

2023
**Environmental,
Social
& Governance
Report**

WATER SCIENCE

SNF is a specialty chemical company and an expert in water chemistry. All our products are used in used in treating, preserving, 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 continuously improves 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 many applications such as solids-liquid separation, viscosity modification, and friction reduction.





Water Science.

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REFLECTING 2023

Letter from the Chairman and CEO



**This is what unites us at SNF.
We reconcile social progress
and environmental transition
with economic development.**

PASCAL REMY
CHAIRMAN AND
CEO OF SNF GROUP

Deeply committed to the world of water science, the women and men of SNF are driven by their technological know-how and innovative spirit. Water science is our shared passion. It enables us to create new products, develop promising solutions, and help shape a desirable future:

- **By addressing current and future water challenges with high-performing, innovative products,**
- **By using our expertise, our diversity, and the talent of our employees to help our partners and customers in their search for sustainable performance,**
- **By acting as a responsible industry leader who places water issues and natural resources management at the heart of its actions.**

This is what unites us at SNF. We reconcile social progress and environmental transition with economic development.

Every day at SNF, all 8,150 of our employees contribute to treating, preserving, or recycling water.

Every day at SNF, all 8,150 of our employees contribute to treating, preserving, or recycling water to benefit more than a 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 crucial mineral resources essential to the energy transition. **In 2023, 93% of SNF revenues have contributed to UN Sustainable Development Goals, primarily related to water and sanitation, climate action, and circular economy.**

With 21 production facilities and subsidiaries in more than 55 countries, SNF is the world's leader in water chemistry. As a leader in our industry, we are committed to being one of the most exemplary chemical producers regarding environmental footprint. We continue to work uninterruptedly to reach our goal of being carbon-neutral by 2050, and **we have already reduced our carbon footprint by 30%**, well ahead of our original timeframe of 2030. Although we have been monitoring our

Scope 3 emissions for some years, we have included these emissions in this report for the first time and engaged in a fruitful dialogue with our leading suppliers to reduce these emissions in line with our targets.

To support the sustainable and responsible growth of its activities, SNF continues to make people a top priority, first in terms of safety, where we confirmed the very high level of performance achieved last year, placing us once again among the leaders in our industry. **SNF is committed to strengthening and promoting diversity, inclusion, and equal opportunity.** 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 safe, respectful, fair, and inclusive culture for all our employees.

This progress has once again been recognized by rating agencies, which rank SNF among the top performers in the chemical industry. Lastly, every year since 2008, SNF has renewed its commitment to adhere to the ten universal principles of the United Nations Global Compact on issues including human rights, international labor standards, environmental protection, and anti-corruption.

More than ever, SNF is very well positioned to continue its sustainable growth strategy driven by innovative products and solutions focused on water science. With highly talented and diversified teams, strong partnerships with leading customers, high-level technical skills, a worldwide modern manufacturing footprint, and a solid financial structure, SNF has first-class assets that will enable it to continue its expansion.

I take great pride in witnessing the evolution of our Group since the publication of our first ESG report in 2006. SNF continues to grow, evolve, and innovate while steadfastly adhering to our core values and commitments to the environment and people. I sincerely appreciate our employees' and stakeholders' dedication and trust in promoting a more sustainable and responsible chemistry.

Together, let us keep advancing water science.

ABOUT US

SNF

SNF is a specialty chemical company positioned as an industry expert in water chemistry. Our commitment lies in developing and providing cutting-edge solutions instrumental in water treatment, preservation, and recycling. With a global footprint, SNF is pivotal in reducing energy demands and carbon intensity, actively contributing to the responsible extraction of vital mineral resources crucial for the ongoing energy transition.

At the core of SNF's offerings are over 1,000 meticulously designed water-soluble polymers. This extensive product range is a testament to our unwavering dedication to preserving natural resources, promoting recycling practices, and enhancing industrial process efficiencies. SNF products exhibit versatile functionalities, catering to many applications, including solids-liquid separation, viscosity modification, and friction reduction.



WATER TREATMENT

Treat the World's Water

SNF is at the forefront of the municipal wastewater and potable water markets, offering a comprehensive suite of products, equipment, applications expertise, and related services.



OIL AND GAS

Maximizing Oil Recovery

SNF's polymer flooding solution in Enhanced Oil Recovery is a cost-effective way to boost asset productivity, cutting water use by 80% per oil barrel and reducing CO₂ emissions by 66% from less pumping energy.



MINERAL EXTRACTION

Sustainable Mining Partner

SNF offers customized chemicals and services for the mineral processing and metallurgy industry, which are useful in all stages, from excavation and crushing to enrichment and refining.



PULP AND PAPER

Increase Plant Performance

From the highest quality printing paper grade to the stiffest board made from recycled waste paper, SNF has specific products to improve the Pulp and Paper manufacturing processes.



SPECIALTIES

Specialized Offerings

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

2023

Key Figures

8,150

2023 Total Employees

€4.5B

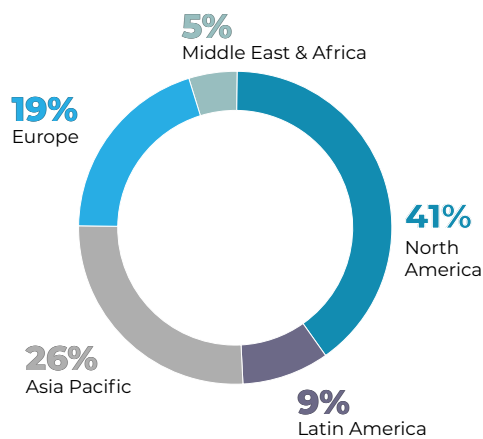
2023 Turnover

21

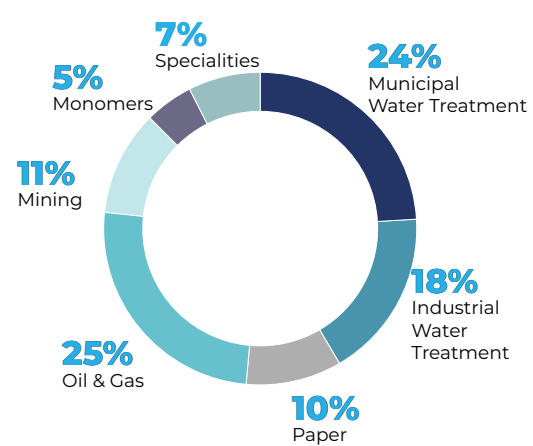
Manufacturing Sites

2023 BREAKDOWN OF REVENUES

BY GEOGRAPHIES



BY BUSINESS



WORLD LEADER IN WATER-SOLUBLE POLYMER MANUFACTURING



ACT FOR A MORE

Sustainable Future

**This is much more than words,
it defines our ambition and strategy.**

With 21 plants and 55 subsidiaries in 55 countries, SNF is the world's largest producer of water-soluble polymers. Every day at SNF, all 8,150 employees contribute to water treatment, preservation, and recycling for more than a 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 crucial 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, etc.) to fundamental issues of the changes in the climate and the depletion of natural resources.

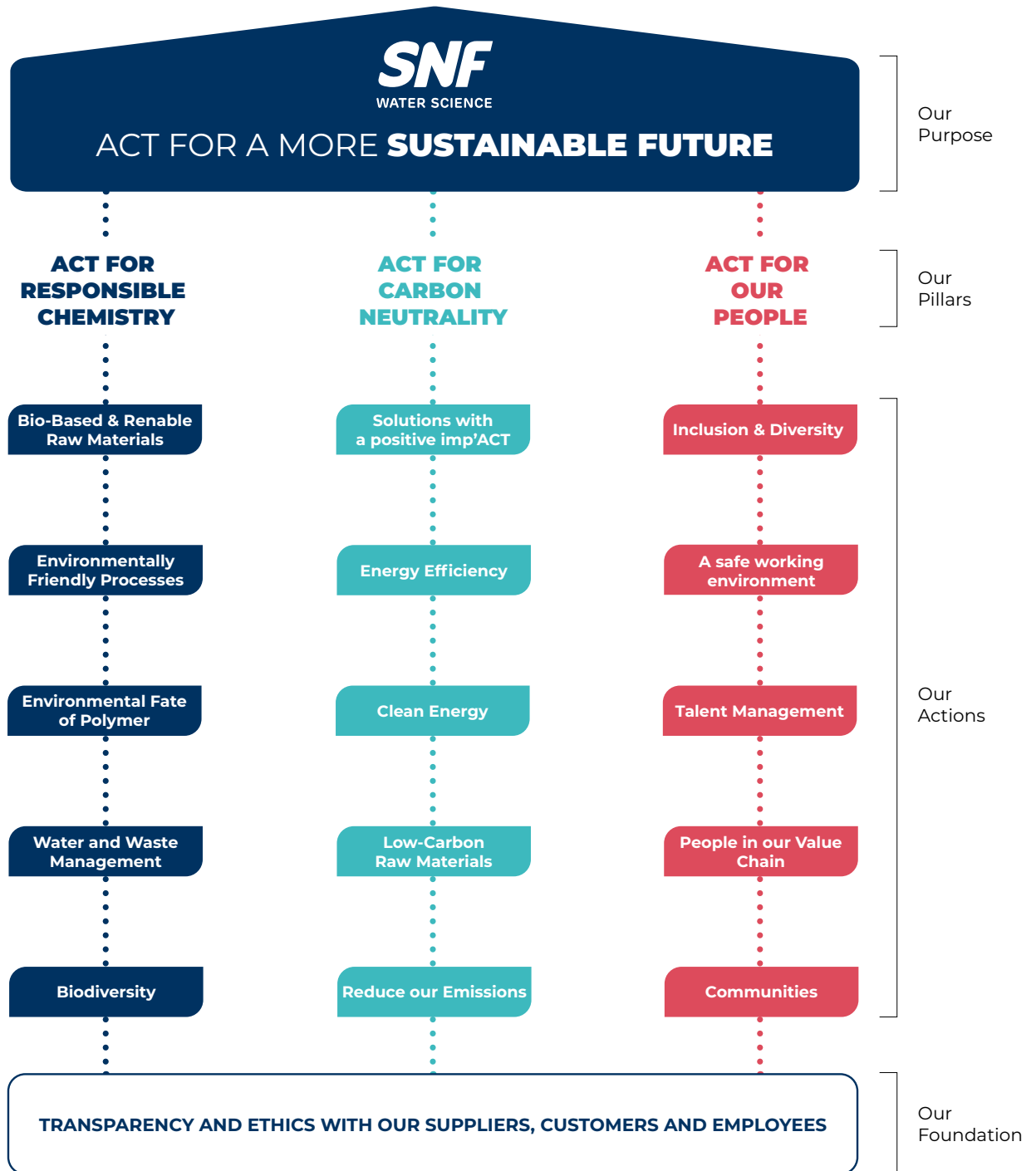
As leaders in our industry, we are responsible for addressing the planet's environmental challenges by going even further and working faster to strengthen water chemistry's ethical dimension and act for a more sustainable future. That is our purpose.

Our ACT FOR Program reflects SNF's goal of being one of the most exemplary chemical producers in terms of environmental footprint.

Based on our purpose, we define three pillars that guide us daily. We must be the ones to drive transformation, going further and faster by:

- ▶ **Promoting responsible chemistry,**
- ▶ **Reimagining low-carbon manufacturing processes,**
- ▶ **And taking care of our people through the value chain.**

Because this is much more than words, it defines our ambition and strategy. It makes us who we are and gives meaning to what we do. This transition is vital, given the current state of climate change, and to ensure our company's longevity. Our chosen purpose forces us to remain open to new ideas and methods for production, reuse, and recycling.



**It makes us who we are
and gives meaning to what we do.**

SUSTAINABILITY

UN SDG's

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, and the environment, as well as 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.

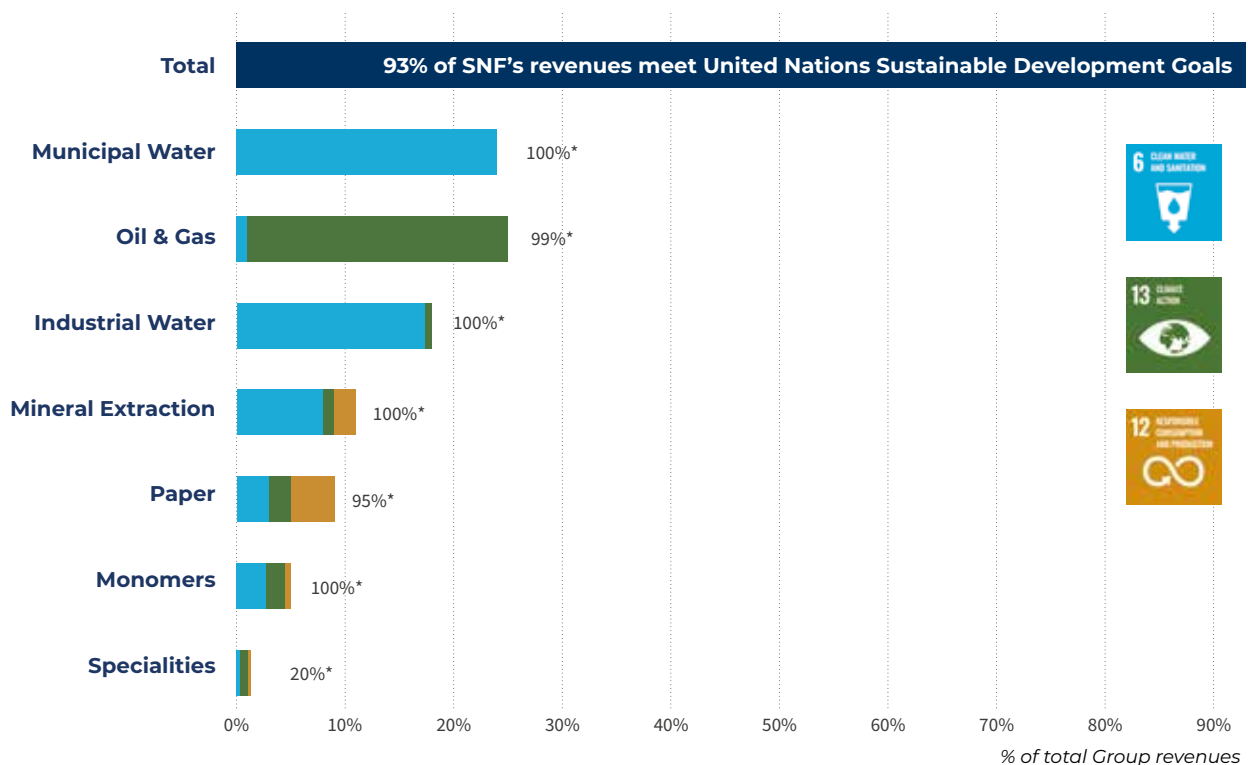
SNF Group demonstrates its commitment to utilizing all resources at its disposal, in cooperation with our partners, to conduct business in a way that respects people and the environment by integrating fundamental sustainable development principles into all operations.



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.



2023 CONTRIBUTIONS OF SNF REVENUES TO THE UN SUSTAINABLE DEVELOPMENT GOALS



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

SUSTAINABILITY

CSR Performance

SCORING



Water: B
Climate: B
2023

The CDP Climate Change questionnaire helps businesses evaluate and mitigate their climate change risks.

Over 23,000 companies report to CDP



Gold Medal
70/100
22/02/2023

The EcoVadis website features a questionnaire to evaluate businesses' environmental practices, social and human rights, ethics, and responsible purchasing.

Over 90,000 rated companies

MOODY'S
ANALYTICS

62/100
2023

Moody's Analytics is an international non-financial rating agency regarding environmental, social, and governance performance.

Over 4,800 rated companies

MEMBERSHIP

SINCE 2008



A UN initiative began to encourage corporations to promote human rights and international standards on labor, the environment, and corruption.

Over 20,700 participants in 179 countries



TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES

The Task Force on Climate-Related Financial Disclosures, or TCFD's focus, reports on an organization's impact on the global climate.

More than 3,800 organizations have become supporters of the TCFD Recommendations



SINCE 1998

Responsible Care® is an ethical framework for safe chemical management and performance excellence.

More than 580 global chemical manufacturing companies have signed the Global Charter

SUSTAINABILITY

Our journey

2001

Joined the **Responsible Care** initiative

2007

First CO₂ emissions reporting for SNF France (Scopes 1&2)

2009

Joined the **Union of Chemical Industries**

2004

Founding member of the **International Center of Ressources and Innovation for Sustainable Development**

2010

ISO 14001 certification

2008

Joined the **United Nations Global Compact**

2015



First **ECOVADIS** evaluation

2018



Joined the **GRI** organization

2019



First **Moody's ESG Solution** evaluation

2016



First CO₂ emissions reporting for SNF Group (Scopes 1 & 2) 2016 is the Reference year

2020



Creation of **SNF Responsible Chemistry Policy**



First **Handprint** calculation for Enhanced Oil Recovery



FLOCARE™ NAT 132
First LDP using **biobased oils**



Joined **CDP** initiative
Adopted **UN SDGs**



ECOVADIS
Silver Medal

2022



SNF Floerger is now **SNF Water Science**



ISCC+ certification for two French sites



ECOPAM™ launch
ISCC+ certified polymers

2023



ECOVADIS Gold Medal
Moody's Analytics



ISCC+ certification renewal for both French sites



Joined the **TCFD** initiative



First calculation of the Polymer Carbon Footprint



Purchasing Charter
Supplier Questionnaire



ECOVADIS Gold Medal
Moody's Analytics

2021

ABOUT This Report

Reporting Period

The reporting period is from January 1 to December 31, 2023.

Reporting Cycle

The SNF Group's ESG Report is published yearly, by calendar year.

Contact Point

The contact point for questions is SNF Communication. Contact details are available at www.snf.com.

Claims of Reporting

This report is prepared following the latest GRI standards. The latest versions of the topical standards have been used where applicable.

Communication on Progress of the United Nations Global Compact by using the GRI standards principles.

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.

General Report Practices

Data and indicators are reported for all our significant locations of operation per the requirements of the corresponding GRI disclosures. In 2023, this covered five countries that accounted for more than 95% of SNF Group's total production sites: 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 tons.

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.

