, 2023
Guarantees for pensions	58	55
Environmental contingent liabilities	210	271
Guarantees on Cytec 2025 Bonds[(1)]	157	151
Contingent liabilities	**425**	**477**

(1) Guarantee on Cytec 2025 Bonds – see the comment on financial guarantees below

Contingent liabilities

Generally, in line with good business practice, we are not reporting any pending or threatened proceeding, which has not matured, and where the probability of existing or future exposure is unlikely or uncertain, where financial impact is not estimable and for which we are not able to quantify contingent liabilities.

Environmental contingent liabilities

The contingent liabilities of €210 million mentioned above relate to environmental remediation matters for possible obligations arising from past events. The existence of these obligations will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Group's control. While the nominal cashflows can be estimated with sufficient reliability, there remains a degree of uncertainty.

The Group has also present obligations that cannot be reliably estimated and are disclosed thereafter :

- In Pont de Claix site, in France, Solvay has been prescribed to remedy several historical impacts in the subsoil and is proceeding accordingly. Related amounts have been provisioned (see note F31 - Environmental provisions). In a certain number of locations, impacts cannot be characterized nor treated due to the presence of several units in operations by third parties. The corresponding estimate cannot therefore be available. Moreover, in Pont de Claix, Solvay is closely monitoring the evolution of the situation with Vencorex since this company went into Redressement Judiciaire in September 2024. The business operated by Vencorex in Pont de Claix was acquired from Solvay in 2008. However, Solvay has retained energy production units, ownership of the subsoil and is implementing certain remediation activities. Those operations may be impacted by the current situation.
- Salindres site, France: Following the announcement of the shutdown of the site, Solvay has six months to prepare a detailed study of remediation to be undertaken for the attention of the French regional environmental agency (DREAL). Some of the remediations have already been provisioned (see note F31 - Environmental provisions) as their costs could be reliably estimated. However, some areas of the site will require further analyses to determine if additional remediations are needed and their related cost.
- The Group has also obligations related to its Soda Ash facilities, specifically for the closure and remediation of major basins and dykes in Europe and the US, for which it is not yet possible to estimate the impact of the prescriptions in the future.

HSE related proceedings

Rosignano site, Italy: The Public Prosecutor’s Office of the Criminal Court of Livorno, Italy, initiated preliminary criminal investigations in 2019 regarding the alleged contamination of certain water tables outside our site and in our former landfill of Rosignano, Italy site. These procedures are still ongoing, and Solvay is working closely with Authorities to resolve these cases.

Bulgaria

In Bulgaria, Solvay Sodi AD, a subsidiary of Solvay, is subject to certain state-imposed obligations for emergency oil stocks (reserves) for 2021 through 2023, for which Solvay was not able to comply. As a result, the Bulgarian authority imposed the fines for 2021 and 2022 on Solvay Sodi AD of approximately €15 million for our share of the penalties which were fully provisioned. For 2023, the order has been suspended, and no fine has been imposed and no provision has been recognized. Should this suspension be lifted, an additional penalty of €9 million may be imposed on Solvay Sodi AD. Solvay Sodi AD has brought a lawsuit to contest these fines and is seeking relief through national authorities pleading that the existing Bulgarian emergency stock system is not compatible with the EU law and, in its current form, the obligations for emergency oil reserves should apply only to companies trading in crude oil and liquid fuels. Starting from July 2024, Solvay Sodi AD complies with the requirements regarding emergency oil stocks.

Financial Guarantees

Cytec 2025 Bonds

The 3.95% Senior Notes due 2025 issued by Cytec Industries Inc. (the “Cytec 2025 Bonds”) were transferred to Syensqo SA/NV with Cytec Industries Inc. as of December 8, 2023, for US$163.5 million (equivalent to €157.4 million euros at December 31, 2024). A counter guarantee was issued from Syensqo SA/NV in favor of Solvay SA/NV as Solvay SA/NV remained the original guarantor. As Syensqo SA/NV, the ultimate parent of Cytec Industries, Inc. is an investment grade company and due to the short period of time before the bonds are due to be repaid, the Group deemed risk of default to be remote, and as such no provision was recorded.

Syensqo SA/NV redeemed these Senior Notes in February 2025. The guarantee was therefore released at that time.

UK Pension Fund guarantees

The guarantee for pensions is related to the main UK Pension Funds (€58 million) – see note F32. It corresponds to the recognized plan asset surplus on December 31, 2024, or the amount by which the guarantee exceeds the recognized pension liability (on December 31, 2023). This guarantee applies to the pension liability measured in accordance with the local UK regulatory basis (prudential basis) with an allocation for market risk, which result in a higher measurement value compared to the IAS 19 requirements. The probability of the guarantees being called is considered to be remote.

NOTE F37
RELATED PARTIES

Balances and transactions between Solvay SA/NV and (a) its subsidiaries and (b) its joint operations for the Group's share of the respective joint operations, which are related parties of Solvay SA/NV, have been eliminated in consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

Sale and purchase transactions

In € million	Sale of goods		Purchase of goods	
	2024	2023	2024	2023
Associates	6	12	-54	-35
Joint ventures	2	8	0	-3
Other related parties	11	23	-18	-45
Total	**19**	**43**	**-72**	**-82**

In € million	Amounts owed by related parties		Amounts owed to related parties	
December 31	**2024**	**2023**	**2024**	**2023**
Associates	0	0	7	9
Joint ventures	0	0	0	0
Other related parties	48	14	5	4
Total	**48**	**14**	**12**	**13**

Loans to related parties

In € million	December 31, 2024	December 31, 2023
Loans to associates	1	1
Loans to other related parties	18	18
Total	**19**	**19**
Loans from other related parties	-3	-3

Compensation of key management personnel

Key management personnel are composed of all members of the Board of Directors and members of the Executive Leadership Team.

Amounts due in respect of the year (compensation) and liabilities existing at the end of the year in the consolidated statement of financial position:

In € million	December 31, 2024	December 31, 2023
Wages, charges and short-term benefits	2	6
Long-term benefits	0	0
Cash-settled share-based payments liability	0	1
Total	**2**	**7**

In 2024, there are no cash-settled share-based payments liability anymore, as all plans are equity-settled in 2024, see note F29 – share-based payments.

Expenses of the year (excluding employer social charges and taxes):

In € million	2024	2023
Wages, charges and short-term benefits	-5	-35
Long-term benefits	-1	-2
Share-based payments expenses	-1	-4
Total	**-7**	**-41**

The decrease in wages, charges and short-term benefits compared to 2023 mainly relates to the short-term incentives associated with the Partial Demerger.

NOTE F38
DIVIDENDS PROPOSED FOR DISTRIBUTION

The Board of Directors will propose to the General Shareholders' Meeting a gross dividend of €2.43 per share.

Taking into account the dividend advance payment distributed in January 2025, of €0.97 per share, the dividends proposed for distribution, but not yet recognized as a distribution to equity holders, amount to €154 million.

NOTE F39
EVENTS AFTER THE REPORTING PERIOD

Accounting policy

Events after the reporting period which provide evidence of conditions that existed at the end of the reporting period (adjusting events) are recognized in the consolidated financial statements. Events indicative of conditions that arose after the reporting period are non-adjusting events and are disclosed in the notes if material.

