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**Sustainability  
Report**





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# Letter from Solenis' CEO

## 2021: Great challenges, great accomplishments

Each year is more and more notable for Solenis. We solve new challenges, we become more innovative and we reaffirm our commitment to sustainability. Like every business, our year was again impacted by COVID and we continued to focus on keeping our employees safe. Sadly, we lost two colleagues to COVID and another to an accident while traveling. These were heartbreaking moments, but they have motivated us to do an even better job on safety in the future.

In addition, COVID's impacts were seen in disruptions to supply chains that hampered our ability to receive raw materials, and challenged our ability to serve our customers. I am proud of the efforts of our employees who despite these obstacles met our customers' needs without fail. Because of their hard work and dedication, we were able to do our part to keep the world moving. Solenis products and services are critical to maintaining water supplies, producing packaging and manufacturing tissue and other essential paper products.

While our teams continued to execute our day-to-day business, in 2021 we also tackled two significant initiatives: we facilitated the transformation of our ownership with Platinum Equity, and we integrated the Sigura Water business into our company. These were no small feats given the many other priorities of running our business.

As we look to the future, we know that building a great company — and making it sustainable — means never standing still. To that end, in 2021, we:

- Developed and continuously evolve metrics around our manufacturing productivity and environmental parameters.
- Improved customer relationship management. Now, when we talk about sustainability, it's about ESG+CTM... "C" for Customer.
- Rededicated ourselves to prioritizing our people through diversity, culture and engagement to ensure that we have the talent in place to reach our goals.
- And lastly our work in 2021, was recognized through the achievement of Ecovadis Platinum rating

All of these initiatives will make Solenis a stronger, more sustainable company. From my viewpoint, it's hard not to be excited about the potential of Solenis in 2022 and beyond.

**John E. Panichella**  
CEO





# Letter from Solenis' Chief Sustainability Officer



## Framing our approach for sustainable change

While Solenis is a business with a 100-year-old history, we never stop achieving “firsts.” In 2021, we published our first sustainability report to share our efforts with our stakeholders; we launched our first Sustainability Awards program to recognize our customers for their impact on sustainability; and words cannot express how privileged I am to serve as Solenis’ first chief sustainability officer.

At Solenis, we never rest on our laurels. And, as soon as the first report was completed, we began looking to the road ahead. Our future efforts are focused on building on our strengths and improving on our shortcomings. As I look to our company’s sustainability objectives in the coming year or two, I am impressed by the list of substantial programs currently underway at Solenis. These include:

- Operate with zero harm and ensure the well-being, health & safety of our people.
- Placing a priority on improving the carbon footprint of our facilities. We are also working on improving our ability to collect and interpret environmental data.
- Working on calculating the carbon footprint of our products so that we can measure our reduction efforts.
- Providing our customers – and the technical representatives who serve them – with leading edge tools and technologies to help them maximize efficiency and minimize water consumption, thus enabling them to reach their sustainability goals.
- Partnering with customers and research institutes to develop new, innovative sustainability solutions.
- Continuing to rededicate ourselves to improving our diversity, equity and inclusion.
- And lastly, continuing to give back to the communities in which we operate.

I encourage you to read more about these initiatives in this report. We are anxious to redouble our efforts to protect our people, our customers and the planet we share. And I know that by working together, we will do our part to ensure a sustainable future.

**Lotta Kanto Oqvist**

Chief Sustainability Officer



# About the Report

## For 2021, we are presenting a progress report providing additional transparency and disclosures.

In 2021, Solenis completed and released its first Sustainability Report for performance in fiscal year 2020 and commissioned independent, external assurance of the Report. For fiscal year 2021, we are presenting a progress report, meaning that the report is limited to data and information that has changed since last year. This progress report includes FY2021 data as well as in many instances provides additional transparency and additional disclosures that share more details on previous gaps, strengths and understanding about our sustainability journey.

This report provides an update on our sustainability approach and reviews the ongoing efforts we are taking to make our business more sustainable and resilient. In an effort to propel Solenis more quickly through the prioritization of sustainability initiatives, we have engaged consultants throughout our process to support our efforts, share best practices and help us focus on a sustainable growth strategy considered significant by our stakeholders.

This 2021 Sustainability Report presents in detail our environmental, social and governance performance (ESG) on a fiscal year basis. As such, the information included is supported by data points throughout the report, which covers the period between October 1, 2020 to September 30, 2021<sup>1</sup>.

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



We aim to contribute to achieving the U.N. Sustainable Development Goals (SDGs) through our strategic framework and our approach to sustainability. We have mapped our priority sustainability topics to the most relevant SDGs to our business. We know that by focusing on the things that matter the most to our business, we not only create business value, but also contribute to addressing some of society's most pressing development challenges.

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

<sup>1</sup>The merger with Sigura Water closed in November 2021 and therefore any data for Sigura Water is not included in the 2021 Sustainability Report.

## WE SUPPORT



### SOLENIS JOINS U.N. GLOBAL COMPACT

Solenis joined the U.N. Global Compact as a Participant in May 2021. We are committed to making the U.N. Global Compact on human rights, labor, environment and anti-corruption and its Ten Principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals.



# 2021 in Review

## Business Highlights

2021 brought another set of unique challenges and opportunities for the Solenis team. Despite these challenges, we have remained steadfast in our strategic focus: to create a sustainability-driven company focused on environmentally and socially responsible water solutions. Although demand within the markets we serve has been very resilient, the impact of the COVID-19 pandemic created unprecedented supply chain disruptions and a hyperinflationary business environment. Throughout and moving forward, our commitment to our more than 11,000 customers has been unwavering as our business teams brought forth creative solutions to avoid customer delays or shutdowns. Navigating hundreds of force majeure declarations by our suppliers and numerous global logistics and product delivery complications, our customer focus remained solid; we successfully overcame these extraordinary obstacles and delivered 100% of our committed product with no instances of customers' shortages.

While supplying our customers despite the pandemic-induced supply chain challenges remained in the forefront of our work every day, the acquisition of Solenis by Platinum Equity from Clayton, Dubilier & Rice (CD&R) and BASF in a transaction worth \$5.25 billion was announced in July. Simultaneous to this transaction, Solenis was merged with Sigura Water, a Platinum Equity portfolio company. These transactions were completed on November 9, 2021. The merger expands the Solenis portfolio to include residential and commercial pool water and spa treatment markets, and positions Solenis as a more diversified water treatment leader with greater scale and more attractive growth opportunities. Information about the newly combined business will be reported in our 2022 Sustainability Report, to be issued in 2023.

With value delivery a key focus, Solenis signed a global partnership agreement with Diversey as our distribution partner to the food and beverage industry. The combination of Solenis' extensive portfolio of water treatment chemistries, equipment and technical expertise with Diversey's cleaning and sanitation solutions, in addition to the channel to market they offer, offers the food and beverage industry with a significant service partner.

Our legacy of innovative thinking and R&D efforts continue to drive our success as we develop new technologies to respond to the strong market trends driving growth in sustainability, recycling, water reuse and plastic conversion to fiber. During 2021, we embarked on two customer partnerships related to beverage and food packaging as well as continuing our open innovation efforts with various universities and external partners around the globe.



## CONTINUING TO MEASURE OUR PROGRESS IN SUSTAINABILITY

In 2022, Solenis received platinum status from EcoVadis, a leading rating agency in corporate social responsibility and sustainable procurement. Obtaining this rating demonstrates Solenis' continued commitment to further advancing our sustainability goals.

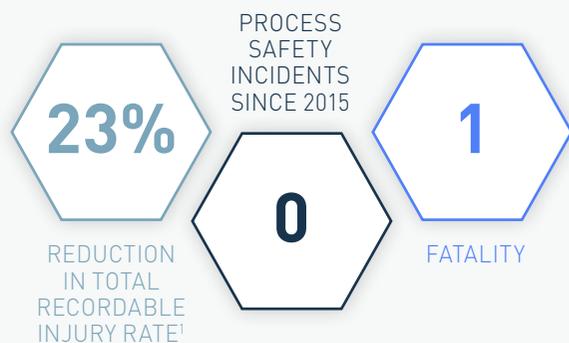
We are committed to measuring our Environmental, Social and Governance (ESG) progress through the GRI-based reporting framework.



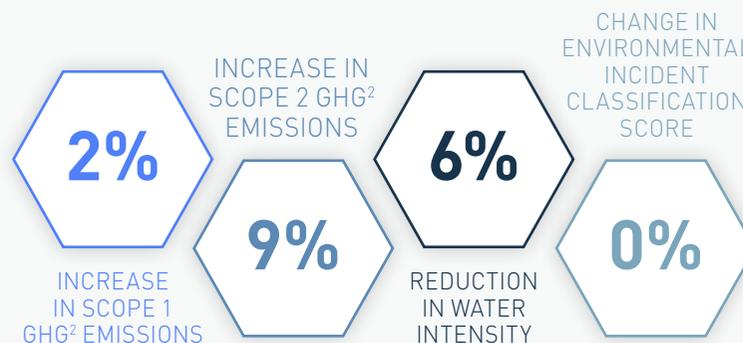
## Sustainability Performance

At the core of our efforts to enhance the sustainability of our enterprise are initiatives focused on safeguarding our people, minimizing our environmental footprint, and working to enhance our relationships and impacts on the society around us. Generally, we were pleased with the continuous improvement we achieved in many of these metrics. And while the safety of our employees is always the number one priority, and while we demonstrated improved safety performance in 2021, it is with great sadness that we must report one fatality. On December 26, 2020, an employee passed away in a traffic accident in Russia, on his way home from a sales call. All of us at Solenis want to express our deepest sympathies to his family; he was a friend, a colleague, and he will be missed. In his memory, we are redoubling our efforts toward progress toward zero injuries in 2022.

