



# Global Framework Agreement on social responsibility and sustainable development between

Solvay Group  
and  
IndustriALL Global Union

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AGREEMENT ON SOLVAY GROUP SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT,

*Between:*

Solvay Group, represented by its CEO & Chairman of the COMEX, Jean-Pierre Clamadieu,

*And:*

IndustriALL Global Union, represented by its General Secretary, Valter Sanches

## PREAMBLE

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The chemical industry can only operate with a strong sense of responsibility. Solvay insists on a spirit of responsibility in its dealings with employees, customers, suppliers, shareholders, communities, residents living near its sites, the environment and natural resources.

The "Solvay Way" approach, of which this agreement is an integral part, feeds into this development model which combines operational performance with high standards of behavior for ever greater responsibility towards all stakeholders.

This responsibility requires considerable involvement on the part of employees, which is why Solvay's desire to maintain a rich, balanced dialogue between management and employee representatives is central to Solvay's values and identity.

Such responsibility concerns all of Solvay's activities worldwide and thus requires dialogue with an organization operating at an international level.

That is the rationale for this agreement, through which Solvay and IndustriALL Global Union which organizes chemical industry employees worldwide, are creating a structure for information and dialogue and affirming their joint commitment to good industrial and labor practices wherever in the world the Group operates.

Solvay makes this commitment voluntarily, over and above its compliance with the statutory and legal obligations in every country where the Group operates. The global standards listed below will be complied with by all Solvay entities worldwide.

The Group's subsidiaries, while taking the economic, social and cultural realities specific to their own country into account, will do their best to ensure that this agreement is applied in a spirit of continuous progress based on the provisions stipulated in this agreement.

Both parties to this agreement agree that the internationally recognized standards and principles contained within this Agreement will be applied at all Solvay sites throughout the world, regardless of whether or not they are required by national law or regulations.

Solvay and IndustriALL Global Union are committed to developing trusting and constructive relations to ensure effective application of this agreement.

## **I - SCOPE OF THE AGREEMENT**

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This agreement applies to companies over which Solvay Group exercises direct control.

The provisions of this agreement and the Core Labor Standards and relevant jurisprudence of the ILO shall take precedence over local and national laws in case the latter are less favorable.

In the event of merger, acquisition or corporate restructuring of any kind leading to the creation of new entities controlled by Solvay or in the event of similar changes affecting IndustriALL Global Union, these new entities shall automatically be deemed party to the global agreement and subject to its provisions until such time as the agreement is renegotiated.

Solvay expects its suppliers, contractors and sub-contractors comply with the principles this agreement contains.

## **II - GLOBAL STANDARDS**

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### **Article 1**

Solvay and IndustriALL Global Union affirm their adherence to texts governing basic labor rights and trade union rights in society and the company.

#### **1.1 ILO Conventions**

Solvay asserts its compliance with the International Labor Organization conventions on basic human rights.

- **Conventions 87, 98 and 135**

Within the framework of fundamental rights to freedom of association, including the right to engage in collective bargaining, employees have the right to be represented by freely elected delegates, to form organizations of their choice and to join them.

- **Conventions 29 and 105**

Commitment not to employ forced or compulsory labor.



- **Convention 138 and 182**

Commitment not to employ child labor.

- **Conventions 100 and 111**

Commitment to ensure equality of opportunity and treatment in employment, including equal remuneration for men and women for work of equal value, and the prevention of discrimination in respect of employment and occupation.

- **Convention 156**

Commitment to ensure rights and equality of opportunity for employees of both genders with family responsibilities and for pregnant and nursing women.

## **1.2 UN Global Compact**

As a signatory to the United Nations Global Compact, Solvay undertakes to respect its 10 principles:

### **HUMAN RIGHTS**

- **Principle No. 1**

Businesses should support and respect the protection of international labor law relating to human rights in their sphere of influence.

- **Principle No. 2**

Make sure that they are not complicit in human rights abuses.

### **LABOR STANDARDS**

- **Principle No. 3**

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

- **Principle No. 4**

The elimination of all forms of forced and compulsory labor.

- **Principle No. 5**

The effective abolition of child labor.

- **Principle No. 6**

The elimination of discrimination in respect of employment and occupation.

#### ENVIRONMENT

- **Principle No. 7**

Businesses should support a precautionary approach to environmental challenges.

- **Principle No. 8**

Undertake initiatives to promote greater environmental responsibility.

- **Principle No. 9**

Encourage the development and diffusion of environmentally friendly technologies.

#### ANTI-CORRUPTION

- **Principle No. 10**

Businesses should work against corruption in all its forms, including extortion and bribery.

### **1.3 Universal Declaration of Human Rights**

### **1.4 OECD Guidelines for Multinational Enterprises (as revised in 2011)**

### **1.5 ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy**

## 1.6 UN Guiding Principles on Business and Human Rights

## 1.7 UN Sustainable development goals (as revised in 2015)

### III - COMMITMENTS SPECIFIC TO THE SOLVAY GROUP

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#### 1. HEALTH AND SAFETY

- The health and physical and mental safety of its employees is the main value and a priority for Solvay. Ensuring good working conditions and managing risk are daily concerns for the Group. Solvay has enacted demanding internal policies, including work-life balance, and insists on their stringent application. Its goal is to continually improve safety performance and regularly monitor assessment indicators for its own employees and the employees of subcontractors, contractors and suppliers.
- Solvay is committed to creating healthy working conditions for all personnel, regardless of the job they perform and its related risks.
- Solvay pledges that right from the outset, investment projects shall not compromise the health and safety of personnel or nearby residents. In addition, Solvay supports solutions likely to improve existing situations.

#### 2. MOBILITY AND EMPLOYABILITY

- Solvay favors the direct employment of people under open-ended work contracts.
- Solvay undertakes to apply a fair wage policy comparable with good standards in the profession over the conditions of the country concerned.
- In the event of a restructuring of its activities or any other managerial decision having a major collective impact on employees, Solvay, in compliance with legal requirements and local practices, pledges to inform employees and their representatives as soon as possible and to give priority to efforts likely to minimize the impact on employment and working conditions, with a priority given to other job opportunities inside the Group.
- Solvay believes that the autonomy and responsibility of each of its employees play a key role in the company's performance. For that reason, the company encourages internal mobility, both geographic and for career advancement, to increase the employability of its personnel.



- Solvay strive to provide employees with the following services throughout their career at the company:
  - information about available jobs, particularly through placement centers (when they exist)
  - training to prepare them for new occupations and new technologies
  - knowledge and skills development
- Solvay supports employee voluntary mobility through coordinated management of its occupational families, at global level for exempt and at regional and national level for other employees with an expectation from its employees to be open for such mobility offers.
- Solvay strives to maintain a balanced age distribution among its workforce and pays particular attention to the working and performance conditions of senior employees.

### **3. EMPLOYEES BENEFITS**

Solvay ensures that its employees are covered by welfare protection schemes that provide benefits in the event of illness, disability, maternity, paternity, death, or after their retirement, to keep more favorable to its employees, in compliance with local laws, regulations and practices and develops whenever needed its own complementary benefit plans. Solvay is committed to set up the "Solvay Care" program which aims to provide at least same minimum health standard to all employees worldwide.

### **4. ANTI-DISCRIMINATION**

- Solvay rejects any form of discrimination and is committed to respecting diversity and promoting equality of opportunity. The company transforms the provisions of ILO Convention 111 into company policy which rejects any alteration of equal opportunity or fair treatment in employment on the basis of race, sex, skin color, religion, political or union opinion, national extraction or social origin. Solvay is particularly supportive of its employees with family responsibilities and conforms with the provisions of ILO Convention 156.
- This approach includes specific efforts to promote employee diversity. Solvay is promoting Diversity and Inclusion within the group, as a factor of success, especially considering gender, at every level of the organization, and intercultural diversity.



## 5. RESPONSIBLE RELATIONS WITH SUPPLIERS, CONTRACTORS AND SUBCONTRACTORS

- Solvay expects its 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 this agreement. Solvay will encourage them in this and offer the benefit of its expertise in these areas whenever needed. Therefore the content of the present agreement is communicated to each supplier, contractor and sub-contractor.
- Any serious violation of employee health and safety legislation, environmental protection or basic human rights that is not remedied despite previous warning shall lead to termination of relations with the company concerned in compliance with contractual obligations.

## 6. RISK MANAGEMENT AND ENVIRONMENTAL PROTECTION

### • Process and product risks

Risk management is a priority for Solvay, whose guiding principle is the application of the best standards.

Within the framework of its policies and procedures, Solvay undertakes to develop:

- a **preventive approach** with regard to known and identified risks
- a **precautionary approach** characterized by a proactive, forward-looking and intelligence-gathering approach to science and technology as regards the issue of risks affecting the company's activities.

Within the context of its product stewardship policy, Solvay pledges to support its products throughout their life cycle, including via the provision of support to its customers.

Solvay is developing a specific approach for substances classified as "very high concern" (SVHC), including CMRs (carcinogenic, mutagenic and toxic to reproduction). Solvay has implemented specific recommendations that encourage the substitution of these substances and strict controls over their use when there is no possible substitute.

- **Environment**

Solvay complies with national and international environmental laws and regulations and adheres to "the chemical industry's commitment to progress in environmental protection". The company applies these principles as part of its ongoing commitment to improve safety and also health and environmental protection, and to preserve natural resources.

As such, Solvay will do its utmost to use, whenever possible, the best existing technologies allowing it to reduce greenhouse gas emissions from its production processes.

Employee awareness of the relevant environmental standards and group policies plays an important role in Solvay's approach at both the international and local levels. Solvay and IndustriALL Global Union will pool their efforts to enhance employee awareness and expertise to that respect.

## **7. SOCIAL DIALOGUE**

- Solvay and IndustriALL Global Union share the same commitment to a rich, balanced social dialogue. This dialogue, which is part of Solvay's culture, takes the form of various initiatives involving employee participation, as well as regular negotiations with staff representatives. IndustriALL Global Union and its affiliates strive for active participation and mutual respect attitude of trade union/employee representatives to various dialogue structures inside the Group.
- Solvay and IndustriALL Global Union will work together to increase the involvement of employees and their representatives in this dialogue and to develop it at an international level.

In this respect and in compliance with national laws and the company's local practices, Solvay will communicate the necessary information to employee representatives for them to learn about and understand relevant issues. Trade Union/employee representatives pledge to respect the confidentiality of such information.



- Solvay respects the right of its employees for form or join any trade union of their choice. Solvay will remain strictly neutral concerning employee preference to join, remain with, transfer, or abandon their relationship with a trade union of their choice, as part of its culture of respect for free choice of its employees in accordance with "Solvay people model".

Solvay will refrain from any unfair communication with its employees to influence their decision on trade union representation and will ensure all communications with its employees are factual and non-hostile toward the trade union seeking organization.

- Solvay pledges not to practice any discrimination due to trade union activities either when hiring or when managing employees' careers.
- Solvay prohibits any discrimination against employees or their representatives who claim rights stipulated in this agreement or act in accordance with its provisions.
- Solvay and IndustriALL Global Union will jointly monitor indicators that assess the company's existing social dialogue structures.
- The Solvay Global Forum (SGF) is established with a view to develop a place for internal social dialogue between trade union/employee representatives and Solvay top management at global level, specially on the strategy of the company. The purpose of the Global Forum is among others to contribute to implementation of this agreement, to take initiatives to secure and extend social dialogue inside the group, to analyze main aspects of the Group's functioning and propose initiatives for improvement.
- Exact composition and terms and reference of the SGF shall be determined through a specific agreement in 2017, after a two-year assessment.



## 8. CIVIL DIALOGUE

- Solvay attaches great importance to having a regular and trustful dialogue with the communities neighboring its sites. For this purpose, the company is developing a dialogue policy that takes into account local laws, regulations and practices.
- Solvay asserts its willingness to develop, as needed, a constructive and responsible dialogue with non-governmental organizations active in its industry.
- Solvay is committed to double the existing local and global societal engagement of its employees, on a voluntary basis.

## 9. RIGHT TO RAISE CONCERNS

- All employees are responsible for complying with the law and with the company's undertakings and rules of conduct. They may alert their supervisors, managers, trade union/employees representatives to violations and may also refer matters to the local representative of the Human Resources or Legal department. Solvay has set up a special mechanism that ensures employees' concerns are heard in the event that the usual means of dialogue are not functioning properly.

## IV - PERFORMANCE INDICATORS

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Solvay and IndustriALL Global Union will carry out an annual review of this agreement on the basis of indicators reported by the group as regards the commitments stipulated by the agreement.

### Health, safety, environment

- Percentage of sites audited in terms of hygiene, safety and the environment over the past three years, in accordance with the company reference framework (Solvay Care Management System)
- **MTAR: frequency rate of all accidents expressed per million worked hours**
- **LTAR: accident frequency rate with lost working time, expressed in terms of number of accidents per million hours worked**
- -Employee coverage of occupational exposure (chemicals, noise....)

- -Employee coverage of medical surveillance
- Identification and support of sites requiring attention on well-being at work (mainly based on Solvay employee survey)
- Impact on the environment and natural resources:
  - water
  - air (CO2 emissions)
  - energy consumption
  - waste management

### **Employees and social and societal dialogue**

- Number of employees (total headcount, per country and per site)
- Employment structure (direct employment, temporary employment)
- Group policy regarding subcontracting
- Existing social protection schemes and number or category of employees covered
- Mobility: number of jobs filled by internal candidates versus number of jobs filled by external candidates
- Job training
- Existing social dialogue structures
- Societal actions

Solvay and IndustriALL Global Union jointly monitor ways to optimize the currently reported social indicators and to identify new areas of need.

### **Relations with suppliers, contractors and subcontractors**

- Review of compliance with Solvay standards and any corrective measures that may be required
- Review of complaints lodged by suppliers and the processing of these complaints by Solvay



## **Solvay Way**

The Solvay Way approach aims at continuous progress in terms of social and environmental responsibility within the framework of greater dialogue with employees and their representatives.

The Solvay Way reference framework provides an annual assessment of the Group's entities' practices and progress objectives with regard to six different stakeholders: customers, suppliers, employees, investors, communities and the environment.

The reference framework should allow entities to determine their current level of implementation of these practices, then to define the associated improvement objectives and plans in a continuous progress approach.

The commitments of Solvay are liable to undergo changes; any such changes will be included under this article during the subsequent renegotiation of this agreement.

The responsibility profiles thus outlined form part of the monitoring indicators for this agreement and IndustriALL will be involved in the annual review of the implementation of Solvay Way.

Solvay and IndustriALL Global Union consider that the Solvay Way approach makes a very major contribution to the dynamic application of this agreement and have agreed to combine their efforts to ensure its complete success.





## **V - APPLICATION OF THE AGREEMENT: METHODOLOGY**

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This agreement, which applies to all Solvay activities worldwide, strengthens and extends the company's labor practices and is not intended to replace or interfere with local dialogue and negotiation practices.

Solvay pledges to provide management with copies of this agreement and to inform employees of its existence and the commitments it entails. With the purpose of wider awareness and distribution, simplified and electronic versions may also be used. This agreement will be translated into the languages of the different countries concerned in agreement with IndustriALL Global Union and will be available on the Group's website in the "sustainable development", Human Resources (HR) and Purchasing sections.

In this respect, particular attention will be paid to new recruits, who will be given a copy of this agreement.

Solvay and IndustriALL Global Union will cooperate to ensure the optimum circulation and understanding of this agreement by employee representatives on its sites. In this respect, Solvay will facilitate the participation of these delegates in meetings that may be organized locally by IndustriALL Global Union to help develop the social dialogue required by this agreement.

Solvay and IndustriALL Global Union agree that they will be mutually available on an ongoing basis to inform each other of any problems encountered and to determine the best solutions.

Solvay and IndustriALL Global Union both believe that problems are best resolved as close as possible to the location where they have arisen.

Nonetheless, Solvay and IndustriALL Global Union agree that in the event of difficulties which cannot be resolved or failure to apply the terms of this agreement, a process of conflict resolution as below will be followed:

If no satisfactory solution is found, the matter shall be dealt with directly by the national management and related trade unions, in liaison with the signatories of this agreement.

Failing that, the signatories shall have the possibility to bring the case to Solvay headquarters, notwithstanding the place where the agreement is executed or/and the intervention of a third party.

All of the problems encountered and solutions provided shall be presented at the annual meeting between signatories..

## **VI - MONITORING AND ANNUAL REVIEW**

Solvay and IndustriALL Global Union will continuously monitor the correct application of this agreement and in this respect they will conduct an assessment through a Global Panel once a year in a jointly defined country or zone.

### **MEMBERSHIP OF THE PANEL**

- 3 representatives from the Solvay Group appointed by the Group General Management
- 2 representatives from IndustriALL Global Union's central body
- 1 representative per geographical region chosen by IndustriALL Global Union among Solvay Global Forum members
- The geographical regions concerned are: North America, South America, Europe and Asia.

### **TERMS OF ORGANIZATION**

The Panel convenes a meeting at least once a year. The parties may decide to convene additional meetings, if necessary.

The Panel's annual meeting shall be convened in one of the Group's sites chosen by the parties to this agreement in the first quarter of the year.

Solvay shall pay traveling and accommodation expenses incurred by the members of the Panel in addition to those related to the organization of meetings.

The draft report made by IndustriALL shall be sent to Solvay within one month after the meeting. Solvay shall transmit its comments on the draft one month later it has been received. The parties will produce a joint meeting report. If there are different views, they will be placed at the end of the joint report.

Any problems encountered with the application of this agreement will be outlined in a report that will also discuss the solutions brought to bear. If the difficulties are observed locally this report will be written jointly by management and employee representatives at the site concerned and will be included in the overall review.

IndustriALL Global Union will make a presentation on the application of this agreement on a yearly basis during the Solvay Global Forum meeting convened in the first quarter of the year.



On this occasion, Solvay will present a review document on the basis of the agreed indicators and the results of the joint assessments conducted by IndustriALL Global Union and Solvay in the countries provided for under the terms of this agreement.

Solvay and IndustriALL Global Union agree to carry out a joint review before the end of the agreement in order to prepare for its possible renewal. Conducted towards the end of validity of the agreement, this review may be entrusted to an external expert chosen by both parties, with the cost being covered by Solvay.

### Health and Safety Visit

An annual joint visit shall be organized to monitor the health and safety situation within the Group.

For this purpose, access to indicators regularly observed by the Group shall be transmitted to IndustriALL. The parties to this agreement may agree, if required, to supplement these indicators with other specific information.

