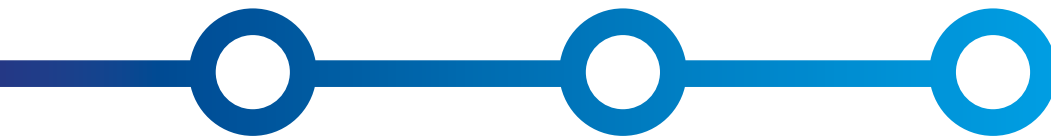


September 2012

# **Solvay**

## United Nations Global Compact



Communication  
on progress  
Advanced level



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# ABOUT THIS DOCUMENT



In 2010, Solway committed itself to the United Nations Global Compact. This commitment includes supporting the ten principles of the UN Global Compact as well as reporting and communicating annually with its stakeholders on progress made to implement the principles.

Solway is reporting according to the Advanced Programme and communicates on the 24 advanced criteria that are set by the UN Global Compact on the following areas:

- Strategy, governance and engagement,
- UN goals and issues,
- Implementation of Global Compact principles,
- Value chain implementation,
- Verification and disclosure.

Solway COP 2012 refers to specific pages or sections in the *2011 Annual Report*, in the *Sustainable development strategic review 2008-2012*, in the *Sustainability indicators and progress report 2011* and additional online information. Solway COP 2012 is available on [Solway website](#).

# CEO STATEMENT OF CONTINUED SUPPORT



"I am pleased to reaffirm Solway's support for the ten principles of the UN Global Compact, all of which align with our Group's values and policies. Solway is committed to continue to advance those principles within its sphere of influence by incorporating the UN Global Compact and its principles within its strategy, culture and day-to-day operations.

Sustainability is at the heart of our vision. We want to be a role model for sustainable chemistry in the way we manufacture, do business and manage people, and by the product portfolio we offer to our customers. The Global Compact is the only global initiative that takes into account all the aspects of sustainable development and is focused on continuous improvement. A key challenge is to conciliate the various sustainability goals and the interests of our stakeholders.

In this annual Communication on Progress, we describe how Solway has progressed in creating value for its stakeholders in full alignment with its commitment to social corporate responsibility and its code of conduct."

**Jean-Pierre Clamadieu**  
Solway Chief Executive Officer  
September 21<sup>st</sup>, 2012

# SOLVAY REPORTING TO UNITED NATIONS GLOBAL COMPACT

## HUMAN RIGHTS

- 1 Solvay supports and respects the protection of international human rights within its sphere of influence.
- 2 Solvay is sure that it is not complicit in human rights abuses.

### Clear commitments

Solvay's Code of Conduct is inspired by international Conventions such as the Universal Declaration of Human Rights, the Convention of the Rights of children and the Conventions of the International Labour Organization (ILO). The Code of Conduct expresses a commitment of the company to respect and support human rights of its employees and of the community in which it operates. In addition, Solvay is in the process of adopting a specific policy dealing with human rights.

In 2005, Rhodia legacy signed a global social and environmental responsibility agreement with the international federation of chemical industry workers (ICEM). This agreement, the only one of its kind in the chemical industry, gives tangible expression to Rhodia's determination to ensure that the international labor standards defined by the International Labor Organization, the principles of the UN Global Compact, and the Group's social standards in the areas of health, safety and environmental protection are respected on all its sites all over the world.

### Key actions

Solvay "Speak Up" program encouraged the employees to take up any difficulty or question relating to the application of the Code of Conduct with its hierarchy and other identified interlocutors. The alternative is the introduction of an external Ethics Helpline to voice any difficulties or pose questions in complete confidence. Solvay has in place a strong dialogue with its employees through the Solvay People Survey (groupwide survey, carried out every 2 years), through the European Works Councils and the national employer representative bodies.

Training courses and induction activities are organized to ensure that an ethical and compliant conduct is embodied in the way business is done by Solvay and also to address behavioral risks in certain specific areas. Managers are requested to follow a special training

addressing issues of open communication and non retaliation. Furthermore, Solvay committed itself to prepare a training for its employees which will (partially be) dedicated to Human Rights.

### Key achievements

The key outcomes are in the SD indicators & progress report 2011, p. 23-24, *Solvay Annual Report 2011*.

## LABOUR

- 3 Solvay upholds the freedom of association and the effective recognition of the right to collective bargaining.
- 4 Solvay upholds the elimination of all forms of forced and compulsory labour.
- 5 Solvay upholds the effective abolition of child labour.
- 6 Solvay upholds the elimination of discrimination in respect of employment and occupation.

### Clear commitments

The Group has made a formal commitment to respect the international labor standards defined by International Labor Organization (ILO) conventions and the principles of the UN Global Compact. In its 2008 Sustainable Development Charter engaging the management and the European Works Council on Corporate Social Responsibility, the company has also issued a formalized commitment to prohibit any form of forced labor.

The Code of Conduct is part of the Group's constant effort to maintain and strengthen trust both among all its employees and between the Group and its partners, including its employees, their representatives, shareholders, customers and suppliers, government agencies and all other third parties.

In 2005, Rhodia legacy signed a global social and environmental responsibility agreement with the International Federation of Chemical, Energy, Mine and General Workers' Unions. The deployment of the ICEM agreement is also integrated in the Rhodia Way framework which is part of Rhodia's management processes.

## Key actions

The Solvay's Code of Conduct is supported by various policies dedicated to Human Resources. Solvay policies and procedures make qualifications, skills and experience the basis for the recruitment, placement, training and career evolution of employees at all levels. The Group recruits and selects staff without any form of discrimination on the basis of job requirements (expertise and competences) and the capability and willingness of candidates to adopt the underlying Group's Values. Each employee is remunerated according to its his responsibilities and conditions in the local market, every member of the managerial staff goes through an annual personal appraisal review, a number of talent round tables are organised where the career of women managers are discussed, opportunities allowing work-life balance are deployed: part-time, tele-working, nursery in a number of locations.

For Solvay, the "zero accident" objective remains paramount The Group's policy and objective is to have a common safety level for both the Solvay's personnel and contractors working on Solvay's sites.

### Key achievements

The key outcomes are in the SD indicators & progress report 2011.

- Frequency rate of occupational accident, p.65,
- Solvay People Survey review "personnel well-being & stress", p.58,
- Age pyramid, p. 54, 101,
- Diversity and equal opportunity KPIs p. 53, 100.

## ENVIRONMENTAL PROTECTION

- 7 Solvay supports a precautionary approach to environmental challenges.
- 8 Solvay undertakes initiatives to promote greater environmental responsibility.
- 9 Solvay encourages the development and diffusion of environmentally friendly technologies.