### Safety Performance – 2021 vs 2020



### Environmental Performance – 2021 vs 2020



### Social Performance – 2021



<sup>1</sup>Calculated by multiplying the total number of incidents which meet the criteria of being recordable by the U.S. Occupational Safety and Health Administration (OSHA) in one year by 200,000 hours and divided by the total number of hours worked by all employees. 200,000 hours are the expected hours normally worked in a year by 100 workers..

<sup>2</sup>Greenhouse gas

<sup>3</sup>as of 9/30/2021

<sup>4</sup>With greater than 10 employees



Recognizing private company success

## ONE OF AMERICA'S BEST RUN COMPANIES IN 2021

Solenis was named as a 2021 U.S. Best Managed Company. Sponsored by Deloitte Private and *The Wall Street Journal*, the program recognizes outstanding U.S. private companies and the achievements of their management teams.



**“This prestigious recognition reflects our commitment to a long-term strategy that delivers true sustainability and measurable operational efficiency for our customers.”**

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

## Solenis at a Glance

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

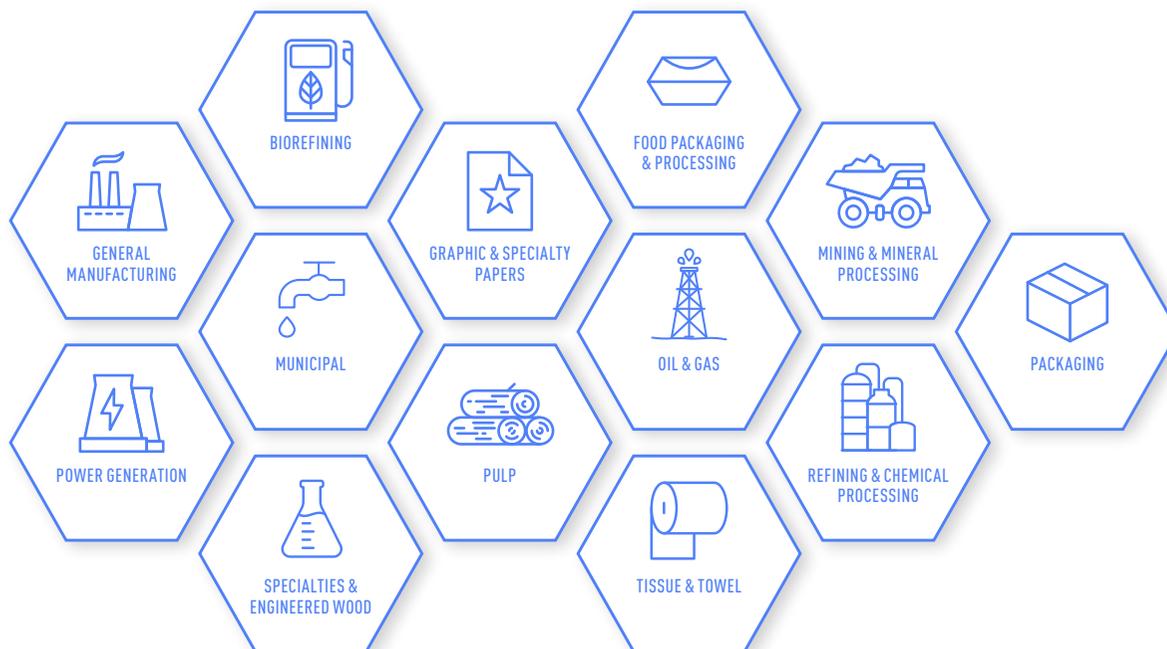
That’s exactly what we’ve been doing since our founding **more than 100 years ago**. We’re a leading specialty chemical supplier and water treatment company, with a truly global footprint. With nearly 5,300 employees, 35 Solenis-owned manufacturing facilities, four manufacturing sites operating at customer facilities, our operations span 120 countries and six continents.

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

## Markets We Serve

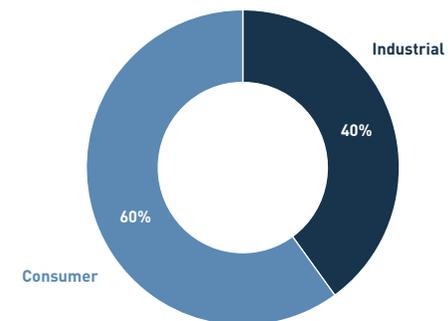
As a force for sustainable change, Solenis' innovative chemical and water treatment solutions drive sustainability by reducing water, energy, raw material use, and waste while improving operational efficiency, productivity and yields.

We strive to be each customer's most trusted supplier by solving problems with the right people, the right experience and the right technology. We're built to deliver value. For the genesis of every solution, our customers look to Solenis.

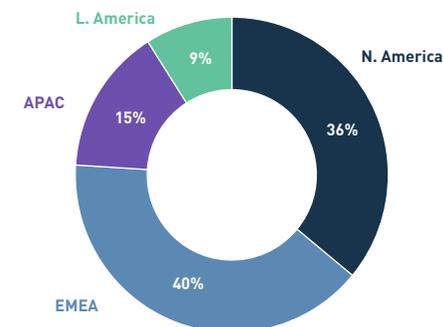


### SOLENIS END MARKETS AND GEOGRAPHICAL BREAKDOWN

Revenue breakdown by end market\*



Revenue breakdown by geography\*



\*revenue only reflects legacy Solenis business



## Our Team Adds Value Around the World

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

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

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

**Our pool solutions business segment<sup>1</sup>** (formed as a result of the integration with Sigura Water) provides high-performance water care solutions and value-added services for residential and commercial pool and spa applications. More information on this business segment will be included in next year's sustainability report.

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

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

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

<sup>1</sup>The merger with Sigura Water closed in November 2021. As a result, no data for Sigura Water is included in the 2021 Sustainability Report



# Solenis Executive Committee

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

**JOHN PANICHELLA**  
Chief Executive Officer

**PHILIP PATTERSON**  
Senior Vice President & Chief Financial Officer

**ROYCE WARRICK**  
Senior Vice President & General Counsel

**ANDREAS TÜRK**  
President, Eurasia

**DAN KEY**  
Senior Vice President and Chief Operations Officer

**EDWARD CONNORS**  
President, Americas

**ROBERT BAIRD**  
President, Pool Solutions

**DAVID NOCEK**  
Senior Vice President & Chief Human Resources & Communications Officer

## **SOLENIS ACQUIRED BY PLATINUM EQUITY, SIMULTANEOUSLY ACQUIRES SIGURA WATER**

WILMINGTON, Del. (USA) – Effective November 9, 2021, Solenis, was acquired by Platinum Equity from Clayton, Dubilier & Rice (CD&R) and BASF in a transaction worth \$5.25 billion. Both CD&R and BASF have fully exited Solenis. In addition, as part of the acquisition, Solenis has merged with Sigura Water, an existing Platinum Equity portfolio company, for a total combined transaction value of approximately \$6.5 billion. The combined company generates approximately \$3.5 billion of revenue.

“The addition of Sigura positions Solenis as a more diversified water treatment leader with increased profitability and attractive growth opportunities. Sigura’s industry-leading position in the pool solutions market and innovation-focused team complement our current offerings. As we welcome Robert Baird and his team to Solenis, I’m excited for the opportunity to move forward together, enhancing our customers’ profitability, sustainability, and deployment of healthier water treatment options.”