The work is grounded on a continuous progress approach. As such, the report contain observations and recommendations for improvement. The draft report made by IndustriALL is sent to Solvay within one month after the visit. Solvay will transmit its comments on the draft within one month later it has been received. The parties will produce a joint meeting report. If there are different views, they will be placed at the end of the joint report.

### **OTHERS PROVISIONS**

Solvay and IndustriALL Global Union are the only parties authorized to answer any questions raised by the application of this agreement.

Solvay and IndustriALL Global Union agree about the advantages of developing a worldwide social dialogue within the Group and will pursue reflection on this matter. Once they have been decided, the terms and conditions of this dialogue will be the subject of an amendment to this agreement.

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## VII - VALIDITY OF THE AGREEMENT

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This agreement is renewed for a period of five years.

The agreement may be revised at any time by means of a contractual amendment, with a view to adapting the agreement.

In the year preceding the agreement's expiration date, and no later than three months before this date, the signatories will meet to prepare an overall review of the application of the agreement, with a view to its possible renewal.

Either signatory may withdraw from this agreement, provided it gives six months' notice.

This agreement will be translated, according to a list jointly defined with IndustriALL Global Union, into each of the languages of the countries where Solvay production sites are based. The English version of the agreement shall have legal force for the signatories.

Brussels, February 3<sup>rd</sup> 2017

Solvay Group, represented by **Jean-Pierre Clamadieu**, CEO & Chairman of the COMEX

And

IndustriALL Global Union, represented by **Valter Sanches**, General Secretary

*Enclosures:*

- 1. Solvay Way Framework*
- 2. Solvay People and Management Model*



# Annex 1





## Solvay Way Framework

# SOLVAY *Way*

**Reference framework 2016**  
**Sustainable Development**








# Practices for GBU

STAKEHOLDER	ENTITY CONCERNED	SW PRACTICES ADDRESSED	FUNCTIONS ASSOCIATED
 <b>CUSTOMERS</b>	Business teams	1.1.1 1.1.2 / 1.2.1 / 1.2.2 1.3.1 / 1.3.2 1.4.2	Industrial - HSE R&I / Industrial Marketing & Sales
 <b>EMPLOYEES</b>	Industrial Sites	2.1.1 / 2.1.2 / 2.1.3 2.2.1 / 2.2.3 / 2.3.1 / 2.4.1 / 2.4.2 2.5.1 / 2.5.2 / 2.5.3	Industrial - HSE HR HR
 <b>PLANET</b>	Industrial Sites	3.1.1 / 3.1.2 / 3.1.3 / 3.1.4 3.2.1 / 3.2.2 / 3.2.3 3.3.1 / 3.3.2 / 3.3.3	Industrial - HSE Industrial-HSE/Energy Services Industrial-HSE /Energy Services
 <b>SUPPLIERS</b>	Purchasing team	5.1.1 5.2.1 5.3.1 / 5.3.2 / 5.3.3	Purchasing Purchasing Purchasing
 <b>COMMUNITIES</b>	Industrial Sites	6.1.1 / 6.1.2 6.2.1 / 6.2.2 / 6.2.3 6.3.1	Industrial-HSE Industrial-HSE

# Practices for R&I

STAKEHOLDER	ENTITY CONCERNED	SW PRACTICES ADDRESSED	FUNCTIONS ASSOCIATED
 <b>CUSTOMERS</b>	R&I Corporate team	1.2.2 1.3.1	Industrial HSE
 <b>EMPLOYEES</b>	R&I Sites	2.1.1 / 2.1.2 / 2.1.3 2.2.1 / 2.2.3 / 2.3.1 / 2.4.1 / 2.4.2 2.5.1 / 2.5.2 / 2.5.3	Industrial - HSE HR HR
 <b>PLANET</b>	R&I Sites	3.1.1 / 3.1.2 / 3.1.3 / 3.1.4 3.2.1 / 3.2.2 / 3.2.3 3.3.1 / 3.3.2 / 3.3.3	Industrial - HSE Industrial-HSE/Energy Services Industrial-HSE /Energy Services
 <b>COMMUNITIES</b>	R&I Sites	6.1.1 / 6.1.2 6.2.1 / 6.2.2 / 6.2.3 6.3.1	Industrial-HSE Industrial-HSE

# Practices for Corporate Functions

STAKEHOLDER	CORPORATE FUNCTIONS CONCERNED	SW PRACTICES ADDRESSED	FUNCTIONS ASSOCIATED
 <b>CUSTOMERS</b>	Marketing & Sales	1.4.1	
 <b>EMPLOYEES</b>	HR Industrial	2.2.2 / 2.5.4 All practices (2.1.1 to 2.5.3)	HR of GBU
 <b>PLANET</b>	Public Affairs <b>SBS - IS</b>	3.4.1 <b>3.3.4</b>	
 <b>INVESTORS</b>	Finance/ strategy Strategy Risk management Legal General Secretariat	4.1.1 4.1.2 4.2.1 4.3.1 4.3.2	R&I M&A Finance HR Legal
 <b>SUPPLIERS</b>	Purchasing zones & Corporate Purchasing	5.1.1 5.2.1 5.3.1 / 5.3.2 / 5.3.3	



# Our 22 commitments towards our stakeholders



**Customers**

- Integrating our CSR commitments into our customer relationships
- Controlling product-related risks
- CSR-integrating innovation & investment
- Analyzing and developing our markets, while integrating CSR



**Employees**

- Ensuring employees health and safety
- Respecting employees' fundamental human rights and guaranteeing their social rights
- Ensuring quality social dialogue
- Developing employability
- Motivating employees



**Planet**

- Promoting environmental management
- Preserving natural resources
- Limiting environmental impact, preserving biodiversity
- Exercising responsible influence



**Investors**

- Creating value responsibly
- Ensuring risk management
- Ensuring dissemination of and compliance with good management and governance practices



**Suppliers**

- Defining prerequisites and integrating them into the supplier qualification and selection process
- Evaluating buyers' CSR performance.
- Managing and assessing suppliers' CSR performance , optimizing relationships



**Communities**

- Ensuring the integration of entities within their territories
- Controlling industrial risks related to entities' presence in their territories
- Controlling supply chain risks and preventing accidents



## 1. Customers

### 1.1 Integrating our CSR commitments into our customer relationships

1.1.1 Developing a collaborative CSR **differentiation**

1.1.2 Informing customers of product-related risks

### 1.2 Controlling product-related risks

1.2.1 Deploying the Product Stewardship management system

1.2.2 Managing the risks attached to substances of very high concern (SVHCs)

### 1.3 CSR-integrating innovation & investment

1.3.1 Steering innovation projects while integrating CSR

1.3.2 Steering investment projects by new units or capacity expansions while integrating CSR

### 1.4 Analyzing and developing our markets, while integrating CSR

1.4.1 Detecting mega-trends, selecting target orientations

1.4.2 Orienting GBUs' action plans to integrate CSR

# 1.1. Integrating our CSR commitments into our customer relationships



## Business Unit

### 1.1.1. Developing a collaborative CSR differentiation

#### Launch

Identify customers expectations, from a CSR standpoint, interacting with them.

Identify levers to generate CSR-differentiated business with key accounts.

#### Deployment

Define action plans to generate CSR-differentiated business with key accounts.

Identify possible projects with key accounts to develop CSR-differentiated business..

#### 3 Maturity

Generate additional business with CSR-differentiation.

Projects are set up.

#### 4 Performance

CSR-differentiated partnerships with key accounts generate significant business results.

#### Detailed requirements

BU records in a systematic and structured way the CSR expectations of more than 80% of **key accounts** (through meetings, surveys and **desk-research**).

Customer expectations are documented in a CRM\* system or equivalent.

Customers satisfaction is measured (NPS).

Entity identifies levers to generate CSR-differentiated business with key accounts (on the basis of their CSR objectives, e.g.).

BU has analyzed the CSR needs and expectations of more than 80% of its **key accounts**. They are discussed in business reviews.

Action plans to generate CSR-differentiated business with key accounts, are set up.  
Projects with key accounts aiming at increasing the revenue in SPM Solutions are identified.

Over 80% of **key accounts** has been CSR-surveyed in the last **two** years and the **Net Promoter Score** exceeds 30%.

Additional sales resulting from action plans defined at level 2 are generated in SPM Solutions category.  
Partnerships identified at level 2 are set up.

The revenue in SPM Solutions category has been increased by at least 20% as a direct consequence of the partnerships identified at level 2 and set up at level 3.

#### Associated metrics

- % of **key accounts** whose expectations have been recorded
- % of **key accounts** that have been CSR-surveyed over the last **two** years
- Net Promoter Score

#### Associated tools

- Customer interactions: visits, meetings, satisfaction surveys, workshops, ...
- CRM\* and other tools developed by the entities
- Electronic surveys (e Survey)
- Sustainable Portfolio Management (SPM) assessments and analysis are carried out with the Corporate SPM experts.

#### Glossary

- ★ CSR: Corporate Social Responsibility
- ★ CRM: Customer Relationship Management
- ★ **Key account is defined at GBU level on the basis of turnover, growth potential, market knowledge, strategic fit, etc.**
- ★ Net Promoter Score, or NPS®, is an indicator based on the fundamental perspective that every company's customers can be divided into three categories: Promoters, Passives, and Detractors.  
(<http://www.netpromoter.com/why-net-promoter/know>)



# 1.1. Integrating our CSR commitments into our customers relations



Business Unit  
Entity Product  
Stewardship  
PSST

**Launch**

**Deployment**

**3  
Maturity**

**4  
Performance**

## 1.1.2. Informing customers of product-related risks

Ensuring that Solvay SDSs and labels are available for commercial products

Initiating a system **to monitor SDS distribution** for commercial products. Ensuring that Solvay SDSs are available for all R&I samples shipped. The entity has established a list of high priority substances for which it plans to publish a GPS Safety Summary.

Deploying worldwide the system to monitor **distribution** of SDS for commercial products. GPS Safety Summaries are **compiled and published on ICCA and Solvay websites**, according to applicable guidelines.

Establishing a systematic and worldwide harmonized approach for compiling, publishing and updating GPS Safety Summaries.

### Detailed requirements

A process is in place to ensure that SDSs are **created and kept up to date** in line with the regulatory **requirements** and the new scientific information.

The Solvay SDSs for commercial products are **communicated to customers**.

A verification process to ensure the correct labelling is in place for commercial products **and an action plan is defined if gaps are identified**

A system is in place to ensure SDSs **update at least every 3 years for commercial and R&I products**.

The entity has established a process to **monitor** the distribution of SDSs to its customers in at least one geographic zone.

A verification process to ensure the correct labelling is in place for R&I products **and an action plan is defined if gaps are identified**.

The entity has initiated the process for **compiling GPS Safety Summaries**, taking into account zone specific requirements/recommendations.

The entity has **established a process to monitor** the distribution and reception of SDSs **worldwide** together with Customer **Services (or Sales services)**.

The entity publishes GPS Safety Summaries on **ICCA and Solvay websites**, in line with applicable guidelines. The entity **annually reviews & updates the list of substances for which it plans to publish a GPS Safety Summary**.

The entity proactively manages its SDSs and GPSs Safety Summaries on Internet, taking into account regulatory differences between countries and is able to anticipate future developments, including civil society **and market alerts**.

The entity **monitors the SDS distribution process**. Solvay Customer Service monitors that the SDSs have been well received by the customers.

### Associated metrics

- Number of SDS revised within the last 3 years as % of the entity's total number of SDS
- Number of products in %age having an SDS as required by national legislation
- % of GPS **safety summaries** published on ICCA and Solvay websites

### Associated tools

- SAP HSE database
- **Regulatory Watch & Intelligence process**
- **Ariel Websight for regulation monitoring**
- **IND-HSE-PRAS-19-PRO – Safety Data Sheet authoring and revision Procedure**

### Glossary

- ★ SDS: Safety Data Sheet or Material Safety Data Sheet
- ★ GPS: Global Product Strategy (voluntary ICCA commitment)
- ★ ICCA: International Council of Chemical Associations
- ★ GHS: Global Harmonization System and Labelling of Chemicals
- ★ High priority **substances**: high hazard or high volume substances



## 1.2. Controlling product-related risks



**Business Unit  
Entity Product  
Stewardship**

**Launch**

**Deployment**

**3  
Maturity**

**4  
Performance**

**1.2.1. Deploying the  
Product Stewardship  
management system  
Linked with PSMS**

Assessing and implementing basic level of Product Stewardship Management System (PSMS).

Deploying intermediate requirements of PSMS  
  
Implementing applicable technical standards\* for sensitive markets.

Deploying maturity requirements of PSMS.

Implementing all PSMS requirements.

**Detailed requirements**



The GBU has carried out the self assessment of the PSMS in all zones where it is located.

100 % of basic requirements (level 1 of PSMS) are implemented in accordance with PSMS timelines and rules.

For GBU having sales in sensitive markets\*, the GBU has defined resources and timelines to deploy the HCRM\* procedure.

50 % of PSMS intermediate requirements (level 2) are implemented.

For GBU having sales in sensitive markets\*, applicable technical standards\* are in place and risk assessments are performed according to HCRM\* procedure .

100 % of PSMS intermediate requirements (level 2) and 50% maturity requirements (level 3) are implemented.

100 % of PSMS performance requirements (level 4) are implemented.

**Associated metrics**

- PSMS self-assessment
- HCRM document

### Associated tools

- PSMS management system
- HCRM (HealthCare Risk Management) process : IND-HSE-PRAS-07-PRO procedure

### Glossary

- ★ PSMS: Product Stewardship Management System
- ★ HCRM: HealthCare Risk Management
- ★ Sensitive markets : as defined in HCRM procedure
- ★ Applicable technical standards : as defined in HCRM procedure

## 1.2. Controlling product-related risks



**Business Unit  
Entity Product  
Stewardship  
and R&I**

### Launch

### Deployment

### 3 Maturity

### 4 Performance

#### 1.2.2. Managing the risks attached to substances of very high concern (SVHCs)

Identifying products containing SVHCs and providing hazard information

Implementing a strategy to reduce the risks for SVHCs and launching the analysis for substitution.

Deploying the substitution programs where feasible.

Substituting or terminating the commercialization of all SVHCs.

#### Detailed requirements

GBUs and R&I corporate have carried out systematic inventories of substances produced, handled and used to identify SVHCs\* or products requiring specific attention (SRA), as defined in the framework procedure IND-HSE-12-PRO.

Hazard information (e.g. its classification) of products containing SVHCs and marketed or handled by the GBU and R&I, listed on the black or red lists of the group procedure is disseminated and kept up to date by Product Stewards in liaison with the Group's Toxicology and Environmental experts.

Inventories are updated periodically according to the IND-HSE-12-PRO procedure.

The entity has developed a strategy of risk management and mitigation for all products listed in the black and red lists of the group procedure.

The entity has identified products listed in the yellow list of the procedure and hazard information are kept up to date.

The entity has initiated a substitution process for all products containing SVHCs listed in the black and red lists of the group procedure.

The entity has completed over 80% of substitution plans for products containing SVHCs\* listed in the Group's black and red lists of the group procedure.

Specific risk management programs are implemented for SVHCs\* that can not be substituted.

The entity has identified the substances in the yellow list that require risk assessment and an action plan because of their criticality.

The entity has implemented a multi annual program for substitution of products containing SVHCs\*.

The entity has ceased the commercialization of products containing SVHCs\* for which no substitutes exist.

Products containing SVHCs\* that can not be substituted and for which have demonstrated their benefits for humanity must be used under strictly controlled conditions (SCC\*).

The entity has implemented action plans for 100% of identified critical substances in the yellow list.

#### Associated metrics

- % of SVHCs covered by the inventory per zone
- % of substitution studies for the substances concerned
- % of substances for which a partnership with all customers has been established or where work on a substitution file has begun

#### Associated tools

- IND-HSE-12-PRO
- IND-HSE-PRAS-12-PRO
- SAP-EHS
- IND-HSE-PRAS-14-PRO
- Sustainable Portfolio Management (SPM) assessments and analysis are carried out with the Corporate SPM experts.

#### Glossary

- ★ SVHC: Substances of very high concern (as defined in IND-HSE-12-PRO)
- ★ SCC - Strictly Controlled Conditions as described in IND-HSE-IH-12-PRO.
- ★ SPM : Sustainable Portfolio Management (version 2.1); the Group's environmental assessment method maintained by the SD function and applied to the businesses, R&I and CapEx projects and M&A targets.



# 1.3. Innovating and investing while integrating CSR



**Business Unit +  
R&I (platform)**

**Launch**

**Deployment**

**3  
Maturity**

**4  
Performance**

## 1.3.1. Steering innovation projects while integrating CSR

Mapping the innovation projects and assessing their CSR alignment.

Integrating the CSR issues when selecting innovation projects and steering them.

Managing the innovation projects portfolio with priority to CSR issues.

Developing the Group's strategy and innovation policy in accordance with CSR issues.

### Detailed requirements

Each Opportunity and each Innovation Project of the entity, which match the criteria for inclusion in the WEGO\* process are recorded in the WEGO\* database.

Each Innovation Project managed in the WEGO\* process has been assessed with the SPM\* methodology. Innovation Project has been assessed prior to its kick-off (in the prepare kick-off phase) and has been reviewed at each phase change.

Each Opportunity has been assessed in the light of the sustainability criteria embedded in the Opportunity Scorecard, at each phase.

Sustainability evaluations of the Innovation Projects are discussed:

- in Innovation Committee\* and serve as a basis for decisions on resource allocation;
- in project Steering Committee\* to favor the most sustainable solutions in the project management.

At least 50% of the consolidated budget of the Innovation Projects of the entity that are managed under the WEGO\* process is allocated to projects in SPM Improved\* or in SPM Solutions\* categories.

No budget is allocated to Innovation Projects in SPM Deteriorated\* or in SPM Challenges\* categories.

80% of the consolidated budget of the Innovation Projects of the entity that are managed under the WEGO\* process is allocated to projects in SPM Solutions\* category.

### Associated metrics

- Part of the R&I budget of the entity that is allocated to projects recorded in WEGO\* database.
- Part of the R&I budget analyzed by the SPM methodology.

### Associated tools

- Solvay Innovation Process WEGO
- Sustainable Portfolio Management (SPM) assessments and analysis are carried out with the Corporate SPM experts.
- Innovation Excellence
- Manufacturing Excellence

### Glossary

- ★ **SPM:** Sustainable Portfolio Management, Group's environmental assessment method maintained by the SD function and applied to the businesses, R&I and CapEx projects and M&A targets. *Improved and Deteriorated categories refer to SPM assessments of R&I projects ; Solutions and Challenges refer to zones of the SPM Heat Map.*
- ★ WEGO is the development and the management process of innovation projects and their associated portfolios; it encompasses the development of new products, processes and/or applications while involving R&I resources.
- ★ The Innovation Committee is composed at least of the President of the entity (GBU or R&I Function) and the R&I, Strategic Marketing and Industrial Directors of the entity. For large GBUs, President may formally delegate his role to Business Units VPs.
- ★ The Steering Committee is composed at least of the Project Leader and decision takers for R&I, Marketing and Industrial deliverables of the project.

