SNF

RESPONSIBLE CHEMISTRY

REPORT

ON ENVIRONMENTAL, SOCIAL AND GOVERNANCE CRITERIA

. 2020 .

SNF specializes in water chemistry. All of the Group's products are designed to either treat, recycle or preserve water, or help its customers save energy and reduce their carbon footprint.
90% of SNF's revenues meet UN objectives*.

The Group has a long history operating on all continents and employs 6,600 people worldwide and 1,400 in France. **SNF is a pioneer of soft chemistry across all industrial stages: the Scope 1 & 2 carbon footprint of its sites is low, in proportion with revenues, at around 0.5 million tonnes of CO_2 equivalent.**

Innovation and the movement towards a cleaner, more energy-efficient and less carbon-intensive world are major drivers of growth for SNF, which posted revenues of €3.0 billion in 2020.

In accordance with Article L.225-102-1 of the French Commercial Code, as amended by Order no. 2017-1180, due to the level of its revenues and average headcount, the SNF Group is required to publish a consolidated non-financial performance statement, particularly in respect of its French subsidiary SNF SA.

For the preparation of this non-financial performance report, only the significant French, US, Chinese, Korean and Indian subsidiaries were taken into account. They represent more than 95% of the Group's global revenues.

** see 5.3 "Sustainable use of resources"*

Pascal Remy, SNF Chairman & CEO

TACKLING COVID

The COVID-19 health crisis forced the SNF Group to make some sweeping changes. All Group countries and regions, starting with China – whose experience proved invaluable – rapidly rolled out measures to help safeguard employees' jobs and support them during this unprecedented period, as a show of solidarity.

The Group's top priority was ensuring the health and safety of its staff. As such, all health precautions and recommendations issued by the WHO and public health bodies were widely disseminated at all of our subsidiaries and plants worldwide. Collective and personal health measures were also implemented to ensure optimum working conditions. Today, all of our subsidiaries and plants are operating in strict compliance with health and safety protocols and social distancing rules. Protective measures are strictly enforced and work schedules have been adjusted to limit the number of overlapping shifts. A dedicated team was formed to ensure that the measures are applied at all sites. Stringent cleaning protocols are applied, and masks and hand sanitizer are made available to everyone. Through its Chinese sites, SNF was able to order FFP2 masks which were distributed to hospitals in the regions where the Group operates. SNF now also manufactures hand sanitizer and the first batch was delivered to medical centres in March 2020. In China, the Group distributed masks to schools near its production sites, while our US subsidiary donated over 100,000 masks to health services in Georgia, Louisiana and Pennsylvania.
Compared to many other companies, SNF has withstood the COVID crisis as well as possible. Our Group is fortunate to have two fundamental characteristics that make it fairly resistant to the ongoing global crisis:

> We are providing essential goods and services to people and the economy.
>
> We have a genuine global outlook and we sell our products in practically every country in the world.

Over 90% of our revenues meet the UN Sustainable Development Goals and help make the world cleaner and more energy efficient. This global movement is a powerful driver of long-term growth.

Our action in the mining industry is essential to reducing the carbon footprint of mineral extraction. Our action in the paper industry is vital for supporting the growth of e-commerce and reducing the use of plastics. Our action in the oil industry helps operators consume less water and energy in producing a barrel of oil. Our specialty chemicals division provides essential substances such as gelling agents for hand sanitizers.

The COVID crisis has clearly demonstrated the resilience and efficiency of our global model. When the crisis first hit China, our European, Korean and US sites all rallied to support operations there. As the virus spread through Europe and the Americas, our Chinese sites were called upon to support the rest of the Group. As such, no SNF customer has been left short of products.

That said, we aren't entirely immune to the COVID crisis, which has impacted the global economy; global sales are down by around 10% this year, nearing 2018 levels. However we remain confident that sales will bounce back in 2021. The United States was more heavily affected than the rest of the Group due to greater exposure to the oil and gas market, especially the fracking market. This market has grown significantly in recent years, but is highly reactive and sensitive to oil prices. From a financial standpoint, SNF has benefited from favourable raw material conditions and has taken steps in all businesses to keep costs under control.

Although the COVID crisis has significantly disrupted everyone's professional and personal lives and has given rise to a great deal of anxiety, **SNF's ability to finance its growth and keep up investment remains intact**.

The Group has been deeply engaged in corporate social responsibility (CSR) issues for a number of years.

In 2008, SNF joined the United Nations Global Compact, as its values are in line with the Group's vision and commitments.

Since then, SNF has gradually integrated the Ten Principles of the Global Compact into its policies, while some Sustainable Development Goals (SDGs) are included in the Group's indicators.

To aim even higher, in 2020 SNF decided to strengthen its commitment by becoming a "participating" member rather than just an "active" member. The SNF Group is therefore committed to respecting universal principles in relation to human rights, labour, the environment and anti-corruption throughout its operations and strategies.

This ongoing commitment is published in a communication on progress (COP) on the SNF and Global Compact websites.

The SNF Group is demonstrating its commitment to use all resources at its disposal, in cooperation with its partners, and to conduct its business in a way that respects people and the environment by integrating fundamental sustainable development principles into all of its operations.

ecovadis
Business Sustainability Ratings

Together with EcoVadis, SNF also applies an environmental, social, ethical and logistical risk assessment procedure.

This approach helps develop social responsibility throughout the service chain. For the past two years, SNF has been mapping customer and supplier risks in terms of both country risk and business activity. In addition, a corruption module was implemented to identify risks relating to the Group's activities.

As a result of this risk mapping effort, **SNF's top 20 suppliers in the Europe, Middle East and Africa regions were selected for assessment by ECOVADIS**. The results of these assessments were extremely positive, with 100% of suppliers responding and an average score of 66/100, which corresponds to the 'ECOVADIS Gold' level, compared to an industry-wide average of 43/100. SNF's main suppliers are therefore highly attuned to CSR matters and have made firm commitments.

In 2021, ECOVADIS assessments will cover the Group's top 20 customers, selected from a range of sectors that use SNF products, as well as 10 additional suppliers of subsidiaries based in Asia and the USA.

The SNF Group tracks a number of Global Reporting Initiative (GRI) indicators, which are listed in the appendices to this document and at the beginning of each section. The benchmark GRI indicators are used to measure how companies' sustainability programmes are progressing.
These standards represent global best practices for public reporting on a wide range of economic, environmental and social impacts.

SNF is guided by the United Nations Sustainable Development Goals (SDGs). The SNF Group has developed a range of over one thousand products, in keeping with its goal to promote responsible chemistry and improve quality of life for the entire population of the world. Our main monomer is produced enzymatically (a natural biological process) at room temperature and under atmospheric pressure. This process requires little energy. Given the volumes involved, **this catalysis process makes SNF a pioneer of soft chemistry and keeps its Scope 1 & 2 carbon footprint low (around 0.5 million tonnes of CO_2 equivalent) in proportion to revenues.**

The Group's products play a crucial role in protecting the environment, saving energy and ensuring access to essential raw materials. Lending themselves to a range of industrial and commercial uses, they are used in any field that involves water:

- wastewater treatment
- drinking water production
- sludge dewatering
- mining
- oil and gas extraction
- farming
- paper manufacture
- textile manufacture
- cosmetics manufacture
- construction and public works
- industrial and household cleaning

Used as flocculants, they facilitate the separation of suspended solids in water. As rheology modifiers, they change the viscosity of liquids, while as friction reducers they facilitate the flow of aqueous fluids.

SNF takes particular care to minimize the environmental impact of its manufacturing processes (see 3. "Environmental Conduct"). The quality of the Group's footprint is supported by a policy of reducing the number of different inputs.

Our unit consumption of water, gas and electricity is steadily decreasing in proportion to the volumes produced. Thanks to rigorous monitoring of effluents, SNF has implemented appropriate measures to optimize production units, install effluent treatment units and develop new know-how and patents.
Controlled consumption and the search for new solutions, which go hand in hand with environmental and economic responsibility with regard to global issues, are objectives shared by all of the Group's sites. The Group has chosen to focus on the following United Nations Sustainable Development Goals (SDGs):

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PROFILE
AND GOVERNANCE

SNF is a specialized chemistry group and all of its products are designed to treat, recycle or preserve water or help customers save energy and reduce their carbon footprint.

As a pioneer in soft chemistry, SNF is the first global manufacturer of polyacrylamide (PAM), a water-soluble polymer. The Group is the world leader, supplying 48% of global production of this material.

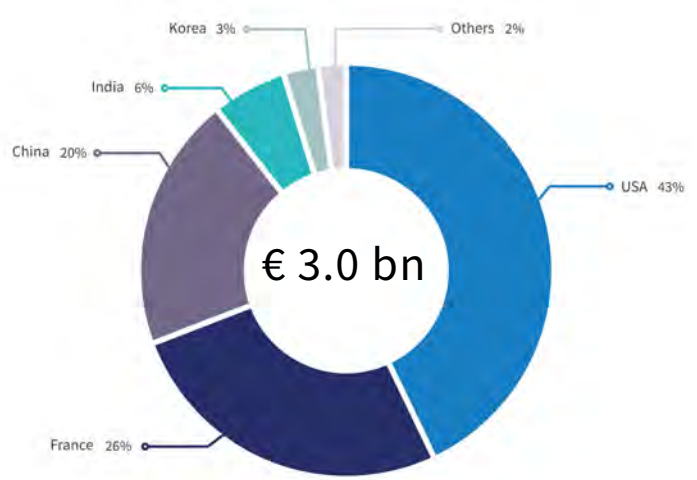
With its balanced global industrial and commercial foothold and strong positions in Europe, the Americas and Asia, the Group employs 6,600 people including 1,400 in France, where its head office is located.

Innovation and the movement towards a cleaner, more energy-efficient and less carbon-intensive world are major drivers of growth for SNF, which posted revenues of €3.0 billion in 2020.

Thanks to its innovative solutions, the Group is helping the world meet its most pressing current and future challenges, including access to drinking water. SNF produces over 1,000 products that help preserve natural resources, encourage reuse and recycling and improve the efficiency of industrial processes.

To maintain its leading position, the Group is constantly expanding its product range and reinvesting all of its financial resources in improving and extending its production facilities. Positioned on core markets with regard to sustainable development issues, SNF is committed to a constant focus on progress and excellence, underpinned by its employees in all of its subsidiaries worldwide.

The goal is to boost the competitiveness of the Group and its customers while minimizing the environmental impact of the related activities. SNF's growth policy respects both communities and the environment. As such, **the Group is aiming to achieve carbon neutrality (Scope 1 & 2) by 2050 and to reduce its carbon intensity down 30% by 2030**. SNF is also aiming to maintain its position as an environmental leader. **The Group has a very low carbon intensity compared to other industry suppliers.** In terms of water consumption, **SNF aims to reduce its water intensity by 20% by 2030.**



Breakdown of revenues by country legal entities

1.1 MARKETS AND PRODUCTS

WATER TREATMENT

Water treatment for over 800 million people and 10,000 production sites worldwide

MINERAL EXTRACTION

Reducing water and energy consumption in the extraction of metals and minerals crucial to the energy transition

ENHANCED OIL RECOVERY

3-6x less water per barrel produced
2-6x less CO_2 emitted

AGRICULTURE

Helping farmers manage water in a responsible and sustainable way

PAPER INDUSTRY

Supporting the growth of e-commerce and reduce the use of plastics

COSMETICS

FLOCARE™ NAT 132 is a 100% Vegan emulsion and made of 67% natural ingredients

TEXTILES

Helping to guide the industry toward ZHDC®, zero discharge of hazardous chemicals

CONSTRUCTION AND PUBLIC WORKS

Major reduction in water consumption and improved concrete sustainability, standardization and resistance

1.1.1 WATER TREATMENT

Managing water resources is one of the key challenges facing society today. Demand for water is rising due to the boom in urban development, industrialization and the development of irrigation.

As a major player in water treatment and all related applications, **SNF treats water for over 800 million people worldwide and supports thousands of production sites in their treatment and recycling**.

The Group offers several ranges of flocculants, coagulants, dispersants, antiscalants and heavy metal precipitants to cover all of the global markets' needs. These products have been approved by a large number of government authorities for use in accordance with applicable standards. SNF has developed polymers suitable for all types of treatment, including drinking water production, sludge dewatering and treatment of industrial water.

1.1.2 MINERAL EXTRACTION

Mining faces the dual challenge of maintaining or increasing production while reducing consumption of resources like water and energy.

At the same time, the reagents used to extract metals and minerals must meet strict safety and environmental requirements.

SNF offers a comprehensive range of products and equipment to meet the challenges facing the mining industry, from excavation and primary crushing through to metallurgical refining plants.

The Group's products reduce the need for water, optimize the extraction process and help limit environmental impact and chemical hazards.

They also help **reduce extraction costs for many metals and minerals essential to the energy transition**.

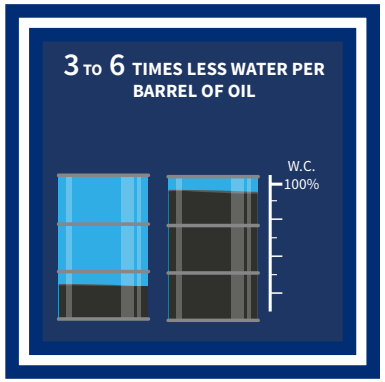
These solutions are marketed worldwide, including in remote and inaccessible regions, and used for all types of ferrous and non-ferrous ores.

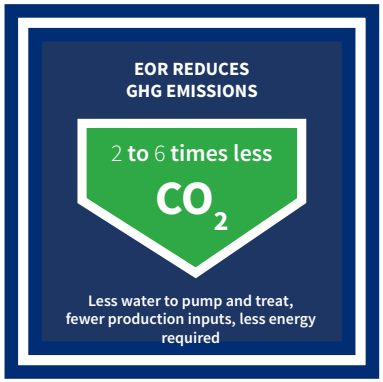
SNF is also involved in the management of tailings and water recycling in the investment and extraction phases with a view to optimizing productivity, costs and environmental performance.

1.1.3 ENHANCED OIL RECOVERY

The oil and gas industry faces a growing number of challenges, especially given the extreme conditions in which drilling and extraction often take place. Environmental constraints and the need to reduce CO_2 emissions have also become a major issue.
With Enhanced Oil Recovery (EOR), polymer injection operations can extend the life of oilfields and improve extraction conditions.

During extraction, SNF solutions help improve the quantity of the oil extracted, making it possible to use **3 to 6 times less water per barrel of oil and reduce CO_2* emissions by a factor of 2 to 6.**





*See"EOR by SNF" via snf.com

1.1.4 AGRICULTURE

Feeding a growing world population is the main driver of agricultural markets. It requires higher yields and enhanced resource management.

Irrigation efficiency, increased water holding capacity, protection against erosion and crusting – **SNF's range of innovative solutions helps farmers manage water in a responsible and sustainable way**.

For example, FLOBOND™ and SOILPALM™ provide safe and effective solutions for penetration, distribution and retention of water in fields, orchards, vegetable gardens, ornamental plantations and turf.

Keeping water close to the roots, AQUASORB™ reduces crop stress, enabling longer irrigation cycles. The use of polymers during irrigation also helps increase soil cohesion, limiting erosion through water runoff or wind.

SNF also conducts extensive research and practical trials on field crops and horticulture.

In cooperation with its customers, the Group assesses the agronomic and financial performance of its products.

Conclusive studies have been conducted by the Department of Horticulture at the University of Georgia in the USA on a Seminis seed, and in cotton farming in conjunction with Delta F.A.R.M., an association of farmers and landowners committed to sustainable farming practices in Northwest Mississippi.

1.1.5 PAPER, TEXTILES AND COSMETICS INDUSTRIES

Essential to the pulp and paper industry, water is used to transport cellulose fibres and combine them with other components.
The rise in recycling calls for constant improvement in the chemicals used to maintain quality and performance levels.
SNF manufactures solutions specially designed to meet these challenges. A number of process chemicals are designed for machine applications, which optimize productivity through improved retention and speed.

Specific solutions support the manufacturing of premium papers as well as more rigid cardboards made from recycled materials.

These help **support the growth of e-commerce and reduce plastic use**.

A wide range of formulations also makes it possible to offer a number of flocculants and coagulants for use in effluent treatment plants.
The Group is also a major player in the textile industry with its acrylic thickeners, including products for printing, dyeing, finishing and sizing.

The FLOPRINT™ range, for example, which is compatible with most types of natural dyes and thickeners, provides faster printing speeds, increased colour yield, a higher shear rate and efficient rheology control.

The FLOLUX™ line of pre-treatment chemicals is used for digitally printed textiles, while FLOSIZE™ and FLOLINE™ Size are used for sizing warp yarns as a complete or partial replacement for standard sizing.

SNF works closely with a wide range of companies and customers in the market to develop new, cost-effective polymers.

ZDHC CONTRIBUTOR

SNF complies with the Manufacturing Restricted Substances List (MRSL) to help steer the industry towards ZDHC® (Zero Discharge of Hazardous Chemicals).

In personal care and cosmetics, SNF is developing a range of technologies offering a wide range of rheology modifiers.

These products offer thickening, conditioning and suspension effects combined with various sensory properties, for skin care, hair care and bath and shower products.

To save time and energy, SNF has developed a new cold emulsion to produce moisturizers (with FLOCARE™ ET TM 76).

SNF has also developed FLOCARE™ NAT 132, a 100% vegan emulsion made from 67% natural ingredients.

FLOCARE™ NAT 132

1.1.6 CONSTRUCTION AND PUBLIC WORKS

SNF offers a whole series of products for drilling and public works, ranging from viscosifiers and sludge treatment products to dispersants and adhesive products. The Group supplies polycarboxylates for concrete, cement, mortar, adhesives, coatings and waterproofing products for underground structures.

In terms of cement and concrete, polycarboxylates are three to six times more effective than traditional plasticizers. They promote **a high level of water reduction,** even at a low dosage, and **improve concrete durability, uniformity and resistance**.

In civil engineering, the Group's polymers are largely used as rheology agents to enhance the performance of bentonite and prepare drilling fluids.

1.1.7 HOMECARE AND INDUSTRIAL CLEANING

The Group supplies numerous high-performance polymers for use in municipal and industrial cleaning products. Our cationic thickeners, stabilizers and dispersants cover a wide range of applications and improve product performance.
For example, the range of dispersants has a high calcium ion neutralization capacity and excellent compatibility with surfactants commonly used in cleaning formulations. They also optimize the granulation and spray drying process.

1.1.8 EQUIPMENT AND ENGINEERING

The SNF Equipment & Engineering division is an industry leader in the design, manufacture and installation of polymer storage, preparation and injection equipment.

It offers both standard and customized systems for optimized use of polymers in liquid, powder or emulsion form.

1.2 CORPORATE SOCIAL RESPONSIBILITY

In light of the economic, environmental and social challenges facing the world, SNF seeks to generate sustainable and responsible business growth.

The Group is aiming to achieve carbon neutrality by 2050 by providing its clients with long-term and innovative solutions in keeping with the Sustainable Development Goals set by the United Nations. The Group has made product stewardship and the provision of sustainable and innovative solutions a major priority.

1.2.1 GOALS AND COMMITMENTS

To meet its commitments and measure its progress over the long term, SNF has established environmental, safety and diversity objectives.

In this respect, the Group ensures that its operations comply with the law and applicable environmental regulations besides responding to social and economic demands. Environmentally speaking, SNF continues to reduce its greenhouse gas emissions in keeping with the Paris Agreement, as well as its atmospheric emissions, effluents and purchase of carbon-based energy.

A number of initiatives have been implemented to limit the environmental impact of the Group's operations (Scope 1 & 2) in order to achieve carbon neutrality by 2050 and **a 30% reduction in carbon intensity by 2030**.

All of SNF's investment projects are valued by applying an internal carbon price of €50.

SNF has also upgraded production practices in order to reduce water consumption and has developed closed networks that use reclaimed water, aiming to achieve a **20% reduction in water intensity by 2030.**

These initiatives are founded on SNF's research and development geared towards sustainable solutions and product stewardship. The Company routinely notify its employees and the general public about the impact of its operations to ensure proper use of its products and prevent waste.

With regard to occupational health and safety, employee safety and safety protocols are the Group's top priority. Special attention is paid to reducing the workplace accident rate and mitigating psychosocial risks. The Group aims to be one of the top performing companies in this respect. SNF applies a prevention policy based on mechanical integrity programmes for equipment, accident monitoring and feedback. Training and awareness-raising initiatives are also designed especially for employees and partners, to ensure that they operate in a responsible manner in keeping with the requirements of their respective roles. To keep this approach going and ensure its performance over the long term, SNF is developing a culture of operational excellence by promoting initiatives that contribute to the Company's development. The Group also pays extremely close attention to respect for human rights and anti-corruption efforts. In terms of employee diversity and development, SNF is committed to its policy of respecting employees of different nationalities, promoting gender equality and supporting those with disabilities. Employees also receive career development support throughout their time at the Company.

1.2.2 GLOBAL METHODOLOGY

The Group's Chairman & Chief Executive Officer and entire senior management team fully support SNF's commitment in terms of environmental and social performance. A network of international managers ensure that social and environmental aspects are taken into account in all countries.

Internally, environmental, social and ethical policies are approved by senior management, who share them with the entire Group and monitor their implementation. Every year, SNF's CSR and Quality Director presents the findings of the non-financial data audit to the Group's stakeholders and Board of Directors.

Implementation of the Group's commitments requires regular performance assessments.
SNF regularly revises its objectives in line with results obtained, the latest scientific and technical knowledge, and changes in the economic and social context. These assessments are shared with all staff and partners via communication and information campaigns.
SNF leverages feedback to benefit all Group companies and stakeholders, in an effort to ensure continuous improvement and prevention.