Syensqo SA/NV has publicly declared its intention to reimburse the 3.95% Senior Notes issued by Cytec Industries Inc. by February 1, 2025. As an outcome of the Liability Management process undertaken for the partial Demerger, Solvay SA/NV remained the original guarantor of the bonds while a counter guarantee was issued from Syensqo SA/NV in favor of Solvay SA/NV.

Syensqo SA/NV redeemed these Senior Notes on February 1, 2025. The guarantee was therefore released on that date, following the reimbursement by Syensqo.

Please refer to Note F36 for further details.

In 2016, Solvay initiated infringement proceedings against a competitor for infringement of one of its patents for automotive catalyst materials. In late February 2025, the court awarded the Group €10.3 million in damages and additional procedural interest for the related damages case. The court decision may be appealed by either party within one month. The damages and related interest are considered contingent assets.

NOTE F40
LIST OF COMPANIES INCLUDED IN THE CONSOLIDATION SCOPE

The Group consists of Solvay SA/NV and a total of 145 investees.

Of these 145 investees, 71 are fully consolidated, 7 are proportionately consolidated and 20 are accounted for under the equity method, while the other 47 are not material to the Group and therefore are not in the consolidation scope.

These Other Investments, which are insignificant are measured at cost and tested for impairment on an annual basis, which is considered a good proxy of their fair value. For more information, refer to *Principles of consolidation*.

Companies entering the consolidation scope

Country	Company	Comments
CHILE	Rhodia Chile Ltda, Santiago	Meets the consolidation criteria

Companies leaving the consolidation scope

Country	Company	Comments
FRANCE	Solvay Energy Services S.A.S., Puteaux	Merged into Rhodia Operations S.A.S.
GERMANY	Solvay Chemicals GmbH, Hannover	Merged into Solvay GmbH
	Solvin GmbH & Co. KG - PVDC, Rheinberg	Merged into Solvay GmbH
	Solvay Flux GmbH, Hannover	Merged into Solvay GmbH
	Solvay Fluor GmbH, Hannover	Merged into Solvay GmbH
	Solvin Holding GmbH, Hannover	Merged into Solvay GmbH
NETHERLANDS	Rhodia International Holdings B.V., Den Haag	Merged into Solvay Chemicals and Plastics Holding B.V.

Companies changing the consolidation method

Country	Company	Comments
CHINA	Shandong Huatai Interox Chemical Co. Ltd, Dongying	Change from equity method to full consolidation due to the purchase of additional 10% of Dongying Huatai Chemicals Group's shares

List of subsidiaries

Indicating the percentage holding.

The percentage of voting rights is very close to the percentage holding.

ARGENTINA	
Solvay Argentina SA, Buenos Aires	100
Quimicos Esenciales de Argentina SA, Buenos Aires	100
AUSTRALIA	
Solvay Interox Pty Ltd, Banksmeadow	100
AUSTRIA	
Solvay Österreich GmbH, Wien	100
BELGIUM	
Carrières les Petons S.P.R.L., Walcourt	100
Solvay Chemicals International S.A., Brussels	100
Solvay Chimie S.A., Brussels	100
Solvay Pharmaceuticals S.A. - Management Services, Brussels	100
Solvay Stock Option Management S.P.R.L., Brussels	100
BRAZIL	
Cogeracao de Energia Electricica Rhodia Brotas SA, Brotas	100
Rhodia Brasil SA, Sao Paolo	100
Rhodia Poliamida Brasil Ltda , Sao Paolo	100
Rhopart-Participacoes Servidos e Comercio Ltda, Sao Paolo	100
BULGARIA	
Solvay Bulgaria EAD, Devnya	100
CANADA	
Solvay Canada Inc, Toronto	100
CHILE	
Rhodia Chile Ltda, Santiago	100
CHINA	
Essential (Shanghai) Enterprise Management Co., Shanghai	100
Liyang Solvay Rare Earth New Material Co., Ltd, Liyang City	96.3
Shandong Huatai Interox Chemical Co. Ltd, Dongying	60
Solvay (Shanghai) International Trading Co., Ltd, Shanghai	100
Solvay Chemicals (Shanghai) Co. Ltd, Shanghai	100
Solvay Fine Chemical Additives (Qingdao) Co., Ltd, Qingdao	100
Solvay Lantian (Quzhou) Chemicals Co., Ltd, Zhejiang	55
FINLAND	
Solvay Chemicals Finland Oy, Voikkaa	100
FRANCE	
Rhodia Chimie S.A.S., Aubervilliers	100
Rhodia Operations S.A.S., Aubervilliers	100
Solvay - Opérations - France S.A.S., Paris	100
Solvay Finance S.A., Paris	100

GERMANY	
Cavity GmbH, Hannover	100
Horizon Immobilien AG, Hannover	100
Salzgewinnungsgesellschaft Westfalen GmbH & Co KG, Hannover	65
German limited partnership, which makes use of the exemptions offered by Section 264(b) of the German Commercial Code, not to publish their annual financial statements.	
Solvay GmbH, Hannover	100
INDIA	
ES Essential Chemicals Private Limited, Mumbai	100
ITALY	
Cogeneration Rosignano S.r.l., Rosignano	100
Essentials Chemicals Italy S.p.a., Livorno	100
Solvay Chimica Italia S.p.A., Milano	100
Solvay Energy Services Italia S.r.l., Bollate	100
JAPAN	
Nippon Solvay KK, Tokyo	100
Solvay Special Chem Japan Ltd, Anan City	100
LUXEMBOURG	
Renestia S.A., Capellen	100
Solvay Chlorovinyls Holding S.a.r.l., Luxembourg	100
MEXICO	
Solvay Fluor Mexico S.A. de C.V., Ciudad Juarez	100
Solvay Mexicana S. de R.L. de C.V., Monterrey	100
NETHERLANDS	
Solvay Chemicals and Plastics Holding B.V., Linne-Herten	100
Solvay Chemie B.V., Linne-Herten	100
Solvin Holding Nederland B.V., Linne-Herten	100
POLAND	
Solvay Poland Sp. z o.o. , Gorzow Wielkopolski	100
PORTUGAL	
Solvay Business Services Portugal Unipessoal Lda, Carnaxide	100
Solvay Peroxidos Portugal Unipessoal LDA , Povoa	100
SINGAPORE	
Solvay Fluor Holding (Asia-Pacific) Pte. Ltd., Singapore	100
SOUTH AFRICA	
Solvay Polymers and Chemicals South Africa (PTY) Ltd, Johannesburg	100
SOUTH KOREA	
Special Chem Korea Co. Ltd, Gunsan	100
Solvay Chemical Services Korea Co. Ltd, Seoul	100
Solvay Silica Korea Co. Ltd , Incheon	100
SPAIN	
Solvay Quimica S.L., Barcelona	100
SWITZERLAND	
Solvay Vinyls Holding AG, Bad Zurzach	100
THAILAND	
Solvay Asia Pacific Company Ltd, Bangkok	100
Solvay Peroxythai Ltd, Bangkok	100
TURKEY	
Essential Istanbul Chemical Items Industry and Trade Limited Company, Istanbul	100

UNITED KINGDOM	
Rhodia Limited , Watford	100
Solvay Interox Ltd, Warrington	100
Solvay UK Holding Company Ltd, Warrington	100
UNITED STATES	
American Soda LLC, Houston, TX	100
Essential Finance (America) LLC, Wilmington DE	100
Essential Holding America, LLC, Wilmington, DE	100
Essential Elements USA LLC, Wilmington, DE	100
Essential Chemicals USA LLC, Wilmington, DE	100
Rocky Mountain Coal Company, LLC, Houston, TX	100
Solvay America Holdings, Inc., Houston, TX	100
Solvay Chemicals, Inc., Houston, TX	100
Solvay Fluorides, LLC., St Louis, IL	100

List of joint operations

Indicating the percentage holding.