## 1.3. Innovating and investing while integrating CSR



### Industrial Management BU

#### 1.3.2. Steering investment projects, while integrating CSR

##### Detailed requirements

**1 Launch**  
Assessing the CSR challenges of investment projects.

Any CAPEX project > 100 kEUR is recorded in a comprehensive database.

Any **MAJOR CAPEX\*** project (> 10 MEUR) is evaluated by the SPM\* methodology, according to the CAPEX 01 and IND-HSE-06-PRO procedures.

The Investment Committee\* ensures that its SPM profile is available before approval (on x & y axis).

**2 Deployment**  
Integrating the CSR issues when selecting CAPEX projects and steering them.

Any **MEDIUM CAPEX\*** project (> 2 MEUR) is evaluated by the SPM\* methodology.

GBU President ensures its SPM profile is formally taken into account before approval (on x & y axis).

**3 Maturity**  
Selecting the majority of investment projects according to CSR criteria.

Any **CAPEX** project >100 kEUR is evaluated with the Ultra-simplified SPM\* criteria.

At least 50% of the consolidated CAPEX spending of the entity aiming at development (D & E categories) and environment (A2 category) is allocated to projects that:

- either increase the revenue in SPM Solutions category
- or reduce by more than 10% the Operations Vulnerability.

No CAPEX aiming at development (D & E categories) and environment (A2 category) is allocated to project that:

- either increase the revenue in SPM Challenged category
- or increase by more than 10% the Operations Vulnerability.

**4 Performance**  
Developing the Group's strategy and investment policy in accordance with CSR challenges.

At least 80% of the consolidated CAPEX spending of the entity aiming at development (D & E categories) and environment (A2 category) is allocated to projects that:

- either increase the revenue in SPM Solutions category
- or reduce by more than 10% the Operations Vulnerability.

##### Associated metrics

→ % of CAPEX investments analyzed by the SPM method

##### Associated tools

- CAPEX 01 procedure and 06 PRO IND HSE (Industrial Challenge)
- Sustainable Portfolio Management (SPM) assessments and analysis are carried out with the Corporate SPM experts.

##### Glossary

- ★ **SPM:** Sustainable Portfolio Management, Group's environmental assessment method maintained by the SD function and applied to the businesses, R&I and CapEx projects and M&A targets. *Improved* and *Deteriorated* categories refer to SPM assessments of R&I projects ; *Solutions* and *Challenges* refer to zones of the SPM Heat Map.
- ★ Values in practice prevail on MAJOR and MEDIUM CAPEX thresholds defined in CAPEX 01 procedure (2016 Jan. version).
- ★ Ultra-simplified SPM is the SPM scorecard that is typically applied to large number of items (projects, ideas, ...) to compare them on anticipated SPM profile, with the involvement of Corporate SPM Team
- ★ The Investment Committee is composed at least of the President, the Industrial, R&I and Strategic Marketing Directors of the entity. For large GBUs, President may formally delegate his role to Business Units VPs.

## 1.4. Analyzing and developing our markets while integrating CSR



### Corporate Marketing and Sales & Strategy

#### Launch

#### 2 Deployment

#### 3 Maturity

#### 4 Performance

### 1.4.1. Detecting megatrends, selecting target orientations

Analyzing market developments, and noting trends reflecting CSR issues.

Presenting target orientations to Group senior management for validation, and to GBUs for inclusion in their strategic plans.

Ensuring that the orientations included in the GBUs' roadmaps are relevant.

Integrating CSR into the market - product segments positioning strategy of the entire Group portfolio.

#### Detailed requirements

Ongoing monitoring of market developments exists to understand the major changes (customers, government, civil society ...) on world markets.

Breakthrough trends and developments responding to CSR issues, according to CSR criteria, are identified.

This analysis is part of the Business Review process, with results communicated through the annual prospective market analysis.

The quarterly Economic Outlook analysis presents the selected target markets and the potential business analyzed to General Management and GBUs.

GBUs identify the opportunities and risks of their current business, and integrate the environmental and social impacts in defining their strategic plans and business reviews.

Senior management checks annually with the GBUs that the action plans will make possible to reach, at group level, in **2025**:

- **50%** of the turnover in the SPM **Solutions** category;
- A reduction of the share in turnover in the **Challenges** SPM categories.

Corporate Strategic Marketing and Sustainability Department Management verify that all business developments meet the CSR challenges, based on the GBUs' strategic plans and business reviews.

They evaluate the entire Group portfolio according to the CSR criteria (SPM **Solutions** categories) which need to reach two-thirds of the turnover.

#### Associated metrics

- Portion of the product portfolio incorporating CSR, presented in the Business Review
- SPM: "Star" portion growing and "obstructed" portion reducing, improvement of "operational resilience"

#### Associated tools

- Roadmap, Business Review, Strategic Planning Process
- **Sustainable Portfolio Management (SPM) assessments and analysis are carried out with the Corporate SPM experts.**

#### Glossary

- ★ The CSR criteria are intended to help assess the potential impacts of a particular business based on three interrelated dimensions: economic (generating sustainable value); environmental (reducing environmental footprint across sourcing, production, distribution ...); and social (knowledge of good practices and risk anticipation – general employment and working conditions, safety, non-discrimination, human rights – by our employees and acceptance of these conditions by our suppliers and clients).
- ★ Vigilance with regard to high environmental impact sectors (emissions to air, water, soil, consumption of non-renewable resources)
- ★ Vigilance with regard to sectors using sensitive chemicals
- ★ Vigilance with regard to the "Ethics" dimension of purchasing policies (including payment of suppliers) / supplier relationships / supply chain
- ★ Particular sensitivity to certain sectors: drugs, weapons, sex, tobacco, games, GMOs



## 1.4. Analyzing and developing our markets while integrating CSR



### Strategic Marketing Management in the GBUs

#### Launch

#### 2 Deployment

#### 3 Maturity

#### 4 Performance

### 1.4.2. Orienting GBUs' action plans to integrate CSR

Analyzing the market along the entire value chain, including CSR.  
Estimating the likely evolution of customer demand within this framework.

Defining the strategic plan of the entity while integrating CSR

Checking the effectiveness of the application of the strategic plan for generating CSR-correlated growth.

Each GBU makes the greater part of its EBITDA from product/service offerings that integrate CSR.

#### Detailed requirements

Each year, the operating entity analyses major developments (customers, government, civil society, regulators) in the relevant markets across the value chain in the Strategic Plan and the Business Review, integrating CSR into the process.

80% turnover of the GBU has been assessed with the SPM tool.

The entity integrates the results of the SPM analysis of its portfolio, the analysis from Corporate Strategic Marketing and Business Intelligence, and information resulting from benchmarks, to define the main orientations of its strategic plan.

Senior management checks annually with the GBUs that the action plans will make possible to reach, at group level, in 2025:

- 50% of the turnover in the SPM **Solutions** category;
- A reduction of the share in turnover in the **Challenges** SPM categories.

Each GBU achieves a minimum of 2/3 EBITDA in CSR correlated products and services (SPM **Solutions** category).

#### Associated metrics

- Portion of EBITDA by GBU correlated with CSR challenges
- SPM: "Star" portion growing and "Challenged" portion reducing, improvement of "Operations Vulnerability"

#### Associated tools

- Roadmap, Business Review
- Innovation Stage Gate (marketing section)
- External Growth Process
- Sustainable Portfolio Management (SPM) assessments and analysis are carried out with the Corporate SPM experts.

#### Glossary

- ★ The CSR criteria are intended to help assess the potential impacts of a particular business based on three interrelated dimensions: economic (generating sustainable value); environmental (reducing environmental footprint across sourcing, production, distribution ...); and social (knowledge of good practices and risk anticipation – general employment and working conditions, safety, non-discrimination, human rights – by our employees and acceptance of these conditions by our suppliers and clients).
- ★ Vigilance with regard to high environmental impact sectors (emissions to air, water, soil, consumption of non renewable resources)
- ★ Vigilance with regard to sectors using sensitive chemicals
- ★ Vigilance with regard to the "Ethics" dimension of purchasing policies (including payment of suppliers) / supplier relationships / supply chain
- ★ Particular sensitivity to certain sectors: drugs, weapons, sex, tobacco, games, GMOs



## 2. Employees

### 2.1 Ensuring employees health and safety

- 2.1.1 Controlling the risks associated with occupational exposures
- 2.1.2 Promote health and wellbeing at work
- 2.1.3 Preventing occupational accidents

### 2.2 Respecting employees' fundamental human rights and guaranteeing their social rights

- 2.2.1 Deploying the global CSR agreement
- 2.2.2 Developing a culture of diversity as a performance driver
- 2.2.3 Making diversity a local performance lever

### 2.3 Ensuring quality social dialogue

- 2.3.1 Respecting employees' rights of representation

### 2.4 Developing employability

- 2.4.1 Developing employees skills
- 2.4.2 Forward management of employees and skills needs

### 2.5 Motivating employees

- 2.5.1 Motivating employees to attain objectives
- 2.5.2 Promoting improvement projects and suggestions systems
- 2.5.3 Compensating employees fairly
- 2.5.4 Integrating CSR commitments into remuneration policy



## 2.1. Ensuring employees health and safety

Sites



### 2.1.1. Controlling the risks associated with occupational exposures

Linked with SCMS

Detailed requirements

Level 1 not required in 2016 (to ensure consistency with SVHC procedure)

	1 Launch	2 Deployment	3 Maturity	4 Performance
	<p>Collecting elements for identifying chemical, physical, biological, ergonomic hazards on the site, in order to perform the risk assessment.</p> <p>Identifying exposed employees.</p> <p>Providing information on health risks to contractors working on our sites.</p>	<p>Conducting health risk assessments of the exposed employees</p> <p>Defining risk reduction targets and introducing actions to reduce health risks.</p>	<p>Ensuring the efficiency of risk prevention actions, i.e. with a surveillance plan.</p>	<p>Demonstrating that risk prevention actions allow to limit wearing personal protective equipments to exceptional circumstances or legal obligations.</p>
	<p><b>SCMS 4.3.1 L1:</b></p> <p>The industrial hygiene responsibilities are defined within the site organization</p> <p>An exposure screening is scheduled for Chemicals, including exposure to SVHC</p> <p>The site has a plan for monitoring the effectiveness of its ventilation in line with the group recommendations (IND-HSE-IH – 03- GUI)</p> <p><b>SCMS 12.3.3 L1 :</b> Housekeeping standards are defined for at least production areas, labs, maintenance workshops and warehouses</p> <p><b>SCMS 4.6.1 L1 :</b> The site has access to the last available version of safety data sheets associated with hazardous products or substances used or produced within the site</p> <p><b>SCMS 6.2.1 L1:</b> The contractors working on site are compliant with plant rules including their equipment and the general HSE conditions</p>	<p><b>SCMS 4.3.1 L2 :</b></p> <p>Industrial Hygiene data are recorded according to Socrates standards and individual risks profiles are updated with SEG accordingly</p> <p>Detailed risk assessment is carried out for health hazards whenever the exposure screening is not sufficient to conclude that the residual risk is acceptable</p> <p><b>SCMS 4.4.1 L2 :</b> The site has implemented a strategy to reduce and control the risks for all items incurred by the products classified Health SVHC</p> <p><b>SCMS 2.3.3 L2:</b> A site PPE matrix (or equivalent), established by a skilled person, indicates the specific PPE to apply for the different types of works or products personnel can be exposed</p>	<p><b>SCMS 4.3.1 L3 :</b></p> <p>The site has set an annual monitoring plan.</p> <p>The indicators in particular those of Socrates are analyzed by the management team of the site as part of the HSE review. This review feeds a continuous progress dynamic.</p> <p>The risk of occupational exposure to SVHC are controlled in accordance with Group procedures.</p>	<p><b>SCMS 4.3.1 L4:</b></p> <p>The entity is aligned with the highest world wide standards of IH risks prevention : Exposure limit values according to the procedure IND-HSE-PRAS-05-STA</p> <p>The necessary control measures are defined with minimal or no dependence on specific personal protective equipment (PPE)</p> <p>Products containing SVHC are not in use at the site</p>

#### Associated metrics

- % of working units evaluated by an appropriate risk assessment study , 2015-2020 period
- % of Solvay employees whose occupational exposure profile are recorded in Solvay IH standard tools (Socrates)
- Number of risk level 1 and 2 – Number of risk level 1 older than 1 year)

#### Associated tools

Socrates - Industrial Hygiene / IND-HSE-12-PRO / IND-HSE-IH-12-PRO : SVHC Industrial Hygiene standard  
IND-HSE-PRAS-05-STA : SAEL standard / IND-HSE-IH-03-GUI : Local ventilation awareness

#### Glossary

SEG : Similar Exposure Group  
"Socrates" 'Solvay Occupational Risk Assessment for Employees.





## 2.1. Ensuring employees health and safety

Sites



### 2.1.2. Promote health and wellbeing at work

Linked with SCMS

#### Launch

Introducing periodic medical monitoring of all employees, adapted to the health risks identified in their particular work environments, Introducing management of health data.

#### 2 Deployment

Having individual health risk exposure profiles for all employees and providing medical monitoring using group tool standards, procedures and guidelines.  
Introducing biological monitoring of exposure to chemical agents for the employees concerned.  
Implementing the recommendations from the medical monitoring of all employees in the work environment. Developing a program to promote well-being and prevention of stress at work

#### 3 Maturity

Undertaking corrective actions following a collective analysis of health data.  
Developing stress prevention and management to improve the quality of life at work.

#### 4 Performance

The entity also runs prevention and health promotion campaigns in its local geographic context, taking into account at work and outside work lifestyles.

#### Detailed requirements

##### SCMS 4.4.1 L1 :

Needs for pre-employment and periodic medical surveillance of personnel are identified and completed based on local regulations and group recommendations.  
The Site takes into account the exposure assessment in order to apply the adapted medical surveillance protocols, as defined in Solvay occupational health available documents. Medical fit for work certificates, and advices if necessary, for individuals requiring a medical surveillance are delivered  
Medical files are archived respecting the confidentiality during at least 30 years and, when possible, it is strongly recommended during at least 50 years, according with local regulation

##### SCMS 4.4.1 L2 :

An exposure risk profile at individual level (or SEG = Similar Exposure Group), including the results of the Industrial Hygiene risk assessments, is transmitted to the medical team.  
Where there are restrictions for a worker, the site confers with the occupational physician/external clinic on making appropriate accommodations.  
A biomonitoring plan to measure chemical substances in blood or urine is established for concerned workers.  
A well being at work and stress prevention program is set up and implemented.  
The Group health indicators are reported to Corporate HSE Management once a year.

##### SCMS 4.4.1 L3 :

Based on the annual report on health and on the management of occupational health risks, the entity revises its health-hygiene action plan annually as part of its management review. It does this based on collective health data and individual alerts.  
  
The entity defines an action plan to prevent and manage workplace stress and enhance the quality of workplace life.

##### SCMS 4.4.1 L4 :

The site implements non-occupational health-specific prevention and health promotion actions, adapted to local contexts and issues

#### Associated metrics

##### Associated tools

→IND-HSE-OH-02-GUI: Prevention and management of stress at work / →IND-HSE-OH-12-PRO: SVHC Occupational Health Procedure /  
→IND-HSE-OH-01.01-PRO: Procedure for reporting on minimal health indicators / →IND-HSE-OH-01.02.DOC: Reporting of occupational diseases as an indicator in the Group SD report / →IND-HSE-OH-09.00.PRO : Procedure of conducting human biomonitoring (To be published) / Medexis OH2 /→SCMS

##### Glossary

- Medexis: information tool and management of health data adapted to legal local requirements
- Human Biomonitoring : biological monitoring of exposure to chemical agents



## 2.1. Ensuring employees health and safety

Sites



### Launch

### 2 Deployment

### 3 Maturity

### 4 Performance

#### 2.1.3. Preventing occupational accidents

Linked with SCMS

Reporting accidents involving personal injury and incidents (employees, subcontractors and temporary workers).  
Deploying the Solvay safety excellence program

Conducting thorough investigations to identify the root causes of accidents and incidents, based on the participation of the workers concerned and their representatives, if they exist.  
Checking the good implementation of the Solvay safety excellence program

Undertaking corrective actions and communicating the results of the health surveys.  
Implementing a risk assessment program  
Has the site set up a behavior-related safety program?

Using hazard identification & risk assessments methodology at shop floor level  
Reporting and analyzing all accidents, incidents and movements involving a high physical risk, and publishing the results.  
The behavioral program has demonstrated its effectiveness.

#### Detailed requirements

**SCMS 12.2.1 L1 :** The injuries and events are reported according to Solvay Group procedure

**SCMS 4.2.1 L1 :**

The occupational safety responsibilities are defined within the site organization

The Solvay Safety Excellence program is implemented through:  
-a site HSE roadmap  
-a yearly safety day  
-the life saving rules

**SCMS 12.2.1 L2 :**

A severity/potential severity grading scale is defined to determine the cause analysis methodology to be used, and who should participate and who is responsible for monitoring any corrective measures,

Root cause analysis are systematically carried out for accidental events having consequences classified as a 'M' (Medium) and above (H- High and C- Catastrophic)

**SCMS 4.2.1 L2 :**

Internal audits on life saving rules (site level) are performed and recorded in order to check the good implementation of practices.

An action plan is set up to eliminate the findings coming from the internal audits.

**SCMS 12.2.1 L3 :**

Corrective actions are completed in due time.

A review of the effectiveness of corrective action taken is completed

Final reports on lesson learnt on severe/potentially or severe accidents are communicated to employees

**SCMS 4.2.1 L3 :** A methodology for the semi quantitative risk assessment is performed by screening every tasks of the operation, step by step, with the participation of operators having more experience in the job, in order to determine critical tasks

**SCMS 4.2.2 L3 :** As part of the preventive program, a behavioral program is deployed at the site with observations done and registered

**SCMS 4.2.1 L4 :**

The hazard identification & risk assessments are reviewed over a period of 3 years

A simplified methodology to be used by the 1st line managers with their team is established and implemented for day to day purpose

**SCMS 4.2.2 L4:**

A Peer to peer observation tasks are carried out on a daily basis

The behavioral program practices are permanent and have been deployed at the site for 3 years

Employees opinion surveys are conducted on a yearly basis to measure the effectiveness of behavior program practices

#### Associated metrics

- Cat 1 & 2 accident survey implementation rate LTA / MTA
- Rate of corrective actions completed to schedule

#### Associated tools

- Classification, Analysis, and Reporting for occupational accidents : IND-HSE-OS-01-PRO-EN
- Solvay Safety Excellence Plan / Solvay life saving rules / SCMS / causal tree methodology / Behavioral program (BBS, STOP, Vigilance SAFESTAR ...)