### Clear commitments

Managing our activities responsibly relies on a management culture founded on the Group's industrial vision, on the efficient and responsible management of the Group's industrial tools and resources, but also

on extensive experience of long-standing relationships with stakeholders. The Solvay environment policy is consistent with its commitment to the Responsible Care Global Charter®. Solvay aligns with the OECD Guidelines for Multinational Enterprises and uses as a reference the voluntary international standard ISO 26000:2010-Guidance on Social Responsibility. Rhodia legacy became signatory to Responsible Care Global Charter® in 1987, and its Sustainable Development approach managed with the Rhodia Way framework is aligned with the international standard ISO 26000.

### Key actions

As a responsible chemical company, Solvay group makes significant investments in health, safety and environment to control the risks linked to its activity and to improve its environmental footprint, particularly its emissions into the air, water, and soil. Each manufacturing sites checks its compliance with all local applicable environmental regulations, in particular with the operation permits. Solvay applies recognized Environmental Management Systems that are based on the principle of continuous performance improvement. These systems are the basis for the deployment of key elements which include risk analysis, monitoring of environmental performance and compliance to regulations and permits, follow-up of the corresponding corrective actions, review of performance and improvement plans by the management.

Solvay products and R&D projects are evaluated according to the SPM methodology. An assessment of Rhodia legacy portfolio using the SPM methodology is planned. In addition, the environmental profiles "cradle to gate" (Ecoprofiles) of all products have been established. The environmental profiles are used to compare different products or processes and also help customers to build the lifecycle assessment (LCA) of their products.

### Key achievements

The key outcomes are in the SD indicators & progress report 2011, p.29-48, p. 85-97.

# SOLVAY REPORTING TO UNITED NATIONS GLOBAL COMPACT

## CORRUPTION

**10** Solvay works against corruption in all its forms, including extortion and bribery.

### Clear commitment

In its Code of Conduct, Solvay expresses its commitment to responsible behavior and integrity, taking into account the sustainable growth of its business, and its good reputation in the communities in which it operates.

Since 2007, a compliance organization under the leadership of the Group General Counsel has been put in place to enhance a groupwide ethics and compliance-based culture to ensure compliance with applicable laws and regulations and compliance with Solvay's Code of Conduct, values and corporate policies.

### Key actions

Solvay has a strong commitment to be in compliance with all relevant laws, including anti-corruption laws. The function "Ethics & Compliance" has the objective of straightening a culture based on ethics and compliance.

This organisation is also responsible to know the law, create awareness, train the employees and develop procedure.

To support its commitment, Solvay has adopted and deploys a Gift, Entertainment and Anti-Bribery Policy, a conflicts of interest policy and an insider trading policy. The deployment of the Gifts, Entertainment and Anti-Bribery Policy will be accompanied by an e-tracking system for all gifts and entertainment received and offered.

Solvay "Speak Up" program encouraged the employees to take up any difficulty or question relating to the application of the Code of Conduct with its hierarchy and other identified interlocutors. The alternative is the introduction of an external Ethics Helpline to voice any difficulties or pose questions in complete confidence.

### Key achievements

The key outcomes are in the SD indicators & progress report 2011, p.23 and in the *2011 Annual Report*.

# SELF-ASSESSMENT ON ADVANCED LEVEL

*Solvay was able to meet from the first year the criteria of the "Advanced reporting level" and consequently became a "Global Compliance Advanced" company.*

# STRATEGY, GOVERNANCE AND ENGAGEMENT

## CRITERION 1

### Key aspects of the company’s high-level sustainability strategy in line with Global Compact principles

Global Compact best practices	Solvay’s best practices
Impact of broader sustainability trends on the long-term prospects and financial performance of the organisation	Solvay Sustainable Development Policy defines the context of Sustainable Strategy. Climate change, increasing global population, scarcity of raw materials, geopolitical environment changes, development gaps and biodiversity are all significant global issues demanding solutions. Furthermore the evolution of legal and regulatory framework as well as the pressures coming from public opinion considerably impacts the chemical industry.
Major sustainability risks and opportunities in the near to medium term (3-5 years)	<p>In order to identify, assess and manage opportunities successfully and at the same time limit risks which are potentially significant for the activities of the Group, the Company has set up risk management systems. Risk management is integrated in the strategic and operational decision making process, and is seen as an essential management tool and as an aid for making the decisions to achieve the company’s short, medium and long term objectives.</p> <p>Solvay is a primary industry, carrying out energy –intensive industrial activities. The increase of energy cost, including the costs of energy supply, has an impact on Solvay’s activities. Costs increase due to increased cost of exploration and exploitation, geopolitics, increased demand, and the rise in cost of CO<sub>2</sub> emissions. The availability of energy at low cost is a key challenge.</p> <p>More generally the changes of consumer behaviour related to “green consuming” could affect the products and markets of the Group. Threats and opportunities related to sustainability “green consuming” have been identified for an important share of the group’s products and markets.</p> <p><i>Solvay risks and opportunities are disclosed in Solvay Annual Report 2011 p.147.</i></p>
Social and environmental impact of the organisation’s activities	The matrix 5x5 identified the operational framework for the policy and strategy of the Solvay group regarding Sustainable Development. By cross-looking at the intersection of the expectations of the stakeholders of the Group and the five driving axes of its strategy, key fields are identified. <i>See more information in Solvay SD strategy review 2008-2012.</i>

Global Compact best practices	Solvay’s best practices
Overall strategy to manage sustainability impacts, risks and opportunities in the near to medium term (3-5 years)	<p>The Solvay Group’s priority objectives in sustainable developmental and social responsibility are:</p> <ul style="list-style-type: none"> <li>• Growing the share of our turnover in markets or applications that meet the needs of sustainable development;</li> <li>• Continuously improving the environmental, health, hygiene and safety knowledge and performance of technologies, processes and products over their life cycles to avoid harm to people and the environment;</li> <li>• Achieving excellence in terms of safety performance of people working at our sites;</li> <li>• Reducing the environmental footprint of our value chain, i.e.,:               <ul style="list-style-type: none"> <li>- Emissions of greenhouse gases;</li> <li>- Energy consumption;</li> <li>- Water consumption;</li> <li>- Impact on land, water and air; and,</li> <li>- Optimal use of resources, especially, non-renewable;</li> </ul> </li> </ul> <p>Solvay Sustainable Development Policy presents the overall strategy to manage sustainability impacts, risks and opportunities.</p>
Key performance indicators to measure progress	Sustainability Indicators (KPIs) are used to assess performance, to report about overall sustainability and extra-financial management and follow up the objectives to be achieved by 2012 and 2020.
Major successes and failures during the reporting period	Solvay discloses successes and failures in its SD reporting: <i>See SD indicators &amp; progress 2011 report.</i>

# STRATEGY, GOVERNANCE AND ENGAGEMENT

## CRITERION 2

Implement effective decision-making processes and systems of governance for corporate sustainability