AUSTRIA	
Solvay Sisecam Holding AG, Wien	75
BELGIUM	
BASF Interox H2O2 Production N.V., Brussels	50
BULGARIA	
Solvay Sodi AD, Devnya	73.5
NETHERLANDS	
MTP HP JV C.V., Weesp	50
MTP HP JV Management bv, Weesp	50
SAUDI ARABIA	
Saudi Hydrogen Peroxide Co, Jubail	50
THAILAND	
MTP HP JV (Thailand) Ltd, Bangkok	50

List of companies consolidated by applying the equity method of accounting

Indicating the percentage holding.

Joint ventures

AUSTRALIA	
Aqua Pharma Australia Pty Ltd, Armidale	50
Aquatiq Prawns Ltd, Launceston	50
BELGIUM	
Aqua Pharma Belgium Srl, Herent	50
BRAZIL	
Peroxidos do Brasil Ltda, Sao Paulo	69.4
CANADA	
Aqua Pharma Inc, Saint John	50
CHILE	
Aqua Pharma Chile Spa, Puerto Montt	50
ECUADOR	
Aqua Pharma Ecuador S.A, Guayas	50
INDONESIA	
PT Aqua Pharma Indonesia Ltd, Jakarta	50
NORWAY	
Aqua Pharma Group A.S., Lillehammer	50
Aqua Pharma A.S., Lillehammer	50
Haugaland Shipping A.S., Haugesund	50
TAIWAN	
Shinsol Advanced Chemicals Corporation, New Taipei	51
UNITED KINGDOM	
Aqua Pharma Technical Ltd, Inverness	50
Aqua Pharma Ltd, Inverness	50
Pulcea Ltd, Edinburgh	25
UNITED STATES	
Aqua Pharma U.S. Inc, Kirkland	50

Associates

CHINA	
Qingdao Hiwin Solvay Chemicals Co. Ltd, Qingdao	30
Solvay (Zhenjiang) Chemicals Co., Ltd, Zhenjiang New area	9.35
FRANCE	
GIE Chime Salindres, Salindres	50
MEXICO	
Silicatos y Derivados S.A. DE C.V., Estado de Mexico	20

NOTE F41
AUDIT FEES

For the year ending December 31, 2024, professional services were performed by EY Bedrijfsrevisoren BV / EY Réviseurs d'Entreprises SRL, duly incorporated and validly existing under the laws of Belgium, whose registered office is at Kouterveldstraat 7b, 1831 Diegem, Belgium, registered in the register of legal entities of Brussels under business registration number 0446.334.711, and their respective affiliates.

The yearly 2024 audit fees for Solvay SA were set at €1.2 million. They include the audit of the statutory and consolidated accounts of Solvay SA. Audit fees for Solvay affiliates in 2024 amount to €2.1 million. The fee for the 2024 CSRD limited assurance engagement was €0.6 million. Supplementary non-audit fees of €1.7 million were engaged in 2024 by Solvay SA and affiliates of which:

- Other assurance service missions:
  - Invoiced by the statutory auditor of the group (€1.4 million)
  - Invoiced by other EY entities (€0.2 million)
- Other services: €0.1 million.

7.3. SUMMARY FINANCIAL STATEMENTS OF SOLVAY SA/NV

The annual financial statements of Solvay SA/NV are presented in a summary format below. In accordance with the Belgian Code of Companies and Associations, the annual financial statements of Solvay SA/NV, the management report and the statutory auditor's report will be filed with the National Bank of Belgium.

These documents are also available free of charge on the internet or upon request sent to:

Solvay SA/NV
Rue de Ransbeek 310
B – 1120 Brussels

Introductory note

As a reminder, in 2023 (until December 8, 2023), Solvay SA/NV ("Solvay" or the "Company") owned and controlled the Specialty Polymers, Composites, Novecare, Technology Solutions, Aroma Performance and Oil and Gas Solutions businesses (together, the "Specialty Businesses"), and the Soda Ash & Derivatives, Peroxides, Silica, Special Chem and Coatis businesses (together, the "Essential Businesses"). Effective December 9, 2023, at 00:00 a.m. CET, the Specialty Businesses were separated from Solvay by way of a partial demerger of the Company under Belgian law (the "Partial Demerger"), whereby the shares and other interests held by the Company in the legal entities operating the Specialty Businesses, the Company's rights and obligations under the agreements entered into with those legal entities, as well as certain other assets and liabilities were contributed to Syensqo SA/NV ("Syensqo"), and ordinary shares of Syensqo were issued and allocated directly to shareholders in Solvay on a pro rata basis.

It should be noted that from an accounting point of view, this Partial Demerger had a retroactive effect to July 1, 2023. In addition, the Belgian tax authorities (Service des Décisions Anticipées en matière fiscale) agreed to consider July 1, 2023, for the purposes of the application of Belgian corporate income tax rules to Solvay.

The balance sheet of Solvay SA/NV at the end of the year 2024 presented below is presented after result allocation, and is based on a dividend distribution of €2.43 per share.

At the end of 2024, Solvay SA/NV still has one Branch, Solvay S.A. Italia (Viale Lombardia 20, 20021 Bollate, Italy).

The accounts of Solvay SA/NV are prepared in accordance with Belgian generally accepted accounting principles.

The main activities of Solvay SA/NV consist of holding and managing a number of investments in Group companies and of financing the Group's activities from the bank and bond markets. Solvay SA/NV also has a Group internal factoring activity without recourse. As a result, Solvay SA/NV owns and manages Group's trade receivables from customers based in Europe and in Asia. It manages a research center at Neder-Over-Heembeek (Brussels, Belgium) and a very limited number of commercial activities not undertaken through subsidiaries.

Balance sheet of Solvay SA/NV (summary) - after result allocation

In € million	December 31 2024	December 31 2023
ASSETS		
Fixed assets	**4,536**	**4,558**
Start-up expenses and intangible assets	53	65
Tangible assets	56	56
Financial assets	4,427	4,436
Current assets	**1,040**	**1,021**
Inventories	4	7
Trade receivables	474	379
Other receivables	272	328
Short-term investments and cash equivalents	264	284
Accrued income and deferred charges	26	24
Total assets	**5,576**	**5,579**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity	**1,825**	**1,855**
Capital	237	237
Issue premiums	179	179
Reserves	177	141
Net income carried forward	1,232	1,299
Provisions and deferred taxes	**197**	**191**
Financial debt	**1,577**	**1,586**
· due in more than one year	1,504	1,500
· due within one year	73	86
Trade liabilities	**95**	**156**
Other liabilities	**1,808**	**1,749**
Accrued charges and deferred income	**74**	**42**
Total shareholders' equity and liabilities	**5,576**	**5,579**

The total assets decrease of €(3) million results from limited variations of different captions, essentially the decrease of the intangible assets (€(12) million), the other receivables (€(57) million) and the cash available (€(20) million), partly offset by an increase of trade receivables (€+95 million)

The Shareholders' equity movements decrease of €(30) million is due the profit of the year (€227 million) and to the dividend 2024 to be distributed in 2025 (€257 million).