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

External Verification

The audit firm Deloitte & Associés in Lyon, France has reviewed this Environmental and Social Responsibility Report of SNF Group for the fiscal year from January 1, 2023 to December 31, 2023.

Additional Information

This report is issued in English and French.

The SNF Group's Environmental and Social Responsibility Report is published in PDF format on SNF's website.

The next Environmental and Social Responsibility Report will be published in March 2025.





01 Act for Responsible Chemistry

Beyond sustainable chemistry, we prefer to use the term Responsible Chemistry, reflecting SNF's ambition to be among the most exemplary chemical companies regarding environmental impact.

We act for Responsible Chemistry



Sustainable chemistry has been in the DNA of SNF since its inception.

CEDRICK FAVERO

VP - Head of Research & Development

WATER SCIENCE IS YOUR MOTTO. WHY?

Our core business is water chemistry. So, all our applications and activities revolve around the science of water.

More specifically, we are involved in modifying the properties of water to reduce viscosity and friction in the treatment or recycling of water, whether municipal or industrial water.

We also contribute to recycling paper or extracting resources from the earth, such as metals and other feedstocks, for the industry more efficiently, which is essential for the energy transition.

In this way, we help reduce water and energy consumption and, more broadly, our customers' carbon intensity and water footprint.

AND WHAT ABOUT YOUR PRODUCTS?

SNF manufactures water-soluble polyacrylamides. These polymers are large molecules composed of a basic unit called a monomer. We can compare polyacrylamides to pearl necklaces to draw a parallel everyone can understand. Modifying the number of pearls, mixing pearls of different kinds, changing their type and size, or the whole shape of the necklace allows access to various functionalities and properties, such as separating solid particles in wastewater or increasing water viscosity.

«SUSTAINABLE CHEMISTRY» IS ONE OF THE BIGGEST CHALLENGES. WHAT DOES THAT MEAN FOR YOU?

Sustainable Chemistry has been in the DNA of the SNF Group since its inception. Firstly, through the products we offer to our customers—simple, effective, inexpensive, and non-toxic molecules that align with 93% of the United Nations Sustainable Development Goals. Secondly, through our manufacturing processes with reduced environmental footprint, zero-waste production, and water as a green solvent.

The commitment to decarbonization was introduced many years ago at SNF, and we were a pioneer in its domain. For the past 20 years, our primary manufacturing process has been a zero-waste bioconversion reaction performed at room temperature and atmospheric pressure. Thus reducing the energy needed and waste disposal.

Beyond sustainable chemistry, we prefer to use the term responsible chemistry, reflecting SNF's ambition to be among the most exemplary chemical companies regarding environmental impact.

“For the past 20 years, our primary manufacturing process has been a zero-waste bioconversion reaction performed at room temperature and atmospheric pressure. „

RESPONSIBLE CHEMISTRY? WHAT DOES THAT MEAN?

As leaders in our sector, we are responsible for addressing the fundamental challenges of climate change, depletion of natural resources, and water preservation. Recent drought episodes in the Eastern Pyrenees and Spain reminded us that water is a precious and increasingly scarce resource.

Therefore, we must go beyond decarbonizing our activities.

HOW DOES THIS TRANSLATE INTO ACTION?

We involve various stakeholders to address these challenges, adopting an eco-design approach to our products. This involves our customers in a proactive continuous improvement process and our raw material suppliers playing a crucial role in decarbonizing the entire value chain.

HOW CAN YOU IMPROVE THE ENVIRONMENTAL FOOTPRINT OF RAW MATERIALS?

First, we address our known raw materials, those we already use, and work on the supply chain. Our suppliers can use different sources of raw materials, historically fossil or more recently sustainable, such as waste, plastic recycling, or even used cooking oil!

We first opted for a sustainable supply chain certified by ISCC+. Based on the mass balance concept, this certification ensures the traceability and sustainability of renewable raw materials throughout the value chain.

While the mass balance is the first step in our sustainability goal, our second axis is more disruptive, directly in our finished products, choosing new raw materials from biomass, such as sugars, waste from the agri-food industry, or plant proteins. The expected benefits include improving our products' naturality and biodegradability.

But be cautious; new materials should have the same or even better performance at a similar economic value! At SNF, we see this as an opportunity for growth and stimulating innovation with increasingly sustainable technologies. That's the mindset I instill in my R&D teams in collaboration with industrial or academic partners through our open innovation program.

Bio-based & Renewable Raw Materials



Gradually transition to raw materials with a reduced environmental footprint.

Approach

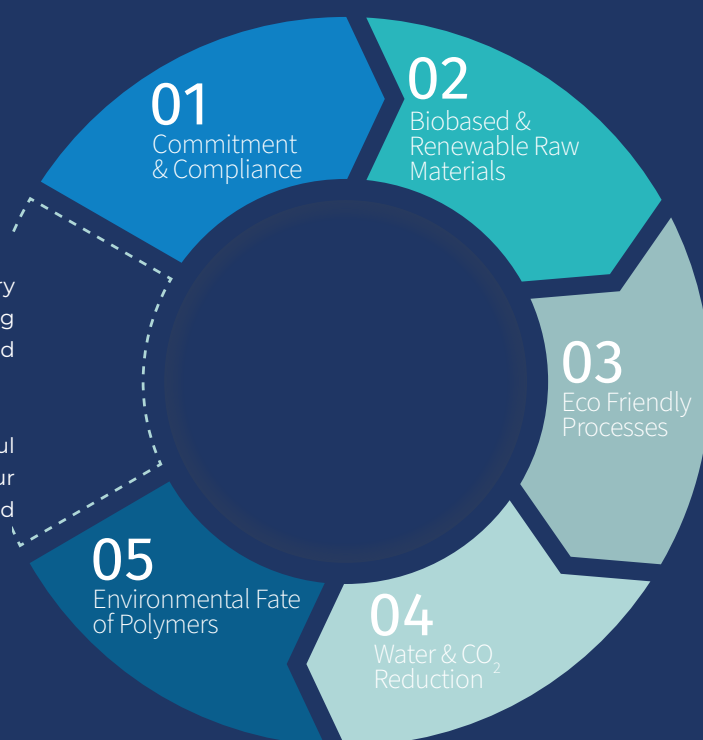
Our 'Acting for Responsible Chemistry' program catalyzes reimagining every stage of our value chain, starting with our raw materials intrinsically linked to all our processes. Traditionally, polyacrylamide chemistry has relied on fossil-based raw materials. Reducing the environmental impact of the chemicals we use is a significant challenge. At SNF, we are steadfast in recognizing the importance of this step and are confident that we can gradually transition to raw materials with a reduced environmental footprint.

The Responsible Chemistry policy, set up in 2020, paves the way to sustainability through SNF's Research and Development team. This includes complying with and anticipating regulations, using greener raw materials and processes, enhancing our products' biodegradability, and increasing their efficiency and benefits at our customers' facilities. SNF relies on its academic and industrial partners through its global open innovation initiative to achieve these objectives.

Responsible Chemistry at the Core of our R&D

Our commitment to responsible chemistry represents a comprehensive approach to mitigating our impact, rooted in the core of our Research and Development.

This commitment resonates through the thoughtful design of processes and products, reflecting our dedication to environmental stewardship and sustainable practices.



Enhancing the Footprint of Our Current Raw Materials

Navigating the intricacies of our chemistry is a gradual process, and transforming our processes requires a strategic approach. While fossil-based raw materials predominantly fuel our chemistry, we are committed to optimizing their sourcing and mitigating the impact of their production. Our current suppliers are at the forefront of our value chain, and our journey toward improvement begins in close collaboration with them.

We have instituted a supplier selection process that prioritizes conscientious actors actively engaged in responsible practices. Our focus is on partnering with suppliers who align with sustainable criteria. Identifying and choosing these suppliers based on stringent environmental standards represents the initial phase of our commitment to sustainable transformation.

By fostering partnerships with virtuous suppliers and instilling responsible practices, we aim to progressively enhance the sustainability share of our raw material footprint. Together with our suppliers, we are dedicated to advancing our commitment to environmental responsibility and ushering in positive change within our industry.

Bio-Based & Renewable Raw Materials

Incorporating well-defined sustainable raw materials in our polymers, lowering their environmental footprint while keeping their performances and positive impact for our customers, is a priority.

In response to our customer's environmental commitments, SNF is conducting extensive research and development efforts on renewable raw materials to produce sustainable chemicals. Our dedication to innovation perfectly aligns with the United Nations' sustainable development goal (SDG 12): «Ensure sustainable consumption and production patterns.»

To achieve this, SNF works closely with its suppliers and benefits from the expertise of our robust research and development team. Together, we actively explore sustainable alternatives, such as bio-based or renewable raw materials. We strive to contribute to a large-scale bio-based chemical sector by embracing these new materials.

60 More than
COLLABORATIONS

Number of active R&D collaborations worldwide

50%

Ratio of R&D projects dedicated to reducing CO₂ and Water usage for our customers

80%

Ratio of R&D projects dedicated to Responsible Chemistry Policy

By replacing fossil feedstock with bio/bio-circular feedstock, SNF supports its customers in achieving their climate plan goals. This transition enables them to significantly reduce their Scope 3 greenhouse gas emissions while benefitting from sustainable and environmentally responsible solutions.

However, some challenges must be addressed to realize the full potential of a bio-based chemical industry. One critical aspect is the sustainable sourcing of biomass, ensuring that it does not compete with food production nor participate in deforestation and adheres to stringent sustainability standards.

At SNF, we are dedicated to driving the development of bio-based chemicals and fostering a sustainable future. Our commitment to research, innovation, and collaboration with our partners underscores our determination to address the challenges of resource scarcity and climate change.

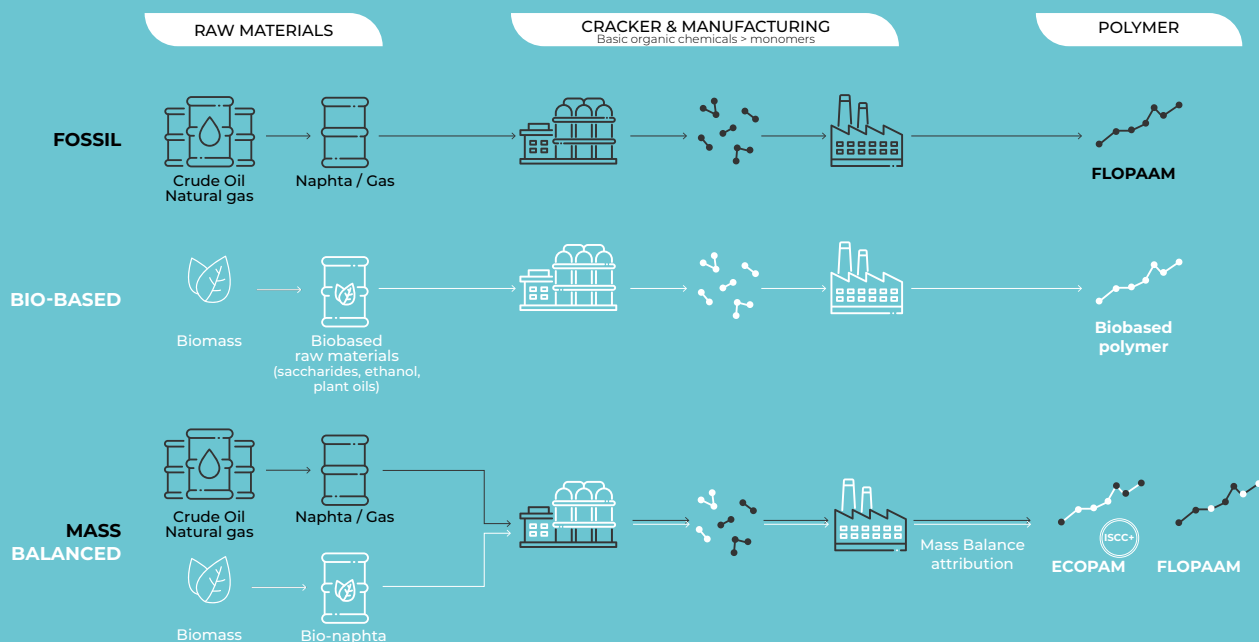
Sustaining, Expanding, and Championing our ISCC+ Certification

The International Sustainability and Carbon Certification (ISCC) is dedicated to creating a greener and more sustainable planet by providing a comprehensive sustainability certification system covering the entire supply chain and all bio-based and renewable raw materials.

The Mass Balance approach is a pivotal concept within the framework of ISCC+ certification. It enables a reliable tracking of raw materials and recycled product flows throughout the value chain at each process stage.

Our ISCC+ certifications allow us to integrate sustainably certified raw materials into our production, thereby supporting the use of renewable or recycled materials. Secondly, it provides increased transparency and traceability of raw material flows, enhancing the trust of customers and stakeholders. Lastly, it promotes the establishment of a closed carbon loop, ensuring reduced carbon output to the environment.

At SNF, we embrace the ISCC+ certification and the Mass Balance concept as integral components of our commitment to sustainability. By adopting this certification, we adhere to the ISCC principles. We contribute to a more environmentally friendly industry and enhance the transparency and trust in our processes among our valued clients and stakeholders. Together, we are building a future where sustainable practices are at the forefront of our operations.



#Showcasing our Actions



A Sustainable Technology Serving Wastewater in the Parisian Basin

In early 2023, the SNF Group and SIVAL inaugurated Europe's second-largest wastewater treatment plant at the Seine Valenton site, deploying a sustainable water treatment technology using bio-attributed raw materials. Achieving performance on par with previous solutions, the SNF technology has successfully reduced CO₂ emissions and minimized its carbon footprint at the facility.

Expand our Understanding and Use of Appropriate White Biotechnology for New Raw Materials and Catalyst opportunities

White Biotechnology represents the application of biotechnological methods for the processing and producing chemicals, materials, and energy. Utilizing enzymes and microorganisms, white biotechnology is pivotal in creating products spanning various industries, including chemistry, food and feed, paper and pulp, textiles, and energy. This innovative approach offers the chemical industry unprecedented accessibility to building blocks and materials previously only attainable through intricate methods.

At SNF, we firmly believe in the transformative potential of white biotechnology, particularly in leveraging biomass as a sustainable alternative to fossil resources for producing biochemicals like biopolymers. In 2020, we initiated the Responsible Chemistry Steering Committee dedicated to developing cutting-edge and sustainable solutions. This platform is designed to expedite the incorporation of sustainable renewable feedstocks into SNF products, fostering the creation of novel approaches to manage the end-of-life of these products, including a focus on biodegradability by design.

The establishment of Responsible Chemistry Steering Committee signifies a substantial step towards unlocking innovation potential. SNF is well-positioned to capitalize on this potential, drawing upon internal expertise and robust collaborations with customers and external innovation partners. Through a commitment to open innovation and strategic alliances, SNF aims to cultivate new growth opportunities that benefit diverse markets and address crucial societal and environmental needs and concerns.

1.2 Environmentally-Friendly Processes

Minimize the impact of our processes on the environment

Promoting Soft Chemistry

At SNF, a dedication to sustainability is deeply ingrained and not a recent initiative. As pioneers in soft chemistry, we have been at the forefront for the past four decades. Our primary monomer, acrylamide, is produced using enzymes and biochemical processes at atmospheric pressure and ambient temperature.

Moreover, our commitment extends to ongoing efforts to enhance environmental sustainability. The third pillar of our Responsible Chemistry initiative revolves around the continuous development of more eco-friendly processes, representing a central focus for our future endeavors. This includes the reduction of energy consumption in our processes that are already zero-waste generated.

Atom Economy

The efficiency of a chemical process can be gauged by its conversion efficiency, which considers all the atoms involved and the resultant desired products. This measure is calculated as the ratio of the mass of the desired product to the total mass of products, expressed as a percentage. Atom Economy (AE) has been a pivotal aspect of the green chemistry movement since the early 1990s. As a primary criterion for improvement in chemistry, atom economy reflects a commitment to sustainable and environmentally conscious practices. It is a critical tenet in the philosophy of green chemistry and is widely utilized as a metric to assess the 'greenness' of a given process or synthesis.

Our polymerization processes have a very high atom efficiency, close to 100%. This signifies that most of the atoms from the reactants contribute to the formation of desired products, minimizing the generation of undesirable byproducts. This enhances economic efficiency and reduces the environmental impact associated with waste disposal.



1.3 Environmental Fate of Polymer

Understand and enhance the ecological fate of our polymers

In our steadfast commitment to environmental responsibility, we prioritize a comprehensive approach to understand and improve the ecological fate of our polymers. The journey begins with literature monitoring, evaluating and enhancing chemical structures, unraveling dynamics governing our polymers' behavior.

Our strategy studies both biotic and abiotic degradation mechanisms, delving into structural parameters influencing biodegradation for environmentally-friendly breakdown.

The diverse environmental fate of our polymer stems from varied industrial applications - sequestered in rocks during Enhanced Oil Recovery (EOR), recycled into fibers, or found in treated sludge from mining operations. Destruction involves chemical or thermal treatment, showcasing adaptability to various industrial uses.

Proactively integrating biodegradation studies into early development ensures rigorous assessments, refining macromolecular structures. Our objective is polymers with enhanced biodegradation, elevating kinetics and percentage over time and conditions.

Adhering to this strategy, we stay abreast of scientific understanding, actively contributing to products with improved environmental performance. This commitment emphasizes dedication to sustainability in every facet of our polymer development.



1.4 Water Management



Reduce water consumption and discharges

TARGETS

20% Reducing Net Water Consumption by 20% by 2030

2023

-31% Net Water Consumption Reduction vs 2016 (base year)

PLAN

Water Management System
Continuous optimization of water use

Approach

As water becomes increasingly scarce, sustainable use and preservation of natural resources worldwide are top priorities for the SNF Group. As a leading player in the chemical industry and a provider of innovative solutions, SNF is committed to reducing water consumption and discharges from its industrial operations while offering products that enhance water quality.

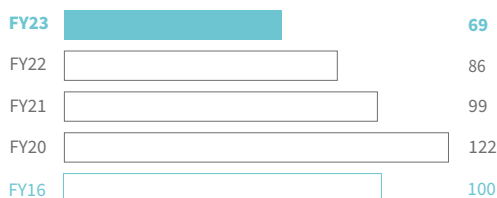
To this end, the Group has established long-term objectives, including the reduction of water discharges (especially chemical oxygen demand and suspended solids), minimizing water withdrawals from natural sources, ensuring sustainable water management at all sites in water-stressed areas, and fostering the development of innovative solutions through the R&D platform «ACT FOR Responsible Chemistry.»