#### Glossary

- ★ At-risk movements observation program: Methodology used to identify and eliminate at-risk movements
- ★ LTA = Lost Time Accident /MTA = Medical Treatment Accident



## 2.2. Respecting employees' fundamental human rights and guaranteeing their social rights

Sites



Launch

Deployment

3  
Maturity4  
Performance

### 2.2.1. Deploying the Global CSR agreement

Disseminating the IndustriALL Global Union agreement and explaining it to management and employee representative bodies

Presenting the IndustriALL Global Union agreement to all employees and new hires.

Measuring the implementation of the IndustriALL Global Union agreement together with employees and/or their representatives.

Producing an annual assessment of the application of the IndustriALL Global Union agreement, together with employees and/or their representatives, and defining a progress plan.

#### Detailed requirements

The IndustriALL Global Union agreement is made available, in a suitable form, to employees in the language of the entity.

100% of managers and employee representative bodies (where they exist) have had this agreement presented and explained to them.

The entity's management team is directly involved in the presentation.

The IndustriALL Global Union agreement has been presented and explained to at least 80% of the entity's employees.

This presentation has been made by a member of the site's management team.

The entity's integration process for new hires includes the presentation, explanation and handing over of a copy of this agreement.

An **annual status** exists to ensure the respect of the **requirements** covered by the IndustriALL Global Union agreement at entity level.

This meeting allows for the participation of employees of the entity and/or their representatives if they exist.

The annual assessment of the IndustriALL Global Union agreement leads to action plans.

These plans are formally communicated and explained to employees.

#### Associated metrics

→ Level of knowledge of the IndustriALL agreement by employees (can be measured by the social climate survey cf. practice 2.3.1)

#### Associated tools

- IndustriALL Global Union Agreement:  
<http://www.solvay.com/en/sustainability/index.html>

#### Glossary

- ★ IndustriALL Global Union Agreement: Agreement on Social and Environmental Responsibility signed in 2005 with ICEM (international chemical industry trade union confederation) and renewed in 2011. This agreement covers the respect of fundamental human rights and fundamental social rights as defined by the Global Compact and ILO Conventions. It also contains a series of Solvay-specific commitments on HSE, employment and social protection, combating discrimination, supplier relations, social dialogue and civil protection.



## 2.2. Respecting employees' fundamental human rights and guaranteeing their social rights

HR Corporate and  
HR Industrial  
Relations Officers



### Launch

### Deployment

### 3 Maturity

### 4 Performance

#### 2.2.2. Developing a culture of diversity as a performance driver

Defining a policy that makes diversity a performance driver

The policy is disseminated in the Group and implemented by GBUs and functions.

The Group's diversity profile is improving.

The group is among the best in the industry in terms of diversity and equal opportunities.

#### Detailed requirements

For formalizing the Group's "Diversity" policy, corporate Human Resources Department takes as its basis the commitments of the people model, the management model, the Code of Conduct, and the Global CSR Agreement between IndustriALL and Solvay. This policy reflects local contexts and existing good practices. It sets non-discrimination\* as a primary obligation, and the pursuit of diversity profiles (gender, age, disability, culture/nationality) as a performance driver.

Human Resources Management disseminates the policy in the appropriate languages to all entities.

The new employee integration process includes presenting this policy.

The GBUs and Functions produce Diversity maps of all their entities and define their diversity objectives and action plans, in line with Group policy. These objectives are integrated into the HR plans of the GBUs and Functions, and enable corporate HR Department to map Diversity at Group level.

The diversity indicators monitored by corporate Human Resources Department reflect an improvement in diversity in the Group's component entities.

A satisfaction survey serves to measure a change in employees' perception of the diversity topics worked on by the entities.

The benchmarks place us among the best in the industry in terms of diversity and equal opportunities.

#### Associated metrics

- M/F distribution by profession, hierarchical level, remuneration.
- Number of young people hired into first jobs, no of young people being tutored.
- Number of employees with disabilities, number of entities concerned
- Diversity agreement signed with unions.

#### Associated tools

- Solvay Code of Conduct:  
[http://welink.solvay.com/en/corporate\\_communications/group\\_fundamentals/Code\\_of\\_Conduct/](http://welink.solvay.com/en/corporate_communications/group_fundamentals/Code_of_Conduct/)
- Compensation policy:  
[http://welink.solvay.com/en/functions/Human\\_Resources/PoliciesProcesses/CompensationPolicy.tcm](http://welink.solvay.com/en/functions/Human_Resources/PoliciesProcesses/CompensationPolicy.tcm)
- IndustriALL Agreement:  
<http://www.solvay.com/en/sustainability/index.html>
- Mission Handicap France Agreement
- Speak up

#### Glossary

- ★ Diversity Mapping: maps the current state of employment, identifies agreements, partnerships, best practices, national legal obligations. This work is done in compliance with legal applicable provisions
- ★ Discrimination as defined in the IndustriALL Agreement: Solvay endorses the provisions of ILO Convention 111, which rejects any impairment of equality of opportunity or treatment in employment based on race, sex, colour, religion, political or trade union opinion, national extraction or social origin.
- ★ Possible references for defining objectives: the entity's recruitment base and job applications, industry benchmarks.





## 2.2. Respecting employees' fundamental human rights and guaranteeing their social rights

Sites



### 2.2.3. Making diversity a local performance lever

#### Launch

Preparing a status report on the diversity of the entity's workforce.

#### Deployment

Defining an action plan.  
Informing and involving employees

#### 3 Maturity

Implementing the defined action plan

#### 4 Performance

Analyzing evolutions of the diversity profile and measure its effects on the performance of the site.

#### Detailed requirements

The entity's management produces an employment map to establish diversity\* (gender, age, nationality/ culture, disability). Based on this mapping, the Management of the site identifies diversity factors which can improve the entity's performance and discussed on it with the employees representatives when they exist.

Based on the employment map and the diversity objectives decided by the entity, an action plan is defined.  
Information on the Group's commitments and its diversity policy is conducted among employees.  
The action plan, the diversity objectives and employment map are presented and explained to all the site's employees.

The action plan is implemented.  
  
A summary of actions deployed is carried out with representatives of site personnel when they exist, and employees are informed of the results obtained.

Each year entity's management updates progress of its action plan, which is part of a continuous improvement process, and established the effect on the site performance. The entity is in Diversity among the top local employers.

#### Associated metrics

- Distribution of employees following thematic diversity per professions and hierarchical levels, wage gap
- Number of young people experience first hired, young tutored ..
- Number of employees with disabilities
- Actions taken in the context of union agreements for diversity or integration of people in disadvantaged situations.

#### Associated tools

- Solvay Code of Conduct
- Hiring/Compensation Policies  
[http://teamsites.solvay.com/sites/GlobalHR/HR\\_Management\\_Public/Hiring%20Policy.pdf](http://teamsites.solvay.com/sites/GlobalHR/HR_Management_Public/Hiring%20Policy.pdf)
- IndustriALL/ Solvay Agreement:  
<http://www.solvay.com/en/sustainability/index.html>
- Mission Handicap France agreement
- Speak up

#### Glossary

- ★ Diversity thematic: gender, age, ethnicity, religion, nationality, disability, health
- ★ Mapping employment to establish its diversity: describes the current state of employment, identifies agreements, partnerships, best practices, national legal obligations. This work is done in compliance with the legal applicable provisions



## 2.3. Ensuring quality social dialogue

Sites



### 2.3.1 Respecting employees' rights of representation

#### Launch

Allowing employees to be assisted by a mediator of their choice during discussions of their personal situations.

#### 2 Deployment

Respecting the freedom of collective representation and recognizing, where they exist, employee representatives as stakeholders.

#### 3 Maturity

Developing social dialogue beyond the legal minimum by involving employees or their representatives in defining major policy lines.

#### 4 Performance

Continuously improving social dialogue by means of an annual assessment and by action plans prepared in consultation.

#### Detailed requirements

Where representative bodies exist, the entity's management provides, within the local legal framework, the necessary resources for the proper functioning of the employee representative bodies.

Where no legal provisions exist in this area, the entity establishes a system whereby, in the event of an individual problem, each employee can be assisted by another employee of the entity, who in this case plays a mediating role. This possibility of recourse is brought to the attention of all employees of the entity.

Where representative bodies exist, the entity's management establishes a process for providing information sufficiently in advance to the employee representative bodies on major policy directions, especially in the areas of HSE and working conditions.

Where no such bodies exist, the site's management defines and implements appropriate measures to canvas the collective opinion of the workforce on major topics relating to the context of the particular site, working conditions and HSE.

Where representative bodies exist, the entity's management consults formally and sufficiently in advance with the employee representative bodies on major policy directions, especially in the areas of HSE and working conditions.

When employee representative bodies do not exist and the entity has introduced a form of collective expression of employees, a consultation process is introduced for defining major policy directions: context of the site, HSE and working conditions.

A culture of consultation and social dialogue exists with employee representative bodies (or where they do not exist, with other forms of collective expression of employees that have been set up).

This takes the form in particular of developing concerted action plans, including jointly made annual assessments.

#### Associated metrics

- Number of agreements signed
- % of employees covered by collective agreement

#### Associated tools

- IndustriAll Global Union Agreement : <http://www.solvay.com/en/sustainability/index.html>
- Solvay European Charter - Sustainable Development
- <http://teamsites.solvay.com/sites/cccom/Sustainable%20Development%20Communication/SD%20Charter%20EN.pdf>

#### Glossary

- ★ Mediator: an individual who intervenes to facilitate communication, restore a relationship, pass on a complaint, or transfer a skill or knowledge.
- ★ ERB (in French: IRP) Employee Representative Body



## 2.4. Developing employability

Sites



### 2.4.1. Developing employees' skills

#### Launch

Assigning each employee to one of the defined professional families.  
Providing each employee with a description of his/her function.

#### Deployment

Identifying available skills, defining an action plan to meet the needs of the entity and informing employee representatives.  
Holding formal annual personal development interviews with all employees.

#### 3 Maturity

Implementing the action plan through personalized development approaches to maximize employees' skills.

#### 4 Performance

Encouraging employees to take personal development steps and supporting them at managerial level.  
Using feedback in defining personalized development plans.

#### Detailed requirements

At least 90% of employees have a function definition which is related to the guidelines of their professional family and this has been communicated to them.

100% of managerial functions are covered.

A review should be undertaken annually of the entity's skills needs and skills pool, taking into account any expected movements (retirement, internal mobility).

An action plan (development, training, recruitment) must be documented.

At least 90% of employees have had a formal performance and development interview during the past 12 months.

Has at least 70% of the training action plan has been undertaken?

The average training per employee reached by the entity meets Group requirements.

At least 90% of the training plan is completed, a report is prepared and submitted to the ERBs.

There is a formal procedure in place to collect feedback from the employee's 'customers'.

Employees are encouraged to identify their training needs in relation to the position held or desired changes.

They are assisted in this by their hierarchical superiors.

#### Associated metrics

- Hours of training per employee
- Hours of training by categories
- Performance and Development Assessments implementation rate (all employees)
- Age pyramid

#### Associated tools

- Training policy and HR tools
- PDCR: Form and associated training materials  
<http://humanresources.solvay.com/performanceappraisal/toolsdoc/Performanceappraisal.htm>
- PSP for executives
- Professional families tools
- Leadership training program <http://humanresources.solvay.com/learning/toolsdoc/solvaycorporateuniversity.htm>
- Global standardized document for identifying available skills, defining an action plan for the needs of the entity
- ISO documentation
- Group training indicators

#### Glossary

- ★ ERB (French:IRP): Employee Representative Body



## 2.4. Developing employability



### 2.4.2. Forward management of employee and skills needs

#### Launch

Mapping the entity's current workforce

#### 2 Deployment

Mapping existing skills and projected needs of the entity.

#### 3 Maturity

Defining an action plan to meet the entity's projected employment and skills needs.

#### 4 Performance

Permanently integrating forward employment and skills management into the site's management processes.

#### Detailed requirements

A list of all employees is available indicating their position, trade/profession, and expected contract termination date.

The projected employee and skills needs with a 5-year horizon are established by taking into account the Age pyramid, the global turnover and in correlation with the GBU Roadmap

An action plan has been defined to handle the gaps between the existing provision and forecast needs over the next 5 years:

- internal potential candidates have been identified
- external recruitment needs have been determined
- critical roles are identified

The observed gaps have been linked in to the entity's training plan.

A formalized management of jobs and skills, aligned with the GBU's 5-year strategy, permits flexible management, combining employees' interests and the performance of the entity.

#### Associated metrics

- Global employee Turnover
- Fluctuation rate
- Age pyramid
- Costs of redundancies and hirings
- Engagement Index (Solvay People Survey)

#### Associated tools

- BI "Workforce Planning" report
- Job Catalog, Skills and Competency Dictionary:
- Descriptions of reference jobs/Jobfamilies: <http://humanresources.solvay.com/jobfamilies/toolsdocumentation/>
- Training program Leadership: <http://humanresources.solvay.com/learning/toolsdoc/solvaycorporateuniversity.htm>
- Workforce Planning Policy
- Periodical "Headcount Report"

#### Glossary

- ★ Critical roles = functions that are essential for maintaining the activity along with difficult-to-recruit profiles
- ★ Roadmap : Strategy of the GBU (e.g., changes in capacity, tools)





## 2.5. Motivating Employees

Sites



Launch

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Performance

### 2.5.1. Motivating employees to attain objectives

Setting objectives for employees, and communicating these to them. Presenting to them the entity's Solvay Way action plan.

Promoting understanding of individual and/or team objectives by each member. Developing employee involvement in the Solvay Way action plan.

Ensuring good understanding between individual and/or group objectives and the entity's action plan, which will include Solvay Way. Establishing consistency between this action plan, the GBU roadmap and Group strategy.

Good understanding of the consistency between entity, GBU and Group objectives is measured by strong employee mobilization and improved performance.

#### Detailed requirements

The objectives indicators of the roadmap of the particular GBU/function exist and are developed, at the entity level, into action plans. The Solvay Way action plan is defined and presented.

Individual and/or team objectives are defined based on and consistent with these plans.

Collective objectives are shared, for example by workshop posterings.

A meeting exists at each department or team in which employees communicate and exchange on their respective individual objectives. Progress towards individual objectives is assessed during the course of the year (at least once per half-year). For sharing collective goals there exist, for each team, regular meetings (daily, weekly, or monthly depending on the context) for discussing objectives and results.

Progress on the Solvay Way action plan is shared in this context, and in meetings with employee representatives, where these exist.

An information meeting on the objectives of other levels (GBU/function and group) is organized every year, and serves to establish the consistency between these and the entity's action plan.

This meeting is led by a member of the entity's CODIR.

The main objectives of the other levels are communicated (via announcement boards, mails ..)

A survey (Solvay People Survey) is carried out **every 2 years** by the entity or GBU to measure the level of employee contribution to attaining the entity's objectives and improving its performance.

#### Associated metrics

- Annual self-assessment results
- Monitoring of the action plan
- Number of meetings of employee representative bodies on the Solvay Way
- Number of employees involved in improvement actions

#### Associated tools

- PDCR: <http://humanresources.solvay.com/performanceappraisal/toolsdoc/Performanceappraisal.htm>
- GBU roadmap
- Group strategy
- Solvay Way action plan.

#### Glossary

- ★ Roadmap: 5-year forward roadmap of the entity (GBU, DF etc.)
- ★ Roadmap targets and indicators: key levers of competitiveness. These are the priority objectives identified by each GBU and Function in order to achieve the predefined strategic directions.
- ★ CODIR = Steering Committee



## 2.5. Motivating employees

Sites



### 2.5.2. Promoting improvement projects and suggestions systems

#### Launch

Establishing and managing an employee suggestions process, including CSR suggestions. Identifying improvement projects in the framework of management reviews.

#### 2 Deployment

Maintaining the suggestion-making momentum, including CSR, by providing feedback to suggestion-givers. Rewarding the latter and improvement project participants by a system of individual or collective recognition.

#### 3 Maturity

Establishing a transparent ideas portfolio management process and allocating the necessary resources for implementation..

#### 4 Performance

The process has reached a level of excellence. At least 90% of employees are involved in the entire process. The site is recognized in the Group as a reference in the field.

#### Detailed requirements

A process exists, at entity level, for collecting and managing suggestions. This defines, in particular:

What is covered by this process (type, areas that suggestions can cover).

Practical arrangements: who can make suggestions, and how they are processed (response time, information to the suggestion-maker ...).

The major improvement projects are decided on and monitored during management reviews. This is the subject of a formal report, circulated to CODIR members.

The suggestions management process provides for regular information to suggestion-makers on the implementation of their suggestions: decisions on whether to start implementation should be made within a month.

This includes recognition and honoring of the best individual and collective suggestions at least annually.

This can take the form of a team meeting, a display, an internal newsletter ...

The suggestions dynamic is driven by the identification of challenges (sites, group, country, business ..)

The management process specifies the different selection criteria, priorities (the context of the site, the CSR challenges of the entity, alignment to the strategy of the GBU, etc. ) and resource allocation.

The team/department leaders concerned have specific financial resources for implementing the selected ideas.

A system exists to track the implementation of suggestions and disseminate best practices (e-Room, monthly newsletter, intranet, progress review).

The Solvay People Survey and the employee participation rate (e.g. Innoplace data) show the site to be among the best performing.

#### Associated metrics

- Number of improvement groups; Percentage of employees involved in improvement groups; Number of suggestions per person; Innoplace data
- Number of 6 Sigma projects
- Savings achieved
- Existence of local Trophies

#### Associated tools

- Got it tool
- WCM tools
- Analysis tools: FMEA (=AMDEC)... / Training plan
- Improvement actions following the Solvay People Survey results

#### Glossary

- ★ Continuous improvement projects: collective action to solve a problem, led by a leader using a tool from the WCM tool in four phases: preparation, search for solutions, establishment of the standard, improvement of the standard, example 5S site, SMED site
- ★ Collaborators: employees and other personnel, internal and external to the site



## 2.5. Motivating employees

Sites



Launch

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Performance

### 2.5.3. Compensating employees fairly

Communicating the remuneration principles and their conformity with the Group's management principles. Explaining how they are based on internal and external benchmarks.