Global Compact best practices	Solvay's best practices
Involvement and accountability of management (C-suite) in corporate sustainability strategy and implementation in line with Global Compact principles	Solvay Global Sustainability Governance has been strengthened in 2008 by the appointment of a Sustainable development Manager who reports directly to the Chairman of the Executive Committee. Since 2002, Rhodia intensified its approach and set up a dedicated sustainability department linked to CEO. <i>SD indicators &amp; progress 2011 report, p. 6, 13.</i>
Corporate governance structure and its role in oversight of corporate sustainability implementation in line with Global Compact principles	Solvay Global governance of Sustainable development has been strengthening within the Group. The various aspects if the management of sustainable development are grouped into six clusters, each under the authority of one member of the Executive Committee.The deployment of the Rhodia Way reference framework is also being monitored by Rhodia's senior management. The Sustainable Development Vice President reported directly to the Chairman of the Executive Committee. In 2005, Rhodia signed a global social and environmental responsibility agreement with the international federation of chemical industry workers (ICEM). Please see : <a href="http://www.rhodia.com/en/sustainability/ICEM_missions.tcm">http://www.rhodia.com/en/sustainability/ICEM_missions.tcm</a> <i>SD indicators &amp; progress 2011 report, p. 6, 13.</i>
Goals and incentive schemes for management (C-suite) to promote sustainability strategy in line with Global Compact principles	A strong sign of Rhodia's commitment at the highest level is that in 2011, 10% of the bonuses awarded to the Rhodia's 3000 top executives were tied to the achievement of social and environmental objectives defined by their units. <i>SD indicators &amp; progress 2011 report, p. 13.</i>

## CRITERION 3

Engage with all important stakeholders

Global Compact best practices	Solvay's best practices
Regular stakeholders consultations in the area of human rights, labour, environment and anti-corruption	<p>Among the various ways used by Solvay to engage with stakeholders:</p> <ul style="list-style-type: none"> <li>• Investors' meetings and road shows: Solvay is developing a targeted communication and dialogue on its sustainability policy and parameters and multiplies the opportunities of dialogue with investors involved in Corporate Social Responsibility (CSR) values. <i>Solvay SD indicators &amp; progress 2011 report p 25.</i></li> <li>• Solvay's engagement in mutually beneficial dialogue with government and communities at local, regional, national and supranational level both directly and indirectly through its Public Affairs network.</li> <li>• Dialogue with the various workers representatives such as the European Work Council.</li> <li>• Solvay internal consultation via the Solvay People Survey: the aim is to ensure that relationships between employees are founded on trust, mutual respect, complying with the five Solvay's Values: ethical behavior, empowerment, respect for people, customer care, and teamwork. <i>Solvay SD indicators &amp; progress 2011 report p 24, 51.</i></li> <li>• Solvay cross hierarchical forum on Sustainable Development: <i>Solvay SD indicators &amp; progress report 2011 p.52.</i></li> <li>• Strengthening dialogue with local communities and harmonizing actions to ensure the quality of its relationships and the sustainability of its industrial activities. Solvay regularly conducts opinion surveys among the community in the vicinity of large production sites.</li> <li>• Regular customers' surveys of different nature depending on the type of product and activity are organized.</li> <li>• Every year, an assessment is carried out on a Rhodia site chosen by ICEM to verify the correct application at a grassroots level of the commitments made by Rhodia. These assessments have already been completed in China, Brazil, the USA and South Korea, and an annual review has been presented to an extra-national body representing the Group's employees (European Works Council). Please see : <a href="http://www.rhodia.com/en/sustainability/ICEM_missions.tcm">http://www.rhodia.com/en/sustainability/ICEM_missions.tcm</a></li> </ul>



# STRATEGY, GOVERNANCE AND ENGAGEMENT

# UN GOALS AND ISSUES

## CRITERION 4

### Take actions in support of broader UN goals and issues

Global Compact best practices	Solvay's best practices
List of stakeholder groups engaged by the organisation	The key stakeholders have been identified in the Solvay Sustainable Policy: <ul style="list-style-type: none"><li>• customers;</li><li>• employees;</li><li>• suppliers;</li><li>• investors;</li><li>• local communities in which Solvay operates; and</li><li>• governments and society at large</li></ul> See the list of stakeholders identified through the Matrix 5x5 in the Sustainable development report 2008-2012 p.7
Process for stakeholder identification and engagement	See the list of stakeholders identified through the Matrix 5x5 in the Sustainable development report 2008-2012 p.7-9
Outcome of stakeholder involvement	<ul style="list-style-type: none"><li>• Solvay and Rhodia performance recognized in extra-financial ratings <i>Solvay SD indicators &amp; progress report, p. 14</i></li><li>• Solvay participation to "Vinyl 2010": a voluntary commitment by Europe's PVC industry <i>Solvay SD indicators &amp; progress report p. 81.</i></li><li>• Rhodia and ICEM agreement <i>Solvay SD indicators &amp; progress report, p.9.</i></li><li>• Rhodia's voluntary commitment to its suppliers by the signing of the Good Practices Charter</li><li>• Solvay Product Safety Summaries (PSS) realized in the frame of an initiative of the ICCA (International Council of Chemical Association <i>Solvay SD indicators &amp; progress report, p.79.</i></li></ul>
Process of incorporating stakeholder input into corporate strategy and business decision-making	The Matrix 5x5, which constitutes the strategic framework of Solvay sustainability policy, formalizes and frames this broad commitment by crossing these expectations with the main strategic axes of action of the Group from which a series of objectives are defined. See the list of stakeholders identified through the Matrix 5x5 in the Sustainable development strategic review 2008-2012 p.7-9.

Global Compact best practices	Solvay's best practices
Adoption or modification of business strategy and operating procedures to maximize contribution to UN goals and issues	Solvay's sustainability strategy is integrated in the organisation of the Group and in the businesses processes. The Mission, Vision and Values of the Group also include UN goals and issues. "Build a strong leader participating in the reshaping of the global chemical industry. Be a model of sustainable chemistry, attracting and growing the people who will imagine, engineer and make the solutions that meet the global challenges society faces, creating value for all our stakeholders".
Development of products, services and business models that contribute to UN goals / issues	Solvay contributes via its products to develop new solutions responding to social needs and the development of better and more sustainable technologies, especially along partnerships with various stakeholders. Solvay Sustainable Portfolio Management (SPM) tool supports strategic decisions by the Executive Committee by assessing the sustainability of a product along two axes: its production and its markets. <i>SD indicators &amp; progress report 2011 p.20, 22, 72.</i> Ecoprofiles of product portfolio <i>SD indicators &amp; progress report 2011 p. 83, 111.</i>
Social investments and philanthropic contributions that tie in with the organization's core competencies, operating context and sustainability strategy	Solvay has adopted a policy on community involvement as well as a policy on philanthropy. At corporate level, Solvay concentrates on initiatives related to science and technology, education and humanitarian and development projects. At local level, the Group's policy is to support social and economic development of the areas in which it operates in the frame of long term relationships with the neighboring communities. <i>SD indicators &amp; progress 2011 report, p. 75, 111.</i>
Public advocacy on the importance of one or more UN goals and issues	Ethics and integrity are the most reliable path to sustainable and responsible growth. The Group's values and principles tell employees and stakeholders what Solvay is and how Solvay acts.
Partnership projects and collective actions in support of UN goals and issues	Partnership projects and collective actions are reported in <i>SD indicators &amp; progress 2011 report, p. 43, 71-72, 75, 110, 111, 112.</i>