Furthermore, to acquire a management tool and measure the effectiveness of its sustainable development programme, SNF has set up an environmental, social and governance (ESG) reporting structure and protocols including the appointment of an ESG officer at each major subsidiary.

The graphs and tables presented in this report are based on cumulative data collected from the Group's main production sites.

The values are expressed per tonne of product produced by all the sites concerned, with 2015 being used as the benchmark year and 100 as the base for monitoring changes since that date.

The raw data used to calculate indices is provided at the end of this document (see section 5.6).

2.1 RISK ANALYSIS

As an economic player, SNF interacts with its social environment through its operations. Identifying and analyzing the impact on its ecosystem form part of its sustainable development approach. This enables the Group to reduce any negative impacts and increase positive effects of its actions. SNF is committed to a continuous process of mitigating its primary risks. The Group takes the social and environmental impacts of its operations into account, as well as their impact in terms of human rights and anti-corruption.

METHODOLOGY

SNF identifies and conducts a detailed review of the risk of serious infringements of human rights and fundamental freedoms and serious harm to health, safety and the environment, in relation to the Group and its stakeholders. This work supplements existing measures implemented by parent companies as part of their duty of care. Established by the monitoring committee and approved by senior management, the review is performed jointly by the human resources, health, environment, legal, procurement, control and internal audit departments.

SNF identifies and assesses these risks using a combination of sources: generic risks and risks targeted by the Responsible Care® programme that are specific to the chemical sector, feedback, real-world cases at companies operating in similar activities or scopes, significant issues expressed by stakeholders, and the Group's vigilance plan.

SNF's main risks and the policies and procedures it implements to mitigate or prevent them are presented in the tables below, including the results of these policies and the associated performance indicators. The risks presented apply Group-wide and constitute the main internal and external risks to which SNF was exposed at the date this document was published. They are categorized according to their likelihood of occurrence or potential negative impact. NB: the themes related to the prevention of food insecurity and food waste, responsible, equitable and sustainable food, and respect for animal welfare are deemed irrelevant to SNF's activities and are therefore not included. Risks are regularly updated in line with feedback, progress achieved in preventing and mitigating their impact and any emerging risks considered relevant.

In every country where SNF operates, local authorities inspect the Group's sites several times a year to check the consistency of its environmental indicators. They also conduct health and safety audits. Equivalent safety standards regarding facilities and staff are applied at all of SNF's plants, even where local regulations differ.

In addition to the internal assessment, SNF commissioned EcoVadis to assess customer and supplier risks based on the type and volume of products purchased and sold in the various countries. This analysis covers several areas: environment, social, ethics and logistics. SNF received the final results and recommendations in June 2019. The Group has used them to draw up an action plan including an assessment of suppliers and customers in terms of the aforementioned risks, within the framework of a responsible procurement procedure. This action plan is revised every year.

2.2 EMPLOYEE-RELATED RISKS

RISK	REASON	POLICIES IN PLACE	RESULTS	INDICATORS
Non-compliance risk	Official warning or criminal sanction Non-compliance with regulations	Regulatory watch	Site compliance with applicable regulations	% of regulatory compliance
Workplace accident risk	Inadequate risk assessment Failure to analyze the risk Workplace accidents or occupational illness: • Insufficient knowledge of instructions • Non-compliance with instructions • Procedure not updated	Professional risk assessment document Annual update of professional risk assessment Prevention and risk management actions and measures recorded Initial training of new hires Continuous training for existing staff Audits and preventive inspections Analysis of all workplace accidents, regardless of severity Recording of all accidents and near-misses Analysis of all reported occupational illnesses	Reduce the number of workplace accidents and occupational illnesses Knowledge and skills development and retention Corporate culture and staff engagement Compliance with health and safety instructions Procedures and documentation kept up to date Avoid repeat workplace accidents Avoid repeat occupational illnesses	% of corrective actions completed % completion of initial training % of refresher courses completed Weekly publication of safety indicators % of planned audits completed Number of spot audits carried out % of workplace accidents analyzed Frequency rate for workplace accidents with lost time, without lost time and minor accidents Severity rate for workplace accidents with lost time Number of occupational illnesses reported Psycho-Social Risks Barometer

2.3 HUMAN RIGHTS RISKS

RISK	REASON	POLICIES IN PLACE	RESULTS	INDICATORS
Human rights Working conditions	Risk of employing staff under poor and non-compliant working and safety conditions. Civil and criminal sanctions Damage to the Group's image	Corporate Social Responsibility policy: • Economic: to maintain local jobs and local economic activity. • Social: to ensure optimal working conditions for employees. • Environmental: to minimize the impact of our operations on the environment. Joining the Global Compact: publicize our actions with respect to the Global Compact's Sustainable Development Goals.	Health & Safety: results for working conditions and workplace safety better than the national average. No convictions for non-compliance with the law in terms of human rights and working conditions.	EcoVadis assessment on this theme. Audits carried out in high-risk countries (India and China).

2.4 ENVIRONMENTAL RISKS

RISK	REASON	POLICIES IN PLACE	RESULTS	INDICATORS
Industrial risks (SEVESO classification - upper tier or equivalent)	Major industrial accident that could endanger the safety of surrounding communities and Group employees	Safety Management System, risk analysis, process change management Harmonization of safety measures at Group level Processes at our facilities Periodic drills on internal and external emergency plans with the appropriate state/regional/country services (fire brigade, local, national and environmental authorities, etc.)	No industrial accidents at Group level in over thirty years	None recorded
Consumption of resources (water, gas, etc.)	Resource depletion Shortage of supplies at our production sites	Energy saving policy ISO 14001-certified sites Environmental action plan	Improved energy efficiency at production facilities Reduction in the amount of wash water Optimization of utilities Increase in the amount of recycled waste Reduction in the amount of waste per tonne produced	Waste recycling (energy recovery) Waste recycling (other) Water consumption Energy consumption Natural gas consumption
Industrial pollution risk	Chronic or accidental spillage or release of hazardous substances into the environment	Environmental Policy Monitoring atmospheric emissions, effluents and waste production Action plan to reduce atmospheric emissions and effluents Installation of water and air treatment units Site containment Recovery of polluted water Polluted water treatment Procedure for handling emergencies New sites, designed with best available technology	Reduction in the release of hazardous substances into water and air per tonne produced No accidental pollution	CO_2 emissions Volatile organic compound (VOC) emissions Wastewater discharges Effluents with high chemical oxygen demand Effluents containing suspended solids Effluent nitrogen Dust emission Emission of hazardous solid waste Emission of non-hazardous solid waste Groundwater monitoring

2.5 CORRUPTION RISKS

RISK	REASON	POLICIES IN PLACE	RESULTS	INDICATORS
Responsible procurement Corruption	Risks of violating antitrust laws and anti-corruption rules in the Group's various operating countries. Civil and criminal sanctions	Code of Conduct and Ethics EcoVadis assessment of the social and environmental performance of global supply chains Internal training for staff liable to face these risks	No purchases are classified as presenting a serious risk. Our riskiest purchases are chemicals, due to their environmental aspects. 25% of our sales are considered at-risk, primarily due to the sectors our customers operate in – such as mining or oil – and in relation to the environment or country. However, this is strongly counterbalanced by the use of our products to treat water to preserve the environment and water resources. Our activities present the potential for significant corruption risk. However, 93% of our suppliers are identified as low risk and 75% of our customers are considered low or medium risk.	Risk map prepared by EcoVadis and used to assess product supply and sales chain stakeholders.

3.1 CORPORATE GOVERNANCE POLICY

SNF is an unlisted company with fixed capital. The value of its shares is irrelevant. Furthermore, the Group distributes no dividends.

Shareholders' and management's interests are therefore intertwined in terms of governance. Corporate governance is administered by the Board of Directors, comprising nine members, and executive officers consisting of the Chairman & CEO and three Senior Executive Vice Presidents. These two bodies define and steer the Group's trajectory: they are responsible for its long-term policy and the implementation of its strategy.

SNF intends to boost the effectiveness of its governance by focusing on transparency and encouraging long-term value creation. The Board conducts assessments to identify how it can improve its operation and apply best practices more effectively.

The Board met seven times in 2020. The average attendance rate at meetings was 91%.

3.2 COMPOSITION OF THE BOARD OF DIRECTORS

The composition and operation of the Board of Directors are determined by applicable legislation and the Company by-laws. The Company is managed by a Board of Directors comprising nine members, including one independent Board member not related to management. The Board comprises one woman. Board members are appointed by the General Meeting of Shareholders for a maximum term of six years and may be reappointed indefinitely. The goal to diversify membership of the Board of Directors is regularly reviewed in order to promote cultural diversity. As such, the Board includes a number of current or former business leaders with expertise in fields such as chemistry, finance and corporate social responsibility. The Board also comprises members with significant international experience, as well as foreign nationals.

The Board of Directors is chaired by Pascal Remy, Group Chairman and CEO. The three Senior Executive Vice Presidents are all Board members.

At 31 December 2020, the Board of Directors comprised the following members:

Pascal Remy – Chairman & CEO

René Pich – Senior Executive Vice President

Cédrick Favero – Senior Executive Vice President

Caroline Dumond –Senior Executive Vice President

Peter Nichols – President of SPCM North America

John Pittman – President of SNF Holding Company

Philippe Lecointre – CSR, Quality and Chief Compliance Officer

Richard Saint-Sauveur – Group Procurement Officer

Thierry Lemonnier – Director

3.3 QUALIFICATIONS AND EXPERTISE

The Board of Directors believes that the diverse range of skills and backgrounds of its nine members, as well as their personal values, enable it to carry out its tasks with the required independence and objectivity.

Board members have broad-ranging and complementary expertise and high-level experience.
This diversity gives the Group a genuine advantage. Board members collectively contribute a wide range of skills required by the Group's activities.

They have extensive experience in the chemicals sector and international markets.
Their qualifications and expertise are presented in a table of Board competencies below.

	CHEMISTRY	INTERNATIONAL	CEO	FINANCE	CSR
	100%	67%	55%	44%	33%
Pascal Remy	•	•	•	•	
René Pich	•	•	•		
Cédrick Favero	•	•			•
Caroline Dumond	•			•	•
Peter Nichols	•	•	•		
John Pittman	•	•	•		
Philippe Lecointre	•			•	•
Richard Saint-Sauveur	•	•			
Thierry Lemonnier	•		•	•	

3.4 INFORMATION ON MEMBERS

Pascal Remy – Chairman & CEO

Pascal Remy, 60, is a graduate of the Massachusetts Institute of Technology (MIT), École polytechnique and École nationale des ponts et chaussées. He has twenty-five years' experience in the chemicals and water treatment industry. He began his career at Alcatel as head of fibre optic submarine cables before joining the Suez Group as Managing Director of Degrémont, before being appointed Managing Director of Nalco (Ecolab Group) in the US. In 2004, he became a partner in a Chicago-based investment fund. He joined SNF in December 2005 as President and member of the Board of Directors, before being appointed Chairman & Chief Executive Officer in 2010.

René Pich – Senior Executive Vice President

René Pich, 80, holds a degree in chemistry from the Institut de Chimie et Physique Industrielle engineering school in Lyon, France (ICPI Lyon). He began his career as a polymerization research technician at Rhodiaceta and Streichenberger before being appointed Technical Director Polyacrylamide at British Petroleum. In 1978, with the acquisition of the W.R. Grace flocculant business, he was appointed Chairman and CEO of SNF, a position he held until 2010. He has held the position of Senior Executive Vice President since then. He has been a member of the Board of Directors since 1978.

Cédrick Favero – Senior Executive Vice President

Cédrick Favero, 45, is a graduate of the Institut textile et chimique de Lyon (ITECH Lyon) and University Claude-Bernard Lyon (UCBL, 1998). He joined SNF in 1999 to conduct research into monomers and coagulants for water treatment. After the launch of the Saint Avold (France) and Pearlington (United States) plants, he focused his research on new polymer technologies and polymerization in the oil and gas sector, specialty applications and the organic chemistry of monomers and chemicals for the mining industry. He took over responsibility for R&D in 2005, joined the Board of Directors in 2012 and was appointed Senior Executive Vice President in 2015.

Caroline Dumond – Senior Executive Vice President

Caroline Dumond, 49, has an engineering degree from École polytechnique féminine (EPF). She has held a number of positions as engineer and Chief Production Officer, including at Air Liquide/GIE. She is Senior Executive Vice President of SPCM and has been a member of the Board of Directors since 2003. She is René Pich's daughter.

Peter Nichols – President of SPCM North America

Peter Nichols, 70, is a graduate of the University of Toronto. He joined Allied Colloids in 1975 and spent 15 years at the company, eventually becoming CEO. Under the North American Free Trade Agreement, he played a key role in setting up Allied Colloids Americas and was appointed President and member of the Global Executive Committee. Mr. Nichols joined SNF Holding Company in 1999 as chairman and became a member of the SPCM Board of Directors in 2008.

John Pittman – President of SNF HC

John Pittman, 53, is a graduate of the Georgia Institute of Technology and holds an MBA from Warrington College of Business (Florida). He has worked in the chemicals industry for over 30 years. He began his career at Vinings (Kemira), where he held a number of positions before being appointed Vice President of Sales for the mining, oil and gas markets. He then joined Solvay USA as Regional Market Director, Oil & Gas. He has been President of SNF Holding Company since 2017. He was appointed as a member of the SPCM Board of Directors in 2019.

Philippe Lecointre – CSR, Quality & Chief Compliance Officer

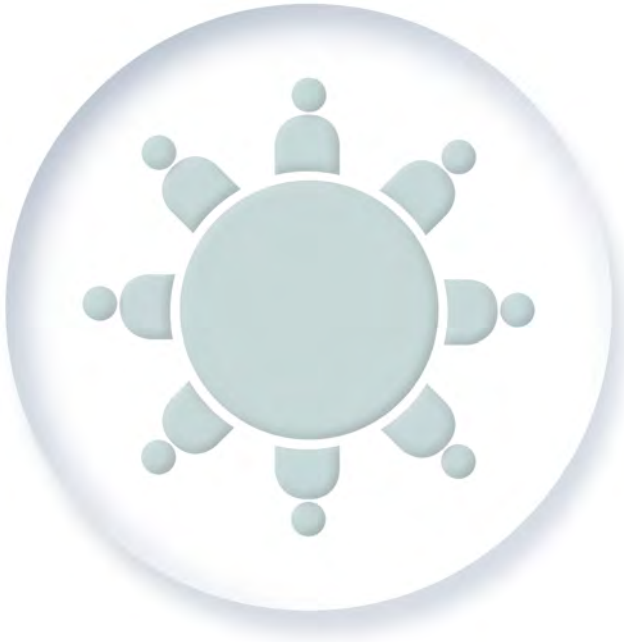
Philippe Lecointre, 55, is a graduate of the Institut de chimie et physique industrielles in Lyon (ICPI Lyon). He joined SNF in 1991 and helped set up an ISO 9001 certified quality management system. In 2006, he was appointed the Group's Quality Director and later CSR (Corporate Social Responsibility) and Chief Compliance Officer. He joined the Board of Directors in the following year.

Richard Saint-Sauveur – Group Chief Procurement Officer

Richard Saint-Sauveur, 70, is a graduate of the École supérieure de commerce de Lille (ESC Lille) and holds an MBA from the École des hautes études commerciales de Paris (HEC Paris). He has worked in the chemicals industry for 40 years. Over his career, he has held technical, sales and management positions at Roquette, Lafarge, Orkem and Elfatochem. Before joining SNF in 1999 as Group Chief Procurement Officer, he ran the acrylics unit at Elfatochem. He is currently chairman of SNF Korea and manages operations in South East Asia. He has been a member of the Board of Directors since 2011.

Thierry Lemonnier – Director

Thierry Lemonnier, 67, graduated from the Ecole Nationale Supérieure de Géologie (ENSG Nancy) and Stanford University (US). He began his career in 1979 at Total where he held a number of positions, including CFO of the refining branch (1993-1999) and then the chemicals branch (2001-2006). He then joined Arkema as Group CFO and member of the Executive Committee, where he stayed until his retirement (2006-2018). He was made a member of the SPCM SA Board of Directors in 2019.



3.5 POWERS AND MISSIONS

The Board of Directors determines strategic guidelines and overall policy with regard to the Company's business and oversees their execution.

Subject to the powers expressly assigned to the shareholders' general meeting, and within the scope of the Company's objectives, the Board discusses all issues related to the running of the Company and makes the required decisions.

The Board also oversees the Group's strategic development and periodically reviews risks and opportunities, particularly with regard to financial, legal, operational, social and environmental matters, and the measures adopted accordingly.

Finally, the Board appoints the executive directors responsible for managing the Company in accordance with its strategy and sees that this strategy is implemented.

In 2020, the Board's discussions and decisions included an annual review of Group strategy and financing, the quarterly financial reports and their approval, as well as the Group's corporate social responsibility, sustainability policy and risk management approach. The Board also voted to reduce planned investments and approved the cost reduction plan in response to the health crisis.

SOCIAL
ENGAGEMENT

4.1 STAFF POLICY

SNF's people are the backbone of its success. They form a unique community in terms of their expertise, profession, nationality, role and personality. In total, the Group employs 6,600 people in some 40 countries, each of whom contributes to its operation and development, making it the world leader in its field. Creating the optimal conditions for their well-being and development is an essential priority.

Through its code of conduct, SNF is committed to respecting fundamental principles such as those enshrined in the International Bill of Human Rights and United Nations Global Compact and prohibits any form of child or forced labour whatsoever. The Group pays special attention to the quality of its working conditions. The policy aims to include matters of health, safety and well-being in the Group's operational strategy as a matter of priority.

A flexible and attentive work organization system helps optimize work-life balance. SNF also ensures high-quality dialogue with staff, which has resulted in a number of agreements. The Group's employees also share in its long-term growth through generous initiatives.

Finally, a real asset for the Group's global business, **diversity and a broad range of skills and expertise are nurtured and encouraged at every level of employment**. SNF is deeply committed to the principles of recognition and respect, regardless of origin, gender, marital status or occupation. The Group is committed to improving gender balance, developing national and cultural talent, and drawing on different generations to maximize learning, knowledge and experience.

4.2 SUSTAINED TALENT MANAGEMENT

GRI 102-8 GRI 401 GRI 404 GRI 405-1

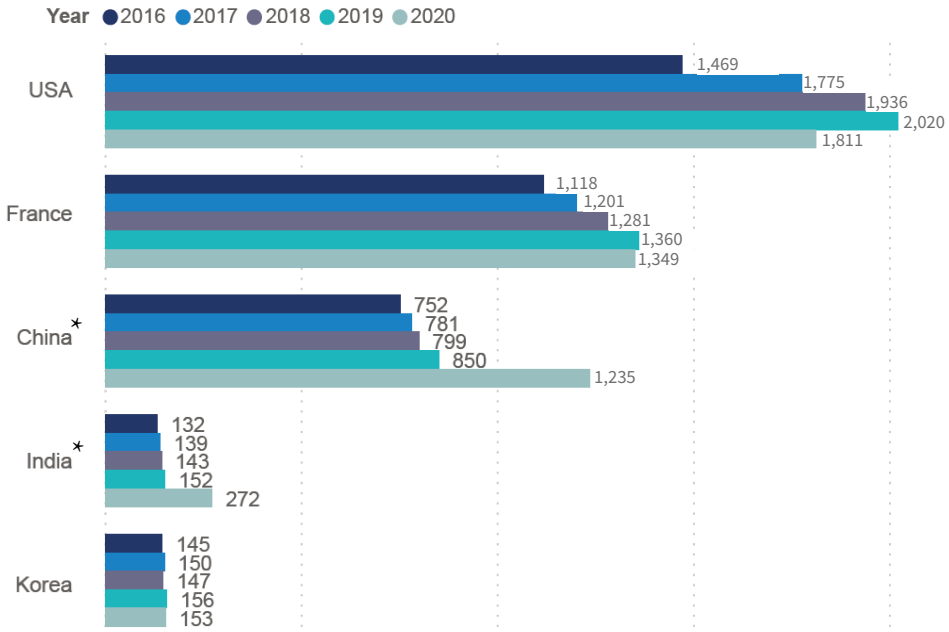
Given the highly technical nature of SNF's activities, developing employees' skills and encouraging continued engagement are key issues. As such, the Group ensures that its skills requirements are covered over the medium to long term while helping employees achieve their personal career aspirations. Personal development includes recruitment, career development and training.

4.2.1 HIRING POLICY

The Group's sustainable development relies on its ability to hire the most talented people and offer them opportunities to flourish throughout their careers. The expertise and know-how of these people are essential to the Group's development. **SNF therefore pays special attention to developing relationships with universities**. Driven by its duty as a corporate citizen to help train young people and their need to complete an internship as part of their theoretical training, the Group organizes site visits for universities, targeting engineering schools and technical colleges. It offers a variety of opportunities for internships and apprenticeships.

SNF had 29 apprentices and 39 trainees in France in 2020. The goals are to enhance awareness of the Group and its activities and to attract candidates who support the corporate model and share the Company's values. We aim to find the best people for the job, people able to integrate into our teams over the long term who will make a genuine contribution to our operations.

Change in headcount by country



* Increase in headcount due to the consolidation of a new site

At 31 December 2020, headcount at the Group's main companies was 4,820, up 6% from 4,538 a year earlier. The United States and France remain the two regions with the highest number of employees. They are followed by China, reflecting the Group's development in Asia.