Explaining to each employee the remuneration policy and how it applies to individual employees.

Having each employee's remuneration reviewed and proposed by the immediate superior to ensure the most accurate possible assessment of the employee.

Measuring the level of understanding and perception of the remuneration policy and its individual applications.

#### Detailed requirements

The remuneration policy as defined by the Group is known to the entity's CODIR. This policy is communicated regularly to the entity's employees and their representatives (if any) by Corporate HR Management or its relay in the zone. Local internal and/or external benchmarks are produced by the HR of the entity or zone. They are taken into account in determining the entity's compensation budget.

A formal process exists (on a individual or collective basis depending on the context) for communicating each year and explaining to the entity's employees the entity's compensation policy and how it is implemented on an individual basis.

As part of a consolidated decision-making process at the entity level, 100% of individual compensation development proposals are made by the employee's N+1 superior on the basis of the evaluation of the employee (as a function of local legislation).

The objective is to measure the level of understanding and perception of Solvay compensation policy and its application to individual employees from satisfaction surveys and/or synthesis of perceptions reported by N+1 levels.

#### Associated metrics

- % of variable remuneration correlated with the entity's CSR objectives
- Share of profit-sharing (France) dependent on achievement of CSR objectives
- Standard deviations of the remuneration of each entity in relation to the median wage of the countries or regions
- Social survey results / Solvay People Survey

#### Associated tools

- Solvay remuneration policy
- Salary survey/benchmarks
- Social Survey / Solvay People Survey
- Individual Compensation/(Remuneration) Statement

#### Glossary

- ★ Salary benchmark: a comparative study of salary policy for peer members of the employee's profession (by zone, country, region ...)
- ★ CODIR = Steering Committee



## 2.5. Motivating employees

Corporate HR



### 2.5.4. Integrating CSR commitments into remuneration policy

#### Launch

Manager's annual variable remuneration is the first step in a Group remuneration policy that integrates its CSR commitments.

#### 2 Deployment

A Group remuneration policy integrating its CSR commitments has been defined.

#### 3 Maturity

The Group's remuneration policy makes it possible, with due respect for local rules, to extend to all employees the financial recognition of their contribution to improving the Group's CSR profile.

#### 4 Performance

The Group's remuneration policy (short and long term) for all employees integrates CSR criteria, placing it at 'best practices' level in this area.

#### Detailed requirements

Based on the analysis of the Group's CSR profile, COMEX fixes each year how CSR performance will be recognized in managers' variable remuneration.

Based on a benchmark of existing policies and practices for recognizing CSR performance in employee remuneration, HR Management and SD Management together propose to COMEX a suitable remuneration policy and ways of deploying it internationally.

The Group remuneration policy on recognizing CSR performance as validated by COMEX is deployed.

The Group's remuneration policy sets it apart in the profession and is recognized by the rating agencies.

#### Associated metrics

→ % of the employees category covered having a CSR-correlated remuneration element

#### Associated tools

#### Glossary

- ★ CSR profil: measured through the Solvay Way results, external recognition (rating agencies), the sustainable development indicators monitored by COMEX





## 3. Planet

### 3.1 Promoting environmental management

- 3.1.1 Deploying an environmental management system
- 3.1.2 Informing and involving employees
- 3.1.3 Respecting and anticipating regulations
- 3.1.4 Listing and handling incidents

### 3.2 Preserving natural resources

- 3.2.1 Improving energy efficiency
- 3.2.2 Optimizing raw materials consumption and reducing waste
- 3.2.3 Reducing water consumption

### 3.3 Limiting environmental impact, preserving biodiversity

- 3.3.1 Reducing greenhouse gas emissions
- 3.3.2 Reducing the impact of processes on air, water and soil quality
- 3.3.3 Preserving biodiversity on and around sites
- 3.3.4 Reducing IT impact

### 3.4 Exercising responsible influence

- 3.4.1 Dialoguing and communicating transparently



## 3.1. Promoting environmental management

Sites



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Performance

### 3.1.1. Deploying an environmental management system Linked with SCMS

Defining and communicating an environmental policy, setting improvement targets.

Establishing the basic processes of environmental management: management reviews, action plans.

Obtaining ISO 14001 equivalence through an SCMS audit or being ISO 14001 certified.

Deploying all the environmental management processes demanded by the SCMS reference framework.

#### Detailed requirements

##### SCMS 1.1.1 L1 :

An Environmental policy in line with Group policy is defined and communicated.

The Environmental policy is signed by the current Site manager .

The policies are posted such a way employees can see it in various locations

**SCMS 1.6.1 L1 :** The Site objectives are established in written. The objectives and targets are reviewed annually, consistently with the principle of continual improvement

**SCMS 4.1.1 L1:** The environment responsibilities are defined within the site organization

**SCMS 2.2.2 L2 :** The SCMS implementation is on going to establish an environmental management system

**SCMS 1.10.1 L2 :** Management reviews are conducted with contribution of all the members of the Site management team.

**SCMS 1.10.1 L2 :** Results from the data analysis are presented during the management review for decisions to be taken on the improvement of the system effectiveness

The site is certified ISO 14001 or EMAS or RCMS US

Or

##### SCMS 2.2.2 L3:

The site has deployed all SCMS elements without any score below level 1 (for ISO14001 elements) or the site has deployed all the elements of the US Responsible Care Management system

Audits by independent auditors (internal or external) have revealed no major non-compliances (for ISO14001 elements).

##### SCMS : 2.2.2 L4

The site has been ISO 14001 or EMAS or RCMS US certified for more than 3 years

Or

The site has deployed all SCMS elements without any score below 1 for more than 3 years.

The SCMS score has been checked by the corporate HSE team through a comprehensive SCMS audit

#### Associated metrics

SCMS Scoring

Number of major non-compliances (ISO 14001 audit)

#### Associated tools

- SCMS / ISO 14001 Equivalence Guide
- ISO 14000
- Responsible Care Management System for the USA (US RCMS)

#### Glossary

- ★ Major non-compliance: Non-compliance requiring a corrective action validated by the certification body



## 3.1. Promoting environmental management

Sites



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Performance

### 3.1.2. Informing and involving employees

Regularly organizing environmental protection awareness sessions.

Involving the employees concerned. Establishing progress goals and action plans by activity or team.

Deploying action plans and monitoring results. Annual progress goals have been achieved.

The site is recognized as a reference in the group in terms of personnel involvement.

#### Detailed requirements

Does the entity regularly organize environmental protection awareness sessions? 80% of employees must be informed at least once a year for 1h.  
NB: These sessions can be incorporated into technical meetings.

Does the entity identify its significant aspects and impacts?  
Has the entity listed the employees/teams or departments affected by these impacts?  
80% of the teams affected by these impacts have at least one progress goal.

The annual status report is reviewed by management.  
Annual action plans have been at least 90% implemented.  
All teams affected by significant impacts have achieved their annual targets

At least 90% of all employees are involved in the action plans.  
Progress can be measured over a period of at least 3 years.  
The Innovation Score Card (Got it data) distinguishes the site as being among the most efficient

#### Associated metrics

- Participation rate in sensitization activities / Suggestions implementation rate
- Examples of monitoring indicators, depending on the entity: % waste sorted, emissions (VOC, GHG ...) to air, to water, in soil, energy consumption, water samples, ...
- Indicators related to operational control: amount of wash water during a shutdown, number of environmental incidents related to manual operations
- Energy consumption of offices / Selective sorting

#### Associated tools

- Method of determining significant aspects/impacts : guide to be defined
- Suggestion system
- Environment players training kit ( for French)
- HSE behavior program
- ACE project (All Committed to Excellence)

#### Glossary

- ★ Suggestion collection system: ideas box, dedicated meetings, dedicated intranet site
- ★ Systems for disseminating and sharing of best practices: information meetings, good behavior guide, good practices available on a dedicated intranet and consultable by everyone, etc ...
- ★ Environmental aspects: elements (waste, pollution, consumption) that could potentially interact with the environment
- ★ Environmental impact: any change to the environment (adverse or positive) resulting from environmental aspects



## 3.1. Promoting environmental management

Sites



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### 3.1.3. Respecting and anticipating regulations Linked with SCMS

Undertaking a compliance review.  
Regularly updating the entity's compliance status as a function of the regulatory changes.  
The site must not have a Risk level 1 findings for more than 1 year.

Monitoring the proper execution of the action plan.  
The site must not have a Risk level 2 findings beyond the agreed timeframe

The site has an action plan to eliminate all findings

The site mobilizes resources to anticipate regulatory changes  
The site has no more findings

#### Detailed requirements

**SCMS 2.1.1 L1** : A site procedure exists requiring to list all applicable legal requirements and to continuously maintained up-to-date the list through an organized regulatory watch system

#### SCMS 2.1.2 L1 :

A review to applicable laws, regulations and permits is planned by the Site and performed every 5 years as per IND-HSE-04-PRO.

The review is performed by a recognized external body or by a Solvay team (external to the site) formally qualified

Following the review, an action plan with defined responsibilities and timeframe is established and followed up, based on a risk prioritization methodology proposed in IND-HSE-50-PRO.

Risk level 1 findings are communicated to the GBU industrial department and the Zone HSE manager.

Any finding associated with a level 1 risk are solved as soon as possible and not later than one year after its identification

**SCMS 1.10.1 L2** : The site manager and members of the management team analyze at least once a year the strengths and weaknesses of the HSE system regarding the regulations compliance

**SCMS 2.1.1 L2** : The regulatory watch system is organized and supported with outsourced tools

**SCMS 2.1.2 L2** : Risk level 2 findings are solved within the agreed timeframe

#### SCMS 2.1.2 L3 :

The site has an action plan to solve all findings

The site has no risk level 2 findings

**SCMS 2.1.1 L4** : The assessment of the impact of future new regulations in preparation is carried out at least annually

**SCMS 2.1.2 L4** : The site has an action plan to deal with future regulations

**SCMS 2.1.2 L4** : The site has no unsolved findings

#### Associated metrics

SCMS scoring

Number of RL1 / RL2 - Number of RL1 older than 1 year

#### Associated tools

- See methodological supports / SCMS
- Procedure IND-HSE-04-PRO / IND-HSE-50-PRO / HSE regulatory watch

#### Glossary

HSE Compliance review: detailed analysis of the deviations between the entity's performance/characteristics and HSE regulatory requirements.

Compliance action plan: list of actions to address the findings that have been classified by risk level





## 3.1. Promoting environmental management

Sites



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Performance

### 3.1.4. Listing and handling incidents

Reporting accidents, incidents, and overruns regulatory limits

Analysing and processing accidents, incidents

Monitoring the implementation and effectiveness of corrective action plans.

Implementing failure analysis methods to prevent the occurrence of incidents.

#### Detailed requirements

Does the entity apply the reporting requirements, in line with the IND-HSE-01.01-PRO procedure?

Does the entity analyze systematically the incidents and deviations as defined in Level 1?  
Does it systematically define corrective action plans?

Does the entity implement the action plans and does it control the attainment of the objectives during management reviews?  
Is the monitoring documented?

Does the entity prevent the occurrence of the incident by implementing failure analysis methods\*?

#### Associated metrics

Completion rate of corrective actions with one-month deadlines

#### Associated tools

- Procedures : IND-HSE-01.01-PRO (HSE accidents & incidents : principle of classification, investigation and reporting)
- Tree analysis of causes
- FMECA

#### Glossary



Failure analysis method: method of the FMECA type (Failure Modes, Effects and Criticality Analysis - French: AMDEC). This is a risk analysis method which can be applied to product quality, process control, equipment performance, process functioning, etc. ...



## 3.2. Preserving natural resources

### Sites



#### 3.2.1. Improving energy efficiency

##### Launch

Determining the entity's consumption profile by primary energy type and by production unit.

##### Deployment

Undertaking energy efficiency improvement studies, and defining an action plan to achieve the group's objectives

##### 3 Maturity

Deploying the action plan and monitoring results. The entity has achieved the annual target.

##### 4 Performance

Implementing the best available technologies in energy efficiency.

#### Detailed requirements

Has the entity modeled its energy structure using the Group EPSCoach software and determined its energy consumption profile following the Group methodology described in notice TRP 2011.111?

N.B.: The profile must cover at least **90%** of the entity's overall energy consumption.

Are studies undertaken:

- of the optimization of existing processes using the Solwatt methodology or similar methodology if approved by the group?
  - of potential technology changes to improve energy efficiency?
- Has an action plan been defined?

Are at least quarterly reviews organized to monitor the progress of action plans to improve energy efficiency?  
Are resources mobilized?

The entity has implemented an Energy Management System according to ISO 50001 or equivalent approved by the group.

Are best available technologies in energy efficiency implemented for at least 50% of the identified consumption volumes?

The entity is ISO 50001 certified.

#### Associated metrics

Primary energy consumption, overall and by production unit.  
Specific primary energy consumption of each product (GJ p NCV/t)  
List of energy efficiency improvement projects.

#### Associated tools

- Notice 2011.111 TRP on the methodologies applied for the reporting of energy consumptions
- EPS Coach
- Solwatt methodology
- Reference Document on Energy Efficiency Techniques (BAT, BREF...)
- ISO 50001

#### Glossary

- 
- ★ Improving energy efficiency: Reducing the consumption of energy and utilities in the energy and utilities production processes, in the distribution of energy and utilities and the manufacturing of finished products.
- ★ Primary energy: energy available in nature prior to any processing



## 3.2. Preserving natural resources

Sites



### 3.2.2. Optimizing raw materials consumption and reducing waste

#### Launch

Mapping the use of raw materials, the generation of waste and where it ends up.

#### Deployment

Undertaking studies to reduce both raw materials consumption and landfill waste.  
Defining an action plan.

#### 3 Maturity

Deploying the action plan and monitoring results.

#### 4 Performance

Implementing the best available technologies in terms of consumption of raw materials and reuse of waste. Examining switching to renewable raw materials in certain processes.

#### Detailed requirements

Has the entity undertaking a mapping exercise on the use of raw materials (materials report) and does it monitor their consumption?

Does the entity track the production of its waste (hazard level, origin and quantity) and its future course (reuse, recycling, disposal).

Have studies been undertaken to improve raw materials yields and/or reduce landfill waste, with priority to hazardous industrial waste and respecting the hierarchy of mitigation actions (see glossary and policy)?  
Has an action plan been defined?

Is an action plan deployed and controlled for reducing consumption and/or reducing landfill waste, targeting primarily hazardous industrial waste?  
Have resources/budgets been mobilized?

Has the entity implemented the best technologies available for 80% of its processes?  
Has the entity examined shifting to renewable raw materials?

#### Associated metrics

- Consumption of main RMs in t/t
- Waste production by hazard and origin (t)
- Raw material and waste recovery rate in t/t
- Energy recovery rate for waste in t/t
- Losses to water and air (t/t)
- Analysis of process life cycles

#### Associated tools

- Solvay Group waste reduction objectives
- Process materials status reports
- Waste Policy
- Process improvement team / Process technology improvements
- Reporting procedure IND-HSE-ENV-01

#### Glossary

- ★ Improving raw materials efficiency ratios: analysis of current efficiency ration against the theoretical ratio, based on the results, suggestions for improvement of processes (e.g. re-use of by-products)
- ★ Origin of waste: waste from industrial, mining or quarrying activities, from demolition or domestic activities
- ★ Hierarchy of reduction actions 1) reduction at source (efficiency ratio) 2) reuse or internal recycling 3) recycling of material 4) incineration with energy recovery 5) incineration without energy recovery
- ★ Best available technologies have to be defined by the industrial department of the GBU



## 3.2. Preserving natural resources

### Sites



#### Launch

#### 2 Deployment

#### 3 Maturity

#### 4 Performance

### 3.2.3. Reducing water consumption

Determining the water consumption profile of the entity and its water footprint.

Defining an action plan to achieve the group's objectives and undertaking an environmental impact study of water intake.

Deploying the action plan and monitoring results. The entity has achieved the annual target set by the group.

Implementing the best available technologies in water consumption.

#### Detailed requirements

The site has developed a detailed water report covering 80% of its consumption of groundwater, surface, and fresh water, and their uses.  
The site knows the water stress situation of its particular area.

Is an action plan available to reduce water consumption?  
Has an impact study been conducted of the site's water withdrawals in the uptake environment (river or groundwater)? *NB: Requirement is not relevant if the site's consumption is low compared to the resource or if the site is not in an area of stress according to the group's classification methodology.*

The progress of the action plan to reduce water consumption is reviewed on a regular basis (at least quarterly).

The best available technology to minimize water consumption has been implemented for 50% of the water consumption.  
An impact study has been carried out for sites that are not in water stress areas.  
The site has taken into account the effects of climate change on water resources.

#### Associated metrics

- Water uptake (amounts by type: groundwater / river / drinking / sea / estuary)
- Specific withdrawals for the main production lines (t/t)

#### Associated tools

- Water reports
- Process improvement team / Process technology improvements
- Best process guide from GEC
- Water reporting procedure IND-HSE-ENV-01
- Water Policy
- Global tools from HSE department to evaluate Hydric stress
- Questionnaire « water stress » from HSE department
- <http://teamsites.solvay.com/sites/CC-HSE/zWebPartPages/Environment.aspx>

#### Glossary

- ★ Geographical and/or seasonal water stress zone: area where a problem of drought or water reserve deficit has been reported, requiring the implementation of solutions to improve the use of water according to the World Resource Institute.
- ★ The water footprint is the total volume of water used to produce a product or service.
- ★ The site has to set its own targets, in cooperation with the GBU, based on targets set by the Solvay group
- ★ Best available technologies have to be defined by the industrial department of the GBU





### 3.3. Limiting environmental impacts, preserving biodiversity

Sites



Launch

2  
Deployment3  
Maturity4  
Performance

#### 3.3.1.Reducing greenhouse gas emissions

Producing an inventory of direct and indirect greenhouse gas emissions.

Conducting studies to reduce greenhouse gas emissions and defining an action plan to contribute to achieving the Group's objectives.

Deploying the plan to reduce GHG emissions and monitoring results. The entity has achieved the annual target.

Implementing the best available technologies in GHG emissions. The site, with the assistance of the GBU, measures the overall impact of the entity's activities in terms of greenhouse gases emissions (scopes 1, 2 and 3).

#### Detailed requirements

Has the entity identified and quantified its sources of direct emissions of greenhouse gases? (Scope 1)  
Has the entity identified and quantified the source of its indirect emissions associated with purchased energy? (Scope 2)

Are studies undertaken:  
•on the optimization of existing processes?  
•on the use of less GHG emitting energy sources?  
•on potential technology changes to reduce GHG emissions?  
•Has an action plan been defined for energy efficiency?

