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**Sustainability
Report**



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Introduction

At Solenis, our innovative process and water treatment solutions drive sustainability at our customer sites by reducing water, energy consumption, raw material use and waste while improving operational efficiency, productivity and product yields.

We strive to be each customer's most trusted sustainability supplier by solving problems with the right people, the right experience and the right technology. We're built to deliver value.

For the genesis of every solution, our customers look to Solenis.





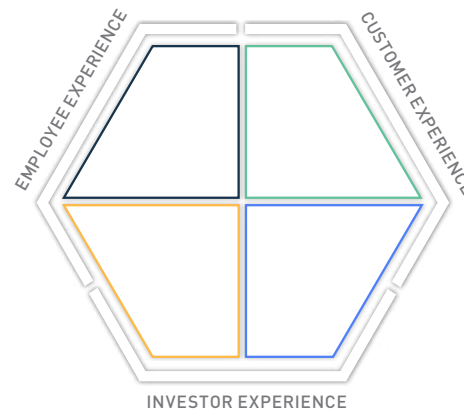
Welcome

Welcome to Solenis' first Sustainability Report. This report introduces our sustainability approach and demonstrates the ongoing efforts we have undertaken to make our business more sustainable and resilient.

This report highlights our key initiatives and achievements, both within the organization and with external stakeholders. It also looks ahead, highlighting our ambitions and commitments for a more sustainable future.

At Solenis, our sustainability approach lies at the heart of our overall strategic framework that summarizes how we do business. We describe this through three strategic lenses.

We are proud of our contribution to creating a more sustainable future, and we remain committed to continuous improvement and innovation to strengthen our existing customer relationships and find new business opportunities.



Our Employee Experience — A Culture of Safety and Sustainability

- With over 5,100 employees and 34 manufacturing facilities, our operations span 120 countries and five continents
- Over 1,600 global sales, technical and applications people positioned to serve customers with safety and sustainability at the heart of everything we do

Our Customer Experience — A Trusted Partner

- We have deep customer relationships to deliver value and sustainable solutions

Our Investor Experience — An Investment of Choice

- We are strongly positioned with large industrial water-intensive industries with good growth trends
- We are experienced, resilient and diversified — a business that withstands market challenges



About the Report

In order to most effectively deliver on our mission, we worked with consulting firm ERM to prioritize the sustainability topics that are most important to our organization and key stakeholders. The aim was to enhance our existing sustainability efforts, improve transparency and disclosure, look for more opportunities to drive sustainable solutions and improve our own operational efficiency and productivity.

The outcome of this exercise is detailed in this sustainability report. We have shaped this report to share the information about the highest priority topics for our organization, including our current initiatives, future commitments and ambitions. These are supported by data points throughout the report, which covers the reporting period between October 1, 2019 to September 30, 2020.

The report has been prepared in accordance with the Core option of the Global Reporting Initiative (GRI) "Global Reporting Standards," which are the globally recognized standards for sustainability reporting and disclosure. Our GRI table can be found in the appendix.



We aim to contribute to achieving the UN Sustainable Development Goals (SDGs) through our strategic framework and our approach to sustainability. We have mapped our priority sustainability topics to the most relevant SDGs to our business. However, it is certain that we impact more of these 17 SDGs every day. We know that by focusing on the things that matter the most to our business, we not only create business value, but also contribute to addressing some of society's most pressing development challenges.





OUR RESPONSE TO THE COVID-19 PANDEMIC — KEEPING OUR EMPLOYEES SAFE IS OUR #1 PRIORITY

Within days of the COVID-19 pandemic outbreak, the Environmental, Health and Safety and Human Resource teams along with Corporate Communications established a resource page on our global intranet. Weekly updates, new policies and procedures, links to external sources for COVID-19 guidelines and advice, multilingual videos, letters to customers and more were communicated. In addition to quarterly Town Hall meetings, monthly COVID-19 town halls to discuss challenges and engage with our employees on various COVID-19-related topics were held. Personal Protective Equipment (PPE) and other critical items were sourced and shipped to every Solenis employee, we monitored reported cases and we established and continuously adjusted onsite COVID-19 protocols.

During the pandemic our business remained strong, owing to the essential markets we serve, which include consumer packaging, tissue and towel, municipal and many other essential goods producers. These customers have ongoing needs for products and services to protect water and production assets. For consumer-related manufacturing, such as bath tissue and packaging for e-commerce, our customers increased production significantly in response to demand driven by the COVID-19 pandemic and its consequences.

Business & Sustainability Highlights

Business Highlights

2020 was a challenging year for everyone. However, our team demonstrated focus, agility and resilience and continued to deliver value to over 11,000 customers around the world. Although the COVID-19 pandemic presented us with many hurdles to overcome, we achieved considerable business successes through our business agility and creative approaches to solving customer problems.

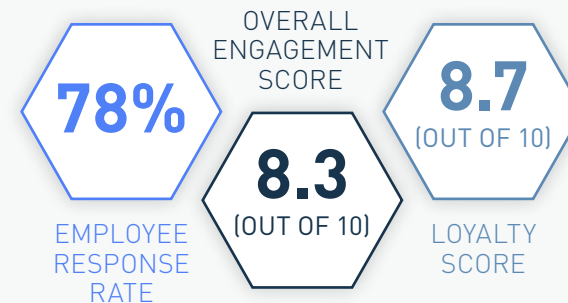
Concurrently, we continued to observe strong market trends driving growth in sustainability, recycling, water reuse and plastic conversion to fiber. Well-positioned to respond, we have and are moving numerous programs through our R&D processes to put new services and products in the hands of our commercial team.

Our differentiated product portfolio, with strong intellectual property, gave us a real competitive advantage. We executed a clear strategy around several growth vectors, including: corporate accounts, emerging markets, new technologies, focused investment in water-intensive industries and polyacrylamide (PAM) manufacturing capabilities investment — and all showed good returns.

We made great strides in managing our talent and leadership structures:

- We invested in diverse talent across our organization globally. This includes senior leadership and a regional structure that is accountable for results, with two business presidents who have full profit and loss responsibility.
- We continue to build our company culture founded on engaged employees, which is measured via our annual culture survey.

2020 Annual Culture Survey Results

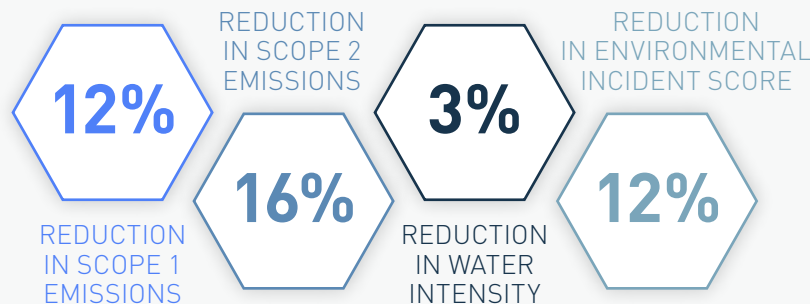




Sustainability Highlights

Helping our customers achieve their sustainability goals has always been our number one priority and is at the heart of our value creation model. Going forward we will amplify our own sustainability initiatives and share more of our best practice. In 2020, we formalized our approach to sustainability. We aim to better communicate our sustainability successes internally and externally to raise awareness by better monitoring of sustainability performance and to engage in new sustainable opportunities.

Environmental Performance 2020 vs 2019



Social Performance 2020



MEASURING OUR PROGRESS IN SUSTAINABILITY

In 2019 and 2021, Solenis received gold status from EcoVadis, a leading rating agency in corporate social responsibility and sustainable procurement. We are currently in the process of further advancing our sustainability goals and commitments based on the outcome of our materiality assessment. We are committed to measuring our Environmental, Social and Governance (ESG) progress through the NASDAQ (GRI-based) reporting framework.



CEO Thoughts on 2020 & the Future

The Solenis team demonstrated exceptional commitment, resilience and agility in 2020, a year of unexpected challenge.

From keeping our employees safe, to finding alternative ways to interact with our customers in light of the COVID-19 pandemic, to furthering diversity and inclusion in our business and building an increasingly engaged workforce, we have found innovative ways to overcome challenges and drive sustainable growth.

Our business has been delivering sustainable solutions for more than 100 years, and while helping our customers to meet their environmental goals has always been our priority, this year we have decided to go one step further to advance our own approach to sustainability.

That is why we partnered with an external consultant to help analyze our sustainability efforts. Working together, we prioritized actions needed to help our customers adapt to pressing sustainability trends, and we also developed a plan to build internal engagement and raise the bar in our efforts to become a more sustainable business.

This report shares what we have achieved so far through our projects and initiatives and explains where we want to be in the future so we can continue to be our customers' most trusted partner for sustainable solutions, a reliable employer and a responsible neighbor.

We are extremely proud of the value we create for our customers, with half of our products focused on helping them achieve their sustainability goals through raw material and energy management, water treatment solutions, and recycling. We want to build on this momentum. As such, we have set for ourselves the ambitious target of generating 90% of our revenue by supporting our customers' sustainability ambitions with our products and processes by 2030.

In order to do so, we will evolve our solutions to drive sustainability while innovating to reduce the environmental footprint of our operations, through the reduction of raw material inputs and the adoption of circular economy principles. This year we will begin a circularity assessment in order to set tangible targets to support our long-term vision for Solenis as a sustainable business.

Continued on next page >



Water is life — and a relentless focus on changing wasteful habits is required by every one of us. Water quality, conservation, management and recycling continue to top the list of priorities — ours and that of our stakeholders. A truly circular economy is vital, too, and we are investing even more in new recycling technologies for our customers, as well as in renewable, recyclable and compostable materials across our value chain. We are also measuring our impact on climate change and tackling ways to reduce our impact considerably. This is not easily solved in our industry, but we are determined to be part of the solution.

Finding new frontiers is part of our culture. Innovation in product development, with sustainability at its core, and leveraging digital tools will be essential to remain relevant and competitive. That is why we are aiming for more than 90% of new innovation projects to have a sustainability/circularity focus by 2025.

Our global Research and Development (R&D) teams work closely with our highly trained customer-facing teams to understand challenges and find sustainable solutions. The work we are doing with the Renewable Bioproducts Institute at Georgia Institute of Technology is particularly exciting and clearly reflects our commitment around innovation.

Measurement beyond our four walls and across the value chain is fundamental to improving our sustainability efforts. We will continue to identify and assess environmental risks using the company-wide global management system Responsible Care. This is helping to continuously improve sustainability processes and performance across our operations.

Our highly talented workforce is our most valuable asset, and their safety and well-being are extremely important to us — and essential for delivering a sustainable business. Our strong health and safety legacy is evident in the consistently low Total Recordable Incident Rate (TRR). We are also proud that we have been acknowledged as one of America's Safest Companies in 2020.

I thank our people for their commitment and engagement. We will continue to ensure that Solenis has a positive culture and engaged employees who are not afraid to speak up. A diverse and inclusive workforce is essential for sustainable business growth and innovation. We have an exciting journey ahead and we stand ready to take on any sustainability challenge.

John E. Panichella
CEO





RECYCLING



E-COMMERCE



BIO-RENEWABLE MATERIALS



REGULATIONS DRIVING WATER REUSE



DIGITAL SOLUTIONS



Global Trends

2020 was a year like no other, and 2021 and the years ahead will certainly test our resilience as a business.

The COVID-19 pandemic may well be remembered as one of the most difficult tests faced by humanity in modern history. The pandemic had a profound impact on our business, and we had to make some difficult choices. Although some of our projects had to be put on hold, the Solenis team demonstrated flexibility and agility, particularly in the way we kept our employees safe and the way we interacted with our customers.

Global trends show that sustainability strategies are becoming strong differentiators for businesses and that stakeholders are increasingly interested in how key Environmental, Social and Governance (ESG) issues are managed. ESG covers quite a broad set of issues, from the carbon dioxide footprint to labor practices to corruption.

Consumers and employees are demanding higher standards of sustainability and quality of employment. Regulators and policy-makers are also interested in sustainability, as they see the corporate sector as a key player in the journey toward achieving sustainable development. This has also become commonplace within the financial community.

One of the most relevant environmental issues for the chemical industry is the management of water resources. As freshwater sources like rivers or lakes become increasingly stressed, the chemical industry is working with other sectors to increase water efficiency and to reduce water use in their operations and value chain. Businesses are also investing in recycling technologies, as well as incorporating renewable and recyclable materials in their product portfolio. This is part of the shift toward a circular economy and part of Solenis' ambitions for 2021.

Finally, people-related sustainability issues have moved into the spotlight and have become a discussion in our daily lives. At Solenis, we believe that having a strong safety culture and a truly diverse and inclusive workforce will be key to us overcoming persistent development challenges and accelerating sustainable growth.

We are following these trends closely, maintaining a strong business agility to react to current pandemic requirements and will focus our journey to develop a stronger sustainability culture. In 2021, our strategic approach to sustainability will gain further momentum.



About Solenis

Our mission is to be each customer's most trusted partner by finding sustainable solutions with the right people, the right experience and the right technology. We are a resilient and diversified business and have proven our ability to withstand market challenges. We are a force for sustainable change.

That's exactly what we've been doing since our founding **more than 100 years ago**. We're a leading specialty chemical supplier and water treatment company, with a truly global footprint. With over 5,100 employees, 34 Solenis-owned manufacturing facilities, and four manufacturing sites operating at customer facilities, our operations span 120 countries and six continents.

With over 1,600 global sales, technical and applications people, we are positioned to serve customers who range from engineers to technical directors to plant managers in paper mills, chemical processing plants or other water-intensive operations.



ONE OF AMERICA'S SAFEST COMPANIES IN 2020

In 2020, Solenis was named for the second time as one of America's Safest Companies by EHS Today, a leading publication for safety, health and industrial hygiene professionals in the manufacturing, construction and service sectors. Since receiving its first award in 2015, Solenis has instituted an array of new company-wide programs aimed at increasing safety protocols and awareness.

“We're committed to continuous improvement and believe that our business is better when safety is our number one priority. Being honored by EHS Today for the second time is a testament to our employees and organization as we strive to achieve a goal of zero injuries on a global basis.”

– Sean M. Maconaghy, Solenis EHS&S & Global Process Safety Management Manager



34 Solenis-owned manufacturing plants along with 4 plants operating at customer facilities are located strategically around the world to serve our customers.





Our Team Adds Value Around the World

Our vision is to enable our customers' success through innovative processes and water treatment solutions. We have made a commitment to sustainability excellence, and we have embedded key programs in our service model, which enables our customers to better manage or conserve natural resources.

Our consumer business segment provides a wide range of water and process solutions that drive operational improvements and impact customers' finished consumer products for the packaging, graphics and specialty, tissue and towel, and food and food packaging markets.

Our industrial business segment provides a wide range of water and process solutions that drive operational improvements for industrial markets, including pulp, chemical processing, hydrocarbon processing, mining and mineral processing, oil and gas, biorefining, power and municipalities.

Our suppliers help us meet the needs of customers with responsibly produced products and services. We seek to do business with suppliers who are committed to quality, service and continuous improvement. In support of these values, we have a Supplier Code of Conduct that outlines the expectations we have of our suppliers.

A healthy and engaged employee culture is important to us, and we have conducted an annual culture survey since 2015. The findings are an important indicator for the engagement of our employees and the effectiveness of our managers and are considered in our business planning process.

We are firmly committed to conducting business throughout the world in accordance with the **highest legal and ethical rules and principles**. The Global Standards of Business Conduct is the cornerstone document that reflects this commitment and sets the standards for our actions.

Our Executive Committee defines our market strategy and leads the various parts of our business.