To support its growth, SNF has adopted a proactive approach, in keeping with its diversity policy, designed to attract candidates with varied profiles and ensure a broad range of backgrounds. The Group uses various communication channels, including professional networking platform LinkedIn, where the accounts of the subsidiaries and affiliated pages have been consolidated.

The SNF website, www.snf.com, is constantly updated and improved. It presents the Group, its products and its broad range of businesses to the general public. The site's visuals include and promote diverse profiles, in an effort to combat stereotypes and help candidates from different backgrounds clearly visualize a rewarding career at the Group. The Group is aiming to increase the number of women in its teams and is drawing on dedicated research to build a future recruitment pool (see 4.3.2. "Gender equality").

HEADCOUNT BY AGE BRACKET	2020									
	WOMEN					MEN				
	<25	25-29	30-39	40-49	>50	<25	25-29	30-39	40-49	>50
France	16	19	50	37	28	48	176	366	340	269
China	6	45	168	174	22	23	77	310	335	75
South Korea	0	7	6	1	0	0	20	45	46	28
India	2	1	3	1	0	38	74	103	37	13
USA	20	65	94	65	84	98	183	389	347	466

HEADCOUNT BY AGE BRACKET	2019									
	WOMEN					MEN				
	<25	25-29	30-39	40-49	>50	<25	25-29	30-39	40-49	>50
France	15	16	45	40	24	63	192	372	341	252
China	7	26	134	141	8	16	43	196	248	31
South Korea	1	6	6	0	1	1	22	44	45	30
India	0	1	1	0	0	9	23	77	26	15
USA	30	79	68	108	68	143	469	255	413	387

HEADCOUNT BY AGE BRACKET	2018									
	WOMEN					MEN				
	<25	25-29	30-39	40-49	>50	<25	25-29	30-39	40-49	>50
France	12	15	47	36	23	70	178	342	328	230
China	12	29	116	117	3	20	53	205	222	22
South Korea	1	7	4	0	0	1	22	39	53	20
India	0	1	1	0	0	3	23	74	28	13
USA	30	61	115	65	72	151	239	388	369	446

HEADCOUNT BY AGE BRACKET	2017									
	WOMEN					MEN				
	<25	25-29	30-39	40-49	>50	<25	25-29	30-39	40-49	>50
France	14	12	36	33	21	74	163	312	323	213
China	9	44	100	100	1	24	72	223	198	10
South Korea	0	9	3	0	0	6	24	35	61	12
India	0	1	1	0	0	7	22	69	31	8
USA	15	46	88	64	71	101	213	370	352	455

HEADCOUNT BY AGE BRACKET	2016									
	WOMEN					MEN				
	<25	25-29	30-39	40-49	>50	<25	25-29	30-39	40-49	>50
France	11	17	31	30	18	64	151	291	320	185
China	7	62	89	80	2	19	91	220	174	8
South Korea	2	6	3	0	0	7	21	34	61	11
India	0	1	1	0	0	12	26	58	26	8
USA	2	23	77	59	73	25	132	306	330	442

The breakdown of the workforce by age bracket shows an overall stability among the 30-49 age group, a sign of employee loyalty.

The Group has an internal pool of employees who can be called on to replace some of those expected to retire over the next ten years.

Personal development programmes and training enable the necessary transfer of skills (see 4.2.2. “Career management policy” and 4.2.3. “Training policy”).

Headcount rose 64% in China vs. 2016 and by 106% in India following the opening of a new site in each country. It also increased in the United States (up 23% vs 2016), France (up 21% vs 2016) and South Korea (up 6% vs 2016).

HEADCOUNT BY COUNTRY	2016	2017	2018	2019	2020
France	1,118	1,201	1,281	1,360	1,349
China	752	781	799	850	1,235
South Korea	145	150	147	156	153
India	132	139	143	152	272
USA	1,469	1,775	1,936	2,020	1,811

HEADCOUNT BY PROFESSIONAL STATUS	2016		2017		2018		2019		2020	
	Management	Employees	Management	Employees	Management	Employees	Management	Employees	Management	Employees
France	478	640	533	668	560	721	601	759	621	728
China	503	249	511	270	501	298	537	313	876	359
South Korea	36	109	40	110	39	108	70	86	67	86
India	27	105	39	100	31	112	35	117	137	135
USA	489	980	567	1,208	606	1,330	669	1,351	645	1,166

4.2.2 CAREER MANAGEMENT POLICY

The career management policy offers career paths that strengthen the expertise of individual employees and the Group as a whole. It enables employees to diversify their experience as part of their professional career and constantly develop their skills. Internal promotion is one of the best ways to ensure the transmission of know-how and corporate culture. It is an important recruitment source when a position becomes vacant, as well as a significant tool for employee development. **The internal promotion rate at SNF Group has more than doubled since 2016.**

The career management policy is tailored to each Group entity's specific standards and needs, based on the same principles. As such, regardless of status, country, age or gender, SNF gives all employees the means to steer their own career, offering support at every stage. The Group therefore applies a proactive internal promotion policy. It identifies and develops potential in order to encourage employees to take on new responsibilities and further their professional development.

Employees at the Group's main companies also have the opportunity to discuss matters with their superiors during an annual individual meeting. This provides an opportunity to review employees' career paths and expectations and the occupations in which they could develop their potential. Managers also review any training courses completed and, on the basis of this review, set training objectives for the coming year in order to further enrich the employee's knowledge and skills (see 4.2.3. "Training policy"). The Group's mobility policy puts employees at the helm of their development, with human resources coordinating and supporting the process.

4.2.3 TRAINING POLICY

Along with internal promotion, training is a key means of supporting employees throughout their career with the Group. It is used for on-boarding new employees, developing management skills and acquiring know-how and expertise in fast-changing professions. The training programme reflects the Group's cumulative needs for future growth, its internal promotion requirements and employee aspirations expressed during performance appraisals and career reviews.

Vocational training is provided to all employees, regardless of their profession, level of responsibility and age. It helps employees acquire or develop the skills they need for their current position or prepare for a new one, besides helping the Company meet its expectations in terms of technical expertise or managerial practice. **Specific programmes are designed for employees in order to develop their skills in the areas of safety, the environment, Group business lines and management.**

Some training courses where the acquired skills are tested can be used to verify the trained employees' ability to apply their skills independently. SNF also organizes training courses for sales teams, providing expertise in the sales process and customer relations.

Another key challenge is the integration of sustainable development into all employees' professional skills. **The sustainable development strategy is rolled out Group-wide. It is based on raising awareness and empowering employees**. Wherever the Group operates, it is embodied by sustainable development managers, HSE officers and business line representatives.

SNF's strategy is set out in a series of internal training modules. The business lines also encourage employees to learn about the environmental impacts of their activities.

In 2020, SNF dispensed 229,338 hours of training for its employees (up 29% versus 2016), including 84,936 hours in the United States, 96% of which comprised Health, Safety and Environment (HSE) training.

In France, 60,191 hours were dispensed (up 14% versus 2019). HSE training accounted for 17% of the total (stable versus 2019).

In China, 77,445 hours were dispensed, up 80% versus 2019 due to the addition of a new site. 70% of training was devoted to HSE, up 66%. Safety training is mandatory in all Group companies and is renewed in recurring 2-4 year cycles depending on the accreditation (electrical, safe driving skills, etc.).

TRAINING (in hours)	2016	2017	2018	2019	2020
SNF France					
Total	43,654	49,124	52,541	52,735	60,191
Total per employee	39	41	41	39	45
Total hours of HSE training	10,233	11,100	9,067	13,480	10,374
SNF China					
Total	60,317	49,278	31,087	42,867	77,445
Total per employee	80	63	39	50	57
Total hours of HSE training	31,963	28,053	22,792	32,481	53,958
SNF Korea					
Total	4,209	4,570	5,135	4,365	3,000
Total per employee	29	30	35	28	20
Total hours of HSE training	2,175	3,078	3,730	2,265	1,871
SNF India					
Total	1,302	2,023	2,721	3,248	3,766
Total per employee	10	15	19	21	22
Total hours of HSE training	1,060	1,635	2,217	2,680	2,940
SNF USA					
Total	68,589	160,541	152,246	197,660	84,936
Total per employee	47	90	79	98	47
Total hours of HSE training	57,137	148,439	139,246	183,472	81,540

4.3 A RESOLUTE COMMITMENT TO WELL-BEING

GRI 102-41 GRI 103 GRI 407 GRI 430-2 - GRI 430-9

As a responsible industrial company committed to UN Sustainable Development Goal 3 "Good health and well-being", SNF prioritizes health, safety and well-being in its operational strategy and industrial activities.

The Group takes a highly demanding approach to the quality of working conditions and aims to enable everyone to grow and find meaning in their work, not just by preserving their health and safety, but by providing them with a pleasant working environment. Achieving this objective requires various initiatives aimed at enhancing the quality of working life and reconciling private and professional life, plus a more stringent and vigilant view of occupational health and safety.

4.3.1 HEALTH AND SAFETY POLICY

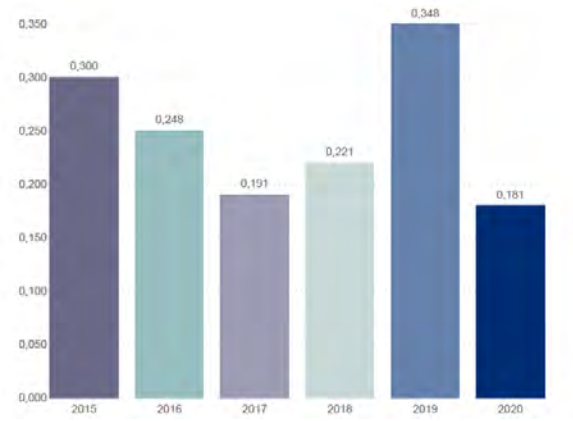
The main risks of serious harm within the Group concern the safety of people, exposure to chemicals and process safety. SNF's risk management policy for personnel is based on **prevention, an integrated management system and the promotion of a health and safety culture**. With its prevention and continuous improvement approach, SNF strives to ensure good working conditions for everyone, in particular through workstation risk and accident typology analyzes.

The Group sets the **same demanding standards for the personnel of external partners** working on its industrial sites as it does for its own employees. Safety performance indicators accordingly include the workplace accident rate for both SNF employees and those of other companies.

All personnel take part in the Group's awareness-raising initiatives dedicated to developing a safety culture. The behavioural approach is a major focus of risk control and prevention.
It promotes a sense of commitment:
everyone becomes aware of their responsibility and the importance of their behaviour. The main external companies worldwide are involved in the workstation best practice days organized by SNF.

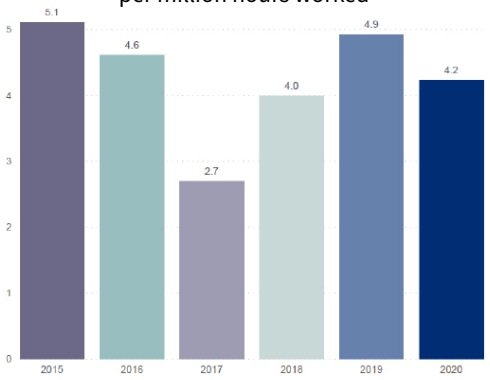
These important events take place with the presence of local HSE staff, the contract manager and the sales manager of the external company. Sessions are also organized to inform people about the rules that must be followed and applied without compromise. Other initiatives round out the system. They include general HSE training, which employees receive on joining the company, employee training and awareness-raising on the main characteristics of the site where they work, the consequences of their actions and operational control of emissions of all kinds (handling chemicals, gestures and postures, etc.), specific training on the transport of hazardous materials or crisis management, for instance, and field activities such as safety tours and evacuation and emergency drills with the fire brigade.

Severity Rate

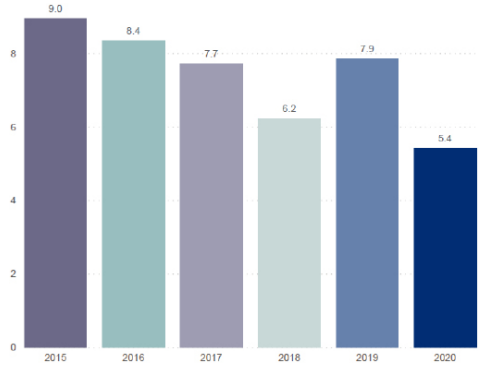


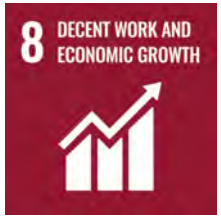
Number of days lost x 1,000 / number of hours worked

Frequency of lost time accidents per million hours worked



Total number of reportable accidents per million hours worked





As regards its products and responsible management thereof, SNF ensures that they do not pose a threat to health and safety from the design phase onwards.

To that end, research on toxicity is conducted regularly, with the support of experts in regulations, physical chemistry and toxicology. Employees potentially exposed to toxic or hazardous substances in the course of their work receive appropriate medical care.

The Group organizes regular initiatives to prevent arduous work, in particular with a programme dedicated to workstation ergonomics. In France, for instance, a qualified ergonomist is involved in projects from the design to the start-up phase.

4.3.2 ORGANIZATION OF WORKING TIME AND HOURS

A work organization consistent with both commitment and performance is defined in agreement with employee representatives. Working time is managed by each entity in compliance with the regulations in force, with a view to optimizing **work-life balance**. The Group's work organization provides for full-time positions.

SNF respects the limits on working time. The specific nature of the Group's industrial activities means that some employees work shifts while others are on call.

In France, 60% of the workforce works shifts; some technical and safety duties come with extra pay or time off in lieu. In addition, in the event of an increase in business activity or particular difficulties, SNF may use fixed-term contracts, overtime, subcontractors or temporary staff in accordance with local legislation.

4.3.3 SOCIAL DIALOGUE

SNF strives constantly to implement and guarantee both quality social dialogue and freedom of expression for its employees.

Social dialogue, which involves collective bargaining and, in some countries, the daily involvement of employee representatives in various projects, is essential to the functioning of the Group's companies. It is organized on a country-by-country basis in accordance with local laws and regulations.

In countries where legislation does not provide for staff representatives, local bodies may be created. **The Group's ethics charter confirms its commitment to the conventions of the International Labour Organization (ILO)**, particularly on the issue of freedom of association.

In all the countries concerned, the policy is to ensure that the principles of freedom of association, collective bargaining and the right to strike are respected, in compliance with local regulations.

SNF does not restrict these fundamental workers' rights. Indeed, the Group encourages ongoing dialogue with employee representatives within each of its constituent entities.

In France, social dialogue is built around the Social and Economic Committee (SEC) chaired by the CEO of SNF SA. The committee meets 11 times a year to discuss social, financial and strategic issues. The SEC is assisted by expert committees dedicated to health & safety, training, professional equality, the economy and company benefits.

In China, worker representatives survey employees to gauge their needs and expectations, which are then discussed at quarterly meetings. The union president represents employees in negotiating annual agreements covering pay, working hours, rest and holidays, occupational health and safety, the protection of women, social welfare cover, well-being and professional training. In the United States, employees are covered by collective bargaining agreements negotiated with local and national unions. Running for an average of five years, they cover issues including pay, training and promotion, benefits, leave, reimbursement of education, employee and process safety, and quality of life at work. In South Korea, all SNF employees are covered by a collective bargaining agreement.

In total, nearly 75% of the Group's employees are covered by collective bargaining agreements on working conditions.

4.4 CULTURE OF DIVERSITY

GRI 403-10

As part of its policy of non-discrimination and promotion of professional equality and diversity, **SNF constantly fights discrimination of all kinds, including origin, age and family status**.

Human resources managers are trained in prevention in this area, and ensure compliance with the principle of equal treatment laid down by law and in international conventions.

The Group only recruits its employees based on its needs and the candidates' intrinsic qualities, as defined in its Code of Business Conduct and Ethics.

In hiring, emphasis is placed on the candidate's personality: a sense of community, a spirit of curiosity, insistence on quality and attention to results are key criteria. These character traits play a decisive role in the future employee's ability to enrich the company's purpose while participating in the strong internal collective spirit.

SNF also reviews job descriptions in order to preserve equality and business consistency, as well as pay reviews to ensure fairness.

4.4.1 DISABILITY AND INTERNATIONAL DIVERSITY

SNF ensures the integration of employees with disabilities, notably through the implementation of adapted training and the design of specific workstations. Hiring procedures make it possible to offer persons with disabilities a range of employment opportunities in France and internationally, depending on the specific features and regulations of the countries where the Group operates. Each of the Group's subsidiaries is committed to helping all sites make progress in integrating people faced with a temporary or long-term disability and keeping them at work. In France, this approach is managed by the human resources department in conjunction with the occupational health unit, which participates in dedicated recruitment forums and maintains links with specialized organizations. In addition, **in keeping with its geographical growth strategy, the Group seeks to promote the proportion of local labour in its teams and management**, a decisive factor in the performance of its teams and the attraction of talent. In SNF's host countries, local skills and know-how are favoured at all levels right up to senior management and positions with executive responsibilities.

4.4.2 GENDER EQUALITY

SNF puts great emphasis on gender equality and ensures that women, who in the past have not made up a large contingent in the chemicals industry, benefit from pay conditions and career development opportunities in line with those of their male counterparts. In France, the Group applies the agreement on gender equality and diversity signed on 2 July 2019 and due to be revised in 2022. Among other aspects, this agreement covers recruitment and integration, pay and promotion, access to training and work-life balance. In France, the Gender Equality Index has been a mandatory indicator since 2019. SNF obtained a score of 88/100 in 2020.

The number of women has been growing steadily within the Group since 2016, with an increase of 54% over four years (compared with an increase of 29% for men). With increases of 73% compared with 2016 (addition of a site) and 40% (compared with 20% for men) respectively, the Chinese and US sites have recorded the biggest improvement. In France, the increase is 40% (compared with 19% for men). The proportion of women has been edging up since 2016. The Group intends to take action to improve this outcome.

HEADCOUNT BY GENDER	2016		2017		2018		2019		2020	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
France	107	1,011	116	1,085	133	1,148	140	1,220	150	1,199
China	240	512	254	527	277	522	316	534	415	820
South Korea	11	134	12	138	12	135	14	142	14	139
India	2	130	2	137	2	141	2	150	7	265
USA	234	1,235	284	1,491	343	1,593	353	1,667	328	1,483

To promote change, SNF is pursuing its policy of awareness-raising and communication within the Group. Special focus is placed on increasing the representation of women on governing bodies and in senior and middle management positions. The topic, and with it that of career support for women, is examined during the Board of Directors' annual review of human resources requirements.

4.4.3 DIVERSITY AND EQUALITY WITHIN ENTITIES

As part of its social policy, in view of the situation and development of employment, the Group is developing dialogue within each of its entities, taking local cultural and legal aspects into account.

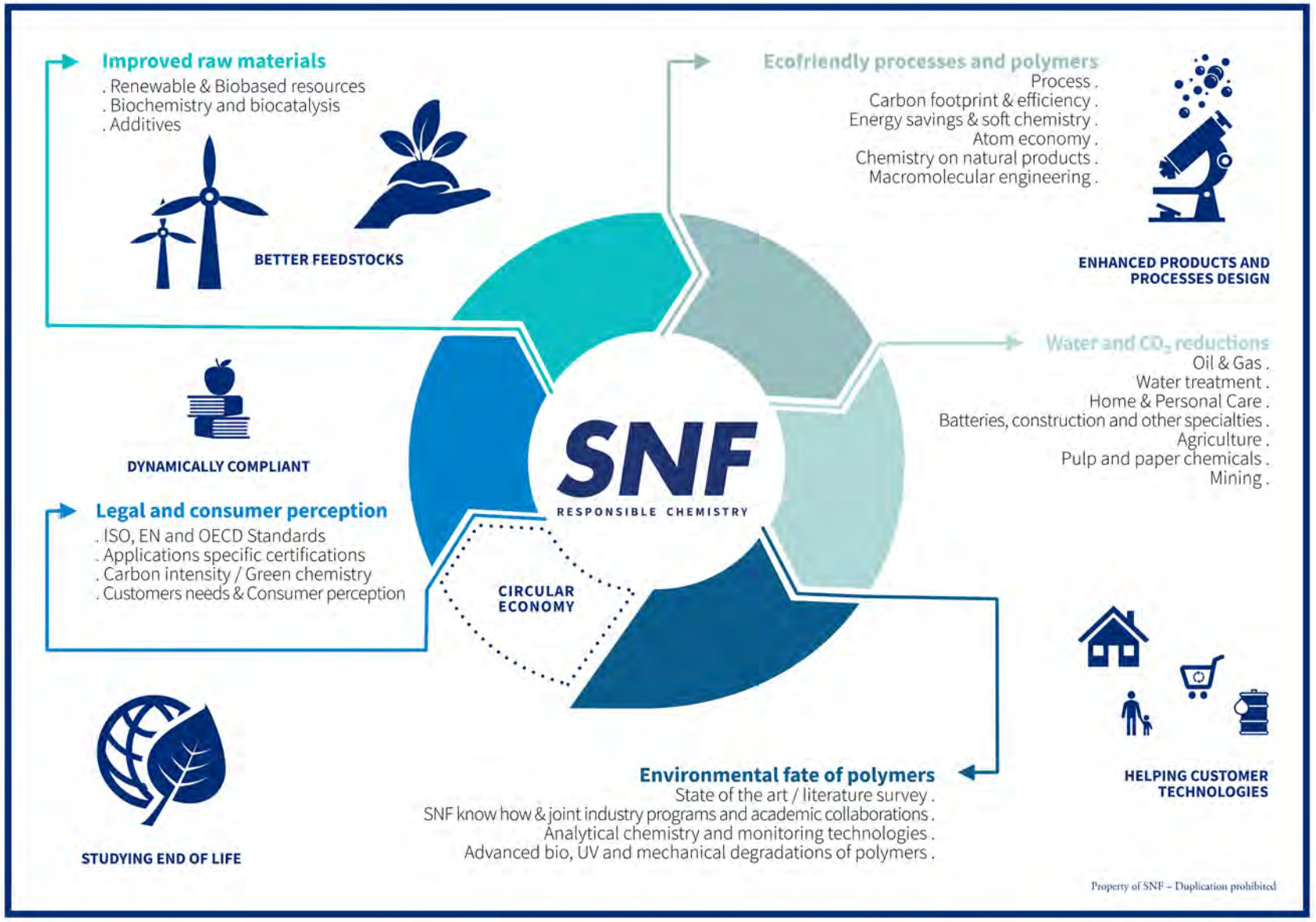
In the United States, the Group strives to offer the same career opportunities to all employees, based on merit, qualifications and skills. This policy applies to recruitment, job assignments and any other events affecting the employment contract. It is set down in the Employee Handbook given to each employee.