# HUMAN RIGHTS IMPLEMENTATION

## CRITERION 5

### Formulate robust commitments, strategies or policies in the area of human rights

Global Compact best practices	Solvay's best practices
Commitment to comply with all applicable laws and respect internationally recognized human rights, wherever the company operates (e.g. the Universal Declaration of Human Rights)	Solvay expresses its commitment to responsible behavior and integrity, taking into account the sustainable growth of its business, and its good reputation in the communities in which it operates in the Solvay's <i>Code of Conduct</i> .  Solvay's Group Code of Conduct is inspired by international statements such as the Universal Declaration of Human Rights, the Convention on the Rights of the Child and various International Labour Organization (ILO) Conventions.
Statement of policy expressing commitment to respect and support human rights approved at the most senior level of the company	Solvay strongly believes in his Groups values amongst which Respect for People.  Solvay's Code of Conduct expresses a commitment of the company to respect and support human rights of its employees and of the community in which it operates. In addition, Solvay is in the process of adopting a specific policy dealing with human rights. (As the integration between Solvay and Rhodia needs to be taken into consideration in the Solvay Policy System and consequently there is a delay in the process). In 2005, Rhodia signed a global social and environmental responsibility agreement with the international federation of chemical industry workers (ICEM). Please see : <a href="http://www.rhodia.com/en/sustainability/ICEM_missions.tcm">http://www.rhodia.com/en/sustainability/ICEM_missions.tcm</a>
Statement of policy stipulating human rights expectations of personnel, business partners and other parties directly linked to operations, products or services	Solvay's Code of Conduct and the Human Rights policy clearly stipulates what Solvay expects from its employees and from third parties acting on behalf of Solvay. Through a separate program, Solvay communicates its expectations to its suppliers.
Statement of policy publicly available and communicated internally and externally to all personnel, business partners and other relevant parties	Solvay is in the process of building a website (intra and internet) on which the policy will be available. Solvay employees will be trained, as part of a larger training.

## CRITERION 6

### Implement effective management systems to integrate the human rights principles

Global Compact best practices	Solvay's best practices
On-going due diligence process that includes an assessment of actual and potential human rights impacts	A checklist is being developed that will be used in all Solvay's risk assessment in order to assess and investigate the risks. See also <a href="#">pages 199-201 of Solvay Annual Report 2011</a> .
Internal awareness-raising and training on human rights for management and employees	Training courses and induction activities are organized to ensure that an ethical and compliant conduct is embodied in the way business is done by Solvay and also to address behavioral risks in certain specific areas. Managers are requested to follow a special training addressing issues of open communication and non retaliation. Furthermore, Solvay committed itself to prepare a training for its employees which will (partially be) dedicated to Human Rights.
Operational-level grievance mechanisms for those potentially impacted by the company's activities	Solvay has adopted a general policy on reporting irregularities and misconduct. Through the "Speak Up" campaign, Solvay encourages its employees to report their concerns or their ethical dilemmas. Solvay encourages its employees to discuss these issues in the first place with their managers or with dedicated internal organizations. Solvay has also installed an external reporting "lines", hosted by a third party for reporting concerns and seeking advice. These lines are operated in the majority of the countries in which Solvay is active but not yet in all countries, due to regulatory constraints.
Allocation of responsibilities and accountability for addressing human rights impacts	The function "Ethics and Compliance" has the more specific objective of strengthening a culture based on ethics and compliance with the Solvay Values and Code of Conduct. It consists of "Compliance Officers" who are present in the four regions. These are assisted by a network of experienced employees tasked, in addition to their other responsibilities, with supporting activities in this area. The function "Ethics & Compliance" reports twice a year to the Board of Directors. <a href="#">Solvay Annual Report 2011, p.201</a> .
Internal decision-making, budget and oversight for effective responses to human rights impacts	Solvay "Speak Up" program encouraged the employees to take up any difficulty or question relating to the application of the Code of Conduct with its hierarchy and other identified interlocutors. The alternative is the introduction of an external Ethics Helpline to voice any difficulties or pose questions in complete confidence. <a href="#">Solvay Annual Report 2011, p.201</a> .
Processes to provide for or cooperate in the remediation of adverse human rights impacts that the company has caused or contributed to	Solvay has not been confronted with any adverse human rights impacts.

# HUMAN RIGHTS IMPLEMENTATION

## CRITERION 7

Implement effective monitoring and evaluation mechanisms of human rights integration

Global Compact best practices	Solvay's best practices
System to monitor the effectiveness of human rights policies and implementation, including in the supply chain	<p>Through Solvay's Speak Up program, employees can alert the company in case of potential violations.</p> <p>Other avenues for employees to alert the company are the Solvay People Survey and on many sites a counselor has been appointed.</p> <p>Through the internal audit organisation, the knowledge of the employees of the content of the policy will be verified.</p> <p>Every year, an assessment is carried out on a Rhodia site chosen by ICEM to verify the correct application at a grassroots level of the commitments made by Rhodia. These assessments have already been completed in China, Brazil, the USA and South Korea, and an annual review has been presented to an extra-national body representing the Group's employees (European Works Council). The deployment of the ICEM agreement is also integrated in the Rhodia Way framework which is part of Rhodia's management processes.</p> <p>Please see : <a href="http://www.rhodia.com/en/sustainability/ICEM_missions.tcm">http://www.rhodia.com/en/sustainability/ICEM_missions.tcm</a></p>
Monitoring drawing from internal and external feedback, including affected stakeholders	Solvay has in place a strong dialogue with its employees through the Solvay People Survey (groupwide survey, carried out every 2 years), through the European Works Councils and the national employer representative bodies. Solvay has introduced, in most of the countries on which it operates, the Speak Up campaign encouraging employees to Speak Up when they are confronted with difficulties or questions. Speak Up also foresees, as a last resort, an external helpline - Rhodia has signed a global CSR agreement with ICEM.
Leadership review of monitoring and improvement results	Reports made are taken very seriously by the organization and are investigated by the compliance function. The decision has been taken to report on ethics and compliance regarding training and non-conformities twice a year directly to the board.
Process to deal with incidents	Any alerts received on potential violations will be investigated by the dedicated compliance organisation.