Solenis Executive Committee

JOHN PANICHELLA

Chief Executive Officer



PHILIP PATTERSON

Senior Vice President & Chief Financial Officer

ANDREAS TÜRK

President, Eurasia

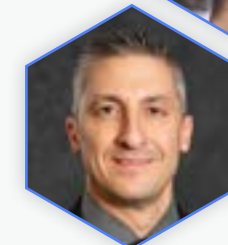


EDWARD CONNORS

President, Americas

ROYCE WARRICK

Senior Vice President & General Counsel



DAVID NOCEK

Senior Vice President & Chief Human Resources & Communications Officer



Our Value Chain



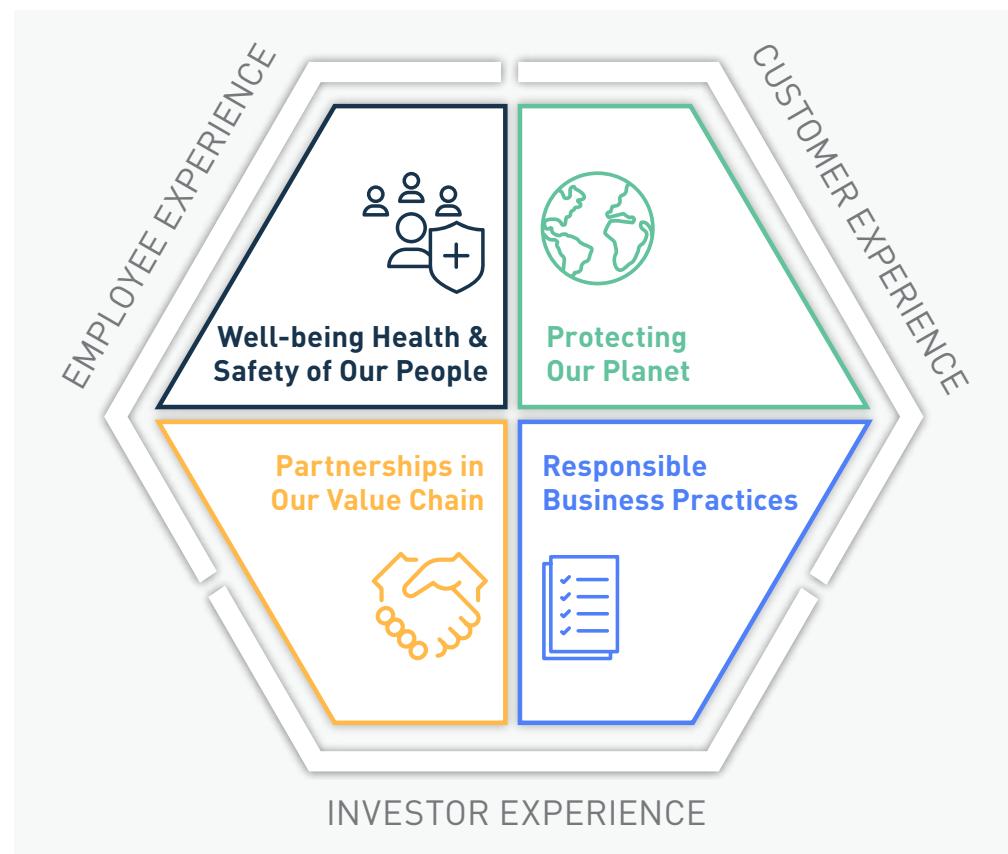
Our Approach to Sustainability

At Solenis, sustainability is at the heart of our culture, strategy and business model. As global experts in the production of chemicals for water-intensive industries, we are committed to sustainability leadership, by providing sustainable solutions for every customer we serve.

Our sustainability approach is core to our overall business strategy: supporting our customers in their own sustainability journeys in demonstrable ways. As a foundation, every functional group in our company participates in several programs to drive our own sustainable growth. This clear focus supports the creation of a circular economy with less consumption of natural resources while minimizing the impact on our environment and society.

In 2020, we carried out our first materiality assessment [\[see page 15\]](#) to identify the most material sustainability topics to our stakeholders and our business. Although we have been involved in numerous sustainability initiatives for many years, the materiality assessment has helped to inform the development of our strategic sustainability approach, **which organizes our actions and commitments across four focus areas:**

- Well-being Health & Safety of Our People
- Protecting Our Planet
- Partnerships in Our Value Chain
- Responsible Business Practices





“Our legacy is improving process efficiency while protecting the environment. Having now completed our materiality assessment and providing more transparency, we will be able to create more value for our customers around sustainability solutions and services.”

– John Naughton, Senior Vice President,
Global Supply Chain & Operations

Through the actions and commitments in each of these areas, Solenis aims to create value for our stakeholders while responding to sustainability and societal challenges, including contributing to the UN Sustainable Development Goals (SDGs). **Solenis has prioritized five SDGs where we believe we can have the biggest impact through our customers, products, processes and partnerships:**



SDG 3 — Good health & well-being: While the COVID-19 pandemic has turned into a global crisis and is evolving at unprecedented speed, businesses were forced to take immediate action to protect their people. The crisis has reinforced our strong legacy of continuous improvement in health and safety as well as future commitments. Our long-term goal is to operate with zero harm.



SDG 6 — Clean water & sanitation: Solenis has a long history of providing process treatment solutions to customers in consumer markets. We also focus on reducing industrial water consumption, and clean water is produced prior to discharge.



SDG 12 — Responsible consumption & production: The growing customer demand for sustainable products and the scarcity of critical resources provide us with the opportunity to develop innovative and sustainable solutions that enable our customers to conserve natural resources and minimize waste in their operations.



SDG 13 — Climate action: With the US rejoining the Paris Agreement, nearly 200 countries are committed to support climate action to reduce emissions and build resilience to climate change impacts, particularly in developing countries. We aim to reduce our operational energy consumption by improving our processes and products, while also supporting our customers to improve their energy consumption, the resilience of forests and freshwater ecosystems.



SDG 17 — Partnerships for the goals: The challenges we face in our value chain can only be addressed when stakeholders work together. Our social focus is on responsibly managing relationships with employees, customers, suppliers and others. An important element of this is partnering with employees to help address the needs of the communities where we operate, as well as other geographical areas where we can make a difference. The close partnership, particularly with our customers, will make the biggest contribution to succeed in SDGs 6, 12 and 13.



Materiality Assessment

In 2020, Solenis performed a data-driven materiality assessment using the Datamaran* software to identify and prioritize our key material topics.

Material topics are those that have the potential to impact the long-term viability of the company and are of concern to our internal and external stakeholders. By monitoring the evolving sustainability risks and opportunities that will influence Solenis' business position, we are able to develop a better understanding of the importance of key sustainability topics to the business from reputational, operational and financial perspectives. We intend to update our materiality assessment on an annual basis to capture changes in our industry and wider external environment. **Our materiality process consisted of three key phases:**



1. Internal stakeholder engagement

As part of our materiality assessment process, we engaged and collaborated proactively with stakeholders across the company to gather their views on key sustainability risks and opportunities and on the issues most relevant to our business. Solenis employees were invited to provide input into the materiality process through a survey, and selected senior leaders were interviewed. The materiality survey was completed by over 418 employees, including senior leaders, members of the Sustainability Task Force who are responsible for Solenis' global sustainability strategy and other employees representing a broad range of business areas and geographies. We asked our employees to score the sustainability topics based on importance to the business.



2. External stakeholder analysis

The external stakeholder perspectives were determined by undertaking extensive desk-based research on sector and industry-specific trends. Relevant input from sustainability frameworks were incorporated, including the GRI standards, the Sustainability Accounting Standards Board (SASB) and the SDGs. The sustainability priorities of peers, customers, suppliers, investors, regulators, civil society and the general public have also fed into our analysis.



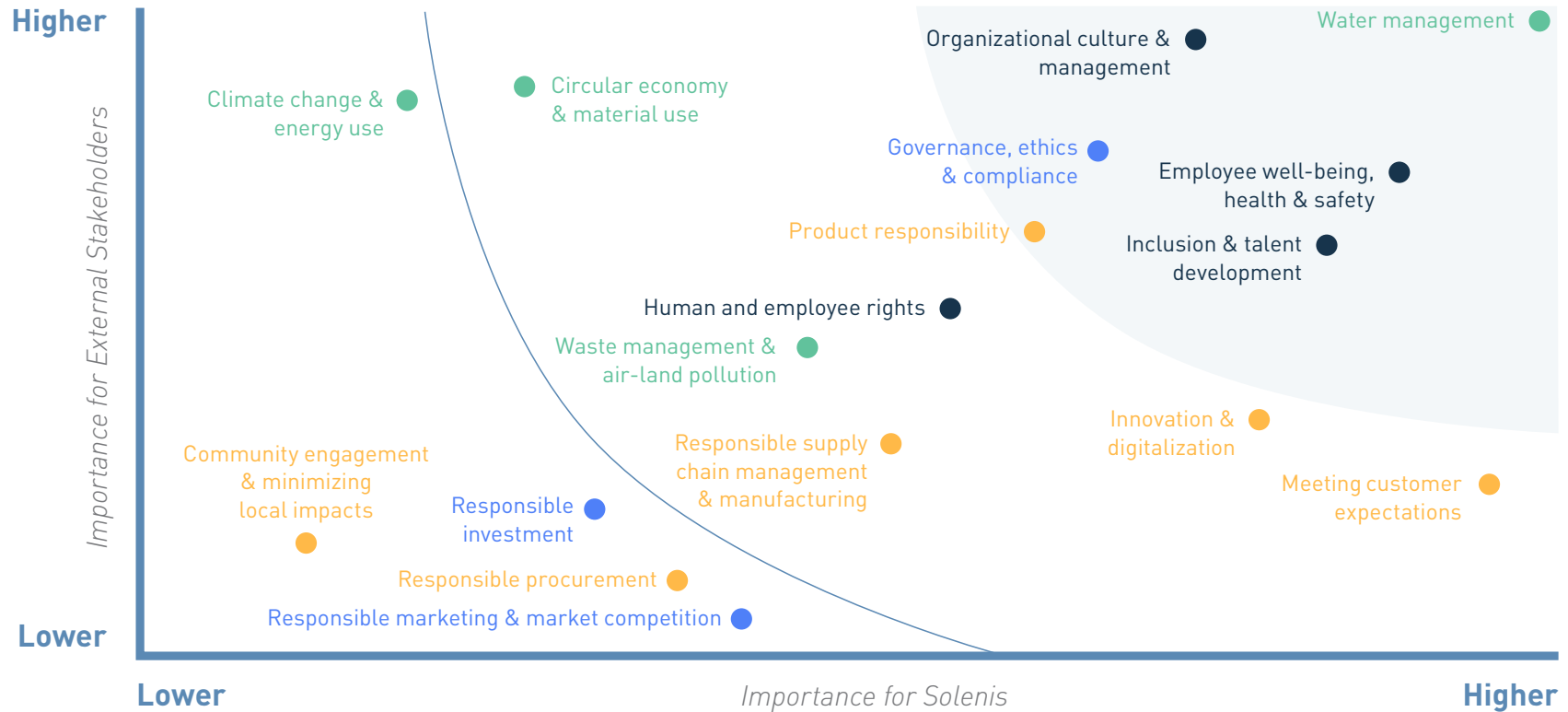
3. Ranking and prioritizing

The qualitative and quantitative outcomes of our internal and external stakeholder engagement and analysis were used to rank the topics, depicted in the materiality matrix [\[see page 16\]](#). The materiality matrix illustrates the relative importance of 18 sustainability topics, in relation to their impact on our business and relevance to our external stakeholders.

**Datamaran is a cloud-based data analytics platform that tracks the frequency and emphasis of sustainability topics in narrative text from a variety of publicly available sources.*



Materiality Matrix



Sustainability Pillars



● Well-being, H&S



● Protecting our planet



● Partnerships in our value chain



● Responsible Business Practices

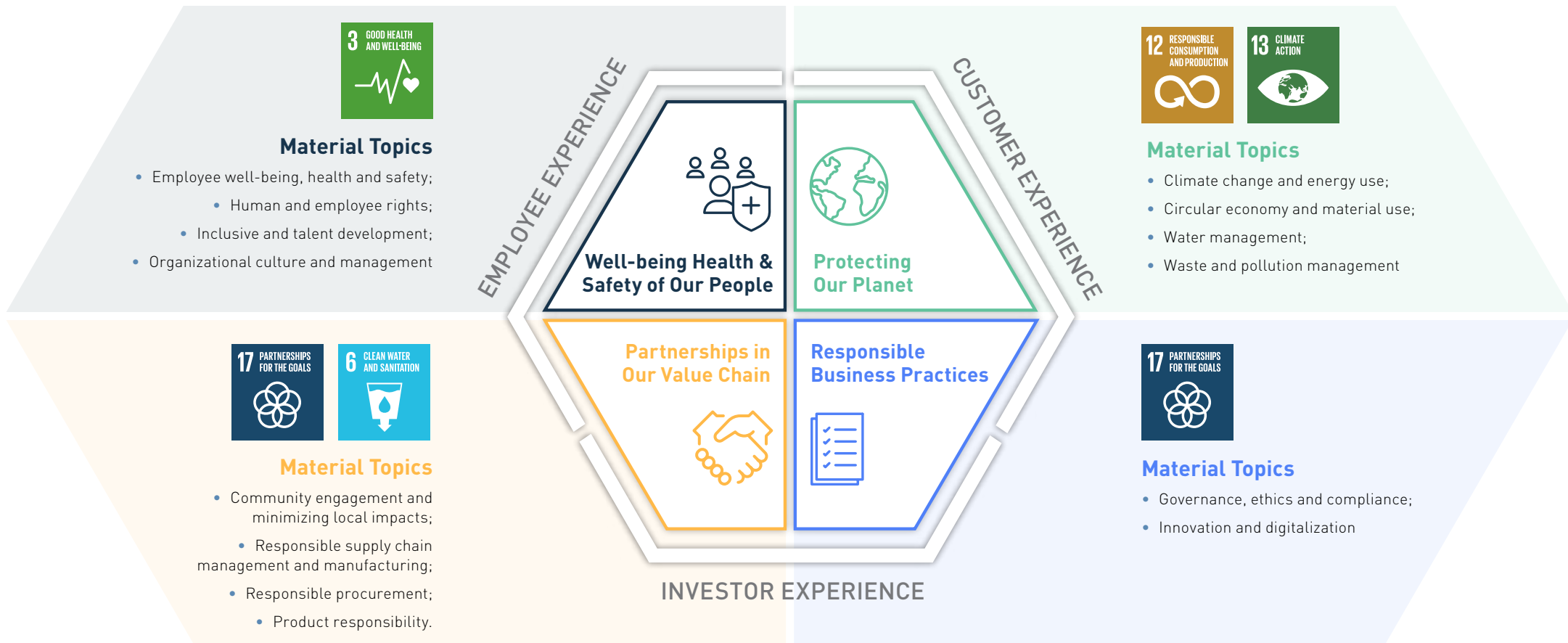
Strategic Framework

Through the actions and commitments in each of the four focus areas, Solenis aims to create value for our stakeholders, while responding to sustainability and societal challenges, including contributing to the UN Sustainable Development Goals (SDGs).

Solenis has prioritized five SDGs where we believe we can have the biggest impact through our customers, products, processes and partnerships.

As we move forward, we will continue to:

- Foster sustainable innovation
- Further integrate sustainability considerations into decision-making and core business strategy
- Continue to identify key strategic opportunities for material topics and identify gaps
- Set the foundation for measuring sustainability performance across the business
- Strengthen transparency and communications around sustainability performance to interested stakeholders
- Strengthen relationship with financial partners, customers and industry partners and the communities around our operations.





Corporate & Sustainability Governance

We have robust sustainability governance structures in place to ensure that material topics are managed at the highest level and that we continue to evolve our approach to sustainability.

This governance structure, consisting of the Board of Directors (BOD), Executive Committee (EC) and our Sustainability Task Force, is responsible for developing and implementing our position on environmental affairs and sustainability more broadly. This includes monitoring global developments, sustainability trends and ensuring that our programs remain relevant, competitive, and compliant with governmental requirements.

Through our organized structure, we monitor and facilitate progress and ensure consistency with our strategy, goals and reporting standards. Our governance bodies also establish and maintain relationships with external authorities, government agencies, regulatory bodies, industry representatives, customers, competitors and other external parties while representing and protecting our business interests in the external environment.

We further evolved our ESG governance by conducting a materiality assessment [\[see page 15\]](#), which was undertaken with input from senior leaders and members of our governance bodies. Having a better understanding of which ESG issues are most relevant to our business along with key commitments and Key Performance Indicators (KPI) will help us define roles and responsibilities, therefore ensuring accountability for driving sustainability forward within our organization.



Impact Through Our Customers



AN UNWAVERING COMMITMENT TO THE CUSTOMER

During the COVID-19 pandemic, a major tissue producer in North America completed the installation of a new paper machine — a multi-billion-dollar investment that could not be delayed for financial and consumer-demand reasons. Only one Solenis engineer was allowed on-site at a time; normally there are as many as five during the complex start-up process. Two engineers took turns spending a week at a time doing the work of several, providing technical support and consulting with “virtual” teams. As a result, we enabled a successful launch of an essential new post-COVID-19 asset.