In support of these objectives, the Group is advancing the “ACT FOR WATER” program focused on water, leveraging a global network of correspondents. Results and goals are regularly set and reviewed by the steering committee chaired by the Director of CSR. This program, aimed at enhancing the competitiveness of the Group's industrial sites, adheres to the following principles:

- Compliance with applicable laws and regulations
- Implementation of water management systems in high-priority sites, considering water stress and its evolution linked to climate change
- Continuous optimization of water use and treatment efficiency, from initial design to daily operations, referencing the best technologies, practices, and international standards

This policy is grounded in the commitment of all SNF employees and contributes significantly to the Group's pursuit of operational excellence. Together, we are working towards a sustainable future, aligning our practices with the highest standards of environmental responsibility.

NET WATER CONSUMPTION



Water as a Solvent

Water plays a vital role in our manufacturing processes and utilities. It stands as the solvent of choice for our operations. Given its benign impact on humans and the environment, it is a critical vector for our technologies. Additionally, our distilled or dry product forms contain residual water.

On average, our polymer solutions are typically marketed with 20-25% water, although specific grades may contain as much as 94% water. Water used in our formulas and as a vector reflects a conscientious choice of solvent and cannot be taken into account in our ambition to reduce our footprint in terms of water resources. Our target of reducing water intensity by 20% by 2030 implicitly excludes this volume.

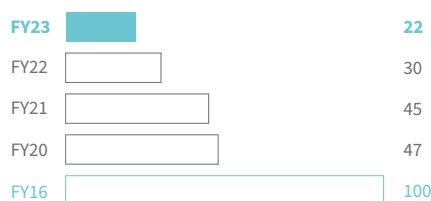
Wastewater

SNF has implemented a Water Management policy to maintain the high quality of lakes and minimize the impact on populations and biota. SNF has improved reporting and keeps up with regulatory developments, such as the CWW BREF in Europe, to ensure compliance with applicable laws and regulations. SNF makes targeted investments in optimizing water use and its treatment, from the design of its facilities to day-to-day operations.

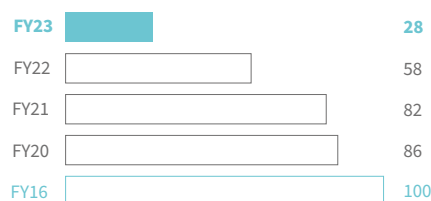
When appropriate, SNF carries out preliminary treatment to reduce the discharge of chemical oxygen demand (COD) load on wastewater treatment plants or discharged into a natural waterway. To limit chemical treatment in cooling towers, SNF prioritizes treatment by UV disinfection and hydrogen peroxide at most manufacturing sites. Research and development is focused on evolving the product mix and recycling water as carrier water in SNF products.

SNF France has built a biological treatment plant to reduce the overall pollutant load of discharges. Recycled treated wash water for reactors has saved approximately 200 cubic meters per week, and physio-chemical treatment has enabled solids/liquid separation of ultra-high-pressure wash water discharges which carry large amounts of matter. In 2021, SNF installed a similar biological treatment plant at its Plaquemine site in Louisiana (USA), saving over 400 cubic meters of water per week. SNF is committed to equipping future sites with equivalent water treatment technology.

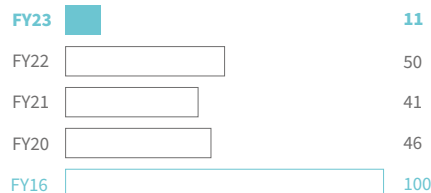
COD (CHEMICAL OXYGEN DEMAND)



NITROGEN CONTENT OF RELEASED WATER



SUSPENDED SOLID OF RELEASED WATER



-20%

**COD (Chemical Oxygen Demand)
of Released Water vs 2022**

-47%

**Nitrogen Content of Released Water
vs 2022**

-76%

**Suspended Solid of Released Water
vs 2022**

#Showcasing our Actions

Electrolytic Water Treatment for Cooling Towers

Cooling towers are essential in the industrial sector as they are crucial in cooling production cycles. These devices expel heat generated by cooling systems, using water to cool production infrastructure in various industries. The heat is extracted through the evaporation of water, maintaining the efficiency, safety, and stability of processes.

When water evaporates from a cooling tower, solids that were in that water remain in the tank, being redistributed into the existing water. The so-called blowdown water in the cooling cycle accumulates minerals, such as scale, which are neutralized and removed from cooling towers using chemicals. In 2023, adopting technology proven successful in other industries, SNF conducted electrolysis experiments at our Andrézieux (France) site.

This process involves passing an electric current through an electrode in the cooling liquid, altering the water's pH, and generating OH⁻ ions that induce the precipitation of calcium and magnesium in the water as calcium carbonate and magnesium hydroxide. The resulting salts are then expelled, effectively cleaning the cooling water and maintaining it in a purer state. This method eliminates an insulating scale layer that typically forms on the heat exchange parts of the cooling system.

The electrolysis system is more efficient than chemical alternatives, allowing water to circulate three times more in cooling towers. An average water savings of 25% is observed, and the liquid eventually discharged into wastewater is also cleaner. This project is being implemented at two other sites within the Group, Gandhidham (India) and China.





Minimizing and Recycling Cooling Tower Blowdown

Within a chemical plant, cooling towers emerge as notable water consumers, contributing significantly to wastewater generation, commonly called cooling tower blowdown. SNF has initiated a pilot project at our Andrézieux (France) site to minimize and repurpose wastewater in response to this challenge.

The blowdown from the cooling tower undergoes treatment in a reverse osmosis (RO) system, a membrane process designed to eliminate dissolved salts, minerals, and various impurities by compelling water through a semipermeable membrane.

This initiative not only reduces blowdown wastewater but also yields additional benefits. The treated and recycled water will serve as a water process for the steam boiler. As RO water boasts superior quality, the energy required for heating is diminished, resulting in overall energy savings. This integrated approach aligns with SNF's commitment to resource efficiency and sustainable practices within the chemical industry.

1.5 Waste Management

Monitor and reduce our waste impact

Approach

In response to the scarcity of natural resources and the escalating environmental impact of human activities, SNF is actively advancing the circular economy. Our focus lies in the recovery of by-products and ensuring adequate waste management. SNF is steadfast in its commitment to monitoring and diminishing its waste footprint while ensuring the safe management of hazardous waste. This commitment aligns with our dedication to safeguarding the natural environment, complying with national regulations, and preserving valuable resources.

The standard practice across our business and facilities involves reducing, reusing, and recycling waste. In cases where on-site recycling or reuse is not feasible, by-products are frequently valorized by third-party entities. Residual waste that cannot be repurposed or recycled is transported to specialized waste treatment facilities. Stringent procedures and safety checklists are uniformly implemented at all our sites. Personnel involved in the handling, transporting, or managing hazardous materials and waste must possess evidence of appropriate specialist training.

Surveillance and Assessment of Our Waste Impact

Waste management is subject to stringent regulations, and these requirements are poised to become even more rigorous with the societal shift toward a circular economy. We conduct a comprehensive annual monitoring of our waste impact to formulate an effective waste management strategy. This involves systematically collecting data about the quantity, classification, and final waste destination following the GRI 306 standard.

As an integral component of SNF's environmental reporting, we meticulously categorize waste as hazardous or non-hazardous and track its circularity based on destination. Our primary objective is to minimize waste generation at the source, emphasizing recovery through reuse (without processing) and recycling (post-treatment). Incineration (with or without energy valorization) and landfilling are considered last-resort options. All manufacturing sites within SNF diligently monitor their waste production and handling, encompassing treatment methods, operators, and the distinction of on-site or off-site treatment.

Across the global spectrum of SNF operations, waste management is executed with unwavering adherence to local regulations. Each site has implemented a systematic approach to track material output, utilizing a dedicated software platform as an integral component of SNF's environmental data collection process.

Waste Management

SNF helps protect the environment by reducing the amount of waste we produce and recovering it as materials or energy.

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, effluent treatment installation, and new know-how and patent development.

Reuse By-Product

The production of our main products sometimes generates by-products that other businesses can use.

When the economic scheme and product compatibility allow it, SNF recycles the secondary flow generated by some of these processes as raw material in other functions on the same production site. Finally, as a last resort, 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.

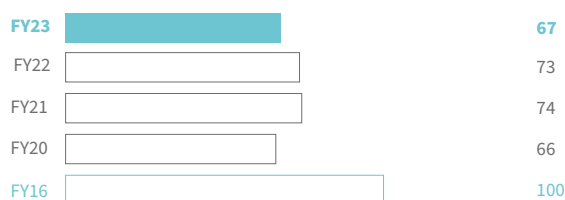
Other Emissions

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 and 2023 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.

NON HAZARDOUS WASTE



HAZARDOUS WASTE



20^{kt}
of Valorised Waste



1.6 Act for Biodiversity



Biodiversity and Sustainable Development Goals (SDGs) are the foundation for SNF's framework. Our initiatives are designed to safeguard biodiversity, fulfilling our commitment to environmental and societal well-being. We align these measures with the impact of our operations across the value chain, focusing on three key areas: supply chains, site and production, and product impact.

We thoroughly analyzed critical biodiversity pressures through an internal workshop, including land-use change, climate change, invasive species, overexploitation, and pollution. The results indicate that our activities along the value chain primarily contribute to climate change, land-use change, and pollution. With this insight, we initiate dialogue with partners and forge strategic partnerships to implement global biodiversity protection measures.

Our approach involves the principles of «Avoid, Reduce, and Compensate» prioritizing avoidance as the primary solution, followed by reduction and, if necessary, compensation.

Supply Chains

In supply chains, we hold our raw material suppliers accountable for practices that may impact biodiversity, as our Responsible Purchasing Charter outlines. This document sets forth our expectations regarding environmental, labor, and social standards throughout the supply chain.

Site and Production

At our production sites, biodiversity preservation is a crucial consideration. We manage our facilities responsibly, minimizing environmental impact, particularly concerning pollution. Our site management measures specifically address the

effects on biodiversity, such as evaluating proximity to internationally recognized conservation areas.

Product Impact

Concerning product impact, SNF provides a diverse range of products and solutions across industries. We are committed to ensuring our products meet high-quality standards and pose no risks to humans, animals, or the environment when used appropriately. Guided by the Responsible Care® charter of the International Council of Chemical Associations (ICCA), we continuously strive to minimize the adverse effects of our products on the environment, health, and safety. Notably, we carefully assess potential impacts on biodiversity, particularly regarding pollution as a biodiversity loss driver.



Biodiversity at SNF Saint-Avoid

SNF is responsible for environmental practices during facility operations, particularly biodiversity management. This condensed report highlights vital measures undertaken by SNF to avoid, reduce, and compensate for potential impacts on biodiversity.

Measures of Avoidance

Timely Work Periods: Construction activities are scheduled between 9 am and 6 pm to accommodate local fauna sensitivities.

Restricted Construction Zones: Delimiting areas to prevent expansion, with strict guidelines for storage and no felling of trees or shrubs.

Reduction Measures

Environmental Assistance: Engaged an ecologist for monthly site visits, worker awareness, and ongoing support.

Habitat Attractiveness Control: Flattening terrain daily to prevent water pooling, significantly impacting amphibians.

Anti-Backflow Barriers: Implemented to protect water basins from amphibian access during construction.

Adaptive Lighting: Reduced luminaire density, presence detectors, and reflective road markers.

Vegetation Management: Utilizing centrifugal mowing and clearing to control vegetation growth.

Pollution Risk Mitigation: Measures to avoid chronic or accidental pollution during construction.

Control of Invasive Species: Applying protocols to combat invasive species.

Creation of Green Hedge: Continuing hedge establishment initiated in 2020.

Vegetated Swale Creation: Establishing a vegetated swale for rainwater collection.



#SNF
How coexisting
our Actions

Preservation of Grassland: Maintaining 2.3 hectares of grassland.

Monitoring Measures

Post-Construction Monitoring: Commissioned a specialized ecological study for 20 expert visits post-construction.

Compensation

Impermeabilization Impact: Construction will impermeabilize 6.62 hectares, primarily occupied by acidophilic herbaceous vegetation. Temporary destruction in material storage zones (1.85 hectares) will be restored to grassland within three years.


SNF aims for a minimum of 8 hectares of compensation within a 20-kilometer radius of the impacted site.

Refuge Spaces for Fauna: Creating micro-habitats for fauna during site activities.

In summary, SNF Group's condensed biodiversity management overview reflects its commitment to responsible environmental stewardship, ensuring the coexistence of industrial activities and ecological preservation. These efforts underscore SNF's dedication to minimizing its ecological footprint and contributing positively to local biodiversity.



SNF
WATER SCIENCE

A black and white photograph of an industrial facility, possibly a power plant or refinery, with various pipes, valves, and structural elements. The image is partially covered by large, semi-transparent teal shapes: a large circle in the upper left and a smaller circle in the lower left. The right side of the image is a solid teal background.

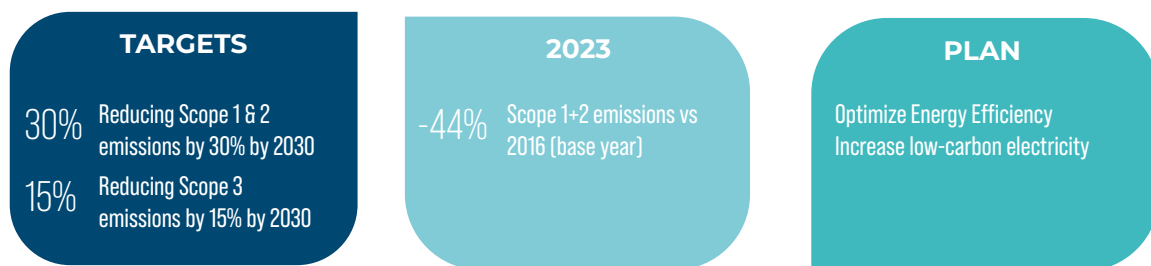
02 Act for Carbon Neutrality

Ambitious goals help guide our programs and projects to reduce emissions. SNF has set a goal to reach Carbon Neutrality by 2050. To reach Net Zero by 2050, our goal is to reduce CO₂ by 30% on Scopes 1 & 2 and 15% on Scope 3 by 2030.

2.1 Our Carbon Footprint



Greenhouse gas emissions along the SNF value chain



The Greenhouse Gas (GHG) Protocol establishes a globally recognized and standardized framework for carbon accounting. It categorizes a company's greenhouse gas emissions, commonly called carbon emissions, into three principal classifications: Scopes 1, 2, and 3. Developed through a collaboration between the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), this protocol is a valuable tool for businesses to quantify direct and indirect GHG emissions. Organizations can gain insights into their primary emission sources by measuring their emissions and devise targeted strategies to mitigate and manage them effectively. In examining the definitions and implications of each scope, this overview aims to elucidate their significance within SNF's ACT FOR CARBON NEUTRALITY plan.

The GHG Protocol Corporate Standard classifies a company's GHG emissions into three 'scopes.' Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy. Scope 3 emissions are all indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

SNF meticulously assesses GHG emissions throughout the supply chain, adhering to the international GHG protocol guidance. This evaluation discerns between Scope 1 and 2 GHG emissions directly associated with SNF's production activities and indirect Scope 3 emissions (see Glossary on the subsequent page). Notably, raw materials purchased and the end-of-life of sold products emerge as the most significant emission contributors within Scope 3. The annual assessment of Scopes 1 and 2 emissions has been a consistent practice since 2016.

In 2022, SNF initiated a dedicated working group within its R&D department to define the annual calculation methodologies for emissions linked to raw material purchases and product usage. This effort extended into 2023, with a commitment to refining results and adjusting measures for emission reduction. The ongoing process will persist in 2024, aiming to fortify analysis and perpetually enhance the accuracy of our tools. In parallel, SNF contacted suppliers to gather product carbon footprint (PCF), known as primary data.

Thus, we use primary data as much as possible and refine our calculations. This work was jointly performed with the purchasing department and coordinated with every group subsidiary.

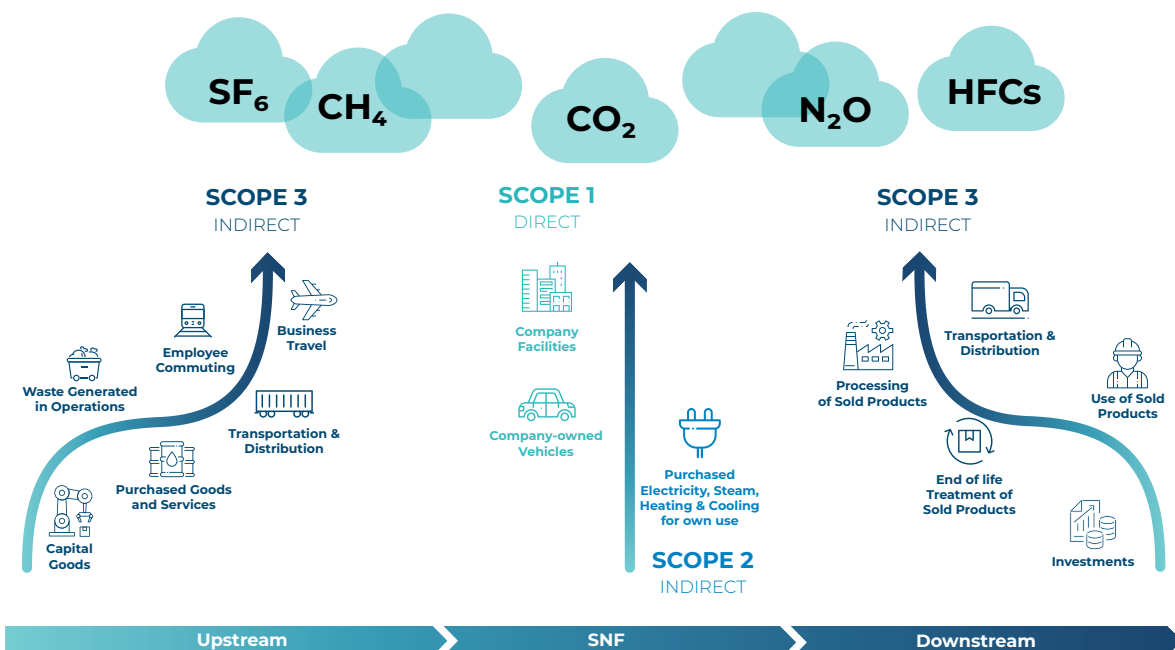
Enhanced Comprehension of our Greenhouse Gas Emissions

Scope 1 & 2

0.60
Mt CO₂

Scope 3

10.3
Mt CO₂



SCOPE 1

- 1-1: Direct emissions from fixed combustion sources
- 1-2: Direct emissions from mobile combustion sources
- 1-3: Direct emissions related to production processes, excluding combustion
- 1-4: Fugitive direct emissions
- 1-5: Emissions from soils and forests

SCOPE 2

- 2-1: Indirect emissions related to imported electricity for the organization's own use
- 2-2: Indirect emissions related to imported consumed energy through a network (steam, heat, cold, and compressed air), excluding electricity

SCOPE 3

- 3-1: Goods/Services Emissions - Upstream emissions from purchased goods/services.
- 3-2: Capital Goods Emissions - Upstream emissions from purchased capital goods.
- 3-3: Fuel/Energy Activities - Extraction, production, and transportation emissions.