In China, SNF ensures that there is no discrimination based on ethnic origin, gender, age or nationality, in accordance with the regulations in force.
In the event of discrimination or harassment, human resources provides employees with the means to blow the whistle and deals with the complaint immediately. In Jiangsu province, where our Taixing plant is located, special regulations are also applied to protect women at work.

In South Korea, pursuant to legislation applicable to companies, the Group prohibits any discrimination between employees, regardless of their status or disability. Training is regularly organized, particularly in connection with the prevention of risks of harassment in the workplace.

Lastly, in India, SNF complies strictly with anti-discrimination laws in force. The Group has a non-discrimination policy enshrined in its administration manual to ensure that employees have the same professional opportunities based on merit, qualifications and skills.

ENVIRONMENTAL
CONDUCT


Improved raw materials
. Renewable & Biobased resources
. Biochemistry and biocatalysis
. Additives
BETTER FEEDSTOCKS
Ecofriendly processes and polymers
Process .
Carbon footprint & efficiency .
Energy savings & soft chemistry .
Atom economy .
Chemistry on natural products .
Macromolecular engineering .
ENHANCED PRODUCTS AND PROCESSES DESIGN
Water and CO_2 reductions
Oil & Gas .
Water treatment .
Home & Personal Care .
Batteries, construction and other specialties .
Agriculture .
Pulp and paper chemicals .
Mining .
DYNAMICALLY COMPLIANT
Legal and consumer perception
. ISO, EN and OECD Standards
. Applications specific certifications
. Carbon intensity / Green chemistry
. Customers needs & Consumer perception
SNF
RESPONSIBLE CHEMISTRY
CIRCULAR ECONOMY
STUDYING END OF LIFE
Environmental fate of polymers
State of the art / literature survey .
SNF know how & joint industry programs and academic collaborations .
Analytical chemistry and monitoring technologies .
Advanced bio, UV and mechanical degradations of polymers .
HELPING CUSTOMER TECHNOLOGIES
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5.1 ENVIRONMENTAL POLICY

The chemical industry is coming under increasing pressure to factor sustainability concerns into its activities. Mounting expectations in terms of the environment, social issues and governance show how important it is to take these aspects into account in value creation. As a responsible manufacturer, the Group is committed to continuous improvement and operational excellence.

SNF Responsible Chemistry reflects the Group's goal of being one of the most exemplary chemical producers in terms of environmental footprint.

SNF is also committed to the Responsible Care® approach at all of its sites. Built on the principle of continuous progress, this resolute initiative in the chemical sector involves the responsible management of operations and products throughout the life cycle, promoting their role in improving quality of life and furthering sustainable development. The Group is modifying its industrial practices to reduce its environmental footprint and act in favour of the climate. The aim is to control emissions and the consumption of non-renewable raw materials, water and energy and to protect soils. While rigorously monitoring emissions and waste, the Group implements appropriate recovery and recycling initiatives in a circular economy approach. From the design stage of manufacturing units, environmental considerations are factored into the choice of processes and equipment. The Group's innovation policy and investments in this area enable it to create sustainable solutions, whether in terms of production technologies or products and their applications.

Nearly 60% of R&D expenditure in 2020 concerned at least one of the five pillars of the SNF Responsible Chemistry approach.

For several years, the process of designing and developing new products has incorporated the five pillars of the SNF Responsible Chemistry approach from a very early stage (see diagram on page 31). In 2020, 167 projects relating to at least one pillar were launched at R&D France, the Group's main research and development entity. R&D France teams use a digital lab notebook that includes a module installed in 2020 enabling the project portfolio to be monitored in accordance with the five pillars of the SNF Responsible Chemistry approach.

Customer benefits come first, followed by products and processes, then raw materials.

The software was also rolled out in the United States at the end of 2020, with Asian laboratories now to follow. This will give the Group an overview of the R&D effort devoted to SNF Responsible Chemistry solutions and their impact on its product offering.

The process is managed by a Responsible Chemistry R&D coordinator, appointed in 2020, whose role is also to leverage internal and external information, communicate it and step up the rollout of sustainable solutions and technologies within the various R&D departments, as well as among other Group entities and customers.

5.2 PREVENTION OF POLLUTION AND WASTE MANAGEMENT

GRI 303-4 GRI 305-1 GRI 305-2 GRI 306-2 GRI 305-7 GRI 306-1

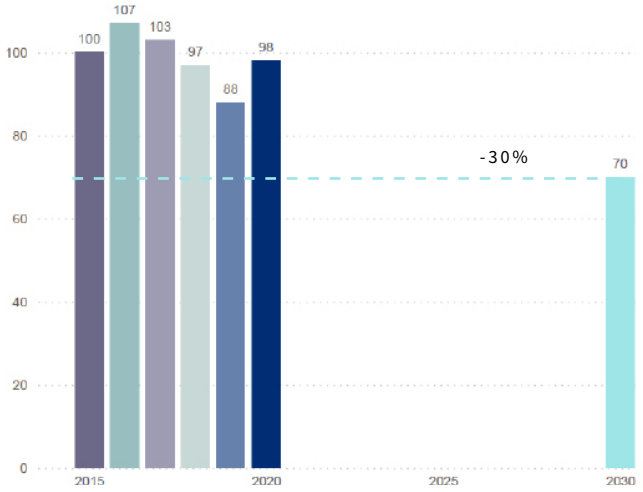
SNF has a proactive policy of controlling and reducing the impact of its operations on atmospheric emissions, discharges into water and soil, and the production of waste and hazardous substances introduced into the value chain. These reductions involve optimizing its consumption of raw materials, energy and natural resources. They also involve improvements in production units, process modifications and the installation of effluent treatment units, plus the development of new know-how and patents.

5.2.1 ATMOSPHERIC EMISSIONS

Climate change

SNF's climate policy is aimed at reducing greenhouse gas (GHG) emissions generated by the Group's industrial operations (direct emissions) and energy consumption (indirect emissions). To that end, SNF carries out rigorous monitoring: site discharges are identified and quantified by type so as to bring them below the applicable local emission limits. To calculate the impact of discharges on climate change, emissions are converted from metric tonnes to CO_2 equivalent. To reduce its impact on global warming, the SNF Group has implemented a series of measures, including **optimizing refrigeration units and replacing boilers with more efficient equipment such as low-NOx burners.**

CO_2 emissions (Scope 1 & 2)



Scope 1 & 2 GHG emissions per tonne produced increased slightly in 2020 versus the previous year at constant scope. The increase is attributable chiefly to a product mix effect following a drop of approximately

20% in emulsion production worldwide and broadly stable powder production in 2020 compared with 2019. Gas consumption is stable because it is linked to the powder operations, but the index calculated on the basis of tonnes produced (down 10%) was heavily impacted. In 2022, the ADAME units will see co-produced methanol recycled to feed the steam boilers at the Riceboro site, thereby reducing gas consumption and waste methanol.

Taking into account the new 2020 scope including two new major sites (Rudong in China and Gandhidham in India), the reading increases more significantly, with a 9% increase in greenhouse gas emissions per tonne produced. Gas emissions represent nearly 40,000 MWh_GCV of additional gas. Moreover, given the backdrop in 2020, the Gandhidham site did not produce enough to maximize the efficiency of its production lines. This prompted a deterioration in the ratio of greenhouse gas emissions per tonne produced compared with previous years. SNF is continuing its efforts to reduce emissions via the introduction of dedicated treatment systems, including systematic

searches for on-site leaks and the replacement of boilers with more efficient equipment. For example, compressed air for instrumentation and processes accounts for an average of 10% of a manufacturing site's electricity consumption. SNF has therefore taken action to reduce compressed air leaks by installing a system that allows them to be detected by ultrasound. They are then repaired by the plant maintenance department.

SNF has also developed a waste heat recovery system. Where possible, waste heat from air compressors is recycled back into the process or used to heat the building in winter.

An insulation system with blanketing at the singular points of the manufacturing sites' steam systems reduces heat loss and the ensuing gas consumption.

Similarly, steam traps are systematically maintained. Used to maintain good quality steam, they are also tested by ultrasound and faulty traps are replaced.
A faulty steam trap can result in steam loss and increased gas consumption

.The Group is also gradually introducing refrigeration units using NH3 (ammonia), which has no greenhouse effect and is totally harmless for the ozone layer.

These refrigeration units have a performance coefficient 30% greater than units using other refrigeration gases. On dryers in powder manufacturing units, the heat of the air used for drying is recovered via an exchanger. The heated air is fed into the burner unit, which reduces gas consumption by burners. In another example, defective motors are replaced by high-efficiency motors, thereby reducing

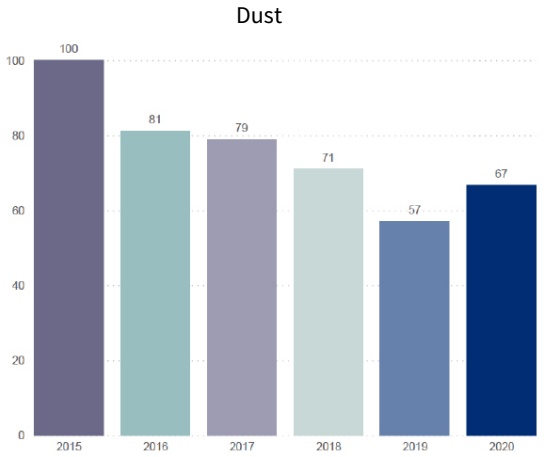
electricity consumption by up to 12%. SNF aims to continue improving its energy efficiency and energy mix, as well as its involvement in the supply chain.

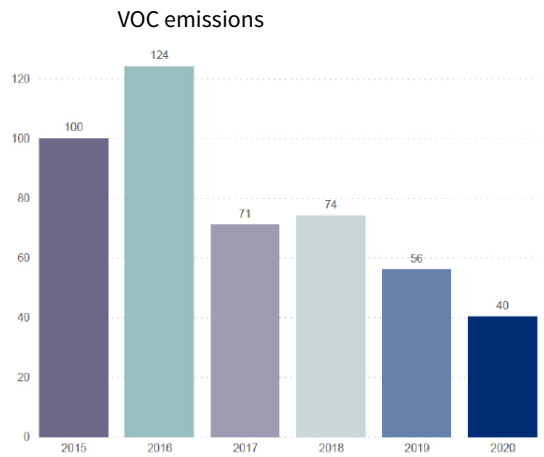
SNF is also striving to adjust its product offering by developing solutions that contribute to reducing greenhouse gas emissions.

The Group has therefore modified its emulsion manufacturing process. The chemical reaction is now carried out in a vacuum, which reduces the boiling point and ensures effective heat removal. As a result, energy consumption for cooling is 12 times lower than in the former atmospheric process. In the powder manufacturing process, SNF has substituted all of the volatile organic compounds used in its lubricant compositions in order to reduce the VOC emissions associated with the lubrication required at various stages of the manufacturing process. This substitution is currently underway at all Group sites. Another example is the new cold process cosmetic emulsion (FLOCARE ET 76) developed by SNF, which cuts 70% off manufacturing time and reduces CO_2 emissions by 96% compared with hot process emulsion.

Air quality

SNF has an active policy of controlling and reducing its emissions of volatile organic compounds (VOC), substances responsible for air acidification (nitrogen oxides and sulphur dioxide) and dust. The plants are implementing various measures as part of the Group's environmental plan. Effluents containing VOCs are collected and treated. Most production lines are equipped with water scrubbers to purify gaseous emissions. Thermal oxidation is the most efficient and widely used solution. The polluting compounds are heated to high temperature in a combustion chamber and fully oxidized to the state of inorganic compounds.





For dust and VOC emissions, the calculation was modified in 2020 to confine it to the quantity of dust and VOCs emitted by the powder workshops, data available for all Group sites. As is the case for Scope 1 & 2, the increase in dust is attributable chiefly to change in the product mix following a drop of approximately 20% in emulsion production worldwide but broadly stable powder production in 2020 compared with 2019. Dust is correlated with powder operations. The quantity increased by 9% due to the addition of the Rudong site in China. For air acidification, nitrogen oxide (NOx) emissions from SNF's operations main result from burning fossil fuels. Reducing these emissions requires improvements such as the installation of effluent treatment units and process modifications, in addition to optimizing the Group's consumption of raw materials, energy and natural resources, thereby limiting discharges and waste production (see 5.3. "Sustainable use of resources").

5.2.2 EFFLUENTS

SNF's water management policy aims to maintain the high quality of the lakes into which effluents are discharged and to control and reduce emissions of chemical oxygen demand (COD) and suspended solids (SS) caused by the Group's operations.

The goal is to minimize the impact on populations and biota, i.e. all living organisms (flora, fauna, fungi, micro-organisms, etc.) present in a specific habitat. COD, expressed in metric tonnes per annum, is the quantity of oxygen-consuming substances. This mostly dissolved organic matter contributes to the eutrophication of water. Suspended solids, expressed in milligrams per litre, are very fine suspended particles, organic or mineral, responsible for water turbidity. They prevent the penetration of the light necessary for aquatic life.

Through improved reporting, SNF ensures compliance with applicable laws and regulations, as well as regulatory developments, such as the CWW BREF in Europe, on the best available techniques and

associated emission threshold values. The Group makes targeted investments dedicated to optimizing the use of water and its treatment, from the initial design of its facilities to their day-to-day operation.

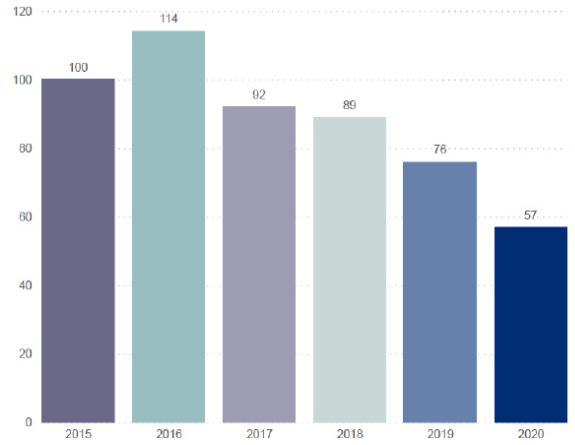
Where appropriate, SNF also carries out preliminary treatment to lighten the COD load going to wastewater treatment plants or discharged into the natural environment.

SNF also limits the use of chemical treatment in cooling towers by prioritizing treatment by ultraviolet rays and hydrogen peroxide at most of its manufacturing facilities.

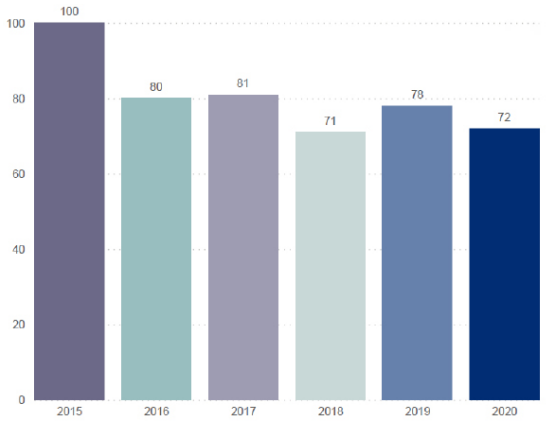
For example, SNF has carried out a number of initiatives at its Andrézieux-Bouthéon site in France to deal with discharges of aqueous effluents. **Ultra high-pressure nozzle systems have been installed to wash emulsion workshop reactors,** replacing steam cleaning. This has resulted in an 80% reduction in water consumption and discharge in buildings fitted with the new equipment in France. These systems are gradually being installed at other Group sites.

SNF has also built a **biological treatment plant to reduce the overall pollutant load** of the site's discharges. The recycling of treated wash water for reactors has made it possible to save approximately 200 cubic metres per week, while the installation of physico-chemical treatment has enabled solid/liquid separation of ultra high-pressure wash water discharges, which carry large amounts of matter. In addition, the discontinuation of the use of chemical biocides in favour of UV/H_2O_2 technology for the treatment of cooling towers has made it possible to remove pollutants from discharges, thereby allowing water to be discharged directly into the natural environment.

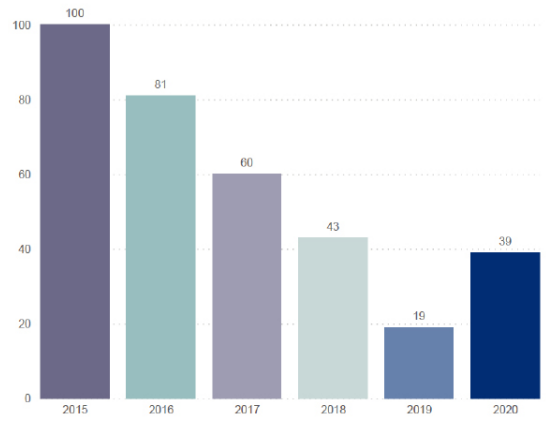
COD of wastewater



Nitrogen content of wastewater



Suspended solids in wastewater



Some water parameters (SS for example) are not measured regularly, and monthly or quarterly readings can vary considerably depending on the samples taken. This is the case in the United States, where the readings for 2019 were particularly low.

5.2.3 WASTE AND HAZARDOUS SUBSTANCES

The production of waste is inherent to SNF's operations, but the company takes care to control it right from the design stage of its products and processes. Hazardous industrial waste and the hazardous substances marketed are central to the Group's risk management and mitigation policy, combined with the challenges of sustainability. Several solutions are in place to ensure that products and processes generate as little industrial waste as possible. **SNF is making every effort to increase energy recovery and support the transition to more sustainable methods** that avoid landfill or incineration without energy recovery. In thermal recycling, several sources of waste are used as alternative fuels in boilers. The Group is also developing a recycling policy in the product chain, in compliance with the REACH regulation. As such, it recycles certain solvents and optimizes cleaning cycles. In addition, filter presses are being installed to reduce sludge volumes.

SNF constantly monitors the conditions under which the products it markets are used and any associated dangers.

In the same way, the Group ensures that information on risks is readily available for all of its REACH products and registrations. SNF monitors the lists of substances of very high concern (SVHC) defined under REACH and used in its production processes or placed on the market. The Group is committed to reducing their use and replacing them with alternative solutions whenever possible. Environmental and health impacts are therefore formally taken into account by SNF teams from the very outset of a new product's design, i.e. at the R&D stage.

To adopt a **preventive attitude with regard to the introduction and handling of potentially toxic or dangerous products,** the project manager must factor in their intrinsic dangers from the design stage by taking into account the physico-chemical and toxicological data. This necessarily involves reviewing the Safety Data Sheets (SDS) of reagents before they are purchased. At that stage, as soon as a chemical product under consideration for use in a project is identified as a proven or suspected CMR (carcinogenic, mutagenic and reprotoxic) substance (category 1A or 1B, H340, H350, H360), the project

manager is required to look into substitute solutions that use less hazardous products or processes. This must be done as part of a comprehensive analysis of the problem and the consequences of substitution.

If the chemical or process cannot be substituted, the project is then either suspended or continued with full knowledge of the facts. In such cases, when a category 1A or 1B CMR substance is first purchased, the QHSE Coordinators and ultimately the R&D Department authorize the purchase after reviewing the arguments for non-replacement. The data collected during the overall analysis is also entered in a digital lab notebook in a structured argument explaining the failure of the substitution.

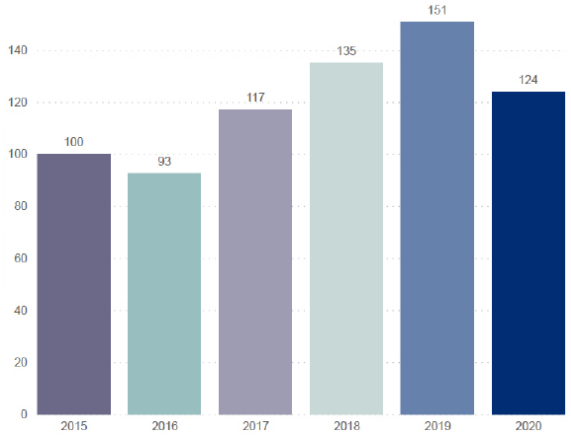
For subsequent purchases of the same category 1 CMR substance, the argument must be revised or adapted if data and/or usage changes.

For hazardous chemical agents, the substitution principle may be applied preventively, especially if, following a risk assessment (quantity and frequency handled, and potential routes of exposure in relation to use and physico-chemical properties), collective protective equipment (CPE) and personal protective equipment (PPE) do not allow the risk to be reduced to an acceptable level. Where possible, SNF teams eliminate highly toxic chemicals or chemicals of concern or replace them with less toxic ones.