## CRITERION 8

The COP describes key outcomes of human rights integration

Global Compact best practices	Solvay's best practices
Outcomes of due diligence process	This work is in progress. Solvay will gradually incorporate Human Rights in its risk assessments.
External and formal reporting of operations or operating contexts that pose risks of severe human rights impacts	Work in progress. Solvay is in the process of developping a procedure to identify potential human rights impacts.
Operational-level grievance mechanisms for those potentially impacted by the company's activities	As part as consolidated financial statements, Solvay publishes the important litigation in which it is involved ( <i>pages 157-159 Solvay Annual Report 2011</i> ). Solvay is not involved in any litigation concerning human rights.
Outcomes of processes of remediation of adverse human rights impacts	Not applicable. No case of remediation.

# LABOUR PRINCIPLES IMPLEMENTATION

## CRITERION 9

### Formulate robust commitments, strategies or policies in the area of labour

Global Compact best practices	Solvay's best practices
Reference to relevant international conventions and other international instruments (e.g. ILO Core Conventions)	<p>The Code of Conduct is part of the Group's constant effort to maintain and strengthen trust both among all its employees and between the Group and its partners, including its employees, their representatives, shareholders, customers and suppliers, government agencies and all other third parties. The Code is inspired by international Conventions such as the Universal Declaration of Human Rights, the Convention of the Rights of children and the Conventions of the International Labour Organization (ILO).</p> <p>In 2005, Rhodia signed a global social and environmental responsibility agreement with the International Federation of Chemical, Energy, Mine and General Workers' Unions (ICEM) (see Solvay Annual report p.55). Please see : <a href="http://www.rhodia.com/en/sustainability/ICEM_missions.tcm">http://www.rhodia.com/en/sustainability/ICEM_missions.tcm</a> Solvay SD indicators &amp; progress 2011.</p>
Reflection on the relevance of the labour principles for the company	<p>Solvay matrix 5x5 guides and formalizes the Sustainable development strategy for the group and all of its entities. At the intersection of the expectations of the stakeholders and the five driving axes of Solvay's strategy, key fields are identified which, when combined, will be the sphere of operation for the action we take in relation to business, the environment and our role in society. Specific chapters in Solvay Sustainable strategic review 2008-2012 are dedicated to relevant matters as "equity, diversity and non-discrimination" as well as "industrial relations and the management of restructuring.</p> <p>The Rhodia Sector is on the way to sustainability excellence thanks to the Rhodia Way, a referential addressing its 21 commitments and implementing good practices in 44 areas that are material to sustainability and Corporate Social Responsibility. Among these, specific areas related to labor principles have been identified: deployment of the ICEM agreement, promoting non-discrimination and equal opportunities, improving direct dialogue with employees.</p>



Global Compact best practices	Solvay's best practices
Written company policy (e.g., in code of conduct) on labour	<p>The Solvay's <i>Code of Conduct</i> is supported by various policies dedicated to Human Resources like:</p> <ul style="list-style-type: none"><li>• career management;</li><li>• job evaluation and job families(Hay system) to promote equal opportunities;</li><li>• compensation to promote equal opportunities;</li><li>• international mobility policy to promote equal opportunities.</li></ul> <p>Solvay also adopted a <i>Charter on Sustainable Development and Corporate Social Responsibility</i>. ICEM agreement gives tangible expression to Rhodia's determination to ensure that basic labor rights and the Group social standards in the area of health, safety and environmental protection are respected on all its sites all over the world.</p>
Inclusion of minimum labour standards in contracts with suppliers and other relevant business partners	<p>The Solvay's Code of Conduct includes a paragraph regarding the relation with Suppliers:</p> <p>"Suppliers are selected, without discrimination, through open competition and on the basis of an objective and verifiable evaluation of their performance as well as their ethical performance (in matter such as safety, respect for the environment and children rights) ...". The Solvay General Terms &amp; Conditions for Purchase includes environmental and security obligations: "Supplier undertakes to ensure during the course of its activities the protection of the environment." Solvay has recently developed a specific Supplier's Code of Conduct that will be gradually deployed amongst all its suppliers and sub-contractors. This Supplier's Code of Conduct deals inter alia with environmental matters. Due to the recent acquisition of Rhodia, the process has been delayed.</p> <p>Rhodia Ethics and behaviour charter: purchasing for responsible: to comply with the Rhodia SPS (Sustainable Purchasing System) as well as to respect the applicable policies, laws, rules, and regulations of the work related zone in which our management system is operating and with respect to commitments with our suppliers.</p>
Specific commitments and goals for specified years	<p>See the objectives related to human resources among the 107 targets to be achieved by 2012 or 2020 in the <i>Solvay Sustainable strategic review 2008-2012</i>.</p>

# LABOUR PRINCIPLES IMPLEMENTATION

## CRITERION 10

Implement effective management systems to integrate the labour Principles

Global Compact best practices	Solvay's best practices
Risk and impact assessments in the area of labour	Among the main risks for people in the Solvay group activities are those related to the excessive exposure of employees, contractors and the public during production activities and exposure to hazardous products or during the transportation or use of these hazardous chemicals. See <i>Solvay Annual Report 2011</i> , p.155.
Allocation of responsibilities and accountability within the organisation	Solvay Code of Conduct stipulates that the compliance officers or the In-house lawyers taking into account the significance of the alleged violation and the urgency of the matter, shall inform the General Counsel who in turn may decide to inform executives with authority to act for the interest of Group entity or entities involved. The General Counsel may investigate before informing management.
Internal awareness-raising and training on labour principles for management and employees	The Solvay group implements the Code of Conduct through various measures, including appropriate training, in order to promote behavior and compliance.
Grievance mechanisms, communication channels and other procedures (e.g. whistleblower mechanisms) for reporting concerns or seeking advice	Solvay has adopted a general policy on reporting irregularities and misconducts. Solvay encourages its employees to use the "Speak Up" line when faced with concerns or ethical dilemmas. Solvay encourages its employees to discuss these issues in the first place with their managers or with the dedicated internal organizations. Solvay has also installed an external reporting "hot line", hosted by a third party for reporting concerns and seeking advice. This line is operated in the majority of the countries in which Solvay is active but not yet in all countries due to regulatory constraints. See the <i>Solvay Annual Report 2011</i> .