- 3-4: Upstream Transportation - Transportation and distribution emissions.
- 3-5: Waste Management - Emissions from waste disposal/treatment.
- 3-6: Business Travel Emissions - Emissions from employees' business travel.
- 3-7: Employee Commuting Emissions - Emissions from employee transportation.
- 3-8: Upstream Leased Assets - Emissions from leased assets (not applicable).
- 3-9: Downstream Transportation - Transportation emissions from customer distribution.
- 3-10: Product Processing - Excluded due to methodological challenges.
- 3-11: Product Use Emissions - Direct emissions from product use.
- 3-12: End-of-Life Treatment - Estimations for end-of-life product treatment.
- 3-13: Downstream Leased Assets - Not significant for specialty chemicals.
- 3-14: Franchises - Not significant for specialty chemicals.
- 3-15: Investments - Not significant for SNF

2.2 Making a Positive Imp'ACT

Develop new solutions with
a beneficial environmental
impact for our customers

Water Treatment

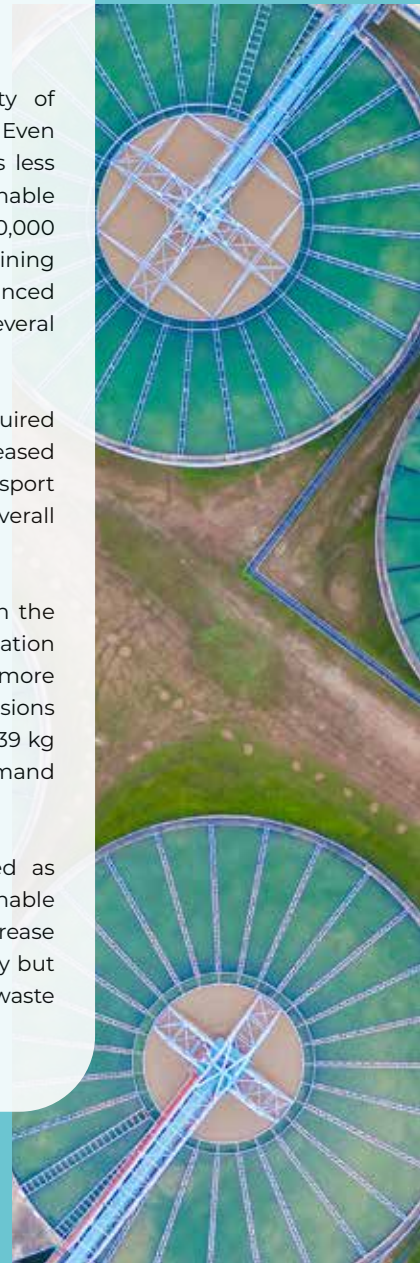
The implementation of polymers to enhance the siccidity of municipal sludge has substantial environmental benefits. Even in a relatively «small» country like France, which represents less than 1% of the world's population, the use of more sustainable flocculants could potentially result in a net saving of up to 20,000 tCO₂. Indeed, new structured flocculants, created by combining bio-sourced additives and bio-attributed polymers with enhanced macromolecular architectures, were introduced in several wastewater treatment plants in 2023.

By increasing the solid content of sludge, the volume required for transport is significantly reduced, leading to decreased fuel consumption and lower carbon emissions from transport vehicles. This, in turn, contributes to the reduction of our overall environmental footprint.

Moreover, a higher siccidity level means less water content in the sludge, reducing the energy required for heating and incineration processes. Consequently, a 2% increase in siccidity using these more sustainable polymers leads to lower greenhouse gas emissions (41 kg of CO₂e per metric ton of dry sludge as compared to 139 kg CO₂e/mT of D.S. - a reduction of 70%), and decreases the demand for non-renewable energy sources.

The remaining solid waste can potentially be repurposed as biofuel or fertilizer, contributing to a more circular and sustainable economy. Therefore, the use of sustainable polymers to increase sludge siccidity not only promotes environmental sustainability but also aligns with the principles of efficient resource use and waste reduction, which are integral to ESG goals.

#Showcasing
our Actions



While Scope 1, 2, and 3 are the accounting standards to measure direct and indirect carbon emissions, there is no standard to quantify the positive environmental impact of products and services. A few years ago, the WRI raised the idea of Scope 4 to calculate avoided emissions, but it was never officially adopted. Later, the term 'Handprint' emerged and was defined as the opposite of carbon footprint, highlighting the positive environmental impact. Both terms cover the emissions avoided and ecological benefits when a product is used as a new solution or substitute for other goods or services that fulfill the same function, reducing the environmental impact of an application.

The French regulatory method supported by ADEME (through ABC), the Bilan Carbone® method, and ISO standards do not use the term Scope 4 nor Handprint but only refer to «avoided emissions.»

According to ADEME and the Bilan Carbone® method, these emissions represent the reductions in carbon footprint achieved by a company's activities, products, and services when these reductions occur outside its activity scope. A company can thus avoid emissions by offering low-carbon solutions or services and financing projects.

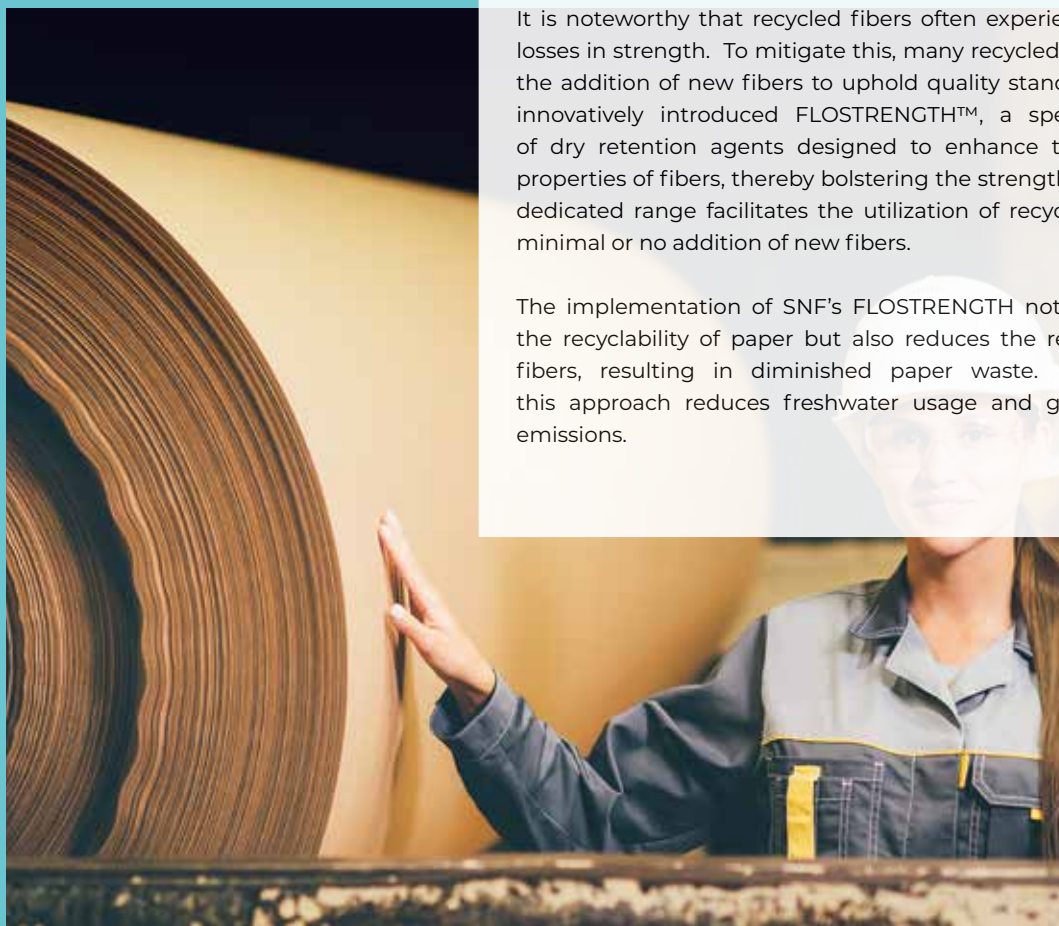
Yet, this comes with a cost, as the provision of such solutions expands SNF's scopes 1, 2, and 3.

Pulp and Paper

Due to the escalating global accumulation of waste, there is a growing demand for sustainable products. Recycling wastepaper emerges as a viable solution to address this issue. In paper recycling, the pulp can be generated through mechanical means. By incorporating water and employing mechanical work, the hydrogen bonds in the paper can be broken down, allowing the fibers to be separated once again.

It is noteworthy that recycled fibers often experience significant losses in strength. To mitigate this, many recycled papers include the addition of new fibers to uphold quality standards. SNF has innovatively introduced FLOSTRENGTH™, a specialized range of dry retention agents designed to enhance the mechanical properties of fibers, thereby bolstering the strength of paper. This dedicated range facilitates the utilization of recycled fibers with minimal or no addition of new fibers.

The implementation of SNF's FLOSTRENGTH not only improves the recyclability of paper but also reduces the reliance on new fibers, resulting in diminished paper waste. Consequently, this approach reduces freshwater usage and greenhouse gas emissions.



2.3 Optimize our Energy Consumption



Maximizing energy efficiency while minimizing energy waste

One of the key instruments for attaining global emission reduction targets and ensuring corporate compliance with these objectives involves implementing energy transformation at a company-wide scale. To achieve this, SNF actively promotes the adoption of best practices and cutting-edge technologies across all our facilities. This approach allows us to stay abreast of global developments in energy efficiency and consistently identify new avenues for improvement.

Our facilities primarily rely on gas for heating and steam production in our powder-producing units and electricity to power machines, lighting, and various utilities (such as air, nitrogen, and cooling systems). We continually explore and implement priorities to enhance energy efficiency, engaging in ongoing efforts to optimize consumption. This optimization spans the design and procurement of equipment and day-to-day plant operations. SNF leverages a global network of energy specialists operating at the facility level, collaborating closely with procurement and technical experts to ensure a comprehensive and practical approach to energy management.

In 2023, we sustained the implementation of our Energy Efficiency Program, reinforcing our commitment to reducing overall specific energy consumption across all manufacturing sites. The program targets a decrease in kWh per metric ton of product and centers around key focus areas.

Continuing harmonizing global energy efficiency management practices across all SNF sites

Harmonizing global energy efficiency management practices across all SNF sites remains paramount in pursuing sustainable and responsible energy operations. By fostering a unified approach to energy efficiency, SNF sites can collectively enhance their environmental performance, reduce operational costs, and contribute to the global imperative of mitigating climate change. This commitment to harmonization involves implementing cutting-edge technologies, exchanging best practices, and developing standardized protocols that streamline energy management processes across diverse locations. Through this concerted effort, SNF sites can optimize their energy footprints and establish a cohesive and collaborative network that maximizes the collective impact on energy conservation and sustainability goals. As the energy landscape evolves, the dedication to harmonizing practices underscores a proactive stance toward creating a resilient and environmentally conscious future for SNF facilities worldwide.

Conduct focused and comprehensive energy reviews to pinpoint improvement opportunities and actively support their implementation at our manufacturing sites

Conducting focused and comprehensive energy reviews are pivotal initiatives within our operational framework. The primary objective is to meticulously identify areas for improvement and efficiency enhancement within our manufacturing sites. By delving into detailed assessments, we aim to pinpoint specific opportunities that can contribute to a more resource-efficient operational model. Once identified, these improvement opportunities seamlessly transition from conceptualization to active implementation, ensuring that our commitment to energy optimization is acknowledged and translated into tangible actions on the ground.

Undertaking technical and economic evaluations of investment projects to enhance energy efficiency

The economic evaluations ensure that proposed investments are both environmentally beneficial and economically sound, maximizing the return on investment and bolstering the long-term viability of our energy efficiency initiatives.

Advancing the SNF energy efficiency management system to refine and enhance overall energy management

Throughout 2023, additional energy savings were realized through the successful execution of projects across SNF's operations.



#Showcasing our Actions

Reuse of Waste Heat

Fatal heat refers to the thermal energy dissipated by industrial processes. This can include emissions from exothermic reactions, gas combustion in the powder drying process, heat from cooling water units, vapors, steam, and conditioned air. Our ongoing initiatives involve exploring various projects incorporating heat pump technologies to recover fatal heat.

Using heat pumps, this recovered heat, initially lost at low temperatures, is extracted, amplified, and subsequently redirected to areas where it is required. By way of illustration, instead of elevating air temperature from 30°C to 180°C, the heat pump repurposes heated air at 75°C, amplifying it to reach 180°C. For instance, this reclaimed heat is applied to dry powder in our combustion chambers.



Energy Savings with Frequency Inverters

High energy consumption is one of the main challenges of drying, a critical process in our industry. The optimization of drying energy use results in significant energy saving and has become a topic of interest in recent decades.

In the context of drying equipment, the fans, which are typically sizable, operate continuously. To enhance the efficiency of this process, we have seamlessly integrated frequency inverters, also recognized as variable frequency drives (VFDs), into HVAC systems, which are responsible for overseeing motor speed and operation. These inverters facilitate precise regulation of fans, resulting in energy-efficient functionality and heightened system performance.

Frequency inverters contribute to energy optimization by adapting the motor's speed to meet load requirements. This approach contrasts with fixed-speed motors that persistently run at full speed, irrespective of diminished demand, leading to substantial energy conservation. Frequent inverters empower enhanced process optimization across diverse applications with their ability to control speed strictly. The ability to tailor motor speed following desired output or process specifications enhances overall efficiency, accuracy, and productivity.



2.4 Renewable and Clean Energy



Employ a greater proportion of renewable and low-carbon energy sources within SNF's facilities.

TARGETS

Increase the share of low-carbon energy

2023

Commissioning of a new Wind-Solar hybrid project in India

PLAN

Investments in renewable power assets
Acquire more low-carbon energy

SNF's energy consumption, Scopes 1 & 2, results mainly from its industrial operations. Our facilities' primary energy sources use gas 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.).

Pursuing decarbonized energy sources is a strategic imperative characterized by sustained commitments to long-term procurement of electricity or gas from renewable origins. This conscientious approach underscores a commitment to mitigating environmental impact and advancing sustainability goals. By proactively engaging in extended purchase agreements for electricity or gas from renewable sources, SNF reduces carbon emissions and supports the transition towards a cleaner, more sustainable energy landscape. This comprehensive strategy aligns with contemporary corporate sustainability objectives, positioning entities at the forefront of responsible and forward-thinking energy practices.

In restructuring our power supply, we implement a dual strategy involving internal development and external procurement. Initially, SNF is making

substantial investments in renewable power assets, explicitly focusing on wind and solar farms. Additionally, contingent upon each region's specificities and adherence to market regulations, SNF plans to strategically acquire green power through long-term supply agreements with plant operators, green power agreements, or the procurement of renewable energy certificates. This multifaceted approach ensures a diversified and sustainable power portfolio, aligning with our commitment to promoting environmentally responsible practices.

#Showcasing our Actions

India

Wind-Solar Hybrid Project

In May 2023, SNF launched a Wind-Solar Hybrid Project in India, generating 2508 MWH and saving over 2340 tons of CO₂.

Roof Top Solar

Our 0.08 MW Roof Top Solar Project, commissioned in August 2023, has already produced 33 MWH, saving 31 tons of CO₂.

China

Decarbonized Electricity

With a target of 70% total green electricity by 2023, our Rudong plant is actively contributing to cleaner energy practices in the region.

Our Taixing facility is leading the charge with 80% green electricity in 2023, propelling towards an impressive 100% by 2024.

France

In France, we're actively reducing our environmental impact through the purchase of green electricity, the implementation of solar panels on parking facilities starting in October 2024 (projected to produce 20,000 MWh/year and decrease CO₂ emissions by around 40 tons annually), and the ongoing progress on a Solar Park initiative.

USA

Renewable Energy

In 2023, we demonstrated our commitment to sustainable practices in the US. by procuring 11,500 MWH of electricity exclusively from solar production for our plant operations.





03 Act for Our People

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 employees are absolute priorities that SNF puts at the heart of its corporate culture.

We act for **Our People**

Women bring unique perspectives and skills to the table.

ANITA SAHU
HEAD OF HR - SNF INDIA

WHY IS SAFETY SNF'S NUMBER ONE PRIORITY WHEN IT COMES TO ITS EMPLOYEES?

Safety is our top priority at SNF; we ensure our workplace environment is safe for every employee and prioritize their safety, health, and well-being. Our commitment to safety is not just a policy; it's a core value that reflects our responsibility to ensure a safe workplace for everyone who visits our plants. By placing safety first, we protect our employees and foster a culture of trust and reliability.

IN 2023, YOUR FOCUS WAS ON DIVERSITY AND INCLUSION. WHY IS THAT?

Diversity and inclusion foster innovation, creativity, and overall organizational success. By embracing diversity, we bring together a wealth of perspectives, experiences, and talents from different cultures and geographies, which enhances our ability to adapt to a rapidly changing world. In 2023, our focus on diversity and inclusion was a strategic move to create a workplace that celebrates differences, promotes equality, and ultimately contributes to the long-term sustainability of SNF.