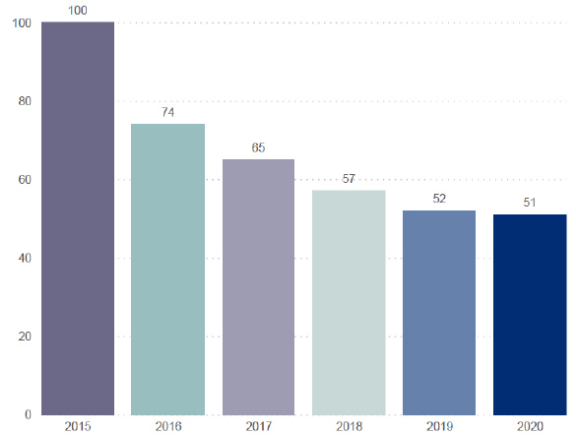
Examples include:

- Creation of a range of paraben-free packaging polymers for the household & industrial cleaning and cosmetics markets (PF range)
- New lubricant for the manufacture of powder with fewer VOCs by replacing mineral oil of petrochemical origin with a composition of plant origin
- Replacement of mercaptoethanol with sodium hypophosphite
- Polymers free of ethylenediaminetetraacetic acid (EDTA) for the household & industrial cleaning and cosmetics markets
- Phosphorus-free scale inhibitor for detergents to combat eutrophication
- Acrylamid-free skin and hair care products
- Replacement of the sodium salt of DTPA (diethylene triamine penta-acetic acid), a future CMR substance, with a non-toxic, bio-based chelating agent

Non-hazardous waste



Hazardous waste



5.2.4 OTHER EMISSIONS

SNF exercises great vigilance with regard to the annoyance caused by its operations to local residents living near all of its industrial sites. Each year, the Group makes adjustments to take these issues into account. Achievements include the modification of treatment plants to reduce sulphur dioxide emissions (odours), the installation of activated carbon treatment, the installation of silencers on air compressors and chillers, the purchase of cooling towers with reduced noise emissions and the choice of closed structures for production activities (noise). Noise measurement campaigns are carried out regularly.

5.3 SUSTAINABLE USE OF RESOURCES

The exploitation of natural resources and their availability over the long term are fundamental challenges for human development and the sustainability of SNF's activities. Controlling consumption and finding new solutions, both of which are inseparable from ecological and economic responsibility in the face of global challenges, are objectives shared by all of the Group's sites.

A common thread: less is more. The secret to gradually reducing the environmental impact of SNF's industrial sites is to optimize consumption. It also involves innovation and the investment that goes with it.

From the design stage of manufacturing units, environmental considerations are factored into the choice of processes and equipment. The use of renewable raw materials and energy, in keeping with the principles of the circular economy, is another feature.

5.3.1 CONSUMPTION OF RAW MATERIALS

Population growth, rising living standards and the intensification of industrial production add up to overconsumption of resources. Raw material consumption has more than tripled since 1970 and could double again by 2050.

To actively turn its offering towards sustainable solutions, SNF constantly assesses its product portfolio. Its approach is aligned with the United Nations Sustainable Development Goals. It covers the entire value chain, from raw materials and manufacturing processes to product end of life.

Solutions are classified by level of contribution so that action can be focused on enhancing sales portfolio sustainability. This analysis enables the Group to identify opportunities to make better use of its products and develop better methods of production, use, recycling and reuse. The objectives are to operate using minimum raw materials, facilitate reuse and extension of product life and use biodegradability and mechanical or chemical recycling wherever possible.
SNF is modifying its manufacturing processes with a view to reducing the use of non-renewable raw materials wherever possible. Materials and energy used must be renewable rather than exhaustible.

Biosourced or renewable raw materials have already averaged between 5% and 7% of our purchases in France over the last three years, reflecting the fact that they are becoming available in large quantities.

R&D projects are being conducted to **develop more environmentally friendly polymers using renewable raw materials and to increase the overall biodegradability** of our commercial polymers (FLOCARE™ NAT-132, launched recently). This work is further backed up by the expertise of our subsidiary HTS bio, which specializes in designing ecological solutions using a range of biotechnology processes. Our advances in biocatalysis to produce acrylamide using a copper-free process with a low enzyme dose rate are one example.

Another example is our recent patent on the use of bio-based iso-butylene as a raw material for producing one of our main monomers. We also follow and collaborate with various companies on industrial routes towards bio-acrylic acid.

At the same time, the Group is developing several solutions to promote the recycling of its products and those of its customers. Our main raw materials are low-molecular-weight unsaturated carbonyl compounds known as monomers. They are inherently reactive, as polymerization essentially involves the reactivity of monomers with each other. They are therefore regulated and used in large volumes, being central to our know-how as a manufacturer of water-soluble polymers:

- Acrylamide
- Acrylonitrile
- Acrylic acid
- Dimethylaminoethyl (Meth)acrylate
- Acrylamido tertiary butyl sulfonic acid
- Methyl (Meth)acrylate

At the end of the process, our polymers are mainly found in treated sludge or in the recovery of the relevant product (applications for mines) and are destroyed by steps involving chemical or thermal treatment. As our polymers are used in very small quantities (less than 1% in most cases and as little as 0.0001% in water cleaning), they cannot be recycled in most cases, with the exception of enhanced oil recovery (EOR) applications where the co-produced water is fed back into the process. Since 2002, we have been constantly seeking to improve our understanding of what happens to polymers and how they behave when released into the environment. As part of this process, SNF has funded research studies showing that they are not toxic. They degrade within five years, without leaching into the soil or being absorbed into vegetation. SNF also studies what happens when polymers contained in water are discharged into the sea and how they react with marine species. The Group has funded numerous studies to grasp this interaction. These studies have demonstrated the harmlessness of our products.

5.3.2 WATER CONSUMPTION

Today, it takes 20% less water to produce one tonne of finished products than it did 10 years ago.

Most SNF chemicals are water-soluble and are ultimately used to modify the properties of the water used by our customers through flocculation, friction reduction or viscosity modification. Water has multiple beneficial effects throughout the process right up to the customer. Our customers use water to solubilize

our products, so the water supplied with our products is separated from their use and returned to the water cycle of the relevant application: purified water, drinking water, petroleum water, irrigation water, water for cosmetics, textiles, detergent and water for paper. It is therefore a useful and preserved resource when present in our products.

Water is also necessary in our manufacturing processes and utilities: in fact, water is used in SNF's industrial activity as a reaction medium and for cooling, heating and equipment washing. We are constantly conducting studies in order to optimize this area of our water consumption. Water is also useful as a vector to bring our technological solutions to our customers in liquid form. Lastly, water can be found in the form of residual moisture for the so-called distilled or dry forms of our chemicals.

Water is a preferred solvent for our processes and to vectorize our technologies, because no other solvent has the equivalent availability and harmlessness for humans and the environment.

On average, water accounts for approximately 60% of our manufacturing formulas, which at the end of the manufacturing process contain on average around 45% water as a solvent, the ideal chemical solvent for our customers.

One tonne of active polymer sold by SNF therefore requires one and a half tonnes of water to manufacture and will be delivered to our customers with an average 800 kg of water.

More specifically, emulsion formulations contain 40% water, while powder formulations contain 68-78% water. Polymer solutions are sold on average with 20-25% water, although some grades contain 94% water. Finished products such as those sold in association with emulsion technologies can contain 5-60% water and an average of 40%, whereas powders only contain around 10%.

As a result, while water requirements to produce a tonne of finished products are 20% lower than they were 10 years ago, the reduction in water consumption associated with industrial use stands at nearly 40%, as water used in formulas and as a vector is a responsible choice of solvent that cannot be taken into account in our ambition to reduce our footprint in terms of water resources. **The objective of reducing our water intensity by 20% by 2030** implicitly excludes this volume.

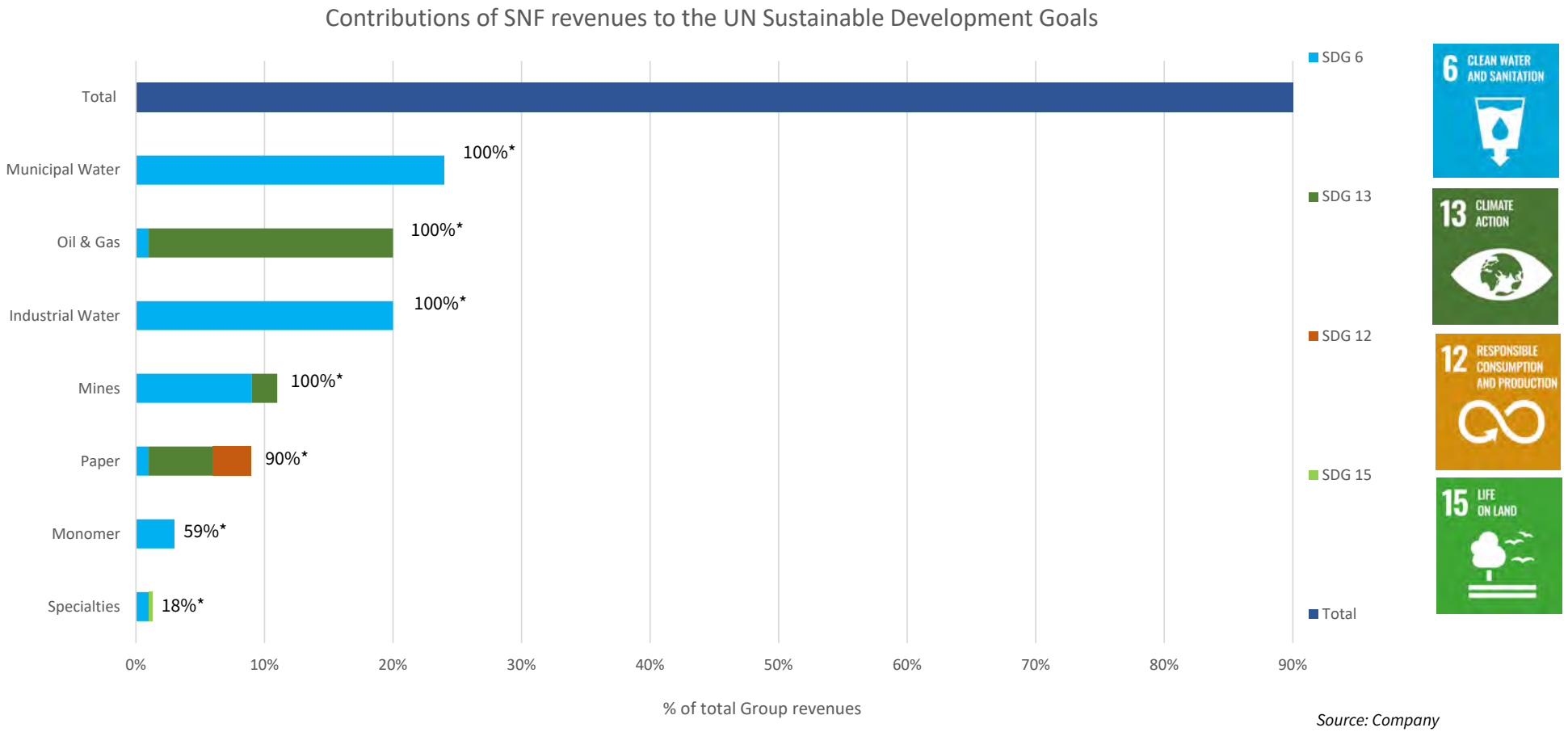
Applied at all the relevant sites, the Group's water management policy aims to control and reduce the withdrawal and consumption of fresh water and to maintain the quality of water bodies into which effluents are discharged (see 5.2.2. "Effluents").

SNF has modified its production practices to reduce water consumption, developing closed networks using reclaimed water. In particular, the washing of reaction vessels has been optimized by further recycling water and developing new washing methods. The use of washing nozzles reduces water consumption by 75% for this application.

SNF also constantly monitors consumption, installing flow meters, detecting leaks, improving fire circuits, collecting rainwater and recycling water from boiler washing or condensation. This policy is reinforced by the recycling of water from boiler washes or condensates.

In addition, SNF's portfolio of innovative solutions helps its customers operate in a responsible and sustainable manner.

The Group markets products that have a positive impact on ecosystems: all products contribute either to treating, recycling or preserving water or to saving energy and reducing carbon footprint. 90% of SNF's revenues meet the UN SDGs.



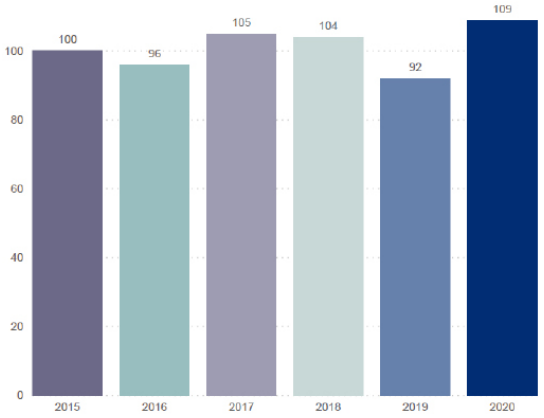
Source: Company

* Share of revenues contributing to the UN SDGs within each market

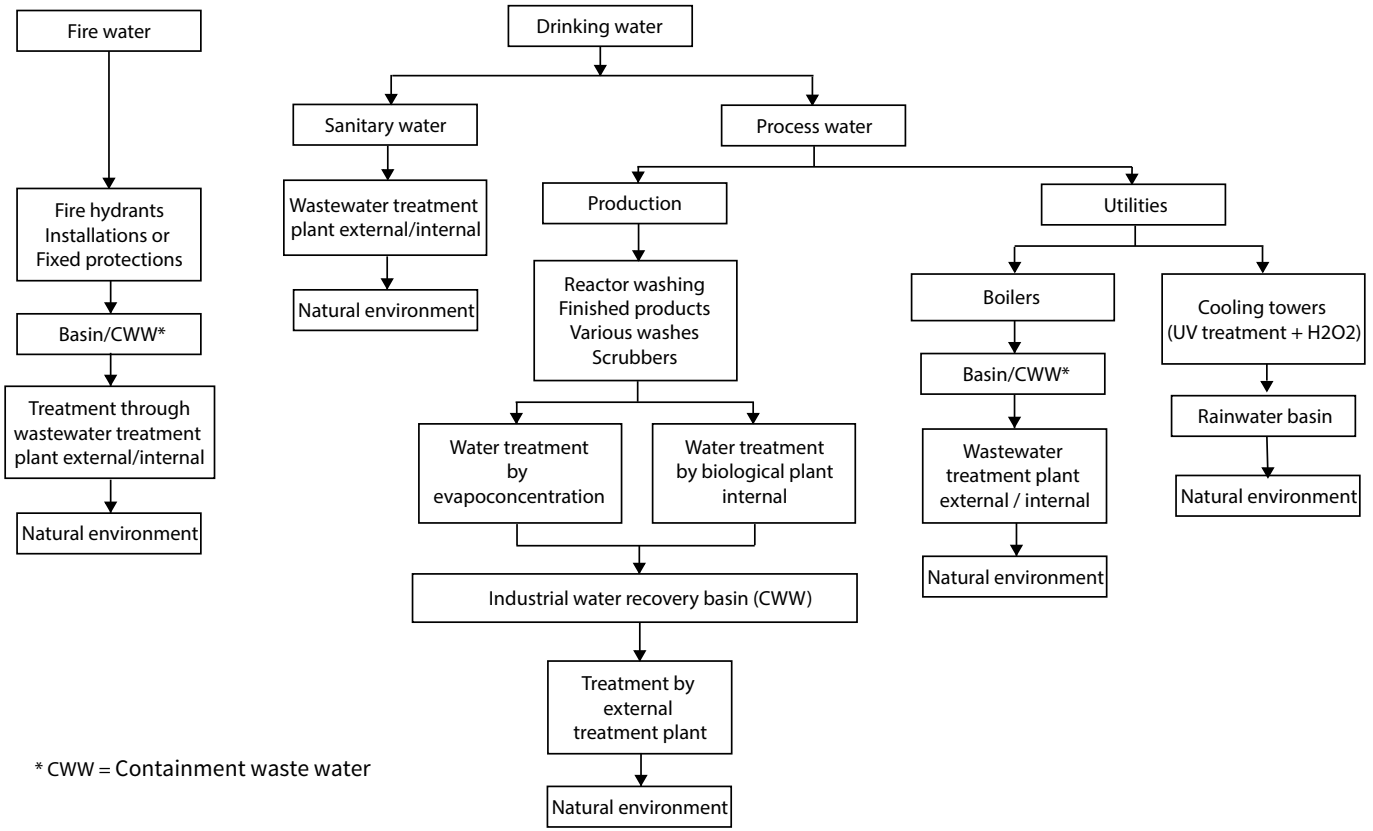
SNF's products have many industrial and commercial uses and are used in all areas where water is present: wastewater treatment, drinking water production, sludge dewatering, mining, oil and gas extraction, agriculture, paper, textile and cosmetics manufacturing, construction and public works, equipment and engineering, and industrial and household cleaning. Used as flocculants, they facilitate the separation of suspended solids in water; as viscosity modifiers and friction reducers, they modify the density of liquids and aqueous fluids in motion.

The addition of the Saint Avold (France), Gandhidham and Vizag (India) plants increased water consumption by 8% compared with 2019. Water discharges were stable. In China, some water is reused internally, so discharges have decreased.

Net water consumption in m^3



Water cycle of a typical SNF plant



* CWW = Containment waste water

5.3.3 ENERGY CONSUMPTION

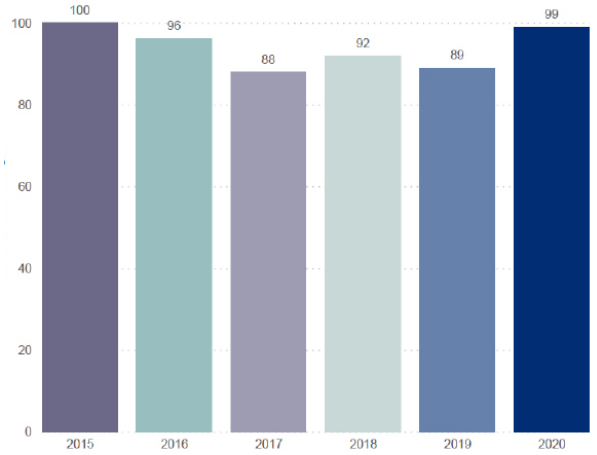
SNF's energy consumption results mainly from its industrial operations. Two main energy sources are used: gas used at the powder producing facilities accounts for 68% of the total, while purchased electricity makes up the remainder. In terms of energy efficiency, the priorities implemented are the subject of a constant search to optimize consumption and costs.

They concern both the design and purchase of equipment and day-to-day plant operation. **SNF relies on a worldwide network of leaders in the energy sector at the level of (i) its operations and plants and (ii) the purchasing and technical entities concerned.** To ensure secure and competitive supply, the Group puts the emphasis on medium and long-term partnerships and contracts. Periodic monitoring of price trends also makes it possible to anticipate readjustments.

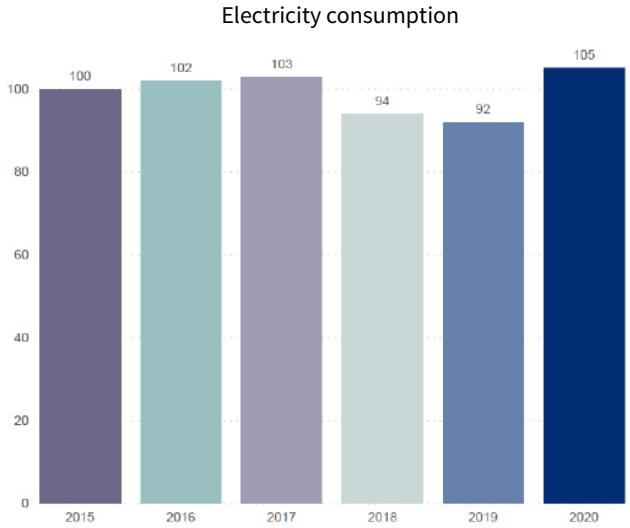
In France, the choice of EDF's Renewable Energy option, with the guarantee-of-origin mechanism, means that 10% of SNF's electricity purchases come from renewable energy sources and thus reflect its commitment to the environment. The guarantee-of-origin mechanism managed by Powernext, an independent body, ensures that a corresponding quantity of electricity of renewable origin is injected into the electricity grid. At the operational level, the Group's energy management system makes it possible to render virtuous practices systematic in line with the specific features and objectives of each site. It is based on periodic reviews of the conditions governing the sites' assets and energy connections.

In addition, data collection and analysis systems are in place in the manufacturing processes and facilities for the entire operation. They manage part of the operating parameters of facilities. This control of the machine fleet avoids any consequent energy loss in the event of failure, particularly when replacement requires a complete shutdown of the plant. They also help consolidate the Group's outcomes.

Gas Consumption



As for Scope 1, gas consumption is stable because it is linked to powder production, but the index calculated on the basis of tonnes produced was down considerably (down 10%).



The reading on the electricity index is also higher, as electricity consumption edged up despite the drop in production. The 1.6% increase compared with 2019 is attributable to the addition of the Saint Avold (France) and Gandhidham (India) plants. SNF is pursuing its policy of energy efficiency and improving the energy mix. The Company continues to identify and assess possible ways of reducing its energy consumption. SNF also carries out energy audits and implements programmes aimed at optimizing energy consumption. On top of the energy aspects of this programme, the Group aims to strengthen the competitiveness of its manufacturing sites through the savings achieved.