The financial debt is stable (€1,577 million compared to €1,586 million at the end of 2023). However, it should be noted that in 2024, the Company has reimbursed the bank loans ("Term loans to Bonds") and issued two new Bonds of € 750 million each with a respective maturity in 2028 and in 2031.

Other liabilities increase by €59 million mainly due to the increase of the current accounts with the affiliates.

Income statement of Solvay SA/NV (summary)

In € million	2024	2023
Sales	84	111
Other operating income	684	1,099
Operating expenses	-684	-1,229
Operating profit / (loss)	**84**	**-19**
Financial income and expenses	148	1,615
Profit / (loss) for the year before taxes	**232**	**1,597**
Income taxes	-5	-4
Profit / (loss) for the year	**227**	**1,593**
Profit / (loss) for the year available for distribution	**227**	**1,593**

In 2024, the net result for the year of Solvay SA/NV is a profit amounting to €227 million, compared with a profit of €1,593 million in 2023.

The result includes:

- The operating result amounted to an operating profit of €84 million, compared with an operating loss of €(19) million in 2023. In 2023, the loss was mainly driven by the costs incurred in the context of the Partial Demerger;
- Financial income and expenses (€148 million) compared to € 1,615 million in 2023, are explained by dividends received in 2024 for 270 million (€1,797 million in 2023) and by net financial charges of €122 million (€174 million in 2024).

Profit available for distribution

In € million	2024	2023
Profit / (loss) for the year available for distribution	**227**	**1,593**
Carried forward	1,298	-37
Total available to the General Shareholders' Meeting	**1,525**	**1,555**
Appropriation		
Gross dividend	257	257
Transfer from Carried forward result to unavailable reserves	36	0
Carried forward	1,232	1,298
Total	**1,525**	**1,555**

8. Auditor's reports and Declaration by the persons responsible

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EY Bedrijfsrevisoren
EY Réviseurs d'Entreprises
Kouterveldstraat 7B 001
B - 1831 Diegem

Tel: +32 (0) 2 774 91 11
ey.com/be

Independent auditor's report to the general meeting of Solvay SA/NV for the year ended 31 December 2024

In the context of the statutory audit of the Consolidated Financial Statements of Solvay SA/NV (the "Company") and its subsidiaries (together the "Group"), we report to you as statutory auditor. This report includes our opinion on the consolidated statement of financial position as at 31 December 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31 December 2024 and the disclosures including material accounting policy information (all elements together the "Consolidated Financial Statements") as well as our report on other legal and regulatory requirements. These two reports are considered one report and are inseparable.

We have been appointed as statutory auditor by the shareholders' meeting of 10 May 2022, in accordance with the proposition by the Board of Directors following recommendation of the Audit Committee and following recommendation of the workers' council. Our mandate expires at the shareholders' meeting that will deliberate on the Consolidated Financial Statements for the year ending 31 December 2024. We performed the audit of the Consolidated Financial Statements of the Group during 3 consecutive years.

Report on the audit of the Consolidated Financial Statements

Unqualified opinion

We have audited the Consolidated Financial Statements of Solvay SA/NV, that comprise of the consolidated statement of financial position on 31 December 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31 December 2024, and the disclosures including, material accounting policy information, which show a consolidated balance sheet total of € 6,694 million and of which the consolidated income statement shows a profit for the year of € 233 million.

In our opinion, the Consolidated Financial Statements give a true and fair view of the consolidated net equity and financial position as at 31 December 2024, and of its consolidated results for the year then ended, prepared in accordance with the IFRS Accounting Standards as adopted by the European Union and with applicable legal and regulatory requirements in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA's") applicable in Belgium. In addition, we have applied the ISA's approved by the International Auditing and Assurance Standards Board ("IAASB") that apply at the current year-end date and have not yet been approved at national level. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the Consolidated Financial Statements" section of our report.

We have complied with all ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Belgium, including those with respect to independence.

We have obtained from the Board of Directors and the officials of the Company the explanations and information necessary for the performance of our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Audit report dated 27 March 2025 on the Consolidated Financial Statements of Solvay SA/NV as of and for the year ended 31 December 2024 (continued)

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current reporting period.

These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon, and consequently we do not provide a separate opinion on these matters.

Defined benefit obligations

Description of the key audit matter

The defined benefit obligations mainly relate to post-employment pension plans and amount to € 529 million as at 31 December 2024, and are disclosed in note F30 of the Consolidated Financial Statements. It consists of gross defined benefit obligations (€ 1,714 million) offset partially by plan assets (€ 1,185 million).

The largest plans in 2024 are in the United Kingdom, France, the United States, Germany, Brazil and Belgium and represent 98% of the total defined benefit obligations of the Group.

This area is important to our audit because of the magnitude of the amounts, management's judgment involved in determining actuarial assumptions (more in particular discount rates and inflation rates) and plan assets' fair values and the technical expertise required to evaluate these obligations and properly reflect the impacts in the Consolidated Financial Statements in accordance with IAS 19 "Employee Benefits".

Summary of the procedures performed

- We obtained an understanding of the Group estimation process to evaluate the defined-benefit obligations and plan assets as well as the related management review controls;
- We assessed the design of the internal controls established by the Group to manage the underlying participant data and to ensure that the amendments to the plans are properly and timely reflected in the Consolidated Financial Statements;
- We reconciled, on a sample basis, the fair value of the plan assets to external confirmations;
- We assessed the expertise, independence and integrity of the external actuaries engaged by the Group;
- With the assistance of our internal actuarial specialists, we assessed the actuarial report prepared by the external actuaries engaged by the Group to ensure that the main changes to the plans were properly considered in the actuarial calculations;
- We compared, on a sample basis, the input data used for the calculation of the provisions by the external actuary (such as population, age, years of service, wage,...) with source information of the human resources department of the Group;
- We assessed the appropriateness of the key actuarial assumptions (discount rates and inflation rates) with the assistance of our internal actuarial specialists;
- We validated that the actuarial calculations are properly recorded in the Consolidated Financial Statements in accordance with IAS19;
- We assessed the roll-forward of the provisions to understand the changes in the valuation of the provisions compared to last year;
- We assessed the adequacy and completeness of the disclosures presented in the note F30 of the Consolidated Financial Statement based on the requirements of IAS 19.

Impairment of goodwill and other non-current assets of the CGU's "Soda Ash and Derivatives" and "Special Chem"

Description of the key audit matter

Following the Group's past acquisitions, significant goodwill has arisen, amounting to € 782 million as at 31 December 2024, which represents 12% of the consolidated total assets and includes € 275 million of goodwill for Special Chem and € 237 million for Soda Ash and Derivatives.

Shape the future with confidence

Audit report dated 27 March 2025 on the Consolidated Financial Statements of Solvay SA/NV as of and for the year ended 31 December 2024 (continued)

As described in notes F19 (Goodwill and business combinations) and F23 (Impairment), the Company reviews the carrying amounts of its cash generating units ("CGU's") annually or more frequently if impairment indicators are present. The impairment assessment involves a comparison of the estimated value in use of the CGU to its carrying amount. The assessment is a judgmental process which requires estimates concerning the projected future cash flows associated with the CGU, the weighted average cost of capital ("WACC") and the growth rate of revenue and costs to be applied in determining the value in use.