Impact Through Our Customers

Over the past decade, sustainability challenges, such as water scarcity, deforestation and climate change, have increased the urgency with which we, as part of a global community, must respond and react. At the same time, such challenges present an opportunity to grow our business by engaging with our customers and unlock innovative and sustainable solutions that support water-intensive industries.

	KPI	Target	2020 Progress
Planet & Climate	<ul style="list-style-type: none"> Enable our customers to manage resources and manufacturing processes more effectively 	<ul style="list-style-type: none"> By 2030, 90% revenue generation will result through support of customers’ sustainability goals By 2025, 30% of our innovation programs to drive reduction in carbon footprint of our products 	<ul style="list-style-type: none"> >80% revenue from projects driving sustainability goals 12% innovation programs drive reduced carbon footprint
Customers	<ul style="list-style-type: none"> Drive value for our customers 	<ul style="list-style-type: none"> Deliver 5% return on investment for every customer 	<ul style="list-style-type: none"> Exceeded goal; documented \$194MM in value delivered to customers



Our unique combination of the right people with the right experience using the right technology serves these customers by addressing their most demanding challenges with innovative solutions. By 2030, we aim to generate 80% of our revenue by supporting our customers' sustainability goals with our products and processes.

1. Right people

We have built a diverse team of over 1,600 engineers and service technicians, embedded at customer sites daily. Committed to spending more than 75% of their time on customers sites, these experts deliver superior value. They provide solutions to challenges and identify opportunities to manage natural resources, such as water, energy and/or fiber. They also find ways to minimize waste and greenhouse gas emissions while improving customers' ability to design their products in a more environmentally responsible way.

2. Right experience

Developing and maintaining the best problem-solving team in the industry requires continuous focus on attracting and retaining talented individuals and ongoing training. Every commercial employee is required to complete an annual assessment which drives their individual learning plan and upgrades their skills. Our customers are so reliant on our expertise that we sought out new "virtual" tools during the COVID-19 pandemic. This virtual reality platform enables our experts to remotely "enter" customer sites alongside the local team to provide troubleshooting support and eliminates concerns about social distancing. This allows us to respond faster to customer needs and leverage our employees' knowledge and experience, while ensuring the safety of our customers and employees. This activity is currently underway only in North America, but we intend to explore more potential use of this technology across the business.

3. Right technology

Our world-renowned R&D team delivers innovative and sustainable solutions that enable our customers to conserve natural resources and minimize waste in their operations. One example of an innovation that has created significant customer value is our water-based coatings for food packaging. These coatings impart protective barriers to fiber-based food packaging such as coffee cups, carryout food containers and ice cream cartons, replacing less recyclable and less naturally degradable materials such as plastic films and fluorinated compounds.

Health & Safety at Customer Sites

To achieve our ambition to operate with zero harm, Solenis regularly performs detailed safety inspections on equipment and the associated work environment at customer sites. This enables Solenis to better protect our own employees who are visiting customer sites, as well as customer's employees and others on-site who are working with or nearby Solenis products and equipment. After performing a safety inspection, a formal report is written by Solenis to document eventual findings, along with recommendations for implementing corrective action to reduce risk in the work environment.





AND THE WINNER IS ... MARATHON PETROLEUM CORPORATION'S CATLETTSBURG REFINERY!

Marathon Petroleum Corporation's refinery in Catlettsburg, Kentucky, was recognized for a single project that led to total water savings of 162,060,000 gallons per year. The project, which focused on the operation of 18 anthracite filters used as part of the boiler feedwater pretreatment process, required close collaboration between Solenis field professionals and Catlettsburg site employees.

ValueAdvantageSM Partner Program

The ValueAdvantage partner program is Solenis' value delivery program. The program was deployed to identify, document and measure the value we bring to our customers' businesses with our chemistry, support, service and expertise. Much of the value we create for customers is driven by our ability to help them reach their sustainability goals, covering the aspects of water and energy usage, reducing the carbon footprint and limiting waste.

The internal Solenis ValueAdvantage database contains hundreds of projects that are searchable by industry and application teams, providing our global salesforce a comprehensive pipeline of improvement project programs. This approach accelerates the learning curve for new Solenis representatives, as the process for each project is clearly outlined and contains real-world examples.

Value calculators have been developed to enable consistent and uniform tracking of the sustainability impact at our customer sites to ensure that we are delivering the value we promise. The program also serves as a useful tool to identify initiatives that are sustainability successes and help our customers to identify additional opportunities to reduce their environmental footprint.

Solenis Sustainability Award

In 2020, Solenis awarded our first Solenis Sustainability Award. This award will be presented annually for verifiable customer projects that have, over the previous 12 months, delivered meaningful, measurable results against our sustainability commitments. The Award is a celebration of our partnerships with our customers and forms a key part of our sustainability strategy. It draws attention to the need for transformative sustainability initiatives and exemplifies how all enterprises, no matter their size, can make a big difference. It is through our ongoing partnerships that we help customers drive sustainability while improving operational efficiency and productivity.

A Sustainability Award committee oversees the identification of suitable projects or achievements. Possible project candidates are identified through a nomination process and verified through the Solenis ValueAdvantage database. All winning projects or initiatives need to demonstrate measurable value and need to have a clear sustainability component aligned to our sustainability commitments.



01

OUR APPROACH TO SUSTAINABILITY

Well-being, Health and Safety of Our People

1

Well-being, Health & Safety of Our People



In this section we cover:



Our long-standing reputation for solving highly complex customer challenges is directly attributed to approximately 5,100 outstanding professionals, including 1,600 field representatives, working in 120 countries across five continents.

Our manufacturing operations with nearly 2,000 employees are strategically located at 34 sites around the globe. In addition, our eight R&D sites, comprising more than 260 professionals, are focused on addressing the most pressing customer concerns and developing state-of-the-art technology to meet customers' future challenges. It is our ambition to educate and engage our people to reach their full potential and to create a safe and inclusive work environment in which they can continuously grow and succeed.



Our Culture

Our mission is to strive to be each customer’s most trusted supplier. Our solutions drive sustainability by reducing water and energy use and raw material waste while improving operational efficiency and productivity. At its core, our focus is on profitable sustainability.

Our culture is centered on fundamental beliefs about the importance of our people, their performance and the results in growing the business. Solenis brings together diverse perspectives in a safe, collaborative workplace that empowers our employees to solve the world’s most challenging process and sustainability challenges. We nurture a culture of inclusion and accountability and promote learning and development for all employees.

KPI		Target	2020 Progress
People	<ul style="list-style-type: none"> Continuous strive towards zero injury culture 	<ul style="list-style-type: none"> Reduce recordable injury rate (TRR) by 10% year over year 	<ul style="list-style-type: none"> TRR was 0.52 (17% reduction)
	<ul style="list-style-type: none"> Create a diverse and inclusive culture 	<ul style="list-style-type: none"> By 2030, double the diverse population of leadership and total workforce 	<ul style="list-style-type: none"> Female: 16% directors and above; 23% of total workforce
		<ul style="list-style-type: none"> Annual Culture Survey to drive employee engagement 	<ul style="list-style-type: none"> 8.3 out of 10 engagement score



People

We take pride in hiring the most talented people and embrace a diverse workforce operating in an inclusive environment as a significant competitive advantage. We actively invest in employees’ professional development, so they can achieve their personal and professional goals while driving business growth.



Performance

We evaluate performance based on our contributions to operational excellence and business performance. Compliant, simple and efficient business processes are constantly benchmarked against industry best practices to ensure continuous performance improvement.



Results

During every interaction, we create a positive experience for every customer to fuel the growth of our business.



FACILITATING OUR GROWTH

On February 6, 2020, Solenis dedicated its new World Headquarters in Wilmington, Del. U.S. securing and refurbishing over 87,000 square feet of space. The new headquarters now offers employees improved technology use and a working environment with heightened sustainability features, increasing employee morale and enhancing corporate culture. The Delaware Contractors Association awarded the Solenis Headquarters their excellence in construction award in December 2020.

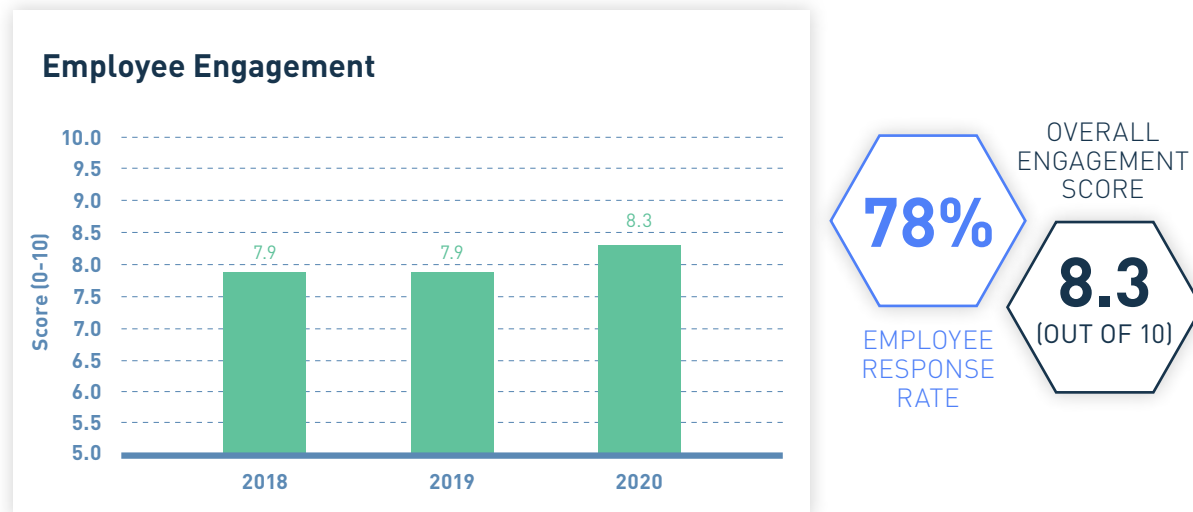


“We are working to retain, recruit and add employees to enhance our value proposition and better serve our customers. Our roots are here in Delaware, and we are excited about continuing to grow here with our new headquarters.”

– Philip M. Patterson, Solenis Senior Vice President & Chief Financial Officer

Employee Engagement

Employee engagement and fostering a committed, high performing team of employees are fundamental to our culture and are measured through the Solenis Annual Culture Survey. The survey is available in eight languages and the feedback is anonymous, with responses only included as part of department, regional and global summaries. All employees (excluding temporary employees, contractors, students, new hires within 90 days) are invited to participate. Our 2020 survey had the highest overall response rate of 78% (4% increase over 2019) and the highest overall engagement score of 8.3 out of 10 (a 0.4 increase over 2019). We are always seeking more ways to improve and remain committed to continually enhance our culture as we grow.



We organize quarterly global town hall meetings led by senior executives, in which we involve and update our employees on Solenis strategy, business priorities and other business-critical topics. These global webcasts are supplemented with quarterly, regionally focused meetings in multiple languages. In 2020, we added monthly global webcasts dedicated to COVID-19 pandemic information. These engagement opportunities are supported by other communications channels, such as manager forums, CEO-employee letters and a robust company intranet. In addition, employees are encouraged to use a dedicated email to ask questions directly to the CEO and other key executive members at any time. In addition, the CEO holds virtual one-on-one sessions with various individuals and teams to gain insight on challenges, top-of-mind thoughts and more. In 2020, approximately 75 of these sessions were held.



Solenis' Recognition Programs Are Significant to Our Culture

An important part of our commitment to foster employee engagement is the reward and recognition of our employees, whose outstanding contributions support our goals and values. Business growth, sales excellence and customer service are honored, as are excellence in innovation, supply chain operations, corporate functions and overall leadership. We specifically recognize individuals who have contributed to social responsibility and those making a significant impact in environment and health and safety. Solenis is proud to reward employees through a variety of formal and informal recognition programs. Any full-time employee in the company can recognize any other full-time employee and nominate for awards across all our recognition programs. For the most prestigious awards, nominations go through a rigorous formal review before the select groups of winners are selected.

Reward	Description
The President's Roundtable	Our highest honor, carrying awards of \$10,000 and a custom-designed crystal sculpture to each winner in eight categories.
The Eagle Award	For nearly 50 years Solenis has recognized our most exceptional salespeople of the year.
The Darcy Dauterive WINS Award	Given in memory of an outstanding sales leader. Recognizing exemplary female leaders who have earned unparalleled success. One winner is selected from each of our global regions.
The Lulu Mena Customer Service Award	Given in memory of a highly respected, exemplary customer service leader. Recognizing exceptional and consistent performance in customer service, including customer service representatives, contract team members, import and export processors and third-party processors.
The Pinnacle Award	Our Pinnacle Award shines a yearly spotlight on our top-performing employees in applications, product management, pricing, equipment and marketing.
Inspire	Inspire is a global program allowing us to reward and celebrate our colleagues' achievements on a peer-to-peer basis across functions. The program recognizes and reinforces the actions and behaviors that drive business success and motivate other team members.



GABRIELE BRADLEY

Gabriele Bradley, a sales account manager in the southeast U.S., has taken a leadership role in the company's diversity and inclusion activities. She is one of the drivers of the Women's International Network of Solenis (WINS) and started the Women in the South East Region (WISER) organization. Bradley serves as a mentor to female employees in the traditionally male-dominated field of heavy industry.

For this and other efforts, she received our top honor in 2020, selection to the President's Roundtable in the Social Responsibility category.

"Inclusion is one of the areas where anyone can truly make a difference in his or her workplace," she said. "It only takes one act of kindness, understanding or empathy to speak volumes and really change where you work."

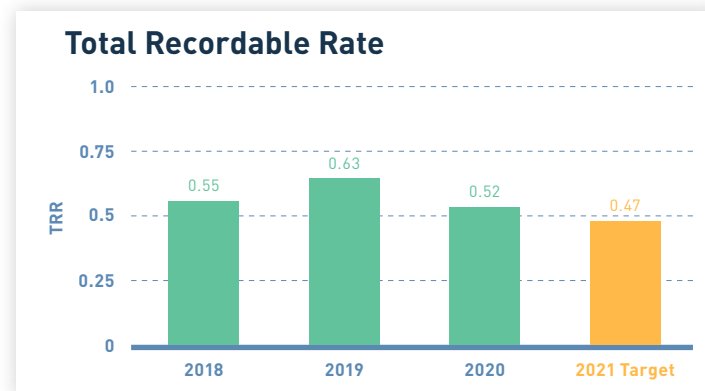


Health & Safety

At Solenis, we continuously strive to be a leader in health & safety. Our long-term ambition is to operate with zero injuries. To support this ambition, we have set a target to reduce our Total Recordable Incident Rate (TRR) by at least 10% versus the prior year.

We are driven to provide a workplace environment that does not affect the health or otherwise compromise the well-being of our employees. We use data dashboards and metric charts to monitor our performance as we continue to strive toward a zero incidents environment. Solenis utilizes leading and lagging indicators to work on improving overall safety performance. In 2020, there were no fatalities recorded as a result of work-related incidents.

Reporting near misses is an effective way to reduce incidents. In 2020, the Solenis global TRR was 0.52, a 17% decrease compared with 2019 (0.63), exceeding our annual goal of a 10% reduction. Incidents are contained and investigated, and corrective action is implemented to prevent recurrence. In addition, corrective actions are subsequently evaluated to make sure they have been effective. Our CEO personally conducts injury incident reviews. Following each review, safety alerts are sent to employees to help prevent similar incidents. We had 29 recordable work-related injuries in 2020 (2019: 28).



Total Recordable Rate (TRR)/Recordable Incident

Calculated by multiplying the total number of OSHA recordable incidents (injuries) in one year by 200,000 hours and divided by the total number of hours worked by all employees. OSHA recordable incident as defined by Occupational Safety and Health Administration (OSHA) in the US. 200,000 hours are the expected hours normally worked in a year.



In order to manage and improve the health and safety of our employees, the communities in which we operate and the environment as a whole, Solenis supports the American Chemistry Council's [Responsible Care](#)® program, a global initiative to advance the safe and secure management of chemical products and operations. Our policies and goals on Health and Safety are set out in our [Responsible Care Policy](#). The program is the responsibility of every worker in the company and the health and safety committee, along with the plant manager of each manufacturing facility. Solenis management leads by example, while educating and training workers and stakeholders through training programs and awareness campaigns.

Our Responsible Care program includes:

- A global management system (certified under RC14001, ISO 14001, and ISO 45001) to deliver excellence in environmental, health, safety and security performance and meet required local, regional, international and business-specific compliance obligations and standards.
- Worker involvement at every level of the organization.
- Continual improvement toward our goals of operating with zero harm (incidents), achieving 100% compliance and reducing our environmental, health, safety and security impact.