5.3.4 PROTECTION OF INDUSTRIAL SITES

In keeping with its commitment to preserving wildlife, SNF has a policy of reducing the impact and health risks associated with its operations on the soil and subsoil. Periodic environmental analysis of the various sites enables us to identify the effects of our operations on the environment and any species concerned. On this basis, action plans are drawn up and progress is tracked in compliance with applicable regulations.

SNF strives to limit its impact on soil by optimizing industrial surfaces in order to preserve agricultural, urban and forest areas. For sites in operation, the Group pursues a prevention policy based on programmes for the mechanical integrity of installations, accident monitoring and experience sharing.

In the event of probable contamination, investigations are carried out to characterize the areas concerned and contain their impact. Appropriate management measures are then drawn up in cooperation with the local authorities.

5.4 OTHER INITIATIVES IN FAVOUR OF BIODIVERSITY

Besides its own operations, SNF also addresses broader biodiversity challenges in a determined fashion. To encourage revegetation and the development of local species, SNF contributes to the development of biodiversity on land not occupied by its industrial activities.

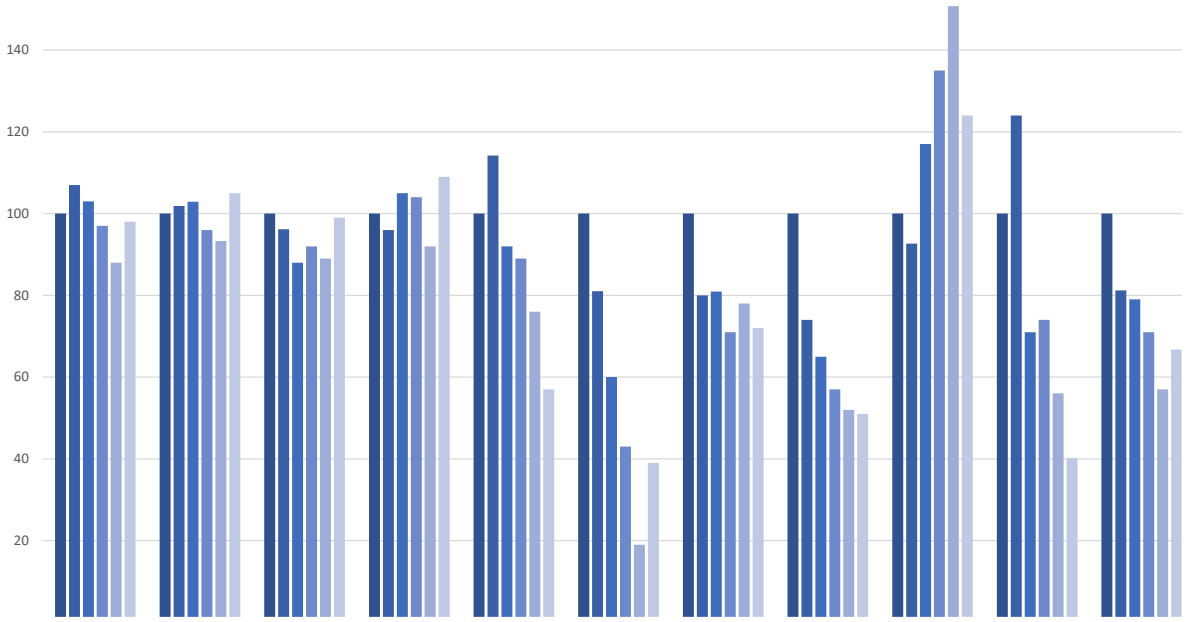
The Group is determined to locate its industrial sites in rural areas or on brownfield sites, integrating from the outset the challenges of preserving and developing existing biodiversity.

Several pilot sites are also involved in a number of biodiversity initiatives. Thus, available land around the buildings is systematically subject to ecological development research in cooperation with local partners.

In France, the extension of the Andrézieux-Bouthéon site gave rise to major compensatory measures, including a 50-year lease on a 100 hectare plot. This area is managed for the protection of fauna and flora by the Conservatoire d'espaces naturels Rhône-Alpes (CNRA) at a cost of €1.2 million borne by the Group. In 2013, the Group acquired 80 hectares of woodland, which it sold for a token euro to the municipality of Andrézieux-Bouthéon. In return, the municipality agreed to amend the local urban development plan to allow the site to be extended by 20 ha, enabling SNF to preserve the plant and animal ecosystem near the plant. In the same region, SNF signed an agreement in 2020 with hunters, fishing enthusiasts and the CEN RA to jointly fund the dredging of the Lapra lake in Dousson, classified as a natural zone of ecological and wildlife value (ZNIEFF) because of its remarkable character.

In India, the Flopam site encourages all employees to plant or replant numerous plant species on part of its available green spaces, subsequently making them responsible for their proper upkeep. 1,027 plantings of heritage and local species were accordingly carried out.

5.5 RATIO PER TONNE PRODUCED (100 = 2015)



	CO_2 emissions Scope 1 & 2	Electricity consumption	Gas consumption	Net water consumption	COD of waste-water	Suspended solids in wastewater	Nitrogen content of wastewater	Hazardous waste	Non-hazard-ous waste	VOC emissions	Dust
Change 2015 vs 2015	100	100	100	100	100	100	100	100	100	100	100
Change 2016 vs 2015	107	102	96	96	114	81	80	74	93	124	81
Change 2017 vs 2015	103	103	88	105	92	60	81	65	117	71	79
Change 2018 vs 2015	97	94	92	104	89	43	71	57	135	74	71
Change 2019 vs 2015	88	92	89	92	76	19	78	52	151	56	57
Change 2020 vs 2015	98	105	99	109	57	39	72	51	124	40	67

5.6 GROSS READINGS OF THE MAIN ENVIRONMENTAL INDICATORS

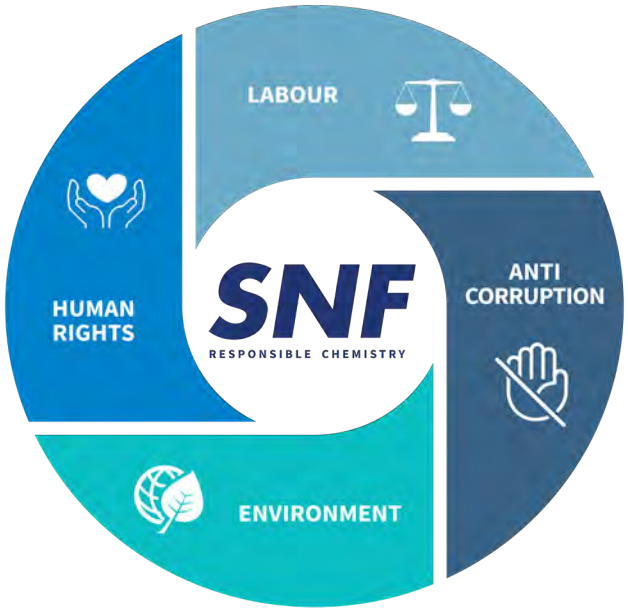
	UNITS	2015	2016	2017	2018	2019	2020
CO_2 emissions (Scope 1)	t	181,157	215,597	232,681	253,892	257,600	258,898
CO_2 emissions (Scope 2)	t	187,397	219,934	294,725	301,822	287,085	281,496
CO_2 emissions (Scope 1 & 2)	t	368,554	435,531	527,606	555,714	544,685	540,394
Electricity consumption	MWh	446,835	499,437	636,896	650,155	689,727	700,875
Gas consumption	MWh	915,992	966,574	1,108,237	1,279,238	1,317,165	1,357,804
Net water consumption	m^3	2,341,493	2,469,592	3,374,856	3,705,743	3,479,185	3,840,655
Water consumption	m^3	2,942,986	3,194,552	4,159,523	4,725,736	4,645,811	5,026,169
Volume of wastewater	m^3	601,494	724,960	784,667	1,019,993	1,166,626	1,185,514
COD of wastewater	kg	97,672	122,406	124,270	132,887	120,253	82,919
BOD of wastewater	kg						7,423
Suspended solids in wastewater	kg	50,446	44,625	41,920	33,006	15,834	29,404
Nitrogen content of wastewater	kg	7,171	6,320	8,000	7,721	9,045	7,722
Hazardous waste	t	14,359	11,720	12,828	12,372	12,035	10,985
Non-hazardous waste	t	26,089	26,527	42,095	53,768	63,516	48,407
Waste recovered as energy	t	9,154	11,064	12,737	12,037	10,957	15,899
Other recovered waste	t	5,681	3,201	3,138	3,064	3,451	3,756
VOC emissions	t	272	372	266	305	244	164
Dust	t	62	55	67	67	57	62

CSR
POLICY

6.1 CORPORATE SOCIAL RESPONSIBILITY POLICY

Most of SNF's production is integrated, in keeping with its strategy of preserving expertise and know-how and securing supplies. However, the Group's ability to grow also hinges on the retention and development of its suppliers and subcontractors, whose successes, expertise and know-how contribute to SNF's own. Their social and environmental practices must be incontestable.

As such, the fight against corruption underpins an ethical approach to which the Group is deeply committed. It implies a resolute commitment to scrupulously comply with the laws and regulations applicable in all countries where SNF operates. This commitment extends to all of the Group's internal ethics and compliance policies and procedures. Lastly, aware of its responsibility to promote the development of local communities, the Group creates local jobs and acts as a corporate citizen wherever it operates. It seeks to blend harmoniously into the local economic fabric, with the aim of being a responsible actor committed to the life of the communities with which it creates and maintains bonds. As such, the Group acts in keeping with its long-term commitment through local economic, social and cultural initiatives. It also cultivates close ties with the world of education.



6.2 PURCHASES FROM SUPPLIERS AND SUBCONTRACTORS

SNF's activity calls on suppliers and subcontractors in the manufacture of certain finished products or for maintenance operations. In its purchasing policy, the Group undertakes to take social, environmental and societal issues into account in order to build long-term, balanced, sustainable and trust-based relationships with its partners. These relationships must be developed transparently and in compliance with the contractual terms negotiated, including those relating to intellectual property.

SNF's responsible purchasing approach is guided by the ethical principles of its Code of Conduct. These principles cover human and labour rights, respect for the environment, quality and safety of products and services, and compliance and ethics. In keeping with the principles of business integrity and transparency, suppliers must comply with the principles of competition law, the prevention of corruption and conflicts of interest, and confidentiality, transparency and truthfulness of information provided.

The Group favours partners that adhere to its societal commitments: subcontractors are subject to the Supplier Code of Conduct and the associated general purchasing conditions. When choosing a service provider, SNF selects the offer best suited to its need to operate under optimal conditions of performance, cost and quality, while factoring in the CSR performance of the selected supplier. All new service providers are informed of the Code's provisions.

Assisted by EcoVadis, SNF also uses a procedure for assessing environmental, social, ethical and supply-chain risks.

This procedure helps foster societal responsibility throughout the service chain in accordance with the principles of the United Nations Global Compact and Responsible Care®. Meanwhile, purchasing department employees are trained in the Supplier Code of Conduct and EcoVadis's CSR assessment process. Two years ago, SNF began carrying out risk mapping for its customers and suppliers, looking at both country risk and business risk.

This work has been supplemented by a corruption module to identify the risks associated with the Group's business. Following this mapping process, **SNF selected its 20 main suppliers to be assessed by EcoVadis**. The results of these assessments were highly positive: all suppliers responded to the survey and the average score was 66, corresponding to the EcoVadis Gold level, whereas the average for the sector as a whole is 43. The Group's main suppliers are very sensitive to CSR issues and have strong commitments. For 2021, EcoVadis assessments are to be launched on the Group's 20 main customers chosen in various fields of application of SNF products, plus 10 other suppliers of subsidiaries based in Asia and the United States.

6.3 COMPLIANCE AND ETHICS

The Group operates in accordance with the principles and rules of compliance and ethics. It ensures compliance with international agreements and the laws applicable in its host countries, as well as commercial integrity. In France, it uses a warning and alert system that meets the requirements of the law on the duty of care and the Sapin II law on transparency, anti-corruption and the modernization of the economy. SNF is also committed to complying with the rules of free competition and to preventing and proscribing corruption and fraud, both internally and in business transactions with partners.

SNF develops and maintains a culture of compliance in order to conduct its operations ethically and refrain from business arrangements aimed at eliminating or distorting the competition. This requires strict adherence to all competition laws.

6.3.1 CODE OF CONDUCT AND ETHICS

The Code of Business Conduct and Ethics, including the Anti-Corruption Charter, sets out the good business practices that employees and third parties undertake to apply. No employee shall directly or indirectly offer, provide or accept any undue advantage, whether pecuniary or of any other nature, designed to facilitate or obtain a business relationship, with persons holding public authority, business intermediaries, customers' employees or political parties. All employees must comply with

the regulations on the importation and exportation of goods and services. Lastly, all employees must scrupulously comply with the rules of competition law in all countries where the Group operates. The Code and Charter are given to all employees.

In the field of human rights policy, SNF acts with vigilance to avoid any interference in the conduct of its business and in its relationships with third parties. The Group ensures compliance with key international standards and frameworks: the International Bill of Human Rights, the International Labour Organization (ILO) Conventions, the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the Ten Principles of the United Nations Global Pact and the Responsible Care® programme.

6.3.2 ANTI-COMPETITIVE PRACTICES, CORRUPTION AND FRAUD

SNF has implemented a competition compliance programme that adopts an uncompromising approach to breaches of competition law. Awareness training and support is organized to ensure that the buyers and employees most exposed to risk understand and apply the additional procedures on a daily basis in their contacts with competitors, when exchanging information and with their respective partners.

Awareness-raising is also carried out within the Group in order to maintain or improve the level. Employees are encouraged to report any breaches of conduct or irregular situations to management, human resources or the legal department. A dedicated whistle blowing system has also been set up to allow employees to submit questions, concerns or reports of suspect behaviour via a central email address managed by the SNF compliance officer, who is responsible for managing and supervising the application of the Code of Conduct.

Lastly, pursuant to French Law no. 2016-1691 of 9 December 2016 on transparency, anti-corruption and the modernization of the economy, the Group commissioned EcoVadis to establish a risk map. The results made it possible to formalize an efficient procedure for assessing the situation of clients, suppliers and intermediaries.

6.4 PHILANTHROPIC COMPANY

SNF seeks to link its philanthropic actions to its areas of expertise and supports causes wherever its products or activities can add value. The Group dedicates its funding to the promotion of science and education, as well as to the local life of its host communities. In certain circumstances, it also supports humanitarian initiatives.

6.4.1 LOCAL PRESENCE AND DEVELOPMENT

A responsible economic player, the Group contributes to the societal development of its host communities. In its various sites, it creates direct and indirect jobs, preferring to hire locally. It develops local skills and know-how, makes purchases and pays the applicable taxes. The location of the Group's activities is based exclusively on operational choices. Tax aspects do not impact the decision-making process.

The Group also offers the support of its infrastructure and techniques to innovative start-ups located near its facilities and contributes to certain industrial sectors upstream. This policy helps the Group put down roots

in its local communities. In 2020, SNF contributed to value creation in all of its host communities, notably through the direct employment of the 651 people who joined the Group during the year.

Lastly, the Group participates in various funding schemes for integrated developments that enhance the environment, quality of life and conviviality. In France, it notably helped fund the creation of a greenway in Saint-Bonnet-les-Oules, in the Auvergne-Rhône-Alpes region, in order to facilitate safe movement for pedestrians and cyclists. The Group places people at the heart of its business and its day-to-day operations. In addition to initiatives related to its own activities, it plays a complementary role as a corporate citizen wherever it operates, by developing harmonious and constructive relationships with stakeholders.

6.4.2 CORPORATE CITIZENSHIP AND SOLIDARITY

On top of the economic contribution and strict adherence to the regulatory framework, SNF maintains close ties with all of its stakeholders. Throughout the world, the Group uses local communication to build trust and quality relationships with its immediate environment. This approach allows the expectations of the local population to be understood and better integrated into the Group's strategy. It is expressed through a range of initiatives aimed at local residents, businesses, individuals, authorities and local elected officials. The aim is to improve the image of the chemical industry, contribute to the acceptance of chemical plants in society and raise awareness about the Group's activities.

As such, SNF is particularly attentive to local residents' expectations and concerns and endeavours to provide the best possible response to any concerns they may have about industrial or chemical risks. The Group promotes dialogue and provides information on its activities, products and manufacturing processes. Site news and projects are also regularly shared with the broader community. The various sites periodically open their doors to the public to explain the solutions that chemistry can bring to everyday life. To help protect employees and local residents, SNF addresses risks by simulating incidents or accidents in partnership with local health and safety services (see 4.3.1. "Health and safety policy").

The Group's values of solidarity and responsibility are extended to several local charities and fundraising events.

The desire to help those most in need and play an active role in the local community is reflected in a number of direct contribution initiatives.

In India, SNF carries out support initiatives in various communities, including donations of equipment and school materials or partnerships for local events and celebrations. In 2020, the Group provided 200 food support kits to assist families in the villages of Varsana, Padana and Anjar Taluka during the Covid-19 period, while 300 geometry kits were given to Varsana primary school pupils.

By way of example, the American sites support national cancer research **in the United States via the Relay for Life® initiative, while the Community Outreach programme** helps improve the quality of life in communities near the Group's plants. **In China, SNF is actively involved in the prevention of epidemics,** the supply of masks to schools and public initiatives for social welfare and the prevention of poverty in Xunyi (Shaanxi province).

The Group also carries out meaningful work in its host regions. One example is its association with CEDO, a non-profit in France's Loire Department that aims to improve living conditions for Senegalese people.

In the United States, it contributes to community events such as youth sports programmes and historical legacy celebrations such as the African-American civil rights movement. SNF also provided support for initiatives to help Lebanon after the explosions in Beirut in 2020.

6.4.3 INVOLVEMENT IN THE WORLD OF EDUCATION

Wherever it operates, **the Group seeks to forge links with the world of education**. It maintains an ongoing relationship with the scientific and educational ecosystem. This priority takes the form of partnerships with the educational community aimed at promoting scientific knowledge and careers in the chemical industry among young people.

Similarly, SNF forges close ties between its employees and students. The Group regularly welcomes trainees under work-study contracts and international volunteer work experience contracts (VIE), as well as doctoral students.

This is one of the ways the Company makes itself known and presents its products to students and graduates. In addition to the various forums in which the Group participates, this long-term loyalty policy strengthens its reputation and enables it to expand its pool of potential candidates (see 4.2.1. “Recruitment policy”).

SNF also cultivates partnerships with universities and research laboratories, fostering closer ties between academia and industry. The Group has established funding with scientific bodies in the form of university partnerships and scholarships in order to make progress through the contribution of other experts.

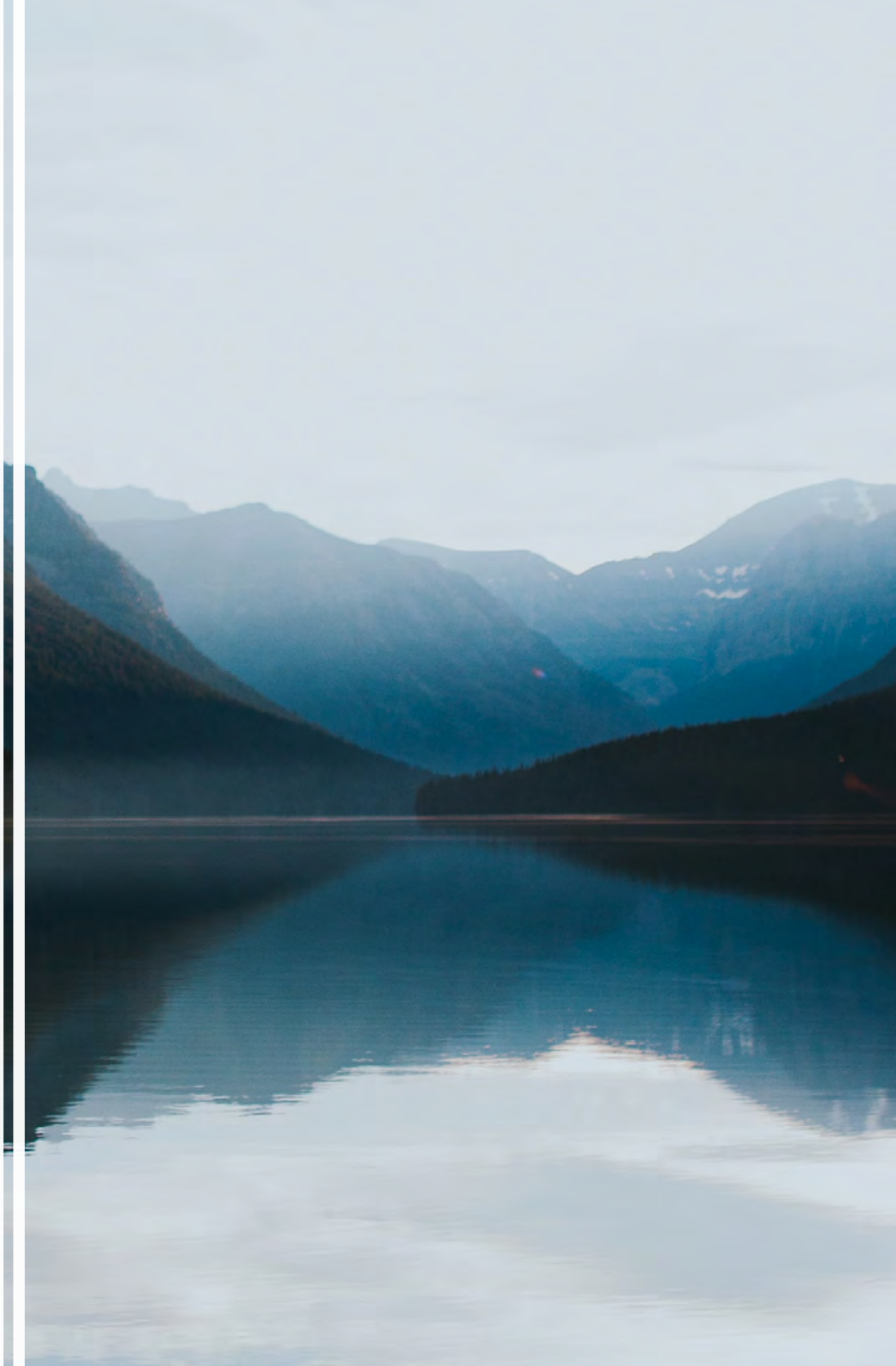
Educational institutions supported in France include the Catholic University of Lyon and Jean-Monnet University of Saint-Étienne. In the United States, SNF makes presentations in schools to generate interest in science and gives professional advice (CV writing, interviews etc.) to young people as part of the Riceboro summer programme and at Liberty County College and Career Academy. Presentations and plant tours are organized for members of the Young Adult Liberty Leadership Group, while the Group takes part in career fairs and partners with Savannah Technical College and the Georgia Institute of Technology to improve learning. SNF recruits actively at four American universities: Clemson University, Georgia Institute of Technology, Georgia Southern University and West Virginia University. The Company also supports events organized by the American Institute of Chemical Engineers (AICHE).