John Panichella  
CEO



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





# Our Value Chain

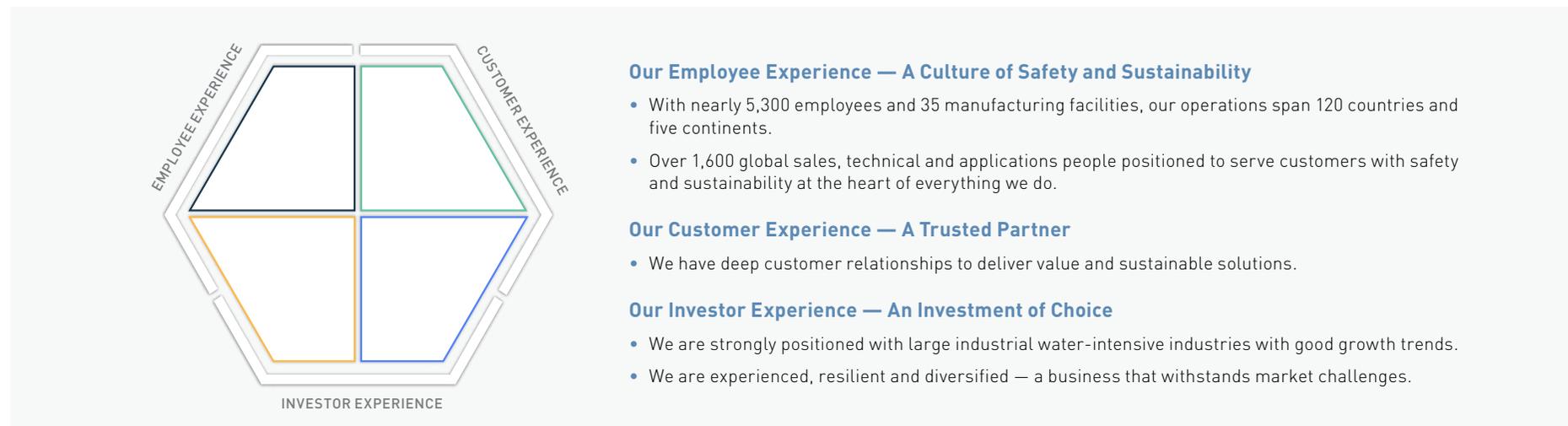




# Our Approach to Sustainability

## Strategic Lenses and Materiality Assessment

Three strategic lenses coincide with our four focus areas and correlate to specific United Nations Sustainable Development Goals. These then help inform our processes for identifying the most significant topics to our stakeholders and our business. In 2020, we carried out an in-depth materiality assessment; and in 2021, we updated this assessment through the use of Datamaran\* software to identify and prioritize the key material topics that have the potential to impact the long-term viability of the company and are of importance to our internal and external stakeholders. These material topics help us organize our priorities, actions and commitments.



Our 2021 materiality assessment update reconfirmed our material topics which organizes our actions and commitments across our four focus areas or pillars:

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

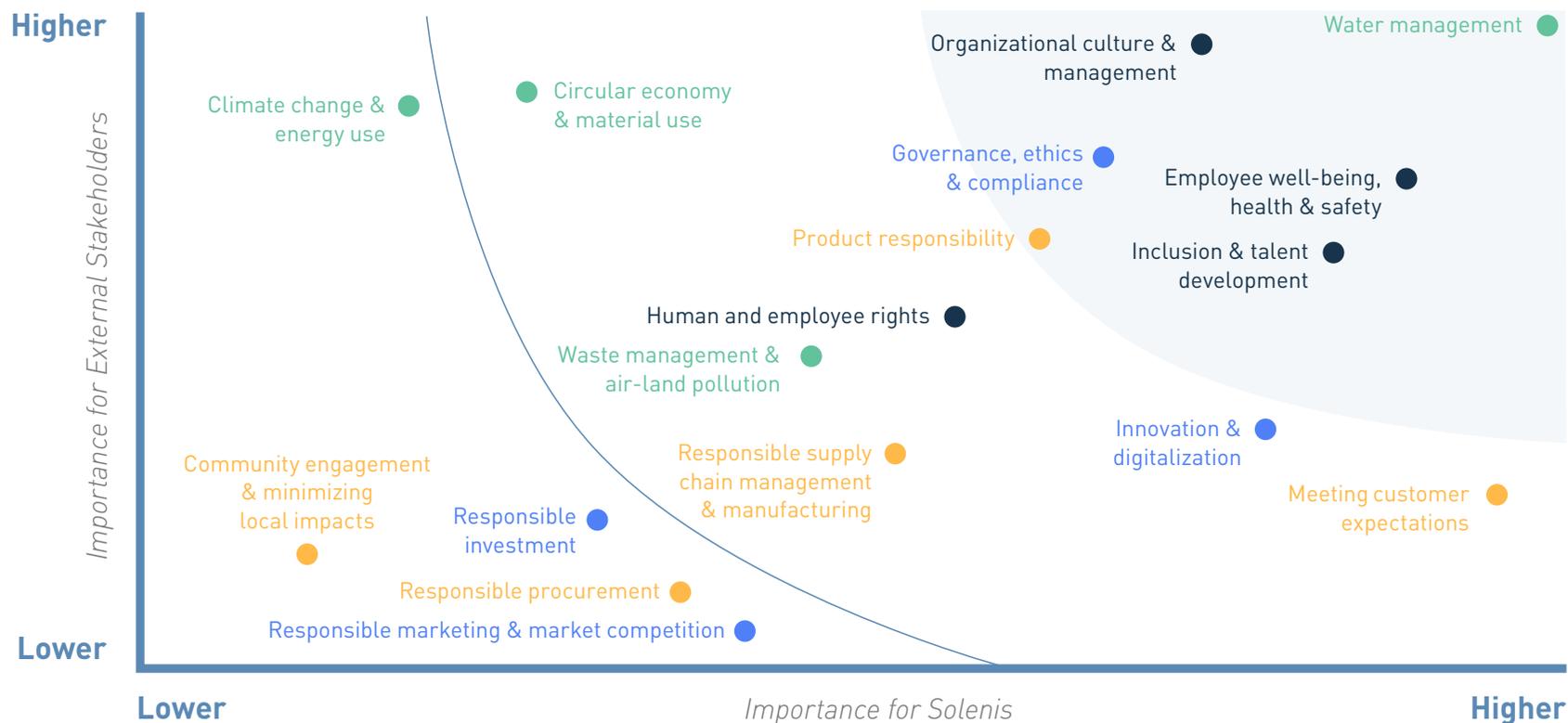
With the addition of the Sigura Water business in November 2021, we intend to complete a full materiality assessment in 2022 to understand all relevant material topics for our new, broader organization.

For more information on our strategic approach and materiality assessments, please visit pages 13 – 17 in our 2020 Sustainability Report.

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



# Materiality Matrix



## Sustainability Pillars



● Well-being, H&S



● Protecting our planet



● Partnerships in our value chain



● Responsible business practices



## United Nations Sustainable Development Goals

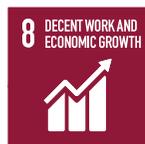
Through the action and commitment to the four sustainability pillars defined, Solenis aims to create value for our stakeholders, while responding to sustainability and societal challenges, including contributing to the U.N. Sustainable Development Goals (SDGs). In fiscal year 2021, Solenis has revised and prioritized the SDGs where we believe we can have the biggest impact through our customers, employees, products, processes, and partnerships:



**SDG 5 – Gender equality:** A diverse workforce is critical to delivering on our strategy. In its commitment to gender equality, Solenis tracks annual progress in global gender diversity in leadership and the overall workforce. In addition, we perform regular pay equity reviews to close any gender pay gaps.



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



**SDG 8 – Decent work and economic growth:** The COVID-19 pandemic reinforced Solenis' long-standing position to protect our people. Our legacy of continuous improvement in the health and safety, of our people will remain a key focus. Our long-term commitment to operate with zero harm is steadfast. We offer fair and competitive wages in compliance with all laws and regulations and respect labor rights. We draw from the local workforce throughout our global footprint and provide training and development for our workers.



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



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



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

# Strategic Framework

Our Strategic Framework visually depicts how our three business lenses, our four sustainability pillars, the SDGs and our material topics are interrelated. This framework helps all stakeholders to quickly understand how we approach these key areas. Meeting customer expectations is the only material topic not included in this framework because it is an overarching focus for Solenis.





## Corporate & Sustainability Governance

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

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

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



# 01

OUR APPROACH TO SUSTAINABILITY

# Well-being, Health and Safety of Our People

# 1

## Well-being, Health & Safety of Our People



In this section:



**Our people are the reason for our long-standing reputation for solving highly complex customer challenges. Our approximately 5,300 outstanding professionals, including 1,600 talented field representatives, work in 120 countries across six continents.**

Our manufacturing operations with nearly 2,000 employees are strategically located at 35 sites around the globe. In addition, our eight R&D sites, comprising more than 250 professionals, are focused on addressing the most pressing customer concerns and to developing state-of-the-art technology to meet customers' future challenges. It is our ambition to educate and engage our people to reach their full potential and to create a safe and inclusive work environment in which they can continuously grow and succeed.



# Health & Safety

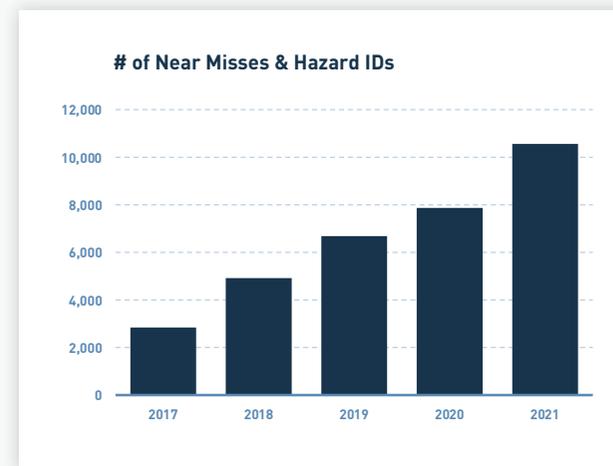
**At Solenis, we continuously strive to be a leader in health and safety. Our long-term ambition is to operate with zero harm. A target to reduce our Total Recordable Rate (TRR) by 10% every year keeps us focused.**

We are driven to provide a workplace environment that does not affect the health or otherwise compromise the well-being of our workers. We use data dashboards and metric charts to monitor our performance as we continue to strive towards a zero incidents environment. Solenis utilizes leading and lagging indicators to work on improving overall safety performance.