“Solenis is an early adopter of RC14001 certification having its global operations achieve certification since 2015. We are delighted to collaborate with Solenis, supporting continual improvement of their environmental and health & safety initiatives as their RC14001 audit service provider.”

– Dominic Townsend, President, ABS Quality Evaluations Inc.

Solenis has several ways to increase awareness and improve the Health and Safety of our employees:



Safety days – With the goal of increasing accountability, we created and shared a list of safety expectations from employees and contractors. These are reinforced during safety days hosted by our commercial and manufacturing teams.



Global safety month – Our Environmental, Health and Safety team leads a global safety month annually, during which different regions are given the opportunity to explore specific topics, such as slip, trip and fall prevention, ergonomics or chemical hazards.



Newsletters – Our efforts are constantly reinforced through regular Safety Update e-newsletter and, during 2020, a weekly COVID-19 safety reminder, with topics ranging from using public transportation to managing holiday gatherings at home.



Safety Impact Group meetings – We conduct Safety Impact Group meetings when team members from one plant visit another site, enabling sharing of best practices and performance of mini-safety audits. Unfortunately, this activity was heavily impacted by travel restrictions due to the COVID-19 pandemic.



Diversity & Inclusion

A diverse workforce is integral to deliver our strategy. By embracing the unique strengths of each person and respecting and promoting differences, we can build the most effective teams and enhance Solenis' performance across our global operations. Our ambition is to double the number of diverse people in the company by 2030.

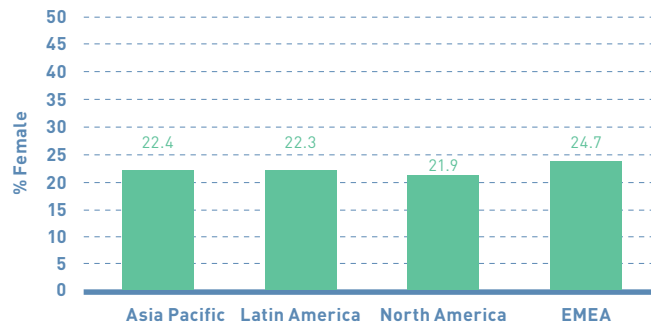
Although diversity is multi-dimensional, as a global company we focus on those aspects of diversity that are universal across regions of the world and that can be measured to track performance. We focus on gender diversity as our universal factor, common across all our regions.

Quarterly scorecards are used to measure our performance on gender diversity. At the end of 2020, 23% of our employees were female (2019: baseline 22%). At entry- and mid-level manager positions and above, 16% were female. Within our operations in the United States, we also consider race and ethnicity in our scorecards.

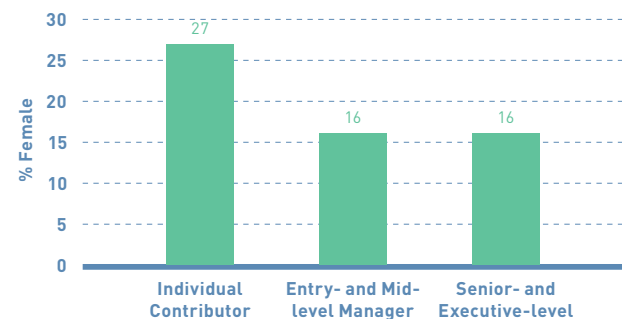
Solenis is committed to continued efforts to ensure pay equity. Currently, our overall global company gender pay ratio is 1:1.19, meaning that for every dollar a woman earns, a man earns \$0.19 more. For the mid-career to senior management roles, Solenis pays men and women comparably with an average gender ratio of 1.03. There is focused work in progress to equalize pay at the junior/entry-level roles. Such actions will bring the overall ratio in line with the Solenis 2030 diversity vision to double our diverse population of our leadership and total workforce.

The Women's International Network of Solenis (WINS) was established at the time of the company's inception. WINS was founded to develop a company culture that attracts, retains and develops talented women and supports Solenis' focus on collaboration, personal development and growth of business. WINS is an inclusive global, virtual network that develops content and programming to enhance the employee experience for everyone in Solenis. WINS is a global organization inclusive to all employees and is structured as a virtual network with regional leaders, with a global advisory team of male and female executive sponsors.

Diversity by Region - 2020



Diversity by Role - 2020





Along with building a diverse workforce, we believe that having an inclusive environment is essential to driving growth.

In 2021, we will focus on creating an even more inclusive culture, one in which employees consistently and collectively demonstrate a set of behaviors in an intentional, conscious and habitual way. We will continue to eliminate any biases and barriers that result in inequality in our talent processes (hiring, promotion, pay and performance reviews).

Solenis is also committed to maintaining a professional and safe work environment, free from violence, intimidation, discrimination and harassment. Our policies on these matters are set out in several documents, including our Anti-Harassment Policy. Employees are required to follow anti-harassment training videos, and more extensive training is in place in our largest locations. This training helps employees recognize and address inappropriate behavior that could contribute to or create a hostile work environment in our own work sites or those of our customers or other business partners.



“Creating an inclusive culture with a talented, diverse workforce are the key ingredients to achieving our optimal company culture and sustainable solutions for our customers.”

– David Nocek, Solenis Senior Vice President & Chief Human Resources Officer

LET’S TALK ABOUT INCLUSION

In 2020, against the backdrop of global social unrest, our CEO held a series of virtual international panel discussions on the importance of inclusion. These panels have been adopted by leaders around the globe for smaller team sessions.

In addition, Solenis has organized several regional focus groups in which over 700 employees have participated in 2020. The objective of the focus groups was to create a better understanding about our employees’ experiences and what they think the company can do to become a more inclusive workplace. The majority of our employees feel that it is very important to work at a company that prioritizes Diversity and Inclusion. Solenis is currently in the process of developing a detailed action plan to improve our inclusive culture that will lead to further actions such as training, communications and measuring our progress through our Annual Culture Survey.



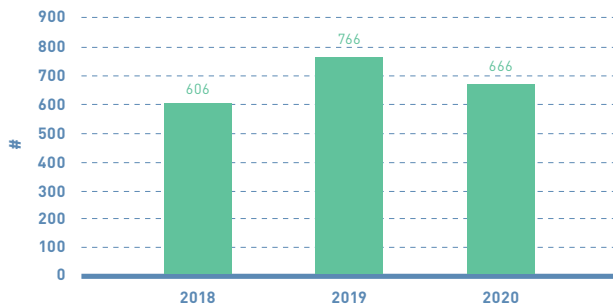
of our employees feel it is very important to work at a company that prioritizes diversity and inclusion.



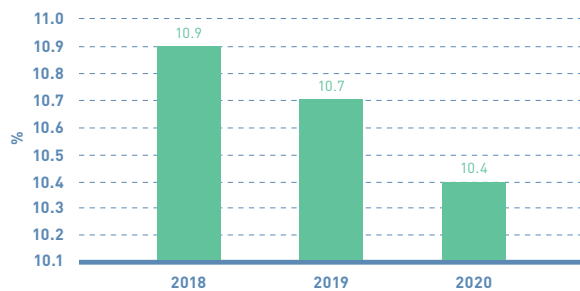
of our employees feel Solenis is very inclusive today.



New Hires



Employee Turnover



Equal Opportunities

All applicants and employees are judged on their qualifications, demonstrated skills and achievements, without regard to age, color, gender, or any other personal characteristic protected by law. Our recruitment activities and promotion practices (including promotion of employees based on quality of work, job performance, attendance, safety record and ability to work well with others) are aligned with parameters set forth in our Equal Employment Policy.

In our **Diverse Candidate Policy**, we have set out several objectives for our hiring practices. We require diverse candidates and interviewer slates for all open positions. We developed inclusive hiring guidelines that apply globally in every country where Solenis operates. These guidelines are considered mandatory and will be tracked and measured monthly. Our recruiters are initially responsible for ensuring a diverse interview panel exists. Interviews are not scheduled until the recruiter and HR business partner have confirmed that a diverse panel of interviewers has been engaged. During the next 10 years, Solenis' vision is to fill 35%-50% of all posted positions with a female hire (assumes 500 posted positions annually).

Besides hiring diverse talent, Solenis must also retain talent and skills to enhance our growth. In 2020, we promoted 7.9% of our employees, 31% of whom were females. When looking at turnover by gender, we observe that males and females are turning over at approximately the same rate (10.4% in 2020).

Collective Bargaining & Freedom of Association

In 2020, 36% of our employees are covered by collective bargaining relationships. Solenis respects and supports the rights afforded to employees by law regarding association and collective bargaining. Employees have the freedom to choose to be represented by a union or works council wherever it exists, inside or outside Solenis. In regions such as the Americas and Asia Pacific, collective bargaining agreements typically exist with unions. In some European countries in which we operate, collective bargaining agreements or partnership agreements can be mandated at the country level.



Training & Development

In addition to recognizing and rewarding our employees for their achievements, we offer continuous learning and development opportunities. We proactively focus on creating personalized development plans for every individual, ensuring that joining Solenis — and staying with us — leads to a rewarding career that focuses on lifelong learning as well as personal and professional growth opportunities.

We drive the most advanced process and sustainability solutions for our customers across the globe. Delivering those innovations requires a team that's challenged and empowered to enhance their professional development. We offer customizable learning and development programs to help employees evaluate their strengths and develop skills that can drive their career. Tailored learning plans can be created in any one of our learning tracks, and employees can choose between independent learning online to learning with others virtually or, pre-pandemic, in person.

Our learning tracks are focused on four areas:

Professional growth:

Professional development goals are included in the annual objectives of all our employees and are based on: skills critical for their role (e.g., communication, strategic thinking or project management) and leadership competencies evaluated across the organization.

Leadership growth:

Our cohort-based programs create a supportive environment where employees learn with peers companywide to lead a team toward high performance. We offer programs for aspiring managers, new managers, experienced managers and women in leadership.

Technical growth:

The deeper our team's technical application experience, the more valuable our solutions will be to our customer. Our award-winning skill development program empowers people to design a targeted training plan that helps them succeed. In our technical growth track, our employees create a skills gap analysis that forms the foundation for their learning plan.

Sales growth:

Our sales and value delivery approach ensure that all sales professionals have the right tools to succeed and our strong coaching culture reinforces the right sales skills and behaviors. Our robust library of sales coaching tools and resources are aligned to every step of the sales and value delivery processes.





James Poole, apprentice, and Sarah-Jo Dawson, EHSQ manager, Bradford and Grimsby, during safety day activities.

“This apprenticeship allowed me to develop key competencies required to become a competent process operator. As a result, I have gained a qualification, great work experience and secured a career in a rapidly developing industry. I’m excited about the future.”

– James Poole, Apprentice

Internships & Apprenticeships

Having a talented and diverse employee population acts as a magnet for attracting and retaining other outstanding individuals. We proactively identify and recruit people from a variety of sources.

We understand the importance of providing college students with hands-on work experience so that they are better prepared to enter the workforce, either with Solenis or another company. In the U.S., we offer full-time, paid [internships](#) to qualified students in order to gain hands-on work experience. Interns are paired with a Solenis mentor who provides guidance and feedback during the duration of their internship. In 2020, 31 new interns were placed, of which 13 were subsequently hired as full-time employees. Additionally, of the 11 undergraduate interns, 10 are returning this summer for a second internship.

Across Canada and the U.S., our Sales Technology Application Rotation (STAR) program offers graduating seniors from targeted universities the opportunity to learn our business and gain experience in field sales, and technical operations and research and development. Two to three dozen young STARs participate in a typical year, working with a mentor and gaining competency through rotations into different areas of the business. The success of the program is reflected in a near-100 percent acceptance of offers of permanent jobs and a high retention rate afterward.

At our headquarters in Wilmington, Delaware, U.S., we partner with the Fox School of Business at Temple University in nearby Philadelphia, Pennsylvania. Students in the Global Master of Business Administration program hear from Solenis executives in the classroom and work with them on real-world projects involving international commerce. Students are also selected for on-site internships in various areas of the company. The mutually beneficial relationship is a source of experienced and diverse talent for Solenis.

In the United Kingdom, our Early Careers Program at Bradford and Grimsby offers the opportunity for young professionals to gain experience on the job while gaining nationally recognized apprenticeship qualifications. Apprenticeships are available for a variety of career paths in the areas of manufacturing operations, supply chain, warehouse and business support and vary from one to four years. After completing the program, individuals can be placed in a permanent position if a vacancy exists. At the Bradford site there are currently 26 apprentices, and in the past 12 months a further three apprentices have passed their apprenticeship and moved into permanent roles. Solenis has consistently been recognized as being one of the 10 best apprentice employers in the country.



02

OUR APPROACH TO SUSTAINABILITY

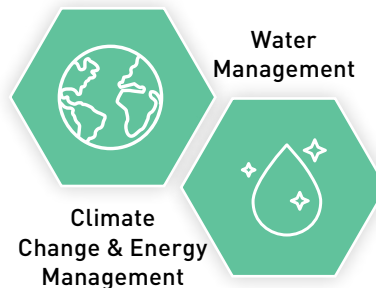
Protecting Our Planet

2

Protecting Our Planet



In this section we cover:



In our operations, our focus is on ensuring responsible stewardship of the natural environment.

This includes making sure that all our sites meet or exceed all regulatory and environmental requirements; keeping abreast of and, at a minimum, complying with changing applicable environmental laws and regulations; and providing products and services to our customers to help them meet or exceed their own environmental objectives.



Identifying Environmental Risks & Opportunities

We identify and assess environmental risks using our companywide global environmental, health, safety and security (EHS&S) management system as inspired by [Responsible Care](#).

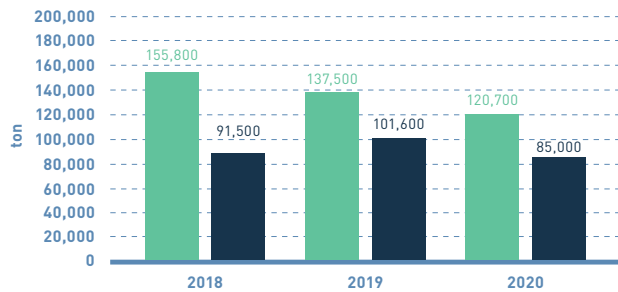
Through this system we meet required local, regional, international and business-specific compliance obligations and continually improve our processes and performance across our global operations. To identify EHS&S risks and opportunities, each operating facility conducts periodic risk assessments. All employees receive an introduction training in EHS&S called "Responsible Care Introduction."

Additionally, we use an annual internal Supply Chain Sustainability survey to assess and improve the sustainability status of our sites. The survey covers different environmental topics, such as energy management, water management, spill management, hazardous materials and waste management. In 2020, all 34 Solenis-owned manufacturing facilities were surveyed with all sites reporting on time. We identified key opportunities to improve energy efficiency by introducing waste heat recovery systems and process optimization in some of our facilities. To improve our water management, Solenis will continue to invest in its wastewater treatment processes and in water efficiency solutions. The next survey will be issued in July 2021 and will also include occupational health and safety aspects.

	KPI	Target	2020 Progress
Planet & Climate	<ul style="list-style-type: none"> Operate with zero environmental harm and reduce our carbon footprint 	<ul style="list-style-type: none"> By 2030, reduce CO₂ emissions by 20% By 2030, reduce water consumption by 5% Year over year reduce Environmental Incident score by 10% 	<ul style="list-style-type: none"> Reduced by 14% Increase of 18% Reduced by 12%
Circularity	<ul style="list-style-type: none"> Support circular economy principles 	<ul style="list-style-type: none"> By 2025, >90% of new innovation projects will have a sustainability/circularity focus 	<ul style="list-style-type: none"> 84% innovation projects in pipeline with sustainability/circularity focus



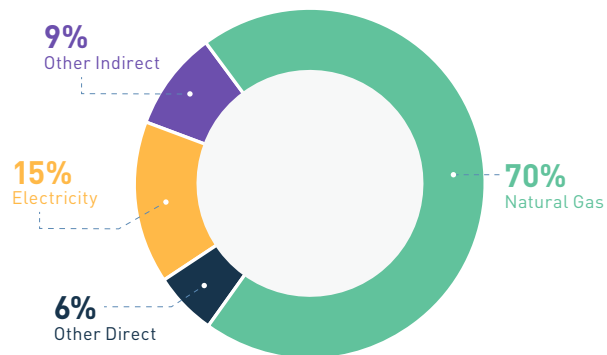
CO₂ Emissions



■ Scope 1 emissions are related to manufacturing facilities. Largest part is natural gas for boilers producing steam.

