

Global Policy Climate Change GHG Scope 1+2 emissions and Energy

Contents

1. Context	1
2. Scope	2
3. Commitments	2
GHG Scope 1+2 emission reductions	2
Energy	2
Capex procedure	3
Measuring GHG Scope 1+2 emissions	3
4. Responsibilities	4
Implementation	4
Policy validation and review	4

1. Context

Climate Change has been identified as one of the most critical topics for the Solvay Group in the Double Materiality Assessment (DMA) as well as in the Enterprise Risk Management (ERM). Moreover, climate change is also a proven key pressure on biodiversity according to IPBES¹, which adds to the significance of continuing tackling this challenge.

Solvay contributes to Climate Change Mitigation through its decarbonization plan. Solvay being an energy intensive company, energy is a significant source of GHG emissions which deserves specific attention.

This policy aims at describing Solvay's Strategy and Governance to manage the material impacts, risks and opportunities (IROs) related to Solvay's Greenhouse gas (GHG) scope 1+2 emissions including the energy transition. It is fully embedded in Solvay's sustainability ambition.

¹ IPBES: the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services

2. Scope

This policy applies worldwide to all businesses in which the Solvay group has an operational control.

3. Commitments

GHG Scope 1+2 emission reductions

On GHG scope 1+2 emissions, we have defined specific targets: **Solvay's objectives on direct and indirect greenhouse gas emission (scope 1+2) reduction is set at -30% in 2030 vs 2021 baseline while carbon neutrality (scope 1+2) has to be met by 2050.** Scope 1+2 reduction should not be achieved by transferring emissions to scope 3.

In March 2023, SBTi validated Solvay's GHG emission reduction plan in alignment with a scenario limiting global warming well below 2°C. In December 2024, one year after the demerger of Syensqo, SBTi reassessed Solvay's plan and withdrew their validation because it is not aligned with a scenario limiting global warming at 1.5°C.

Solvay being an energy intensive company, the main part of its direct and indirect greenhouse gas emission is coming from its energy operation. The action plan to tackle emissions related to energy is defined in the below section "Energy".

In order to tackle emissions related to the chemical process, Solvay is innovating and upgrading its chemical processes.

Carbon capture sequestration or use and nuclear power are part of the technology spectrum contemplated by Solvay.

Ultimately, Solvay can consider purchasing carbon offset products to meet its commitments. Any carbon offset purchase should be compliant with GHG protocol, and not double counted.

Energy

On Energy, we have set the target to **phase out coal as thermal primary energy source by 2030, except in Devnya which requires more time because we can not find enough renewable alternatives.**

Solvay is committed to transition its energy sourcing from fossils to zero- or low-carbon sources without compromising its competitiveness and security of supply.

Solvay's emission reduction objectives are supported by a global energy transition roadmap gathering projects already validated and financed together with a portfolio of projects under design clustered into:

- Energy transition projects to substitute fossil fuels with renewable or low carbon ones
- Energy efficiency projects to consume less energy per production unit

Any renewable energy sourcing contract should be validated considering both its economic impact and its compliance with GHG protocol and local regulation.

STAR Factory program enables to identify in each site energy transition and efficiency opportunities through collaboration between a dedicated team of experts in energy transition and site operational industrial teams.

These opportunities are evaluated, challenged and prioritized by businesses (Marginal Abatement Cost, GHG impact, strategic site).

The Energy team is in charge of managing the execution of the overall project portfolio.

Energy efficiency projects are mostly executed at site level whereas energy transition projects are managed at central level.

Periodic reviews are in place to monitor progress: Monthly project steering committees, quarterly roadmap reviews for each business unit, quarterly group review.

Solvay decarbonization plan for 2030 and beyond should be updated at least once per year within its strategic planning process (VCP / MTP). Any GHG emission increase for a specific year or period should trigger a mitigation plan to ensure 2030 and 2050 targets are not jeopardized.

Capex procedure

The profitability of all investment projects factors an internal CO2 cost amounting to 100 EUR/t CO2eq, in order to assess the projects including the negative externalities or potential future regulated CO2 cost.

Any project of new capacity or acquisition or change of control should include a plan to reduce the related GHG emissions in line with Group commitments.

Measuring GHG Scope 1+2 emissions

Solvay uses the following references to measure greenhouse gas (GHG) emissions:

- The Guidance for Accounting and Reporting Corporate (GHG) in the Chemical Sector Value Chain published by the World Business Council for Sustainable Development.
- The GHG Protocol Corporate Accounting and Reporting Standard.
- The GHG Protocol Corporate Value Chain (Scope 3) Standard.
- The 5th Assessment Report (AR5) of the Intergovernmental Panel on Climate Change (IPCC) for global warming potentials on fluorinated GHG (European Regulation (EU) No 517/2014).

4. Responsibilities

Implementation

The Energy team enforces the policy implementation through its day-to-day operational oversight, supported by GBU's and Functions.

Different expertises are in place to accelerate project execution:

- Energy department:
 - energy sourcing with long-term partnerships and medium - to long-term contracts, and price-hedging protection mechanisms when needed,
 - market intelligence and direct access to energy markets,
 - dedicated services aimed at optimizing energy purchasing and helping Global Business Units manage energy and greenhouse gas emissions,
 - energy transition roadmap execution
- Industrial sites expertise
- Technological expertises in processes and process innovation
- Public affairs: Funding
- Legal
- Procurement: CAPEX challenge
- Finance: Deconsolidation & relation with investors and banks

Policy validation and review

The Executive Leadership Team (ELT) holds ultimate responsibility for the validation and adoption of this policy. As outlined in the company's [Sustainability Policy](#), the ELT ensures that the policy aligns with the organization's strategic goals and stakeholder expectations.

This Policy will be reviewed regularly by the Energy team to ensure its effectiveness and relevance. If updates are necessary, these will be validated through the governance described in our [Sustainability Policy](#).

Employees are encouraged to provide feedback on the policy and suggest improvements, directing their comments or suggestions to the Energy team.

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