Are at least quarterly reviews organized to monitor the progress of GHG emission reduction plans?

**GHG emissions reduction targets are in line with a "Science based targets" approach.**  
Are the best available technologies in terms of GHG emissions implemented for at least 50% of the identified emissions?  
Have evaluations been conducted to estimate the GHG emissions of the 15 categories of Scope 3?  
N.B.: These evaluations should cover at least 90% of GHG emissions associated with the entity's activities.

#### Associated metrics

Global GHG emissions (scopes 1 & 2) by GHG category.  
Specific GHG emissions per production unit (t CO<sub>2</sub> eq/t).  
Number of GHG emission sources  
Completion percentage of the reduction plan

#### Associated tools

- Notice TRP 2011,111 on the methodologies applied for the reporting of CO<sub>2</sub> emissions /
- EPS Coach / IND-HSE-ENV-01 : SERF Environmental Reporting Procedure
- / 6 sigma / Solwatt
- GHG protocol (methodologie reconnue mondialement de quantification et des segmentation des emissions de GES)
- WBCSD guidelines for Measuring and Reporting GHG emissions within the Chemicals Industry
- IND / HSE / PRO

#### Glossary

- ★ GHG All greenhouse gas emissions
- ★ Scope 1: emissions (direct) produced at the entity under examination
- ★ Scope 2 : emissions (indirect) from the production of purchased energy
- ★ Scope 3 emissions (indirect) related to upstream activities (mainly raw materials) and downstream activities (transportation, use and disposal of manufactured products) □
- ★ Best available technologies have to be defined by the industrial department of the GBU
- ★ "Science based targets": see <http://sciencebasedtargets.org/>



### 3.3. Limiting environmental impacts, preserving biodiversity

#### Sites



#### 3.3.2. Reducing the impact of processes on air, water and soil quality

Linked with SCMS

#### Detailed requirements

Level 1 not required in 2016 (to ensure consistency with SVHC procedure)

	1 Launch	2 Deployment	3 Maturity	4 Performance
	Assessing the impact of manufacturing processes on the environment Managing the risks linked to the release of SVHC	Identifying levers of progress, undertaking technological benchmark studies, and defining an action plan in conjunction with the Group's environmental plan.	Implementing the improvement action plan and achieving the Group's objectives.	Having reached the performance of the best available technologies.
	<p><b>SCMS 4.1.1 L1 :</b> A comprehensive baseline study is launched. A list of all environmental aspects is maintained up to date A semi quantitative environmental risk assessment (ERA) as proposed in the <b>IND-HSE-ENV-03-GUI guide</b> is <b>scheduled</b> for all environmental aspects <b>excluding S-SVHC releases</b> considering normal, abnormal and accidental conditions Environmental significant aspects are identified from the ERA, and are captured into a list. SVHC releases risks into the environment are <b>assessed</b> according to <b>IND-HSE-ENV-12-PRO and its implementation schedule and associated documents: IND-HSE-ENV-50 PRO and IND-HSE-ENV-02 GUI</b></p> <p><b>SCMS 4.1.2 L1 :</b> A document with all monitoring results of environmental significant aspects (ESA) is maintained and updated.  The Site's environmental plan tackles in priority risk level 1 aspect linked to SVHC's releases. There is no Risk Level 1 aspects linked to SVHC's releases lasting more than 1 year after their assessment</p>	<p><b>SCMS 4.1.1 L2 :</b> The baseline study is completed. <b>The site has completed its environmental risk assessment for all its environmental aspects.</b></p> <p><b>SCMS 4.1.2 L2 :</b> The Site compares its performances against Best Available Technologies (BAT) The Site's environmental plan defined on a yearly basis actions is aiming at : - Reducing ESA <b>and</b> Level 1, 2 <b>S-SVHC related risks</b> as defined in IND-HSE 50 PRO - Meeting Group's environmental objectives. There is no Risk Level 2 aspects linked to SVHC's that have lasted more than the agreed timeframe for mitigation</p>	<p><b>SCMS 4.1.1 L3 :</b> The review of the environmental risk assessment, including the baseline study is carried out with the participation of operating managers. The baseline study is finalized with a full inventory of fauna and flora present on site &amp; surrounding areas. <b>SCMS 4.1.2 L3 :</b> The Site's environmental improvement plan is completed and achieved at 80% of the set targets. The Site's environmental improvement plan includes actions: - to eliminate level 3 risks <b>linked to S-SVHC's</b> - to meet BAT - to take into account the stakeholders and local communities expectations. There is no Risk Level 2 <b>linked to S-SVHC's</b></p>	<p><b>SCMS 4.1.1 L4 :</b> The Site's environmental improvement plan takes into account foreseen evolution of the local context (climate change, availability of resources, urbanization,...) <b>SCMS 4.1.2 L4 :</b> The Site's environmental improvement plan is completed and achieved at 100% of the set targets. The Site's environmental improvement plan strives to restore the initial environmental status if relevant. The Site is compliant with the Best Available Technologies (BAT). The site doesn't reject any effluent containing SVHC.</p>

#### Associated metrics

Number of risk level 1 and 2 – Number of risk level 1 older than 1 year → AIR : atmospheric acidification (SOx/NOx), tropospheric ozone, local air quality(dust/VOC), greenhouse gases (GHG) → WATER: eutrophication, degradation of the aquatic environment (COD) → BAT Gap Analysis / Group environmental targets

#### Associated tools

- Group's objectives Methodology in determining aspect and significant impact : IND-HSE-50-PRO
- Procedure IND-HSE-ENV-12-PRO : Risk control for use of SVHC / Reporting procedure IND-HSE-ENV-01
- Technology watch and/or collection of BATs

#### Glossary

Technological benchmarks: comparison with processes used by competitors (competitive intelligence conducted by TDM - Technology Development Manager) ← BAT: Best Available Technologies



### 3.3. Limiting environmental impacts, preserving biodiversity

Sites



#### 3.3.3. Preserving biodiversity on and around sites

Launch

Assessing the impact of activities on aquatic biodiversity.

2  
Deployment

Introducing an impact reduction plan.

3  
Maturity

Communicating on the action plan with stakeholders.

4  
Performance

Introducing a biodiversity restoration plan.

#### Detailed requirements

The site has conducted an impact study by assessing discharges in relation to the EQS of the receptor environment, and by direct measurement on the flora and fauna of aquatic receptor environments using recognized methods.

The entity has identified actions to reduce impacts and is implementing them.  
  
The entity regularly monitors the evolution of the ecotoxicity of its discharges.

The entity has initiated a proactive approach vis-à-vis its stakeholders on the impact of its activities on aquatic biodiversity.

The entity has implemented an action plan to restore aquatic biodiversity in liaison with the stakeholders concerned

#### Associated metrics

Biotic index of the receptor aquatic environment

#### Associated tools

- For France: IBGN and IBD fauna and flora biotic indices
- Methodology in determining aspect and significant impact : To be written

#### Glossary

- ★ Biodiversity: a term used to describe the diversity of the living world, environments (ecosystems), species
- ★ Biotic index: a measure of the state of biodiversity (fauna and flora) of the aquatic environment.
- ★ Ecotoxicity: property of a substance to cause adverse effects on living organisms or their physiology (biochemical effect level) and their functional organization (ecosystem)
- ★ EQS: Environmental Quality Standard

**Important:** Given the impact assessment methodologies available and recognized globally, this practice for the moment concerns only the conservation of aquatic biodiversity: the only sites concerned are those discharging treated or untreated effluent into the environment (stream, river or sea). This practice will evolve as scientific advances make it possible to take account of biodiversity as a whole.



### 3.3. Limiting environmental impacts, preserving biodiversity



SBS - IS

Lancement

2  
Déploiement3  
Maturité4  
Performance

#### 3.3.4 Reducing IT impact

Determining electrical consumption for IT devices.

Carrying out a waste balance for IT devices.

Setting targets for energy reduction and wastes reduction.

Defining an action plan allowing to reach 5 years targets, in identifying the relevant Green IT Labels, standards & referentials to be used as drivers

Implementing the action plan and monitoring the results. SBS-IS has reached the annual target, according to the 5 years targets.

Embarking on Green IT initiatives either at National or International levels

The entity has implemented the best Green IS practices with reference to national / international Green IT standards

Achieving Green IT related certifications

#### Detailed requirements

SBS-IS has identified and quantified its IT electrical consumptions, used in the entire Solvay group

SBS-IS has identified and quantified its sources of e-waste

5 years targets have been set up in order to reduce IT electrical consumptions and e-wastes valorisation/réduction (including IT donations).

An action plan has been defined based on :

- The optimization of existing IS process
- Benchmarks in order to be inspired by the most current techniques recognized
- technologies changes to come
- "Green IT" standards

The progress of the action plan to reduce IT electrical consumptions and e-wastes is reviewed on a quarterly basis during SBS - IT management committee. Actions taken allow to reach the annual target..

Solvay and its Service providers have the objective to be certified on any Green IT certification programs.

The best available technologies in terms of energy consumptions / e-waste reduction are implemented in the different IS processes

Solvay and its Service providers have obtained Green IT certification.



#### Associated metrics

- Energy balance for IT devices
- Annual waste report (reduction at source, reuse or recycling, landfill)

#### Associated tools

- WEEE directive

#### Glossary

- ★ IS : Information Services provided by SBS corporate function
- ★ IT : Information Technology



## 3.4. Exercising a responsible influence

### Public Affairs



#### Launch

#### 2 Deployment

#### 3 Maturity

#### 4 Performance

### 3.4.1. Dialoguing and communicating transparently

Formalizing the Group's influence-exerting policy in a way that integrates its CSR and SD commitments. Defining the implementation modalities.

Undertaking an influence-exerting exercise focused on dialogue, with due respect for existing legal obligations, GPA policy and the Group Code of Conduct.

Developing regular dialogue with stakeholders and annual reporting on influence-exerting activities.

The Group's approach to dialogue and influence are level with the best practices in the industry worldwide.

#### Detailed requirements

The vision, mission and objectives are formalized in a Group GPA policy in line with the Group CSR and SD commitments. This policy defines the GPA rules of behavior in conformity with the Group Code of Conduct.

Those in charge of activities exerting influence on different geographical areas know the relevant regulations and respect the Group Code of Conduct and the Group's GPA policy. The GPA has deployed the appropriate tools and processes on a worldwide basis and publishes, internally (intranet) positions on sensitive issues impacting the Group's activities.

The GPA function sees to it that its tools and processes ensure that its network is coordinated and well informed in order to exercise influence in an effective and responsible manner. The GPA function publishes an annual statement\* as part of the Group's periodic reporting. The GPA function makes an independent assessment of its activity by a representative stakeholder panel.

In public affairs, the Group has identified best industry practices and is in the top 10% on the reference scales of benchmarks.

#### Associated metrics

→ Biennial assessment by the Panel stakeholder

#### Associated tools

- Code of good conduct in influence-exerting
- Management book

#### Glossary

- ★ SD : Sustainable Development
- ★ CSR : Corporate Social Responsibility
- ★ GPA: Group's Government and Public Affairs
- ★ Sensitive issue: a subject that impacts the Group's activities and on which there is public debate
- ★ Annual statement : organization, missions, priority topics, list of sensitive issues on which the Group has taken a position, resources





## 4. Investors

### 4.1 Creating value responsibly

4.1.1 Measuring responsible value creation

4.1.2 Integrating CSR into our **portfolio management**

### 4.2 Ensuring risk management

4.2.1 Managing risk globally and risk management being part of decision taking

### 4.3 Ensuring dissemination of and compliance with good management and governance practices

4.3.1 Developing responsible practices and behaviors

4.3.2 Promoting good governance at Solvay



## 4.1. Creating value responsibly

Corporate  
Finance



1  
**Launch**

2  
**Deployment**

3  
**Maturity**

4  
**Performance**

### 4.1.1. Measuring responsible value creation

Identifying material indicators of responsible value creation

Defining a methodology for analyzing responsible value creation, and applying it to pilot entities.

Applying the methodology for analyzing responsible value creation

The company is recognized as one of the most advanced players in measuring responsible value creation.

#### Detailed requirements

Identifying the most advanced organizations in thinking about responsible value creation, and partnering with at least one of them to define and / or implement a methodology.

Identify and select indicators (financial and non-financial) according to a materiality analysis process, involving GBUs and Functions.

The different stakeholders of the group are identified

Indicators are consistent, the definitions are precise, and the process of updating the indicators is defined.

The Group continues its partnerships leading to a methodology for analyzing responsible value creation in line with the expectations of its stakeholders, and enabling benchmarking with comparable companies.

Material financial and non-financial indicators are reviewed and published together annually, based on the same perimeter.

The different stakeholders groups needs are identified, and used as input to update the materiality analysis

Indicators and the methodology used allow to assess the Group's responsible value creation.

The materiality of indicators is reviewed annually.

Dashboards followed by Comex present the financial and non-financial indicators on a comparable perimeter.

Stakeholders are engaged, their feedback is used to update the materiality analysis, partnerships are going on

The Group uses the results of the analysis to increase its capacity to create responsible value and define its strategic options.

The Group is recognized as a reference in the field.

Stakeholders engagement contributes to value creation in a measurable way

#### Associated metrics

→ "materiality map"

#### Associated tools

- GRI: Global Reporting Initiative
- IIRC : international integrated reporting committee: <http://theiirc.org>
- SASB: Sustainability Accounting Standards Board: <http://www.sasb.org/>

#### Glossary

- ★ "Materiality": GRI définition: Information that "may reasonably be considered important for reflecting the organization's economic, environmental and social impacts, or influencing the decisions of stakeholders"



## 4.1. Creating value responsibly

Strategy  
Corporate



1  
**Launch**

2  
**Deployment**

3  
**Maturity**

4  
**Performance**

### 4.1.2. Integrating CSR into our **portfolio management**

Defining CSR criteria for evaluating **portfolio transformation** projects at Solvay group level.

Apply CSR criteria for decision making regarding portfolio transformation projects at Solvay group level and BSRs\*.

Differentiate on CSR criteria for more robust strategies, better aligned with Group SD targets.

Create superior value by integration of CSR criteria in portfolio management and BSRs\*.

#### Detailed requirements

Qualitative CSR analysis criteria (risks and opportunities) and quantitative ones (impact on value) are defined for acquisition and divestment projects, in co-operation with SD.

Sustainability profile is available before decision making about acquisition/divestment.

Sustainability profile and impact on the group sustainability profile is taken into consideration in decision making process.

Material CSR criteria (SPM profile e.g.), serve as an input for building the BSR\* of GBUs to deliver on Group SD targets.

Material CSR criteria (SPM profile e.g.), serve as an input for building the BSR\* of GBUs to drive to more robust strategies.

Corporate Strategy ensures that sustainability profiles are taken into account in all strategic decisions (with an investment impact above 10 MEUR).

80% of strategic spendings (> 10 MEUR) aims at increasing the revenue in SPM Solutions category or significantly contribute to Group CO2 target.

(Working group starts to develop financial metrics by end 2016, SD to lead).

#### Associated metrics

- Revenue in SPM Solutions category
- Action plans from Solvay Way self-assessments
- SD targets

#### Associated tools

- Portfolio assessment matrix
- Sustainable Portfolio Management (SPM) assessments and analysis are carried out with the Corporate SPM experts.
- Solvay Way

#### Glossary

- ★ Entity is defined as BU, Corporate Strategy and Venture Capital
- ★ BSR: Business Strategic Roadmap



## 4.2. Ensuring Risk Management



### Corporate Risk Management & Internal audit

#### Launch

#### 2 Deployment

#### 3 Maturity

#### 4 Performance

#### 4.2.1. Managing risks globally and risk management being part of decision taking

Developing and implementing an Enterprise Risk Management methodology and tools

Rolling out the ERM and internal control at all relevant levels (GBUs, Functions, Projects).

All critical risks mitigation actions are followed-up. Analysis of audit feedbacks, incident reports and project reviews feeds in risk management improvements, including improvements in internal control design.

The ERM is benchmarked and assessed against peers best practices.

#### Detailed requirements

The objectives and actors of Enterprise Risk Management have been defined in the Governance section of the Management Book. A methodology has been set up to identify, assess and follow-up the risks at three levels : Group risks (top-down Leadership Council risk assessment), GBUs/Functions and major projects . It includes common risk categories, assessment criteria and scales. This process has been implemented for Group risks and on several pilots for GBUs/Functions and projects.

Internal control is a system to manage risks on processes. An annual internal control plan is defined and validated by the Internal Control Steering Committee, chaired by the Group CFO.

The Comex receives twice a year a Group risk dashboard, also communicated to the Audit Committee

Risk assessments are performed on all GBU, Functions and major projects, with a standard but scalable approach adapted to each case. The outputs of these assessments are a risk matrix allowing to identify critical risks, and mitigating actions.

Using both these bottom-up information and the top-down Leadership Council risk assessment, a Group risk matrix is maintained each year, and a follow-up of critical risks mitigation is performed by the IA/RM Dept.

Internal control roll-out is done according to the plan validated by the IC Steerco.

Critical risks mitigation actions are followed up regularly in all GBUs and Functions owning major risks.

GBU/Functions update their risk assessment on a regular basis.

Key controls are effectively performed and assessed across the Group. Corrective actions are taken in case of deficiencies.

An external assessment of the ERM is performed, and concludes that the Group methodology as implemented is aligned with market best practices.

In particular, the coordination of risk assurance functions is structured to optimize risk coverage.

#### Associated metrics

##### Associated tools

- Methodology for identifying, assessing, prioritizing risks: Enterprise Risk Management
- 10 Risk Categories and the Risk List

##### Glossary

- ★ ERM= Enterprise Risk Management



## 4.3. Ensuring the dissemination of and compliance with good management and governance practices

HR corporate  
+ Legal Corporate



### 4.3.1. Developing responsible practices and behaviors

#### Launch

Defining and disseminating the Group's internal governance principles.

#### 2 Deployment

Ensuring knowledge of the Group's internal governance principles. Checking that these principles are properly understood.

#### 3 Maturity

Checking that the Group's internal governance principles are being respected. Introducing corrective action plans.

#### 4 Performance

Updating the Group's internal governance principles.

#### Detailed requirements

Documents exist defining the rules of the Group's organization and internal operations.

These documents give the principles of behavior to be observed to prevent certain risks which Group employees may face.

These documents exist in the Group's main languages and are distributed in the organization (including being given to all new employees).

Explanation and evaluation criteria are implemented.

Control of this cascading is included in the internal audit missions.

Proper application of the prior approval matrix\* is included in all internal audit missions.

Failures to respect the Group's internal governance principles can be analyzed from annual audit reports or reported, including under the Speak up process.