■ Scope 2 emissions are related to purchased electricity and purchased steam used at manufacturing facilities.

2020 Energy Usage by Generation Type



0% renewable energy usage

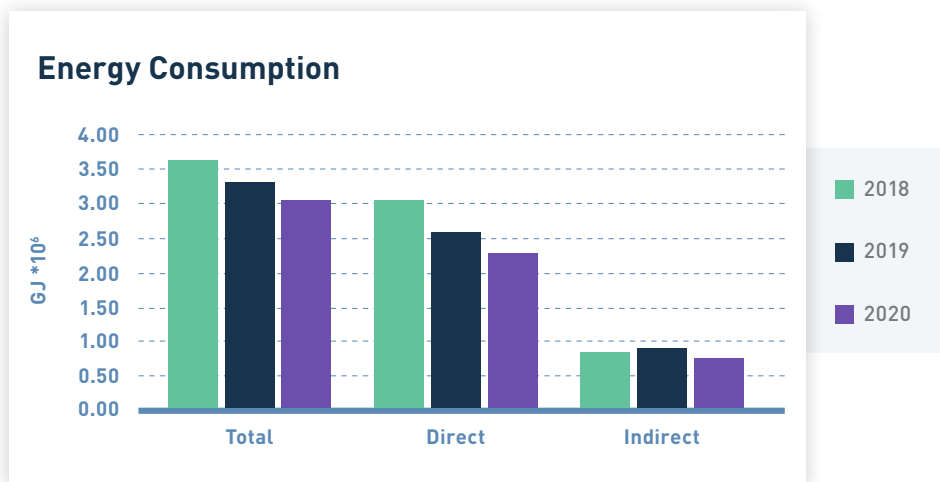
Climate Change & Energy Management

As a key player in the chemical industry, Solenis has a vital role to play in tackling climate change. Our products are essential to many water-intensive industries in order to reduce water consumption, minimize greenhouse gas emissions and improve customers' ability to design products in a more environmentally responsible way. Solenis is taking actions and managing its impacts by combining energy-related investments with good management.

Greenhouse gas emissions (GHG) in our sites and facilities are primarily related to energy and electricity consumption. In 2020, we reduced our Scope 1 emissions by 12% and our Scope 2 emissions by 16%. In addition, three of our sites (Bradford & Grimsby, Perm and Krefeld) are participating in or supporting GHG emission offset programs. We will continue to invest in new opportunities to improve our energy efficiency. We are committed to reduce our Scope 1 and 2 emissions by 20% by 2030 (2018 baseline).

To reduce our CO₂ emissions, we have focused our investments on reducing energy consumption in our sites through technology or equipment upgrades. We did this by upgrading our plants with LED lighting, boiler improvements and replacing air compressors with more energy-efficient units. In 2020, we reduced our total energy consumption by 10%. Our direct energy consumption includes natural gas to fuel in our own operations, plants and projects.

To measure our energy performance, we use energy intensity as our key metric (the amount of energy consumed for every unit of output in kWh/ton). In 2020, the overall energy intensity to produce chemical products in our operations decreased by 11% compared with 2019.

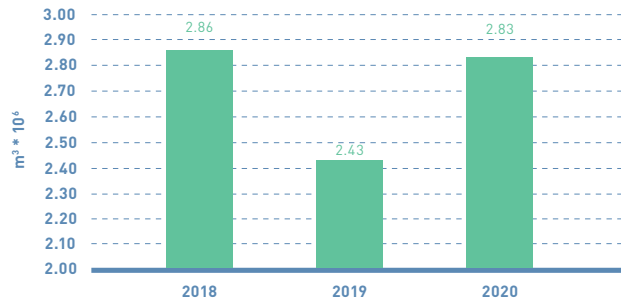


ENERGY EFFICIENCY AT OUR BAD SOBERNHEIM PLANT IN GERMANY

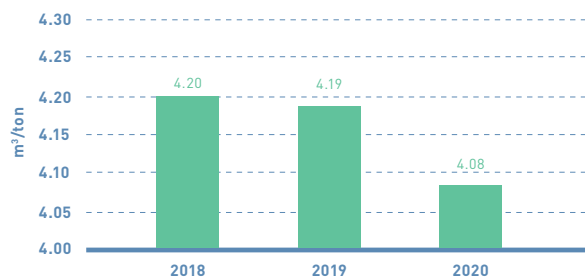
Our Bad Sobernheim plant is recognized for 10 years of continuous improvement in energy and water conservation. We saved 3,500 cubic meters of wastewater yearly, 243,700 kilowatt hours of electricity and 506,650 kilowatt hours of natural gas through a combination of technology upgrades, process optimizations and employee effort. In 2020, we changed to LED lighting in all our production areas in Bad Sobernheim. The switch saves 22,000 kilowatt hours of electricity each year.



Water Consumption



Water Intensity



Water intensity is calculated by normalizing water withdrawal against production volume.

Water Management

Freshwater is extracted at an increasing rate throughout the world. Yet, as water consumption continues to accelerate and populations grow, demand will continue to put pressure on the sustainability and availability of renewable water resources. Our products and processes are centered on reducing industrial water consumption in the markets we serve.

For industries operating in water-scarce regions like the southwestern U.S., parts of China, the Middle East, India, Africa and Australia, our role is to engineer products that can minimize water consumption by meeting the high stresses generated and maximizing efficiency and recycling. We combine these advanced chemistries with performance-based monitoring and control systems to ensure that our customers' systems are protected from corrosion and deposits under these more extreme conditions. Specifically, we help our customers to reduce water consumption in manufacturing operations, boilers and cooling towers, all of which consume a significant amount of water.

In our own operations, we assess and manage our water risks by reducing our water consumption and improving our wastewater systems. Our approach includes control measures to monitor and prevent contamination of groundwater; programs to reduce water consumption using efficient equipment; reusing or recycling water; and wastewater treatment systems. In 2020, Solenis reduced its water intensity by 3% compared with 2019. By 2030, Solenis aims to reduce its water intensity by 5% with 2018 as the baseline.



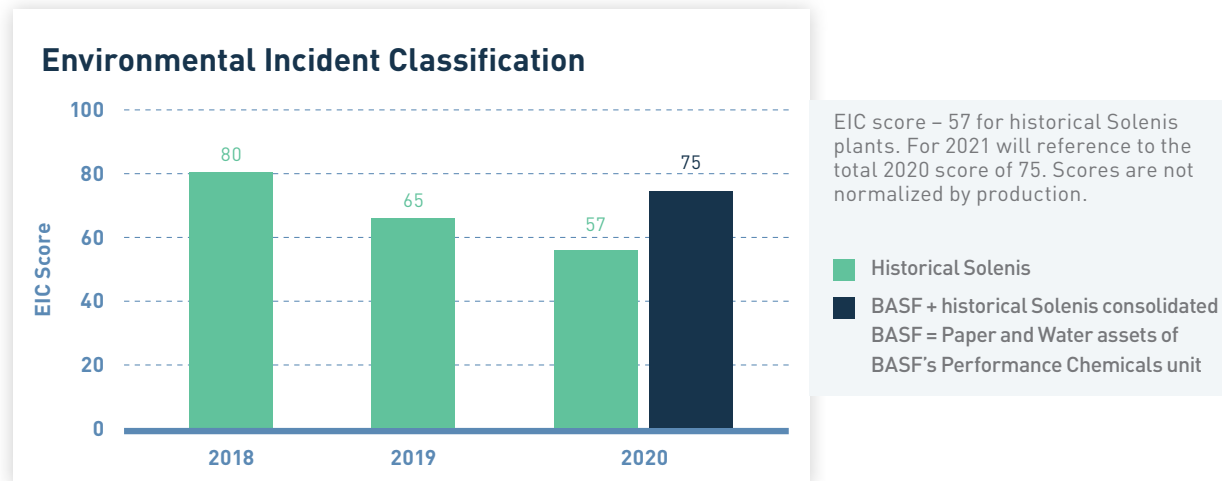
Environmental Incident Management

Managing Our Impacts

At Solenis, we strive to comply with all applicable environmental regulations. Our operations and plants are governed by our global Responsible Care management system to reduce our impacts and improve our overall environmental performance. 79% of our plants are certified to the international environmental management system standard RC14001 and 85% to ISO 14001.

This management system is in place to eliminate and avoid environmental incidents that may arise from chemical releases. For each incident, we determine the Environmental Incident Classification (EIC) based on its severity level. In 2020, our legacy Solenis sites reduced our EIC score by 12% (2019: 65) due to a decrease in minor and moderate incidents, nor was there any significant incident at all. Incidents are classified as moderate when released quantity is more than 2,272 kg (5,000 lb), have moderate off-site impact, or results in a possible fine, penalty or notice of violation. Our long-term goal is to operate with zero environmental incidents. Each year we are committed to reduce our EIC score by at least 10% compared to the previous year. As of 2021, this target will also include the additional manufacturing facilities acquired from BASF, starting from a 75 points baseline.

When an incident occurs, we monitor and investigate the incident in order to avoid reoccurrence. Each site has emergency response procedures in place in the event of a chemical release.



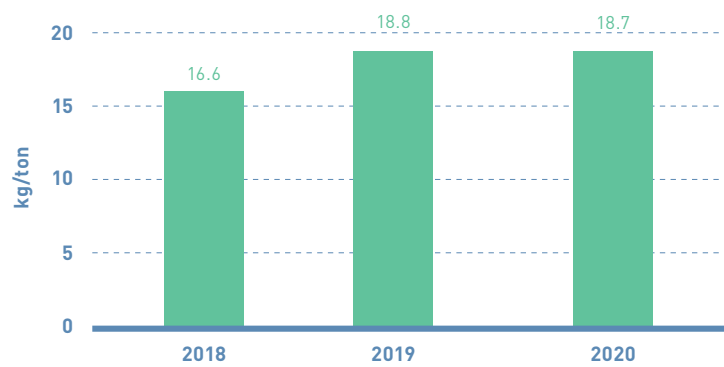
CARING FOR WATER THAT IS NEAR US

The [Trent Rivers Trust](#) has recognized our plant in Somercotes, U.K., as a “river friendly business” for helping protect the vital watershed. The Trent drains nearly 10 percent of the country with more than six million living in its catchment.



Waste Management & Circular Economy

Waste Disposal



Waste disposal is normalized against production volume

Waste Management

In our own operating sites, we have implemented processes to reduce, recycle and reuse materials that potentially can become hazardous waste, for example containers, pallets and solvent recovery. We also aim to minimize the amount of sludge from the back end of the site, with the highest concentration of solids. This reduces disposal volumes and energy needed for transportation, as well as for incineration if that is the end use for the sludge. Across all our sites, we monitor the volume of our waste disposal. Despite our efforts, in 2020 our waste disposal stagnated in comparison with 2019, due to demolition projects in our manufacturing sites and expired stocks. We take this seriously and we will continue to look for new ways to avoid, reuse and recycle our waste.

Circular Economy

Understanding our customers' sustainability goals and expectations for driving innovation in circular economy is a major focus for us. By developing innovative products and services, we aim to optimize resource use and directly minimize customers' inputs and costs. For instance, we provide wet and dry strength additives to the paper industry to enable fiber recycling for linerboard and light weighting of paper packaging. As consumer preferences shift rapidly to e-commerce, this technology offers a circular solution to the increasing need for sustainable packaging.

Another innovative focus area is in water-based barrier coatings, which replace polyethylene and fluoropolymer barriers and enable food packaging to be recyclable and compostable. Due to the merger with BASF's paper and water chemical business in 2019 and acquisition of TopChim in 2018, Solenis has positioned itself to rapidly expand into sustainable food packaging markets. In 2019, we were named as one of only 12 winners in the NextGen Cup Challenge, a global innovation competition backed by giants of the food-service industry to redesign and create a widely recyclable and/or compostable fiber hot and cold to-go cup. By 2025, 92% of new innovation projects will have a sustainability/circularity focus.



03

OUR APPROACH TO SUSTAINABILITY

Partnerships in Our Value Chain



3

Partnerships in Our Value Chain

In this section we cover:



Responsible Supply Chain Mgmt & Mfg



Engaging With Communities

Given our global reach, we recognize our responsibility toward employees, customers, suppliers, governments, investors and the local communities of which we are part.

We are dedicated to responsibly managing relationships with our key stakeholders. An important element of this is partnering with employees to help address the needs of the communities where we operate and collaborating with our suppliers to increase transparency and sustainability in our supply chain.





Engaging with Communities

Annually, every manufacturing facility with 10 or more employees is required to develop a community relations plan that outlines their community activities. As community transparency and engagement are tenets of our Responsible Care program, these plans demonstrate our ongoing efforts with our key stakeholders. In 2020, 100% of our facilities developed and submitted their community relations plans. Our activities supported a wide range of outcomes, including strengthening local relationships, educating and building healthier communities and creating wealth and employment opportunities.

We are committed to positively influence communities where we operate and in other areas of the world where we can make a difference. Our community investments are set out by our Community Relations Committee, a diverse group of representatives from around the world and across our company. The group includes regional leaders who encourage engagement at a local level.

Our community engagement decisions are made through our recently launched SolenisGives platform. SolenisGives is a web-based program that allows all employees worldwide to easily support their community and the causes that matter to them. Any employee can use SolenisGives to participate in charitable activities that align with company or personal priorities.

The SolenisGives platform includes a large, global database to find charities that align to employee passions. Employees can make donations or sign up for volunteer opportunities in local areas or for opportunities specifically sponsored by Solenis. Employees can also commit to simple daily activities that support a cause and embed sustainable behaviors, such as recycling or using reusable straws. Our voluntary employee investments go beyond monetary contributions. Our employees also donate their time and expertise to create social value.



Our Community Initiatives

As a corporate citizen, our aim is to act responsibly in all aspects of our business. We do this by conducting operations in a sustainable manner and by supporting and partnering with educational, civic and charitable organizations. In the U.S. we are supporting communities through the annual United Way campaign. In 2020, employees across the U.S. pledged nearly \$165,000, including the company match, for local communities and causes of the employees' choice. Other recent United Way activities have included creating bags of supplies for students and teachers at a low-income elementary school, joining in community fundraisers and providing gifts for holiday parties.



Globally, our community initiatives are focused around three main areas where we believe we can make the greatest difference and that align with our company vision and mission.

Sustainability and environmental conservation

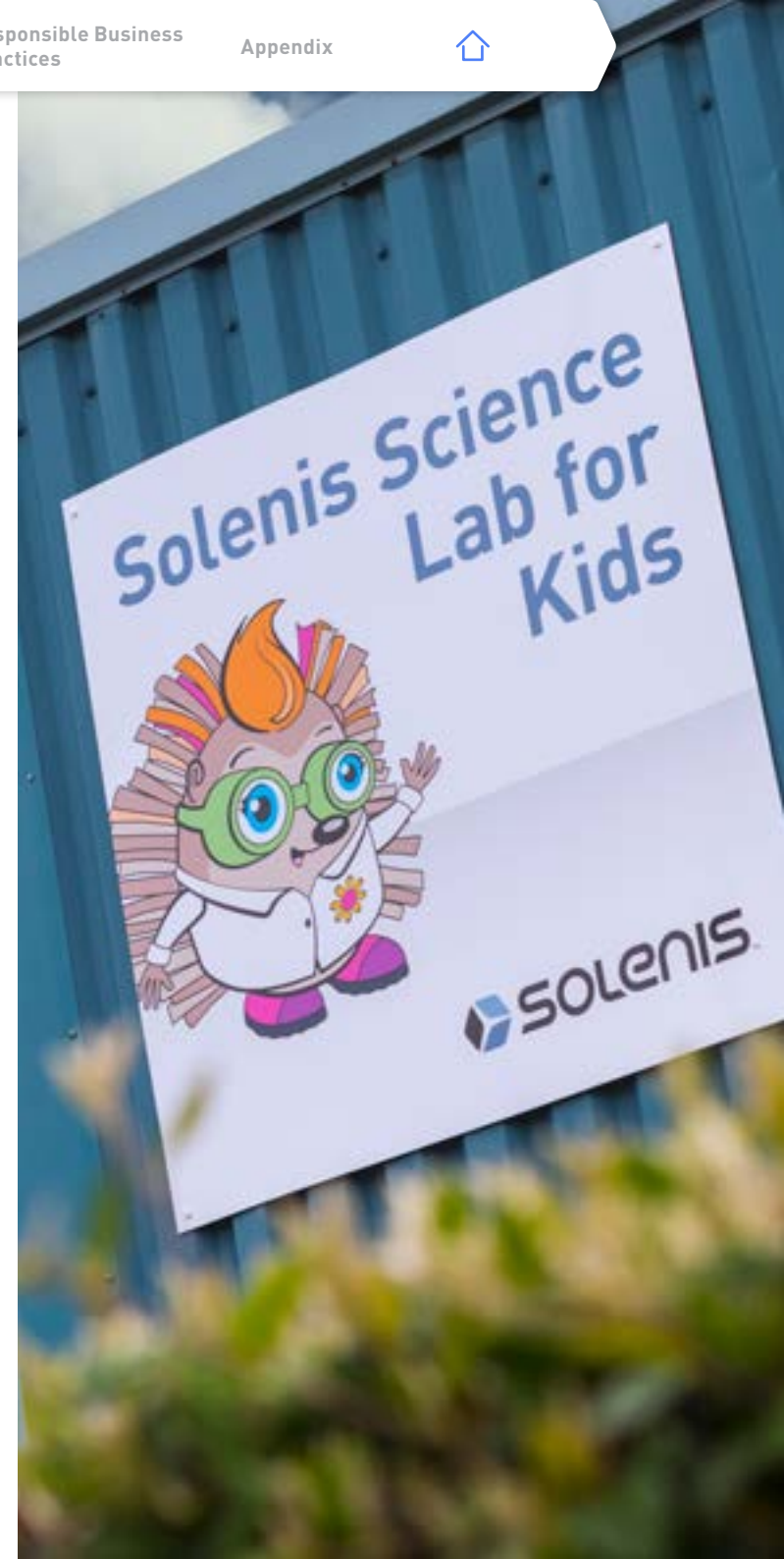
Environmental threats, such as the climate crisis, deforestation, water scarcity and constrained resources, are impacting our society and amplifying risks on local communities and on our business. Through our community activities, we are actively promoting the conservation of our natural environment.

