2022

Environmental, Social & Governance Report

SNF
WATER SCIENCE

TREATING THE WORLD'S WATER

SNF is a specialty chemical company and an expert in water chemistry. All our products are used in treatment, preservation, and recycling of water. We help reduce energy needs and carbon intensity while contributing to the responsible extraction of key mineral resources essential to the energy transition.

As a global leader in designing and manufacturing water-soluble polymers, SNF is continuously improving a range of more than 1,000 products, which helps preserve natural resources, encourages recycling, and improves industrial process efficiencies. SNF products have several complementary functionalities making them suitable for many applications such as solids-liquid separation, viscosity modification, and friction reduction.

REFLECTING ON 2022

Letter from the CEO

Pascal Remy is the Chairman and CEO of SNF Group

Since our inception, SNF has put knowledge and passion for water science into practice. Every day at SNF, all 7,500 of our employees contribute to water treatment, preservation, and recycling for more than 1 billion people worldwide and tens of thousands of industrial sites. We also help our customers save energy and reduce their carbon footprint. We contribute to the responsible extraction of key mineral resources essential to the energy transition. SNF strives to offer innovative, customized, and more environmentally-friendly solutions.

While our mission has remained the same over the years, changes in our world are accelerating. We must therefore align SNF with society's broader challenges and expectations, from people matters - health and safety, diversity and inclusion, talent and skills development - to fundamental issues of the changes in the climate and the depletion of natural resources.

With 21 production facilities and subsidiaries in more than 50 countries, SNF's Group is the world's leader in water chemistry. As a leader in our industry, we are responsible for addressing the planet's environmental challenges by going even further and working faster to strengthen water chemistry's ethical dimension.

SNF Responsible Chemistry reflects SNF's goal of being one of the most exemplary chemical producers in terms of environmental footprint. This defines our ambition and strategy, which focus on three core pillars:

- **Decarbonizing our Activities**

We continue to work uninterruptedly to reach our goal of being Carbon-neutral by 2050, attaining our first 30% intensity reduction milestone in 2030.

- **Reducing Water Intensity Footprint**

We aim to reduce our water intensity by 20% by 2030.

- **Ensuring a Safe and Inclusive Work Environment for All**

SNF seeks a culture of belonging that fosters a collaborative environment where we value different backgrounds and unique perspectives while appreciating differences. We will continue to build a culture that is safe, respectful, fair, and inclusive for all our employees.

At SNF, we are committed to ensuring that these drivers are more than just empty messages. They are part of the Group's DNA and give meaning to our actions. That is why we have been a member of the UN Global Compact since 2008. We are committed to the Ten Universal Principles of the Initiative. Furthermore, we are doing our part to help achieve the Sustainable Development Goals of the United Nations.

It is with this in mind that this report has been created. It explains our conception of Corporate and Social Responsibility and illustrates how SNF takes action in the best interest of its teams, its customers, and society.

I would like to thank all our employees, suppliers, and customers who are helping us achieve our sustainable development targets.

I look forward to sharing our progress and continuing to work together to build a more sustainable and resilient world.

About SNF

SNF is a specialty chemical company and an expert in water chemistry. All our products are used in applications involving water treatment, preservation, and recycling activities. We help reduce energy needs and carbon intensity while contributing to the responsible extraction of key mineral resources essential to the energy transition.

As a global leader in designing and manufacturing water-soluble polymers, SNF is constantly improving a range of more than 1,000 products, which help preserve natural resources, encourage recycling, and improve industrial process efficiencies. SNF products have several complementary functionalities making them suitable for a large range of applications: solids-liquid separation, viscosity modification, and friction reduction.

SNF is a significant player in the water treatment market and all related applications, and we provide essential services to millions of people worldwide. We also strive to be a responsible player with numerous actions carried out over the last several years in the field of Sustainable Development. In particular, actions regarding environmental, social, and climate issues reflect on who we are as a company and how we behave as a corporate citizen.

WATER TREATMENT

SNF directly markets products, equipment, applications expertise, and related services to the world's municipal wastewater and potable water facilities as well as industrial sites.

OIL AND GAS

In Enhanced Oil Recovery (EOR), polymer flooding is a cost-effective approach to maximize the productivity of existing assets. A polymer flood project can reduce water handling by 50-90% per barrel of oil produced. Likewise, the amount of CO_2 required to produce a barrel is reduced by two-thirds.

MINERAL EXTRACTION

SNF provides chemicals and specialized services for mineral processing and the metallurgy industry. These products are used at each stage of the processes involved. Wet factories use specific chemicals in all stages of their operations: from primary excavation and crushing, to flotation enrichment, and metallurgical refining plants.

PAPER INDUSTRY

SNF manufactures products that meet the pulp and paper industry's needs. From the highest quality printing paper grade to the stiffest board made from recycled waste paper, SNF has specific products to improve those manufacturing processes.

SPECIALTIES

SNF also provides a wide range of products for specialty applications such as Personal Care, Home Care, Textiles, Construction, and Agriculture.

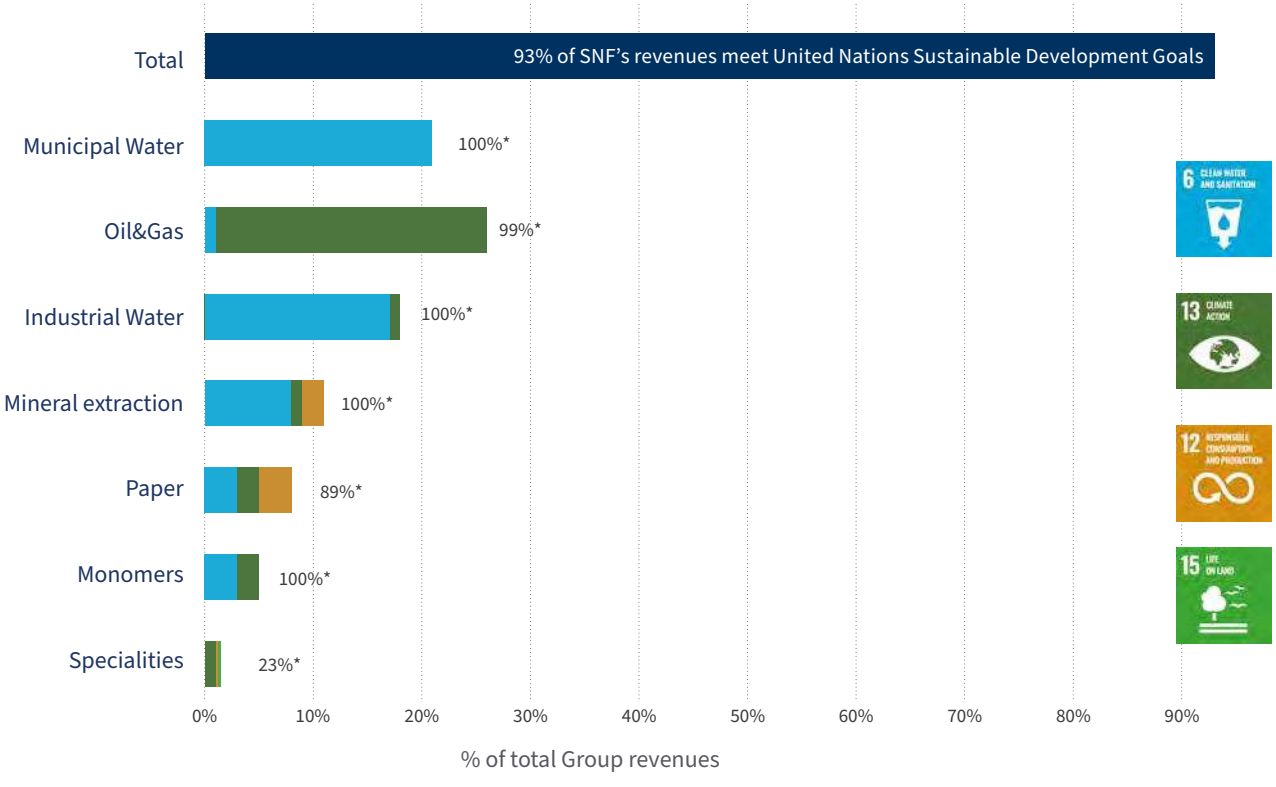
UN GLOBAL COMPACT

Since 2008, SNF has integrated the Ten Principles of the United Global Compact step-by-step into its policies, while some Sustainable Development Goals (SDGs) are included in the Group's Indicators. As an active member of the Global Compact, SNF Group is committed to respecting the universal principles of human rights, labor, environment, and the fight against corruption in its operations and strategies. This ongoing commitment is published in a Communication on Progress (COP) on the SNF and Global Compact websites.

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

"93% of SNF's revenues meet United Nations Sustainable Development Goals. We are continuing our efforts to achieve our goal of being Carbon-neutral by 2050."

2022 Contributions of SNF Revenues to the UN Sustainable Development Goals



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

2022 KEY FIGURES

SNF is responsible for the treatment of the water for more than 1 billion people around the world, and helps tens of thousands of industrial sites recycle their water. In mineral extraction, SNF provides solutions to help our clients grow while minimizing the environmental impact of their activities. In oil extraction, our products increase the amount of oil recovered from existing reservoirs and significantly decrease water consumption and carbon emissions per barrel produced.

SNF has the advantage and privilege of being positioned in markets at the heart of Sustainable Development issues and at the forefront of combatting climate change.

To consolidate its position as a leader, SNF constantly expands its range of products and technologies through continuous investments in R&D. SNF also reinvests significant financial resources into improving and expanding our manufacturing assets to enable us to produce as close as possible to end-markets and users.

€5B
2022 Turnover
(2021 : €3.6 billion)

7,500
2022 Total employees
(2021 : 6,900 employees)

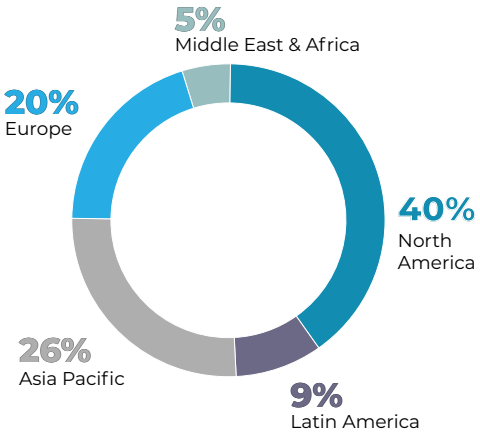
21
Manufacturing sites

2022 GLOBAL MANUFACTURING FOOTPRINT

In 2023, SNF Group received a Gold rating from EcoVadis, a leading business sustainability rating index. The Gold rating places SNF within the top 5% of companies globally and is a testament to our ongoing commitment to sustainability.

As of July 2022, SNF Group obtained an A1 Sustainability Rating Certificate from Moody's ESG Solutions based on an overall score of 63/100.

2022 BREAKDOWN OF REVENUES BY GEOGRAPHY



About this report

With this Environmental and Social Responsibility Report, SNF aims to provide transparent and detailed insights into both its sustainability strategy and performance.

The reporting period is the 2022 fiscal year. The closing date for all data and facts was December 31, 2022.

The SNF Group's Environmental and Social Responsibility reporting has been aligned to the guidelines of the Global Reporting Initiative (GRI) and the Ten Principles of the U.N. Global Compact (UNGC) since 2008. This report was prepared in accordance with GRI Standards: Core Option. This report also serves as a Communication on Progress per the U.N. Global Compact.

In our climate reporting, we follow the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

SNF also uses, for example, the international recommendations and guidelines of the OECD and ISO 26000 as a guide when defining and selecting non-financial indicators. In selecting and measuring our key data, we take into account the recommendations of the Greenhouse Gas Protocol for greenhouse gas emissions and those of the European Federation of Financial Analysts Societies, the World Business Council for Sustainable Development, the European Chemical Industry Council (CEFIC), and the International Council of Chemical Associations (ICCA) for other non-financial indicators.

Data collection and reporting thresholds

The selection of reported content is based on the requirements of the GRI Standards.
Data and indicators are reported for all our significant locations of operation per the requirements of the corresponding GRI disclosures. In 2022, this covered 5 countries that accounted for more than 95% of SNF Group's global revenues: France, USA, China, India, and Korea.

Where information is only relevant for parts of the SNF Group, we point this out. In addition, deviations are indicated in the Notes on Methodology in the Appendices section, at the end of this report.

All indicators given in tonne are metric ton.

The values are expressed per sales of product produced for our significant sites, with 2016 being used as the benchmark year and 100 as the basis for monitoring changes since that date.

External verification

The auditing company of Deloitte in Lyon, France has reviewed this Environmental and Social Responsibility Report of SNF Group, for the fiscal year from January 1, 2022 to December 31, 2022.

Additional information

As the indicators in this report are stated in accordance with commercial rounding principles, totals and percentages shown may not always be exact.

References to websites are indicated by an underlined word.
This report is issued in English and French.

The Sustainability Report is published in PDF format on SNF's website.

The next Environmental and Social Responsibility Report will be published in March 2024.

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01

OUR JOURNEY TOWARDS SUSTAINABILITY

ACT FOR THE ENVIRONMENT

01.0

WE HAVE A RESPONSIBILITY TO ADDRESS THE ENVIRONMENTAL CHALLENGES

With 21 production facilities and subsidiaries in more than 50 countries, SNF Group is the world leader in water chemistry. As a leader in our industry, we are responsible for addressing the planet's environmental challenges by going even further and working faster to strengthen water chemistry's ethical dimension.

1.1 Responsible Chemistry

SNF RESPONSIBLE CHEMISTRY

SNF Responsible Chemistry reflects SNF's goal of being one of the most exemplary chemical producers in terms of environmental footprint. This defines our ambition and strategy for the climate.

At SNF, we are committed to ensuring that these drivers are more than just messages. They are part of the Group's DNA and give meaning to our actions. That is why we have been a member of the UN Global Compact since 2008. We are committed to the ten universal principles of the initiative. Furthermore, we are doing our part to help achieve the Sustainable Development Goals of the United Nations.

We are working to continuously reduce the environmental impact caused at our sites by wastewater, waste emissions, energy-intensive processes, and logistics. All of our products are manufactured in a resource-friendly manner, using as little energy as possible. SNF takes great precautions here, ensuring that environmental protection is considered early when planning systems and processes.

SNF has joined the list of supporters of the Carbon Disclosure Project (CDP) in its efforts to promote corporate transparency and environmental action by making the world's most extensive set of environmental data publicly available.

THE COMMITTEE

In 2022, the SNF Responsible Chemistry steering committee was expanded to the engineering, quality, and environmental teams to have a broader view of the possibilities that could be implemented in the group regarding the reductions of energy and water consumption. It is composed of 18 people with strong scientific and strategic skills.

Mehdi ABBADI - Corporate Strategy - Strategy Director
Lionel AVOND - Administrative - ESG Manager
Céline BESSET - R&D - Head of Department
Frédéric BLONDEL - R&D - Deputy R&D Director
Olivier BRAUN - R&D - Department Manager
Clément COQUERY - R&D - R&D Project Manager
Gaëlle DREVET - Environment - Manager
Loïc FAUCHEUR - Corporate Finance - CFO
Cédrick FAVERO - Corporate R&D - Executive Vice President
Johann KIEFFER - R&D - Deputy R&D Director
Rémi MARCHAL - Engineering - Engineering Manager
Dimitri MATIOSZEK - R&D - SNF Responsible Chemistry Coordinator
Sylvain PERRIN - Corporate Engineering - Engineering Director
Waly Benjamin SARR - Corporate Strategy - Strategy Director
Renaud SOUZY - R&D - Division Manager
Bruno TAVERNIER - R&D - Department Manager
Hanène VANHOUTE - Communication - Head of Department
François VOELKER - R&D - Head of Biotechnologies

Responsible Chemistry Approach

01. COMMITMENT & COMPLIANCE

Responsible chemistry starts by meeting customer demand for more green chemistry and sustainable products in agreement with current regulations. The environment has become a priority for consumers as well as for SNF.

As proof of its commitment, SNF works with various governmental and non-governmental bodies and associations worldwide to anticipate, comply with, elaborate, and improve regulations and references related to its chemistries, chemical processes, plants, applications, and releases to the environment.