This area is important to our audit because of the magnitude of the amounts, the judgments, and the technical expertise required to perform the impairment testing of long-term assets.

Summary of the procedures performed

- We obtained an understanding of the Group impairment testing process;
- We evaluated and challenged management determination of CGU's and allocation of goodwill to those CGU's for the purpose of impairment testing;
- We evaluated the discount rate by comparison to (i) peer-group information, (ii) the Group's cost of capital and (iii) relevant risk factors; and the long-term growth rate by comparing with shadow computation performed by our valuation experts;
- We assessed the mathematical accuracy and conformity with IAS 36 of the valuation model used by the Group;
- We tested the reasonableness of projected cash flows considering the Group's historic forecasting accuracy and compared these projections with the budget 2025 approved by the Board of Directors and the mid-term plans, including with respect to the impact of climate change and the alignment with the Solvay's For Generations objectives;
- We included our internal valuation specialist on our team to analyze and test the valuation model and the abovementioned critical assumptions used in the valuation model as well as the reasonableness of impairment loss booked during the period;
- We analyzed and tested the sensitivity analysis prepared by management, to understand the impact of reasonable changes in the key assumptions on the available headroom for the two CGU's;
- We assessed the Group reconciliation of the value in use derived from the impairment tests to the market capitalization;
- We considered additional impairment or reversal of impairment indicators and triggers by reading minutes of the board of directors' meetings, and we held regular discussions with the management and the audit committee;
- We assessed the appropriateness and completeness of the disclosures in the Notes to the Consolidated Financial Statements in accordance with IAS 36.

Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the Consolidated Financial Statements that give a true and fair view in accordance with the IFRS Accounting Standards and with applicable legal and regulatory requirements in Belgium and for such internal controls relevant to the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of Consolidated Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern, The Board of Directors should prepare the financial statements using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Company or to cease business operations, or has no realistic alternative but to do so.

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Audit report dated 27 March 2025 on the Consolidated Financial Statements of Solvay SA/NV as of and for the year ended 31 December 2024 (continued)

Our responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, and to express an opinion on these Consolidated Financial Statements based on our audit. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the ISA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

In performing our audit, we comply with the legal, regulatory and normative framework that applies to the audit of the Consolidated Financial Statements in Belgium. However, a statutory audit does not provide assurance about the future viability of the Company and the Group, nor about the efficiency or effectiveness with which the board of directors has taken or will undertake the Company's and the Group's business operations. Our responsibilities with regards to the going concern assumption used by the board of directors are described below.

As part of an audit in accordance with ISA's, we exercise professional judgment and we maintain professional skepticism throughout the audit. We also perform the following tasks:

- identification and assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements resulting from fraud is higher than when such misstatements result from errors, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining insight in the system of internal controls that are relevant for the audit and with the objective to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given by the Board of Directors;
- conclude on the appropriateness of the Board of Directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, whether or not a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going-concern;
- evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and evaluating whether the Consolidated Financial Statements reflect a true and fair view of the underlying transactions and events.

We communicate with the Audit Committee within the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the audits of the subsidiaries. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities.

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Audit report dated 27 March 2025 on the Consolidated Financial Statements of Solvay SA/NV as of and for the year ended 31 December 2024 (continued)

We provide the Audit Committee within the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee within the Board of Directors, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our report, unless the law or regulations prohibit this.

Report on other legal and regulatory requirements

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and the content of the Board of Directors' report on the Consolidated Financial Statements, and other information included in the annual report.

Responsibilities of the auditor

In the context of our mandate and in accordance with the additional standard to the ISA's applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Directors' report on the Consolidated Financial Statements, and other information included in the annual report, as well as to report on these matters.

Aspects relating to Board of Directors' report and other information included in the annual report

The Board of Directors' report on the Consolidated Financial Statements contains the consolidated sustainability information that is subject to our separate limited assurance report. This section does not cover the assurance on the consolidated sustainability information included in the annual report.

In our opinion, after carrying out specific procedures on the Board of Directors' report, the Board of Directors' report is consistent with the Consolidated Financial Statements and has been prepared in accordance with article 3:32 of the Code of companies and associations.

In the context of our audit of the Consolidated Financial Statements, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Board of Directors' report and other information included in the annual report, being:

- Solvay at a glance
- Strategy

contain any material inconsistencies or contains information that is inaccurate or otherwise misleading. In light of the work performed, there are no material inconsistencies to be reported.

Independence matters

Our audit firm and our network have not performed any services that are not compatible with the audit of the Consolidated Financial Statements and have remained independent of the Company during the course of our mandate.

The fees related to additional services which are compatible with the audit of the Consolidated Financial Statements as referred to in article 3:65 of the Code of companies and associations were duly itemized and valued in the notes to the Consolidated Financial Statements.

European single electronic format ("ESEF")

In accordance with the standard on the audit of the conformity of the financial statements with the European single electronic format (hereinafter "ESEF"), we have carried out the audit of the compliance of the ESEF format with the regulatory technical standards set by the European Delegated Regulation No 2019/815 of 17 December 2018 (hereinafter: "Delegated Regulation").

Audit report dated 27 March 2025 on the Consolidated Financial Statements of Solvay SA/NV as of and for the year ended 31 December 2024 (continued)

The board of directors is responsible for the preparation, in accordance with the ESEF requirements, of the consolidated financial statements in the form of an electronic file in ESEF format (hereinafter 'the digital consolidated financial statements') included in the annual financial report available on the portal of the FSMA (https://www.fsma.be/en/stori).

It is our responsibility to obtain sufficient and appropriate supporting evidence to conclude that the format and markup language of the digital consolidated financial statements comply in all material respects with the ESEF requirements under the Delegated Regulation.

Based on the work performed by us, we conclude that the format and tagging of information in the digital consolidated financial statements of Solvay SA/NV per 31 December 2024 included in the annual financial report available on the portal of the FSMA (https://www.fsma.be/en/stori) are, in all material respects, in accordance with the ESEF requirements under the Delegated Regulation.

Other communications.

- This report is consistent with our supplementary declaration to the Audit Committee as specified in article 11 of the regulation (EU) nr. 537/2014.

Diegem, 27 March 2025

EY Bedrijfsrevisoren BV
Statutory auditor
Represented by

Eric Van Hoof *
Partner
*Acting on behalf of a BV/SRL

25EVH0033

Shape the future with confidence

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Statutory Auditor's limited assurance report on Solvay SA's consolidated Sustainability statements

At the attention of the general meeting of the shareholders,

As part of the limited assurance engagement on the consolidated sustainability statements of Solvay SA (the "Company" or the "Group"), we are providing you with our report on this engagement.

We were appointed by the General Meeting of 28 May 2024, in accordance with the proposal of the Board of Directors and issued on the nomination by the Works Council of Solvay SA, to carry out a limited assurance engagement on the Company's consolidated sustainability information, included in section 6 sustainability statements of the Annual Integrated Report for the year ended 31 December 2024 (the "sustainability statements").

Our mandate expires on the date of the general meeting deliberating on the annual financial statements closed on 31 December 2024. We have carried out our assurance engagement on the sustainability statements of Solvay SA for 1 consecutive year.