- For 15 years, our plant in Suffolk, Virginia, U.S., has been certified by the Virginia Department of Environmental Quality's (VADEQ) Environmental Excellence Program. Only 36 sites have earned the highest performance level rating (level E4).

Science education for youths

We are supporting several educational programs to develop the skills of young people and prepare them for a career in the chemical industry.

- At our manufacturing site in Bradford, U.K., nearly 6,000 young people have visited the Solenis Science Lab for Kids since its foundation in 2010. Students ages 9 to 11 get to carry out experiments demonstrating chemistry and science in their everyday lives. Employee volunteers lead activities in a real lab, developed just for schoolchildren. There are typically 20 to 30 visits each school year, with transportation being the only cost to the schools.
- The Bradford site participates annually in the Bradford Manufacturing Weeks program, which showcases manufacturing operations to students. In 2020, this event was hosted virtually, reaching a potential of 4,000 students.
- "Exploring STEM with Mr. Owen" became hugely popular at a Boys and Girls Club in Virginia, U.S. Proposed, developed and led by an employee, the lessons in everyday science earned the organization's Academic Success Program Award.





THE WATER PROJECT

Water challenge

Eshivembe Primary School is located in Bushibo, a village in western Kenya. The school serves early education and primary school students, and has grown significantly since safe water became available. Previously, learning was interrupted several times a day as children went to a spring 450 yards (412 meters) away to collect water for drinking, cooking and cleaning, although the water often was contaminated by surface runoff from nearby farms. In addition, only two pit latrines were available and there were no hand-washing facilities on the school grounds. Not surprisingly, waterborne diseases, such as dysentery and typhoid, were rampant and there was constant government pressure to close the school.

Funded by a donation from Solenis, The Water Project, an organization with a track record of successfully addressing water issues, led construction of a 30,000-liter rainwater catchment system on the school's grounds. The tank easily provides enough clean water to meet the school community's needs, including two 60-liter hand-washing stations. Three new latrines also were built.

Solenis and The Water Project did a second project at a school in Sierra Leone, addressing similar problems caused by low water levels in local aquifers, leaving wells dry for extended periods. A dry well was rehabilitated, deepened to hit the next aquifer and fitted with new hardware. No longer relying on unprotected water sources, residents report fewer illnesses from contamination. Currently underway are projects to rehabilitate two open springs in western Kenya. Unprotected from contamination, the water often leads to gastrointestinal illnesses keeping residents from school and work, and sometimes leading to death.

To ensure long-term success, The Water Project frequently returns to the communities to ensure the water systems are still functioning properly.

Community support

Through our initiatives focused on advancing communities, we aim to build resilient and healthy societies.

- Twice a year, women in the Kwinana area, Australia, learn about career paths in the male-dominated manufacturing sector. Representatives from our plant participate in the Women's Networking Forum, sharing their experiences and knowledge.
- Eighty truck drivers who serve our Araraquara plant each received a box of food as the pandemic stalled the Brazilian economy. The nearby Paulínia plant donated pallets to be converted to beds for the homeless as winter closed in.
- In Europe and the U.S., computers suitable for educational use, but not for business applications, are cleaned up and donated to schools in under-served communities.
- In Perm, Russia, our employees have worked for five years with a regional agency supporting two orphanages and a school for disabled children. The children and teenagers have received gifts ranging from bags of sweets to sewing and knitting supplies to kitchen utensils.



Responsible Supply Chain Management & Manufacturing

Responsible Manufacturing

Our global supply chain consists of 34 manufacturing facilities serving 120 countries across five continents. Solenis is operating in North America, Europe, the Middle East and Africa (EMEA), Latin-America and Asia-Pacific. We are committed to operating in a safe and compliant manner, in line with the principles and ethics of our Responsible Care program. Our manufacturing sites are compliant with regulations and most have the ISO 9001, RC14001, ISO 14001 and ISO 45001 standards in place. Going forward, our aim is to increase the number of certified manufacturing sites.

Certification	2020	2021-Goal	2022-Goal	2025-Goal
ISO 9001 quality management system	<ul style="list-style-type: none"> 91% – facilities certified 	<ul style="list-style-type: none"> 94% Solenis-owned manufacturing sites 	<ul style="list-style-type: none"> 100% Solenis-owned manufacturing sites (excluding any new acquisitions and mergers) 	-
RC14001, ISO 14001 and ISO 45001 occupational health and safety	<ul style="list-style-type: none"> 79% – RC14001 certified 85% – ISO 14001 certified 76% – ISO 45001 certified 	<ul style="list-style-type: none"> 95% Solenis-owned manufacturing sites 	-	<ul style="list-style-type: none"> 100% Solenis-owned manufacturing sites (excluding any new acquisitions and mergers)
SEDEX	<ul style="list-style-type: none"> 68% – facilities are covered 	<ul style="list-style-type: none"> 90% Solenis-owned manufacturing sites 	-	<ul style="list-style-type: none"> 100% Solenis-owned manufacturing sites (excluding any new acquisitions and mergers)



Our Suppliers

In our supply chain, we work with more than 1,000 raw material suppliers as well as 6,000 non-raw material suppliers globally. We seek to build long-term relationships with our suppliers in every country we operate. We are committed to identifying and providing the opportunity to partner with diverse- and minority-owned suppliers in our overall sourcing activities. Our policies and principles on this matter are set out in our Supplier Diversity policy. We empower diverse- and minority-owned suppliers to participate in our competitive bidding process. In 2020, the spend with diverse- and minority-owned suppliers was more than \$6 million. In 2021, we plan to update our supplier diversity data.

We expect every supplier in our value chain to adhere to our Supplier Code of Conduct, which covers legal, social, environmental and ethical topics. In 2020, 35% of our raw material (based on spend) suppliers formally agreed to our Supplier Code of Conduct. We are committed to qualifying and maintaining suppliers whose attributes and behaviors support our Corporate Social Responsibility principles and match our own safety and ethical standards.

In Q1 2020, a Sustainable Procurement of Raw Material survey was sent to 134 of our raw material suppliers covering 90% of our spend, of which 45% responded. In Q4 2020, we engaged with Global Risk Management Solutions (GRMS) to improve tracking and compliance. Through the GRMS portal, all suppliers are required to certify against Solenis' Supplier Code of Conduct and Sustainable Procurement of Raw Materials (if applicable). During 2021, we will complete risk assessments and the Sustainable Procurement of Raw Materials survey for a minimum 80% of our raw material suppliers (based on spend). Annual renewal is required for all enrolled suppliers.

As a result of the GRMS risk assessment, our raw material category managers maintain the discretion to review any suppliers marked as high-risk. Internal discussions will follow to potentially conduct an on-site sustainability audit for such suppliers. All raw material category managers and buyers have completed the sustainable procurement training as of August 2020.

Procedures on sustainable procurement are set out in our Sustainable Procurement of Raw Materials policy. We will continue to assess our suppliers' performance and enhance our risk assessment tool to address ethical risks in our direct material supply chain, including but not limited to our raw material suppliers and intermediaries. Additionally, we will include sustainability goals in our global sourcing teams' objectives in 2021.

	KPI	Target	2020 Progress	
Responsible Operations	<ul style="list-style-type: none"> Operate with zero harm and be fully compliant 	<ul style="list-style-type: none"> By 2025, certify all plants ISO 9001, RC14001, ISO 14001, ISO 45001 and SEDEX 	<ul style="list-style-type: none"> 91% ISO 9001 certified 79% RC14001 certified 85% ISO 14001 certified 	<ul style="list-style-type: none"> 76% ISO 45001 certified 68% covered by SEDEX
Procurement	<ul style="list-style-type: none"> Ensure responsible procurement and supplier management 	<ul style="list-style-type: none"> By 2030, increase supplier adherence to Solenis sustainability requirements >90% 	<ul style="list-style-type: none"> Initiated GRMS supplier registration process 	



Human Rights in Our Supply Chain

We comply with the U.K. Modern Slavery Act, a legal requirement that is designed to provide consumers with information regarding manufacturers' efforts to address the issue of slavery and human trafficking. Responsible supply chain management is important to our business, and we strive to uphold human rights in all activities. We strongly encourage our supply partners to support our Supplier Code of Conduct, which incorporates our commitment to conduct business free of slavery and human trafficking risks.

We do not tolerate the use of child or forced labor, slavery or human trafficking in any of our facilities or operations. Our principles on these topics are set out in our Child and Forced Labor and Human Trafficking policy. We discontinue the business relationship with any individual or company that does not follow the same standards.

We expect our partners:

1. Not to use, engage in, or support child labor practices;
2. Ensure that all of their employees meet the minimum age required by law;
3. Not to engage in or support forced or compulsory labor as defined by the Convention Concerning Forced or Compulsory Labour, 1930 (No. 29), including prison, bonded, indentured, slavery and human trafficking practices;
4. Ensure that all work performed is voluntary and employees have the right to terminate employment with reasonable notice.

We have undertaken the following steps to address the potential risk of slavery and human trafficking in our supply chain:

1. Robust pre-engagement due diligence process, which includes screening, parts of which are specifically tailored to address slavery and human trafficking concerns;
2. Engagement tools, including compliance certifications and contractual mechanisms allowing contract termination in the event of non-compliance with our policies and procedures;
3. Post engagement due diligence monitoring, which, in part, seeks to verify our partners' compliance with anti-slavery and human trafficking commitments.

We are annually updating the present statement to reflect all the changes in business operations relevant to compliance efforts to address the issue of slavery and human trafficking in our supply chain.





Solenis Global Certifications

Region	Manufacturing Site	ISO 9001	RC14001	ISO 14001	ISO 45001	ISO 50001	SEDEX
Asia-Pacific	Ankleshwar, India	✓	✦	✓	✦		✓
	Gimcheon, Korea	✓	✓	✓	✓		
	Kwinana, Australia	✓	✦	✦	✦		
	Nantou, Taiwan	✓	✓	✓	✓		
	Shanghai, China	✓	✓	✓	✓		
	Springvale, Australia	✓	✓	✓	✓		✓
	Zhuhai, China	✓	✓	✓	✓		
EMEA	Bradford & Grimsby, United Kingdom ¹	✓	✦	✦	✦		✓
	Busnago, Italy	✓	✓	✓	✓		✓
	Helsingborg, Sweden	✓	✓	✓	✓		✓
	Krefeld, Germany	✓	✓	✓	✓	✓	✓
	Perm, Russia	✓	✓	✓	✓		✓
	Bad Sobernheim, Germany	✓	✓	✓	✓	✓	✓
	Somercotes, United Kingdom	✓	✓	✓	✓		✓
	Tampere, Finland	✓	✓	✓	✓		✓
	Tarragona, Spain	✓	✓	✓	✓		✓
	Terrassa, Spain	✓	✓	✓	✓		✓
Latin America	Altamira, Tamaulipas, Mexico	✦	✦	✦	✦		
	Americana, São Paulo, Brazil	✓	✓	✓	✓		✓
	Araraquara, São Paulo, Brazil	✓		✓			✓
	Girardota, Antioquia, Colombia	✦	✓	✓	✓		
	Paulínia, São Paulo, Brazil	✓	✓	✓	✓		
	Sara, Mexico City, Mexico	✓	✓	✓	✓		✓
North America	Toluca, Estado de Mexico, Mexico ²						
	Burlington, Ontario, Canada	✓	✓	✓	✓		✓
	Chicopee, Massachusetts, United States	✓	✓	✓	✓		✓
	Franklin, Virginia, United States	✓	✓	✓	✓		
	Greensboro, North Carolina, United States	✓	✓	✓	✦		
	Houston, Texas, United States	✓	✓	✓	✓		✓
	Macon, Georgia, United States	✓	✓	✓	✓		✓
	Milwaukee, Wisconsin, United States	✓	✓	✓	✓		✓
	Portland, Oregon, United States	✓	✓	✓	✓		✓
	Savannah, Georgia, United States	✓	✓	✓	✓		✓
Suffolk, Virginia, United States	✓	✦	✦	✦		✓	

✓ Certification achieved, certificate is available on solenis.com

✦ Certification in progress for FY21

Certification status as of September 30, 2020

¹Bradford and Grimsby location are one legal entity and operate a common management system. They hold two distinct SEDEX certificates.

²Toluca plant was added to the Solenis portfolio as part of the Poliquimicos acquisition (July 2020). This plant will be added into our certification process in the future.



04

OUR APPROACH TO SUSTAINABILITY

Responsible Business Practices

4

Responsible Business Practices



In this section we cover:



We focus on operating with the highest ethical standards in all aspects of our business and protecting the rights and interests of all our stakeholders, individually and collectively.

We conduct our business in accordance with our Global Standards of Business Conduct (the Code) and the associated policies, as well as in furtherance of our Deliberate EthicsSM Culture — a focused approach of doing business consistent with core values of respect, integrity and accountability across all our operations around the world, without exception. Deliberate Ethics is a mindset of being intentional about driving and maintaining a high-performance culture while keeping our core values and the Code top-of-mind. Our choices and behavior are at the heart of Solenis' Deliberate Ethics Culture.



Business Ethics & Compliance

As part of our Deliberate Ethics culture, we are determined to prevent, detect and address violations of the letter and spirit of our ethics and compliance standards.

We have tailored our compliance program to fit the unique environment of our company. Our Office of Ethics and Compliance regularly reviews and enhances the compliance infrastructure to model international compliance best practices. In the event we become aware of allegations or concerns of potential or actual violations of law or company policy, the Office of Ethics and Compliance will investigate the matter and, where appropriate, take disciplinary action and implement corrective measures to prevent future violations.

Global Standards of Business Conduct: The Code

Solenis is firmly committed to conducting business throughout the world in accordance with the highest legal and ethical rules and principles. Our [Code](#), available in 16 languages, is the cornerstone of this commitment and sets expectations for every employee when interacting with each other, customers, business partners and people in the communities where we do business. All employees are required to comply with the Code and other company policies. In addition, business partners acting on behalf of Solenis in any country, such as agents, distributors or other third-party representatives, are expected to acknowledge compliance with the Code. Each year, employees receive the Code questionnaire and acknowledgment certification form, asking if they are aware of any violations of our standards or company policies, or of any actual or potential conflict of interest involving an employee.

The company's senior management provides executive oversight and direction over the implementation and enforcement of the Code across all company operations. The management reviews and endorses activities, including training and education, completion of compliance assessments and audits, and drives personal accountability through communication and awareness initiatives.