02. BIOBASED & RENEWABLE RAW MATERIALS

Bio-based chemistry addresses various challenges associated with sustainable development. It can replace substances derived from fossil resources such as oil and natural gas with substances derived from biomass. This diversification of raw materials reduces our reliance on fossil resources and the impact of the latter's price volatility. In addition, biocatalysis, used at SNF for years, provides a green pathway for chemical manufacturing. This is, for example, the case in producing our main monomer, acrylamide. The latter is made at room temperature and atmospheric pressure without generating waste, which reduces its carbon footprint.

03. ENVIRONMENTALLY-FRIENDLY PROCESSES

Beyond raw materials used, one must also consider the manufacturing process. According to the general opinion, chemical manufacturing facilities are usually regarded as large energy consumers and excessive CO_2 emitters. In the SNF Responsible Chemistry approach, we prioritize continuously, thus improving our processes, minimizing their impact on the environment by reducing CO_2 emissions, and lowering water consumption.

04. WATER & CO_2 REDUCTIONS

As a global leader in manufacturing and processing water-soluble polymers, SNF has developed a range of more than 1,000 products that help preserve our natural resources, encourage recycling, and improve the efficiency of industrial processes.

Our product offerings help our customers reduce their environmental impact, water consumption, and CO_2 emissions (handprint).

05. ENVIRONMENTAL FATE OF POLYMERS

At the end of these processes, those polymers will mainly be found in the treated sludge or the recovery of minerals (in Mining operations) and are destroyed by chemical or thermal treatment steps. Understanding the fate and behavior of our polymers when released into the environment has been a continuous effort since 2002.

1.1 Responsible Chemistry

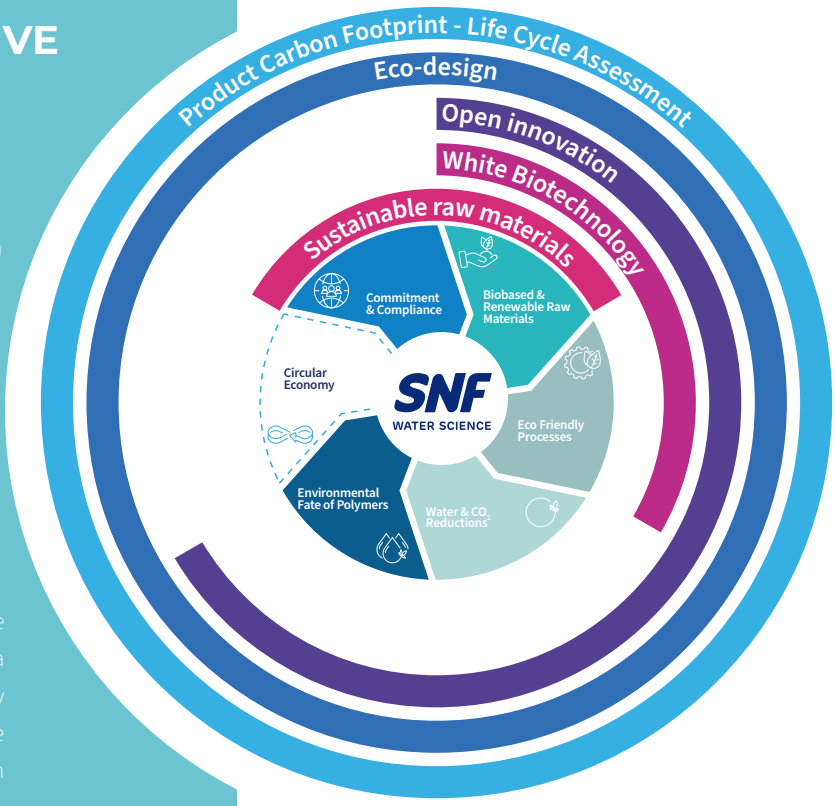
A COMPREHENSIVE APPROACH

SNF Responsible Chemistry expresses SNF's desire to be among the best-performing chemical companies in terms of sustainability.

About 80% of SNF's R&D expenditure in 2022 refers to at least one of the five pillars of the SNF Responsible Chemistry approach, which is a process for designing and developing new products.

But our journey to responsible chemistry doesn't end there. From a sustainability point of view, it is equally important to have a comprehensive approach and understand how each pillar is integrated into global concepts.

The eco-design of new solutions drives the SNF Responsible Chemistry approach. Several pathways are simultaneously taken to do so, such as the White Biotechnology on enzymatic catalysis and sustainable raw materials such as biobased ones. Our strong Open Innovation Initiative backs up the whole approach with several academic and industrial partnerships.



PART OF OUR DNA

The Responsible Chemistry Policy is implemented at the R&D stage, where products are designed. This vision is presented to newcomers as part of their tutoring plan. Indeed, within SNF, every employee contributes to responsible chemistry in their own way by reducing the impact of our company on the environment.

Our chemists devote their passion and knowledge to helping our customers find responsible solutions that make their businesses future-ready concerning sourcing and the environmental fate of the products applied in their processes.

OPEN INNOVATION

Through the Open Innovation strategy, several collaborations have been initiated within the academic sector to understand and improve the environmental fate of SNF's polymers. The modification of the polymer structure is one leverage to enhance their biodegradability as well as developing polymers incorporating biobased and renewable raw materials.

SNF continuously builds meaningful relationships with external partners (industrial and academic) to promote innovation beyond its expertise. The Open Innovation Initiative allows joint partnerships in all aspects of the Responsible Chemistry strategy.

In 2022, more than 40 collaborations were actively running at the corporate level. Among them, 57% are established in Europe (43% in France), 31% in North America, and 12% in Asia.

Among the already ongoing collaborations, 2022 was marked by new ones related to the biodegradation behavior understanding and enhancement of SNF's polymers. These two points play a central role in the eco-design of future products.

The SNF Group remains a significant player in promoting academic research by financing postdoctoral projects and sponsoring Engineering School in Lyon, France (CPE).

2 ISCC+ Certified Plants
Covering SNF's Chemistry

40 More than COLLABORATIONS
Number of active R&D collaborations worldwide

42%
Ratio of R&D projects dedicated to reducing CO_2 and Water usage for our customers

70%
Ratio of R&D projects dedicated to Responsible Chemistry Policy

1.1 Responsible Chemistry

BIOBASED & RENEWABLE RAW MATERIALS

SNF has always been committed to using better raw materials in its products and processes. Indeed, SNF was among the first to use an eco-friendly bioconversion process to produce acrylamide, a monomer that is part of water treatment polymers. This approach also includes the search and use of renewable feedstocks, thereby replacing fossil-based raw materials in our products. This can be applied to additives such as oils and surfactants in our emulsions and monomers.

Over the last three years, SNF has purchased between 5% to 7% biobased/renewable raw materials in France as they become more readily available in larger quantities.

R&D projects are being initiated to develop more eco-friendly polymers using renewable raw materials and other ingredients that provide a naturality index (ISO 16128, 16620) and biodegradability (OECD guidelines) in our finished products.

One of the best examples is in the Personal Care market. Indeed, as consumer pressure affects products offered by formulators, they demand more biobased raw materials. SNF launched a new dispersed polymer in biobased and biodegradable oil to satisfy this need.

The expertise of our subsidiary also supports this research, named HTS bio, which specializes in designing eco-friendly solutions through various biotechnology processes. One example is our biocatalysis expertise in producing acrylamide using a copper-free method at a low enzyme dose rate.

SNF CERTIFIED ISCC+

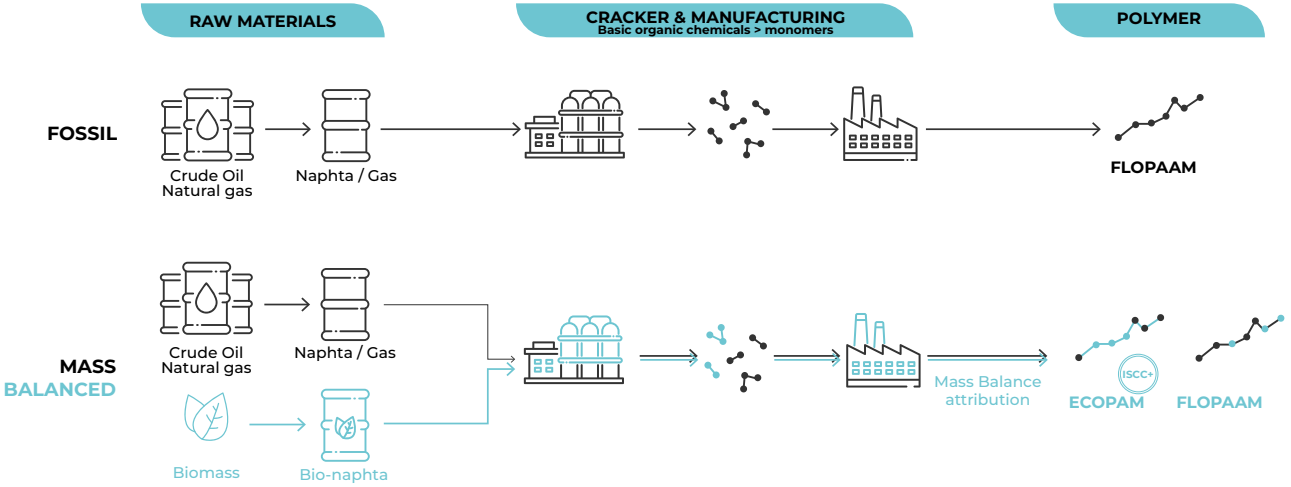
In 2021 SNF initiated an ISCC+, International Sustainability and Carbon Certification process. The Andrézieux-Bouthéon (France) pilot site is ISCC+ certified to use bio-attributed feedstock using the mass balance approach. In 2022, SNF's second manufacturing site in Saint-Avold, France, was also granted the ISCC+ certification for cationic-based polymers. This ensures that both cationic and anionic polymers can receive sustainability certification. Thus, covering a large scope of SNF applications.

ISCC
International Sustainability & Carbon Certification

SNF Group has already contacted several suppliers to obtain quantities of bio, circular, and bio-circular raw materials to integrate into its processes and finished products. Moreover, the ISCC+ certification will allow SNF to participate in the circular economy by sourcing raw materials from recycled waste. The aim is to offer SNF's customers sustainable end products with a lower carbon footprint than conventional ones. Thus, being in a sustainable virtuous circle without impairing food security or any environmental objective.

To translate it into reality, SNF launched its ECOPAM™ brand that uses ISCC+ certified materials. ISCC+ certification guarantees full traceability of the materials along the value chain from basic raw materials to the end customer.

ECOPAM polymer: a solution to reduce your carbon footprint



SNF WINS AT THE 2022 COSMETICS & TOILETRIES (C&T) ALLĒS

This year, SNF Personal Care submitted their 84% USDA Certified Biobased Cold Process Mineral SPF 50+ Sunscreen formulation for the 2022 Cosmetics & Toiletries® Allē Awards. These awards honor cosmetic innovations from sustainable ingredients and product formulas to digital technologies.

SNF's Cold Process Mineral SPF 50+ formulation contains SNF NATURSOL™ EMI 132, an emulsifying, texturizing, and stabilizing agent that is 67% naturally based and 100% Vegan. This provides a step further to a Natural Index close to 100% and creates a light texture, fresh touch, and soft after-feel in sunscreen formulations.

All entries were rated on their merits for sustainability, multifunctionality, novelty, claims support, and utility.

The Judges stated, "It's great that the formula is cold-processed, [from a] sustainability [standpoint]. ...This formula does represent a good alternative to chemical SPF products in a stable and reliable form. The use of NATURSOL™ EMI 132 as a unique stabilizing ingredient would lend a considerable amount of stability to traditionally unstable physical sunblocks ... Congratulations on an incremental but significant advance in cosmetic emulsion formulation!"

1.2
Act for Climate

ACHIEVING CARBON NEUTRALITY BY 2050

Rising greenhouse gas (GHG) emissions are the primary source of climate change. As a company with global manufacturing operations, we actively seek to positively impact our world's climate through responsible processes. We optimize our processes, improve our buildings' efficiencies, and increase renewable energy procurement.

Ambitious goals help guide our programs and projects to reduce emissions. SNF has set a goal to reach Carbon Neutrality by 2050. Our sites' Scope 1 & 2 carbon footprint is low, in proportion with revenues, at around 0.63 million metric tonnes of CO_2 equivalent for about 5 billion euros of sales. To reach Net Zero by 2050, our goal is to reduce CO_2 intensity by 30% by 2030 on Scopes 1 & 2 in intensity value (compared to 2016).

We aim to reduce greenhouse gas (GHG) emissions generated by the Group's industrial operations (direct emissions) and energy consumption (indirect emissions). To that end, SNF carries out rigorous monitoring. Site discharges are identified and quantified by type to bring them below the local emission limits. To calculate the impact of releases on climate change, emissions are converted to CO_2 equivalent.

To reduce our impact on global warming, we have implemented a series of measures, including monitoring, increasing our use of renewable energy sources, and optimizing energy utilization.

SNF is committed to contributing toward global climate mitigation efforts by reducing our carbon footprint. We periodically monitor our Scope 1 (direct emissions) and Scope 2 (indirect emissions) GHG emissions through a robust GHG inventorying process.
In 2022, our efforts to enhance energy efficiency and increase the share of renewables helped us reduce our Scope 1 and Scope 2 emissions. We initiated the process of developing a comprehensive inventory of our Scope 3 (other indirect) emissions.

Since 2021, refrigeration units using NH3 (ammonia) have been deployed on our manufacturing sites. These refrigeration units have a performance coefficient 30% greater than units using other refrigeration gases, have no greenhouse effect, and are harmless to the ozone layer.

SNF signed a Purchasing Power Electricity Agreement of hybrid renewal power, which will help to reduce its plant's 2022 carbon emission in Gandhidham, India. They achieved a CO_2 reduction from November 2022.

In partnership with Continuum Trinethra Renewables, SNF started a new wind-solar hybrid project in India. This renewable facility, located in Gujarat, combined 32.4 MW of wind power with 17.5 MW of photovoltaic energy.

The installation will decrease air emissions, the equivalent to 363,772 trees seedlings grown for 10 years and is expected to generate clean energy to supply the equivalent demand of 26,000 MWh.

CDP
DRIVING SUSTAINABLE ECONOMIES

SNF has joined the list of supporters of the Carbon Disclosure Project (CDP) in its effort to promote corporate transparency and environmental actions.

TCFD
TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

As part of its goal of being one of the most exemplary chemical producers in terms of environmental footprint, SNF endorses the recommendations issued by the Taskforce for Climate-Related Financial Disclosures (TCFD).

CO_2 EMISSIONS AT SNF

The Scope 1 & 2 Carbon footprint of our sites is low, in proportion to revenues.

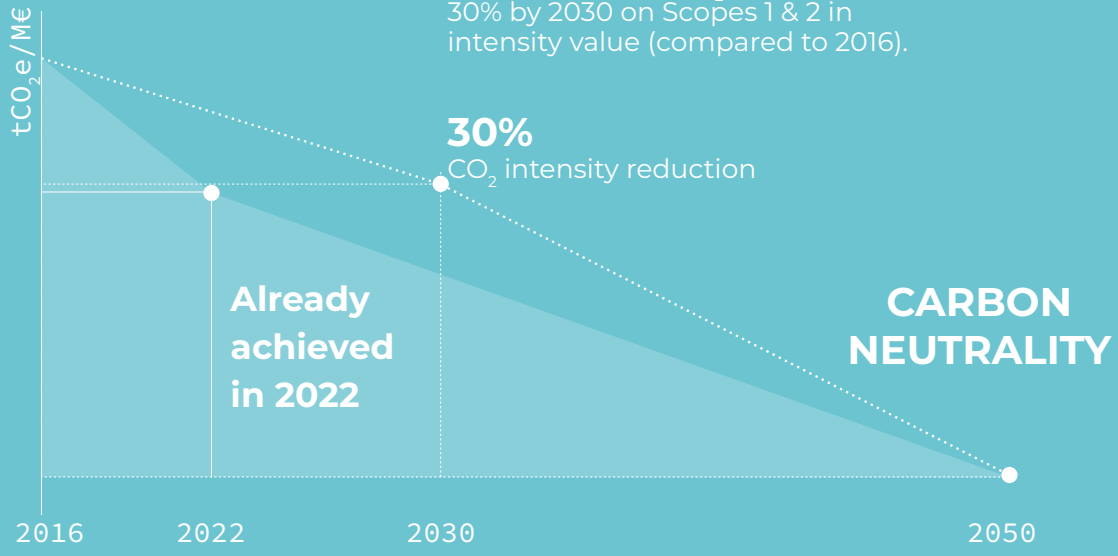
0.30
Mt CO_2

Scope 1 - Direct emissions generated by SNF's operations.