YOU ARE A WOMAN IN THE CHEMICAL INDUSTRY; HOW DO YOU FEEL ABOUT WOMEN'S PLACE IN THE INDUSTRY?

As a woman in the chemical industry, I see great strides being made towards gender equality. However, there is still work to be done. Women bring unique perspectives and skills to the table, and it's essential to encourage their active participation and leadership in the industry. I am hopeful that with continued efforts, more opportunities will open up, and women will play an even more significant role in shaping the future of the chemical industry.

At SNF, we are committed to creating an inclusive environment where women can thrive. We have implemented targeted initiatives to ensure equal opportunities, mentorship programs, and leadership development for women. Our goal is not only to achieve gender equity but also to empower women to take on leadership roles within the organization. I am an example of this.

WHAT STEPS HAS SNF TAKEN TO ENHANCE ITS EMPLOYEES' OVERALL QUALITY OF LIFE?

Recognizing the importance of employees' quality and work-life balance, SNF has implemented flexible work arrangements, wellness programs, and initiatives to support employees' mental and physical well-being. Providing a safe and healthy work environment contributes to higher productivity and job satisfaction. By offering a range of benefits and support systems, we aim to motivate our employees.

SNF INDIA HAS BEEN CERTIFIED AS A GREAT PLACE TO WORK FOR THE 2ND CONSECUTIVE YEAR! WHAT AN ACHIEVEMENT!

Our certification as a Great Place to Work for the second consecutive year is a testament to the collaborative and positive culture we've cultivated at SNF. Our employees are our greatest asset, and this achievement is a result of our loyalty and trust in SNF and their willingness to put dedication and hard work into making this company and their careers a success. We prioritize open communication, employee development, and a supportive work environment, fostering a sense of pride and commitment among our team members.



3.1

We are SNF

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 8,150 employees are absolute priorities that SNF puts at the heart of its corporate culture**

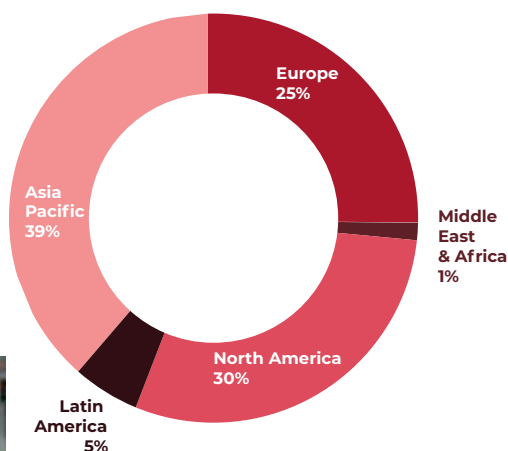


▲ +9 %
compared to 2022

8,150

Employees worldwide in 2023

HEADCOUNT BY GEOGRAPHY



3.2 Inclusion & Diversity



Create a just, ethical, respectful, and egalitarian workplace

Approach

Recognizing that we all have much to learn from one another, we view diversity as a valuable contribution to our spectrum of perspectives. We treat everyone reasonably within SNF and emphasize creating a just, ethical, respectful, and egalitarian workplace. Our teams are multicultural and cross-functional, consisting of collaborators working across various locations and countries with a unified commitment to customer satisfaction. We seek a culture of belonging that fosters collaboration, valuing diverse backgrounds and unique perspectives while appreciating differences. We are building a respectful, fair, and inclusive culture for all our employees.

Differences foster emulation. Aware of this paradigm, SNF's HR teams ensure compliance with the principles of equal treatment set by laws and international conventions. Acting against any form of discrimination is a means of preventing inequalities. At SNF, we advocate for dignity, actively combating distinctions that hinder our progress in all forms.

Inclusion and Diversity Policy

In 2023, SNF marked a significant milestone by implementing an Inclusion and Diversity Policy. Previously, matters related to diversity and inclusion were managed locally; however, they are now systematically monitored and aligned with company-wide guidelines and objectives. This approach allows for a standardized evaluation across the organization while providing flexibility for local sites to pursue their initiatives.

Recruitment

Following our Recruitment policy, emphasis is placed on the candidate's personality: collective sense, curiosity, quality standards, and results-oriented focus are essential criteria. They play a crucial role in the future collaborator's ability to contribute to the company's project while participating in a strong collective spirit. Across all group sites, local skills and expertise are prioritized at all levels, from positions with high responsibilities to leadership teams.

Gender Equity

Promoting gender equity is a cornerstone of our SNF's values and commitment to fostering a diverse and inclusive workplace. We recognize the importance of creating an environment where all individuals, irrespective of gender, have equal opportunities, representation, and access to resources. Our initiatives focus on eliminating gender-based disparities and ensuring fair and unbiased treatment in recruitment, career development, and compensation practices. By championing gender equity, we aim to harness the full potential of our diverse workforce, fostering innovation, collaboration, and sustainable growth. We continuously strive to cultivate a workplace culture that values and respects the unique contributions of every individual, creating a foundation for success built on equality and mutual respect.

#Showcasing our Actions

Women's ERG

In 2023, SNF Holding Company launched their first Employee Resource Group (ERG). ERG's are employee-led groups that are formed to promote the needs of underrepresented identities and to help with employee engagement, evolving workforce culture and supporting diversity, equity and inclusion.

The Women's ERG was the first to launch with their mission to foster a climate of diversity and inclusion for women and their allies and to provide opportunities for professional & personal development, mentorship, open communication and networking. Additionally, the Women's ERG will function and continuously support the mission, vision, and goals of SNF.

The Women's ERG has a purpose which is to support the goals, objectives, and values of SNF to continually improve and conduct it's business responsibly, to operate in a manner designed to protect the health and safety of our employees, contractors, customers and the public, as a to bring value to our customers.

The Women's ERG will provide resources, tools, training and events in such areas as Personal & Professional Development, Community Involvement, Connection & Communication, and Culture. Examples may include Lunch-N-Learn events, mentoring opportunities, creating a library of professional and development resources, sponsoring scholarships, etc.

PROFESSIONAL EMPLOYEES



62% of SNF's women hold professional positions

22%

Ratio of women in new hires in 2023

28

Different nationalities at SNF's headquarters



3.3 Quality of Life at Work



Promote a harmonious balance between their professional and personal spheres

At SNF, the quality of life at work goes beyond mere rhetoric. It embodies a genuine mindset that translates into tangible actions to enhance our workforce's well-being and promote a harmonious balance between their professional and personal spheres.

We are convinced that prioritizing our employees' well-being fosters higher employee morale and engagement and enhances overall productivity and retention rates. A positive work experience, as we define it, is characterized by elements such as

maintaining a healthy work-life balance, fostering a supportive and inclusive organizational culture, upholding fair and transparent management practices, providing avenues for continuous professional development, and ensuring a secure and comfortable physical work environment.

All employees within the Group receive compensation exceeding the prevailing minimum wage of the respective country, ensuring a fair and decent remuneration.



FRANCE

Partnership with Local Childcare Facility

SNF France has a partnership with a local childcare facility, enhancing the work-life balance for our valued employees. Through this collaboration, our team enjoys priority and guaranteed childcare reservations, ensuring a reliable and high-quality service. This initiative reflects our commitment to fostering a harmonious blend of professional and personal life for our dedicated workforce.



USA

Annual Engagement Survey

SNF USA subsidiary prioritizes employee well-being, conducting an Annual Engagement Survey. This initiative aims to assess and understand the current level of employee engagement, enabling us to formulate impactful action plans for retention. The survey also serves as a tool to evaluate the effectiveness of management practices, reinforcing our commitment to enhancing the quality of work life for our valued team members.



CHINA

Healthy Work Environment

Our Rudong subsidiary in China actively promotes employee well-being through sports engagement. In July 2023, a significant badminton competition exemplified our commitment to fostering a healthy work environment. This initiative encourages physical activity and camaraderie among our dedicated team, aligning with our employee health and teamwork values.



KOREA

Flexible Work Hours

Our Korean subsidiary prioritizes employee well-being by implementing flexible work hours. This commitment underscores our dedication to fostering a healthy and balanced work environment, allowing our team members to manage their schedules effectively. Emphasizing flexibility not only enhances employee satisfaction but also reflects our corporate culture's adaptability to individual needs and preferences.



INDIA

Annual Family Day

SNF India annually organizes a Family Event to mark the foundation day of our company. During this event, employees and their families gather to celebrate and commemorate the company's establishment. This occasion emphasizes the importance of family and community within our corporate culture, fostering a sense of unity among our team members.



INDIA

Great Place To Work

SNF India plants have 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.

3.4 A safe Work Environment



Create safe work environments, offering high health, hygiene, and safety

TARGETS	2023	PLAN
Zero Incident	-36% WRIR (Work-Related Injuries Rate) vs 2016 (base year)	Risks evaluation and analysis Employee Awareness and Training

We are convinced that our employees are responsible for the strength and wealth of our company. We are driven to provide a workplace environment that does not affect health or compromise. We create safe work environments, offering high health, hygiene, and safety. Our long-term ambition is to operate with zero harm across all our sites worldwide, raising awareness among all our teams and partners regarding compliance with safety standards.

Safety Policy

Implementing a strategy for risk prevention is both a compassionate and economically sound approach to averting workplace accidents. Each incident carries the potential for profound human consequences, impacting the morale and performance of our teams. The primary risks within the SNF Group are personal safety, chemical exposure, and process safety. Our risk management policy is grounded in preventive measures, an integrated management system, and the dissemination of a culture focused on health and safety. SNF conducts a comprehensive assessment of all workplace-related risks, establishing a rating based on their frequency and severity. The goal is to implement targeted actions aimed at minimizing these risks. This analysis undergoes annual updates

to ensure its relevance. The Group has not recorded any fatal employee accidents since its inception.

Responsible Care Policy

Our Responsible Care® Policy underscores management's commitment to the health and safety of our employees. SNF holds the same level of expectations for the personnel of partners or external providers working on its industrial sites as for its employees. Monitoring safety performance includes SNF employees and third-party employees. Globally, major external companies operating on our sites are involved in days dedicated to best practices in the workplace organized by SNF. These highlights occur in the presence of local HSE personnel, the contract manager, and the commercial manager of the external company. Sessions are also deployed to inform about rules that must be respected and be subject to uncompromising and exception-free implementation. Other actions complement this framework.

1.03

WRIR (Work-Related Injury Rate)

Employee Commitment

Commitment to the SNF awareness initiatives is a collective endeavor for all personnel, specifically designed to cultivate a robust safety culture. Emphasizing a behavioral approach is critical in controlling and preventing risks, fostering a deep sense of commitment. This approach instills a heightened awareness of individual responsibility and underscores the significance of personal conduct in upholding safety standards.

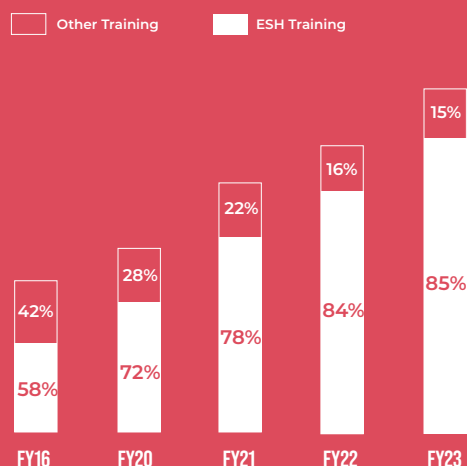
Three-Axis:

- Analysis and evaluation of risks specific to each position, each department, and each site
- Awareness by all employees, temporary workers, and subcontractors
- Adherence to cardinal rules

The improvements we have implemented in health and workplace safety to prevent accidents and potential risks from the work environment enhance our operational excellence. These efforts have reduced injuries and serious accidents and decreased downtime and maintenance durations to ensure the continuous flow of operations. «Safety is the responsibility of everyone» underscores our commitment to fostering a culture of collective responsibility for maintaining a secure and productive work environment.



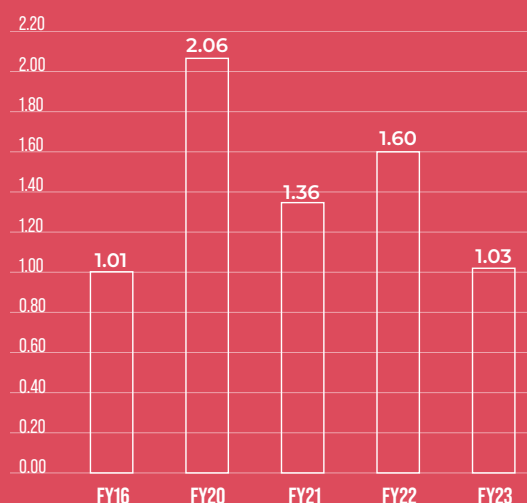
TRAINING DEVOTED TO EHS



85%

of Training Hours Devoted to EHS

WORK-RELATED INJURY RATE



-36%

WRIR (Work-Related Injury Rate)
vs 2022

3.5 Talent Management



Guarantee employability and success for all our people

Engagement and Appreciation

The success of a company hinges on its employees. SNF ensures that each of its current and prospective employees possesses the necessary skills and attributes for success. Our human resources policy is founded on the appreciation and recognition of performance, professional fulfillment, skills development, and training.

Attraction

In 2023, SNF hired a total of 709 individuals. The contractual conditions offered throughout the group ensure that our employees receive remuneration above the market average, minimal social coverage irrespective of country practices, a safe working environment, and respectful management.

Retention & Training

We have instituted a long-term, sustainable talent management policy to address our ongoing human resource requirements. Prioritizing the transfer of expertise and knowledge is central to the professional development of our employees. Accordingly, we have enhanced our training catalog, providing a comprehensive array of internal and external learning opportunities to support continuous growth and skill development.

Partnership with the Academic World

Since its inception, SNF has been committed to the academic world, recognizing the importance of promoting scientific culture and the richness of

careers in chemistry. SNF enters into numerous partnership agreements with schools and universities each year, a practice deeply embedded in our operations. This ongoing connection with the academic ecosystem provides us access to a pool of emerging talents and exposes us to the contributions of other experts.



TRAINING

401K

Total Training Hours
in 2023

Training	2016	2020	2021	2022	2023
Total Training Hours	178,071	213,084	292,479	334,845	401,292
France	43,654	43,937	46,201	46,855	40,430
USA	68,589	84,936	164,040	209,550	271,077
Korea	4,209	3,000	5,027	4,731	9,212
China	60,317	77,445	73,579	68,477	73,500
India	1,302	3,766	3,632	5,232	7,073

12M€

Training Budget in 2023

+20%

Training Hours vs 2022

70hrs

Average training
by employee



3.6 People in our Value Chain



Empowering and respecting people along our value chain

We are part of a complete and intricate ecosystem—a value chain where every participant, be it individuals or organizations, is directly or indirectly involved in interactions with our Group and their short-, medium-, and long-term effects.

At SNF, we operate with a profound awareness of the involvement of all stakeholders and the implications of our actions and decisions.

Being a Responsible Actor

We establish trustworthy relationships with suppliers and subcontractors. We expect our partners to fully comply with the laws and regulations in the countries where they operate and extend this requirement to their suppliers and subcontractors.

Being a Loyal Actor

We maintain high-quality relationships based on cooperation and reciprocal loyalty with our value chain partners and their employees. We ensure transparency in our operations, fair treatment of partners at the same level, and a commitment to respecting contracts.

Being a Committed Actor

Addressing the challenges of climate change requires collective effort. We involve our partners in this fight by assessing their carbon footprints and environmental strategies.

Being a Global and Local Actor

We recognize the growing complexity of our environments upstream and downstream of the SNF Group. Conscious of our impact as a regional, national, or international client or supplier, we support actors in the ecosystems in which we operate.

Being a Supportive Actor

We collaborate with establishments employing individuals with disabilities, emphasizing inclusion and integration to build a more just society.

Customer and End-Users

As a global leader in polyacrylamide production, SNF values its people throughout the value chain, especially the 450,000 end-users who benefit from our products. With over 10,000 direct customers, SNF's commitment to safety is evident. Our extensive product portfolio, comprising 1,000 references, undergoes rigorous compliance measures. All substances are meticulously identified, and safety information is provided through comprehensive labeling. SNF's dedication to transparency extends to customer support, offering Safety Data Sheets in multiple languages through the «Shera» web access. Compliance with REACH regulations ensures the safety and satisfaction of all 1 billion people worldwide benefiting from SNF's water treatment solutions.

In 2023, SNF proudly recorded no incidents of non-compliance in product and service information and labeling, reaffirming its commitment to excellence.

3.7 Anti-Slavery and Human Rights



Maintain a **zero-tolerance** against modern slavery

Modern slavery is a reprehensible crime that violates the fundamental human rights of individuals, perpetuating an abhorrent practice that has no place in our world. As a global leader, SNF recognizes the imperative to combat this issue head-on. Modern slavery encompasses forced labor, human trafficking, and exploitation, all of which undermine the principles of dignity and equality.

Global Presence

SNF operates globally, with a workforce spanning the United States, Europe, and Asia-Pacific. Our diverse and talented team is integral to our success, and we acknowledge the importance of safeguarding their rights and well-being. As a responsible corporate citizen, SNF is dedicated to ensuring that modern slavery has no place in our organization or within the broader scope of our supply chains.

Commitment Against Modern Slavery

SNF maintains a zero-tolerance stance against modern slavery and human trafficking. We are unwavering in our dedication to preventing these egregious practices across all facets of our business. This commitment extends beyond mere compliance with legal requirements, aligning with our core values of ethics, integrity, and respect for human rights. We recognize the significance of transparency in addressing modern slavery, adhering to the disclosure obligations under relevant legislation.

Policy Implementation

Our Code of Conduct underscores our ethical

commitment, emphasizing the importance of acting with integrity in all business relationships. SNF has implemented robust systems and controls to identify and eradicate slavery and human trafficking within our supply chains. This involves continual monitoring and assessment to ensure compliance with our policies.

This comprehensive document sets minimum standards of behavior for our employees and business partners, encompassing respect for human rights. Regular training on the Code of Conduct is an integral part of our employee development, with a commitment to zero tolerance for violations.