Limited assurance conclusion

We have conducted a limited assurance engagement on the sustainability statements of the Group.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the sustainability statements, in all material respects:

- Is not prepared in accordance with the requirements referred to in Article 3:32/2 of the Belgian Code of Companies and Associations, including compliance with applicable European sustainability information standards (the European Sustainability Reporting Standards ("ESRSs"))
- Is not compliant with the process carried out by the Company ("the Process") to identify the information included in the sustainability statements in accordance with the ESRSs as set out in section "6.1.4. IRO management)"; and
- Is not compliant with the requirements of Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation") as disclosed in subsection "6.2.2 Reporting according to the EU Taxonomy" within the environmental section of the sustainability statements.

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance engagements other than audits or reviews of historical financial information* ("ISAE 3000 (Revised)"), applicable in Belgium and issued by the International Auditing and Assurance Standards Board.

Our responsibilities under this standard are further described in the Statutory Auditor's responsibilities section of our report related to our limited assurance engagement under the section "Statutory Auditor's responsibilities in relation to the limited assurance engagement on the sustainability information".

We have complied with all ethical requirements relevant to the assurance of sustainability engagement in Belgium, including those relating to independence.

The firm applies International Standard on Quality Management 1 ("ISQM 1"), which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Statutory Auditor's limited assurance report on Solvay SA's consolidated Sustainability statements for the year ended 31 December 2024 (continued)

We have obtained from the Company's Board of Directors and its appointees the explanations and information necessary for our limited assurance engagement.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matters

The scope of our work is only restricted to the limited assurance engagement on the Company's sustainability statements with respect to the current reporting period. Our limited assurance engagement does not extend to information relating to the comparative figures.

Responsibilities of the Board of Directors in relation to the preparation of sustainability information

The Board of Directors of the Company is responsible for designing and implementing a process to identify the information reported in the sustainability statements in accordance with the ESRS and for disclosing this Process in the section "6.1.4 IRO management" of the sustainability statements. This responsibility includes:

- understanding the context in which the Company's activities and business relationships take place and developing an understanding of its affected stakeholders.
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the entity's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

The board of directors of the Company is further responsible for the preparation of the sustainability statements, which contains the sustainability information as determined in the Process:

- in accordance with the requirements referred to in Article 3:32/2 of the Belgian Code of Companies and Associations, including compliance with applicable ESRS's;
- in compliance with the requirement provided by Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation") as described in the disclosures in subsection "6.2.2 Reporting according to the EU Taxonomy" within the environmental section of the sustainability statements.

This responsibility includes:

- designing, implementing and maintaining such internal control that the Board of Directors determines is necessary to enable the preparation of the Sustainability statements that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

The Board of Directors are responsible for overseeing the Group's sustainability reporting process.

Inherent limitations in preparing the sustainability statements

In reporting forward-looking information in accordance with ESRS, the board of directors of the Company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Company. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected. Actual results are likely to differ from projections because the future events will not generally occur as expected, and such differences could be material.

Statutory Auditor's limited assurance report on Solvay SA's consolidated Sustainability statements for the year ended 31 December 2024 (continued)

Statutory Auditor's responsibilities in relation to the limited assurance engagement on the sustainability information

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the sustainability statements is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the sustainability statements as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), as applicable in Belgium, we exercise professional judgment and maintain professional skepticism throughout the engagement. The work performed in an engagement with a view to obtaining limited assurance is less extensive than in the case of an engagement with a view to obtaining reasonable assurance. The procedures performed in a limited assurance engagement for which we refer to the 'Summary of work performed' section which differ in nature and timing are less extensive compared to a reasonable assurance engagement. We therefore do not express a reasonable audit opinion in the frame of this engagement.

As the forward-looking information included in the Sustainability Information, and the assumptions on which it is based, relate to the future, they may be affected by events that may occur and/or by actions taken by the Company. Actual results are likely to differ from the assumptions made, as the events assumed will not necessarily occur as expected, and such differences could be material. Accordingly, our conclusion does not guarantee that the actual results reported will correspond to those contained in the forward-looking sustainability information.

Our responsibilities in respect of the Sustainability statements, in relation to the Process, include:

- understanding the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process; and
- Designing and performing procedures to evaluate whether the Process is consistent with the Company's description of its Process, as disclosed in section "6.1.4 IRO Management".

Our other responsibilities in respect of the Sustainability statements include:

- To understand the Company's control environment and the processes and information systems relevant to the preparation of sustainable information, but without evaluating the design of specific control activities, obtaining substantive information on their implementation or testing the effectiveness of the internal control measures in place;
- Identify areas where material misstatements of sustainability information are likely to occur, whether due to fraud or error; and
- Designing and performing procedures responsive to where material misstatements are likely to arise in the sustainability statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability statements. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Sustainability statements, whether due to fraud or error.

Statutory Auditor's limited assurance report on Solvay SA's consolidated Sustainability statements for the year ended 31 December 2024 (continued)

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process through:
  - Requesting information to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents), as well as assessing the Company's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Group. was consistent with the description of the Process set out in section 6.1.4 IRO management.

In conducting our limited assurance engagement, with respect to the sustainability statements, we:

- Obtained an understanding of the Company's reporting processes relevant to the preparation of its sustainability statements by:
  - interviewing management and relevant staff responsible for consolidating and implementing internal control measures related to sustainability information;
  - when deemed appropriate, obtaining supporting documentation for the relevant reporting processes
- Evaluated whether the information identified by the Process is included in the sustainability statements;
- Evaluated the compliance of the structure and the preparation of sustainability information with ESRS standards;
- Performed inquires of relevant personnel and analytical procedures on selected information in the sustainability statements;
- Performed substantive assurance procedures, based on a sample, on selected information in the sustainability statements;
- For the following locations contributing to the quantitative information included in the sustainability information, we have carried out on site limited detailed testing of the data collection and calculation processes, as well as validation procedures related to the quantitative information in question, based on professional judgement and on a sample basis: Dombasle, Collonges, Jemeppe-Sambre, Rheinberg, Bad Wimpfen, Santo Andre, Rosignano, Green River, Lisbon;
- Evaluated assurance information on the methods for developing estimates and forward-looking information; evaluated as described in the section "Statutory Auditor's responsibilities in relation to the limited assurance engagement on the sustainability information";
- Obtained an understanding of the Company's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the sustainability statements;
- Reconciled inputs to revenue, capital expenditure, and operating expenses, with underlying financial information of the Company;

Statements regarding independence

Our audit firm and our network have not performed any engagements that are incompatible with the limited assurance engagement, and our audit firm has remained independent of the company during our term of office

Diegem, 27 March 2025

EY Réviseurs d'Entreprises SRL
Statutory Auditor
represented by

Eric Van Hoof*
Partner
*Agissant au nom d'une SRL

25EVH0036

Declaration by the persons responsible

The Board of Directors hereby declares that, to the best of its knowledge:

- The financial statements, prepared in accordance with IFRS Accounting Standards, give a true and fair view of the assets, liabilities, financial position, and earnings of the issuer and of the entities included in the consolidation;
- The sustainability statements, prepared in accordance with the European Sustainability Reporting Standards as required by article 3:32/2 of the Belgian Code of Companies and Associations as well as with Article 8 of EU Regulation 2020/852, represent fairly the Group's sustainability performance in all material respects;
- The management report includes a fair review of the business developments, earnings, and financial position of the issuer and of the entities included in the consolidation, as well as a description of the main risks and uncertainties that these entities face.