0.33
Mt CO_2

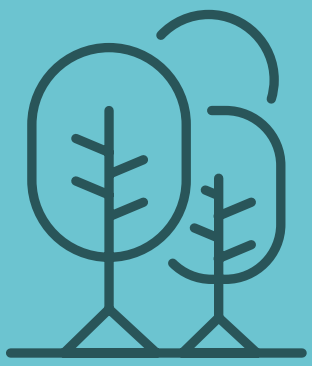
Scope 2 - Indirect emissions associated with the purchase of electricity, and generation of steam, heat, or cooling water by SNF.

To reach Net Zero by 2050, our goal is to reduce CO_2 intensity by 30% by 2030 on Scopes 1 & 2 in intensity value (compared to 2016).



Only One Earth
Care and Conserve

Visakhapatnam, India



200 trees planted

Because trees use carbon dioxide to build their trunks, branches, roots, and leaves, they are natural carbon absorbers and help clean the air. Although the carbon absorption capacity can vary, it is generally considered that a tree can store between 10 and 40 kg of CO_2 per year.

The World Environment Day (WED), instituted by the United Nations General Assembly in 1972, is a people's event. It is meant to inspire actions by governments, industries, community groups, and individuals to improve the environment in which we live.

It provides a unique opportunity to raise awareness of protecting the environment and prompt actions by all stakeholders.

The United Nations Environment Programme (UNEP) invited people worldwide to celebrate WED on, June 5, 2022, with great enthusiasm.

The theme for WED-2022, as recommended by UNEP, was "Only One Earth - Care and Conserve."

Being a responsible and committed organization towards environmental protection and sustainability, SNF also observed "World Environment Day" in our factory and planned the following events.

Mr. Kumaresan Rajendra, CEO of SNF India, introduced the day, "Protecting our environment, the foundation for sustaining our planet, community, and economy. Our environment supports and houses our ecosystem, allowing them to grow and thrive. If we fail to protect our environment, we will put the lives of Humans, Animals, Plants, and more at risk.

Did you know planting a tree is one of the easiest and most powerful things you can do to have a positive impact on the environment? It's true. Trees clean the air, prevent rainwater runoff, help you save energy, and even combat global warming. Trees can live hundreds of years. So when you plant one, you're giving a gift to your children and grandchildren. It's a symbol of your commitment to the environment and the beauty of the world around you that will live on far beyond your own lifetime."

More than 200 trees were planted that day by the 172 employees.

Did you know planting a tree is one of the easiest and most powerful things you can do to have a positive impact on the environment?

1.2 Act for Climate

ENERGY CONSUMPTION

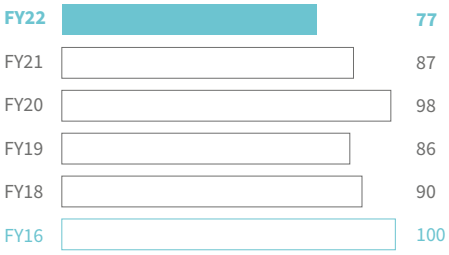
One of the essential tools for achieving global emission reduction targets and for companies' compliance with these targets is realizing energy transformation on a company scale. For this, SNF disseminates the use of good practices and technologies that enable energy transformation in all our facilities, to follow global developments, and to continue to identify new areas for improvement.

SNF's energy consumption results mainly from its industrial operations. The primary energy sources our facilities use are gas used in our powder-producing facilities for heating and steam production and electricity for the driving force of machines, lighting and utilities (air, Nitrogen, cooling systems, etc.).

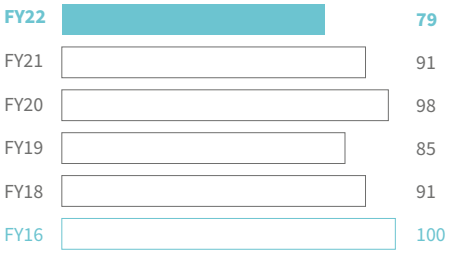
The priorities we've implemented regarding energy efficiencies are the subject of constant searches to optimize consumption and costs. There is an emphasis on designing and purchasing equipment and day-to-day plant operations. SNF relies on a worldwide network of energy specialists at the operations level of each facility, along with purchasing and technical specialists.

SNF Group focuses on medium and long-term partnerships and contracts to ensure a secure and competitive supply of all raw materials and energy/power needs. Periodic monitoring of market pricing trends also makes it possible to anticipate readjustments.

Electricity consumption



Gas consumption



RENEWABLE ENERGY

In France, the choice of EDF's Renewable Energy option (French National Electricity supplier), with the guarantee-of-origin mechanism, means that 30% of SNF's electricity purchases come from renewable energy sources, thus reflecting our commitment to the environment. The guarantee-of-origin mechanism managed by Powernext, an independent body, ensures that a corresponding quantity of renewable-origin electricity is added to the electric grid.

Approximately 30% of our manufacturing sites' electrical power consumption is used for compressed air for instrumentation and processes, Nitrogen production, and tertiary activities. SNF has, therefore, taken actions to reduce compressed air leaks by installing systems that allow early detection by ultrasound. Any leaks found are then repaired by the plant maintenance department, thus reducing energy loss.

In partnership with Continuum Trinethra Renewables, SNF started a new wind-solar hybrid project in India. This renewable facility, located in Gujarat, combined 32.4 MW of wind power with 17.5 MW of photovoltaic energy.

In China, SNF has signed new power supply agreements, allowing our Rudong site to be powered 84% by green electricity, while our Taixing plant will be powered by 28%. In the USA, SNF subscribed to 2 MW of solar power at the beginning of 2022. The SNF Group has also installed solar panels on its facilities in Italy, thus benefiting from decarbonized electricity.

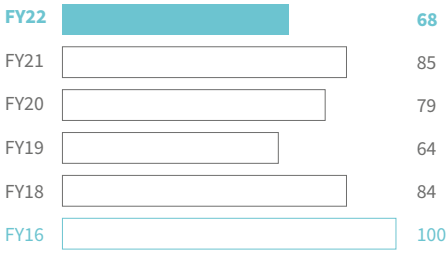
AIR QUALITY

SNF has an active policy of controlling and reducing its volatile organic compounds (VOC) emissions, substances responsible for ozone production.

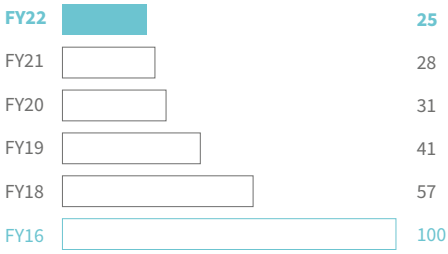
The VOC are treated by scrubber and/or by thermal oxydation unit in all plants. The dust are captured on workshops with help of cyclone scrubber to reduce the environmental impact.

SNF tracks and records VOCs and dust emissions by our powder production units. Data is available for all Group production sites.

DUST



VOC Emissions



1.3 Water Saving

WATER CONSUMPTION

Water is necessary for our manufacturing processes and utilities. It is a preferred solvent for our operations and vectorizes our technologies because no other solvent has the equivalent availability and harmlessness for humans and the environment. Lastly, water can be found as residual moisture in our distilled or dry forms of our products.

On average, water accounts for approximately 70% of our manufacturing formulas. More specifically, emulsion formulations contain 40% water, while powder formulations contain 68-78% water. Polymer solutions are sold on average with 20-25% water, although some grades include 94% water.

At the end of the manufacturing process, our manufacturing formulas contain, on average, around 30% water as a solvent, the ideal chemical solvent for our customers. One tonne of active polymer sold by SNF requires one and a half tonnes of water to manufacture and will be delivered to our customers with an average of 800 kg of water.

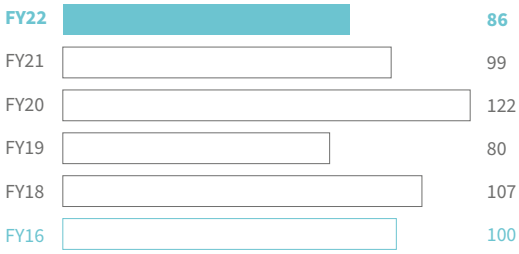
Water used in formulas and as a vector is a responsible choice of solvent that cannot be taken into account in our ambition to reduce our footprint in terms of water resources. The objective of reducing our water intensity by 20% by 2030 implicitly excludes this volume.

While water requirements to produce a tonne of finished products are 20% lower than 10 years ago, the reduction in water consumption associated with industrial use stands at nearly 40%. Applied at all the relevant sites, the Group's water management policy aims to control and reduce the withdrawal and consumption of fresh water and to maintain the quality of water bodies into which effluents are discharged.

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

SNF constantly monitors water consumption by installing flow meters, detecting leaks, improving fire circuits, collecting rainwater, and recycling water. This policy is reinforced by recycling water from boiler washes or condensates. Our R&D is working to recycle cooling tower blowdown in processes that allow it. Similar work is underway to recycle effluent from biological processes for reuse in our plants. These initiatives have a dual purpose, to reduce freshwater consumption and water discharges. The new cooling tower standards implemented by the SNF Group on production capacity expansion are based on technology that reduces water demand by 90% compared to previous technologies.

Net Water consumption



WATER HANDPRINT

SNF's products have many industrial and commercial uses. They are used in all areas where water is present: wastewater treatment, drinking water production, sludge dewatering, mining, oil and gas extraction, agriculture, paper, textiles, cosmetics formulations, construction and public works, equipment, and engineering, as well as industrial and household cleaning.

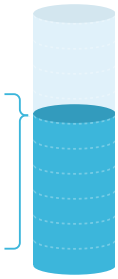
Used as flocculants, our products facilitate solids/liquid separation in water. They can also act as viscosity modifiers and friction reducers. This means they modify the density of liquids and aqueous fluids in motion, respectively.

Almost 100% of SNF chemicals are water-soluble and are ultimately used to modify the properties of the water used by our customers through flocculation, friction reduction, or viscosity modification. Water has many beneficial effects throughout the process, right up to the customer. Our customers use water to solubilize our products, so the water supplied with our products is separated from their use and returned to the water cycle of the relevant application: purified water, drinking water, petroleum water, irrigation water, water for cosmetics, textiles, detergents, and water for paper manufacturing. So, water is a valuable and preserved resource in our products.

The Group markets products that positively impact ecosystems. All products contribute to treating, recycling, preserving water, saving energy, and reducing carbon footprint. 93% of SNF's revenues meet the UN SDGs.

TREATING WATER

SNF treats water for over 1 billion people worldwide and supports thousands of production and treatment sites with water treatment and recycling.



50%

BETWEEN 50% TO 90 % OF WATER SAVINGS

per barrel of oil produced can be realized using SNF products for Enhanced Oil Recovery.

7,000 DAYS OF WATER

Using SNF Agriculture's polymers applied on 1 ha of sugar cane production field in Brazil saved 1,440m^3 of water, representing 1 day of water for more than 7,000 people.

1.4

Waste Management

GRI 303-4 | GRI 305-1 | GRI 305-2 | GRI 306-2 | GRI 305-7 | GRI 303-5

WASTE WATER

SNF's Water Management policy aims to maintain the high quality of the lakes and to minimize the impact on populations and biota, i.e., all living organisms (flora, fauna, fungi, micro-organisms, etc.).

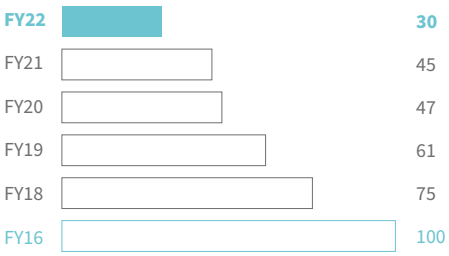
Through improved reporting, SNF ensures compliance with applicable laws and regulations and regulatory developments, such as the CWW BREF in Europe, on the best available techniques and associated emission threshold values. SNF Group makes targeted investments dedicated to optimizing water use and its treatment, from the initial design of its facilities to its day-to-day operations.

Where appropriate, SNF carries out preliminary treatment to reduce the discharge of chemical oxygen demand (COD) load on wastewater treatment plants or discharged into a natural waterway.

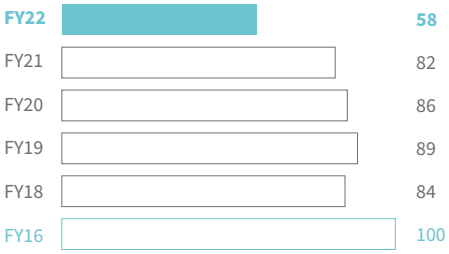
SNF also limits chemical treatment in cooling towers by prioritizing treatment by UV disinfection and hydrogen peroxide at most of our manufacturing sites. The purging of these process waters is at the heart of the active R&D development policy to evolve our product mix and be able to recycle water as carrier water in SNF products.

SNF France has also built a biological treatment plant to reduce the overall pollutant load of the site's discharges. The recycling of treated washwater for reactors has made it possible to save approximately 200 cubic meters per week, while the installation of physio-chemical treatment has enabled solids/liquid separation of ultra-high-pressure washwater discharges, which carry large amounts of matter. In 2021, a similar biological treatment plant was installed at SNF's Plaquemine site in Louisiana, USA, allowing for in-house water treatment that previously required transport by tanker. Therefore, it represents more than 400 cubic meters of water saved per week. SNF is committed to equipping future sites with equivalent water treatment technology.

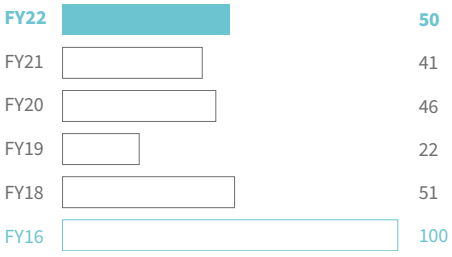
COD (Chemical Oxygen Demand) of Released Water



Nitrogen Content of Released Water



Suspended Solids in Released Water

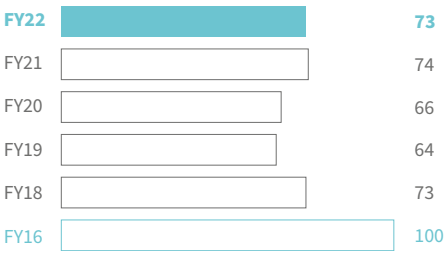


PREVENTION OF POLLUTION AND WASTE MANAGEMENT

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

Non Hazardous Waste

Hazardous Waste



WASTE AND HAZARDOUS SUBSTANCES

Waste production is inherent to SNF's operations, but the company controls it right from the design stage of its products and processes. Hazardous industrial waste and the hazardous substances marketed are central to the Group's risk management and mitigation policy, combined with sustainability challenges.

Several solutions are in place to ensure that products and processes generate as little industrial waste as possible. SNF is making every effort to increase energy recovery and support the transition to more sustainable methods that avoid landfill or incineration without energy recovery. In thermal recycling, several sources of waste are used as alternative fuels in boilers. SNF Group is also developing a recycling policy in the product value chain in compliance with REACH regulations. As such, we recycle certain solvents and optimize cleaning cycles. In addition, filter presses are being installed to reduce sludge volumes.

When the economic scheme and product compatibility allows it, SNF recycles the secondary flow generated by some of these processes as raw material in other functions on the same production site. Through its partners, SNF uses the calorific value of its waste, during its thermal treatment for elimination, by recovering this energy in the form of heat or electricity.

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

In the same way, the SNF Group ensures that information on risks is readily available for all its REACH products and registrations. SNF monitors the lists of substances of very high concern (SVHC) defined under REACH and used in its production processes or placed on the market. The Group is committed to reducing their use and replacing them with

alternative solutions whenever possible. Therefore, SNF teams formally consider environmental and health impacts from the very outset of a new product's design, i.e., at the R&D stage.