Additionally, our Sourcing and Procurement Policy dictates that all suppliers must adhere to our Code of Conduct for Business Partners, ensuring standards of business integrity, human rights, working conditions, and environmental protection. Compliance is monitored through various stages of our sourcing processes, and misconduct reports can be submitted through our designated compliance email address.

Employee Training

We believe that knowledge empowers change. SNF invests in the continuous education of our employees on human rights matters. Our global onboarding program for new hires incorporates online courses, ensuring that all employees are equipped with the knowledge to uphold our values.

In conclusion, SNF stands resolute in its commitment to combat modern slavery, upholding the principles of human dignity, equality, and ethical conduct. Through proactive measures, transparent practices, and continuous education, we strive to create an environment free from the scourge of modern slavery.

3.8 Helping Communities



Being a responsible actor

Each entity within SNF is acutely aware of its social footprint and economic impact at the local level. Across the globe, our employees prioritize the well-being of local communities, actively engaging in programs dedicated to local municipalities and contributing to the betterment of their social and societal environments.

Meeting Social Needs

At SNF, we actively address social needs through meaningful initiatives such as collection drives and donations of both cash and goods. Our commitment extends beyond financial contributions as we actively encourage volunteering, ensuring a direct and positive impact on the communities we serve.

Supporting Education

We believe in the transformative power of education. SNF is dedicated to supporting education through strategic partnerships with schools and universities. By investing in educational initiatives, we aim to empower individuals and contribute to developing a knowledgeable and skilled workforce.

Cultivating Local Enterprises

SNF recognizes the importance of local enterprises in fostering economic growth. Through partnerships with local research centers, we contribute to developing innovative solutions. Additionally, we actively support local supply chains and startups, playing a pivotal role in cultivating and sustaining local business ecosystems.

Protecting the Environment

Our commitment to environmental sustainability is a core aspect of our corporate values. SNF takes proactive measures to protect the environment, including cleaning initiatives in various locations, tree planting programs, and actions to preserve biodiversity and mitigate climate impact. We strive to create a positive and lasting environmental impact by aligning our practices with ecological responsibility.

At SNF, these initiatives underscore our dedication to social responsibility, reflecting our belief in creating a better world through active engagement and positive contributions to society.

#Showcasing our Actions

Making Electricity and Water Access

Electriciens sans frontières, French international NGO and registered charity, has been fighting since 1986 against inequalities of access to electricity and water throughout the world. SNF is proud to support 'Electriciens sans frontières,' emphasizing our dedication to fostering positive change. These efforts are aligned with our corporate values, showcasing our ongoing commitment to making a meaningful impact in communities.



Rudong Charity Federations

In 2023, SNF exemplified its commitment to social responsibility with a donation of RMB 90,000 to Rudong Charity Federation. This contribution was specifically earmarked to aid local communities, with a focus on supporting education and combating poverty. The funds were directed towards initiatives aimed at uplifting the region, fostering educational development, and contributing to the fight against poverty.

United Way of Coastal Empire

In 2023, SNF proudly sponsored the United Way of Coastal Empire, aligning with their mission to enhance education, health, and financial stability in local communities. Our partnership supports initiatives aimed at fostering educational opportunities, improving community health, and addressing financial well-being.



#Showcasing **our Actions**



SNF x The Way You Drink

In March 2023, amidst an event facilitating encounters between small and medium enterprises and corporate leaders, we crossed paths with TWYD, The Way You Drink startup. Their narrative resonated with us – a small mission-driven enterprise with the audacious goal of inspiring a shift in drinking habits toward sustainability without sacrificing allure. In a country where the annual consumption of plastic bottles continues to surge, giving rise to pollution, resource depletion, CO₂ emissions, and the release of toxic particles, TWYD's mission is both timely and crucial.



Considering France boasts some of the finest water globally but ranks as the fifth-largest consumer of plastic water bottles, the paradox is glaring. At SNF, where our core expertise revolves around water, we couldn't help but be deeply concerned about this issue. Recognizing the urgency, we swiftly realized a collaboration with TWYD was imperative. Given SNF's commitment to future generations, particularly in collaboration with the academic sphere, we decided to extend the benefits of TWYD's mission to students.

One year later, the first TWYD fountains graced the halls of CPE Lyon, a french engineering school, much to the delight of the students. Encouraged by this success, we are poised to renew and expand this partnership with other educational institutions, underscoring our shared commitment to a sustainable and desirable future.



TWYD, a Social and Solidarity Economy (SSE) company, creates smart, design and sustainable water refill stations. Eco-designed and manufactured in France, they are part of an ecological approach. TWYD is committed to create sustainable and desirable alternatives to make the reusable bottle the norm and the plastic bottle the exception. To date, more than 500 TWYD water refill stations have been installed in nearly 300 different locations.





04 Act as a Trusted Partner

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.

4.1 SNF Group Governance

Corporate Governance Policy

SNF Group, headquartered in Andrézieux, France, operates as a private company under the ownership of an irrevocable US-based trust with potential beneficiaries being charities. The company's shares are non-negotiable, illiquid, and devoid of economic value. Moreover, SNF has a longstanding policy of not distributing dividends, intending to perpetuate this practice. All generated cash flow is consistently reinvested within the Group. This unique structure aligns the interests of both shareholders and management, resulting in a streamlined corporate governance framework.

The Board of Directors, consisting of nine members, oversees corporate governance. Senior executive officers, including the Chairman & CEO and Senior Executive Vice Presidents, also serve as board members. The Board proactively assesses its operations, striving to enhance efficiency and implement best practices.

In the year 2023, the Board convened 6 times, with an average attendance rate of 100% at meetings.

Composition of the Board

The company's Board of Directors is composed of nine members, including three independent directors who are not part of the management team. Two of the nine members are women, and there is a strategic commitment to increasing female representation in the Board in the coming years. Board members are appointed by the General Meeting of Shareholders for a maximum term of six years, with the possibility of indefinite reappointment.

The Board comprises individuals with diverse backgrounds and expertise, including current or former business leaders specializing in chemistry, finance, and corporate and social responsibility. Several members bring valuable international experience, including foreign nationals.

Pascal Remy, who serves as the Chairman and CEO of SNF Group, presides over the Board of Directors. Additionally, all Senior Executive Vice Presidents also hold positions as Board members.

As of December 31, 2023, the Board of Directors comprised the following members:

Pascal Remy	Chairman & CEO
René Pich	Senior Executive Vice President
Cédric 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

Powers and Missions

The Board of Directors is pivotal in establishing strategic directives and overarching policies for the Company's operations and overseeing their implementation. The Board periodically reviews compliance issues, ensuring strict adherence to applicable guidelines. Quarterly, the Board scrutinizes the Group's financial performance and aligns the investment plan with cash-flow generation.

Corporate and social governance matters are also subject to Board scrutiny, ensuring alignment with the Group's objectives. Specifically, the Board closely monitors the Group's commitment to reducing its carbon footprint by 30% by 2030 and achieving carbon neutrality by 2050.

Inclusion and diversity considerations are regularly addressed and monitored. The Board ensures all senior managers across the Group fully align with the SNF Group CSR Policy and Goals. As a Group-wide policy, a portion of the compensation for senior managers is tied to attaining CSR targets.

SNF Group, guided by a Board-approved policy, actively manages risks. Our comprehensive Risk Management covers all aspects related to strategic objectives, including identification, assessment, processing, reporting, and control. CEO and management assess business risks aligned with

strategic goals. Internal control involves the Board, management, and all staff to ensure efficient operations, reliable financial reporting, and compliance with laws, regulations, and ethical values.

This approach integrates directives from the Board, supervised implementation, evaluation of operational efficiency and functionality, and a robust risk management process. Compliance processes guarantee adherence to laws, regulations, internal instructions, and ethical values, fostering a strong internal control culture across all levels of SNF Group.

Qualifications and Expertise

The competencies of the Board members are mutually reinforcing, fostering discussions and generating innovative ideas that propel management toward excellence. The Board of Directors is confident that its members' diverse skills, backgrounds, and values empower them to execute their responsibilities independently and objectively.

For a detailed overview of the qualifications and expertise of the Board members, please refer to the table below.

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

4.2

SNF Group Board Members

PASCAL REMY**CHAIRMAN & CEO**

Pascal Remy, 63, 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 Remy 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**

Cédric Favero, 48, 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 Pearlinton (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, 83, 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, 56, 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, 42, 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 Lecoindre, 58, 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. Lecoindre joined the Board of Directors the following year.

CAROLINE DUMOND
DIRECTOR

Caroline Dumond, 52, 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 Premières 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, 73, 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-Sauveur ran the Acrylics Unit at Elfatochem. He has been a member of the Board of Directors since 2011.

THIERRY LEMONNIER
DIRECTOR

Thierry Lemonnier, 70, graduated from the Ecole Nationale Supérieure de Géologie (ENSG Nancy) and Stanford University (US). He began his career in 1979 at Total, where he held 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.

4.3 Corporate Social Responsibility

Comply with Critical Regulations

Business ethics, an integral component of SNF's CSR policy, entails strict adherence to regulations governing corruption, competition, embargoes, personal information, information security, and tax evasion. This commitment is unwavering. Operating across diverse countries and with the ever-evolving landscape of local and international legislation, our employees must maintain constant vigilance to ensure compliance with the law.

Our 2023 compliance metrics affirm the effectiveness of our tracking system. Notably, we incurred no convictions or fines throughout the year. We proactively provided targeted training to relevant employees, focusing on corruption, fair competition, and adherence to economic sanctions and embargoes.

Disseminating Compliance Knowledge

SNF conducted comprehensive compliance awareness for all staff in conjunction with specific training initiatives. This event aimed to reach as many employees as possible, imparting knowledge on general compliance matters, including codes of conduct, anti-corruption measures, competition standards, and GDPR. The training employed various methods such as flyers, videos, interviews, and comics to ensure practical application in daily work.

Code of Business Conduct and Ethics

SNF's business ethics guidelines are codified within corporate governance policies and procedures, notably outlined in its Code of Business Conduct and its principles of Corporate Social Responsibility.

This Code delineates the expected conduct for the Company's business operations, addressing critical issues such as adherence to regulations governing SNF's businesses, individual interactions within SNF and its ecosystem, and safeguarding SNF's assets, particularly its intellectual property and that of its customers and partners. Additionally, the Code specifically references policies concerning preventing corruption and influence-peddling, safeguarding personal data, and managing conflicts of interest.

In 2023, the new version of the Code of Business Conduct was rolled out within SNF following the review and modernization process carried out in 2019 to take account of the new rules regarding the fight against corruption (French Sapin 2 Law) and personal data protection (GDPR). This Code also references the Company's policies, particularly concerning competition law and export controls.

Whistleblowing Policy

In SNF Group's whistleblowing policy, the Chief Compliance Officer plays a central role. The procedure requires reports to be submitted to the dedicated email address ethics@snf.com, where the Chief Compliance Officer receives the reports. The Chief Compliance Officer, supported by two delegated compliance officers in China and the United States, acknowledges receipt of reports within seven days and provides a first response within three months. The Chief Compliance Officer ensures the confidentiality of the identity of the authors and individuals mentioned in the report.

Additionally, they are responsible for overseeing the handling of the report, initiating internal investigations, and coordinating with relevant parties.

4.4 Responsible Purchasing

SNF has developed a Responsible Purchasing Policy to ensure that our procurement processes align with our values and contribute to sustainability, social responsibility, and environmental stewardship.

This policy implies our partners and in particular our supplier's selection and evaluation. Therefore SNF has decided to:

- ▶ Develop evaluation criteria that include sustainability, social responsibility, and ethical sourcing factors.
- ▶ Conduct regular assessments of existing and potential suppliers to ensure ongoing compliance with this policy.
- ▶ Foster open dialogue with suppliers to address any issues and work together to drive improvement.

SNF has established a Responsible Charter which is an acknowledgment of the requirements we place on our suppliers to:

- ▶ Observe the international Human Rights Law and ensure that no form of work is detrimental to the health or safety of people, as well as to respect the Fundamental Conventions of the International Labour Organization.
- ▶ Guarantee freedom of expression and association, ensure the security of information, fight against forced labour, child labor, and all forms of discrimination.
- ▶ Fight against corruption and have impeccable business ethics by fighting against all forms of extortion, conflicts of interest, fraud, money laundering, and anti-competitive practices.
- ▶ Control and curb the impacts of their activities on the environment and comply with regulatory requirements.

SNF also reminds its partners and suppliers to comply with the national laws and regulations in which they operate.

SNF builds long-term relationships with suppliers to encourage them to adopt our values, helping us achieve our social and environmental objectives.

In 2023, SNF revised its Supplier Charter, a mandatory agreement for new suppliers, requiring their commitment to SNF's ethics and principles. The updated version places increased emphasis, on our expectation for suppliers to align with our purpose, ethics code, and revised CSR objectives.

Training and Awareness

To ensure the proper management of CSR risks, all purchasing teams received training in responsible purchasing, covering policies, tools, and the EcoVadis evaluation questionnaire. Furthermore, a comprehensive training initiative extended to 100% of buyers, recruits, and employees engaged in supplier relations, focusing on CSR issues. Concurrently, programs were implemented to educate our suppliers on these critical matters.

Mapping Supplier Risk

SNF also reminds its partners and suppliers to comply with the national laws and regulations in which they operate.

To monitor the risk linked to its suppliers, SNF use a risk mapping tool developed by EcoVadis.

IQ EcoVadis system provides us a robust risk classification of our entire supply base to get an access to a fast risk management solution to help



meet compliance requirements and implement our sustainable strategy. This assessment is based on our own procurement data and screening of supplier risk factor. This creates a sustainability profile based on country, industry, company related risks enriched with our procurement data such as spent. This risk performance is established with reference to 4 theme areas Environment, Labor and Human rights, Ethics and Sustainable Procurement and 21 related criteria which allows SNF to get an overall risk distribution and cartography.

With the IQ system, in 2023, SNF has assessed around 1300 partners in 149 different industries located in 48 countries.

The results of this evaluation and risk classification:

- ▶ 51 suppliers classified very low risk.
- ▶ 517 suppliers classified low risk.
- ▶ 526 suppliers classified medium low risk.
- ▶ 167 suppliers classified medium high risk.
- ▶ 34 suppliers classified high risk.

Regarding the 34 high risk suppliers, SNF has contacted them to ask for improvement actions such as an EcoVadis rating or audit.

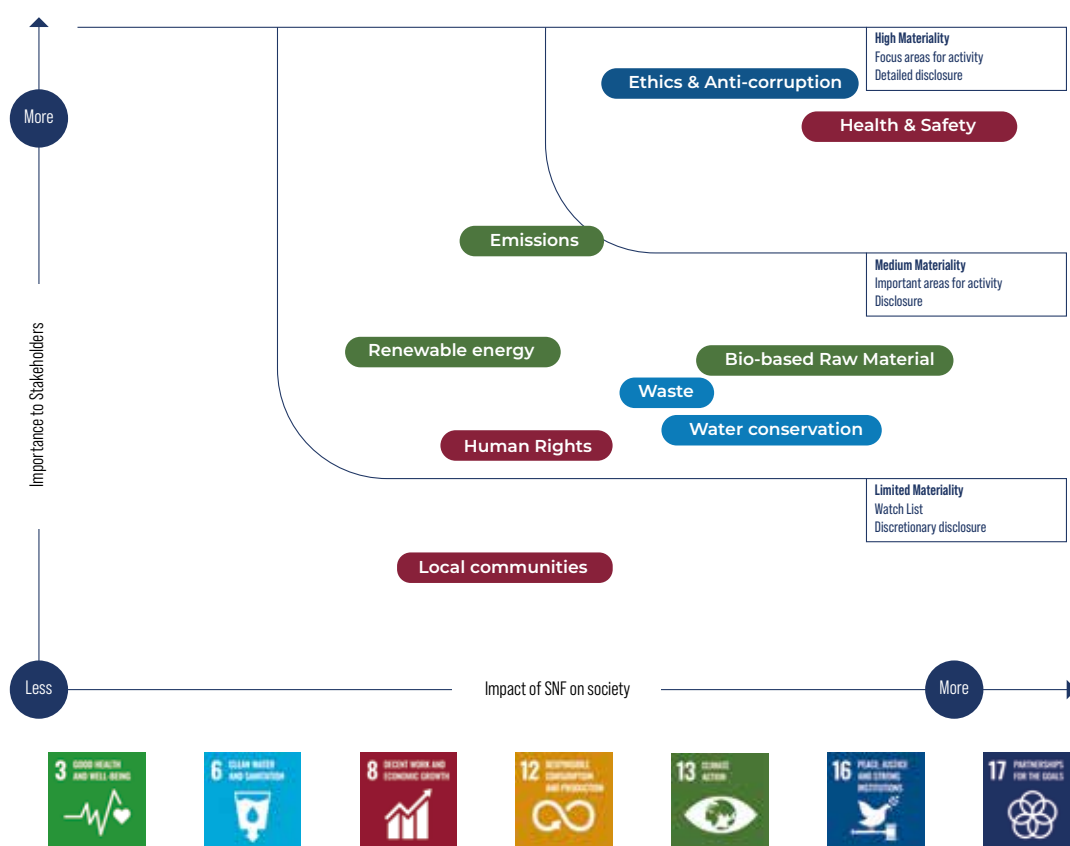
Thanks to this evaluation SNF can monitor its supply chain proactively and include all new partners into the IQ system to get its sustainable profile. By this way, our purchasing department can pilot SNF sourcing and develop its strategy.

Environmental, social, and ethical performance is an essential factor for smart business today. SNF knows that more and more companies, including our trading partners, are under immense pressure to improve their transparency and sustainability practices, and this includes the sustainability of all the sourcing chain.

CO₂ Emissions and Purchasing

SNF is deeply committed to addressing environmental concerns, including CO₂ emissions, within our supply chain. We particularly emphasize identifying areas and suppliers contributing significantly to Scope 3 CO₂ emissions. Our efforts are geared towards optimizing the sourcing of future service providers. In 2024, our purchasing teams will actively engage with analysis software and simulations to collaborate with suppliers in reducing CO₂ output. This initiative spans various aspects, such as transport, packaging, and raw materials, ensuring a holistic approach to environmental responsibility.