	KPI	Target	2021 Progress
People	<ul style="list-style-type: none"> <li>Continuously strive towards zero injury culture</li> </ul>	<ul style="list-style-type: none"> <li>Reduce recordable injury rate (TRR) by 10% year over year</li> </ul>	<ul style="list-style-type: none"> <li>TRR reached 0.41 (23% reduction)</li> </ul>

## NEAR MISSES & HAZARD IDENTIFICATIONS

Solenis continuously seeks to proactively improve its safety performance through various programs and initiatives. Employees see importance in reporting Near Misses and Hazard Identifications which has led to increased reporting and actions to remove risk in the work environment. This will ultimately lead to a reduction in the number of incidents. Since 2017, the number of these reports has improved nearly 4x. Recognizing risk and modifying behavior contributes to improved worker safety.



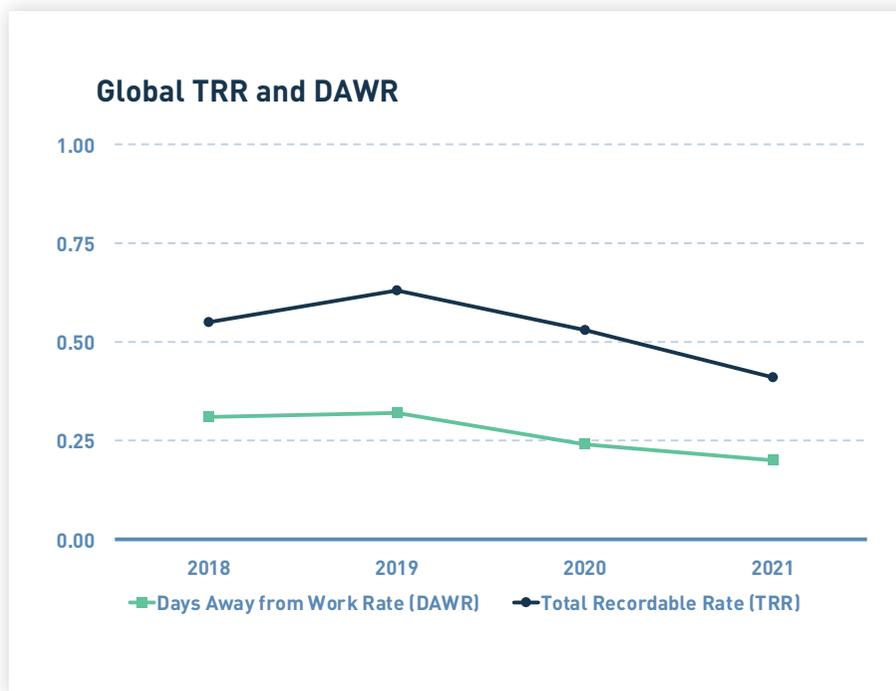


With a target to reduce our Total Recordable Rate (TRR)<sup>2</sup> by at least 10% versus the prior year, we had 22 recordable work-related injuries in 2021. This translates to a TRR of 0.41, which is a 23% improvement over the prior year, exceeding our 10% improvement goal. In addition, Solenis achieved a 17% reduction in its Days-Away-from-Work<sup>1</sup> rate (also known as lost time injuries), declining from 0.24 to 0.20. Despite these significant, positive improvements in safety performance, we did, as previously mentioned, experience one work-related fatality. On December 26, 2020, an employee passed away in a traffic accident in Russia, on his way home from a sales trip. Solenis also experienced two employee fatalities due to COVID; however, these were not work-related.

All incidents are contained, investigated and corrective actions are implemented to prevent recurrence. These corrective actions are subsequently evaluated to make sure they have been effective. Our CEO personally conducts injury incident reviews. Following each review, safety alerts are shared with concerned workers exposed to such risks to help prevent similar incidents.

<sup>1</sup>DAW Rate is normalized as TRR, using a 200,000 work hours base for 100 workers.

<sup>2</sup>Calculated by multiplying the total number of incidents which meet the criteria of being recordable by the U.S. Occupational Safety and Health Administration (OSHA) in one year by 200,000 hours and divided by the total number of hours worked by all employees. 200,000 hours are the expected hours normally worked in a year by 100 workers.



REGION	DAYS AWAY FROM WORK RATE <sup>1</sup>				TOTAL RECORDABLE RATE <sup>2</sup>			
	2018	2019	2020	2021	2018	2019	2020	2021
APAC	0.11	0.12	0.07	0.00	0.11	0.49	0.22	0.00
EMEA	0.17	0.50	0.28	0.39	0.25	0.59	0.55	0.45
LATAM	0.73	0.31	0.51	0.00	1.02	0.78	0.51	0.00
NA	0.37	0.62	0.20	0.28	0.89	1.34	0.80	0.96
<b>Total</b>	0.31	0.32	0.24	0.20	0.55	0.63	0.53	0.41



In order to manage and improve the health and safety of our workers, the communities in which we operate and the environment as a whole, Solenis is committed to the American Chemistry Council's [Responsible Care program](#), a global initiative to advance the safe and secure management of chemical products and operations. Our policies and goals on health and safety are set out in our [Responsible Care Policy](#). Adhering to the Responsible Care policy is the responsibility of every worker, and that includes leadership. In addition, leadership is responsible to make sure the policy is well communicated and implemented. Solenis management leads by example, while educating and training workers and stakeholders through training programs and awareness campaigns.

#### Our Responsible Care program includes:

- A global management system (certified under RC14001, ISO 14001, and ISO 45001) to deliver excellence in environmental, health, safety and security performance, and meet required local, regional, international and business-specific compliance obligations and standards. New facilities added to our asset portfolio acquired through mergers & acquisitions (M&A) efforts or through our own asset development will be included in our [external certification programs](#). All facilities are targeted to reach our 100% certification target within a three-year time period.
- Worker involvement at every level of the organization.
- Continual improvement towards our goals of operating with zero harm (incidents), achieving 100% compliance and reducing our environmental, health, safety and security impact.

#### Notable Achievements

During 2021, our Latin America and Asia-Pacific regions achieved a major safety milestone with zero recordable injuries for the full year. Other significant achievements were recorded for the FY2021 as highlighted below.

### Sites Safety Achievements – 2021



#### VACCINATION PROMOTION

"As vaccination for COVID-19 is the best way to mitigate the pandemic, Solenis has made a major effort to inform its employees about the pros and cons of vaccination. The company has informed its employees and their family members, and contractors, about vaccination possibilities, and even facilitated access to vaccines in countries like India. In our larger facilities, such as Bradford, U.K., Wilmington, Delaware, U.S., and Warsaw, Poland, we also support access to seasonal flu vaccination, by either on-site vaccination or vouchers."



## Safety Training for all Workers

At Solenis, every worker is required to take safety training every year through LMS. We supplement this training with a wide range of other activities:



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



**Safety Impact Group meetings** – We conduct Safety Impact Group meetings facilitating sharing of best practices and performance of mini-safety audits. Due to the COVID crisis, much of this activity was heavily curtailed.



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



**Safety Audits** – We conduct internal and external reviews of documentation and operational practices. Findings help the organization to continuously improve safety and strive towards zero incidents. External audits could be conducted by third parties, or by customers, insurance companies, suppliers, or other business partners. Internal safety audits are conducted by trained and approved auditors or from other professionals in the organization.



**Newsletter** – Our efforts are constantly reinforced through a monthly Safety Update e-newsletter and, regular COVID safety reminders, with topics ranging from using public transportation to managing holiday gatherings at home.



**Global Safety Alerts** – Information to ensure that learnings from recordable injuries or other incidents are shared in the organization.



# Our Culture

**Our culture is centered on fundamental beliefs about the importance of our people, their performance and their impact on results in growing the business.**

Solenis brings together diverse perspectives in a safe, collaborative workplace that empowers our employees to solve the world’s most challenging process and sustainability challenges. We nurture a culture of inclusion at the same time that we promote learning and growth for all employees.

### People

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

### Performance

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

### Results

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

## 2021 ANNUAL CULTURE SURVEY RESULTS

We continue to build our company culture founded on engaged employees, which is measured via our annual culture survey. In 2021, we had a 78% employee response rate, an improvement in overall employee satisfaction from 8.3 (2020) to 8.6 and an increase in intent to stay from 8.7 to 8.9. To support our employee engagement, we manage numerous programs throughout the year that are translated into at least six languages.