To adopt a preventive attitude regarding introducing and handling potentially toxic or dangerous products, the project manager must factor in their intrinsic dangers from the design stage by considering the physio-chemical and toxicological data. This involves reviewing reagents' Safety Data Sheets (SDS) before purchasing them. At that stage, as soon as a chemical product under consideration for use in a project is identified as a proven or suspected CMR (carcinogenic, mutagenic, and reprotoxic) substance (category 1A or 1B, H340, H350, H360), the project manager is required to investigate substitute solutions that use less hazardous products or processes. This must be done as part of a comprehensive analysis of the problem and the substitution consequences.

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

If data or usage changes, the statement must be revised or adapted for subsequent purchases of the same category 1 CMR substance.

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

Examples include:
- Creation of a range of paraben-free polymers for the household & industrial cleaning and cosmetics markets (PF range);
- New lubricant for the manufacture of powder with fewer VOCs by replacing mineral oil of petrochemical origin with a composition of plant origin;
- Phosphorus-free scale inhibitor for detergents to combat eutrophication;

OTHER EMISSIONS

SNF exercises great vigilance regarding any annoyances caused by its operations affecting residents near its industrial sites. Each year, the Group makes adjustments to take these issues into account. Achievements include modifying treatment plants to reduce sulphur dioxide emissions (odors), installing activated carbon treatment, installing silencers on air compressors and chillers, purchasing cooling towers with reduced noise emissions, and choosing closed structures for production activities (noise). Noise measurement campaigns are carried out regularly. For instance, SNF undertook extensive work at the Andrézieux plant (France) in 2022 to reduce noise. Systems replaced the cooling tower technologies with a more reliable noise emission. In addition, the drying air outlets of the powder processes were equipped with silencers.

1.5 Biodiversity

SNF JOINED THE TREES EVERYWHERE INITIATIVE

The purpose: To plant 1 billion trees in France, in partnership with municipalities and local companies, to take action against global warming and protect biodiversity.

SNF has been pleased to contribute in partnership with 13 other companies, to this beautiful project in the City of Gravelines, creating a forest patch of 20,000 trees in January 2022.

Trees Everywhere is also an inclusive and supportive approach, promoting local employment, especially by working with the sheltered employment sector.

NEST BOXES FOR COMMON KESTRELS

In 2022, SNF French team worked with the French Bird Protection Association (LPO) to protect Common Kestrels that were nested in holes in one of our buildings. Kestrels are a protected species. They are cavity nesters, but the species is in decline. Based on recommendations from the LPO, we purchased nest boxes for Common Kestrels and installed them on the facade of this building.

RESTORING AQUATIC ECOSYSTEM

In France, the extension of the SNF French site (Auvergne-Rhône-Alpes) gave rise to major compensatory measures, including a 50-year lease on a 100 hectares plot. This area is managed and monitored for the protection of fauna, flora, aquatic environments, and wetlands by the Conservatoire d'Espaces Naturels Rhône-Alpes (CNRA) and CESAME, an environmental consulting firm.

Actions during 2022 focused on restoring a pond in the Bois du Roy, La Fouillouse: restoring the dike and guaranteeing the functioning of the aquatic ecosystem. The overall budget amounted to 60,000 Euros, funded by SNF, CD42, and the landowner.

1.6

Gross readings of the main indicators

UNITS		2016	2018	2019	2020	2021	2022
CO_2 emissions (Scope 1)	t	215,597	253,892	257,600	258,898	317,781	298,136
CO_2 emissions (Scope 2)	t	271,073	376,224	425,521	326,762	352,932	332,539
CO_2 emissions (Scope 1 & 2)	t	486,670	630,116	683,122	585,660	670,714	630,675
Electricity consumption	MWh	499,437	650,155	689,727	700,875	752,763	763,018
Gas consumption	MWh	966,574	1,279,238	1,317,165	1,357,804	1,523,764	1,508,038
Water consumption	m3	3,194,552	4,725,736	4,645,811	5,026,169	5,560,424	5,711,463
Vector water volume	m^3	1,242,179	1,809,327	1,907,180	1,697,512	2,005,659	2,000,073
Volume of released water	m3	724,960	1,019,993	1,166,626	1,185,514	1,460,551	1,618,200
Net Water Consumption	m^3	1,227,414	1,896,415	1,572,005	2,143,143	2,094,214	2,093,191
COD of released water	kg	122,406	132,887	120,253	82,919	94,353	73,967
BOD of released water	kg				7,423	6,633	9,138
Suspended solids in released water	kg	44,625	33,006	15,834	29,404	31,907	44,389
Nitrogen content of released water	kg	6,320	7,721	9,045	7,722	9,002	7,230
Hazardous waste	t	11,720	12,372	12,035	10,985	15,046	17,048
Non-hazardous waste	t	26,527	53,768	63,516	48,407	51,157	54,963
Waste recovered as energy	t	11,064	12,037	10,957	15,899	18,264	18,081
Other recovered waste	t	3,201	3,064	3,451	3,756	4,173	4,271
VOC emissions	t	372	305	244	164	179	185
Dust	t	55	67	57	62	81	75

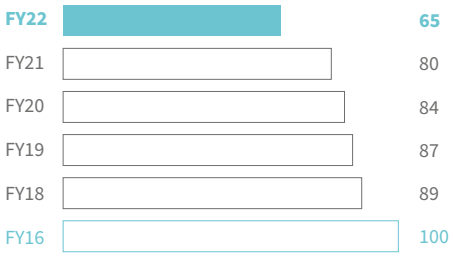
INDICATORS

All indicators given in tonne are metric ton.

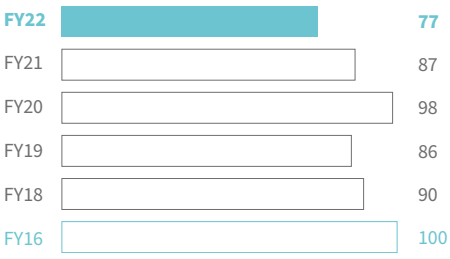
The values are expressed per total group sales, with 2016 being used as the benchmark year and 100 as the base for monitoring changes since that date.

For a given year, if total group sales are impacted by a price effect higher than 10% , this percentage, lowered by 5%, is subtracted from sales. As a matter of example, in 2022, as sales growth was 36% with a price effect of 21%, Group sales were reduced by 16% for computing 2022 index.

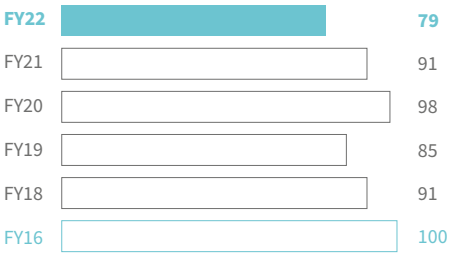
CO2 emissions (Scope 1 & 2)



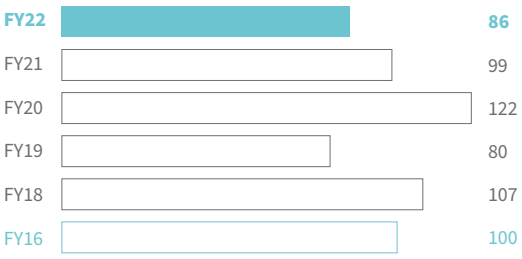
Electricity consumption



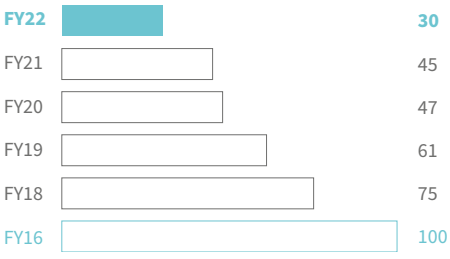
Gas consumption



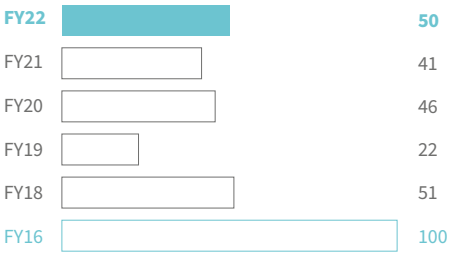
Net Water Consumption



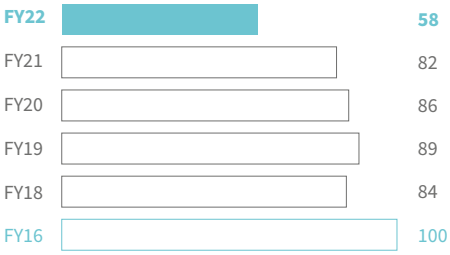
COD of released water



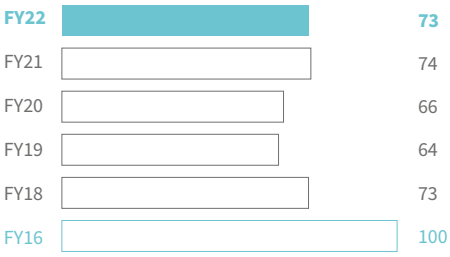
Suspended solids in released water



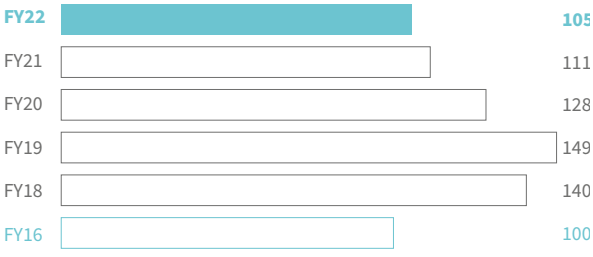
Nitrogen content of released water



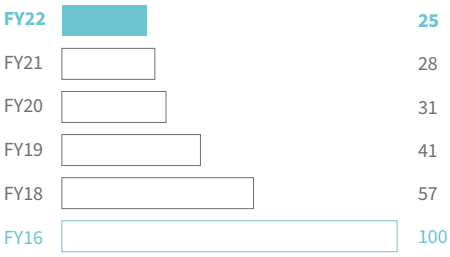
Hazardous Waste



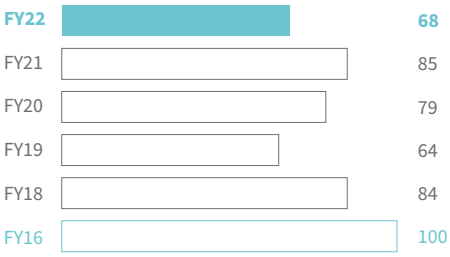
Non Hazardous Waste



VOC emissions



Dust



02

WE WORK TO CREATE AN ENVIRONMENT THAT SUPPORTS EQUITY AND EGALITY, NECESSARY PARTS OF PROFESSIONAL GROWTH.

02.0

ACT FOR OUR EMPLOYEES

OUR EMPLOYEES ARE THE BACKBONE OF OUR INTERNATIONAL SUCCESS

At SNF, we firmly believe that our employees are the backbone of our international success, which is why we strive to ensure them the best possible working environment. The health and safety of the company's 7,500 employees are absolute priorities that SNF puts at the heart of its corporate culture

2.1 Inclusion & Diversity

▲ **+8 %**
compared to 2021

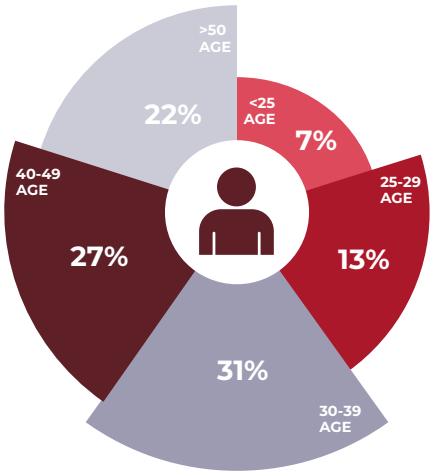
7,500

Employees worldwide in 2022

As part of its policy of non-discrimination and promotion of professional equality and diversity, SNF constantly fights discrimination based on age, ethnicity, ancestry, gender, national origin, disability, medical condition, race, size, religion, sexual orientation, socioeconomic background, family responsibilities (including pregnancy), political opinion, trade union membership or activities, discrimination in employment decisions (hiring / promoting / redundancies), discrimination in working conditions (working hours / training / remuneration / social security) or any other status prohibited by applicable law. Human Resources managers are trained in prevention in this area and ensure compliance with the principles of equal treatment laid down by law and international conventions. The SNF Group only recruits its employees based on its needs and the candidates' intrinsic qualities, as defined in its Code of Business Conduct and Ethics.

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

SNF also reviews job descriptions to preserve equality and business consistency and pay reviews to ensure fairness.



2022 - Headcount by age bracket

GENDER EQUALITY

SNF puts great emphasis on gender equality and ensures that women, who, in the past, have not made up a large contingent in the chemicals industry, benefit from pay conditions and career development opportunities in line with those of their male counterparts. In France, the Group applies the Agreement on Gender Equality and Diversity signed on 2 July 2019 and has been revised in 2022. This agreement covers recruitment and integration, pay and promotion, access to training, and work-life balance. The Gender Equality Index has been a mandatory indicator, in France, since 2019. SNF obtained a score of 89/100 in 2022.

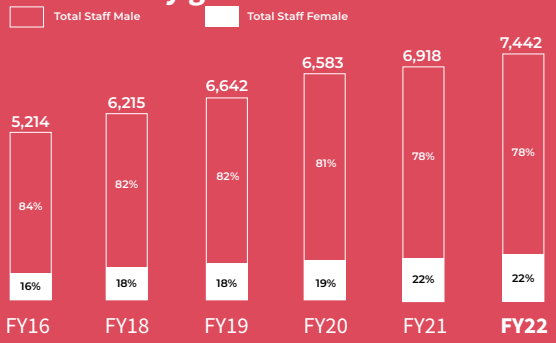
The number of women has been growing steadily within SNF since 2016, with an increase of 93% over six years (compared with 33% for men). With increases of 77% compared to 2016 and 65%, respectively, the Chinese and US sites have recorded the most significant improvements (compared to 46% and 41% for men). In France, the increase is 50% (compared to 25% for men). The proportion of women has been edging up since 2016. The Group continues to take action to improve this outcome.

To promote change, SNF is pursuing its policy of awareness-raising and communication across the company. Particular focus is placed on increasing the representation of women in governing bodies and senior and middle management positions. The topic, and with it that of career development for women, is examined during the Board of Directors' annual review of Human Resources requirements.

The ratio of professional staff in female population

60%

Headcount by gender



DIVERSITY AND EQUALITY

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

2.1
Inclusion & Diversity
GRI 405

DIVERSITY AND EQUALITY WITHIN ENTITIES

At SNF, we see diversity as a new contribution to our color spectrum. We treat everyone in our company equally and involve our employees in decision-making as we continue our journey with an inclusive culture. We focus on creating a fair, ethical, productive, respectful, and egalitarian work environment knowing that we have a lot to learn from and teach each other.

The international sales subsidiaries also engage in diverse initiatives:
In the United States, SNF strives to offer the same career opportunities to all employees based on merit, qualifications, and skills. This policy applies to recruitment, job assignments, and other events affecting the employment contract. It is set down in the Employee Handbook given to each employee.

In China, SNF ensures that there is no discrimination based on ethnic origin, gender, age, or nationality, in accordance with the regulation in force. In the event of discrimination or harassment, Human Resources provides employees with the means to “blow the whistle” and deal with a complaint immediately. In Jiangsu Province, where our Taixing and Rudong plants are located, SNF applies the “Special Regulations on Labor Protection of Female Workers” to protect women in the workplace.

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

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

EQUALITY, DIVERSITY AND INCLUSION ACTIVITIES

At SNF in the United States, we have taken several measures to ensure a diverse and inclusive workforce. We seek a culture of belonging that fosters a collaborative environment where we value different backgrounds and unique perspectives while appreciating differences. We will continue to build a culture that is safe, respectful, fair, and inclusive for all our employees.

Affirmative Action Program (AAP) for minorities and women is a tool used to evaluate the composition of SNF's workforce compared to the composition of estimated labor pools. The AAP also identifies any job groups where minorities and women are not employed at the rates expected, given their availability in the estimated labor pool. SNF collects and monitors gender and race/ethnicity data on both employees and identifiable applicants, which is used only for reporting required quantitative analysis to meet legal requirements and as needed for reporting in collective, non-identifiable formats to various government agencies.