In South Korea, SNF is also developing partnerships with universities. The director of the Group’s manufacturing site in Ulsan is an assistant professor at the University of Ulsan and provides training related to the chemical industry, with the possibility of practical internships within the company.

APPENDICES

NOTE ON METHODOLOGY

INDICATORS



NOTE ON METHODOLOGY

The aim of this methodological note is to:

- define the indicators and their context,
- explain calculation methods,
- describe tools and checks employed.

OVERVIEW

The implementation and monitoring of indicators by the SNF Group, in line with the challenges of its business and the regulatory requirements of Articles R. 225-105 and R. 225-105-1 of the French Commercial Code, serve to assess and monitor the impact of the Group and the outcomes of its policies.

The SNF Group has opted to report ratios on a consolidated basis rather than by region.
To calculate them, the Group uses the regulatory definition in force in each of the countries where the data are collected.

The Group considers that trends in the ratios, currently reported on a consolidated basis, give a true picture of the actual trends in indicators at Group level.
Given that the weighting between our plants in the United States, France and other countries varied only slightly over the period, a slight discrepancy in the definition from one region to another would not call into question the trend in any of the ratios over the same period, especially since most of them are reported in reference to a base of 100.

To ensure rigorous and reliable data collection, the SNF Group has chosen a reporting system using Tennaxia software. This enables all Group subsidiaries to record their data directly in accordance with the requested definitions, with the possibility of adding explanatory documents if necessary. The results are then validated by authorized persons at the head office.

INDICATORS

WATER SECTION

WATER CONSUMPTION

This is water consumption expressed in various units (m^3, l, gal or ft^3) for each site (process + laboratory + administrative). It is converted into cubic metres in the software. The quantity of water taken into account is drinking water from the municipal mains supply and water drawn from the natural environment (borehole or other).

In the event of meter malfunction or failure, an estimate is made based on a ratio between previous use and production, or on a material balance.

France, China: readings are taken by the water supplier and are shown on invoices.

United States: readings are taken either by the water supplier and indicated on utility bills or measured by SNF (e.g. well water).

INDUSTRIAL WASTEWATER DISCHARGES

This is the amount of industrial wastewater discharged (water from boilers, cooling towers, washing towers, etc., i.e. all water other than rainwater) expressed in various units (m^3, l, gal or ft^3). It is measured by meter reading (wastewater treatment plant or natural environment). It is converted into cubic metres in the software. This water returns to the natural environment after treatment.

France: discharges are measured before being sent to the municipal wastewater treatment plant. In the event of meter malfunction or failure, an estimate is

made based on retention basin volumes.

USA: only measurable discharges are included. They may include rainwater where there is a permit under the National Pollutant Discharge Elimination System (NPDES). As there is no legal obligation to measure wastewater flows, Dolton, Wayne, Taylor, Los Angeles and Longview are not included. They are treated as "satellite sites" with little or no production compared with other US sites.
For Plaquemine, we have deducted the volume of rainwater since 2020 (previous data has been updated).

China: industrial wastewater discharges are counted by the supplier of the municipal wastewater treatment plant and appear on the invoice. Clean water discharges (cooling towers, DE water skids and steam condensate) are not included and are discharged directly into the environment.

NET WATER CONSUMPTION

This calculation is made in the software. It is the quantity of water consumed less the quantity of water discharged. This allows us to measure the quantity of water (in cubic meters) actually removed from the natural environment to manufacture our products.

TREATMENT YIELD

This parameter is taken into account if the site's industrial water discharge goes to an external treatment plant. It is used to calculate the impact of pollution discharged into the natural environment for the various water parameters (COD, BOD, SS and nitrogen).

In most cases, these parameters (COD, BOD, SS and nitrogen) are measured on site if industrial water is discharged directly into the natural environment.

If the external wastewater treatment yield is not available, we use the reduction rate derived from European standards (Directive 91/271/EEC).

The following yields are applied: BOD 80%, COD 75%, nitrogen 75% and SS 90%.

China: we do not have data on the yields of municipal wastewater treatment plants. We apply European standards.

USA: the only water treated by an external wastewater treatment plant is that of the Riceboro site. The software does not allow the separation of discharges into the natural environment and treatment plant discharges, so we make an upstream calculation to input the software. For COD, we use the treatment plant yield.

France: we ask the treatment plant for the monthly yield for each parameter (COD, BOD, nitrogen, SS).

WATER PARAMETERS (NITROGEN, SS, COD, BOD)

This is the quantity in kg released into the natural environment.

Details of the calculation:
Over a month, the average monthly concentration in mg/l is multiplied by the total volume of industrial wastewater discharged monthly in m^3 and divided by 1,000 to obtain a result in kg per month. Another calculation method involves taking the monthly average in mg/l, dividing it by 106 (mg/kg) then multiplying it by (i) the monthly flow in gal and (ii) the conversion factor of 3.785 l/gal to obtain a result in kg per month.

France: total Kjeldahl nitrogen is determined internally

on a daily basis as per French standard NF EN 25663. NO_2 nitrites as per NF EN 26777/ISO 6777 and NO_3 nitrates as per NF EN ISO 13395 are measured monthly by an external laboratory. The chemical oxygen demand (COD) index is calculated daily as per ISO 15705:2002. The biological oxygen demand (BOD) index is calculated daily as per NF EN ISO 5815-1. The quantity of SS is calculated weekly as per NF EN 872.

USA: measurements are carried out on the basis of the current standard. The Plaquemine site is not included (no legal obligation). Dolton, Wayne, Taylor, Los Angeles and Longview are not included. They are treated as "satellite sites" with little or no production compared with other US sites.

China: online monitoring is in place (daily: 3 readings for nitrogen, 6 for COD). The average is multiplied by the total quantity discharged. The parameters (nitrogen, COD and SS) are also checked manually every day.

ENERGY CONSUMPTION SECTION

ELECTRICITY CONSUMPTION

Electricity consumption is calculated from suppliers' invoices based on monthly consumption in MWh or kWh. No electricity is produced on site. Consumption concerns the whole site (process and administrative). It is included in the Scope 2 calculation.

STEAM CONSUMPTION

Steam consumption is calculated from suppliers' invoices based on monthly consumption in tonnes. Currently, only sites in China buy steam. Consumption is included in the Scope 2 calculation.

GAS CONSUMPTION

Gas consumption is calculated from suppliers' invoices for the monthly consumption of each unit (MWh, m^3, MMBTU, Therm_US, Mcf, ccf). Consumption is converted into MWh in the software and is used for part of the Scope 1 calculation.

The quantity of natural gas purchased concerns all aspects of each site (process and administrative).

USA: due to a faulty gas flow meter, the 2018 and 2019 gas consumption readings have had to be modified and estimated on the basis of the production ratio.

China: total consumption data is based on supplier figures recorded on monthly invoices (two suppliers).

WASTE SECTION

For the two indicators below, waste is separated by treatment type.

- Incineration with energy recovery
- Incineration without energy recovery
- Recycling of inorganic materials
- Metal recycling
- Biological recycling
- Landfill
- Other

If a breakdown is not available, aggregate amounts of non-hazardous and hazardous waste may be provided.

HAZARDOUS AND NON-HAZARDOUS WASTE

This is the amount of hazardous and non-hazardous waste treated off-site at specialized treatment centres. If there are no monthly readings, it is possible to enter the data into the software on a quarterly basis

in March, June, September and December, adding together three months each time.
If the breakdown is available by source of waste, a calculation gives the share of waste recycled for energy recovery and other waste recycled.

France: this is the monthly amount of waste recorded in our waste management software. Hazardous waste is defined by Article R. 541-8 of the French Environmental Code. It is indicated by an asterisk in the list of waste types in Article R. 541-7. The classification into recovery categories is based on Annexes II-A and II-B of Council Directive 75/442/EEC of 15 July 1975, to which Article R.541-7 of the French Environmental Code refers. Recovered waste is recorded in our waste management software. Treatment centres apply one code per treatment (R: recovery, D: disposal). The code is indicated on the waste slip when treatment has taken place.

USA: hazardous waste is reported as per US EPA 40 CFR 260-262 every year or every two years. There is no federal obligation to report non-hazardous waste. The data provided for verification purposes does not include plant waste (i.e. rubbish), scrap metal or general waste (batteries, light bulbs, etc.). Waste from pilot plants is not included. Energy recovery from waste includes waste sent off-site for incineration with energy recovery and mixed fuels with energy recovery. Other recovered waste is waste from which resources are derived (such as solvent recycling).

ATMOSPHERIC EMISSIONS SECTION

CFC/HCFC EMISSIONS SECTION

CFC/HCFC EMISSIONS

This is the quantity of CFCs/HCFCs released into the atmosphere in kg. The calculation is made by counting the quantities of fluid refills in our equipment and not the total gas capacity on site. These fluid refills correspond to gas leaks discharged into the air. The quantity is included in Scope 1.

SCOPE 1 & 2

Consumption of gas, electricity, steam and CFC. HCFC emissions are used for the Scope 1 & 2 calculation.

SCOPE 1:
For gas, we use the same emission factor for each country. We take the value of 185 kg CO_2 /MWh HCV of the French regulation (of 31 October 2012) on the verification and quantification of emissions reported under the greenhouse gas emission trading scheme. All CFCs/HCFCs are converted to CO_2 with their global warming potential (GWP).

SCOPE 2:
For electricity, an emission factor per country or per site is used if available. If no value is available, Tennaxia applies a country emission factor defined by ADEME. For steam, we use the conversion factor provided by the supplier.

VOC EMISSIONS SECTION

VOLATILE ORGANIC COMPOUNDS (VOC) FROM POWDER PRODUCTION UNITS

These are the quantities of non-methane VOCs (NMVOCs) emitted into the air in tonnes of carbon equivalent per year during the operation of the powder

production units.

France: powder (VOC) measurements are taken twice a year at the chimney outlet by an external company, and twice a year internally. The results of the flow of NMVOCs in kg equivalent C/h are multiplied by the number of hours of emission per powder stack (operating times are halved if two production units are on the same stack). NMVOC emissions are analyzed as per the XP X 43-554 standard and the provisions of the site's prefectural decree.

USA: VOC emissions are defined as per US EPA 40 CFR 51.100(s) federal regulations. The emission factors used are derived from EPA regulations and guidance documents and/or performance tests. Measurements are taken annually.

China: to calculate VOCs in China, we take aggregate VOC emissions from all other powder production sites. We take the average value of these emissions in reference to the overall amount of powder production. We then use this ratio to calculate China's VOC emissions based on powder production in China.

DUST EMISSIONS SECTION

DUST EMISSIONS FROM POWDER PRODUCTION UNITS

These are the quantities of dust emitted into the air in tonnes per year during the operation of the powder production units.

France: the results of dust flow measurements in kg/h are multiplied by the number of hours of operation of the powder production units (operating times are halved if two production units are on the same stack). The data is measured by an external body on a six-monthly basis. Dust is measured as per French standard EN 13284-1.

USA: dust (particles) is defined as per US EPA 40 CFR 51.100(oo) federal regulations. The emission factors used are derived from EPA regulations and guidance documents and/or performance tests. Measurements are taken annually.

China: to calculate dust in China, we take aggregate dust emissions from all powder production units. We take the average value of these emissions in reference to the overall amount of powder production.

STAFF INDICATORS

TOTAL NUMBER OF EMPLOYEES

Employees (employees present and employees whose employment contract is suspended, regardless of the nature of the contract) are included in the registered workforce as of December 31 of the year in question.

For France, all permanent, fixed-term, apprenticeship and professional qualification contracts are included, with the exception of temporary staff and apprentices.

In the United States, this also includes interns and the staff of their permanent sites in Canada, Jamaica and Colombia.

For India, temporary staff have only been included in the number of employees since 2020. They are now treated as fixed-term contracts.

All files used to count the number of employees must be kept in order to find the value as at 31/12 of the year in question.

OCCUPATIONAL CATEGORY

The data is presented by occupational category.

In France, only two categories are taken into account, with the definition derived from collective bargaining agreements. Professionals are sectors 2 and 3 (technician, supervisor and manager). Non-professionals are sector 1 (blue-collar workers and other employees).

In the United States, only two categories are taken into account: professional and managers (including all employees performing white-collar jobs), and blue-collar workers (all employees in manufacturing and other blue-collar jobs).

In 2020, we added a new definition for China and modified the historical data accordingly due to the need to meet the requirements of the Jiangsu authorities:

- Professional personnel: diploma equal to or above that of Gaozhong (doctorate, master's degree, bachelor's degree, secondary technical school, Gaozhong (high school));
- Non-professional personnel: diploma below Gaozhong level.

CHANGE IN THE WORKFORCE

Difference between the total workforce in the current and prior years

HOURS OF TRAINING

Total number of hours of training: this covers all hours devoted to vocational training. It includes all external training, but also internal training at the workstation.

For France, there is a discrepancy between training completion and enrolment. As such, we apply a penalty of 30% to the prior year and 10% to the year before that. Training hours include training provided to all employees (permanent and fixed-term contracts, temporary staff, etc.). It includes all external training as well as internal training at the workstation (accurate to 0.5 hours).

For the United States, training enrolment lists include all hours worked at the workplace until the training checklist is completed. A percentage is assigned to those hours to reflect actual training time in the workplace.

NUMBER OF HOURS PER EMPLOYEE

Number of training hours per employee: this is the total number of training hours (see point 4) divided by the total number of employees for the year.

Training documents for all employees (certificates, attendance sheets, etc.) must be kept as of the closing date.

HEALTH AND SAFETY INDICATORS (SNF employees)

NUMBER OF DEATHS

This is the number of deaths due to industrial accidents.

NUMBER OF DEATHS PER 100 MILLION HOURS WORKED

The calculation is as follows:

(number of deaths x 100,000,000)/number of hours worked

NUMBER OF HOURS WORKED

These are the actual working hours over the year for all employees, including training hours (excluding temporary staff).

For non-supervisory staff, overtime is included.

7 hours per day are counted for people on a daily rate.

Hours spent on business travel and assignments are counted as hours worked.
Days of sick leave and paid leave are excluded from the calculation of hours worked.

NUMBER OF ACCIDENTS WITH LOST TIME

These are accidents at work (including commuting or travelling) that resulted in at least 1 day of lost time (day of the accident + 1 day).

France: these values are given for a specific date but may be revised several months later by the French health authorities and accidents may be reclassified as non-work related.

China: only accidents with a minimum of 3 days of lost time are counted (the first 2 days are covered by the company).

LOST TIME ACCIDENT RATE PER MILLION HOURS WORKED

The calculation is as follows: (number of lost-time accidents x 1,000,000)/number of hours worked.

NUMBER OF REPORTABLE ACCIDENTS (with and without lost time)

These are accidents at work with and without lost time that resulted either in at least 1 day of lost time or a medical consultation (with declaration to a government body).

France: this data is provided at a specific date but may be revised several months later by the French health authorities and accidents may be reclassified as non-work related.

REPORTABLE ACCIDENT RATE PER MILLION HOURS WORKED

The calculation is as follows: (number of reportable accidents x 1,000,000)/number of hours worked.

NUMBER OF DAYS LOST

France: days lost due to a workplace accident are counted in calendar days from the first day lost. This only includes lost time due to the accident in the current year.

USA: days lost are calculated in accordance with federal law (Occupational Safety & Health Act).

NUMBER OF FIRST AID TREATMENTS

These are accidents that only required internal treatment by the occupational health service or a first-aid attendant and did not result in lost time or an external medical consultation.

SEVERITY RATE

The calculation is as follows: (number of days lost x 1,000)/number of hours worked

France: days lost due to a workplace accident are counted in calendar days from the first day lost. This only includes lost time due to the accident in the current year.

Cross-reference table between CSR standards and SNF indicators

(While these indicators are not all present in this report, they are regularly monitored by SNF and reported in its Tennaxia management system)

SNF INDICATORS	GRI REFERENCES	GLOBAL COMPACT PRINCIPLES	U.N SUSTAINABLE DEVELOPMENT GOALS
ENVIRONMENT			
WATER			
Water consumption	GRI 303-5	Principle 8	ODD 12
Ratio Water consumption / Total production (m3/t)	GRI 303-5	Principle 8	ODD 12
Ratio water consumption / Turnover (m3/MEuros)	GRI 303-5	Principle 8	ODD 12
Waste water Volume	GRI 303-4 & GRI 306-1	Principle 7 & 8	ODD 6
Ratio Waste water / Water consumption (m3/m3)	GRI 303-4 & GRI 306-1	Principle 7 & 8	ODD 6
Ratio Waste water / total production (m3/t)	GRI 303-4 & GRI 306-1	Principle 7 & 8	ODD 6
Ratio Waste water / Turnover (m3/MEuros)	GRI 303-4 & GRI 306-1	Principle 7 & 8	ODD 6
Wastewater treatment plant yield for nitrogen	GRI 103	Principle 7 & 8	ODD 6
Wastewater treatment plant yield for COD	GRI 103	Principle 7 & 8	ODD 6
Wastewater treatment plant yield for BOD	GRI 103	Principle 7 & 8	ODD 6
Wastewater treatment plant yield for SM (Suspended Matter)	GRI 103	Principle 7 & 8	ODD 6
NITROGEN			
Amount of nitrogen in waste water leaving the site	GRI 303-4 & GRI 306-1	Principle 7 & 8	ODD 6
Amount of nitrogen in waste water in the natural environment	GRI 303-4 & GRI 306-1	Principle 7 & 8	ODD 6
Ratio Nitrogen for waste water/ Volume of waste water in the natural environment (kg/m3)	GRI 303-4 & GRI 306-1	Principle 7 & 8	ODD 6
Ratio Nitrogen for waste water in the natural environment / Total production (kg/t)	GRI 303-4 & GRI 306-1	Principle 7 & 8	ODD 6
Ratio nitrogen for waste water in the natural environment / turnover (kg / MEuros)	GRI 303-4 & GRI 306-1	Principle 7 & 8	ODD 6
COD			
Chemical oxygen demand (COD) in waste water leaving the site	GRI 303-4 & GRI 306-1	Principle 7 & 8	ODD 6
COD quantity in waste water in the natural environment	GRI 303-4 & GRI 306-1	Principle 7 & 8	ODD 6
Ratio COD / Volume of waste water ratio in the natural environment (kg/m3)	GRI 303-4 & GRI 306-1	Principle 7 & 8	ODD 6
Ratio COD in the natural environment / Total production (kg/t)	GRI 303-4 & GRI 306-1	Principle 7 & 8	ODD 6
Ratio COD in the natural environment / Turnover (kg / MEuros)	GRI 303-4 & GRI 306-1	Principle 7 & 8	ODD 6
BOD			
Biological Oxygen Demand (BOD)	GRI 303-4 & GRI 306-1	Principle 7 & 8	ODD 6
BOD quantity in waste water in the natural environment	GRI 303-4 & GRI 306-1	Principle 7 & 8	ODD 6
Ratio BOD / Volume of waste water ratio in the natural environment (kg/m3)	GRI 303-4 & GRI 306-1	Principle 7 & 8	ODD 6
Ratio BOD in the natural environment / Total production (kg/t)	GRI 303-4 & GRI 306-1	Principle 7 & 8	ODD 6
Ratio BOD in the natural environment / Turnover (kg / MEuros)	GRI 303-4 & GRI 306-1	Principle 7 & 8	ODD 6