\*Rating calculated by average score of all DE&I index questions



**OUR PEOPLE AT A GLANCE**



Total headcount

**5,300**

Voluntary turnover

**7.3%**



Global gender diversity (total workforce #)

**24%**

U.S. racial/ethnic diversity (workforce #)

**37.1%**



Women in executive leadership positions

**21.1%**

Represented employees globally

**35%**



KPI		Target	2021 Progress												
People	<ul style="list-style-type: none"> <li>Create a diverse and inclusive culture</li> </ul>	<ul style="list-style-type: none"> <li>By 2030, double the diverse population of leadership and total workforce</li> </ul>	<ul style="list-style-type: none"> <li>Global Gender Diversity:                             <table border="0"> <tr> <td>Vice President &amp; Above</td> <td>21.1%</td> </tr> <tr> <td>Director &amp; Above</td> <td>20.0%</td> </tr> <tr> <td>Total Workforce</td> <td>24.1%</td> </tr> </table> </li> <li>Global Gender and US Race/Ethnicity:                             <table border="0"> <tr> <td>Vice President &amp; Above</td> <td>26.3%</td> </tr> <tr> <td>Director &amp; Above</td> <td>24.8%</td> </tr> <tr> <td>Total Workforce</td> <td>28.0%</td> </tr> </table> </li> </ul>	Vice President & Above	21.1%	Director & Above	20.0%	Total Workforce	24.1%	Vice President & Above	26.3%	Director & Above	24.8%	Total Workforce	28.0%
		Vice President & Above	21.1%												
		Director & Above	20.0%												
Total Workforce	24.1%														
Vice President & Above	26.3%														
Director & Above	24.8%														
Total Workforce	28.0%														
<ul style="list-style-type: none"> <li>Measure employee engagement via Annual Culture Survey</li> </ul>	<ul style="list-style-type: none"> <li>8.6 out of 10 engagement score (increase from 8.3)</li> </ul>														
<ul style="list-style-type: none"> <li>Companywide investment to ensure 5% of all employee working time is spent on learning &amp; development</li> </ul>	<ul style="list-style-type: none"> <li>Commercial sales force team achieved the goal of 5%</li> <li>Target extended to entire company in 2021</li> </ul>														

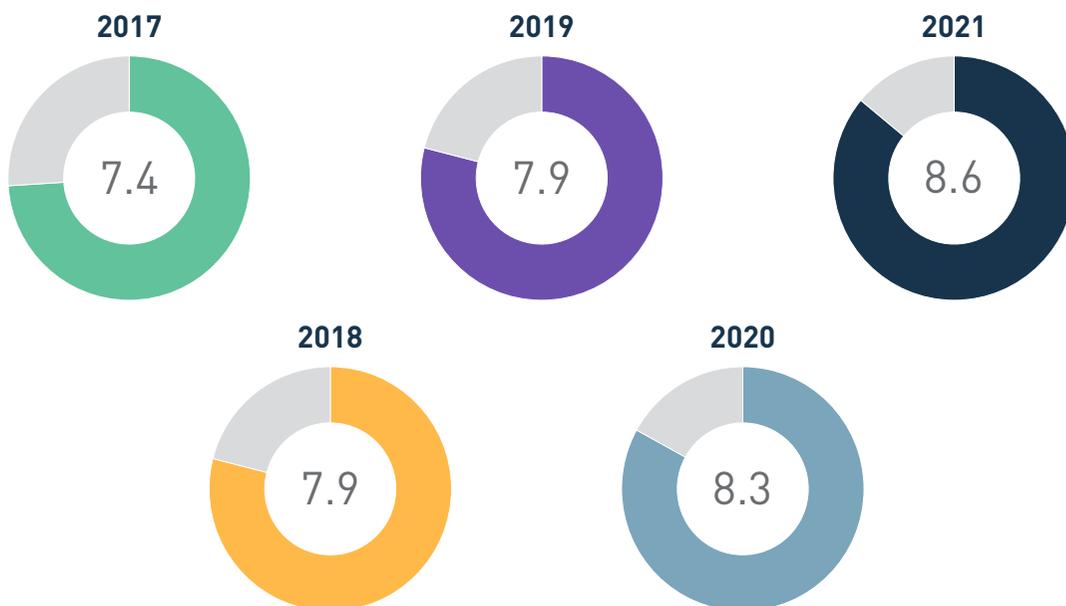


## Employee Engagement

Employee engagement and fostering a committed, high-performing team of employees are fundamental to our culture and are measured through the Solenis Annual Culture Survey. In 2021, we enhanced our survey questionnaire by adding the capability to track our culture of inclusion, adding a DEI index and looking at engagement and intent to stay by demographics. The survey was available in eight languages and the feedback is anonymous with responses only included as part of department, regional and global summaries. All employees (excluding temporary employees, contractors, students, and new hires within 90 days) were invited to participate.

Our 2021 survey had an overall response rate of 78% (equal to 2020) and an overall engagement score of 8.6 out of 10 (a 0.3 increase over 2020). Intent to stay also increased from 8.7 to 8.9. This is notable because intent to stay, which measures the likelihood that employees feel they will stay with the company for the next two years, is a critical indicator of engagement and an accurate predictor of turnover. In addition, the DEI Index indicated that our inclusion score was 8.6. This will become our baseline as we move forward.

### Overall Employee Engagement (out of 10)





## Our Culture Action Planning Process

Once the Culture Survey results are in, the real work begins. At Solenis, this work falls to our people managers, who are responsible for creating and improving the culture and employee experience. Our Culture Action Planning process forms the foundation of this effort. Every manager is required to meet with their team, discuss opportunities to improve engagement and submit an action plan with specific actions to improve the culture. All managers are trained on how to facilitate this discussion. Looking forward, our process for driving culture and engagement will be critically important as we combine Solenis with Sigura Water and bring together two cultures and two teams. A complete plan has been developed to guide this integration, and it will be shared in the 2022 Sustainability Report.

## Transparent Communications Drives Engagement

To keep our employees informed and engaged, we hold quarterly global town hall meetings led by senior executives in which we involve and update our employees on Solenis' strategy, business priorities and other business-critical topics. These global webcasts are supplemented with quarterly regionally-focused meetings in multiple languages. In 2020, we added monthly global webcasts dedicated to COVID-19 pandemic information and have continued these through 2021.

To ensure employees feel that they have a voice and that the company values two-way, transparent dialogue, the company provides several opportunities to interact with senior leaders. These include real-time, unscripted Q&As at our global and regional town halls, manager forums, letters from the CEO, and a robust company intranet. In addition, employees are encouraged to use a dedicated email address to ask questions directly to the CEO and other key executive members at any time. The CEO also holds virtual one-on-one sessions with various individuals and teams to gain insights on challenges, top-of-mind thoughts and more.



## Recognition Program

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

### Solenis Award Program

<b>The President's Roundtable Award</b>	Our highest honor recognizing individuals in eight categories
<b>The Eagle Award</b>	Recognizes our most exceptional salespeople
<b>The Pinnacle Award</b>	Recognizes top performers in applications, product management, pricing and marketing
<b>The Darcy Dauterive Award</b>	Recognizes exemplary female leaders in each region
<b>The Lulu Mena Customer Service Award</b>	Recognizes exceptional performance in customer service
<b>The Phoenix Award</b>	Recognizes outstanding technology employees for their constant generation of innovative products
<b>Inspire Awards</b>	Peer-to-peer recognition celebrates daily business success



The President's Roundtable award recognizes high achieving individuals in eight categories.



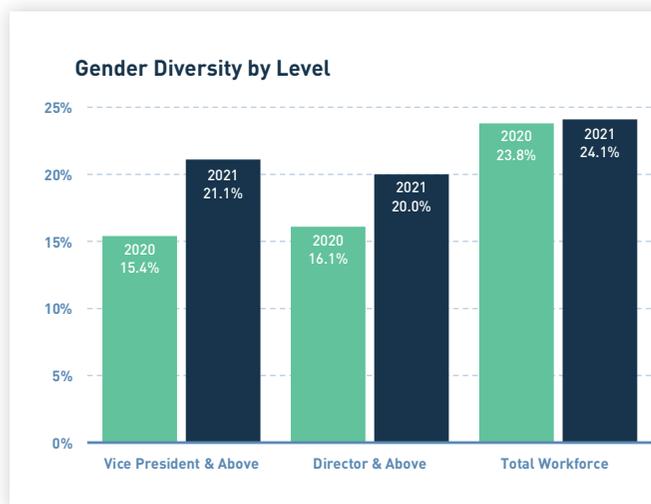
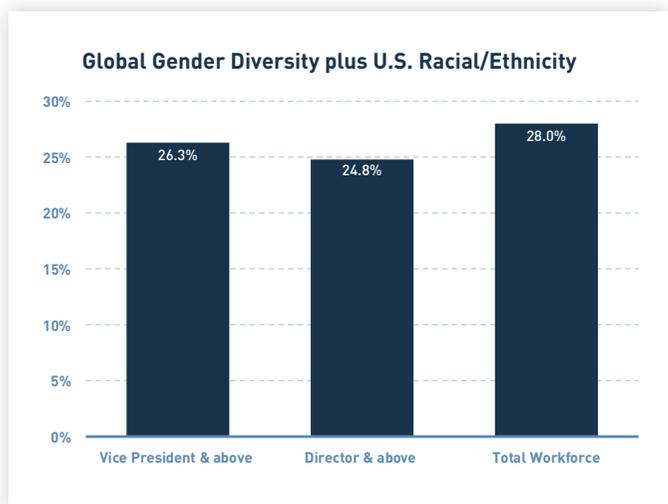
# Diversity, Equity & Inclusion (DE&I)

A diverse workforce is integral to delivering on our strategy. By embracing the unique strengths of each person and respecting, valuing and celebrating our differences, we can build the most effective teams and enhance Solenis' performance across our global operations.

Because we believe representation matters, we have set a vision to double the diversity of our leadership teams and our workforce by 2030.

We track progress toward this vision by measuring diversity representation on candidate slates, as well as diversity of actual hires. Currently, we track gender diversity globally, as well as racial and ethnic diversity in the U.S. Quarterly scorecards provide metrics at the organizational levels, and our leadership team is accountable for progress in their annual performance assessments.