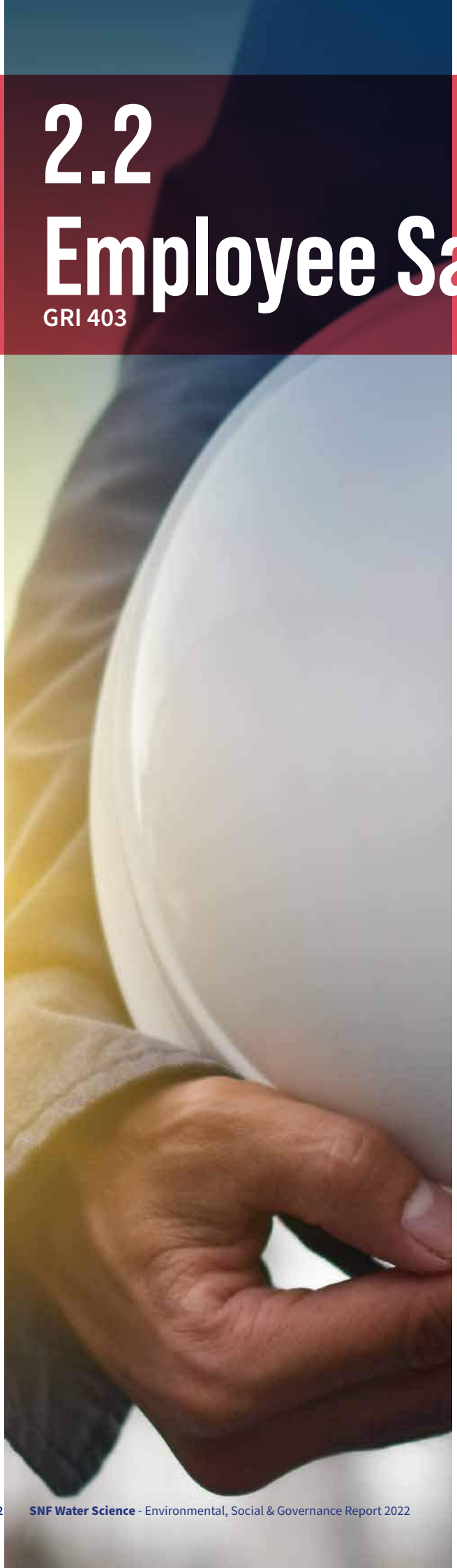
As part of our diversity recruitment strategy, we publish job vacancies on various diverse and inclusive job boards. This ensures we have a great reach in our recruitment efforts and increase our chances of having a diverse and inclusive candidate pool.

In addition, we have a successful early careers rotational program that allows SNF to actively recruit and retain new talent early to develop their skills, familiarize them with our company and culture and grow them into our future leaders. We also have the SNF Leadership Academy, a leadership development program for our rising talent. These programs are in place to train our future leaders, promote an inclusive and diverse work environment, and allow structured opportunities to promote from within.

SNF is an equal opportunity employer and relies on the diversity of our workforce to drive innovation and growth. We recognize that our strength comes from the dedication, experience, talents, and perspectives of every employee. We offer competitive salaries and benefits as well as opportunities for professional growth.

2.2 Employee Safety

GRI 403



It is among our priorities to ensure that our human resources have decent working environments with the highest level of health, hygiene and safety. We are constantly improving the occupational safety of our employees with an understanding of continuous improvement, and identify and implement internal development and improvement areas as quickly as possible.

The improvements we have made in occupational health and safety to counter potential disasters and risks arising from the work environment contribute to the increase in our corporate resilience and operational excellence and are part of our efforts toward continuous improvement in our business processes. These efforts result in an increase in business continuity, a decrease in downtime and maintenance times, and a decline in severe injuries and serious accidents.

The main risks of serious harm within the SNF Group concern the safety of people, exposure to chemicals, and process safety. Our risk management policy for personnel is based on prevention, an integrated management system, and promoting a health and safety culture. With its prevention and continuous improvement approach, we strive to ensure good working conditions for everyone, mainly through workstation risk and accident typology analyses.

SNF lists all the risks related to the workstation to establish a rating related to the frequency and severity of these risks. The aim is to implement actions to reduce these risks as much as possible. This analysis is updated annually. Since the company was founded, there has never been a fatal accident involving Group's employees.

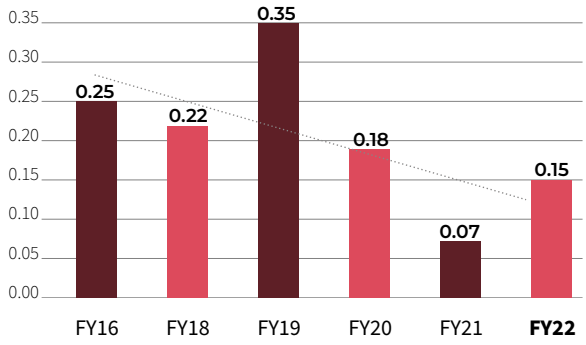
The Group sets the same demanding standards for the personnel of external partners or contractors working

on its industrial sites as it does for its employees. Safety performance indicators include the workplace accident rate for both SNF employees and those of other companies.

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

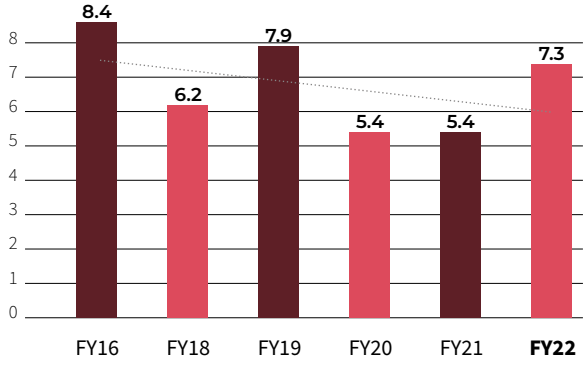
These important events occur with the presence of local HSE staff, the contract manager, and the external company's sales manager. Sessions are also organized to inform people about the rules that must be followed and applied without compromise or exception. Other initiatives round out the system. They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

SEVERITY RATE



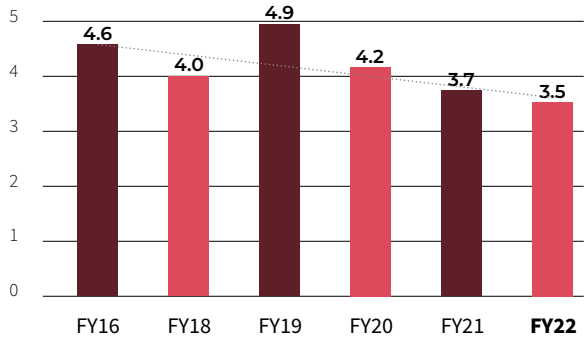
Number of days lost x 1,000 / number of hours worked

NUMBER OF TOTAL RECORDABLE INJURY



Total number of reportable injury per million hours worked

LOST TIME INJURY FREQUENCY RATE



Frequency of lost time injury per million hours worked

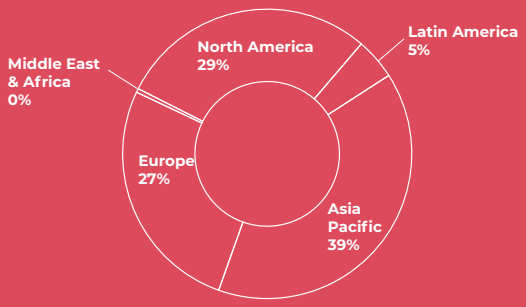
2.3

Talent Management

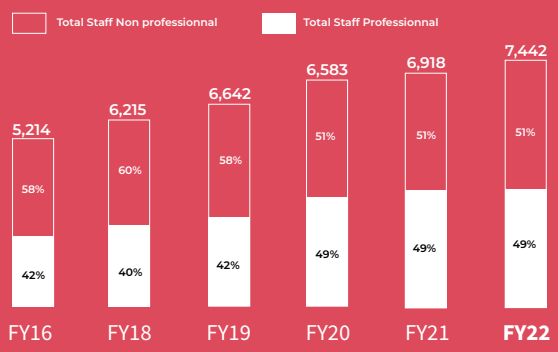
GRI 102-8 | GRI 401 | GRI 404 | GRI 405

Throughout the working lives of our employees, SNF must guarantee employability and success for all. The main goal is to facilitate access to training through an adaptative format corresponding to employees' needs and expectations. SNF's ambition is to increase the skills and know-how of its staff, striving for excellence in each trade, but also to be an employer of choice with a wealth of professions and career paths.

Headcount by country



Headcount by professionnal status



ATTRACTION AND RETENTION OF TALENT

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

At SNF, we emphasize bringing new talents into our organization, managing them, and developing them. The Group's success relies on our ability to hire talented people and help them unleash their potential. The expertise and know-how of these people are essential to the Group's development and sustainability.

We give great importance to keeping in touch with young people and discovering the talents we can bring to our sector. In line with this aim, we work closely with Engineering School. Throughout the years, SNF has built a robust education-employer partnership in the Loire region in France. We welcome students to visit our production facility and laboratory at our Andrezieux facility in France, giving scientific conferences in schools to promote Responsible Chemistry, and receiving and accompanying trainees. These are all actions that will increase interest in SNF.

In 2022, SNF welcomed 60 apprentices and 68 trainees in France. The goals were to enhance awareness of the Group and its activities, attract candidates who support the

corporate model, and share the Company's values.

On 31 December 2022, the headcount at the Group's main companies was 7,442, up 8% from 6,918 a year earlier. The United States and France remain the two regions with the most employees. They are followed by China, reflecting the Group's growth in Asia.

A workforce breakdown by age bracket shows overall stability among the 30-49 age group, indicating employee loyalty.

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

Headcount rose 192% in India versus 2016 following the opening of a new site in Gandhidham. It also increased in the United States (up 45% vs. 2016), France (up 28% vs. 2016), and South Korea (up 10% vs. 2016).

CAREER MANAGEMENT POLICY

One of our main goals has always been to increase our employees' performance and support them in working with the highest efficiency. In this context, we launched the Career Management Policy to ensure the integration of personal successes and goals with those of the corporate body.

The Career Management Policy offers career paths that strengthen the expertise of individual employees and the Group as a whole. It enables employees to diversify their experience as part of their professional careers and constantly develop their skills. Internal promotion is one of the best ways to ensure the transmission of know-how and corporate culture. It is a crucial recruitment source when a position becomes vacant and an effective tool for employee development. The internal promotion rate at SNF Group has increased fivefold from 2016 to 2022.

The Career Management Policy is tailored to each Group entity's specific standards and needs to be based on the same principles. Regardless of status, country, age, or gender, SNF gives all employees the means to direct their careers, offering support at every stage. The Group, therefore, applies a proactive internal promotion policy. It identifies and develops the potential to encourage employees to take on new responsibilities and further their professional development.

Employees at the Group's main companies also have the opportunity to discuss matters with their superiors during an individual annual meeting. This meeting provides a discussion on employees' career paths, expectations, and occupations to develop their potential. Managers also review any training courses completed, and based on this review, set training objectives for the coming year to further enrich the employee's knowledge and skills (see 2.3.3. "Training Policy"). The Group's mobility policy puts employees in control of their development, with Human Resources coordinating and supporting the process.

In 2022, SNF France signed an agreement with employee representatives to improve mobility requests and create job exchanges accessible to all via the company intranet.

One of our main goals has always been to increase our employees' performance and support them in working with the highest efficiency.

Attract Talent with Strong Partnerships

Fully supportive of the engagement between the academic world and industry, SNF Group has an ongoing relationship with the scientific and educational ecosystem to promote science culture and the diversity of professions involved in chemistry.

In 2022, SNF renewed its commitment to CPE Lyon, a French "Grande Ecole" specializing in Chemical Engineering. Mr. René Pich, SNF's founder, is a graduate of this school.

SNF gave its name and new visual identity of "SNF Water Science" to the Organic Chemistry teaching laboratories of the recently renovated Curien building and funded the development and equipment of these new teaching spaces.

With this new laboratory, SNF, a world leader in water science and historical partner of the school, has confirmed a new 3-year commitment to CPE Lyon.

"We forge partnerships with universities, engineering schools, and research laboratories to progress thanks to the contribution of other experts," explains Cédrick Favero, Managing Director in charge of R&D at SNF.

SNF regularly recruits engineers in Chemistry and Chemical Engineering to support its growth. Careers are internationally oriented, a profile to which CPE Lyon engineers correspond well.

ABOUT CPE SCHOOL

CPE Lyon is a French « Grande Ecole » specializing in Chemistry, Chemical Engineering, Digital Sciences, and Smart Systems.

It is situated on the “Lyon Tech – La Doua” Science Park. The campus has a total population of 26,000 students, researchers, Ph.D. students, and company employees.

2.3
Talent Management

GRI 102-8 | GRI 401 | GRI 404 | GRI 405

TRAINING POLICY

Diverse perspectives drive the best business outcomes. That is why SNF sustains its people with an investment in their training and career development. Along with internal promotion, exercise is crucial to supporting employees throughout their careers with the Group. It is used to onboard new employees, develop management skills, and acquire know-how and expertise in fast-changing professions. The training program reflects our company's cumulative needs for future growth, internal promotion requirements, and employee aspirations expressed during performance appraisals and career reviews.

Vocational training is provided to all employees, regardless of their profession, level of responsibility, and age. It helps employees acquire or develop the skills needed for their current position or prepare for a new one, besides assisting the Company in meeting its expectations regarding technical expertise or managerial practice.

Specific programs are designed for employees to develop their skills in Safety, the Environment, Group Business Lines, and Management.

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

Another critical challenge is integrating Sustainable Development into all employees' professional skills.

Sustainable Development Strategy is rolled out Group-wide. It is based on raising awareness and empowering employees. Wherever the Group operates, the strategy is embodied by Sustainable Development Managers, HSE Officers, and Business Line Representatives.

Training in hours by country

2022	Total training (in hours)	Per employee (in hours)
France	46,855	33
China	68,477	58
Korea	4,731	30
India	5,232	14
USA	209,550	98

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

In 2022, SNF conducted 334,845 hours of training for its employees (up 88% versus 2016), including 209,550 hours in the United States, 84% of which comprised Health, Safety, and Environment (HSE) training. In France, 46,855 hours were provided (up 7% versus 2016). HSE training accounted for 37% of the total. In China, 68,477 hours were provided, up 14% versus 2016. 77% of the training was devoted to HSE.

Safety training and recycling are mandatory in all Group companies and are renewed in recurring 2-4 years cycles depending on the accreditation (Electrical, Safe Driving Skills, etc.).

335,000
Total training hours in 2022 for SNF Group

63 hrs
Average training time per employee in 2022

2.75M€
Total training Costs

84%
of training hours devoted to HSE

SNF INDIA CERTIFIED GREAT PLACE TO WORK

SNF India has received Great Place to Work® Certification from the Great Place to Work® Institute. One of the industry's most coveted 'Employer-of-Choice' recognitions, the Great Place to Work® Certification reinforces SNF's standing as one of the leading chemical employers in India.

The Great Place to Work® Certification is awarded to organizations that deliver excellent employee experiences and demonstrate best-in-class people practices based on a rigorous assessment process. The assessment is based on the Great Place to Work® model, which evaluates a workplace-based entirely on what employees say about their experience working at SNF India.

99% Employee Participation in the Survey marked employees' trust in the organization that their feedback would be acted upon.
Over 89% of employees whole-heartedly attested to SNF India being a Great Place to Work by excelling on the 5 Dimensions of a High-Trust, High-Performance Culture™ – Credibility, Respect, Fairness, Pride, and Camaraderie.

Great Place to Work® Certification is the most definitive 'Employer-of-Choice' recognition that organizations aspire to achieve. The Certification is recognized worldwide by employees and employers and is considered the 'Gold Standard' in identifying and recognizing Great Workplace Cultures. The assessment process reveals critical factors that define and compare an organization's culture with its competitors. The Great Place to Work® offers deep dive into these insights through its comprehensive reports.

2.4

A Resolute Commitment to Well-Being

GRI 102-41 | GRI 103 | GRI 407 | GRI 406

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

ORGANIZATION OF WORKING TIME

A work organization consistent with commitment and performance is defined in agreement with employee representatives. Working time is managed by each entity in compliance with the regulations in force to optimize work-life balance.