## CRITERION 11

Describes effective monitoring and evaluation mechanisms of labour principles integration

Global Compact best practices	Solvay's best practices
System to track and measure performance based on standardized performance metrics	To implement the Solvay HR strategy, six strategic objectives have been chosen in priority for the upcoming years. The deployment of the strategy at Group level is monitored through two scorecards.  Rhodia Way Self-assessment and continuous improvement steps: a self-assessment checklist enabling the various parts of the Group (GBUs and Functional Divisions) to position their practices with regard to Rhodia's commitments and to define required improvement initiatives.
Audits or steps to monitor and improve the labour performance of companies in the supply chain	All Solvay key suppliers and all first line suppliers are already subject to regular spot-checks made by the Solvay buyers. The following points are evaluated: finance, health and security, environment,... Moreover, detailed audits are organized in specific sites and specific regions.  In 2011, Rhodia sector won a Rhodia Way Awards for its project "Training program for Asian suppliers focusing on sustainable development issues".
Leadership review of monitoring and improvement results	To implement the Solvay HR strategy, six strategic objectives have been chosen in priority for the upcoming years. The deployment of the strategy at Group level is monitored through 2 scorecards. Both Scorecards are used during the Leadership Team meetings to follow the strategy implementation. Safety performance is reported to the Executive Committee on a monthly basis and to the Board of Directors.  Every year, an assessment is carried out on a Rhodia site chosen by ICEM to verify the correct application at a grassroots level of the commitments made by the Group. Such assessments have already been completed in China, Brazil, the USA and South Korea, and an annual review has been presented to an extra-national body representing the Group's employees (European Works Council).

# LABOUR PRINCIPLES IMPLEMENTATION

Global Compact best practices	Solvay's best practices
Process to deal with incidents	<p>Procedure for reporting of severe breaches: All employees of Solvay group shall report to the Compliance Officers, or the In-house lawyers all facts that, based on their actual good faith knowledge, might constitute a severe breach of applicable laws or this Code of Conduct and that could imply significant consequences for the Group (or any of its entities), employees or third parties. All personnel so reporting shall cooperate fully with any internal investigation of such matters. The Compliance Officers and the In-house lawyers shall refer any report to the General Counsel.</p> <p>For breaches of applicable laws or this Code of Conduct that would not imply significant consequences for the Group (or any of its entities), employees or third parties, employees can report to their hierarchy, the Human Resources Department or the legal departments as they choose.</p> <p>Any issues with the implementation of this Code and/or any potential violation of, need to be promptly reported to a direct manager and/or where appropriate, other Senior Managers such as the Rhodia Group Purchasing VP or Internal Audit VP.</p>

## CRITERION 12

The COP describes key outcomes of integration of the labour principles

Global Compact best practices	Solvay's best practices
Outcomes of due diligence and follow-up efforts to uphold the freedom of association right to collective bargaining	80% of Solvay employees are represented by an independant trade union or covered by collective bargaining agreements. In 2005, Rhodia signed a global social and environmental responsibility agreement with the international federation of chemical industry workers (ICEM).
Outcomes of due diligence and follow-up efforts to eliminate forced labour	Results from Solvay Peolple Survey review "personnel well-being & stress" <i>SD indicators &amp; progress report p.58.</i>
Outcomes of due diligence and follow-up efforts to abolish child labour	Age pyramid <i>SD indicators &amp; progress report p. 54, 101.</i>
Outcomes of due diligence and follow-up efforts to eliminate discrimination	Diversity and equal opportunity KPIs in the <i>SD indicators &amp; progress report p. 53, 100.</i>
Disclosure of main incidents involving company	Disclosure of the number of non-compliance with the Code of Conduct <i>SD indicators &amp; progress report, p. 23.</i>



# ENVIRONMENTAL STEWARDSHIP IMPLEMENTATION

## CRITERION 13

Formulate robust commitments, strategies or policies in the area of environmental stewardship

Global Compact best practices	Solvay's best practices
Reference to relevant international conventions and other international instruments	<p>The Solvay environment policy is consistent with its commitment to the Responsible Care Global Charter®. Solvay aligns with the OECD Guidelines for Multinational Enterprises and uses as a reference the voluntary international standard ISO 26000:2010-Guidance on Social Responsibility.</p> <p>Rhodia became signatory to Responsible Care Global Charter® in 1987, and its Sustainable Development approach managed with the Rhodia Way framework is aligned with the international standard ISO 26000. <i>SD indicators &amp; progress report 2011, p. 29, 86.</i></p>
Reflection on the relevance of environmental stewardship for the company	<p>Solvay matrix 5x5 guides and formalizes the Sustainable development strategy for the group and all of its entities. At the intersection of the expectations of the stakeholders and the five driving axes of Solvay's strategy, key fields are identified which, when combined, will be the sphere of operation for the action we take in relation to business, the environment and our role in society. Specific chapters in Solvay Sustainable strategic review 2008-2012 are dedicated to relevant matters as "management and control over local environmental impact", "management of contaminated soil and historic pollution (p.78, 81).</p> <p>The Rhodia Sector is on the way to sustainability excellence thanks to the Rhodia Way, a referential addressing its 21 commitments and implementing good practices in 44 areas that are material to sustainability and Corporate Social Responsibility.</p>
Written company policy on environmental stewardship	<p>The Company has an environmental policy which includes the following elements:</p> <ul style="list-style-type: none"> <li>• reference to all key issues of energy and water consumption, waste and emissions to air and water</li> <li>• responsibility at board level - the Company's Sustainable Development strategy is supervised by the Executive Committee</li> <li>• commitment to use of objectives and targets</li> <li>• commitment to monitoring and auditing</li> <li>• commitment to public reporting</li> <li>• globally applicable corporate operating standards</li> <li>• commitment to stakeholder involvement</li> <li>• commitment to address product or service impact</li> <li>• moves towards sustainability</li> </ul> <p>In addition, the Company has signed or endorsed the following charters or other initiatives: the chemical industry Responsible Care programme - since 1992. It also committed to the new worldwide ICCA global Responsible Charter (in 2007).</p>

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Global Compact best practices	Solvay's best practices
Inclusion of minimum environmental standards in contracts with suppliers and other relevant business partners	<p>The Solvay's Code of Conduct includes a paragraph regarding the relation with Suppliers:</p> <p>"Suppliers are selected, without discrimination, through open competition and on the basis of an objective and verifiable evaluation of their performance as well as their ethical performance (in matter such as safety, respect for the environment and children rights) ...". The Solvay General Terms &amp; Conditions for Purchase includes environmental and security obligations: "Supplier undertakes to ensure during the course of its activities the protection of the environment." Solvay has recently developed a specific Supplier's Code of Conduct that will be gradually deployed amongst all its suppliers and sub-contractors. This Supplier's Code of Conduct deals inter alia with environmental matters. Due to the recent acquisition of Rhodia, the process has been delayed.</p> <p>Rhodia Ethics and Behaviour Charter: purchasing for responsible: to comply with the Rhodia SPS (Sustainable Purchasing System) as well as to respect the applicable policies, laws, rules, and regulations of the work related zone in which our management system is operating and with respect to commitments with our suppliers.</p>
Specific commitments and goals for specified years	<p>Among the 107 objectives set by Solvay in 2008 to be achieved by 2012 or 2020, 32 are related to manufacturing and HSE issues. <i>Solvay SD strategic review 2008-2012: p. 33-35, 71-83.</i></p> <p>Rhodia environment plan is oriented: management of risks linked to accidental emissions and reduction of environmental footprint. <i>SD indicators &amp; progress report 2011, p86.</i></p>



