

Global Policy - Climate Change

GHG Scope 3 emissions

Contents

1. Context	2
2. Scope	2
3. Commitments	2
Reducing Scope 3 emissions	2
Collecting Primary Data.....	3
Calculating Scope 3 emissions	3
4. Responsibilities	5
Implementation.....	5
Policy validation and review	5
Appendix	6

1. Context

Climate Change has been identified as one of the most critical topics for the Solvay Group in the Double Materiality Assessment (DMA). Solvay contributes to Climate Change Mitigation through the decarbonization of its value chains.

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 3 emissions. It is part of a set of policies defined by Solvay under the umbrella Sustainability Policy where the overarching ambition, strategy, governance and communication are described.

Scope 3 covers the GHG emissions due to all the activities necessary to the company's operations as well as those due to the consequences, or the purpose of the company's operations.

Typically, but not exhaustively, scope 3 encompasses GHG emissions due to: extraction of raw materials, transportation all along the value chain, waste treatment (provided it is operated outside the company assets), employee travels and commuting, product downstream transformation(s), product use and product end-of-life and investments...

Reducing scope 3 emissions, which are influenced by many external factors beyond our direct control, demands intensive collaboration with partners throughout the value chain.

2. Scope

This policy applies worldwide to all businesses in which the Group of Solvay has operational control.

The scope of this policy goes beyond Solvay to cover its value chain for climate change mitigation (GHG scope 3 emissions). Solvay must collaborate with its suppliers and customers along the value chain, as well as partners to develop new solutions and ecosystems.

3. Commitments

Reducing Scope 3 emissions

Solvay is committed to decrease by 20% its GHG scope 3 focus 5 categories emissions by 2030 vs 2021 baseline.

As a founding member of Together for Sustainability (TfS), Solvay is committed to improving the sustainability performance of the chemical industry and its suppliers. Solvay Procurement Team is actively collaborating with our suppliers to reduce Scope 3 upstream emissions. Solvay's suppliers are expected to actively support Solvay's sustainability goals by implementing initiatives to decrease GHG emissions and to use more recycled or renewable resources. Solvay's Sustainable Procurement Policy frames the procurement approach to support Solvay ESG targets.

Moreover, Solvay is dedicated to reducing its Scope 3 downstream emissions related to product processing, use, and end-of-life. Solvay GBUs collaborate closely with customers to understand product application, usage and end of life, and to promote sustainable practices such as disposal and recycling guidance.

Solvay Supply Chain is actively collaborating with transportation providers to mitigate emissions associated with logistics.

Last, Solvay employees are engaged in reducing Scope 3 emissions associated with business travels and commuting:

- Solvay adopted Responsible Travel practices promoting responsible and sustainable travel, and tracking the travel-related carbon footprint. Solvay also established a Travel Carbon Fund dedicated to supporting sustainability projects with a focus on nature conservation and carbon offsetting. Beginning in 2023, Global Business Units and Corporate Functions started contributing to the Fund based on their respective travel footprints, with a contribution rate of €100 per ton of CO₂ emitted.
- As stated by our Company car and mobility policy, Solvay encourages employees to adopt sustainable commuting practices by utilizing public transportation, cycling, or walking whenever possible. To further promote sustainable mobility, the company is transitioning its entire fleet of cars to electric vehicles. This initiative aims to engage Solvay employees in the reduction of our carbon footprint and contribute to a more environmentally friendly workplace.

Solvay Scope 3 decarbonization plan for 2030 and beyond should be updated at least once per year within its strategic planning process (VCP / MTP).

Collecting Primary Data

Solvay has active collaboration with its 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. Solvay's ambition is to collect 100% of primary PCF data. To align with TfS standards, Solvay should ensure the Product Carbon Footprints collected and integrated into Scope 3 calculations adhere to the TfS methodology. The collected Product Carbon Footprints will be managed using a specific Tool (e.g. TFS SiGreen tool). Finally, these footprints should be updated on a periodic basis.

This primary PCF data is valuable provided we track accurately the specifications of the raw materials we purchased. To support Procurement in better quantifying upstream scope 3 emissions, sites must maintain accurate records of quantities, physical states (e.g., solid, liquid, gas), concentration (%), recycled content (%), and origins of raw materials purchased.

Calculating Scope 3 emissions

Scope 3 is calculated by factoring Activity Data (Quantities) by an Emission Factor (CO₂eq). It is composed of 15 categories.

Category	Activity Data Sources	Activity Data Owners	Emission Factors Sources
1. Purchased Goods and Services	Raw Materials: SAP BW - SPRINT Other Domains: SAP BW - SPEND	Procurement: Data collection & Calculation Suppliers PCF collection	EcolInvent Supplier PCF
2. Capital Goods	Capital Expenditure (EUR): Group Controlling	Corporate Sustainability: Data Collection and calculation	DEFRA, following WBCSD guidelines
3. Fuel- and Energy-Related Activities Not Included in Scope 1 or 2	CERISE	Energy Team: Data Collection & Calculation	EcolInvent , IEA, Ademe
4. Upstream Transportation and Distribution	BW SAP	Supply Chain: Data Collection & Calculation	TK Blue
5. Waste Generated in Operations	SERF	HSE: Data Collection from SERF & Calculation Emission Factors Update	HSE Emission Factor
6. Business Travel	Travel Agency: AMEX	GBS - Mobility: Data Collection & Calculation	EcolInvent
7. Employee Commuting	HR	Corporate Sustainability: Data Collection & Calculation	EcolInvent
8. Upstream Leased Assets	Group Controlling	Corporate Sustainability: Data Collection & Calculation	EcolInvent
9. Downstream Transportation and Distribution	BW SAP	Supply Chain : Data Collection & Calculation	GLEC
10. Processing of Sold Products	SPM	Corporate Sustainability : Data Collection & Calculation	SPM
11. Use of Sold Products	SPM	Corporate Sustainability : Data Collection & Calculation	SPM

12. End-of-Life Treatment of Sold Products	SPM	Corporate Sustainability : Data Collection & Calculation	SPM
13. Downstream Leased Assets	N/A	N/A	N/A
14. Franchises	N/A	N/A	N/A
15. Investments	Finance	Energy	Energy Table

The Scope 3 reporting is stored and managed in spreadsheets. It is consolidated by Corporate Sustainability and reported on a yearly basis.

Solvay uses the following references:

4. The Guidance for Accounting and Reporting Corporate (GHG) in the Chemical Sector Value Chain published by the World Business Council for Sustainable Development.
5. The GHG Protocol Corporate Accounting and Reporting Standard.
6. The GHG Protocol Corporate Value Chain (Scope 3) Standard.
7. 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 Corporate Sustainability team enforces the policy implementation through its day-to-day operational oversight, supported by GBUs and Functions.

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 Scope 3 Policy will be reviewed regularly by the Corporate Sustainability 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 Corporate Sustainability team.

Log Change:

Rv Number	Date	Description of Change	Approver/Verifier
Version 01	December, 11th 2024	Creation	Alexandre Blum

Header: Document Number (Référence) : Revision number.

First publication:12/11/2024

Current publication: December 11th, 2024.

Version: 01

Confidentiality Status: Public

Local adaptation authorization: No local adaptation allowed with the exception of using local language if required.

Document owner: Jean-Charles Djelalian, Chief Sustainability Officer

Document reviewer: Alexandre Blum, Chief Financial and Strategy Officer

Document approver: ELT

Appendix

General References:

- Scope 3 Reporting Procedure
- Sustainable Procurement Policy
- Environmental Policy
- Travel Carbon Fund
- Responsible Travel
- Company car and mobility policy