We view diversity as multidimensional. As such, we strive for a culture where all employees feel not only safe but also empowered to bring their whole selves to work, where they can make their best contributions and reach their long-term potential. With operations in 120 countries, we are proud that our employee population is multicultural, multilingual, multi-generational and multifaith. We are diverse racially, ethnically, in abilities and in gender identification.



Gender Diversity by Region		
	2020	2021
AP	22.4	22.0
LA	22.3	26.2
EMEA	24.7	26.2
NA	21.9	21.6

*all numbers are % of total workforce*



Building this diverse workforce, however, is just the beginning. Having an inclusive environment is essential to retaining employees and helping them to reach their potential. For this reason, Solenis strives to offer an inclusive learning culture and a supportive and inclusive network infrastructure.

Throughout the regions, we have DE&I Task Forces that concentrate on regional and location-specific initiatives to ensure our business attracts, retains and develops the best talent. Task Force teams often work closely with our Employee Business Resource Groups (EBRGs), who shape the culture through important initiatives focused on employee engagement, career development support, mentoring programs and diversity hiring initiatives. Each EBRG has an executive sponsor team and is led by a group of talented employee leaders who form their executive boards.

### Solenis Employee Business Resource Groups (EBRGs)

**WINS – Women’s International Network of Solenis**

WINS was founded to develop a company culture that attracts, retains and develops talented women and supports Solenis’ focus on collaboration, growth of the business and personal development. WINS is an inclusive global, virtual network that develops content and programming for all employees.

**MCN – Multi-Cultural Network**

MCN is a network supporting our rich multiculturalism at Solenis. Its mission is to educate and enlighten people’s perspectives on multicultural issues within the company and society. MCN is comprised of sub-employee resource networks, including Black professionals, veterans and global multicultural groups.

**SEL – Solenis Emerging Leaders**

The mission of the SEL is to develop Solenis employees early in their career by fostering relationships with their peers, highlighting sustainable initiatives, and encouraging and exploring career growth opportunities. This group focuses on improving retention, diversity and inclusion, and innovation of emerging leaders in Solenis.

**WISER – Women in Solenis – East Region**

WISER was founded by and for women in Solenis’ Commercial organization to support, develop and uplift rising professional talent in the sales function in North America.



“The people of Solenis are a key strength to our success. By facilitating larger discussions about diversity, equity, and inclusion, we are able to establish a dialogue within our communities that promote and advance sustainability, which ultimately impacts our local, regional and national economies.”

—Gabi Bradley, Diversity Equity & Inclusion Leader



## Under the global oversight of our DE&I team and executive sponsorship, our regional DE&I Task Forces and our EBRGs have launched a number of key initiatives over the past year:



**Global and regional celebration of International Women’s Day**



**First Juneteenth celebration in the U.S**



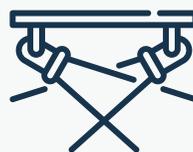
**First global, virtual celebration of International PRIDE**



**North American Veterans recognition campaign**



**Employee-requested training and career development workshops**



**Employee spotlights on our diverse leaders and employees**



**Development of an Allyship program, to be globally launched in spring 2022**



## Equal Employment Opportunities

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

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

In our Diverse Candidate Policy, we require diverse candidates and interviewer slates for all open positions. We began our diverse slate initiative to include at least one diverse candidate on every interview slate, and last year we increased the scope to a minimum of two diverse candidates for leadership roles. We plan to implement this multiple diverse candidate standard to all hiring slates in 2022. We also developed inclusive hiring guidelines that apply globally in every country where Solenis operates and have trained our hiring managers and HR professionals on overcoming unconscious bias in the hiring process.

## SOLENIS SOUTH AFRICA RECEIVES B-BBEE CERTIFICATION

On June 15, 2021 Solenis received our certification under the Broad-based Black Economic Empowerment Amendment Act (B-BBEE).



**“We are committed to leveraging B-BBEE to uplift our employees and their families, help facilitate diversification, and create opportunity within the communities where we live and work. As a company and supplier enjoying the opportunities of the local South African markets, Solenis can be proud in the knowledge that we are contributing toward the meaningful participation of Black South African citizens.”**

– Lance Dell, District Manager,  
Sub-Saharan Africa, Consumer Solutions



## Solenis' Diversity Scholarship Program

In 2021, we implemented a global Diversity Scholarship program to identify 20 chemical engineering students in the U.S., Brazil, Mexico, Colombia, the United Kingdom, South Africa and China and offer them paid internships. The interns rotate through different roles in Solenis' Commercial, R&D, Supply Chain and Customer Service organizations, and candidates who align well with internal roles receive offers to become full-time Solenis employees.

Our first three candidates were three talented students from South Africa:



**Keith Ndhlovu**, a 22-year-old student from Mpumalanga, who will use the scholarship to enroll for the Advanced Diploma in chemical engineering at the Cape Peninsula University of Technology in Bellville, Cape Town.



**Amanda Cholo**, a 23-year-old fourth-year student at the University of Johannesburg completing a Diploma in engineering technology in mechanical engineering.



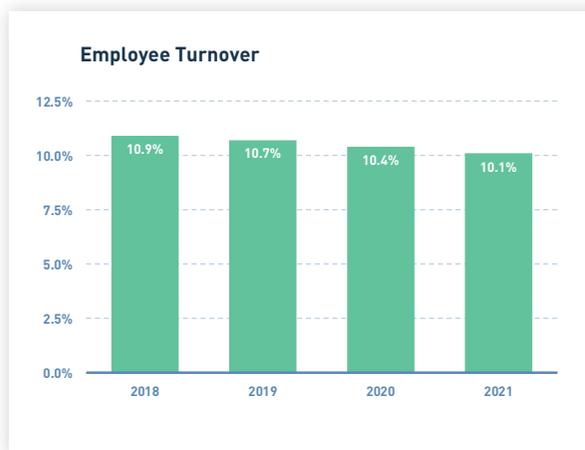
**Yatra Roopnarian**, a 20-year-old student entering the fourth year of the chemical engineering degree program at the University of KwaZulu Natal in Durban.



## New Hires and Turnover

In addition to hiring diverse talent, Solenis must also retain the necessary talent and skills to enhance our growth. In 2021, we promoted 11.3% of our employees, 32.5% of whom were females. When looking at turnover by gender, voluntary turnover by women was approximately 9.1%. To improve women’s retention rates, we have focused on women’s leadership development programs, including our WINStone program for rising female leaders, as well as succession plan development focused on supporting high potential women leaders.

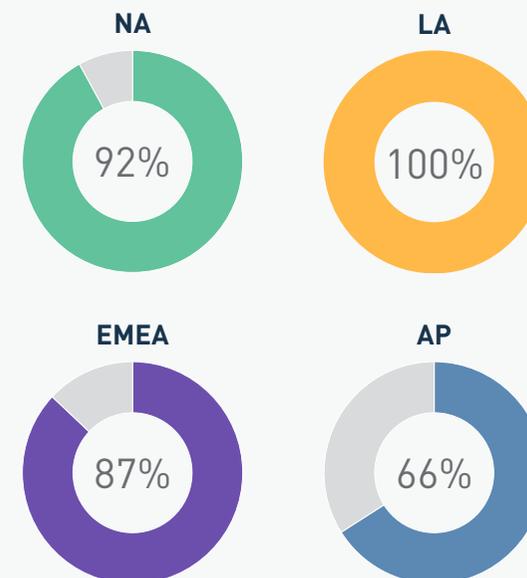
In 2021, we expanded the way we source talent by introducing a number of partnerships and programs to increase our pipeline of candidates and to better match diverse talent to our applications process. We established strategic partnerships with two Historically Black Colleges and Universities (HBCUs) and diversity-focused organizations, with the goal of discovering talent and cultivating students for careers at Solenis. We are also ensuring diverse candidates are in the succession pipeline for senior leaders who are approaching retirement. In this program, senior vice presidents act as sponsors to connect successors to meaningful assignments, projects and experiences and to champion their visibility throughout the company.



## MAKING A POSITIVE IMPACT LOCALLY

Solenis recognizes that leadership and managers from the local community provide improved communication (internally and externally) and offer positive economic impact on local communities. We use the following definitions: “hiring from local community” means within the regions in which we operate – North America; Europe, Middle East and Africa (EMEA); Latin America; and Asia/Pacific – and senior management is defined as vice president and above.

### Senior management hired from the local communities





“The STAR program was an excellent opportunity to progress my skills technically and socially! Through the program, I made hundreds of connections, both in Solenis and with our customers and touched down in over 20 states and 30 facilities. With this experience, I am now engaged in an exciting career at Solenis.”

—Emily Parsons

A 2020 graduate of SUNY College of Environmental Science and Forestry, Emily was an intern during college and then entered the STAR program after graduation. She is now working in Solenis' sustainable packaging area.

## Internships and Apprenticeships

We understand the importance of providing college students with hands-on work experience so that they are better prepared to enter the workforce, either with Solenis or another company. In the U.S., we offer full-time, paid internships to qualified students. Interns are paired with a Solenis mentor who provides guidance and feedback. In 2021, we onboarded 33 undergraduate interns and six MBA interns. Of the undergrad interns, 13 were hired as full-time employees, and 11 of those will enter the 2022 Sales Technology Application Rotation (STAR) Program.