Any non-compliances are identified and preventive action taken to prevent their recurrence

The Group's internal governance principles are revised with a frequency consistent with the context and with the Group's objectives.

#### Associated metrics

- % of employees informed (census of information and training deployment acts)
- Number of audits undertaken
- Accessibility of documentation (paper and computer, number of languages in which materials are available)

#### Associated tools

- Code of conduct
- Management book
- Speak up

#### Glossary

- ★ Prior approval matrix: as presented in §5.3.4 of the Management Book.





## 4.3. Ensuring the dissemination of and compliance with good management and governance practices

General Secretariat &  
Legal Corporate



**Launch**

**2  
Deployment**

**3  
Maturity**

**4  
Performance**

### 4.3.2. Promoting good governance at Solvay

The Group adopts a governance reference framework that is recognized by the market.

The Group integrates CSR in its governance principles.

The Group continuously improves the integration of CSR into its principles of governance.

The company is recognized for the quality of its governance and its CSR performance.

### Detailed requirements

The Group decides to refer to the Belgian Corporate Governance Code 2009.

The Group informs the market annually of the governance principles it applies, the governance framework which it uses as its reference, and identifies the principles of governance that it departs from according to the 'comply or explain' method.

The Group's management bodies take the improvement of entities' CSR profiles into account in their strategic decisions, based on the GBU/function roadmaps (including their SPM profiles) and the Solvay Way progress report.

The Group's management bodies set up an ad hoc committee in charge of improving the Group's CSR profile.

Recognized organizations attest to the quality of the Group's governance by means of quality audits.

A benchmark situates the Group among CSR leaders in the chemical industry.

### Associated metrics

- Number of meetings of the Committees and Board in one year
- Internal and/or external assessments
- Participation rate at these meetings

### Associated tools

- Belgian Corporate Governance Code ([www.guberna.be](http://www.guberna.be))
- Entity/GBU/function roadmap
- SPM Profil
- Solvay Way

### Glossary

- ★ Governance within the meaning of ISO 26000 (see § 6.2): "Organizational governance is the system by which an organization makes and implements decisions in pursuit of its objectives". To define the scope of its social responsibility, identify relevant issues and set its priorities, an organization should address the following core subjects:
  - organizational governance;
  - human rights;
  - labour practices;
  - the environment;
  - fair operating practices;
  - consumer issues; and
  - community involvement and development.



## 5. Suppliers

### 5.1 Defining prerequisites and integrating them into the supplier selection **and qualification process**

5.1.1 Defining prerequisites **and** selecting suppliers accordingly

### 5.2 Evaluating buyers' CSR performance.

5.2.1 Training and assessing buyers

### 5.3 Managing and assessing suppliers' CSR performance , optimizing relationships

5.3.1 Managing and evaluating supplier performance

5.3.2 Developing partnerships for innovation

5.3.3 Ensuring balanced relationships with suppliers



## 5.1. Defining prerequisites and integrating them into the supplier selection process



**Purchasing Zone**  
Corporate function + GBU  
purchasing Department

### 5.1.1. Defining prerequisites and selecting suppliers accordingly

#### Launch

Defining and formalizing the critical CSR prerequisites and integrating them into the overall supplier selection and qualification process.

#### Deployment

Applying these CSR requirements in the process of **qualifying and selecting** suppliers, **giving priority** to key suppliers.

#### 3 Maturity

**Requesting** corrective action plans from relevant suppliers and ensuring their **systematic** implementation **in the performance evaluation process for the year N+1**.

#### 4 Performance

Measuring the effectiveness of the selection process.  
Establishing an annual status report by purchasing area (**Global, zones and GBU purchasing**).

#### Detailed requirements

A formal **supplier code of conduct** exists, validated and regularly updated with Sustainable Development function, according to best market practice

This **code** is available in the main languages used with suppliers, defining the prerequisites of the **Solvay-Supplier** relationship, integrating CSR

A **group procedure** exists covering the **supply** of SVHC products and the **buyers concerned are aware of it**. There is an updated list of buyers concerned which is updated annually.

The supplier qualification and selection process **incorporating** the CSR requirements **has been implemented for key suppliers**. There is an annually updated list of key suppliers.

The CSR assessment is carried out by TfS/Ecovadis or another third-party organisation (recognized by PSCE Function) for all key suppliers on the basis of specified annual planning, which is validated without exception by the Purchasing Function's CSR Committee (PSCE).

The proper **execution of the process** is checked at least once a year.

There is a **guidance step** validated by Solvay and the supplier **for the purpose of correcting anomalies**.

The entity **carries out** an annual status report, by purchasing area, of the **degree of CSR maturity of key suppliers**, with a view to **reducing the risk to the Group** (e.g. during management reviews).

The entity **implements correctives and/or improvement actions** or even purchasing policies with the aim of reducing exposure to risks.

#### Associated metrics

Number of suppliers assessed on CSR following third-party process (Ecovadis or other)  
Number of suppliers assessed on CSR following process using the Group's CSR questionnaire

#### Associated tools

- Level 1 => Solvay Suppliers Code of Conduct – PU-3230-F-WW
- Level 1 => Proc. IND-HSE-12-PRO: Controlling risks when using SVHCs or substances that require careful handling
- Level 1 => List of buyers concerned for SVHCs who are familiar with procedure IND-HSE-12-PRO
- Level 2 => Proc. PU-4301-P-WW: Identification of key suppliers + update list at least once a year
- Level 2 => Proc. PU-2001-P-WW: Qualification and selection of suppliers
- Level 2 => Ecovadis database & CSR questionnaires completed by suppliers following procedure PU-4302-P-WW
- Level 3 => Corrective action plan in Ecovadis database
- Level 3 => Purchasing process checking reports (internal and/or external)
- Level 3 => List of suppliers assessed in the year (process 4.2) and link with process 1&2
- Level 4 => Annual report of key suppliers' CSR status (see list)
- Level 4 => Review of process and/or Management with associated action plan

#### Glossary

- ★ SPP = Solvay Purchasing Process
- ★ SD/CSR = Sustainable Development / Corporate Social Responsibility
- ★ SVHC : substances of very high concerns
- ★ CSR Committee = Purchasing / SD Committee responsible for investigating CSR problems relating to our suppliers.
- ★ SDG: Selection Decision Grid
- ★ TfS : Together for Sustainability



## 5.2. Evaluating buyers' Corporate Social Responsibility performance



**Purchasing Zone**  
Corporate function+ GBU  
purchasing Department

### 5.2.1. Training and assessing buyers

#### Launch

Buyers are trained in CSR prerequisites, with this mission included in their job descriptions.

#### 2 Deployment

Buyers **comply** with the CSR criteria in their operating activities

#### 3 Maturity

Buyers' performance assessments include the extent to which CSR prerequisites have been taken into account by buyers and complied with by suppliers in their area of responsibility.

#### 4 Performance

The buyer-supplier relationship is characterized by continuous efforts at improvement.

#### Detailed requirements

The **standard** job description contains elements **relating to compliance with CSR requirements**.

**At least** 90% of buyers have formally **acknowledged that they have** received and understood the explanations on **Salvay Way assessment of the purchasing processes SPP**.

A recent **check (within one year)** shows that 90% of buyers have implemented the purchasing management tools in accordance with the CSR prerequisites of the customer-supplier relationship.- **This check can be carried out by means of the Supplier Decision Grid during selection or of the database of assessments carried out using a representative sample of buyers.**

Respecting the CSR prerequisites is an integral part of the **overall** performance evaluation of buyers according to the following **metrics which are** validated in their PDCR:

- All contracts **entered** by the buyer incorporate the CSR prerequisites.
- **The correct** application of practice 5.3.1 for suppliers managed by the buyer.

The CSR criteria are an integral part of buyers' performance evaluation.

There is a validated buyer performance assessment methodology designed to foster the development of a **sustainable and balanced relationship with our suppliers**.

#### Associated metrics

- % of Purchasing population trained in SPP and Salvay Way modules => staff trained / registered workforce at start of year
- % of Purchasing population trained **which have met its CSR targets (PDCR and EBEV)**

#### Associated tools

- Level 1 => standard buyer job description + Suppliers' CSR scoring procedure PU-4302-P-WW
- Level 1 => list of buyers trained with date and signature or proof of participation
- Level 2 => Check carried out on a sample of representative buyers
- Level 3 => Annual PDCR check carried out in the past year incorporating the CSR dimension
- Level 4 => Annual check of the number of EBEV reports addressing CSR

#### Glossary

- ★ PDCR = Performance, Development and career review
- ★ **EBEV : Every Buyer - Every Visit**
- ★ SPP = Salvay Purchasing Process
- ★ SD/CSR = Sustainable Development / Social and Environmental Responsibility



## 5.3. Managing and assessing suppliers' CSR performance, optimizing relationships



Purchasing Zone  
Corporate function+ GBU  
purchasing Department

### 5.3.1. Managing and evaluating supplier performance

#### Launch

Formalizing the process for evaluating supplier performance.

#### Deployment

Applying this process to assess the performance of key suppliers.

#### 3 Maturity

Requesting and collecting corrective action plans from under-performing suppliers and honouring performing suppliers in the CSR areas.

#### 4 Performance

Ensuring the effectiveness of the evaluation process, in particular via a preventive approach.  
Establishing a linking with the supplier selection process

#### Detailed requirements

A formal process exists for evaluating supplier performance, incorporating CSR performance criteria and in line with the qualification and selection process.

Applying the process makes it possible to identify under-performing and performing suppliers as well as performing suppliers in general and specifically in CSR.

Corrective action plans exist for under-performing suppliers.  
A list exists of non-performing and non-reactive suppliers who are liable to exclusion.  
A process exists for recognizing best performing suppliers.  
The proper application of the process is checked annually (check or internal/external audit)

There are risk analyses enabling preventive progress plans in all cases where we can anticipate significant CSR and financial risks.  
Supplier evaluation and implementation of improvement plans feeds into the selection and qualification process.

#### Associated metrics

Annual number of supplier CSR assessments carried out in the year => BSC Solvay Way  
Annual number of supplier CSR assessments with a result of < or = 2 => BSC Solvay Way

#### Associated tools

- Level 1 => SPP Procedure: PU-4201-P-WW (supplier performance assessment)
- Level 2 => List of suppliers assessed in the year including suppliers selected despite an unsatisfactory CSR score
- Level 2 => CSR assessment of suppliers following procedure PU-4202-P-WW
- Level 3 => List of underperforming suppliers and associated supplier action plans => on the Ecovadis database or other internal storage databases
- Level 3 => Check and/or audit process report, within one year (internal and/or external)
- Level 4 => Examples of supplier improvement plans and/or supplier-Solvay joint improvement plans
- Level 4 => Examples of events and/or ceremonies to recognize the best-performing suppliers

#### Glossary

★ SPP = Solvay Purchasing Process





## 5.3. Managing and assessing suppliers' CSR performance, optimizing relationships



Purchasing Zone  
Corporate function + GBU  
purchasing Department

### 5.3.2. Developing partnerships for innovation

#### 1 Launch

Identifying innovation partnerships integrating CSR among key suppliers.

#### 2 Deployment

Selecting innovation projects based on their CSR impacts

#### 3 Maturity

Developing, in partnership, value-added CSR solutions (**high environmental and/or social impacts**).

#### 4 Performance

**Devising and defining future** partnership **topics, based on** likely CSR developments

#### Detailed requirements

A list exists identifying key suppliers **with whom we have or we wish to carry out** innovation projects.

**There is a list of innovation projects incorporating a CSR dimension.**  
The entity selects innovation projects (materials, technologies, applications, logistics) which reduce impacts in the areas of health and environmental.  
A status report on the estimated CSR impact of the chosen projects is available

The entity generates and implements CSR-innovative projects in partnership or co-development with suppliers or other partners.  
Innovation projects have a positive, measurable CSR impact. **A report is available.**

The entity reviews its innovation strategy annually taking into account prospective studies on the evolution of social, societal, environmental and regulatory features.

#### Associated metrics

→ Number of innovation projects undertaken with external partnerships

#### Associated tools

- Level 1 => Proc. PU-4301-P-WW: Identification of key suppliers
- Level 1 => List of strategic suppliers for innovation, updated within one year
- Level 2 => List of ongoing and/or potential innovation projects engaged in with partner suppliers incorporating a CSR dimension (environmental and/or social)
- Level 3 => Table of documents showing measurable positive CSR impacts (e.g. *reduction of CO<sub>2</sub> emissions or employment rates in relevant sectors*)
- Level 4 => Examples of innovative projects planned within the framework of future projects

#### Glossary

- ★ SPP : Solvay Purchasing Process
- ★ CSR: Social and Environmental Responsibility



## 5.3. Managing and assessing suppliers' CSR performance, optimizing relationships



Purchasing Zone  
Corporate function+ GBU  
purchasing Department

### Launch

### 2 Deployment

### 3 Maturity

### 4 Performance

#### 5.3.3. Ensuring balanced relationships with suppliers

Continuous relationships of trust are established with suppliers from the phase of entry into contact, fostering a mutually positive environment which facilitates the identification of failings as quickly as possible.

Our suppliers' satisfaction levels are measured regularly through a survey and a questionnaire.

A process for gathering Solvay failings observed by our suppliers is in place, making it possible to rectify such failings.

An annual report is drawn up to measure the efficiency of the process as part of a continuous progress approach.

#### Detailed requirements

Buyers must meet at least 90% of their key suppliers at least once a year

These meetings may take place at Solvay's premises, at the supplier's premises or on neutral ground.

These meetings are formalized with a view to keeping a record through the Every Buyer, Every Visit process. They are used to raise discussion topics such as safety and CSR.

This supplier survey is used to assess suppliers' satisfaction with Solvay.

An analysis of the results is carried out by the GBUs and the purchasing function.

A corresponding action plan is implemented.

There is a process for providing suppliers with a means of voicing the difficulties they face.

Buyers are trained in how to use this process.

Suppliers are informed of the existence of this process. They are able to use it without fear of reprisal.

This annual report is carried out in tandem with the GBU Purchasing managers, the Corporate Purchasing function and the Group mediator(s).

#### Associated metrics

Overall supplier satisfaction index for year n-1 => Solvay Way BSC

Number of Solvay failings recorded by our suppliers => Solvay Way BSC

Number of Solvay-supplier disputes recorded by the Group's internal mediation service => Solvay Way BSC

#### Associated tools

- Level 1 => Solvay-supplier contracts
- Level 1 => Every Buyer, Every Visit process and associated record database => Proc. 4304-P-WW
- Level 2 => Supplier satisfaction survey => results and associated action plans
- Level 3 => Supplier complaint gathering process
- Level 3 => List of buyers trained in the process of taking into account and processing supplier complaints
- Level 4 => Annual report of complaints raised and formalized by our suppliers

#### Glossary

- ★ SPP: Solvay Purchasing Process
- ★ CSR: Corporate Social Responsibility
- ★ EBVE: Every Buyer, Every Visit



## 6. Communities

### 6.1 Ensuring the integration of entities within their territories

6.1.1 Developing and steering relationships with local stakeholders

6.1.2 Be a player committed to contributing to local societal stakes

### 6.2 Controlling industrial risks related to entities' presence in their territories

6.2.1 Identifying hazards and assessing industrial risks

6.2.2 Managing industrial risks for the community

6.2.3 Preparing for emergency situations

### 6.3 Controlling supply chain risks and preventing accidents

6.3.1 Preventing accidents



## 6.1. Ensuring the integration of entities within their territories

Sites



### 6.1.1. Developing and steering relationships with local stakeholders Linked with SCMS

#### Launch

Mapping the site's stakeholders and identifying interest networks that are active in the territory.  
Regularly updating the mapping.

#### Deployment

Developing regular contacts with significant stakeholders

#### 3 Maturity

Developing collaborative approaches with significant stakeholders and playing a significant role in networks within the territory.

#### 4 Performance

Assessing the importance of the site's activity within its territory and measuring the satisfaction level of stakeholders.

#### Detailed requirements

##### SCMS 1.5.1 L1 :

A mapping of stakeholders has been established and active networks on its territory identified

A defined communication process with stakeholders addresses at least the following:

- a) Mandatory information to be sent to the local authorities
- b) Treatment of inquiries or request of information
- c) Emergency response affecting the neighborhood

Relevant external interested parties are consulted as necessary about pertinent OH&S matters.

##### SCMS 1.5.1 L2 :

The representatives of the Site are meeting external stakeholders to identify their concerns.

80% of the significant stakeholders are met at least once per year.

Issues for external parties are formally identified and means decided and implemented to deal with.

##### SCMS 1.5.1 L3 :

The external communication program is established based on the following:

- Identification of stakeholders to be targeted and their corresponding concerns
  - Priority setting on the issues to deal with
  - Identification of the most effective communication network
  - Designation of functions responsible for communicating with external parties
  - Frequencies of the communication
  - Education/promotion initiatives
- Stakeholders are consulted on a regularly basis on improvement plans.

##### SCMS 1.5.1 L4 :

A report of stakeholders' activities is released on an annual basis, and measurement of the stakeholders' satisfaction level is completed.

Personnel contributes to external communication actions, such as lectures at schools, meeting with groups of stakeholders, speeches during seminar on management systems or continual improvement.

Visits of the site by external stakeholders are scheduled, organized and carried out.

#### Associated metrics

- SCMS scoring
- Mapping of stakeholders and number of stakeholders
- Stakeholder satisfaction level: results of satisfaction surveys

#### Associated tools

- SCMS
- Stakeholder Action Plan, which is an integral part of the "External Relations Guide" methodology.
- Perception survey

#### Glossary

- ★ Interest networks: networks grouping several stakeholders around particular themes or causes
- ★ Significant stakeholder: has real local weight, its activity involves a key issue of the site, represents a pool of expertise and professional resources, is involved in developing employment



## 6.1. Ensuring the integration of entities within their territories

### Sites



#### 6.1.2. Be a player committed to contributing to local societal stakes

#### Launch

Participating in local initiatives on a case-by-case basis.

#### 2 Deployment

Defining a societal actions approach encouraging the employees involvement and adapted to local priorities.

#### 3 Maturity

Implementing the societal actions approach.

#### 4 Performance

Be a player committed on its territory, contributing to local societal issues, and strengthen the employees' pride of belonging to the Solvay group.

#### Detailed requirements

Does the site respond, on a case-by-case basis, to requests for local support, such as financial donations, material donations or time spent by Solvay employees ?

The site is aware of Group policy.  
  
A working group, composed by the site manager, HR manager and employees representatives defines the major territorial stakes and the relevant societal actions for the site.

The working group implements a monitoring process\* and an information process from employees and their representatives, with the objective to recognize their actions.