Our Other Policies

Other policies, procedures and protocols provide requirements and restrictions on activities by our employees to ensure these activities meet legal requirements and high ethical standards. These policies, which are separate from and in addition to the Code, apply to all employees at Solenis and, where applicable, to third parties that operate on behalf of Solenis. **The policies cover a range of activities and business operations, including but not limited to the following:**

- **Anti-corruption** — Solenis' [Anti-Corruption Policy](#) contains a set of rules concerning the company's compliance with applicable anti-bribery laws and regulations. We conduct anti-corruption training to raise overall awareness, as well as internal audits to detect potential misconduct, and monitor compliance with anti-corruption laws and policy. The anti-corruption training is a mandatory part of our on-boarding program and is part of periodic training and communication plans. We continue to enhance our third-party due diligence processes, including our third-party liaisons screening protocols and training framework. We continue to leverage opportunities to share learnings and successful practices across the company.
- **Conflicts of interest** — Solenis' [Conflicts of Interest Policy](#) helps employees better recognize the existence of conflicts of interest (actual and potential) and understand them both in terms of practical business implications and in relation to relevant legal standards.
- **Antitrust and competition law** — Solenis is committed to operate on a global basis in compliance with all antitrust and competition laws, which promote or seek to maintain market competition by regulating anti-competitive conduct by companies. Our commitments and requirements on this matter are set out in our [Antitrust and Competition Policy](#).

Compliance Training

Solenis provides employees at all levels of the company with the support they need to make ethical choices through a variety of training and communication programs and modules, designed to reinforce our Deliberate Ethics culture. Our objective is to make sure all employees understand the Code and other policies, comply with the law and know the standards of behavior expected. Commitment to our Code is reinforced through, among other channels, our mandatory annual certification program.

We provide additional tailored training for employees in different functions, based on risk assessments or operational needs, including anti-corruption and anti-bribery, competition and trade sanctions compliance training. All the training programs combined help us ensure that the compliance message is heard and understood by all employees.



Share Your Concern

We encourage our employees to ask questions and communicate their concerns or questions about any potential misconduct or ethical issues under the Code. We make sure that Solenis employees are aware of all the communication tools available for that purpose. Employees are encouraged to speak with their line managers, contact an HR representative or reach out to the Office of Ethics and Compliance.

Employees can also use our Share Your Concern intranet platform, where they can ask a question about any Code-related topic or access a dedicated hotline and file an anonymous report about any suspected misconduct. The hotline is available 24 hours a day, seven days a week, with translation services available for callers who do not speak English. Our **Investigations Policy** and **Reporting Policy** provide a framework with a view toward ensuring that no adverse actions are taken against any employee who, in good faith, reports a concern or initiates a complaint.

Risk Assessments & Audits

Solenis' Office of Ethics and Compliance monitors compliance and collects risk-related data through various sources, including hotline reports, internal investigations, training, communication and certification programs. The risk data is processed within the scope of the broader Enterprise Risk Management process that helps design and implement follow-up audit plans globally. Risk assessments and audits continuously inform the revisions of Solenis' policies, processes, training and communication programs.

Our Approach to Tax

Given our global reach, we understand that it is an important part of our social responsibility to comply with the tax laws of all the countries and regions we operate in and to establish a robust compliance structure. Solenis is subject to taxation in each country in which we operate. We seek to minimize our tax risk and prevent unnecessary tax disputes by complying with our Global Tax Strategy and Policy. More specifically, we do this by adopting clear technical tax positions and establishing and maintaining open and constructive relationships with tax authorities. In addition, we monitor changes in relevant tax law and practice and undertake regular training if necessary.



“Our Deliberate Ethics Culture means that we conduct business consistent with our core values of respect, integrity and accountability across all our operations around the world, without exception.”

– Royce Warrick, Solenis Senior
Vice President & General Counsel



Data Protection Governance

Privacy is recognized as a basic human right, and Solenis takes the privacy and protection of personal data very seriously. We treat personal data confidentially, collect it and use it in accordance with the General Data Protection Regulation (GDPR) and other relevant data protection laws.

This not only applies to employees' data, but also data of our customers, suppliers, business partners and other individuals with whom we work. We have effective policies and procedures in place securing lawfulness, fairness, transparency, integrity and confidentiality of personal data entrusted to Solenis. The collection, use, retention, safeguarding and disclosure of personal data is regulated in our **Data Protection Policy**, **Fair Processing Notice** and **Data Subject Rights Guidelines**. We ensure data privacy, including personal integrity through implementation of our Data Protection Impact Assessment Process Guidelines and **Data Breach Notification Policy**. Our policies and guidelines have been communicated and distributed to our employees as a part of our GDPR implementation program.

All our employees having permanent or regular access to personal data are required to complete annual data protection training. In 2018, Solenis established an Office of Data Privacy (ODP), with the core duty of ensuring that Solenis handles personal data of employees, customers, providers or any other individuals in a secure and compliant way. ODP gives advice and recommendations about the interpretation of applicable regulations, handles queries, monitors Solenis compliance program and increases data privacy awareness. Solenis did not receive any administrative fines or complaints about its personal data management.



The [Solenis digital security program](#) assures that we have the correct information structure to protect our operations and the reliability and confidentiality of business and individual data. This includes employing the latest technologies, understanding and identifying potential vulnerabilities and educating our employees and third-party partners as to their roles and responsibilities. Solenis' most important concerns are the resilience of our operations and protection and reliability of our data.

In order to protect this, we:

- Employ the latest cybersecurity prevention and detection techniques with a globally distributed team of highly skilled experts.
- Have an evolving security model that helps us understand and respond to the ever-changing threat landscape.
- Prioritize protecting our digital assets with an equal focus on the digital assets of our partners.
- Audit and programmatically respond to identified vulnerabilities.
- Educate all our employees, contractors and other key groups.

Solenis has designated ISO 27001 (Information Security Management) certification an objective. Internal and external information technology assessments are conducted multiple times per year by industry-recognized third parties. All identified risks are reported to our Board of Directors, quickly remediated, and retested.

For our employees, we have developed quarterly digital security awareness training. New content is added every three months and is assigned as mandatory training to employees and contractors with a Solenis account. We monitor compliance rates through an internal dashboard, and we follow up with employees to ensure training requirements are met. Monthly and quarterly tests are performed to evaluate our employees' and contractors' response to simulated cyberattacks.

Our continuing efforts to increase protection, privacy and security of personal data will continue through the implementation of a global personal data protection strategy. We will also strengthen our internal controls related to GDPR and other data privacy regulations outside Europe.





Research & Development

Solenis is recognized globally for our legacy of technology innovation. We invest in developing new chemistries to improve customers' products and processes, as well as developing technical solutions that enhance monitoring, dispensing and optimizing the feeding of our specialty chemicals.

Historically, Solenis invests approximately 2% of total revenue in technology and development. Our global research and development team consists of approximately 260 employees, including nearly 70 experts with doctoral or master's degrees in a variety of fields. At their disposal is a vast selection of comprehensive paper-testing and water analysis equipment and innovative process-testing instrumentation.

Our research facilities enable Solenis scientists to identify and analyze customer problems and rapidly select the best chemistry or program to address them. As a gauge of our impact on the marketplace, Solenis holds approximately 2,000 patents, including patents for chemical, equipment and process technologies that have transformed key business practices in a variety of industries.



Two-thirds of the company's technology focus is on developing new products, including short-term opportunities to generate product reformulations with existing raw materials, as well as longer-term technology development with a focus on emerging trends that affect the global economy. New product concepts are continuously generated, refreshed and prioritized via continuous meetings with an array of customers. Once initiated, new product development is managed with a rigorous stage-gate innovation process that incorporates project checkpoints and cross-functional alignment from ideation to commercialization. The goal of this new product development effort is to consistently generate one-fourth of the company's revenues from products that are less than five years old, with 15% of all revenue being designated as New-to-the-World innovation by 2025. We have approved a business plan and project pipeline that we are confident will help ensure we hit that target.

In addition to internal technology development, Solenis R&D pursues innovation through external collaboration. Currently, we are engaged in a consortium coordinated by VTT Technical Research Centre of Finland Ltd., "Piloting Alternatives for Plastics." With a focus on cellulose-based structures, this \$8.3 million program funded by multiple stakeholders emphasizes pilot-scale bio-based solutions for plastics replacement. In another example, Solenis collaborates with the Renewable Bioproducts Institute at Georgia Institute of Technology, Atlanta, Georgia, U.S., to develop an innovative papermaking process using multi-phase forming that uses far less energy than conventional papermaking. The U.S. Department of Energy recently awarded the GA Tech consortium a \$3.75 million grant for this program. In addition, Solenis is also participating in the Bioeconomy Research Program with RISE, Sweden's Research Institute, and innovation partners. Fiber and chemical optimization are key components of the program, which envisions a fossil-free future where renewable sources are highly utilized.

APPROX.
84%

of our innovation projects
(including external
cooperations) have a focus
on sustainable solutions

By 2025 we intend to
expand this share to

>90%





Digitalization

In 2020, Solenis embarked on a digital transformation effort focused on enhancing the customer experience using digital solutions. Leveraging our artificial intelligence platform, OPTIX™ applied intelligence, digital solutions are a growing part of Solenis' offering that helps to increase the efficiency of our customers' processes and supports them to achieve their own digitalization goals.

The impact of the COVID-19 pandemic in 2020 served to accelerate our digital transformation progress, as customers began to reduce and, in some cases, eliminate the amount of time in which service providers could provide face-to-face or on-site services in their customers' operations. During this time, utilization of existing capabilities, such as our OnGuard™ online remote monitoring and control services, substantially increased. Concurrently, the digital team rapidly began to explore ways to provide other digital services. As a result, an extensive pipeline of innovative solutions was approved for development, many of them focused on addressing the growing sustainability objectives of our customers. These include complex solutions integrating Industrial Internet of Things and Artificial Intelligence, leveraging the deep domain knowledge of our R&D and Applications experts in customer processes.



Next Steps

Our ambition for the future is to create more value for all our stakeholders while consuming less, thereby minimizing our impact on the environment and society. Supporting our customers in their sustainability journeys will always be central to our business. However, going forward we will also look inward, with a focus on consumption reduction and on product development with sustainability at its core.

We now have a prioritized set of actions to help us achieve that ambition. We will work toward meeting our current targets and will update routinely in line with business developments and expectations from our stakeholders. We will continue to monitor sustainability trends, risks and opportunities facing our business, as well as changes in legislation, ensuring we will be prepared to adapt to the ever-evolving sustainability landscape and business environment.

Strong governance is fundamental to building a resilient and successful organization in which sustainability is embedded at all levels. Our Sustainability Task Force is evolving to include representation from all business functions. This will ensure that sustainability matters will be discussed and addressed at all levels and taken into consideration in every business decision, whether that's within the procurement, operations, Environmental, Health and Safety, sales, or HR departments.

We also want to further our existing relationships with stakeholders across the value chain. We will engage openly and transparently with stakeholders and review our processes to create an inclusive and fair business for all who work with us. Robust policies, standards and management systems will continue to guide our operations and will dictate the minimum standards required from our partners.






















Research and development is a critical enabler of sustainable growth and further differentiation. Our future market position and profitability depend on the ability to understand and meet current and future customer needs and market trends and our ability to innovate new and differentiated products. Innovation of new technologies and products, acquisitions and geographic expansion are all enablers of our business strategy.

Our sustainability ambitions are clear, and we have chosen to focus on the following in the next few years:

- **People**
 - Keep our employees safe around the world, continuously striving toward a zero injury culture
 - Create a diverse and inclusive culture around the world
- **Procurement**
 - Responsible procurement and supplier management
- **Circularity**
 - Support circular economy principles
- **Planet & Climate**
 - Enable our customers to manage natural resources more effectively and minimize waste
 - Operate with zero environmental harm and reduce our footprint
- **Responsible Operations**
 - Deliver excellence in environmental, health, safety and security performance
 - Operate with zero harm and be fully compliant
- **Customers**
 - Drive economic and sustainable value for our customers

As we work toward our targets, we'll keep looking for more ways to run our business in a more sustainable way, enhancing growth while decreasing our environmental impact. We have an expert team to help us get there, and we look forward to the next chapter as a force for sustainable change.



	 People	 Circularity	 Planet & Climate	 Responsible Operations	 Procurement	 Customers	
Targets	<ul style="list-style-type: none"> Continuously strive toward zero injury culture Create a diverse & inclusive culture 	<ul style="list-style-type: none"> Support circular economy principles 	<ul style="list-style-type: none"> Enable our customers to manage resources & manufacturing processes more effectively 	<ul style="list-style-type: none"> Operate with zero environmental harm & reduce our footprint 	<ul style="list-style-type: none"> Operate with zero harm & be fully compliant 	<ul style="list-style-type: none"> Ensure responsible procurement & supplier management 	<ul style="list-style-type: none"> Drive Value for our customers
Key Performance Indicators	<ul style="list-style-type: none"> Reduce injury rate by 10% year over year By 2030, double the diverse population of leadership & total workforce Annual Culture Survey to drive employee engagement 	<ul style="list-style-type: none"> By 2025, >90% of new innovation projects to have a sustainability/circularity focus 	<ul style="list-style-type: none"> By 2030, 90% revenue generation will result through support of customers' sustainability goals By 2025, >30% innovation programs to drive reduction in carbon footprint of products 	<ul style="list-style-type: none"> By 2030, reduce CO₂ emissions by 20% By 2030, reduce water consumption by 5% 	<ul style="list-style-type: none"> By 2025, certify all plants ISO 9001, RC14001, ISO 14001, ISO 45001 & SEDEX 	<ul style="list-style-type: none"> By 2030, increase supplier adherence to Solenis sustainability requirements >90% 	<ul style="list-style-type: none"> Deliver 5% return on investment for every customer Partner with every customer on sustainability journey
SDGs		 	   	 			



Appendix



Stakeholder Engagement

Stakeholder group	How we engage	
Employees	<ul style="list-style-type: none"> • Town Hall — global and regional • InSite and SharePoint • Leaders Speak • Virtual meetings • Health and Safety meetings and trainings • Training and development initiatives • EHS Impact meetings • Safety Toolbox meetings 	<ul style="list-style-type: none"> • Phone / e-mail contact • EHS Dashboard • Share Your Concern hotline • Employee surveys (Annual Culture Survey) • Recognition awards • Job Safety Assessments (JSA) • Behavior-Based Safety Observations (BBSOs)
Customers	<ul style="list-style-type: none"> • Product information (SDS, labeling, etc.) • Product Stewardship • Company website: www.solenis.com • Phone / e-mail contact • Sales Safety contact 	<ul style="list-style-type: none"> • Events and conferences • Product / Technical Bulletins • Emergency Response Call • Customer satisfaction survey • Customer awards
Financial partners	<ul style="list-style-type: none"> • Company website: www.solenis.com • Phone / e-mail contact • Quarterly financial statements 	<ul style="list-style-type: none"> • Quarterly earnings call • Events and conferences
Suppliers and contractors	<ul style="list-style-type: none"> • On-site orientation • Contractor procedure review (booklet) • Contractor Safety Audits 	<ul style="list-style-type: none"> • Safety meetings and training • Supplier assessments and audits • Phone / e-mail contact
Communities	<ul style="list-style-type: none"> • Company website: www.solenis.com • Phone / e-mail contact • Chambers of commerce 	<ul style="list-style-type: none"> • SolenisGives platform • Community Relations Plan • Company sites visits
National and local regulators	<ul style="list-style-type: none"> • Engagement through industry associations • Permit applications • Regulatory inspections • Ongoing regulatory compliance monitoring 	<ul style="list-style-type: none"> • Phone / e-mail contact • Written communications • Product and substance registrations and notifications



ESG Data Table

Environmental data				
Metric	Unit	2018	2019	2020
Production volume				
Production volume	ton	1,212,253	1,216,319	1,197,389
Energy management & greenhouse gas emissions data				
Total CO ₂ emissions	ton	247,300	239,100	205,700
Scope 1 CO ₂ emissions	ton	155,800	137,500	120,700
Scope 2 CO ₂ emissions	ton	91,500	101,600	85,000
Emissions intensity	ton CO ₂ /ton prod	0.20	0.20	0.17
Energy consumption	GJ	3,861,900	3,580,900	3,150,500
Direct energy consumption	GJ	3,042,200	2,682,900	2,368,300
Indirect energy consumption	GJ	819,700	898,000	782,200
Energy intensity	kWh/ton	880	820	730
Water and waste management				
Waste disposal	(kg/ton)	16.6	18.8	18.7
Water consumption	m ³	2,859,800	2,428,800	2,832,000
Water intensity	(m ³ /kg)10 ⁶	4,200	4,190	4,080
Environmental Incident Classification Score		80	65	57(75)*

*EIC score – 57 for historical Solenis sites. For 2021 we will reference to the total 2020 score of 75.