SNF INDICATORS ENVIRONMENT

	GRI REFERENCES	GLOBAL COMPACT PRINCIPLES	U.N SUSTAINABLE DEVELOPMENT GOALS
SOLID SUSPENDED			
Solid suspended in waste water leaving the site	GRI 303-4 & GRI 306-1	Principle 7 & 8	ODD 6
Quantity of Solid suspended in waste water in the natural environment	GRI 303-4 & GRI 306-1	Principle 7 & 8	ODD 6
Ratio Solid suspended in waste water / Volume of waste water in the natural environment (kg/m3)	GRI 303-4 & GRI 306-1	Principle 7 & 8	ODD 6
Ratio Solid suspended in waste water in the natural environment / Total production (kg/t)	GRI 303-4 & GRI 306-1	Principle 7 & 8	ODD 6
Ratio Solid suspended in waste water in the natural environment / Turnover (kg / MEuros)	GRI 303-4 & GRI 306-1	Principle 7 & 8	ODD 6
ENERGY CONSUMPTION			
Electricity consumption	GRI 302-1	Principle 7 & 8	ODD 12
Ratio Electricity consumption / Total energy consumption (%)	GRI 302-1	Principle 7 & 8	ODD 12
Natural gas consumption	GRI 302-1	Principle 7 & 8	ODD 12
Natural gas consumption (Giga Joule)	GRI 302-1	Principle 7 & 8	ODD 12
Ratio Natural gas consumption / Total energy consumption (%)	GRI 302-1	Principle 7 & 8	ODD 12
Total Energy consumption (MWh LHV)	GRI 302-1	Principle 7 & 8	ODD 12
Ratio Total energy consumption / Total production (MWh/t)	GRI 302-1	Principle 7 & 8	ODD 12
Ratio Total energy consumption / Turnover (MWh/MEuros)	GRI 302-1	Principle 7 & 8	ODD 12
Electricity consumption	GRI 302-1	Principle 7 & 8	ODD 12
ATHMOSPHERIC EMISSIONS			
Nox (Nitrogen oxide) in relation with natural gas consumption	GRI 305-7	Principle 7 & 8	ODD 3 & 12
Ratio NOx / Total production (t/t)	GRI 305-7	Principle 7 & 8	ODD 3 & 12
Ratio NOx / Turnover (t/MEuros)	GRI 305-7	Principle 7 & 8	ODD 3 & 12
SOx (sulfur oxides) in relation with the natural gas consumption	GRI 305-7	Principle 7 & 8	ODD 3 & 12
Ratio SOx / Total production (t/t)	GRI 305-7	Principle 7 & 8	ODD 3 & 12
Ratio SOx / Turnover (t/MEuros)	GRI 305-7	Principle 7 & 8	ODD 3 & 12
CFC emissions (t refrigerant gas leak) = fugitive emissions (part of scope 1)	GRI 305-7	Principle 7 & 8	ODD 3 & 12
Ratio CFC / Total production (tCO2e/t)	GRI 305-7	Principle 7 & 8	ODD 3 & 12
Ratio CFC / Turnover (tCO2e/MEuros)	GRI 305-7	Principle 7 & 8	ODD 3 & 12
CO2 emissions (Scope 1) in relation with gas consumption (excluding fugitive emissions due to CFC leaks and excluding VOCs)	GRI 305-1	Principle 7 & 8	ODD 3, 12 & 13
CO2 emissions (Scope 1) in relation with gas consumption and fugitive CFC leaks (excluding VOCs)	GRI 305-1	Principle 7 & 8	ODD 3, 12 & 13
CO2 emissions (Scope 2) in relation with electricity and steam consumptions	GRI 305-2	Principle 7 & 8	ODD 3, 12 & 13
Ratio CO2 emissions (Scope 1 & 2) / Total production (tCO2e/t)	GRI 305-1 & GRI 305-2	Principle 7 & 8	ODD 3, 12 & 13

SNF INDICATORS ENVIRONMENT	GRI REFERENCES	GLOBAL COMPACT PRINCIPLES	U.N SUSTAINABLE DEVELOPMENT GOALS
ATHMOSPHERIC EMISSIONS			
Ratio CO2 emissions (Scope 1 & 2) / Turnover (tCO2e / MEuros)	GRI 305-1 & GRI 305-2	Principle 7 & 8	ODD 3, 12 & 13
VOC (Volatil Organic Compounds) from powder workshops	GRI 305-7	Principle 7 & 8	ODD 3 & 12
Ratio VOC / Total production (kg/t)	GRI 305-7	Principle 7 & 8	ODD 3 & 12
Ratio VOC / Turnover (t/MEuros)	GRI 305-7	Principle 7 & 8	ODD 3 & 12
Dust emissions from powder workshops	GRI 305-7	Principle 7 & 8	ODD 3 & 12
Ratio Dust emissions from powder workshops / Total production (kg/t)	GRI 305-7	Principle 7 & 8	ODD 3 & 12
Ratio Dust emissions from powder workshops / Turnover (t/MEuros)	GRI 305-7	Principle 7 & 8	ODD 3 & 12
WASTE			
Ratio Total Waste / Total production (t/t)	GRI 306-2	Principle 8	ODD 12
Ratio Total waste / Turnover (t/MEuros)	GRI 306-2	Principle 8	ODD 12
Non hazardous waste : Incineration with energy recovery	GRI 306-2	Principle 8	ODD 12
Non hazardous waste : Incineration without energy recovery	GRI 306-2	Principle 8	ODD 12
Non hazardous waste : Inorganic recycling	GRI 306-2	Principle 8	ODD 12
Non hazardous waste : Metal recycling	GRI 306-2	Principle 8	ODD 12
Non hazardous waste : Organic recycling	GRI 306-2	Principle 8	ODD 12
Non hazardous waste : Landfill	GRI 306-2	Principle 8	ODD 12
Non hazardous waste : Others	GRI 306-2	Principle 8	ODD 12
Ratio Non hazardous waste / Total waste (%)	GRI 306-2	Principle 8	ODD 12
Ratio Total Waste / Total production (t/t)	GRI 306-2	Principle 8	ODD 12
Ratio Total waste / Turnover (t/MEuros)	GRI 306-2	Principle 8	ODD 12
Non hazardous waste : Incineration with energy recovery	GRI 306-2	Principle 8	ODD 12
HAZARDOUS WASTE			
Hazardous waste: Incineration with energy recovery	GRI 306-2	Principle 8	ODD 12
Hazardous waste: Incineration without energy recovery	GRI 306-2	Principle 8	ODD 12
Hazardous waste: Inorganic recycling	GRI 306-2	Principle 8	ODD 12
Hazardous waste: Metal recycling	GRI 306-2	Principle 8	ODD 12
Hazardous waste: Organic recycling	GRI 306-2	Principle 8	ODD 12
Hazardous waste: Landfill	GRI 306-2	Principle 8	ODD 12
Hazardous waste: Others	GRI 306-2	Principle 8	ODD 12
Ratio Hazardous waste / Total waste (%)	GRI 306-2	Principle 8	ODD 12

SNF INDICATORS ENVIRONMENT

	GRI REFERENCES	GLOBAL COMPACT PRINCIPLES	U.N SUSTAINABLE DEVELOPMENT GOALS
OF WHICH RECOVERED WASTE			
Total Valued waste (energy recovery)	GRI 306-2	Principle 8	ODD 12
Valued waste (energy recovery) (sites)	GRI 306-2	Principle 8	ODD 12
Total Valued waste (excluding energy recovery)	GRI 306-2	Principle 8	ODD 12
Valued waste (excluding energy recovery) (sites)	GRI 306-2	Principle 8	ODD 12
TRANSPORT			
Transported volumes (m3)	GRI 305-3	Principle 7 & 8	ODD 12
Total number of km travelled (km)	GRI 305-3	Principle 7 & 8	ODD 12

SNF INDICATORS PRODUCTION

	GRI REFERENCES	GLOBAL COMPACT PRINCIPLES	U.N SUSTAINABLE DEVELOPMENT GOALS
TURNOVER			
Turnover	GRI 201-1 & 102-7		ODD 8
PRODUCTION (POLYMÈRES, MONOMÈRES)			
Total production	GRI 102-7		ODD 8
Global production (polymer/final product)	GRI 102-7		ODD 8
Global production (monomer)	GRI 102-7		ODD 8

SNF INDICATORS
SOCIAL

	GRI REFERENCES	GLOBAL COMPACT PRINCIPLES	U.N SUSTAINABLE DEVELOPMENT GOALS
TOTAL WORKFORCE			
Total workforce	GRI 102-7		
WORKFORCE BY GENDER			
Total staff male	GRI 102-8		
Total staff female	GRI 102-8		
Nb of women in management	GRI 102-8		ODD 5
Nb of women in company training programmes	GRI 102-8		ODD 5
WORKFORCE BY AGE			
WOMEN			
Staff female - AGE < 25			
Staff female - AGE 25 - 29			
Staff female - AGE 30 - 39			
Staff female - AGE 40 - 49			
Staff female - AGE > 50			
MEN			
Staff male - AGE < 25			
Staff male - AGE 25 - 29			
Staff male - AGE 30 - 39			
Staff male - AGE 40 - 49			
Staff male - AGE > 50			
WORKFORCE BY PROFESSIONAL SOCIAL CATEGORIES			
Staff professional	GRI 102-8		
Staff non professional	GRI 102-8		

SNF INDICATORS
SOCIAL

	GRI REFERENCES	GLOBAL COMPACT PRINCIPLES	U.N SUSTAINABLE DEVELOPMENT GOALS
CAREER MANAGEMENT			
Staff evolution	GRI 401		ODD 8
Nb of promotions	GRI 404		ODD 10
Number of promotions men	GRI 404		ODD 10
Number of promotions women	GRI 404		ODD 10
Nb of employees who have left the company	GRI 401		ODD 8
Employee turn-over rate (%)	GRI 401		ODD 8
Nb of employees who have change position	GRI 404		ODD 10
Internal mobility (%)	GRI 404		ODD 10
TRAINING			
Total training hours	GRI 404-1	Principle 6	ODD 10
Total HSE training hours	GRI 404-1	Principle 6	ODD 10
Nb of training days	GRI 404-1	Principle 6	ODD 10
Annual training budget	GRI 404-1	Principle 6	ODD 10
Nb of employees having received training over the year under review	GRI 404-1	Principle 6	ODD 10
total training hours by employee	GRI 404-1	Principle 6	ODD 10
WORKING CONDITIONS			
Nb of occupational diseases	GRI 403-10		
Nb employees covered by collective agreements on working conditions	GRI 403-10		
DISABILITY SITUATION			
Nb of employees with disabilities	GRI 103	Principle 6	ODD 10
REMUNERATION			
Average employee compensation	GRI 405		ODD 5
Average staff male compensation	GRI 405		ODD 5
Average staff female compensation	GRI 405		ODD 5

SNF INDICATORS SOCIAL

	GRI REFERENCES	GLOBAL COMPACT PRINCIPLES	U.N SUSTAINABLE DEVELOPMENT GOALS
ETHNIC MINORITY			
Number of employees from an ethnic minority	GRI 103	Principle 6	ODD 10
Number of workers of foreign nationalities	GRI 103	Principle 6	ODD 10

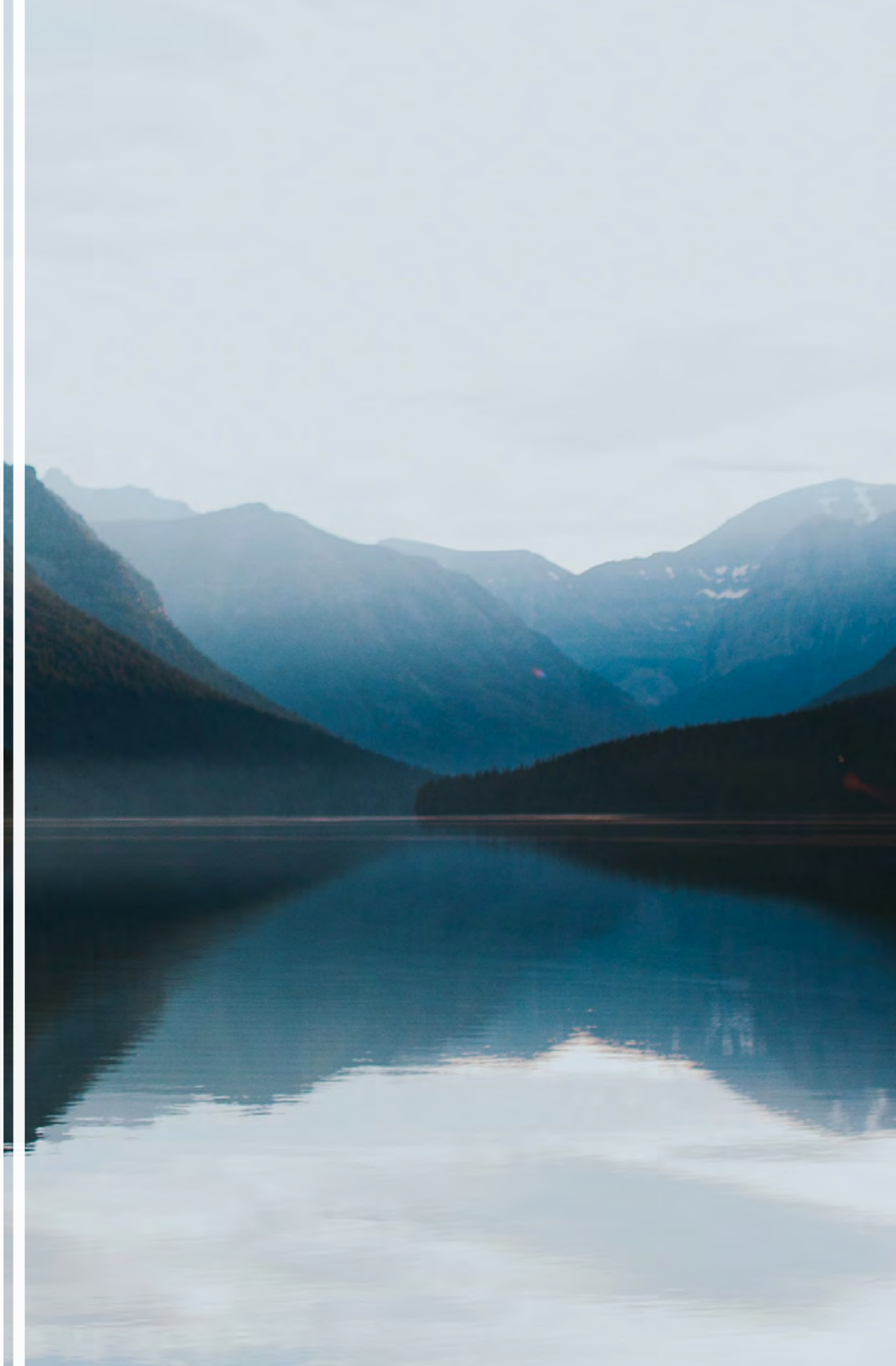
SNF INDICATORS HEALTH / SECURITY

	GRI REFERENCES	GLOBAL COMPACT PRINCIPLES	U.N SUSTAINABLE DEVELOPMENT GOALS
MAN-HOURS WORKED			
Total Man-hours worked	GRI 403-2 & GRI 403-9		ODD 3
LOST TIME INJURIES (ACCIDENT WITH WORK STOP)			
Number of Lost Time Injuries (accident with work stop)	GRI 403-2 & GRI 403-9		ODD 3
Lost Time Injury Frequency Rate(LTIFR) per million man hours worked.	GRI 403-2 & GRI 403-9		ODD 3
LOST TIME INJURIES (ACCIDENT WITHOUT WORK STOP)			
Number of Lost Time Injuries (accident WITHOUT work stop)	GRI 403-2 & GRI 403-9		ODD 3
LOST TIME INJURIES (ACCIDENT WITH AND WITHOUT WORK STOP)			
Number of total recordable injuries (accident with and without work stop)	GRI 403-2 & GRI 403-9		ODD 3
Number of total recordable injury/Million man hours	GRI 403-2 & GRI 403-9		ODD 3
Number of lost workday cases	GRI 403-2 & GRI 403-9		ODD 3
FIRST AID CASES			
Number of first aid cases	GRI 403-2 & GRI 403-9		ODD 3

SNF INDICATORS
HEALTH / SECURITY

	GRI REFERENCES	GLOBAL COMPACT PRINCIPLES	U.N SUSTAINABLE DEVELOPMENT GOALS
SEVERITY RATE			
Severity rate	GRI 403-2 & GRI 403-9		ODD 3
FATAL ACCIDENTS			
Number of fatalities	GRI 403-2 & GRI 403-9		ODD 3
Fatal Accident Rates per 100 million man hours worked.	GRI 403-2 & GRI 403-9		ODD 3
ABSENTEEISM			
Nb of hours of absence	GRI 403-2 & GRI 403-9		ODD 3
Rate of absenteeism	GRI 403-2 & GRI 403-9		ODD 3

INDEPENDENT LIMITED ASSURANCE REPORT



INDEPENDENT LIMITED ASSURANCE REPORT

SPCM SA
Société Anonyme
ZAC du Milieux
42160 ANDREZIEUX BOUTHEON (France)

REPORT BY ONE OF THE STATUTORY AUDITORS, APPOINTED AS INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED NON FINANCIAL STATEMENT

This is a free translation into English of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

For the year ended December 31, 2020

To the Shareholders,
In our capacity as Statutory Auditor of SPCM SA, appointed as independent third party and accredited by COFRAC under number 3-1048 (scope of accreditation available at www.cofrac.fr), we hereby report to you on the consolidated non financial statement for the year ended December 31, 2020 (hereinafter the "Statement"), presented in the group management report pursuant to the legal and regulatory provisions of Articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de commerce).

Company's responsibility
The Board of Directors is responsible for preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main extra-financial risks, a presentation of the policies implemented with respect to these risks as well as the results of these policies, including key performance indicators. The Statement has been prepared by applying the company's procedures (hereinafter the "Guidelines"), summarized in the Statement and available on the company's website or on request from its headquarters.

Independence and quality control
Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics for Statutory Auditors (Code de déontologie). In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional standards and applicable legal and regulatory requirements.

Responsibility of the statutory auditor appointed as independent third party
Based on our work, our responsibility is to express a limited assurance conclusion on:
- the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to part 3 of sections I and II of Article R. 225 105 of the French Commercial Code, i.e. the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information."

However, it is not our responsibility to provide any conclusion on the company's compliance with other applicable legal and regulatory provisions, particularly with regard to the duty of vigilance, anti-corruption and taxation nor on the compliance of products and services with the applicable regulations.

Nature and scope of procedures
We performed our work in accordance with Articles A. 225 1 et seq. of the French Commercial Code defining the conditions under which the independent third party performs its engagement and the professional guidance issued by the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes) relating to this engagement and with ISAE 3000 (Assurance engagements other than audits or reviews of historical financial information).

We conducted procedures in order to assess the Statement's compliance with regulatory provisions, and the fairness of the Information:

- We familiarized ourselves with the Group's business activity and the description of the principal risks associated.
- We assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, neutrality and clarity, taking into account, where appropriate, best practices within the sector.
- We verified that the Statement covers each category of information stipulated in section III of Article L. 225 102 1 governing social and environmental affairs.
- We verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code.
- We verified that the Statement presents the business model and a description of principal risks associated with all the entity's activities, including where relevant and proportionate, the risks associated with its business relationships, its products or services, as well as its policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks.
- we referred to documentary sources and conducted interviews to
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and corroborate the qualitative information (measures and outcomes) that we considered to be the most important[1] ; concerning certain risks (industrial, non-compliance, human rights, responsible supply chain) our work was carried out on the consolidating entity, for the others risks, our work was carried out on the consolidating entity and on a selection of entities.
- We verified that the Statement covers the consolidated scope, i.e. all companies within the consolidation scope in accordance with Article L. 233-16, with the limits specified in the Statement.
- We obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information.
- We carried out, for the key performance indicators and other quantitative outcomes[2] that in our judgment were of most significance:
  - analytical procedures that consisted in verifying the correct consolidation of collected data as well as the consistency of changes thereto;
  - substantive tests, on a sampling basis, that consisted in verifying the proper application of definitions and procedures and reconciling data with supporting documents. These procedures were conducted for a selection of contributing entities[3] and covered between 25% and 99% of the consolidated data for the key performance indicators and outcomes selected for these tests;
- We assessed the overall consistency of the Statement in relation to our knowledge of the company.

We believe that the procedures we have performed, based on our professional judgment, are sufficient to provide a basis for a limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

1. Code of conduct and ethics ; EcoVadis assessment on Human Rights and working conditions ; Measures set up to manage industrial risks ; Measures set up to ensure compliance with local sites regulation

2. CO2 emissions in tonnes of carbon equivalent (emission factor of the natural gas used to produce our products), CFC/HFC emissions, Wastewater volumes in m3, Water consumption in m3, COD of wastewater in kg Chemical Oxygen Demand, Hazardous waste in tonnes, Non-hazardous waste in tonnes, Waste-to-energy in tonnes, Waste-to-other in tonnes, Electricity consumption in MWh, Gas consumption in MWh, Lost time injury frequency rate, Total training hours, Headcount

3. Site audit: Taixing (China), Rudong (China)
Consistency review at site level: Andrézieux (France)

Means and resources

Our work engaged the skills of eight people between January 2021 and March 2021.

To assist us in conducting our work, we referred to our corporate social responsibility and sustainable development experts. We conducted around ten interviews with people responsible for preparing the Statement.

Conclusion

Based on our work, nothing has come to our attention that cause us to believe that the non financial statement does not comply with the applicable regulatory provisions and that the Information, taken as a whole, is not fairly presented in accordance with the Guidelines.

Comments

Without qualifying the conclusion expressed above and in accordance with Article A.225-3 of the French Commercial Code, we make the following comment: the calculation of certain key performance indicators presented in the Methodological Note is based on definitions that may vary according to geographical location.

Lyon, March 12th, 2021

One of the statutory auditors,

Deloitte & Associés

Guillaume Villard

SNF
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SNF
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