The site prepares an annual report and performs a measurement of the societal action plan impact in consultation with relevant stakeholders.

This practice is not considered as "new" but site has to assess it beginning of 2016 in order to have the right baseline.

The working group defines associated resources such as financial donations and material donations.

The working group defines also associated guidelines for the employees' involvement, in line with the societal actions group policy.

The Employees' pride of belonging towards Solvay group is measured through the Solvay People Survey.

#### Associated metrics

- Financial donation (€ ..)
- Material donation
- Time spent by Solvay employees (h) - Working time or not

#### Associated tools

- Integrated Stakeholder Action Plan in the "External Relations Guide" methodology.
- Local communities questionnaire
- Solvay people survey
- Societal actions group policy

#### Glossary

- ★ Requests for local support: specific support to existing initiatives by one or more local stakeholders (solidarity initiatives supporting children, education, culture, recreation ...)
- ★ Local development: participation in longer-term programs (schools, hospitals, education, employability, support for economic development, improving quality of life, etc ...)
- ★ Monitoring process : benefits for the community or for involved employees





## 6.2. Controlling industrial risks related to entities' présence in their territories

Sites



### 6.2.1. Identifying hazards and assessing industrial risks [Linked with SCMS](#)

	1 Launch	2 Deployment	3 Maturity	4 Performance
	Collecting risk identification and assessment information.	Undertaking simplified risk identifications and assessments for the community.	Complete risk analysis by examining detailed situations	Meeting all requirements of the reference guide in terms of identifying risks.
<b>Detailed requirements</b>	<p><b>SCMS 3.4.1 L1</b> :A Management of change (MOC) process is defined</p> <p><b>SCMS 4.5.1 L1</b> :The process <b>hazard analysis</b> responsibilities are defined within the site organization.</p> <p>Existing process hazard analysis are revised on a 5 years basis.</p> <p>The process hazard analysis are done by an authorized leader (a trained person on Process Risk Analysis Methods), as described by Solvay corporate Procedure IND-HSE –PTS-08.</p> <p>Process Hazard Analysis allow the site to identify unacceptable scenarios 'risk level 1' according to IND-HSE-PTS-10</p> <p>Identified scenarios at risk level 1 (unacceptable risks) are written in an appropriate format (risk sheet), validated by a IND-HSE Process Safety Expert, recorded in the corporate reporting tool as described by Solvay Corporate procedure IND-HSE –PTS-07.</p> <p>When the reviews are done by the "revalidation" process, the MOC and the lesson learnt from the process safety incidents must be taken into account.</p>	<p><b>SCMS 3.4.1 L2</b> : A list is maintained indicating the on-going modifications, the closed ones, and the ones with the modification completed but the MOC not yet closed.</p> <p><b>SCMS 4.5.1 L2</b> :</p> <p>A schedule is established to ensure that all process hazard analysis are completed before 2020.</p> <p>The methodology used for the process hazard analysis includes the identification of accident scenarios with the assessment of the severity level and the probability of occurrence.</p> <p>The severity level is considering the effect on people by taking into account the thresholds for lethal and for irreversible effects.</p> <p>The severity level is also considering the effect on the environment.</p> <p>The assessment of the probability of occurrence is taking into account the frequency of the causes and the reliability of the safeguards.</p> <p>The method <b>determines</b> a risk level for each scenario.</p> <p>The Site senior management team is following up the level of completion of the schedule including the mitigation of Process hazard analysis with unacceptable risk level.</p>	<p><b>SCMS 3.4.1 L3</b> :The statutory and regulatory requirements for the products are clearly identified during the MOC reviews, as necessary.</p> <p><b>SCMS 4.5.1 L3</b> :</p> <p>100% of the process hazard analysis have been completed and revised as necessary on a 5 years period.</p> <p>Process safety audits are organized.</p> <p>Findings and corrective actions are reviewed during the site management reviews and treated within the authorized deadlines.</p>	<p><b>SCMS 3.4.1 L4</b> :The management of change process is part of the internal audit program and findings are analyzed with necessary actions decided and implemented for improvement.</p> <p><b>SCMS 4.5.1 L4</b> : No gaps identified during the Process Safety Audits.</p>

### Associated metrics

#### Associated tools

- SCMS / Process safety management : IND-HSE-PTS-03-PRO / Process safety - Risk Analysis : IND-HSE-PTS-10-PRO
- All guides from HSE-PTS

#### Glossary

IDER : hazard identification and risk assessment method



## 6.2. Controlling industrial risks related to entities' présence in their territories

Sites



### 6.2.2. Managing industrial risks for the community Linked with SCMS

#### Detailed requirements

	1 Launch	2 Deployment	3 Maturity	4 Performance
	Managing the key risks (elimination of risk 1 sheets, environmental monitoring plan)	Applying the SCMS-recommended method to all risk typologies.	Monitoring the compliance of risk management-related operating activities	Verifying the effectiveness of the SCMS management system in all operating situations.
	<p><b>SCMS 3.3.1 L1</b> : Pre start-up safety reviews are conducted by a multi-disciplinary team.</p> <p><b>SCMS 4.5.1 L1</b> : Identified scenarios at risk level 1 (Unacceptable risks) are mitigated within 1 year after registration.</p> <p><b>SCMS 8.1.1 L1</b> : Operating instructions are established, addressing at least the following : - critical manufacturing steps related to product quality and HSE aspects- operating parameters and actions to apply- list of suitable equipment to use- monitoring activities and required measurement- cleaning operations for relevant equipment- actions to take in case of deviations, including the emergency shutdown steps</p> <p><b>SCMS 8.1.2 L1:</b> A planning is established for implementing the safety and environmental barriers as determined by the <b>process hazard analysis and the environment risk assessment</b>.</p> <p>Standard Operating Procedures (SOP) critical for HSE aspects are identified.</p> <p><b>SCMS 8.1.3 L1:</b> A documented procedure allowing temporary dispensation in the application of the control measures defines the responsibilities and level of authority for approving the by-pass and for setting compensatory measures and is applied if necessary.</p> <p>The by-pass procedure is applied in each area of the Site having safety critical elements</p>	<p><b>SCMS 3.3.1 L2</b> : A planning for controlling the critical parameters devices is established.</p> <p><b>SCMS 8.1.1 L2</b> : Standard operating procedures (SOP) are reviewed on a regular basis together with the Solvay operators in charge of production to ensure their understanding.</p> <p><b>SCMS 8.1.2 L2</b> : Preventive &amp; protective measures determined by the risk assessments are included into the SOP (or associated documents used by the production teams). Procedures and checklists for transitory operations are made known to persons in charge.</p> <p><b>SCMS 8.1.3 L2:</b> A specific indicator on repetitive request of by-pass is established, implemented and maintained by the site.</p>	<p><b>SCMS 4.5.1 L3</b> : Findings and corrective actions are reviewed during the site management reviews and treated within the authorized deadlines.</p> <p><b>SCMS 8.1.1 L3</b> : The deviations of the critical parameters of the process are registered and analyzed periodically</p> <p><b>SCMS 8.1.2 L3</b> : An assessment of the effectiveness of the standard operating procedures (SOP), associated risk control measures, and procedures for transitory operations is performed and necessary improvement implemented. When lessons are learnt from incidents, SOP are revised accordingly.</p> <p><b>SCMS 8.1.3 L3:</b> Trend analysis of repetitive by-pass are completed and necessary actions taken to deal with the conclusions</p>	<p><b>SCMS 4.5.1 L4</b> : No gaps were identified during the process safety audits</p> <p><b>SCMS 8.1.1 L4</b> : Key information issued from the analysis of repetitive deviations of the critical parameters of the process is fed back to concerned employees for reinforcing the importance of complying with the defined production processes.</p> <p><b>SCMS 8.1.2 L4</b> : Based on the result of the assessment of effectiveness, trend analysis are established on a regular basis, in order to highlight critical issues and repetitive concerns. Critical issues and repetitive concerns are included into the QHSE improvement plan of the production unit.</p> <p><b>SCMS 8.1.3 L4:</b> Internal audits are performed to assess the effectiveness of the by-pass procedure and treat any non conformities. The audit findings are reviewed during the management reviews and decision taken accordingly to improve the effectiveness of the by-pass procedure.</p>

#### Associated metrics

**Associated tools** : SCMS / All guides from HSE-PTS / Process safety management : IND-HSE-PTS-03-PRO - Process safety - Risk Analysis : IND-HSE-PTS-10-PRO - All guides from HSE-PTS

#### Glossary



## 6.2. Controlling industrial risks related to entities' présence in their territories

Sites



1  
Launch

2  
Deployment

3  
Maturity

4  
Performance

6.2.3. Preparing  
for emergency  
situations  
Linked with SCMS

Ensuring a minimum level of practice in preparing for emergencies.

Assessing in depth the most likely emergency situations.

Having a reference procedure for organizing the emergency plan. Ensuring optimal training of the various players.

Demonstrating best practices in "emergency preparedness". Bringing in local stakeholders involved in the process

Detailed  
requirements

**SCMS 11.1.1 L1 :**

Group Crisis Management policy and Crisis Alert procedure are known by managers.

An assessment of the most likely emergency situations is completed.

**SCMS 11.2.1 L1 :**

An emergency response plan is defined.

The Group Crisis Alert procedure is implemented.

Each identified major risks are addressed in the emergency response plan and needs of relevant interested parties, e.g. emergency services and neighbors, are taken into account.

The list of emergency services is displayed and maintained up-to-date.

The emergency preparedness and response plan and associated means are reviewed and, where necessary, revised, in particular after testing and after the occurrence of emergency situations.

**SCMS 11.2.2 L1 :**

An updated list of the first-aiders is maintained, mentioning the status of their first aid training.

Procedures and medical first aid protocols are established on Site's specific hazards on basis of Solvay medical recommendations, good practices and local regulations.

Appropriate first aid kits decided by the site are available. There is an up-to-date inventory.

First aid interventions are kept recorded.

The medical facilities are appropriate (hygiene conditions, confidentiality allowed, conditions to perform the tests) and comply at least with the local regulations.

**SCMS 11.3.1 L1**

A schedule is established to ensure drills are organized by the site. The Group Crisis Alert procedure is tested.

Each unit manager participates in drills at the site level at least once a year

**SCMS 11.1.1 L2 :** Local communities are made aware of the emergency situations and their potential impacts.

**SCMS 11.2.1 L2 :**

The emergency response plan details the procedures for :- contacting and organizing the emergency services,- evacuating premises with pre-determined assembly points,- informing staff and course of action to be followed,- re-entering (end-of-alert )- monitoring of the presence of visitors and contractors,- reducing the consequences, containing pollution & cleaning up.

Operational managers and responsible of rescue team or fire brigade have copy of the emergency response plan (latest version).

Solvay employees, contractors and visitors are aware of the emergency plan.

Personnel know their specific role in an emergency situation.

The rescue teams are in place and trained to respond to the emergencies.

**SCMS 11.2.2 L2 :** Local external emergency services (hospital) have been informed about specific medical measures in relation with site's specific hazards

**SCMS 11.3.1 L2 :**

The site carries out the drills to assess the suitability and effectiveness of the emergency plan, in compliance with the annual schedule.

The emergency response team is trained on an annual basis in fighting fires most likely to break out on the site.

**SCMS 11.1.1 L3 :** A review of existing fire fighting systems and other emergency systems, including the ones protecting against leaks and spillage is completed and updated every 3 years, by an authorized organization or recognized by Solvay.

**SCMS 11.2.1 L3 :** Immediate access to the latest version of the emergency response plan by every single operational managers and responsible of rescue team or fire brigade has to be checked on an annual basis.

External emergency response teams are informed.

Quantity and places of hazardous products in storage or in use are communicated to any external service units likely to be involved in the event of an emergency.

The emergency response plan is reviewed and updated whenever a change is made in the organization, or if new potential emergency situations are identified.

**SCMS 11.2.2 L3 :** First aid training is regularly up-dated.

First aid kits and medical facilities, when they exist, are regularly checked by a person in charge clearly defined. The material is replaced as necessary.

**SCMS 11.3.1 L3 :** Large scale exercise with GBU & Zone involvement are carried out at least every 3 years, and lesson learnt incorporated in the emergency plan

**SCMS 11.2.1 L4 :** The site supports local mutual aid assistance through training needs or financial support.

**SCMS 11.2.2 L4 :** Trend analysis on repetitive substandard conditions detected through the check program is established and decisions taken for sustainable improvement.

**SCMS 11.3.1 L4 :**

Drills are conducted during day shift, and also at night and during week ends.

Lesson learnt from drills is recorded and shared outside the site within Solvay organization



## 6.3. Controlling supply chain risks and preventing accidents

Sites



### 6.3.1. Preventing accidents

#### Launch

Identifying and analyzing supply chain-related incidents/ accidents.

#### Deployment

Defining corrective action plans with relevant stakeholders and mainly suppliers.

#### 3 Maturity

Achieving the results of the action plans and investigating the safest modes of transportation.

#### 4 Performance

Defining and implementing preventive actions with the relevant stakeholders. Using the forms of transport modes recognized as safest

#### Detailed requirements

The entity reports in accordance with group's procedure all supply chain-related accidents.  
It reports on incidents/accidents from level L upwards.

The entity has set up a system to ensure the exhaustive and pertinent investigation of all accidents/incidents related to the supply chain falling under its responsibility (unloading, loading, internal transportation or external transportation if chartered directly).

The introduction of corrective actions that have been decided upon is controlled by audits conducted directly by the entity or in liaison with the purchasing logistics function.  
The site relies on internal competences (Purchasing, HSE, Engineering).

An action plan exists to develop a preventive approach with the suppliers of product handling services.  
(Meetings held with suppliers, analysis of events, establishing preventive action plans).

#### Associated metrics

Number and severity of accidents/incidents during transportation

#### Associated tools

- Transportation accident reporting system : IND-HSE-01.01-PRO
- causal tree (root cause) analysis method
- Emergency response system in the event of distribution accident (Carechem)

#### Glossary

- ★ Severity: 4-point scale (C H M L ) to classify accidents according to the observed consequences (people, environment, image, equipment, operations).
- ★ Supply chain-related accident: accident occurring inside a Solvay site during loading or unloading or during transportation on site, or outside a Solvay establishment during transportation of products, including unloading at the customer premises.

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## Annex 2

# Solvay People & Management Model

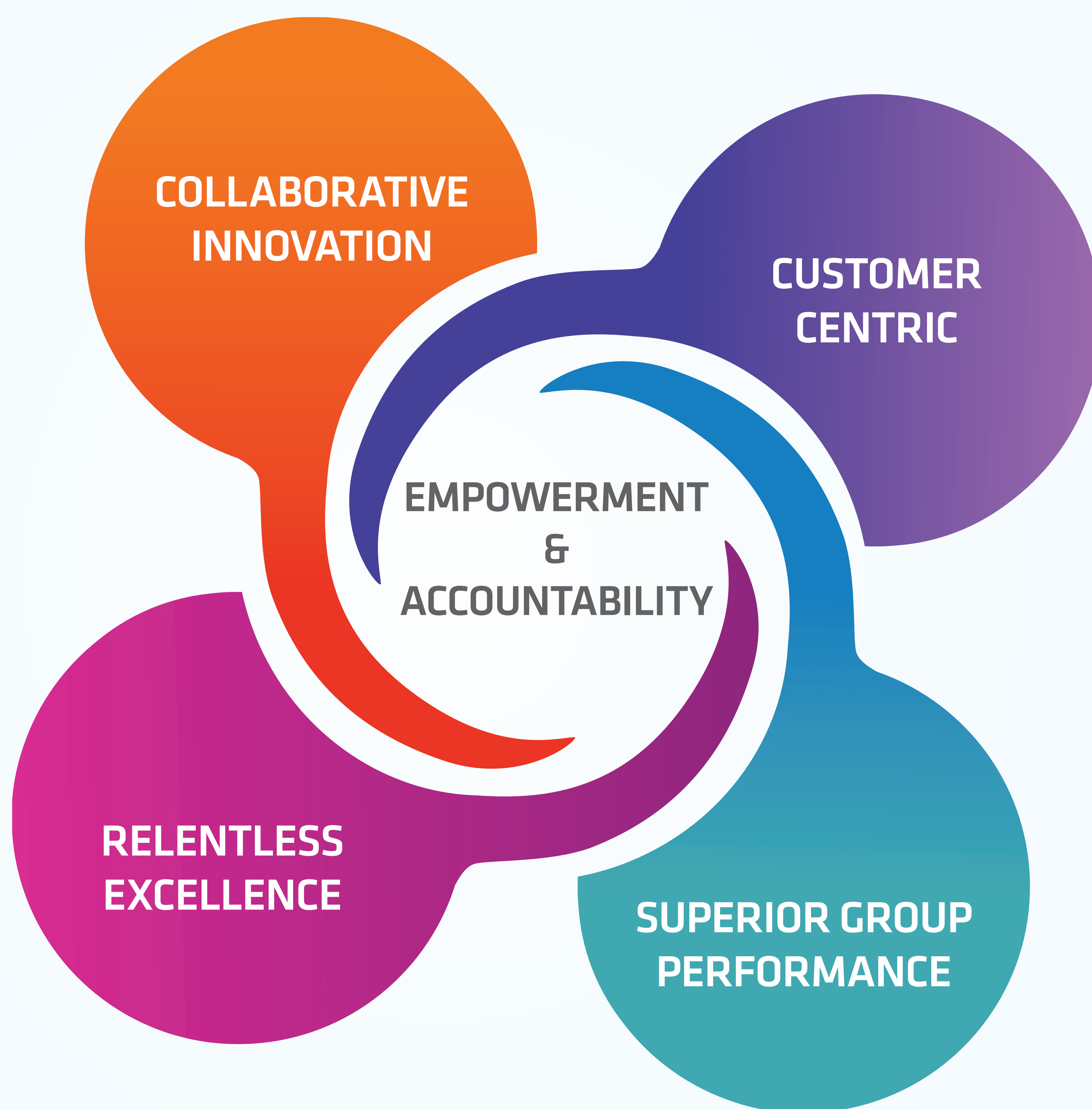


**SOLVAY**

asking more from chemistry®

# Our Management Model

How we achieve results





**SOLVAY**

asking more from chemistry®

# Our Management Model

## How we achieve results



### EMPOWERMENT & ACCOUNTABILITY

- Empower people at all levels in the organization, allowing them to make decisions in their areas of responsibility, within a clear framework.
- Empowerment for all goes together with full accountability: the people empowered are required to demonstrate full commitment and will be held accountable for the results.



**SOLVAY**

asking more from chemistry®

# Our People Model

## How we work together







**SOLVAY**

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# Our People Model

## How we work together





# Priorities moving forward