The Group's work organization provides full-time employment positions. SNF respects limits on working time. The specific nature of the SNF Group's industrial activities means that some employees work shifts while others are on-call. In France, 50% of the workforce works shifts. Some technical and safety duties come with extra pay or time off instead. In addition, in the event of an increase in business activity or particular difficulties, SNF may use fixed-term contracts, overtime, subcontractors, or temporary staff in accordance with local regulations.

SOCIAL DIALOGUE

SNF constantly strives to implement and guarantee quality social dialogue and freedom of expression for its employees. Social conversation, which involves collective bargaining and, in some countries, the daily involvement of employee representatives in various projects, is essential to the functioning of the Group's companies.

It is organized on a country-by-country basis consistent with local laws and regulations. Local bodies may be created in countries where legislation does not provide for staff representatives.

ETHICS CHARTER

SNF's ethics charter confirms its commitment to the International Labor Organization (ILO) conventions, particularly regarding freedom of association. In all the countries concerned, the policy ensures that the principles of freedom of association, collective bargaining, and the right to strike are respected when in compliance with local regulations. SNF does not restrict these fundamental workers' rights. Indeed, the Group encourages ongoing dialog with employee representatives within its constituent entities

#Team & Sport

FITNESS FACILITIES AT WORK
Gurajat, India

In India, SNF employees have the opportunity to work out or participate in sport/fitness/wellness activities after work hours.

WOMEN'S TOUR OF THE LOIRE
La Loire, France

SNF has a long history of supporting sports and its values like the Tour de la Loire Féminin (TDLF, or, Women's Tour of the Loire). TDLF is a 24 hour female race event, without time trial, that takes place on the most beautiful roads in the French region of La Loire.

CORPORACE
Saint-Etienne, France

In 2022, SNF employees and their families participated in "Corporace" (Corporate) in Saint-Etienne, France. Corporate is an annual (?) sporting and unifying event. Company-sponsored teams from the area are able to walk or run a 6 km course, regardless of ability or fitness level.

PROMOTING SPORTS AT WORK
Andrézieux, France

To help promote sports, fitness, and wellness of our employees, SNF provides changing rooms and showers at our Andrezieux site for everyone wishing to exercise before work, during breaks, and after work.

03.0

03

ACTING AS A TRUSTED PARTNER

A STRONG CULTURE OF ETHICS

We recognize that reputation and trust are of utmost importance in our industry. Since our inception, SNF has strived to develop a strong culture of ethics to ensure our clients' interests are always at the forefront of our activities.

We are committed to practicing and preserving high ethical and moral standards and aim to foster and encourage a culture of strict compliance with local and international laws and regulations.

3.1 Governance

CORPORATE GOVERNANCE POLICY

SNF Group is a private company headquartered in Andrézieux, France. Our ultimate owner is an irrevocable US-based trust whose potential beneficiaries are charities. Our shares are locked and illiquid and, therefore, have no economic value. Furthermore, the Group has never distributed dividends and intends to maintain this policy. All the cash flow generated by the Group is reinvested inside the Group. With such a structure, the interests of shareholders and management are the same, which leads to a somewhat simplified corporate governance structure.

Corporate governance is administered by the Board of Directors, comprising nine members. Our senior executive officers, the Chairman & CEO, and the Senior Executive Vice Presidents are all board members. The Board conducts regular assessments to identify how it can improve its operation and apply best practices more effectively.

The Board met seven times in 2022. The average attendance rate at meetings was 94.3%.

COMPOSITION OF THE BOARD OF DIRECTORS

The Company's Board of Directors consists of nine members, including three independent Board members who are not part of the management team. Two members out of nine are women, and the Board intends to increase this percentage over the coming years. Board members are appointed by the General Meeting of Shareholders for a maximum term of six years and may be reappointed indefinitely.

The Board includes several current or former business leaders with chemistry, finance, and corporate and social responsibility expertise. The Board also comprises members with significant international experience, including foreign nationals.

Pascal Remy, Chairman and CEO of SNF Group, chairs the Board of Directors. The Senior Executive Vice Presidents are all Board members.

On December 31, 2022, the Board of Directors comprised the following members:

Pascal Remy	Chairman & CEO
René Pich	Senior Executive Vice President
Cédrick Favéro	Senior Executive Vice President
John Pittman	President of SNF USA
Virginie Malnoy	Chief Compliance Officer
Philippe Lecointre	Chief Quality Officer
Caroline Dumond	Director
Richard Saint-Sauveur	Director
Thierry Lemonnier	Director

QUALIFICATIONS AND EXPERTISE

The Board members' competencies complement one another to stimulate discussions and contribute new ideas, thus encouraging management to excel. The Board of Directors believes that its nine members' diverse skills and backgrounds and their values enable it to carry out its tasks with the required independence and objectivity.

The qualifications and expertise of Board members are presented in the table below.

POWERS AND MISSIONS

The primary role of the Board of Directors is to determine strategic guidelines and overall policies concerning the Company's business and to oversee their execution.

The Board also periodically reviews compliance matters and ensures that all applicable policies are strictly enforced.
Every quarter the Board reviews the financial results of the Group and ensures that the investment plan is in line with the cash-flow generation.

The Board also reviews all corporate and social governance matters to ensure that the Group follows its objective. More specifically, the goal to reduce the Group's carbon footprint by 30% in 2030 and be carbon neutral in 2050 is monitored closely by the Board.

Inclusion and diversity matters are likewise regularly discussed and monitored. The Board ensures that all Senior managers throughout the Group are fully aligned with the SNF Group CSR Policy and Goals. As a Group policy, all senior managers have a part of their compensation linked to achieving CSR targets.

Expertises	Chemistry	International	CEO	Finance	CSR
Board of Directors					
Pascal Remy	■	■	■	■	
René Pich	■	■	■		
Cédrick Favéro	■	■			■
John Pittman	■	■	■		
Virginie Malnoy		■		■	■
Philippe Lecointre	■			■	■
Caroline Dumond	■		■		■
Richard Saint-Sauveur	■	■			
Thierry Lemonnier	■		■	■	

3.2
The SNF Group Board Members

PASCAL REMY
CHAIRMAN & CEO

Pascal Remy, 62, is a graduate of the Massachusetts Institute of Technology (MIT), École Polytechnique, and École Nationale des Ponts et Chaussées. He has twenty-five years of experience in the chemical and water treatment industry. He began his career at Alcatel as head of fiber optic submarine cables. After Alcatel, he joined the Suez Group as Managing Director of Degrémont. Later, Mr. Remy was appointed Managing Director of Nalco (Ecolab Group) in the USA. In 2004, he became a partner in a Chicago-based investment fund. Finally, Pascal joined SNF in December 2005 as President and member of the Board of Directors before being appointed Chairman & Chief Executive Officer in 2010.

CÉDRICK FAVERO
SENIOR EXECUTIVE VICE PRESIDENT

Cédrick Favero, 47, is a graduate of the Institut Textile et Chimique de Lyon (ITECH Lyon) and University Claude-Bernard Lyon (UCBL, 1998). He joined SNF in 1999 to research monomers and coagulants for water treatment. After launching the Saint Avold (France) and Pearlington (United States) plants, he focused his research on new polymer technologies and polymerization in the oil and gas sector, specialty applications, and the organic chemistry of monomers and chemicals for the mining industry. Mr. Favero took over responsibility for R&D in 2005, joined the Board of Directors in 2012, and was appointed Senior Executive Vice President in 2015.

RENÉ PICH
SENIOR EXECUTIVE VICE PRESIDENT

René Pich, 82, holds a degree in chemistry from the Institut de Chimie et Physique Industrielle Engineering School in Lyon, France (ICPI Lyon). He began his career as a polymerization research technician at Rhodiaceta and Streichenberger before being appointed Technical Director of Polyacrylamide at British Petroleum. In 1978, Mr. Pich founded SNF and became SNF's first Chairman and CEO, a position he held until 2010. Since then, he has held the position of Senior Executive Vice President. Mr. Pich has been a member of the Board of Directors since 1978.

JOHN PITTMAN
PRESIDENT OF SNF USA

John Pittman, 55, is a Georgia Institute of Technology graduate and holds an MBA from Warrington College of Business (University of Florida). He has worked in the chemicals industry for over 30 years. He began his career at Vinings (Kemira), where he held various positions before being appointed Vice President of Sales for the Mining, Oil & Gas markets. Mr. Pittman joined Solvay USA as Regional Market Director, Oil & Gas. He has been President of SNF Holding Company since 2017 and was appointed as a member of the Board of Directors in 2019.

VIRGINIE MALNOY
CHIEF COMPLIANCE OFFICER

Virginie Malnoy, 41, earned a Master's Degree from EDHEC Business School and a Master's Degree from the Faculty of Law and Political Science of Nice Sophia Antipolis. She has worked for 14 years for International law firms in Monaco, with her area of expertise being Business Law. She joined SNF in 2019 as Corporate Law Manager for SNF Group. She was appointed Chief Compliance Officer in 2022 and has been a member of the Board of Directors since 2021.

PHILIPPE LECOINTRE
CHIEF QUALITY OFFICER

Philippe Lecointre, 57, is a graduate of the Institut de Chimie et Physique Industrielles in Lyon (ICPI Lyon). He joined SNF in 1991 and helped set up an ISO 9001 certified Quality Management System. In 2006, he was appointed Chief Quality Officer of SNF Group. Mr. Lecointre joined the Board of Directors the following year.

CAROLINE DUMOND
DIRECTOR

Caroline Dumond, 51, has an engineering degree from École Polytechnique Féminine (EPF). She has held several positions as an engineer, Chief Production Officer, Chief Industrial Officer and joint venture manager including at Air Liquide. In 2016, she was certified as a corporate director by Sciences Po Paris and the IFA (Institut Français des Administrateurs). Since 2018, she is CEO and founding partner of Les Premieres Sud, a business incubator promoting inclusion and women's entrepreneurship to help start-ups innovate and grow with high social impact. She has been a member of the Board of Directors since 2003.

RICHARD SAINT-SAUVEUR
DIRECTOR

Richard Saint-Sauveur, 72, graduated from the École Supérieure de Commerce de Lille (ESC Lille) and earned an MBA from the École des Hautes Etudes Commerciales de Paris (HEC Paris). He has worked in the chemicals industry for 40 years. He has held technical, sales, and management positions at Roquette, Lafarge, Orkem, and Elfatochem. Before joining SNF in 1999 as Group Chief Procurement Officer, Mr. Saint-Dauveur ran the Acrylics Unit at Elfatochem. He has been a member of the Board of Directors since 2011.

THIERRY LEMONNIER
DIRECTOR

Thierry Lemonnier, 69, graduated from the Ecole Nationale Supérieure de Géologie (ENSG Nancy) and Stanford University (U.S). He began his career in 1979 at Total, where he held various positions, including CFO of the Refining Branch (1993-1999) and then the Chemicals Branch (2001-2006). Mr. Lemonnier then joined Arkema as Group CFO and member of the Executive Committee, where he stayed until his retirement (2006-2018). He was made a member of the Board of Directors in 2019.

3.3 Corporate Social Responsability

CORPORATE SOCIAL RESPONSIBILITY POLICY

Most SNF's production is integrated, in line with the company's goal of conserving skills and knowledge while securing supply.

However, the Group's potential to grow depends on the retention and growth of its suppliers and subcontractors, whose successes, knowledge, and know-how contribute to SNF's. Their social and environmental practices must be unquestionable.

As such, the fight against corruption underpins an ethical approach to which the Group is deeply committed. It implies an unwavering commitment to carefully comply with the laws and regulations applicable in all countries where SNF operates. This commitment extends to the SNF Group's internal ethics and compliance policies and procedures.

Lastly, aware of its responsibility to promote the development of local communities, the Group creates local jobs and acts as a responsible corporate citizen wherever it operates. It seeks to blend harmoniously into the local economic fabric and be an accountable actor committed to the lives of the communities with which it creates and maintains bonds. The Group acts in keeping with its long-term commitment through local economic, social, and cultural initiatives. It also cultivates close ties with the world of education.

RESPONSIBLE PURCHASING POLICY

SNF Group has implemented a Responsible Purchasing Policy to respond to major future issues in its operating territories and contribute to the Group's overall performance.
For us, the Responsible Purchasing Policy aims to favor the purchase of goods or services that take into consideration both the exact need and the economic, social, and environmental aspects of the response to this need while maintaining balanced relations between the company and its suppliers in respect of their reciprocal rights.

Failure to comply with the provisions of this Charter may result in reconsideration or termination of the business relationship, and corrective actions will be implemented per the terms of the relevant Purchase agreements. An email system has been set up with our Ethics Officer to report any violation of regulations to SNF.

A corruption module has supplemented this work to identify the risks associated with the Group's business. In 2022, SNF selected 20 additional suppliers to be assessed by EcoVadis in Europe, Asia, and the United States. The results of these assessments were highly positive. All suppliers responded to the survey, and the average score was 64, corresponding to the EcoVadis Gold level, whereas the average for the sector as a whole is 45.

In 2022, SNF Group had nearly 100 of its main suppliers evaluated by EcoVadis. The Group's leading suppliers are

very sensitive to CSR issues and have firm commitments. Therefore, in 2023, SNF plans to contact its leading suppliers to collect data about Scope 3 and Emission Factors for Raw Materials.

In 2022, SNF collaborated with EcoVadis to conduct a maturity analysis of responsible purchases. This analysis highlighted our strengths and enabled us to plan improvements following EcoVadis' recommendations.

Furthermore, SNF subscribed to the "EcoVadis IQ" module to map risks in real-time. All new suppliers (and even customers, if necessary) will be integrated immediately to manage our responsible purchasing better.

The Responsible Purchasing Policy applies to all employees involved in the purchasing process and to our suppliers. The ethical principles of our Code of Conduct guide SNF's Responsible Purchasing Policy.

CODE OF BUSINESS CONDUCT AND ETHICS

The Code of Business Conduct and Ethics, including the Anti-Corruption Charter, sets out the good business practices that employees and third parties must apply. No employee shall directly or indirectly offer, provide, or accept any undue advantage, whether monetary or of any other nature, designed to facilitate or obtain a business relationship with persons holding public authority, business intermediaries, customers' employees, or political parties. All employees must comply with the regulations on the importation and exportation of goods and services. Lastly, all employees must carefully adhere to the competition law rules in all Group countries. The Code and Charter are given to all employees.

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

ANTI-COMPETITIVE, CORRUPTION AND FRAUD

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

Awareness-raising is also carried out within the Group to maintain or improve the level. Employees are encouraged to report any breaches of conduct or irregular situations to Management, Human Resources, or the Legal department. A dedicated whistle-blowing system has also been set up to allow employees to submit questions, concerns, or reports of suspect behavior via a central email address managed by the SNF Chief Compliance Officer, who is responsible for managing and supervising the application of the Code of Conduct. SNF had also distributed a policy on Interest Representatives-Lobbying-Advocacy.

SNF Chairman and CEO reviews our trade and business group memberships annually to ensure they align with our interests. The SNF Board of Directors is regularly informed of the activities of these organizations and discusses the position SNF wishes to take concerning the various issues under consideration. Therefore, our communications to these organizations should accurately reflect the views of the SNF Board of Directors. Lastly, under French Law No. 2016-1691 of 9 December 2016 on transparency, anti-corruption, and the modernization of the economy, the Group commissioned EcoVadis to establish a risk map. The results made it possible to formalize an efficient procedure for assessing the situation of clients, suppliers, and intermediaries.

The Group complies with international agreements, the laws applicable in its host countries, and commercial integrity. With its headquarters in France, SNF Group is subject to the Law on the Duty of Care and the Sapin II Law on Transparency, Anti-Corruption, and the Modernization of the Economy. SNF is also committed to complying with the rules of free competition and to preventing and proscribing corruption and fraud internally and in business transactions with partners.