4.5 Materiality Matrix



4.6 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	Professional risk assessment document Annual update of professional risk assessment Prevention and risk management actions and measures recorded	Reduce the number of workplace accidents and 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
	Workplace accidents or occupational illness: • Insufficient knowledge of instructions • Non-compliance with instructions • Procedure not updated	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	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	
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 Formal Notice Complaints	Regulatory monitoring Audit and action plan ISO 14001-certified sites	Monitoring of new regulation	Local site decree
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

PRIORITIES	REASONS	POLICIES	RESULTS	KEY INDICATORS
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.
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Appendices

NON-FINANCIAL PERFORMANCE INDICATORS

PERFORMANCE INDICATOR	2016	2020	2021	2022	2023
ENVIRONMENT					
ENERGY					
Natural gas consumption (MWh_PCS)	966,574	1,357,804	1,523,764	1,508,038	1,275,988
Natural gas consumption Intensity by turnover (t CO ₂ /M€)	463	455	421	365	282
Electricity consumption (MWh)	499,437	700,875	752,763	763,018	729,499
Electricity consumption Intensity by turnover (t CO ₂ /M€)	239	235	208	184	161
Steam consumption purchased (MWh)	35,572	74,892	88,765	95,469	109,724
SCOPE 1 & 2					
Scope 1 + Scope 2 (ktCO ₂)	487	586	671	631	594
Scope 1 + Scope 2 - Intensity by turnover (ktCO ₂ /M€)	233	196	186	152	131
Scope 1					
CO ₂ emissions (ktCO ₂)	216	259	318	298	272
Emissions out of total emissions (%)					3%
CFC emissions (t refrigerant gas leak) = fugitive emissions (ktCO ₂)	37	8	36	19	35
CFC emissions (t refrigerant gas leak) = fugitive emissions - Intensity by turnover (ktCO ₂ /M€)	18	3	10	5	8
CO ₂ emissions in relation with gas consumption and fugitive CFC leaks (excluding VOCs) (ktCO ₂)	216	259	318	298	272
CO ₂ emissions in relation with gas consumption and fugitive CFC leaks (excluding VOCs) Intensity by turnover (ktCO ₂ /M€)	103	87	88	72	60
Scope 2					
CO ₂ emissions (ktCO ₂)	271	327	353	333	322
emissions out of total emissions (%)					3%
CO ₂ emissions in relation with electricity and steam consumptions (ktCO ₂)	271	327	353	333	322
CO ₂ emissions in relation with electricity and steam consumptions Intensity by turnover (tCO ₂ /M€)	130	110	98	80	71
Internal carbon price (€)				80	85
SCOPE 3					
Scope 3 Emissions out of total emissions (ktCO ₂)					10,258
Scope 3 greenhouse gas emissions (%)					95%
Emissions from purchased goods and services - category 3-1 (ktCO ₂)					8,928
Emissions from capital goods - category 3-2 (ktCO ₂)					261
Emissions related to fuels and energy (not included in scope 1&2) - category 3-3 (ktCO ₂)					79
Emissions from Upstream freight and distribution Emissions - category 3-4 (ktCO ₂)					110
Emissions from waste generated, category 3-5 (ktCO ₂)					38
Emissions from Business travels, category 3-6 (ktCO ₂)					6
Emissions from Employees commuting, category 3-7 (ktCO ₂)					24
Emissions from Downstream transport, category 3-9 (ktCO ₂)					9
Emissions from use and sold products, category 3-11 (ktCO ₂)					172
Emissions from end of life of sold products, category 3-12 (ktCO ₂)					631
WATER					
Water consumption (m ³)	3,194,552	5,026,169	5,560,424	5,711,463	5,217,435
Waste water volume (m ³)	724,960	1,185,514	1,460,551	1,618,200	1,476,209
Vector Water volume (m ³)	1,242,179	1,697,512	2,005,659	2,000,073	1,914,897
Net Water (Water consumption - Vector water) (m ³)	1,952,373	3,328,657	3,554,765	3,711,391	3,302,538
Net Water (Water consumption - Waste water - Vector water) (m ³)	1,227,414	2,143,143	2,094,214	2,093,191	1,826,329
Intensity Net water by turnover (m ³ /M€)	588	719	579	506	404
Intensity Water Consumption by turnover (m ³ /M€)	1,530	1,685	1,538	1,381	1,155
Intensity Net water without waste water by turnover (m ³ /M€)	935	1,116	983	897	731
WASTE					
Total waste (t)	38,247	59,392	66,203	72,012	71,745
Total Hazardous waste (t)	11,720	10,985	15,046	17,048	17,001
Total Hazardous waste - Intensity by turnover (t/M€)	6	4	4	4	4
Total Non hazardous waste (t)	26,527	48,407	51,157	54,963	54,744
Total Non hazardous waste - Intensity by turnover (t)	13	16	14	13	12
Qty of valorised waste (energy and others) (t)	14,265	19,655	22,437	22,352	20,842

NON-FINANCIAL PERFORMANCE INDICATORS

PERFORMANCE INDICATOR	2016	2020	2021	2022	2023
ENVIRONMENT					
POLLUTION					
Amount of nitrogen in waste water in the natural environment (kg)	6,320	7,722	9,002	7,230	3,780
Amount of nitrogen in waste water in the natural environment - Intensity by turnover (kg/M€)	3	3	2	2	1
COD quantity in waste water in the natural environment (kg)	122,406	82,919	94,353	73,967	58,961
COD quantity in waste water in the natural environment - Intensity by turnover (kg/M€)	59	28	26	18	13
Quantity of Solid suspended in waste water in the natural environment (kg)	44,625	29,404	31,907	44,389	10,522
Quantity of Solid suspended in waste water in the natural environment - Intensity by turnover (kg/M€)	21	10	9	11	2
VOC (Volatil Organic Compounds) from powder workshops (kg)	372,220	164,447	178,652	184,659	134,671
Dust emissions from powder workshops (kg)	55,067	62,011	81,198	74,671	77,026
BOD quantity in waste water in the natural environment (kg)		7,423	6,633	9,138	6,660
BOD quantity in waste water in the natural environment - Intensity by turnover (kg/M€)		2	2	2	1
ETHICS & GOVERNANCE					
GENERAL					
Number of members on the Board as of 31 December	11	9	10	9	9
Percentage of administrators who attended board meetings (in person, remotely or by proxy) over the last reporting period	94%	91%	94%	94%	100%
Total number of ordinary and extraordinary company board meetings held over the last reporting period	8	7	7	7	6
Percentage of independent members on the Board as of 31 December. Administrators are deemed independent if they have no connection whatsoever to the company, its parent company or its management that could compromise their judgement	18%	11%	10%	33%	33%
Percentage of women on the Board	9%	11%	20%	22%	22%
Number of ethics incident recording	0	0	0	0	0
SUSTAINABLE PROCUREMENT					
Number of suppliers assessed for ESG risk mapping					1299
Percentage of Distribution of supplier cricticity					
Very Low					1
Low					38
Medium Low					43
Medium High					16
High					2
Number of SNF partners assessed by Ecovadis after SNF request					220
Average Ecovadis score of SNF partners assessed					62

NON-FINANCIAL PERFORMANCE INDICATORS

PERFORMANCE INDICATOR	2016	2020	2021	2022	2023
SOCIAL					
GENERAL					
Total employees ¹	5,214	6,583	6,918	7,442	8,151
Total male ¹					6,367
Total female ¹					1,784
% employees by region¹					
Europe					25%
Middle East & Africa					1%
North America					30%
Latin America					5%
Asia Pacific					39%
Employees by geographical area¹:					
Europe					2,074
Middle East & Africa					74
North America					2,423
Latin America					429
Asia Pacific					3,151
Breakdown of employees by contract type²:					
Permanent employees	2,833	4,040	4,287	4,590	4,922
Fixed-term employees	506	780	745	684	749
Temporary workers (Interim)	63	363	454	454	513
Number of employees on part-time jobs	54	62	91	73	68
Breakdown of employees by socio-professional category¹:					
Professionnal					4,218
Male					3,114
Female					1,104
Non Professionnal					3,933
Male					3,253
Female					680
Breakdown by age¹:					
Age <30					1,435
Age 30-50					4,829
Age +50					1,887
EMPLOYMENT TRENDS					
Turnover rate of employees ¹					16%
Turnover rates of employees by geographical area¹:					
Europe					10%
Middle East & Africa					7%
North America					20%
Latin America					21%
Asia Pacific					17%
Internal mobility ²	163	398	470	581	627
Number of promotions ²	145	333	421	659	727

1 SNF Group Scope = All subsidiaries

2 SNF Manufacturing Scope = Main manufacturing plants as defined by the Note of Methodology

NON-FINANCIAL PERFORMANCE INDICATORS

PERFORMANCE INDICATOR	2016	2020	2021	2022	2023
SOCIAL					
HEALTH & SAFETY					
Number of Fatal Accidents	0	0	0	0	0
Number of Lost Time Injuries (accident with work stop)	32	39	35	35	38
LTIFR (Lost Time Injury Frequency Rate)	4.61	4.23	3.71	3.50	3.48
Number of Recordable injuries (accident with and without work stop)	58	50	52	76	52
Rate of total recordable injury/Million man hours SNF	8.36	5.42	5.43	7.29	4.70
Number of occupational diseases ²	2	2	1	4	5
Number of lost days	1,718	1,668	649	1,516	884
WRIR	1.01	2.06	1.36	1.6	1.03
Severity rate	0.25	0.18	0.07	0.15	0.08
Percentage of employees covered by collective agreements on working condition ¹	74%	73%	71%	69%	68%
Percentage of employees covered by collective agreements on working condition by country²:					
France	100%	100%	100%	100%	100%
USA	36%	35%	32%	33%	32%
Korea	100%	100%	100%	100%	100%
China	100%	100%	100%	100%	100%
India	100%	60%	53%	45%	45%
DIVERSITY & INCLUSION					
Number of nationalities represented within the company (France)				21	28
Number of employees from an ethnic minority (Excl. France) ²	693	917	1,009	1,144	1,251
Number of workers of foreign nationalities (France)	41	45	45	54	63
Number of women in the SNF Group Board					2
Percentage of women employees ¹					22%
Percentage of women in managerial positions (Professional) ¹					62%
Percentage of professional who are women ¹					26%
Percentage of women hirees ¹					22%
Gender parity index		88/100	89/100	89/100	88/100
Number of women in training program ²	516	788	1,001	1,023	1,158
Number of disabled people among employees ²	90	113	147	183	206
Percentage of employees with disabilities ²	2%	2%	3%	3%	4%
PROFESSIONAL DEVELOPMENT					
Total training hours ²	178,071	213,084	292,479	334,845	401,292
Total HSE Training hours ²	102,568	153,138	226,916	280,445	340,318
Percentage of training dedicated to HSE ²	58%	72%	78%	84%	85%
Percentage of workforce trained ²	79%	100%	100%	100%	100%
Training hours per person (hrs./pers.) ²	49	44	58	63	71
Total training costs ²	4.7	5.5	8.3	9.4	12.3
EMPLOYEE RETENTION					
Absentee rate		1.72	1.26	1.50	2.79

¹ SNF Group Scope = All subsidiaries

² SNF Manufacturing Scope = Main manufacturing plants as defined by the Note of Methodology

Note on Methodology

OVERVIEW

The aim of this methodological note is to:

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

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 consolidated ratios rather than by region.

The Group uses each country's regulatory definition in force to calculate the data collected.

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 about a base of 100.

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

In 2023, this covered five countries that accounted for more than 95% of SNF Group's total production sites: France, the USA, China, India, and Korea.

CHOICE OF INDICATORS

The indicators below were chosen because they reflect the Group's activity and SNF's social, environmental, and societal results. They describe the SNF Group's performance over the past four years. (two years for scope 3 in the environmental part).

Concerning some indicators, we published consolidated ratios instead of per geographical area. We consider that the trend of the ratios published on a consolidated basis in the base 100 index for some of them portrays an accurate picture of the actual evolution of these indicators at the Group level.

The values are expressed per total Group sales, with 2016 being 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. Applied for 2022 and not for 2023.

The units and details of the indicators chosen are described in a methodology note.

INDICATORS

All indicators given in tons are metric tons.

The method is based on the GHG protocol using the Corporate value chain (scope 3) accounting and reporting standards and the Technical guidance for calculating scope 3 emissions v1.0 guides published by the WBCSD.

The French professional union (France Chimie) published a guide called 'Guide Sectorial pour la réalisation d'un bilan des émissions de gaz à effet de serre' in 2015, which was also used for the following methodology.

WATER SECTION

WATER CONSUMPTION

Water consumption is expressed in various units (m³, L, gal, or ft³) for each site (process + laboratory + administrative). It is converted into cubic meters 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).

France: The readings are taken by the water supplier and shown on the bills. In the event of a malfunction or failure of the meter, an estimation will be made concerning the daily consumption, which is stable. The quantity of water taken into account is the municipality's drinking water (drilling or other).

USA: The readings are either taken by the water supplier and shown on the utility bills or obtained by the SNF facility from a meter (e.g., well water). In the event of a malfunction or failure of the meter or an error in reading the meter by the utility company, an estimate of consumption will be based on a ratio of previous usage and production or a material balance.

China: The readings are taken by the water supplier and shown on the bills.

INDUSTRIAL WASTEWATER DISCHARGED (PART OF SCOPE 3: 3.5)

The volume of industrial wastewater discharged (water from boilers, cooling towers, washing, etc. = all water other than rainwater) measured by a meter reading of the site's external discharges (wastewater treatment plant or natural environment)) in different units (m³, l, gal, or ft³). In the software, it will be converted into m³.

The wastewater discharged included sanitary water.

France: In the event of malfunction or failure of the meter, an estimation will be made concerning the volumes of the containment pool.

USA: Only measurable discharges are included. These discharges might include rainwater if part of an NPDES (National Pollutant Discharge Elimination System) permitted outfall. Since there is no legal requirement to measure wastewater flows, Dolton, Wayne, Taylor, Los Angeles, and Longview are omitted. Compared to other US sites, they are considered "satellite plants" with low or no production.

For Plaquemine, we removed the volume of rainwater since 2020 (previous data have been updated).

China: Industrial wastewater discharge is counted by the municipal wastewater treatment plant supplier and shown on the bill.

Clean water discharge (cooling towers, deionized water skids, and steam condensates) is not included and discharged directly to 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 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, recycled during manufacturing, or become our products' final solvent, eventually returning to the water cycle of our customers' applications. As vector water is directly proportional to our sales, it is excluded from the net water consumption.

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

TREATMENT YIELD

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

These parameters (COD, BOD, SS, and nitrogen) are usually measured on-site if industrial water is discharged directly into the natural environment.

If the external wastewater treatment yield is unavailable, 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: In this case, the COD, BOD, nitrogen, and SS will be calculated for the discharge in the natural environment with formula. We ask the water treatment plant to have the monthly yield of 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 daily 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 based on the current standard. The Plaquemine site is not included (no legal obligation). Dolton, Wayne, Taylor, Los Angeles, and Longview are omitted. Compared with other US sites, they are treated as "satellite sites" with little or no production.

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

ENERGY CONSUMPTION SECTION

ELECTRICITY CONSUMPTION

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

STEAM CONSUMPTION

Steam consumption is calculated from suppliers' invoices based on monthly consumption in tonnes. Consumption is included in the Scope 2 calculation with an emission factor by country or site if available. We use data from each plant for the emission factors. Our reporting software applies an emission factor by country from ADEME if no value is available.

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 CO₂ /MWh PCS from the French regulation) relating to the verification and quantification of emissions declared within the framework of the greenhouse gas emission trading system.

France, USA, and Taixing: the quantity of natural gas purchased is considered 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

If a breakdown is unavailable, aggregate amounts of non-hazardous and hazardous waste may be provided.

HAZARDOUS AND NON-HAZARDOUS WASTE

This is the monthly amount of hazardous and non-hazardous waste treated off-site by specialized processing centers.

If you don't have monthly values, you can fill March, June, September, and December with three months.

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 recovery categories are classified 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 centers 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 per US EPA 40 CFR 260-262 annually 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 amounts 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.

Our targets are set in intensity of turnover.

SCOPE 1

For gas, we use the same emission factor for each country. We take the value of 185 kg CO₂ /MWh HCV of the French regulation (31 October 2012) on verifying and quantifying emissions reported under the greenhouse gas emission trading scheme. All CFCs/HCFCs are converted to CO₂ with their global warming potential (GWP).

SCOPE 2

If available, an emission factor per country or site is used for electricity. If no value is available, our reporting software applies a country emission factor ADEME defines. For steam, we use the conversion factor provided by the supplier.

VOC EMISSIONS SECTION (SCOPE 1)

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: An external company takes powder (VOC) measurements twice a year at the chimney outlet. 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 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 are derived from EPA regulations, guidance documents, and/or performance tests. Measurements are taken annually.

China: we take aggregate VOC emissions from all other powder production sites to calculate VOCs in China. We take the average value of these emissions related to the overall amount of powder production. We then use this ratio to estimate 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 per US EPA 40 CFR 51.100(o) federal regulations. The emission factors are derived from EPA regulations, 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 concerning the overall amount of powder production.

OTHER SCOPE 3 INDICATORS

Our targets are set in absolute value.

Category 3-1: Purchased goods or services - It includes all of the upstream (cradle-to-gate) emissions from purchased goods and services, including raw materials such as monomers, additives, and reactants, as well as purchase/resale and packaging. This category is the most contributive to Scope 3.

Category 3-2: Capital goods - upstream (cradle-to-gate) emissions of purchased capital goods. Emissions from factory equipment acquired during the reporting year: machines, buildings, vehicles.

Category 3-3: Fuel- and Energy-Related Activities not Included in Scope 1 or Scope 2 - extraction, production, and transportation of fuels and energy purchased by SNF not included in scopes 1 & 2. Emissions before combustion (extraction, production, processing, transport, distribution).

Category 3-4: Upstream Transportation and Distribution - transportation and distribution of purchased products by SNF Group in the reporting year between an SNF production plant and its direct suppliers (manufacturers or resellers/traders). Burned fuels from transportation sources (all motorized vehicles and by road, air, rail, and sea/river for freight) from raw materials and packaging.

Category 3-5: Waste Generated in Operations - disposal and treatment of waste generated during SNF's operations. End of life for waste and discharged water.