Pierre Gurdjian

Chairman of the Board of Directors

Philippe Kehren

Chief Executive Officer, Director

Glossary

Glossary

Adjustments

Each of these adjustments made to the IFRS results is considered to be significant in nature and/or value. Excluding these items from the profit metrics provides readers with relevant additional information on the Group's underlying performance over time because it is consistent with how the business' performance is reported to the Board of Directors and the Executive Leadership Team. These adjustments consist of:

- Results from portfolio management and major restructurings;
- Results from legacy remediation and major litigations;
- Major change in environmental provision at open sites;
- Amortization of intangible assets resulting from Purchase Price Allocation (PPA) and inventory step-up in gross margin;
- Net financial results related to changes in discount rates, coupons of hybrid bonds deducted from equity under IFRS, and debt management impacts (mainly including gains/(losses) related to the early repayment of debt;
- Adjustments of equity earnings for impairment gains or losses and unrealized foreign exchange gains or losses on debt and contribution to IFRS equity earnings of equity investments disposed of in the period;
- Results from equity instruments measured at fair value, and remeasurement of the long-term incentive plans related to Syensqo Group shares and the related hedging instruments;
- Gains and losses, related to the management of the CO_2 hedges not accounted for as Cash Flow Hedge, deferred in adjustments until the maturity of the economic hedge;
- The impact of the Group's share of significant equity investments in the consolidated financial statements beginning in Q1 2024;
- Tax effects related to the items listed above and tax expense or income of prior years

All of the above adjustments apply to both continuing and discontinuing operations, and include the impacts on non-controlling interests.

Basic earnings per share

Net income (Solvay's share) divided by the weighted average number of shares, after deducting own shares purchased to cover Long Term Incentive programs.

Capital expenditure (capex)

Cash paid for the acquisition of tangible and intangible assets presented in cash flows from investing activities, and cash paid on the lease liabilities (excluding interests paid), presented in cash flows from financing activities. This indicator is used to manage capital employed in the Group.

Cash conversion

Is a ratio used to measure the conversion of EBITDA into cash. It is defined as (Underlying EBITDA + Capex from continuing operations)/ Underlying EBITDA.

CGU

Cash-generating unit.

Code of conduct

Solvay is committed to responsible behavior and integrity, taking into account the sustainable growth of its business and its good reputation in the communities in which it operates.

CSRD

Corporate Sustainability Reporting Directive. EU Directive 2022/2464/EU of the European Parliament and of the Council of December 14, 2022 that entered into force on January 5, 2023. The Directive was transposed into Belgian law on November 24, 2024.

CTA

Currency Translation Adjustment.

DEI

Diversity, Equity and Inclusion.

Diluted earnings per share

Net income (Solvay's share) divided by the weighted average number of shares adjusted for effects of dilution.

Discontinued operations

Component of the Group which the Group has disposed of or which is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations;
- Is a subsidiary acquired exclusively with a view to resale.

Dividend yield

Dividend per share divided by the closing share price on December 31 or on the last trading day of the calendar year.

DMA

Double Materiality Assessment. In the framework of CSRD, double materiality has two dimensions: impact materiality and financial materiality. A sustainability matter meets the criterion of double materiality if it is material from the impact perspective or the financial perspective or both.

EBIT

Earnings before interest and taxes. Performance indicator that is a measure of the Group's operating profitability irrespective of the funding's structure.

EBITDA

Earnings before interest and taxes, depreciation and amortization. The Group has included EBITDA as an alternative performance indicator because management believes that the measure provides useful information to assess the Group's operating profitability as well as the Group's ability to generate operating cash flows.

ELT

As Solvay's principal executive organ of governance, the Executive Leadership Team (ELT) is collectively responsible for Solvay's overall performance, protecting the Group's interests and ensuring that it is looking to the long term. It gives shape to the strategy, steers the Group's business portfolio, and ensures that value creation targets are met. An exhaustive description can be found in the Corporate Governance Charter of the Group.

EPA

The U.S. Environmental Protection Agency (EPA or US EPA) is an agency of the United States federal government that was created for the purpose of protecting human health and the environment by writing and enforcing regulations based on laws passed by Congress.

ERM

Enterprise risk management (ERM) in business includes the methods and processes used by organizations to manage risks and seize opportunities related to the achievement of their objectives.

ESG

Environmental, Social, and Governance. It is a framework used to measure a business's non-financial performance.

ESRS

European Sustainability Reporting Standards. ESRS refers to Commission Delegated Regulation (EU) 2023/2772 of July 31, 2023.

EU Taxonomy

EU taxonomy refers to the Taxonomy Regulation (2020/852/EU) published in the Official Journal of the European Union on June 22, 2020 and entered into force on July 12, 2020 and any subsequent amendments.

EURONEXT

Global operator of financial markets and provider of trading technologies.

Free cash flow

Cash flows from operating activities (excluding cash flows linked to acquisitions or disposals of subsidiaries, cash outflows of Voluntary Pension Contributions, as they are deleveraging in nature as a reimbursement of debt and cash flows related to internal management of portfolio such as one-off external costs of internal carve-out and related taxes...), cash flows from investing activities (excluding cash flows from or related to the acquisitions and disposals of subsidiaries and cash flows associated with the partial demerger project), and other investments, and excluding loans to associates and non-consolidated investments, and recognition of factored receivables), payment of lease liabilities, and increase/decrease of borrowings related to environmental remediation. Prior to the adoption of IFRS 16, operating lease payments were included within free cash flow. Following the application of IFRS 16, because leases are generally considered to be operating in nature, free cash flow incorporates the payment of the lease liability (excluding the interest expense). Excluding this item in the free cash flow would result in a significant improvement of free cash flow compared to prior periods, whereas the operations themselves have not been affected by the implementation of IFRS 16. It is a measure of cash generation, working capital efficiency and capital discipline of the Group.

Free cash flow to Solvay shareholders

Free cash flow after payment of net interests, coupons of perpetual hybrid bonds and dividends to non-controlling interests. This represents the cash flow available to Solvay shareholders, to pay their dividend and/or to reduce the net financial debt.

Free cash flow conversion ratio

Calculated as the ratio between the free cash flow to Solvay shareholders of the last rolling 12 months (before netting of dividends paid to non-controlling interest) and underlying EBITDA of the last rolling 12 months.

GBU

Global business unit.

HPPO

Hydrogen peroxide propylene oxide, technology to produce propylene oxide using hydrogen peroxide.

ICCA

International Council of Chemistry Associations.

IFRS

International Financial Reporting Standards.

Integrated reporting

This is a process founded on integrated thinking, which results in a periodic integrated report by an organization about value creation over time and related communications regarding aspects of value creation.

IROs

Identification of Impacts, Risks & Opportunities (IROs), in the context of the CSRD. Focus is on environment & population.

ISO 9001

The ISO 9001 standard defines a set of requirements for the establishment of a system of quality management in an organization, whatever its size and activity.

ISO 14001

The ISO 14001 family addresses various aspects of environmental management. It provides practical tools for companies and organizations looking to identify and control their environmental impact and constantly improve their environmental performance.

ISO 14040

The ISO 14040 standard covers life cycle assessment (LCA) studies and life cycle inventory (LCI) studies.