3.4 Risk Management

PRIORITIES	REASONS	POLICIES	RESULTS	KEY INDICATORS
PEOPLE				
Non-compliance risk	Official warning or criminal sanction Non-compliance with regulations	Regulatory watch	Site compliance with applicable regulations	% of regulatory compliance
Workplace accident risk	Inadequate risk assessment Failure to analyze the risk Workplace accidents or occupational illness: • Insufficient knowledge of instructions • Non-compliance with instructions • Procedure not updated	Professional risk assessment document Annual update of professional risk assessment Prevention and risk management actions and measures recorded Initial training of new hires Continuous training for existing staff Audits and preventive inspections Analysis of all workplace accidents, regardless of severity Recording of all accidents and near-misses Analysis of all reported occupational illnesses	Reduce the number of workplace accidents and occupational illnesses Knowledge and skills development and retention Corporate culture and staff engagement Compliance with health and safety instructions Procedures and documentation kept up to date Avoid repeat workplace accidents Avoid repeat occupational illnesses	% of corrective actions completed % completion of initial training % of refresher courses completed Weekly publication of safety indicators % of planned audits completed Number of spot audits carried out % of workplace accidents analyzed Frequency rate for workplace accidents with lost time, without lost time and minor accidents Severity rate for workplace accidents with lost time Number of occupational illnesses reported Psycho-Social Risks Barometer
Human rights Working conditions	Risk of employing staff under poor and non-compliant working and safety conditions. Civil and criminal sanctions Damage to the Group's image	Corporate Social Responsibility policy: • Economic: to maintain local jobs and local economic activity. • Social: to ensure optimal working conditions for employees. • Environmental: to minimize the impact of our operations on the environment. Joining the Global Compact: publicize our actions with respect to the Global Compact's Sustainable Development Goals.	Health & Safety: results for working conditions and workplace safety better than the national average. No convictions for non-compliance with the law in terms of human rights and working conditions.	EcoVadis assessment on this theme. Audits carried out in high-risk countries (India and China).
Environmental				
Regulation	Regulatory non-compliance Loss of operating licences Fomal Notice Complaints	Regulatory monitoring Audit and action plan ISO 14001-certified sites	Monitoring of new regulation	Local site decree

PRIORITIES	REASONS	POLICIES	RESULTS	KEY INDICATORS
Industrial risks (SEVESO classification - upper tier or equivalent)	Major industrial accident that could endanger the safety of surrounding communities and Group employees	Safety Management System, risk analysis, process change management Harmonization of safety measures at Group level Processes at our facilities Periodic drills on internal and external emergency plans with the appropriate state/ regional/country services (fire brigade, local, national and environmental authorities, etc.)	No industrial accidents at Group level in over thirty years	None recorded
Consumption of resources (water, gas, etc.)	Resource depletion Shortage of supplies at our production sites	Energy saving policy ISO 14001-certified sites Environmental action plan Search for alternatives source of energy	Improved energy efficiency at production facilities Reduction in the amount of wash water Optimization of utilities Increase in the amount of recycled waste Reduction in the amount of waste per tonne produced	Water consumption Energy consumption Natural gas consumption Steam consumption
Industrial pollution risk (internal or external)	Chronic or accidental spillage or release of hazardous substances into the environment	Environmental Policy Monitoring atmospheric emissions, effluents and waste production Action plan to reduce atmospheric emissions and effluents Installation of water and air treatment units Site containment Recovery of polluted water Polluted water treatment Procedure for handling emergencies New sites, designed with best available technology	Reduction in the release of hazardous substances into water and air per tonne produced No accidental pollution	CO_2 emissions Volatile organic compound (VOC) emissions Released water discharges Effluents with high chemical oxygen demand Effluents containing suspended solids Effluent nitrogen Dust emission Emission of hazardous solid waste Emission of non-hazardous solid waste Groundwater monitoring
Weather risk	No delivery (raw materials and others) or increase in delay Waste accumulation Water restriction Loss of efficiency on cold maintenance Loss of Utilities Risk of injury (flight)	Capacity of storage Supplier management Water and Utilities management	Anticipation of weather conditions Increase in storage capacity Lightning protection Snow ploughing and salting for road	Capacity of storage Stock update Sites redundancy
Waste accumulation	No treatment available or possible Saturated treatment facility Change of regulation	No exclusivity, several waste treatment centres Exchange with the different sectors to adapt/change the treatment of waste Regular departures to treatment centres	Waste management	Waste indicator with mode of treatment
Corruption				
Responsible procurement Corruption	Risks of violating antitrust laws and anti-corruption rules in the Group's various operating countries. Civil and criminal sanctions	Code of Conduct and Ethics EcoVadis assessment of the social and environmental performance of global supply chains Internal training for staff liable to face these risks	No purchases are classified as presenting a serious risk. Our riskiest purchases are chemicals, due to their environmental aspects. 25% of our sales are considered at-risk, primarily due to the sectors our customers operate in – such as mining or oil – and in relation to the environment or country. However, this is strongly counterbalanced by the use of our products to treat water to preserve the environment and water resources. Our activities present the potential for significant corruption risk. However, 93% of our suppliers are identified as low risk and 75% of our customers are considered low or medium risk.	Risk map prepared by EcoVadis and used to assess product supply and sales chain stakeholders.

3.5
Our Contributions

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

PHILOSOPHY

At SNF, we aim to contribute to social and economic development in all locations where we operate. To this end, we identify areas compatible with our sustainability strategies, set targets, and realize projects through investments. Our social responsibility project areas that we prioritize while taking social welfare to our center are "environment," "equity," and "education." While carrying out our projects in these priority areas, our guide is our corporate social responsibility principles. At SNF, we carry out all our development activities while adhering to our principles and structuring our work on an ethical plane that is faithful to our principles.

BACKPACK BUDDIES PROGRAM
Riceboro, GA, USA

The local Liberty County United Way leader reached out to SNF for volunteers to stock the shelves of their Backpack Buddies program with 17 pallets (16,000 pounds) of food for Liberty County's program that sends food home with children of families that are economically challenged who may not always have food for the weekends and holidays during the school year.

DONATION TO INDIAN HOSPITAL
Gujarat, India

SNF donated a set of patient ventilators to the Jain Seva Samiti General Hospital and MM Hospital Hari Om Trust to assist in managing persons diagnosed with COVID-19, especially in severe cases.

As India continues the fight against the COVID-19 pandemic, SNF will continue supporting the procurement of much-needed medical equipment to Gurajat hospitals.

NEW COMPUTER CLASSROOM
ZPHS School Tanam, India

Because every child has a right to an education and should have access to technology, SNF supports children's charities through donations. A new computer classroom has been equipped at the ZPHS School Tanam in India with new computers, monitors, and accessories, funded by SNF.

DONATIONS AND SUPPORT FOR COVID-19 FOR LOCAL GOVERNMENT AND COMMUNITY
Rudong, China

In April 2022, the COVID-19 epidemic was spreading in Rudong. The SNF Rudong site donated some daily necessities, such as N95 masks, anti-virus protective suits, fruit, bread, and instant food, etc.) to support the local government official and community volunteers who worked in the front line of anti-epidemic activities, including PCR testing, logistics inspections, etc.

APPENDICES

Note on methodology

The aim of this methodological note is to:
- define the indicators and their context,
- explain calculation methods,
- describe tools and checks employed.

OVERVIEW

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

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

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

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

INDICATORS

All indicators given in tonne are metric ton.

The values are expressed per total group sales, with 2016 being used as the benchmark year and 100 as the base for monitoring changes since that date.

For a given year, if total group sales are impacted by a price effect higher than 10% , this percentage, lowered by 5%, is subtracted from sales. As a matter of example, in 2022, as sales growth was 36% with a price effect of 21%, Group sales were reduced by 16% for computing 2022 index.

WATER SECTION

WATER CONSUMPTION

This is water consumption expressed in various units (m3, L, gal, or ft3) for each site (process + laboratory + administrative). It is converted into cubic metres in the software. The quantity of water considered is drinking water from the municipal mains supply and water drawn from the natural environment (boreholes or other).

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

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

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

INDUSTRIAL RELEASED WATER DISCHARGES

This is the amount of industrial released water discharged (water from boilers, cooling towers, washing towers, etc., i.e. all water other than rainwater) expressed in various units (m3, l, gal or ft3). It is measured by meter reading (wastewater treatment plant or natural environment) and converted into cubic meters in the software. This water returns to the natural environment after treatment.

France: discharges are measured before being sent to the municipal wastewater treatment plant. In the event of meter malfunction or failure, an estimate is made based on retention basin volumes.
USA: only measurable discharges are included. They may include rainwater whith a permit under the National Pollutant Discharge Elimination System (NPDES). As there is no legal obligation to measure released water flows, Dolton, Wayne, Taylor, Los Angeles and Longview are omitted. They are treated as "satellite sites" with little or no production compared with other US sites.
For Plaquemine, we have deducted the volume of rainwater since 2020 (previous data has been updated).

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

NET WATER CONSUMPTION

The net water consumption represents the amount of process water consumed to operate our plants and manufacturing lines (cooling, heating, scrubbing, washing, utilities…) outside of our product compositions. It is the total water consumption less the vector water, less the amount of released water discharged.

Vector water is the water used as a reaction medium or added to our product voluntarily to make it usable. Vector water may partially be evaporated to the natural environment or recycled during manufacturing, or becomes the final solvent of our products, that eventually returns to the water cycle of our customers' applications. As vector water is directly proportional to our sales, it is excluded to the net water consumption.

The net water consumption allows us to measure the quantity of water (in cubic meters) actually removed from the natural environment, for which we are striving to reduce our intensity.

TREATMENT YIELD

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

If the external wastewater treatment yield is not available, we use the reduction rate derived from European standards (Directive 91/271/EEC). The following yields are applied: BOD 80%, COD 75%, nitrogen 75% and SS 90%.

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

USA: The quantities of each parameter at the inlet to the wastewater treatment plant are unknown; therefore, the yield cannot be calculated.

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

WATER PARAMETERS (NITROGEN, SS, COD, BOD)

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

Details of the calculation:
Over a month, the average monthly concentration in mg/l is multiplied by the total volume of industrial released water discharged monthly in m3 and divided by 1,000 to obtain a result in kg per month. Another calculation method involves taking the monthly average in mg/l, dividing it by 106 (mg/kg) then multiplying it by (i) the monthly flow in gal and (ii) the conversion factor of 3.785 l/gal to obtain a result in kg per month.
France: total Kjeldahl nitrogen is determined internally on a daily basis as per French standard NF EN 25663. NO2 nitrites as per NF EN 26777/ISO 6777 and NO3 nitrates as per NF EN ISO 13395 are measured monthly by an external laboratory.

The chemical oxygen demand (COD) index is calculated daily as per ISO 15705:2002. The biological oxygen demand (BOD) index is calculated daily as per NF EN ISO 5815-1. The quantity of SS is calculated weekly as per NF EN 872.

USA: measurements are carried out on the basis of the current standard. The Plaquemine site is not included (no legal obligation). Dolton, Wayne, Taylor, Los Angeles and Longview are omitted. They are treated as “satellite sites” with little or no production compared with other US sites.
China: online monitoring is in place (daily: 3 readings for nitrogen, 6 for COD). The average is multiplied by the total quantity discharged. The parameters (nitrogen, COD and SS) are also checked manually every day.

ENERGY CONSUMPTION SECTION

ELECTRICITY CONSUMPTION

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

For each plant, we use electricity emission factor from supplier or from authorities.

STEAM CONSUMPTION

Steam consumption is calculated from suppliers’ invoices based on monthly consumption in tonnes. Consumption is included in the Scope 2 calculation with a emission factor by country or by site if it’s available. We use data from each plant for the emission factors. If no value is available, we use an emission factor by country from ADEME..

GAS CONSUMPTION

Gas consumption is calculated from suppliers’ invoices for the monthly consumption of each unit (MWh, m3, MMBTU, Therm_US, Mcf, ccf). Consumption is converted into MWh in the software and is used for part of the Scope 1 calculation.
For the emission factor, we use the same for each country. We take 185 kg CO_2 /MWh PCS from the French regulation (of 31st of october 2012) relating to the verification and quantification of emissions declared within the framework of the greenhouse gas emission trading system.
France and USA and Taixing: the quantity of natural gas purchased is taken into account for the entire site (process and administrative).

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

WASTE SECTION

For the two indicators below, waste is separated by treatment type:
Incineration with energy recovery
Incineration without energy recovery
Recycling of inorganic materials
Metal recycling
Biological recycling
Landfill
Other
If a breakdown is not available, aggregate amounts of non-hazardous and hazardous waste may be provided.

HAZARDOUS AND NON-HAZARDOUS WASTE

This is the amount of hazardous and non-hazardous waste treated off-site at specialized treatment centers.

If the breakdown is available by source of waste, a calculation gives the share of waste recycled for energy recovery and other waste recycled.

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

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

ATMOSPHERIC EMISSIONS SECTION

CFC/HCFC EMISSIONS

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

SCOPE 1 & 2

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

SCOPE 1

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

SCOPE 2

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

VOC EMISSIONS SECTION

VOLATILE ORGANIC COMPOUNDS (VOC) FROM POWDER PRODUCTION UNITS

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

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

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

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

DUST EMISSIONS SECTION

DUST EMISSIONS FROM POWDER PRODUCTION UNITS

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

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

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

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

STAFF INDICATORS

The total headcount corresponds to the entire group and is consolidated by the HFM financial system. The other social indicators (training, injuries, hours worked) are calculated based on the 5 significant countries integrated in the reporting via Tennaxia software (France, USA, China, India and Korea)

TOTAL NUMBER OF EMPLOYEES

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

For France, all permanent, fixed-term, apprenticeship, and professional qualification contracts are included, except temporary staff and apprentices.

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

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

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

OCCUPATIONAL CATEGORY

The data is presented by occupational category.
In France, only two categories are considered, with the definition derived from collective bargaining agreements. Professionals are Sectors 2 and 3 (technician, supervisor and manager). Non-professionals are Sector 1 (blue-collar workers and other employees).

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

In 2020, we added a new definition for China and modified the historical data accordingly due to the need to meet the requirements of the Jiangsu authorities:
- Professional personnel: diploma equal to or above that of Gaozhong (doctorate, master's degree, bachelor's degree, secondary technical school, and Gaozhong (high school));
- Non-professional personnel: diploma below Gaozhong level.

CHANGE IN THE WORKFORCE

Difference between the total workforce in the current and prior years

HOURS OF TRAINING

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

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

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

NUMBER OF HOURS PER EMPLOYEE

The number of training hours per employee: this is the total number of training hours (see point 4) divided by the total number of employees for the year.
Training documents for all employees (certificates, attendance sheets, etc.) must be kept as of the closing date.
HEALTH AND SAFETY INDICATORS
(SNF employees)

NUMBER OF DEATHS

This is the number of deaths due to industrial accidents.

NUMBER OF DEATHS PER 100 MILLION HOURS WORKED

The calculation is as follows:
(number of deaths x 100,000,000)/number of hours worked

NUMBER OF HOURS WORKED

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

For non-supervisory staff, overtime is included.
7 hours per day are counted for people on a daily rate.
Hours spent on business travel and assignments are counted as hours worked.
Days of sick leave and paid leave are excluded from the calculating of hours worked.

NUMBER OF INJURIES WITH LOST TIME

These are injuries at work (including commuting or traveling) that resulted in at least 1 day of lost time (day of the injury + 1 day).
France: these values are given for a specific date but may be revised several months later by the French health authorities and injuries may be reclassified as non-work related.

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

LOST TIME INJURY RATE PER MILLION HOURS WORKED

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

NUMBER OF REPORTABLE INJURIES

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

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

REPORTABLE INJURY RATE PER MILLION HOURS WORKED

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

NUMBER OF DAYS LOST

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

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

NUMBER OF FIRST AID TREATMENTS

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

SEVERITY RATE

The calculation is as follows: (number of days lost x 1,000)/number of hours worked.
France: days lost due to a workplace accident are counted in calendar days from the first day lost. This only includes lost time due to the accident in the current year.