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

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

**The Solenis Early Careers Program at Bradford and Grimsby, U.K.**, which covers apprenticeships and internships, supports early career professionals as they progress toward sustainable employment. Apprenticeships are aimed at individuals who are finishing their General Certificates of Secondary Education (GCSEs), A-Levels or college diplomas and vary in duration from 12 months to four years corresponding to the qualification being studied and level. Building on a 40-year history with its apprenticeship program, the Bradford site has currently placed 26 apprentices in various apprenticeship programs. In the past 12 months, an additional three individuals have passed their apprenticeship and moved into permanent roles.

**In Krefeld, Germany**, Solenis has a cooperation with the Evonik training/apprenticeships department offering apprenticeships in chemistry and technology-related professions every year. In 2021, 10 apprentices received training enabling optimal career starts at our locations in Bad Sobernheim and Krefeld, Germany. Every year individuals who passed their exam move into permanent roles.

**Solenis has also built strong internship and apprenticeship programs in Latin America and India.** In India, a focus on a strong pipeline for our Global Shared Services organization continues. We have an internship program to build a talent pipeline in GSS with a diverse set of capabilities to sustain our business growth. In Latin America, we have developed apprenticeship programs to hire and train talent into our supply chain and plant operations.



# Training & Development

**In order to provide our employees with opportunities to grow and succeed, we offer continuous learning and development programs that create personalized development plans for every individual, ensuring that joining Solenis – and staying with us – leads to a long and rewarding career.**

In 2021, we announced a goal that all employees spend about 5% of working time on learning and professional development. This goal has been in place, and met, for our commercial sales teams, which recorded at least 82 hours of training per person in 2021. This has had a direct link to sales proficiency and sales growth, and in 2022, we extended this goal to all of our people.

In addition, we offer customizable learning and development programs to help employees evaluate their strengths and develop skills that can drive their career. These tailored learning plans can be created in any one of our learning tracks, and employees can choose between independent learning online to learning with others virtually or, pre-pandemic, in person. Our learning tracks are focused on four areas:

**Professional growth:**

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

**Leadership growth:**

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

**Technical growth:**

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

**Sales growth:**

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



**“We know that diverse perspectives drive the best business outcomes. One of Solenis’ key focus areas is to sustain our people with an investment in their training and career development, a dynamic set of career experiences, and an inclusive and supportive culture in which to grow.”**

– Christy Notigan, VP – Global Talent Management & Diversity, Equity & Inclusion



In addition, through vendor partners, we offer best-in-class learning modules with content from executive business school programs, with courses such as Driving Digital Transformation, Selling through Customer Centricity, Accelerating Change Readiness & Agility, Managing Uncertainty, and Driving Inclusive Decision-Making.

In late 2021, we announced the launch of our LEAD program (Leadership Engagement Alignment & Development) to build managers' competency level, which we believe will improve the employee experience for all employees. This program, which launches in February 2022, will provide an 8-month learning journey to all people managers and their teams, teaching content such as building trust, team well-being, inclusive leadership, communication skills, appreciation and recognition, and driving growth.

### **Performance, Development & Rewards**

Performance, Development & Rewards (PD&R) at Solenis is designed to encourage open, ongoing communication between employees and managers about performance and development. PD&R helps each individual employee connect to the growth objectives of the company through annual goal setting, progress update feedback and year-end performance reviews. In 2021, 100% of supervisors and more than 94% of individual contributors received a performance review. By gender, the completion rates were 94% female and 92% male.



## Total Rewards & Benefits

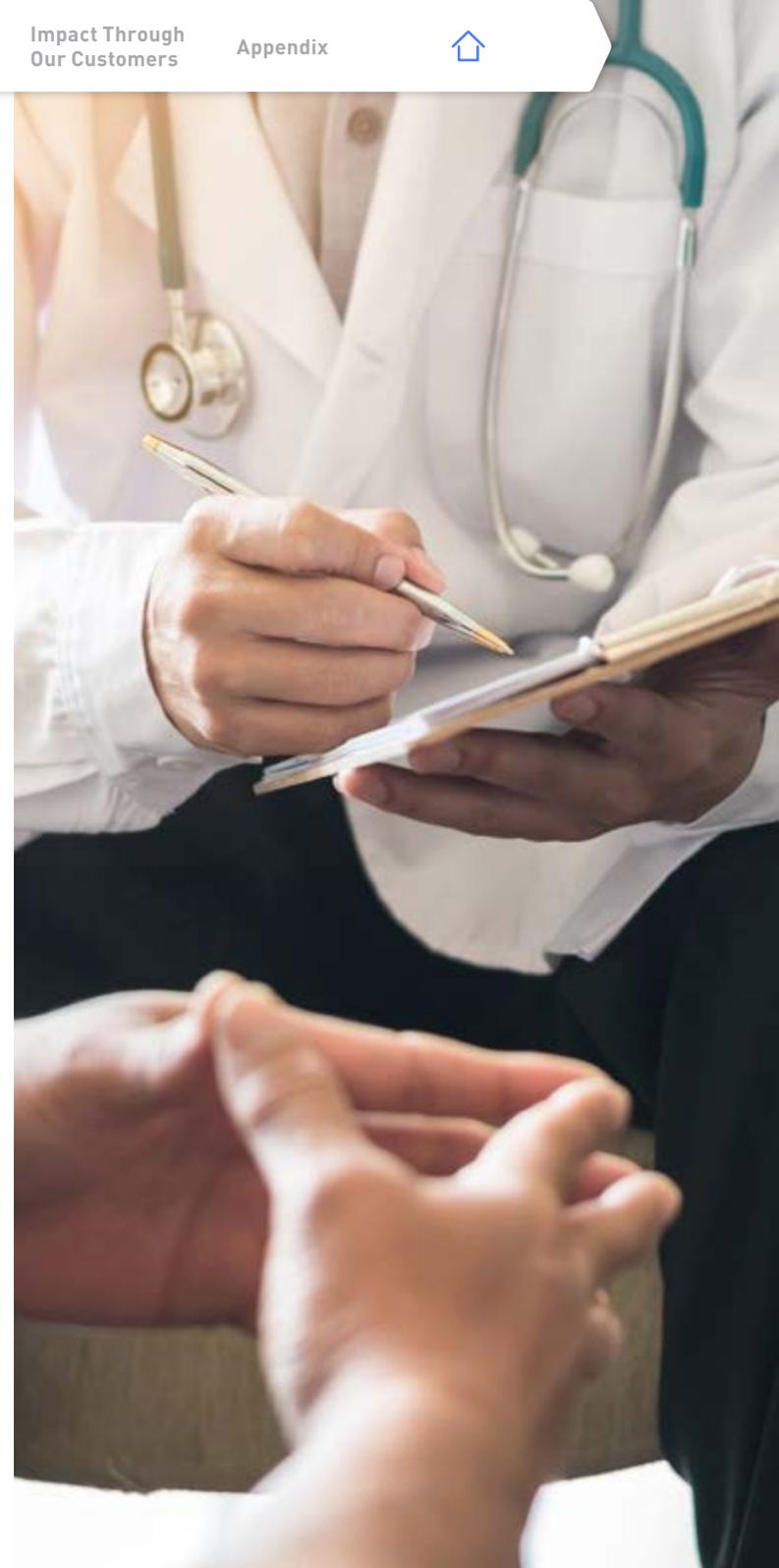
Solenis' strategy regarding our benefit programs is to help employees meet their needs and goals in every country around the globe and no matter what stage in life. We have five strategic pillars for our benefits programs:

- Staying Competitive
- Managing Cost
- Governance and Compliance
- Quality Service
- Engagement and Wellbeing

For each country in which we operate, Solenis is constantly assessing our benefit programs to ensure they meet government requirements and are market competitive.

- **In the U. S.**, all full-time employees may elect either a Preferred Provider Organization (PPO) or a Consumer-Driven Health Plan (CDHP) medical plan as well as basic and optional life insurance. Short-term and long-term disability coverages are also provided by the company. An employer-matching 401(k) retirement plan is also available to full-time employees.
- **In Europe, Middle East and Africa (EMEA)**, Solenis offers various benefits, such as medical coverage, life insurance, disability benefits, parental leave and retirement all at least the statutory level mandated by the individual countries. In some countries, employer-sponsored medical and life insurance is also provided for a low employee cost. In the following countries, meal vouchers are also provided: Czech Republic, Finland, Italy, Portugal, Spain, Sweden, and Turkey.
- **In Latin America and the Asia / Pacific region**, Solenis provides the same level of health, income protection and retirement benefits to full and part-time employees.

Temporary workers including interns, apprentices and contractors are excluded from the benefits package.





### Remote Work Policy

During 2021, recognizing the impact of COVID-19, Solenis expanded our remote work guidelines for office, lab and non-production, plant-based employees. This policy recognizes that work/life balance can be challenging and there may be times when flexibility is needed to meet business and personal needs.

### Employee Assistance Program

In 2021, Solenis introduced a global Employee Assistance Program (EAP) to help all employees be more successful at meeting their responsibilities at home and at work. This program offers practical information and counselling on a variety of topics to help employees and their families in times of crisis.

### Parental Leave

Solenis offers paid parental leave to employees after the birth of a child, adoption of a child under the age of 18, or placement of a child under the age of 18 in their home for foster care. The leave times vary by country, legal requirement, and local policy.