ISO 27001

ISO 27001 is the international standard for information security management.

ISO 45001

ISO 45001 is an international standard for occupational health and safety management systems.

Leverage ratio

Net debt / underlying EBITDA of the last 12 months. Underlying leverage ratio = underlying net debt / underlying EBITDA of the last 12 months.

Mandatory contributions to employee benefits plans

For funded plans, contributions to plan assets correspond to amounts required to be paid during the respective period, in accordance with agreements with trustees or regulation, as well as, for unfunded plans, benefits paid to beneficiaries.

Materiality

Organizations are faced with a wide range of topics on which they could report. The relevant topics are those that may reasonably be considered important for reflecting the organization’s economic, environmental, and social impacts, or influencing the decisions of stakeholders, and therefore potentially merit inclusion in an annual report. Materiality is the threshold at which aspects become sufficiently important that they should be reported.

Near miss

Accident or collision narrowly avoided.

Net cost of borrowings

Cost of borrowings netted with interest on loans and short-term deposits, as well as other gains (losses) on net indebtedness.

Net financial debt

Non-current financial debt + current financial debt – cash & cash equivalents – other financial instruments (current and noncurrent). Underlying net debt reclassifies as debt 100% of the perpetual hybrid bonds, considered as equity under IFRS, and includes the Group's share of net debt from significant equity investments (see Adjustments above). It is a key measure of the strength of the Group's financial position and is widely used by credit rating agencies.

Net financial charges

Net cost of borrowings, and costs of discounting provisions (namely, related to post-employment benefits and Health Safety and Environmental liabilities).

Net pricing

The difference between the change in sales prices versus the change in variable costs.

Net sales

Sales of goods and value-added services corresponding to Solvay’s know-how and core business. Net sales exclude Revenue from non- core activities.

Net working capital

Includes inventories, trade receivables and other current receivables, netted with trade payables and other current liabilities.

Occupational accident

Accident which occurred during the execution of a work contract with Solvay. Accidents on the way to/from home are not considered as work-related except if at the time of the accident, the worker was traveling for Solvay.

OCI

Other Comprehensive Income.

OECD

Organization for Economic Co-operation and Development.

Organic growth

Growth of Net sales or underlying EBITDA excluding scope changes (related to small M&A not leading to restatements) and forex conversion effects. The calculation is made by rebasing the prior period at the business scope and forex conversion rate of the current period.

pp

Unit of percentage points, used to express the evolution of ratios.

PPA

Purchase Price Allocation (PPA) accounting impacts related to acquisitions.

Product stewardship

A responsible approach in managing risks throughout the entire life cycle of a product, from the design stage to the end of life.

Research & innovation

Research & development costs recognized in the income statement and as capital expenditure before deduction of related subsidies, royalties and depreciation and amortization expense. It measures the total cash effort in research & innovation, regardless of whether the costs were expensed or capitalized.

REACH

REACH is the European Community Regulation on chemicals and their safe use (EC 1907/2006). It deals with the registration, evaluation, authorization, and restriction of chemical substances. The law entered into force on June 1, 2007.

Result from legacy remediation and major litigations

It includes:

- The remediation costs not generated by on-going production facilities (shut-down of sites, discontinued productions, previous years' pollution), and
- The impact of significant litigations.

Results from portfolio management and major restructuring

It includes:

- Gains and losses on the sale of subsidiaries, joint operations, joint ventures, and associates that do not qualify as discontinued operations;
- Acquisition costs of new businesses;
- One-off operating costs related to internal management of portfolio (carve-out of major lines of businesses);
- Gains and losses on the sale of real estate not directly linked to an operating activity;
- Restructuring charges driven by portfolio management and by major reorganization of business activities, including impairment losses resulting from the shutdown of an activity or a plant;
- Impairment losses resulting from testing of Cash Generating Units (CGUs).

It excludes non-cash accounting impact from amortization and depreciation resulting from the purchase price allocation (PPA) from acquisitions.

Revenue from non-core activities

Revenues primarily comprising commodity and utility trading transactions, non-core licensing transactions, and other revenue, considered to not correspond to Solvay's core business.

ROCE

Return on Capital Employed, calculated as the ratio between underlying EBIT (before adjustment for the amortization of PPA) and capital employed. Capital employed consists of net working capital, tangible and intangible assets, goodwill, rights-of-use assets, investments in associates & joint ventures and other investments, and is taken as the average of the situation at the end of the last 4 quarters.

SBTI

Science Based target initiative

Seveso regulations

The Control of Major Accident Hazards Involving Dangerous Substances Regulations. These regulations (often referred to as "COMAH Regulations" or "Seveso Regulations") give effect to European Directive 96/82/EC. They apply only to locations where significant quantities of dangerous substances are stored.

SPM

The Sustainable Portfolio Management helps alert our businesses to sustainability market signals to anticipate their impact and develop the right answers in a timely manner. SPM is a robust, fact-based, future-oriented compass that allows Solvay to take a snapshot of products' sustainability risks and opportunities in their business environment.

SoC

Substance of Concern means any substance, other than the active substance, which has an inherent capacity to cause an adverse effect, immediately or in the more distant future, on humans, in particular vulnerable groups, animals or the environment and is present or is produced in a biocidal product in sufficient concentration to present risks of such an effect.

SVHC

Substance of Very High Concern is a chemical substance, the utilization of which within the European Union has been proposed to become subject to legal authorization under the REACH regulation.

Underlying

Underlying results are deemed to provide a more comparable indication of Solvay's fundamental performance over the reference periods. They are defined as the IFRS figures adjusted for the "Adjustments" as defined above. They provide readers with additional information on the Group's underlying performance over time as well as the financial position and they are consistent with how the business' performance and financial position are reported to the Board of Directors and the Executive Leadership Team.

Underlying tax rate

Income taxes / (Result before taxes – Earnings from associates & joint ventures) – all determined on an Underlying basis. The adjustment of the denominator regarding associates and joint ventures is made as these contributions are already net of income taxes. This provides an indication of the tax rate across the Group.

Voluntary pension contributions

Contributions to plan assets in excess of Mandatory contributions to employee benefits plans. These payments are discretionary and are driven by the objective of value creation. These voluntary contributions are excluded from free cash flow as they are deleveraging in nature as a reimbursement of debt.

WACC

Weighted Average Cost of Capital.

YoY

Year-over-year comparison.

Shareholders' diary

MAY 8, 2025

First quarter 2025 results

MAY 13, 2025

Ordinary General Shareholders' meeting

MAY 19, 2025

Final dividend: Ex-coupon date

MAY 21, 2025

Final dividend: payment date

JULY 30, 2025

Second quarter and first half 2025 results

NOVEMBER 6, 2025

Third quarter and nine months 2025 results

About this report

Solvay's 2024 Annual Integrated Report provides material information on Solvay for the year ending December 31, 2024. It includes our management report, as required by article 12 of the Royal Decree of 14 November 2007 relating to the obligations of issuers of financial instruments admitted for trading on a regulated market. The information required by articles 3:6 and 3:32 of the Belgian Code of Companies and Associations can be found in the different chapters of the report. They include our Corporate governance statement, our Remuneration report, Risk management report, Business performance review, Sustainability statements and Financial statements. The Annual Integrated Report has been approved by Solvay's Executive Leadership Team and Board of Directors.

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