# ENVIRONMENTAL STEWARDSHIP IMPLEMENTATION

## CRITERION 14

Implement effective management systems to integrate the environmental principles

Global Compact best practices	Solvay's best practices
Environmental risk and impact assessments	Environmental risk is Solvay's exposure stemming from the accidental release of a chemical substance following a plant equipment failure, a transport accident or production problems resulting in exceeding permitted emission levels. <i>Annual Report 2010, Risk management, p. 156.</i> <i>SD indicators &amp; progress report: p.47, 96.</i>
Assessments of lifecycle impact of products, ensuring environmentally sound end-of-life management policies	As a manufacturer of products to be used in the manufactured of finished products, Solvay has established detailed ecoprofiles for 95% (of last year revenues) of its portfolio. Ecoprofiles are used to feed the SPM (Sustainability Portfolio Management) assessments. Rhodia Sustainable Index (an eco-design tool) <i>SD indicators &amp; progress 2011 report, p.83, 111.</i>
Allocation of responsibilities and accountability within the organisation	Responsibility at board level - the Company's Sustainable Development strategy is supervised by the Executive Committee.
Internal awareness-raising and training on environmental stewardship for management and employees	HSE training in all Solvay sites.
Grievance mechanisms, communication channels and other procedures (whistleblower mechanisms) for reporting concerns or seeking advice regarding environmental impacts	Solvay SECOM, an international alert procedure is in place at the Group level to manage crisis response and communication. <i>Solvay SD strategic review 2008-2012, p.76.</i>

## CRITERION 15

Implement effective monitoring and evaluation mechanisms for environmental stewardship

Global Compact best practices	Solvay's best practices
System to track and measure performance based on standardized performance metrics	Environmental data (about 300 parameters) are collected and consolidated and a series of KPIs are published through a variety of channels, in line with the UN's Aarhus Convention on public access to information on the environment and in reference to the Global Reporting Initiative. See the various reporting channels for environment performance in <a href="#">our website</a> .
Leadership review of monitoring and improvement results	Each manufacturing Solvay site checks its compliance with all local applicable regulations, in particular with the operation permits. The Environment Management System (EMS) includes procedure dedicated to check this compliance <i>SD indicators &amp; progress 2011 report, p.44, 47.</i> Rhodia Care Management System (RCMS) for managing Safety, Environment, Health, Hygiene, Product and Transport safety <i>SD indicators &amp; progress 2011 report, p.97.</i>
Process to deal with incidents	Each manufacturing site checks compliance with the local applicable environmental regulations, in particular with operation permits. Environmental management systems include systems dedicated to check this compliance. A programme of audits of processes and performances through an independant third party has been initiated and will be deployed further in the coming years. <i>SD indicators &amp; progress 2011 report p. 47, 97.</i> Historical soil contamination of some sites are carefully identified and managed including setting appropriate provisions for monitoring and remediation initiatives. <i>Solvay SD strategic review 2008-2012 p.81.</i>
Audits or other steps to monitor and improve the environmental performance of companies in the supply chain	All key suppliers and all first line suppliers (number) are subjected to regular spot-checks made by the Solvay buyers. The following points are evaluated: finance, health and security, environment, Moreover, detailed audits are organized in specific sites and specific regions as well as specific activities like transport (with the Safety Quality Assessment System- SQAS of CEFIC).

# ENVIRONMENTAL STEWARDSHIP IMPLEMENTATION

## CRITERION 16

Describes key outcomes of integration of the environmental principles

Global Compact best practices	Solvay's best practices
Indicators on uses of materials and energy	Energy consumption, Water intake <i>SD indicators &amp; progress 2011 report p. 29, 34, 87, 89.</i>
Indicators on emissions, effluents, an waste	<i>SD indicators &amp; progress 2011 report p. 31, 32, 36, 37, 38, 39, 40, 88, 90.</i>
Indicators on the company's initiatives to promote greater environmental responsibility	<i>SD indicators &amp; progress 2011 report p. 48, 81, 111.</i>
Indicators on the development and diffusion of environmentally friendly technologies	Alignment of R&D & Innovation projects with megatrends. <i>SD indicators &amp; progress 2011 report, p.72-73.</i>
Disclosure of main incidents involving the company	Reporting of environmental infringements. <i>SD indicators &amp; progress 2011 report p. 44.</i>

# ANTI-CORRUPTION IMPLEMENTATION

## CRITERION 17

Formulate robust commitments, strategies or policies in the area of anti corruption

Global Compact best practices	Solvay's best practices
Publicly stated formal policy of zero-tolerance of corruption	Solvay expresses its commitment to responsible behavior and integrity, taking into account the sustainable growth of its business, and its good reputation in the communities in which it operates in the Solvay's Code of Conduct.  The Code is inspired by international Conventions such as the Universal Declaration of Human Rights, the Convention on the Rights of the Child and various International Labor Organisation (ILO) Conventions. The Group became recently a member of Transparency International.
Commitment to be in compliance with all relevant anti-corruption laws, including the implementation of procedures to know the law and monitor changes	Solvay has a strong commitment to be in compliance with all relevant laws, including anti-corruption laws. The function "Ethics & Compliance" has the objective of straightening a culture based on ethics and compliance. This organisation is also responsible to know the law, create awareness, train the employees and develop procedure.
Statement of support for international and regional legal frameworks, such as the UN Convention against Corruption	Solvay Code of Conduct is being revised.
Carrying out risk assessment of potential areas of corruption	This is work in progress. Solvay will systematically incorporate the issue of corruption in its risk assessment. See also <i>Annual Report, p. 146.</i>
Detailed policies for high risks areas of corruption	Solvay's Policy to prevent corruption covers all forms of corruption (public and private) in all geographic areas.
Policy on anti-corruption regarding business partners	Solvay strongly encourages its joint venture parties to put in place a similar ethics & compliance program including anti-corruption. Solvay is introducing the ethics & compliance issue gradually in its supply chain.