Cross-reference Table Between CSR Standards and SNF Indicators

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

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

SNF INDICATORS ENVIRONMENT	GRI REFERENCES	GLOBAL COMPACT PRINCIPLES	UN SDGs
Solid Suspended			
Solid suspended in waste water leaving the site	GRI 303-4	Principle 7 & 8	SDG 6
Quantity of Solid suspended in waste water in the natural environment	GRI 303-4	Principle 7 & 8	SDG 6
Ratio Solid suspended in waste water / Volume of waste water in the natural environment (kg/m3)	GRI 303-4	Principle 7 & 8	SDG 6
Ratio Solid suspended in waste water in the natural environment / Total production (kg/t)	GRI 303-4	Principle 7 & 8	SDG 6
Ratio Solid suspended in waste water in the natural environment / Turnover (kg / MEuros)	GRI 303-4	Principle 7 & 8	SDG 6
Energy Consumption			
Electricity consumption	GRI 302-1	Principle 7 & 8	SDG 12
Ratio Electricity consumption / Total energy consumption (%)	GRI 302-1	Principle 7 & 8	SDG 12
Natural gas consumption	GRI 302-1	Principle 7 & 8	SDG 12
Natural gas consumption (Giga Joule)	GRI 302-1	Principle 7 & 8	SDG 12
Ratio Natural gas consumption / Total energy consumption (%)	GRI 302-1	Principle 7 & 8	SDG 12
Total Energy consumption (MWh LHV)	GRI 302-1	Principle 7 & 8	SDG 12
Ratio Total energy consumption / Total production (MWh/t)	GRI 302-1	Principle 7 & 8	SDG 12
Ratio Total energy consumption / Turnover (MWh/MEuros)	GRI 302-1	Principle 7 & 8	SDG 12
Electricity consumption	GRI 302-1	Principle 7 & 8	SDG 12
Atmospheric Emissions			
Nox (Nitrogen oxide) in relation with natural gas consumption	GRI 305-7	Principle 7 & 8	SDG 3 & 12
Ratio NOx / Total production (t/t)	GRI 305-7	Principle 7 & 8	SDG 3 & 12
Ratio NOx / Turnover (t/MEuros)	GRI 305-7	Principle 7 & 8	SDG 3 & 12
SOx (sulfur oxides) in relation with the natural gas consumption	GRI 305-7	Principle 7 & 8	SDG 3 & 12
Ratio SOx / Total production (t/t)	GRI 305-7	Principle 7 & 8	SDG 3 & 12
Ratio SOx / Turnover (t/MEuros)	GRI 305-7	Principle 7 & 8	SDG 3 & 12
CFC emissions (t refrigerant gas leak) = fugitive emissions (part of scope 1)	GRI 305-7	Principle 7 & 8	SDG 3 & 12
Ratio CFC / Total production (tCO_2e/t)	GRI 305-7	Principle 7 & 8	SDG 3 & 12
Ratio CFC / Turnover (tCO_2e/MEuros)	GRI 305-7	Principle 7 & 8	SDG 3 & 12
CO_2 emissions (Scope 1) in relation with gas consumption (excluding fugitive emissions due to CFC leaks and excluding VOCs)	GRI 305-1	Principle 7 & 8	SDG 3, 12 & 13
CO_2 emissions (Scope 1) in relation with gas consumption and fugitive CFC leaks (excluding VOCs)	GRI 305-1	Principle 7 & 8	SDG 3, 12 & 13
CO_2 emissions (Scope 2) in relation with electricity and steam consumptions	GRI 305-2	Principle 7 & 8	SDG 3, 12 & 13
Ratio CO_2 emissions (Scope 1 & 2) / Total production (tCO_2e/t)	GRI 305-1 & GRI 305-2	Principle 7 & 8	SDG 3, 12 & 13
Ratio Natural gas consumption / Total energy consumption (%)	GRI 302-1	Principle 7 & 8	SDG 12
Ratio CO_2 emissions (Scope 1 & 2) / Turnover (tCO_2e / MEuros)	GRI 305-1 & GRI 305-2	Principle 7 & 8	SDG 3, 12 & 13
VOC (Volatil Organic Compounds) from powder workshops	GRI 305-7	Principle 7 & 8	SDG 3 & 12
Ratio VOC / Total production (kg/t)	GRI 305-7	Principle 7 & 8	SDG 3 & 12
Ratio VOC / Turnover (t/MEuros)	GRI 305-7	Principle 7 & 8	SDG 3 & 12

SNF INDICATORS ENVIRONMENT	GRI REFERENCES	GLOBAL COMPACT PRINCIPLES	UN SDGs
Atmospheric Emissions			
Dust emissions from powder workshops	GRI 305-7	Principle 7 & 8	SDG 3 & 12
Ratio Dust emissions from powder workshops / Total production (kg/t)	GRI 305-7	Principle 7 & 8	SDG 3 & 12
Ratio Dust emissions from powder workshops / Turnover (t/MEuros)	GRI 305-7	Principle 7 & 8	SDG 3 & 12
Waste			
Ratio Total Waste / Total production (t/t)	GRI 306-2	Principle 8	SDG 12
Ratio Total waste / Turnover (t/MEuros)	GRI 306-2	Principle 8	SDG 12
Non hazardous waste : Incineration with energy recovery	GRI 306-2	Principle 8	SDG 12
Non hazardous waste : Incineration without energy recovery	GRI 306-2	Principle 8	SDG 12
Non hazardous waste : Inorganic recycling	GRI 306-2	Principle 8	SDG 12
Non hazardous waste : Metal recycling	GRI 306-2	Principle 8	SDG 12
Non hazardous waste : Organic recycling	GRI 306-2	Principle 8	SDG 12
Non hazardous waste : Landfill	GRI 306-2	Principle 8	SDG 12
Non hazardous waste : Others	GRI 306-2	Principle 8	SDG 12
Ratio Non hazardous waste / Total waste (%)	GRI 306-2	Principle 8	SDG 12
Ratio Total Waste / Total production (t/t)	GRI 306-2	Principle 8	SDG 12
Ratio Total waste / Turnover (t/MEuros)	GRI 306-2	Principle 8	SDG 12
Non hazardous waste : Incineration with energy recovery	GRI 306-2	Principle 8	SDG 12
Hazardous waste			
Hazardous waste: Incineration with energy recovery	GRI 306-2	Principle 8	SDG 12
Hazardous waste: Incineration without energy recovery	GRI 306-2	Principle 8	SDG 12
Hazardous waste: Inorganic recycling	GRI 306-2	Principle 8	SDG 12
Hazardous waste: Metal recycling	GRI 306-2	Principle 8	SDG 12
Hazardous waste: Organic recycling	GRI 306-2	Principle 8	SDG 12
Hazardous waste: Landfill	GRI 306-2	Principle 8	SDG 12
Hazardous waste: Others	GRI 306-2	Principle 8	SDG 12
Ratio Hazardous waste / Total waste (%)	GRI 306-2	Principle 8	SDG 12
Of which recovered waste			
Total Valued waste (energy recovery)	GRI 306-2	Principle 8	SDG 12
Valued waste (energy recovery) (sites)	GRI 306-2	Principle 8	SDG 12
Total Valued waste (excluding energy recovery)	GRI 306-2	Principle 8	SDG 12
Valued waste (excluding energy recovery) (sites)	GRI 306-2	Principle 8	SDG 12
Transport			
Transported volumes (m3)	GRI 305-3	Principle 7 & 8	SDG 12
Total number of km travelled (km)	GRI 305-3	Principle 7 & 8	SDG 12

SNF INDICATORS PRODUCTION	GRI REFERENCES	GLOBAL COMPACT PRINCIPLES	UN SDGs
Turnover			
Turnover	GRI 201-1 & 102-7		SDG 8
Production (Polymers, Monomers)			
Total production	GRI 102-7		SDG 8
Global production (polymer/final product)	GRI 102-7		SDG 8
Global production (monomer)	GRI 102-7		SDG 8

SNF INDICATORS HEALTH & SAFETY	GRI REFERENCES	GLOBAL COMPACT PRINCIPLES	UN SDGs
Man-hours worked			
Total Man-hours worked	GRI 403-2 & GRI 403-9		SDG 3
Lost time injuries (injury with work stop)			
Number of Lost Time Injuries (injury with work stop)	GRI 403-2 & GRI 403-9		SDG 3
Lost Time Injury Frequency Rate(LTIFR) per million man hours worked.	GRI 403-2 & GRI 403-9		SDG 3
Lost time injuries (injury without workstop)			
Number of Lost Time Injuries (injury WITHOUT work stop)	GRI 403-2 & GRI 403-9		SDG 3
Lost time injuries (injury with and without workstop)			
Number of total recordable injuries (injury with and without work stop)	GRI 403-2 & GRI 403-9		SDG 3
Number of total recordable injury/Million man hours	GRI 403-2 & GRI 403-9		SDG 3
Number of lost workday cases	GRI 403-2 & GRI 403-9		SDG 3
First aid cases			
Number of first aid cases	GRI 403-2 & GRI 403-9		SDG 3
Severity rate			
Severity rate	GRI 403-2 & GRI 403-9		SDG 3
SNF Indicators			
SOCIAL			

SNF INDICATORS SOCIAL	GRI REFERENCES	GLOBAL COMPACT PRINCIPLES	UN SDGs
Fatal accidents			
Number of fatalities	GRI 403-2 & GRI 403-9		SDG 3
Fatal Accident Rates per 100 million man hours worked.	GRI 403-2 & GRI 403-9		SDG 3
Absenteeism			
Nb of hours of absence	GRI 403-2 & GRI 403-9		SDG 3
Rate of absenteeism	GRI 403-2 & GRI 403-9		SDG 3
Workforce by gender			
Total staff male	GRI 102-8		
Total staff female	GRI 102-8		
Nb of women in management	GRI 102-8		SDG 5
Nb of women in company training programmes	GRI 102-8		SDG 5
Workforce by age			
Women			
Staff female - AGE < 25			
Staff female - AGE 25 - 29			
Staff female - AGE 30 - 39			
Staff female - AGE 40 - 49			
Staff female - AGE > 50			
Men			
Staff male - AGE < 25			
Staff male - AGE 25 - 29			
Staff male - AGE 30 - 39			
Staff male - AGE 40 - 49			
Staff male - AGE > 50			
Workforcce by Professionnal Social Categories			
Staff professional	GRI 102-8		
Staff non professional	GRI 102-8		
Career management			
Staff evolution	GRI 401		SDG 8
Nb of promotions	GRI 404		SDG 10
Number of promotions men	GRI 404		SDG 10
Number of promotions women	GRI 404		SDG 10
Nb of employees who have left the company	GRI 401		SDG 8
Employee turn-over rate (%)	GRI 401		SDG 8
Nb of employees who have change position	GRI 404		SDG 10
Internal mobility (%)	GRI 404		SDG 10

SNF INDICATORS SOCIAL	GRI REFERENCES	GLOBAL COMPACT PRINCIPLES	UN SDGs
Training			
Total training hours	GRI 404-1	Principle 6	SDG 10
Total HSE training hours	GRI 404-1	Principle 6	SDG 10
Nb of training days	GRI 404-1	Principle 6	SDG 10
Annual training budget	GRI 404-1	Principle 6	SDG 10
Nb of employees having received training over the year under review	GRI 404-1	Principle 6	SDG 10
Total training hours by employee	GRI 404-1	Principle 6	SDG 10
Working conditions			
Nb of occupational diseases	GRI 403-10		
Nb employees covered by collective agreements on working conditions	GRI 403-10		
Disability situation			
Nb of employees with disabilities	GRI 103	Principle 6	SDG 10
Remuneration			
Average employee compensation	GRI 405		SDG 5
Average staff male compensation	GRI 405		SDG 5
Average staff female compensation	GRI 405		SDG 5

Independent Limited Assurance Report

SNF Group
Société Anonyme
ZAC du Milieux
42160 ANDREZIEUX BOUTHEON (France)

Report of one of the Statutory Auditors, appointed as independent third party, on the verification of the consolidated non-financial performance statement

Year ended December 31, 2022

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

To the Shareholders' Meeting,

In our capacity as Statutory Auditor of your company (hereinafter the "Company"), appointed as independent third party ("third party") and accredited by the French Accreditation Committee (Cofrac), under number 3-1886 rév. 0 (Cofrac Inspection Accreditation, scope available at www.cofrac.fr), we have conducted procedures to express a limited assurance conclusion on the historical information (observed or extrapolated) in the consolidated non-financial performance statement, prepared in accordance with the Company's procedures (hereinafter the "Guidelines"), for the year ended December 31, 2022 (hereinafter the "Information" and the "Statement", respectively), presented in the Group management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (code de commerce).

Conclusion

Based on our procedures as described in the section "Nature and scope of procedures" and the evidence we have obtained, no material misstatements have come to our attention that cause us to believe that the non-financial performance statement does not comply with the applicable regulatory provisions and that the Information, taken as a whole, is not fairly presented in accordance with the Guidelines.

Comments

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

Preparation of the non-financial performance statement

The absence of a generally accepted and commonly used reference framework or established practices on which to base the assessment and measurement of the Information enables the use of different but acceptable measurement techniques that may impact comparability between entities and over time.

Accordingly, the Information must be read and interpreted with reference to the Guidelines, summarised in the Statement.

Limits inherent in the preparation of the information relating to the Statement

The Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

Responsibility of the Company

Management is responsible for:

- selecting or determining the appropriate criteria for the preparation of the Information;
- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented with respect to these risks as well as the outcomes of these policies;
- implementing such internal control as it determines is necessary to enable the preparation of Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by applying the Company's Guidelines as referred to above.

Responsibility of the Statutory Auditor appointed as independent third party

Based on our work, our responsibility is to express a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e. the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information."
- As it is our responsibility to issue an independent conclusion on the information prepared by management, we are not authorised to participate in the preparation of the Information, as this could compromise our independence.
- It is not our responsibility to provide a conclusion on:
- the Company's compliance with other applicable legal and regulatory provisions ;
- the compliance of products and services with the applicable regulations.

Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with our audit verification programme in application of Articles A. 225-1 et seq. of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement and with the international standard ISAE 3000 (revised - Assurance engagements other than audits or reviews of historical financial information).

Independence and quality control

Our independence is defined by Article L. 822-11-3 of the French Commercial Code and French Code of Ethics for Statutory Auditors (Code de déontologie). In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement.

Means and resources

Our work engaged the skills of five people between January and March 2023 and took a total of six weeks.

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

This work involved the use of information and communication technologies allowing the work and interviews to be carried out remotely, without hindering the good execution of the verification process.

Nature and scope of procedures

We planned and performed our work taking account of the

risk of material misstatement of the Information.

We consider that the procedures conducted in exercising our professional judgement enable us to express a limited assurance conclusion:

- We familiarized ourselves with the activities of all companies in the consolidation scope and the description of the principal risks.
- We assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, neutrality and clarity, taking into account, where appropriate, best practices within the sector.
- We verified that the Statement covers each category of information stipulated in section III of Article L. 225-102-1 governing social and environmental affairs.
- We verified that the Statement provides the information required under Article R.225-105 II of the French Commercial Code where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under Article L.225-102-1 III, paragraph 2 of the French Commercial Code.
- We verified that the Statement presents the business model and a description of the principal risks associated with the activities of all the consolidated entities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks.
- We referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented; and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important[1] ; for certain risks or information, (ISCC certifications, biodiversity, agreement on gender equality), our work was carried out on the consolidating entity, while for other risks, our work was carried out on the consolidating entity and on a selection of entities.
- We verified that the Statement covers the consolidated scope, i.e. all companies within the consolidation scope in accordance with Article L. 233-16, with the limits specified in the Statement.
- We obtained an understanding of internal control and risk management procedures implemented by the Company and assessed the data collection process aimed at ensuring the completeness and fairness of the Information.
- For the key performance indicators and other quantitative outcomes[2] that we considered to be the most important, we implemented:
  - analytical procedures that consisted in verifying the correct consolidation of collected data as well as the consistency of changes thereto;
  - substantive tests, on a sample basis and using other selection methods, that consisted in verifying the proper application of definitions and procedures and reconciling data with supporting documents. These procedures were conducted for a selection of contributing entities[3] and covered between 31% and 91% of the consolidated data selected for these tests.
- We assessed the overall consistency of the Statement in relation to our knowledge of the entire Company.

The procedures conducted in a limited assurance review are substantially less in scope than those required to issue a reasonable assurance opinion in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes); a higher level of assurance would have required us to carry out more extensive procedures.

Lyon, March 10, 2023
One of the Statutory Auditors,

Deloitte & Associés
Josselin Vernay
Partner, Audit

Erwan Harscoët
Partner, Sustainability Services

1 ISCC+ certification of the industrial sites of Andrézieux-Bouthéon and Saint-Avold, existence of initiatives dedicated to biodiversity, Existence of an agreement on gender equality and diversity

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

3 Site audit: Vizag (India), Riceboro (USA), consistency review: Andrézieux (France)

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