ESG Data Table (continued)

Social data				
Metric	Unit	2018	2019	2020
Employee health & safety				
Total Recordable Rate	by working hours (#/h)*200,000	0.55	0.63	0.52
Fatalities as a result of work-related injury	#	0	0	0
Days Away Case Rate	by working hours (#/h)*200,000	0.31	0.32	0.23
Recordable work-related injuries	#	23	28	29
Diversity & inclusion				
Females in Solenis	%	Not tracked / Not available	Not tracked / Not available	23
Entry- and mid-level manager positions	%	Not tracked / Not available	Not tracked / Not available	16
Senior- and executive-level positions	%	Not tracked / Not available	Not tracked / Not available	16
Employee development				
New employee hires (#)	#	606	766	666
Employee turnover	% of full-time employees	10.9	10.7	10.4

Governance data				
Metric	Unit	2018	2019	2020
Business ethics and compliance				
Ethics and/or Anti-Corruption policy – workforce compliance	%	Not tracked / Not available	Not tracked / Not available	95



GRI Index Table

This Sustainability Report is prepared in accordance with the GRI Standards: Core Option. In this GRI Index, we disclose the economic, environmental and social sustainability issues that are material to Solenis.

List of material issues & definitions

Pillars	Issues	Definition
Well-being, Health & Safety of Our People	Human & employee rights	Fundamental rights ensuring basic conditions for all individuals to live with dignity and the legal rights regulating employee-employer labor relations.
	Inclusion & talent development	Growing and maintaining diversity in the workforce and hiring, managing, developing and retaining the right people with the right skills in an increasingly competitive market.
	Organizational culture & management	The work culture, workforce management, and supporting tools that affect employee satisfaction.
	Employee well-being, health & safety	Social, economic, psychological, health, safety and physical conditions of employees in their workplace.
Protecting Our Planet	Climate change & energy use	Climate change impacts, including sources of greenhouse gas emissions and emissions management, climate risks and opportunities and meeting energy requirements with traditional, alternative or renewable sources and reducing energy consumption.
	Circular economy & material use	Principles, practices and processes that minimize or eliminate the negative environmental and health impacts of a product across its life cycle and the materials used in operations in an effort to eliminate waste and reduce virgin input materials.
	Water management	The use, management and conservation of water resources for meeting business and customer needs, including human-induced contamination of bodies of water.
	Waste management & air-land pollution	Contamination of natural resources due to harmful substances, excessive use or exploitation. Unwanted/unusable material management, reduction and/or conversion into reusable material.



GRI Index Table (continued)

List of material issues & definitions

Pillars	Issues	Definition
Partnerships in Our Value Chain	Community engagement & minimizing local impacts	Engagement, support and development to promote the health and well-being of communities where Solenis operates and reduce negative externalities (environmental and social) of projects and operations.
	Innovation & digitalization	Technological development and use of new products, services, and business models, and innovation as a process.
	Meeting customer expectations	Navigating the dynamics of consumption patterns and customer expectations that affect satisfaction, loyalty and brand reputation.
	Responsible supply chain management & manufacturing	Supply chain activities, engagements and management and practices for manufacturing goods responsibly.
	Responsible procurement	Policies and practices to procure ethically and responsibly produced goods or services for a fair price.
	Product responsibility	Managing the environmental, social, health and safety impacts of a product across its life cycle.
Responsible Business Practices	Governance, ethics & compliance	Internal mechanisms, procedures, and rules concerning the control, supervision, reporting, and decision-making system of a company and the fair, transparent and moral code of conduct to the strategic and operational management of business and related compliance practices.
	Responsible investment	Products, investments & financing integrating ESG issues and aimed at generating both financial and sustainable value.
	Responsible marketing & market competition	Promoting fair marketing and responsible selling based on a fair price, quality, service, and access to markets and measures to protect intellectual property.



GRI 101: Foundation

GRI 102: General disclosure 2016

GRI standard	Disclosure number and name	Page reference
Organizational profile	102-1 Name of the organization	Cover page
	102-2 Activities, brands, products and services	About Solenis, page 9
	102-3 Location of headquarters	Value Chain, page 12
	102-4 Location of operations	Value Chain, page 12
	102-5 Ownership and legal form	About Solenis, page 9
	102-6 Markets served	Value Chain, page 12
	102-7 Scale of the organization	Value Chain, page 12
	102-8 Information on employees and other workers	About Solenis, page 9
	102-9 Supply chain	Value Chain, page 12
	102-10 Significant changes to the organization and its supply chain	Value Chain, page 12
	102-11 Precautionary principle or approach	About This Report, page 3
	102-12 External initiatives	About This Report, page 3
	102-13 Membership of associations	Appendix — Stakeholder Engagement, page 66
Strategy	102-14 Statement from senior decision-maker	CEO Statement, page 6
	102-15 Key impacts, risks, and opportunities	Global Trends, page 8
Ethics and integrity	102-16 Values, principles, standards and norms of behavior	About Solenis, page 9
Governance	102-18 Governance structure	Governance, page 18
Stakeholder dialogue	102-40 List of stakeholder groups	Appendix — Stakeholder Engagement, page 66
	102-41 Collective bargaining agreements	Well-being, Health & Safety of Our People, page 23
	102-42 Identifying and selecting stakeholders	Appendix — Stakeholder Engagement, page 66
	102-43 Approach to stakeholder engagement	Appendix — Stakeholder Engagement, page 66
	102-44 Key topics and concerns raised	Appendix — Stakeholder Engagement, page 66
Reporting practice	102-45 Entities included in the consolidated financial statements	About Solenis, page 9
	102-46 Defining report content and topic boundaries	About This Report, page 3
	102-47 List of material topics	Materiality Assessment, page 15
	102-48 Restatements of information	Not applicable: first sustainability report
	102-49 Changes in reporting	Not applicable: first sustainability report
	102-50 Reporting period	About This Report, page 3
	102-51 Date of most recent report	Not applicable: first sustainability report
	102-52 Reporting cycle	About This Report, page 3
	102-53 Contact point for questions regarding the report	About This Report, page 3
102-54 Claims of reporting in accordance with the GRI standards	About This Report, page 3	
102-55 GRI content index	Appendix — GRI Index Table, page 69	
102-56 External assurance	Appendix — Assurance, page 79	



GRI 200: Economic standards

GRI standard	Disclosure number and name	Page reference	Reason for omission
Economic performance			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	–	Confidentiality constraints: Solenis is privately held and therefore does not disclose information on this topic
	103-2 The management approach and its components	–	
	103-3 Evaluation of the management approach	–	
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	–	Confidentiality constraints: Solenis is privately held and therefore does not disclose information on this topic
Market presence			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	–	Information unavailable: to be included in 2021 report
	103-2 The management approach and its components	–	
	103-3 Evaluation of the management approach	–	
GRI 202: Market presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	–	Information unavailable: to be included in 2021 report
Indirect economic impacts			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Engaging with Communities, page 45	–
	103-2 The management approach and its components	Engaging with Communities, page 45	
	103-3 Evaluation of the management approach	Engaging with Communities, page 45	
GRI 203: Indirect economic impacts	203-2 Significant indirect economic impacts	Engaging with Communities, page 45	–
Procurement practice			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Responsible Supply Chain Management & Manufacturing, page 48	–
	103-2 The management approach and its components	Responsible Supply Chain Management & Manufacturing, page 48	
	103-3 Evaluation of the management approach	Responsible Supply Chain Management & Manufacturing, page 48	
GRI 204: Procurement practices	204-1 Proportion of spending on local suppliers	–	Information unavailable: to be included in 2021 report

**GRI 200: Economic standards (continued)**

GRI standard	Disclosure number and name	Page reference	Reason for omission
Anti-corruption			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Business Ethics & Compliance, page 54	-
	103-2 The management approach and its components	Business Ethics & Compliance, page 54	
	103-3 Evaluation of the management approach	Business Ethics & Compliance, page 54	
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Business Ethics & Compliance, page 54	-
Anti-competitive behavior			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Business Ethics & Compliance, page 54	-
	103-2 The management approach and its components	Business Ethics & Compliance, page 54	
	103-3 Evaluation of the management approach	Business Ethics & Compliance, page 54	
GRI 206: Anti-competitive behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust and monopoly practices	Business Ethics & Compliance, page 54	-
Tax			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Business Ethics & Compliance, page 54	-
	103-2 The management approach and its components	Business Ethics & Compliance, page 54	
	103-3 Evaluation of the management approach	Business Ethics & Compliance, page 54	
GRI 207: Tax 2019	207-1 Approach to tax	Business Ethics & Compliance, page 54	-



GRI 300: Environmental standards

GRI standard	Disclosure number and name	Page reference	Reason for omission
Materials			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	–	Information unavailable: to be included in 2021 report
	103-2 The management approach and its components	–	
	103-3 Evaluation of the management approach	–	
GRI 301: Materials 2016	Disclosure 301-1 Materials used by weight or volume	–	Information unavailable: to be included in 2021 report
Energy			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Climate Change & Energy Management, page 38	–
	103-2 The management approach and its components	Climate Change & Energy Management, page 38	
	103-3 Evaluation of the management approach	Climate Change & Energy Management, page 38	
GRI 302: Energy 2016	Disclosure 302-1 Energy consumption within the organization	Climate Change & Energy Management, page 38	–
Water and effluents			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	–	Information unavailable: to be included in 2021 report
	103-2 The management approach and its components	–	
	103-3 Evaluation of the management approach	–	
GRI 303: Water and effluents 2018	303-5 Water consumption	–	Information unavailable: to be included in 2021 report
Emissions			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Climate Change & Energy Management, page 38	–
	103-2 The management approach and its components	Climate Change & Energy Management, page 38	
	103-3 Evaluation of the management approach	Climate Change & Energy Management, page 38	
GRI 305: GHG emissions 2016	305-1 Direct (Scope 1) GHG emissions	Climate Change & Energy Management, page 38	–
	305-2 Energy indirect (Scope 2) GHG	Climate Change & Energy Management, page 38	

**GRI 300: Environmental standards** (continued)

GRI standard	Disclosure number and name	Page reference	Reason for omission
Waste			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	–	Information unavailable: to be included in 2021 report
	103-2 The management approach and its components	–	
	103-3 Evaluation of the management approach	–	
GRI 306: Waste 2020	306-4 Waste diverted from disposal	–	Information unavailable: to be included in 2021 report
Supplier environmental assessment			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Responsible Supply Chain Management & Manufacturing, page 48	–
	103-2 The management approach and its components	Responsible Supply Chain Management & Manufacturing, page 48	–
	103-3 Evaluation of the management approach	Responsible Supply Chain Management & Manufacturing, page 48	–
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	Responsible Supply Chain Management & Manufacturing, page 48	–



GRI 400: Social standards

GRI standard	Disclosure number and name	Page reference	Reason for omission
Employment			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Diversity & Inclusion, page 30	-
	103-2 The management approach and its components	Diversity & Inclusion, page 30	
	103-3 Evaluation of the management approach	Diversity & Inclusion, page 30	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Diversity & Inclusion, page 30	-
Labor/management relations			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	-	Information unavailable: to be included in 2021 report
	103-2 The management approach and its components	-	
	103-3 Evaluation of the management approach	-	
GRI 402: Labor/management relations	402-1 Minimum notice periods regarding operational changes	-	Information unavailable: to be included in 2021 report
Occupational health and safety			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Health & Safety, page 28	-
	103-2 The management approach and its components	Health & Safety, page 28	
	103-3 Evaluation of the management approach	Health & Safety, page 28	
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	Health & Safety, page 28	-
Training and education			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Training & Development, page 33	-
	103-2 The management approach and its components	Training & Development, page 33	
	103-3 Evaluation of the management approach	Training & Development, page 33	
GRI 404: Training and education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Training & Development, page 33	-

**GRI 400: Social standards (continued)**

GRI standard	Disclosure number and name	Page reference	Reason for omission
Diversity and equal opportunity			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Diversity & Inclusion, page 30	-
	103-2 The management approach and its components	Diversity & Inclusion, page 30	
	103-3 Evaluation of the management approach	Diversity & Inclusion, page 30	
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	Diversity & Inclusion, page 30	-
Human rights assessment			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	-	Information unavailable: to be included in 2021 report
	103-2 Evaluation of the management approach	-	
	103-3 Evaluation of the management approach	-	
GRI 412: Human rights assessment	412-2 Employee training on human rights policies or procedures	-	Information unavailable: to be included in 2021 report
Local communities			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Engaging with Communities, page 45	-
	103-2 Evaluation of the management approach	Engaging with Communities, page 45	
	103-3 Evaluation of the management approach	Engaging with Communities, page 45	
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments and development programs	Engaging with Communities, page 45	-

**GRI 400: Social standards (continued)**

GRI standard	Disclosure number and name	Page reference	Reason for omission
Supplier social assessment			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Responsible Supply Chain Management & Manufacturing, page 48	-
	103-2 Evaluation of the management approach	Responsible Supply Chain Management & Manufacturing, page 48	
	103-3 Evaluation of the management approach	Responsible Supply Chain Management & Manufacturing, page 48	
GRI 414: Supplier social assessment	414-1 New suppliers that were screened using social criteria	Responsible Supply Chain Management & Manufacturing, page 48	-
Customer privacy			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Data Protection Governance, page 57	-
	103-2 Evaluation of the management approach	Data Protection Governance, page 57	
	103-3 Evaluation of the management approach	Data Protection Governance, page 57	
GRI 418: Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Protection Governance, page 57	-
Socioeconomic compliance			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Business Ethics & Compliance, page 54	-
	103-2 Evaluation of the management approach	Business Ethics & Compliance, page 54	
	103-3 Evaluation of the management approach	Business Ethics & Compliance, page 54	
GRI 419: Socioeconomic compliance	419-1 Noncompliance with laws and regulations in the social and economic area	Business Ethics & Compliance, page 54	-



Assurance Statement

Independent Assurance Statement to Solenis LLC

ERM Certification and Verification Services (ERM CVS) was engaged by Solenis LLC (Solenis) to provide assurance on its 2020 Sustainability Report (the Report).

Engagement Summary	
Scope:	Whether the Report is fairly presented, in all material respects, in accordance with the reporting criteria.
Reporting Criteria:	The Global Reporting Initiative (GRI) Standards (Core option).
Assurance Standard:	ERM CVS's assurance methodology, based on the International Standard on Assurance Engagements ISAE 3000 (Revised).
Assurance Level:	Limited assurance.
Respective Responsibilities:	<ul style="list-style-type: none"> Solenis is responsible for preparing the Report and for its correct presentation, including disclosure of the reporting criteria and boundary. ERM CVS's responsibility is to provide conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgment.

Our conclusion

Based on our activities, nothing has come to our attention to indicate that the Report is not fairly presented, in all material respects, in accordance with the GRI Standards (Core option).

Our assurance activities

We planned and performed our work to obtain all the information and explanations that we believe were necessary to provide a basis for our assurance conclusion. A multidisciplinary team of sustainability and assurance specialists performed the following activities:

- Interviews with relevant Solenis personnel to understand Solenis' sustainability strategy, policies and management systems.
- Virtual interviews with subject matter experts regarding the content of the Report.
- A review of samples of documentary evidence, including internal and external documents, relating to the assertions made regarding 2020 sustainability performance and activities in the Report.

- Interviews with relevant Solenis personnel to understand the data management systems and processes used for collecting and reporting the data for the metrics included in the ESG Data Table in the Report.
- A check on the completeness of the 2020 data for the metrics included in the ESG Data Table in the Report and the data consolidation at the Solenis corporate level.
- A review of selected evidence related to the design, information collection, and production of the Report in accordance with GRI requirements.
- A review of the presentation of information relevant to the scope of our work in the Report to ensure consistency with our findings.

The limitations of our engagement

The reliability of the assured information is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context.

With regards to the 2020 performance data included in the Report, either in the ESG Data Table or disclosed throughout the various sections of the Report, our assurance activities consisted of an assessment of whether there are processes in place at the site level for measuring and reporting the sustainability performance data, and for consolidating and carrying out quality assurance and quality control on the data at the Solenis corporate level. The scope of our work did not include a detailed review of data, and underlying evidence for the data, at the site level.

Our Observations

We have provided Solenis with a separate detailed management report including our observations.



Beth Wyke
Partner, Head of Corporate Assurance



9th July 2021

ERM Certification and Verification Services
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