Category 3-6: Business Travel - Employees' business travel emissions. Burning fuel from transportation sources used specifically for business-related matters.

Category 3-7: Employee Commuting - emissions from transportation of employees between their home and SNF.

Category 3-8: Upstream Leased Assets - emissions related to leased assets. This category does not concern SNF. For the chemical industry, leasing is included in Scope 1 or 2.

Category 3-9: Downstream transportation and distribution - transportation and distribution of purchased products by SNF's customers in the reporting year between an SNF production plant and its direct customers. Burned fuels from transportation sources (all motorized vehicles and by road, air, rail, and sea/river for freight) from raw materials, packaging, ...

Category 3-10: Processing of Sold Products - Not calculated because it cannot be reasonably tracked.

Category 3-11: Use of Sold Products - Direct emissions of SNF products. SNF sets assumptions for estimating emissions in this category for all its products regarding their final use. This mainly involves the use of electricity.

Category 3-12: End-of-Life Treatment of Sold Products – It is impossible to quantify the fate of our polymers precisely. Thus, end-of-life SNF products are estimated according to the product category and application field.

Category 3-13: Downstream leased assets - Not relevant to the chemical sector.

Category 3-14: Franchises - Not relevant to the chemical sector.

Category 3-15: Investments – No Information available.

SOCIAL INDICATORS

In 2023, with a commitment to transparency, SNF introduced new social indicators for the scope of the Group. In previous years, SNF primarily reported social indicators for its major manufacturing facilities.

SCOPES DEFINITION

SNF Group Scope includes all subsidiaries.

SNF's Manufacturing Scope includes only major manufacturing plants. In 2023, this covered five countries that accounted for more than 95% of SNF Group's total production sites: France, the 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.

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

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

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 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 considered: professionals 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

TRAINING HOURS

The total number of hours of training includes all vocational training that an employee has undertaken. This covers both external and internal training, including training sessions held at the workplace.

In France, there is a discrepancy between training completion and enrollment, and as a result, we estimate that 20% of the training hours are not accounted for in the reference year of the ESG report. Therefore, we add 20% to the total number of training hours. Previously, we used to apply a penalty of 30% to the prior year and 10% to the year before that.

It is important to note that training hours include training provided to all employees, including permanent and fixed-term contracts, temporary staff, etc. However, it does not include training

linked to academic learning or personal accounts. The hours are measured accurately 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.

TRAINING HOURS PER EMPLOYEE

The number of training hours per employee is the total number of training hours (see previous paragraph) divided by the total number of employees for the year.

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

HEALTH AND SAFETY INDICATORS

(SNF employees)

NUMBER OF FATALITIES

This is the number of fatalities due to industrial accidents.

Number of fatalities per 100 million hours worked

This is calculated as follows:

$(\text{number of fatalities} \times 100,000,000) / \text{number of hours worked}$

NUMBER OF HOURS WORKED

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

For staff outside the management package, overtime is included.

7 hours per day for people on a day package are counted.

Hours spent on business travel and assignments are recorded as hours worked.

Lost days and days of paid leave are excluded from the calculation of hours worked.

WRIR (WORK-RELATED INJURY RATE)

H and M severity rate for work-related accidents

$(\text{Number of work-related accidents classified as H and M}) \times 1000000 / \text{Number of hours worked}$

H and M severity rate for work-related accidents.

This rate is the Group's main progress indicator.

FAAR (FIRST AID ACCIDENT RATE)

(Work-related accident frequency rate, severity L)

$(\text{Number of work-related accidents classified as L}) \times 1000000 / \text{Number of hours worked}$

This locally-managed indicator is not consolidated at the Group level.

LDR (LOST DAYS RATE)

(Severity rate of work-related accidents)

$(\text{Number of days lost due to work-related accidents classified as H and M}) \times 1000 / \text{Number of hours worked}$

The number of days lost corresponds to the total number of working days, normally scheduled, not worked by a person concerned by a work stoppage due to a work-related accident, regardless of the day of the accident.

France: Days of absence from work due to an industrial accident are counted in calendar days from the first lost day. This includes only lost days from the accident of the current year.

USA: The calculation of the number of lost days is determined by the federal law (Occupational Safety & Health Act). And did not result in either a work stoppage or an external medical consultation.

GRI CONTENT INDEX



SNF has reported the information cited in this GRI content index for the period of January 1 to December 31, 2023 with reference to the GRI Standards.

For the Content Index - Essentials with reference Option Services, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting with reference to the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders.

GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S)	GLOBAL COMPACT PRINCIPLES	UN SDGs
GRI 2: General Disclosures 2021				
	The organization and its reporting practices			
	2-1 Organizational details	7, 8-9		
	2-2 Entities included in the organization's sustainability reporting	7, 8-9, 15		
	2-3 Reporting period, frequency and contact point	15		
	2-4 Restatements of information	84-90		
	2-5 External assurance	95-97		
	Activities and Workers			
	2-6 Activities, value chain and other business relationships	6		
	2-7 Employees	49-66, 82-83	Principle 6	SDG 3,8
	Governance			
	2-9 Governance structure and composition	68-69, 70-71	all principles	SDG 3,8
	2-10 Nomination and selection of the highest governance body	68-69, 70-71	all principles	SDG 3,8
	2-11 Chair of the highest governance body	68-69, 70-71	all principles	SDG 3,8
	2-12 Role of the highest governance body in overseeing the management of impacts	68-69, 70-71	all principles	SDG 3,8
	2-13 Delegation of responsibility for managing impacts	68-69, 70-71	all principles	SDG 3,8
	2-14 Role of the highest governance body in sustainability reporting	68-69, 70-71	all principles	SDG 3,8
	2-15 Conflicts of interest	72	all principles	SDG 3,8
	2-16 Communication of critical concerns	72, 81	all principles	SDG 3,8
	2-17 Collective knowledge of the highest governance body	68-69, 70-71	all principles	SDG 3,8
	2-18 Evaluation of the performance of the highest governance body	68-69, 70-71	all principles	SDG 3,8
	Strategy, policies and practices			
	2-22 Statement on sustainable development strategy	4-5	all principles	All SDG
	2-23 Policy commitments	8-9	all principles	All SDG
	2-24 Embedding policy commitments	8-9	all principles	All SDG
	2-25 Processes to remediate negative impacts	72	all principles	All SDG
	2-26 Mechanisms for seeking advice and raising concerns	72	all principles	SDG 16
	2-27 Compliance with laws and regulations	15	all principles	All SDG
	2-28 Membership associations	11, 15,	all principles	SDG 17
	Stakeholder engagement			
	2-29 Approach to stakeholder engagement	76-77, 75		
	2-30 Collective bargaining agreements	80-83	Principle 3	SDG 3
GRI 3: Material Topics 2021	DISCLOSURES ON MATERIALS TOPICS			
	3-1 Process to determine material topics	75, 76-77	all principles	All SDG
	3-2 List of material topics	75, 76-77	all principles	All SDG
	ECONOMIC PERFORMANCE			
GRI 3: Material Topics 2021	3-3 Management of material topics	75, 76-77	Principle 9	SDG 8,12

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S)	GLOBAL COMPACT PRINCIPLES	UN SDGs
ANTI-CORRUPTION				
GRI 3: Material Topics 2021	3-3 Management of material topics	75, 76-77	Principle 10	SDG 3,10,16,17
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	10, 72, 73, 76-77	Principle 10	SDG 3,10,16,17
	205-2 Communication and training about anti-corruption policies and procedures	10, 72, 73, 76-77	Principle 10	SDG 3,10,16,17
	205-3 Confirmed incidents of corruption and actions taken	81	Principle 10	SDG 3,10,16,17
MATERIALS				
GRI 301: Materials 2016	301-1 Materials used by weight or volume	20-23	Principles 7, 8	SDG 8,9,12
ENERGY				
GRI 3: Material Topics 2021	3-3 Management of material topics	42-43, 80		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	42-43, 80	Principles 7, 8	SDG 9,12,13
	302-2 Energy consumption outside of the organization	42-43, 80		SDG 9,12,13
	302-3 Energy intensity	42-43, 80	Principle 8	SDG 9,12,13
	302-4 Reduction of energy consumption	42-43, 80	Principles 8, 9	SDG 9,12,13
	302-5 Reductions in energy requirements of products and services	42-43, 80	Principles 7, 8, 9	SDG 9,12,13
WATER AND EFFLUENTS				
GRI 3: Material Topics 2021	3-3 Management of material topics	26-27, 80		
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	26-27, 80	Principles 7, 8	SDG 6,9,12
	303-2 Management of water discharge-related impacts	26-27, 80		SDG 6,9,12
	303-3 Water withdrawal	26-27, 80	Principles 7, 8	SDG 6,9,12
	303-4 Water discharge	26-27, 80	Principles 7, 8	SDG 6,9,12
	303-5 Water consumption	26-17, 80	Principles 7, 9	SDG 6,9,12
BIODIVERSITY				
GRI 3: Material Topics 2021	3-3 Management of material topics	32-33		
GRI 304 Biodiversity 2016	304-3 Habitats protected or restored	33	Principles 7, 8	SDG 13,14,15
EMISSIONS				
GRI 3: Material Topics 2021	3-3 Management of material topics	36-37, 34-47, 80-81		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	36-37, 34-47, 80-81	Principles 7, 8	SDG 12,13
	305-2 Energy indirect (Scope 2) GHG emissions	36-37, 34-47, 80-81	Principles 7, 8	SDG 12,13
	305-3 Other indirect (Scope 3) GHG emissions	36-37, 34-47, 80-81	Principles 7, 8	SDG 12,13
	305-4 GHG emissions intensity	36-37, 34-47, 80-81	Principle 8	SDG 12,13
	305-5 Reduction of GHG emissions	36-37, 34-47, 80-81	Principles 8, 9	SDG 12,13
	305-6 Emissions of ozone-depleting substances (ODS)	36-37, 34-47, 80-81	Principles 7, 8	SDG 12,13
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	38-39, 34-47, 80-81	Principles 7, 8	SDG 12,13
WASTE				
GRI 3: Material Topics 2021	3-3 Management of material topics	30-31, 80		SDG 12
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	30-31, 80	Principles 7, 8	SDG 12
	306-2 Management of significant waste-related impacts	30-31, 80	Principles 7, 8	SDG 12
	306-3 Waste generated	30-31, 80	Principles 7, 8	SDG 12
	306-4 Waste diverted from disposal	30-31, 80	Principles 7, 8	SDG 12
	306-5 Waste directed to disposal	30-31, 80	Principles 7, 8	SDG 12
SUPPLIER ENVIRONMENTAL ASSESSMENT				
GRI 3: Material Topics 2021	3-3 Management of material topics	73-74		SDG 8,12,13
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	73-74	Principles 7, 8	SDG 8,12,13
	308-2 Negative environmental impacts in the supply chain and actions taken	73-74	Principles 7, 8	SDG 8,12,13
EMPLOYMENT				
GRI 3: Material Topics 2021	3-3 Management of material topics	46-65, 82		SDG 3,8
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	82	Principle 6	SDG 3,8
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	46-65, 54-55	Principle 6	SDG 3,8
	401-3 Parental leave	54-55	Principle 6	SDG 3,8

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S)	GLOBAL COMPACT PRINCIPLES	UN SDGs
OCCUPATIONAL HEALTH AND SAFETY				
GRI 3: Material Topics 2021	3-3 Management of material topics	56-57, 83		SDG 3,8
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	56-57, 83	Principle 6	SDG 3,8
	403-2 Hazard identification, risk assessment, and incident investigation	56-57, 83	Principle 6	SDG 3,8
	403-3 Occupational health services	56-57, 83		SDG 3,8
	403-4 Worker participation, consultation, and communication on occupational health and safety	56-57, 83	Principle 6	SDG 3,8
	403-5 Worker training on occupational health and safety	56-57, 83	Principle 6	SDG 3,8
	403-6 Promotion of worker health	56-57, 83		SDG 3,8
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	56-57, 83		SDG 3,8
	403-8 Workers covered by an occupational health and safety management system	56-57, 83		SDG 3,8
	403-9 Work-related injuries	56-57, 83	Principle 6	SDG 3,8
	403-10 Work-related ill health	56-57, 83		SDG 3,8
TRAINING AND EDUCATION				
GRI 3: Material Topics 2021	3-3 Management of material topics	58-59, 83		SDG 3,4,8,10
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	58-59, 83	Principle 6	SDG 3,4,8,10
	404-2 Programs for upgrading employee skills and transition assistance programs	58-59, 83	Principle 6	SDG 3,4,8,10
	404-3 Percentage of employees receiving regular performance and career development reviews	58-59, 83	Principle 6	SDG 3,4,8,10
DIVERSITY AND EQUAL OPPORTUNITY				
GRI 3: Material Topics 2021	3-3 Management of material topics	52-53, 83		SDG 3,5,8,10
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	52-53, 83	Principle 6	SDG 3,5,8,10
	405-2 Ratio of basic salary and remuneration of women to men	52-53, 83	Principle 6	SDG 3,5,10
NON-DISCRIMINATION				
GRI 3: Material Topics 2021	3-3 Management of material topics	52-53, 72, 73		SDG 3,8,10
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	81	Principle 6	SDG 3,8,10
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING				
GRI 3: Material Topics 2021	3-3 Management of material topics	72, 73		SDG 3,8,10,16
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	72, 73	Principle 3	SDG 3,8,10,16
CHILD LABOR				
GRI 3: Material Topics 2021	3-3 Management of material topics	61, 73		SDG 3,8
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	61, 73	Principle 1,2,3,5	SDG 3,8
FORCED OR COMPULSORY LABOR				
GRI 3: Material Topics 2021	3-3 Management of material topics	61, 73		SDG 3,8
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	61, 73	Principle 1,2,4,5	SDG 3,8
SECURITY PRACTICES				
GRI 3: Material Topics 2021	3-3 Management of material topics	60, 61		SDG 3,8
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	60, 61	Principle 1,2	SDG 3,8
RIGHTS OF INDIGENOUS PEOPLES				
GRI 3: Material Topics 2021	3-3 Management of material topics	62		
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	62, 81		
LOCAL COMMUNITIES				
GRI 3: Material Topics 2021	3-3 Management of material topics	62		SDG 1,8,10,17
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	62	Principle 1,2	SDG 1,8,10,17
	413-2 Operations with significant actual and potential negative impacts on local communities	62	Principle 1,2	SDG 1,8,10,17
SUPPLIER SOCIAL ASSESSMENT				
GRI 3: Material Topics 2021	3-3 Management of material topics	73		SDG 8,10,12
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	73	Principle 2, 4, 5	SDG 8,10,12
	414-2 Negative social impacts in the supply chain and actions taken	73	Principle 2, 4, 5	SDG 8,10,12

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S)	GLOBAL COMPACT PRINCIPLES	UN SDGs
CUSTOMER HEALTH AND SAFETY				
GRI 3: Material Topics 2021	3-3 Management of material topics	60		
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	60	Principle 1	SDG 3
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	81	Principle 1	SDG 3
MARKETING AND LABELING				
GRI 3: Material Topics 2021	3-3 Management of material topics			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	60	Principle 1	
	417-2 Incidents of non-compliance concerning product and service information and labeling	60	Principle 1	
	417-3 Incidents of non-compliance concerning marketing communications	60		

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, 2023

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 "Entity"), appointed as independent third party ("third party") and accredited by the French Accreditation Committee (Cofrac) under number 3-1886 (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 statement, prepared in accordance with the Entity's procedures (hereinafter the "Guidelines"), for the year ended December 31, 2023 (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 the procedures we have performed as described in the section "Nature and scope of procedures" and the evidence we have obtained, nothing has come to our attention that cause us to believe that the non-financial statement is not prepared in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not fairly presented in accordance with the Guidelines, in all material respects.

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 commonly used generally accepted reporting framework or a significant body of established practice on which to draw to evaluate and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Guidelines, summarised in the Statement and available on the Entity's website or on request from its headquarters.

Limits inherent in the preparation the Information

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 of SNF Group is responsible for:

- ▶ selecting or establishing suitable 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 considering those risks and the outcomes of said policies ;
- ▶ designing, implementing and maintaining internal control over information relevant to 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 we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as doing so may 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 Articles A. 225-1 et seq of the French Commercial Code, with our verification program consisting of our own procedures and with the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) applicable to such engagement, in particular the professional guidance issued by the Compagnie Nationale des Commissaires aux Comptes, Intervention du commissaire aux comptes – Intervention de l'OTI – déclaration de performance extra-financière, and acting as the verification programme and with the international standard ISAE 3000 (revised).

Independence and quality control

Our independence is defined by Article L. 821-28 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 four people between December 2023 and March 2024 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 fifteen interviews with people responsible for preparing the Statement.

Nature and scope of procedures

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Information is likely to arise.

The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Information :

- ▶ We obtained an understanding of all the consolidated entities' activities and the description of the main risks associated;
- ▶ We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best practices within the sector.
- ▶ We verified that the Statement includes each category of social and environmental information set out in section III of Article L. 225-102-1, .
- ▶ 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 main 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 main risks associated with 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 main risks.

- ▶ We referred to documentary sources and conducted interviews to:

- ▶ assess the process used to identify and confirm the main risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the main risks and the policies presented; and
- ▶ corroborate the qualitative information (measures and outcomes) that we considered to be the most important¹ ; 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 of the French Commercial Code, with the limits specified in the Statement
- ▶ We obtained an understanding of internal control and risk management procedures implemented by the Entity 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 that we considered to be the most important² , we implemented:
 - ▶ analytical procedures that consisted in verifying the proper consolidation of collected data as well as the consistency of changes there to;

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, 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, Total Man-hours worked, Number of fatalities, Total training hours, Total employees and Recruitment evolution

- ▶ tests of details, using sampling techniques, in order to verify the proper application of definitions and procedures and reconcile the data with supporting documents. This work was carried out on a selection of contributing entities³ and covers between 26% and 97% of the consolidated data relating to the key performance indicators and outcomes selected for these tests.
- ▶ We assessed the overall consistency of the Statement in relation to our knowledge of all the consolidated entities.

The procedures performed in a limited assurance review are less in extent than for 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 8, 2024

One of the Statutory Auditors,

Deloitte & Associés

Josselin Vernay

Partner

³ Site audit: Taixing (China), Riceboro (USA), consistency review: Andrézieux (France)



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