# ANTI-CORRUPTION IMPLEMENTATION

## CRITERION 18

Describe effective management systems to integrate the anti-corruption principle

Global Compact best practices	Solvay's best practices
Support by the organization's leadership for anti-corruption	Solvay's Code of Conduct is strongly supported by Solvay's management. Solvay is a member of transparency International Belgium.
Human Resources procedures supporting the anti-corruption commitment or policy, including communication to and training for all employees	In 2011, a groupwide training program on anti-corruption was carried out. <i>SD indicators &amp; progress report 2011, p. 23.</i>
Internal checks and balances to ensure consistency with the anti-corruption commitment	Work in progress. A groupwide tool to report all gifts and entertainment received and given to ensure the compliance with the policy.
Actions taken to encourage business partners to implement anti-corruption commitments	Dialogue with joint venture partners. Work in progress with regard to supply chain.
Management responsibility and accountability for implementation of the anti-corruption commitment or policy	Since 2007, a compliance organisation under the leadership of the Group General Counsel has been put in place to enhance a groupwide ethics and compliance-based culture to ensure compliance with applicable laws and regulations and compliance with Solvay's Code of Conduct, values and corporate policies. The compliance officer report directly to the Group General Counsel. See also <i>page 190-191 Annual report.</i>
Communications (whistleblowing) channels and follow-up mechanisms for reporting concerns or seeking advice	Solvay has a "Speak Up" program to encourage its employees to report when they are faced with concerns or ethical dilemma's. Solvay encourages its employees to discuss these issues in the first place with their managers or dedicated internal organization. Solvay has also installed an external reporting hotline, hosted by a third party for reporting concerns and seeking advice. Two lines are operated in the majority of the countries in which Solvay is active but not yet in all countries due to the regulatory concerns.
Internal accounting and auditing procedures related to anticorruption	Auditing on corruption or any other form of fraud is part of the mission of Solvay's internal audit function.

## CRITERION 19

Describe effective monitoring and evaluation mechanisms for the integration of anti-corruption

Global Compact best practices	Solvay's best practices
Leadership review of monitoring and improvement results	On an annual basis a Compliance report will be issued to the Board of Director.
Process to deal with incidents	Any report or request for advice will be dealt with by a dedicated organization. Any violations will be appropriately sanctioned. In 2010, 23 reports were registered through the internal helpline, among which 18 reports required further investigation.
Public legal cases regarding corruption	Solvay has nothing to report. See also <i>Solvay annual report p.157-159.</i>
Use of independent external assurance of anti-corruption programmes	Solvay is a member of Transparency International Belgium and works closely together with various non-financial rating agencies. Solvay's anti corruption program is currently being reviewed by Transparency International Belgium under it's Trac2 research.

# ANTI-CORRUPTION IMPLEMENTATION

## CRITERION 20

Describes key outcomes of integration of the anti-corruption principle

Global Compact best practices	Solvay's best practices
Outcomes of assessments of potential areas of corruption, where appropriate	Risk assessment is a work in progress.
Outcomes of mechanisms for reporting concerns or seeking advice	In 2010, 23 reports of various irregularities and misconducts (but not specifically corruption) were registered through the internal helpline, 18 reports required further investigation, one report was a request for advice. In 5 cases disciplinary actions were taken.
Indicators Human Resources procedures supporting the anti-corruption commitment or policy	<i>SD indicators &amp; progress report, p. 80, 99.</i>
Disclosure of main incidents involving the company	<i>SD indicators &amp; progress report, p.23.</i>

# VALUE CHAIN IMPLEMENTATION

## CRITERION 21

Describes implementation of the Global Compact principles in the value chain

Global Compact best practices	Solvay's best practices
Analysis of sustainability risks, opportunity and impact in the value chain, both upstream and downstream	Supply Chain and Manufacturing Risk in production units is Solvay's exposure to risks with raw material, suppliers, production and storage units and transportation, such as risks of major equipment failure or damage, transportation accidents, drastic shortages of raw materials or energy, natural disasters or transportation strikes. <i>See Solvay Annual Report 2012, p. 149.</i>
Policy on value chain, including a policy for suppliers and subcontractors	Standards, policies, Code of Conduct for suppliers were defined both at Solvay and Rhodia. Due to the take over with Rhodia, a new procurement program has been launched together to design a new procurement organization, policies and implementing tools.
Communication of policies and expectations to suppliers and other business partners	Due to the take over with Rhodia, a new procurement program has been launched together to design a new procurement organization, policies and implementing tools.
Monitoring and assurance mechanisms (e.g. audits/ screenings) for compliance in the value chain	Due to the take over with Rhodia, a new procurement program has been launched together to design a new procurement organization, policies and implementing tools.
Awareness-raising, training and other types of capacity building with suppliers and other business partners	Due to the take over with Rhodia, a new procurement program has been launched together to design a new procurement organization, policies and implementing tools.

# VERIFICATION AND TRANSPARENCY

## CRITERION 22

The COP provides information on the company's profile and context of operation

Global Compact best practices	Solvay's best practices
Legal structure, including any group structure and ownership	See <i>Solvay Annual Report 2011</i> .
Countries where the organisation operates, with either major operations or operations that are specifically relevant to sustainability	See <i>Solvay Annual Report 2011</i> , p 161.
Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	See <i>Solvay Annual Report 2011</i> .
Primary brands, products, and/or services	In the <i>Solvay webpages</i> .
Direct and indirect economic value generated for various stakeholders (employees, owners, government, lenders, etc.)	Sustainable development part of the <i>Annual Report 2011</i> <i>Solvay Sustainable strategic review 2008-2012</i> .



## CRITERION 23

Incorporates high standards of transparency and disclosure

Global Compact best practices	Solvay's best practices
COP uses the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines	A concordance Table with the criteria of Global Reporting Initiative is used : <ul style="list-style-type: none"><li>• in <i>Solvay Sustainable strategic review 2008-2012</i>, p.86-87.</li><li>• in <i>Solvay SD and progress 2011 report</i>.</li></ul>
COP qualifies for Level B or above of the GRI application levels	No information yet reported at this stage
COP includes comparison of key performance indicators for the previous 2-3 years	This is usually the case for the KPIs selected and reported by Solvay. See the <i>Sustainability indicators 2010</i> .
Board, where permissible, approves COP an other formal reporting on corporate sustainability	To be implemented.
Relevant sustainability information from COP is included in annual financial report and fillings	<i>Solvay Annual Report</i> includes information relating to sustainability issues.

# VERIFICATION AND TRANSPARENCY

## CRITERION 24

### Independently verified by a credible third party

Global Compact best practices	Solvay's best practices
Accuracy of information in COP is verified against assurance standard (e.g. AA1000, ISAE 3000)	<p>To ensure the reliability and credibility of its extra-financial reporting, Solvay commissioned Ernst &amp; Young Company Auditors (E&amp;Y) to audit and ensure the reliability of key elements of its Sustainable development reporting system. In 2010, E&amp;Y audited the energy and environment reporting procedures and rules. In 2011, the audit has been reinforced via a detailed analysis of how sites comply with every reporting rule.</p> <p>Similarly Rhodia commissioned PwC to audit the procedures and the indicators generated through their sustainability management system, the Rhodia Way. <i>SD indicators &amp; progress report p. 4, 122-125.</i></p>
Accuracy of information in COP is verified by independent auditors (e.g. accounting firm)	<p>Assurance report. <i>SD indicators &amp; progress 2011 report, p.122.</i></p>
Content of COP is independently verified against content standards (e.g. GRI Check)	<p>Solvay will use the new GRI.4 frame for reporting.</p>
COP is reviewed by a multi-stakeholder panel or by peers (e.g. Global Compact Local Network)	<p>To be discussed.</p>





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