In 2021 in the U.S., 2% of employees who took advantage of the parental leave program, 79% were men and 21% were women, and 100% of all employees were still employed 12 months after their return to work. In all other countries, parental leave and time away are managed in accordance with each country's local laws.



## Compensation

### Fair Pay and Pay Equity

Solenis is compliant with all minimum wage laws and mandatory increases globally and has a compensation strategy to pay market competitive levels. All roles are sized and assigned an internal grade which determines the applicable pay range. The pay ranges are based upon market data from leading global sources and are reviewed on an annual basis. It is this framework that ensures pay decisions are made on a consistent basis in adherence with the compensation pay guidelines. We also review compensation at year-end and make adjustments to ensure all are compensated equitably.

We review global gender pay equity for all full-time, regular employees (excluding temporary employees, interns, apprentices, and other employees on shorter-term assignments). Currently, our overall global company gender pay ratio is 1.22:1, meaning that for every dollar a woman earns, a man earns \$.22 more. For the mid-career to senior management roles, Solenis pays men and women comparably with an average gender ratio of 1.03. There is ongoing work in progress to equalize pay at the junior/entry level roles.

In addition to pay equity reviews, Solenis has increased its focus on ensuring equity in its processes and access to facilities. In 2021, our Supply Chain and Operations function made capital investments to ensure our facilities around the world offered equitable access to appropriate restroom space and safety and personal protective equipment (PPE), ensuring a comfortable work environment for all of our employees, regardless of gender, and supporting the well-being of our employees.





## Collective Bargaining and Freedom of Association

In 2021, 35% of our employees were covered by collective bargaining relationships. Solenis respects and supports the rights afforded to employees by law regarding association and collective bargaining. Employees have the freedom to choose to be represented by a union or works council wherever it exists inside or outside Solenis. In regions such as the Americas and Asia Pacific, collective bargaining agreements typically exist with unions. In some European countries in which we operate, collective bargaining agreements or partnership agreements can be mandated at the country level.

If a notice period is specified in a Collective Bargaining Agreement, Solenis will observe and follow the requirement. In addition, Solenis abides by the statutory minimum notice period required to make operational changes. These notice periods may vary depending on the operational change itself and the number of employees impacted.

We have not identified any operation or suppliers in which the right or freedom of association and collective bargaining may be at risk. Within Solenis' operations, all rights to association and collective bargaining are observed and requests from employees are addressed. There are no outstanding or unmanaged requests of this sort. New hires are made aware on joining whether their role is covered by a local CBA and/or whether it falls under the jurisdiction of a recognized Works Council or Trade Union within Solenis. Where applicable, employees have the freedom to choose whether they wish to be represented by a Trade Union or Works Council, inside or outside of Solenis.



# 02

OUR APPROACH TO SUSTAINABILITY

# Protecting Our Planet

# 2

## Protecting Our Planet



In this section we cover:



**In our operations, our focus is on ensuring responsible stewardship of natural resources.**

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



# Identifying Environmental Risks & Opportunities

We identify and assess environmental risks through a company-wide global environmental, health, safety and security (EHS&S) management system.

Solenis is committed to [Responsible Care®](#), a global initiative by the American Chemistry Council, to advance the safe and secure management of chemical products and operations. At Solenis, our Responsible Care program encompasses environmental and regulatory programs; product risk management; product regulatory information; remediation; process safety management; and audits. Within Responsible Care, each operating facility conducts periodic risk assessments to identify risks and opportunities.

We use an annual internal Environmental, Health and Safety survey to assess and improve the sustainability status of our sites. The survey covers different environmental topics, such as energy management, water management, spill management, hazardous materials and waste management. In 2021, all 35 Solenis-owned manufacturing facilities were surveyed with all sites reporting on time. Several opportunities to improve energy efficiency by using more renewable energy, conserving water, and reducing waste were identified in the survey, and will be evaluated by Solenis' senior leadership. The next survey will be managed in July/August 2022.

We are committed to being one of a very few companies in the world with the intention to have all of our manufacturing plants comply with external Responsible Care third-party certification. As a result, Solenis adds any new manufacturing facility to its certification program within three years of becoming part of the Solenis organization.

As of year-end 2021, 91% of our plants were certified to the international environmental management system standard RC 14001 and 94% to ISO 14001. In 2021, we included the former BASF plants that were added in 2019. These percentages are up from 79% and 85% respectively in 2020.

Through our management system we meet required local, regional, international and business-specific compliance obligations and continually improve our processes and performance across our global operations. Since 2019, Solenis has implemented \$US 8.8 million in capital expenditure projects to improve our EHS&S performance.

KPI	Target	2021 Progress
Planet & Climate	<ul style="list-style-type: none"> <li>• Operate with zero environmental harm and reduce our carbon footprint</li> <li>• By 2030, reduce CO<sub>2</sub> emissions by 20%</li> <li>• By 2030, reduce water consumption by 5%</li> <li>• Year over year reduce Environmental Incident score by 10%</li> </ul>	<ul style="list-style-type: none"> <li>• Increase by 4%</li> <li>• Increase by 3%</li> <li>• No change in EIC</li> </ul>



## DATA QUALITY ENHANCEMENTS

Solenis' plant management and environmental teams are routinely looking to identify ways to better monitor and measure their environmental impact. By improving the quality and accuracy of the data, our teams are better equipped to focus on minimization projects with the most positive impact. This includes increased training, coordination, reporting and data validation between the plant teams and Solenis' corporate EHS department, as well as sharing best procedural practices across the organization. In addition, Solenis engages ERM Certification and Verification Services (ERM CVS) to provide independent, external assurance of our EHS data. As a result of these efforts, certain environmental data and statistics for 2018 to 2020, which were previously reported in the 2020 Sustainability Report, have been adjusted and modified. Going forward in 2022, Solenis will also be utilizing more robust systems and technologies to improve data and reporting. One example is the use of Workiva™, a software program that streamlines data collection and helps inform management of operational trends.

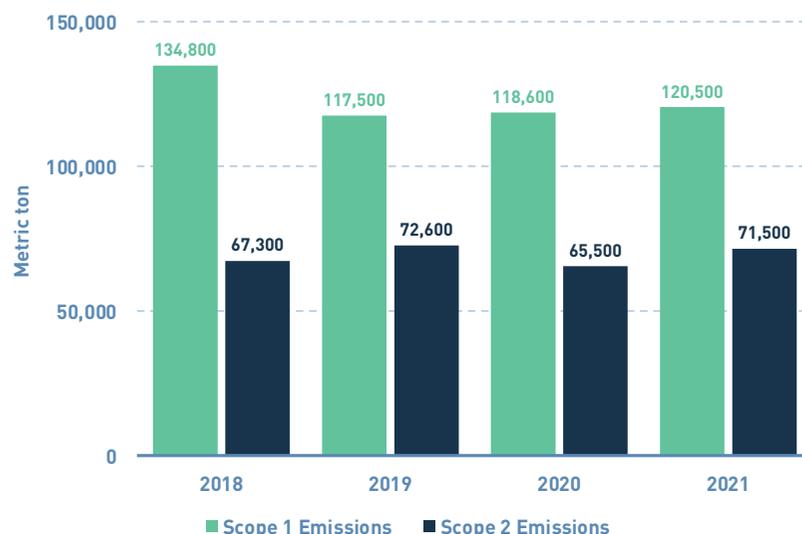
# Climate Change & Energy Management

**As a key player in the chemical industry, Solenis has a vital role to play in tackling climate change. That starts with our own operations.**

Every day, Solenis is taking actions and managing its impacts by combining energy-related investments with efficient manufacturing best practices. In 2021, our production volume increased by almost 5% over the prior year, as demand for our products improved versus a COVID-impacted economy in 2020. This impacted our environmental metrics; however, in several instances, we were able to offset the impact of increased production through our EHS&S initiatives.



## CO<sub>2</sub> Emissions



## Greenhouse Gas Emissions

Greenhouse gas emissions (GHG) in our plants are primarily related to fuel and electricity consumption. In 2021, we increased our Scope 1 emissions by 2% and our Scope 2 emissions increased by 9%. In total, CO<sub>2</sub> emissions increased 4% versus 2020. In light of the almost 5% increase in production, our CO<sub>2</sub> emissions intensity decreased by 2%. Some of the ways in which our plants are aiding efforts to reduce GHG emissions include steam trap repairs, boiler burner adjustments and replacements, and other process optimization initiatives. We will continue to invest in new opportunities to improve our energy efficiency and GHG emissions, which are often strongly correlated. We stay committed to reduce our Scope 1 and 2 emissions by 20% by 2030 from a 2018 baseline.

REGION	SCOPE 1				SCOPE 2			
	2018	2019	2020	2021	2018	2019	2020	2021
APAC	7,550	7,820	6,750	6,272	14,440	17,150	17,104	16,409
EMEA	87,190	72,680	74,294	71,161	31,290	34,890	28,396	31,785
LATAM	3,710	3,660	5,952	3,447	2,590	2,810	2,370	2,515
NA	36,340	33,310	31,618	39,584	19,030	17,800	17,669	20,817
<b>Total</b>	134,800	117,500	118,600	120,500	67,300	72,600	65,500	71,500

Units = metric tons

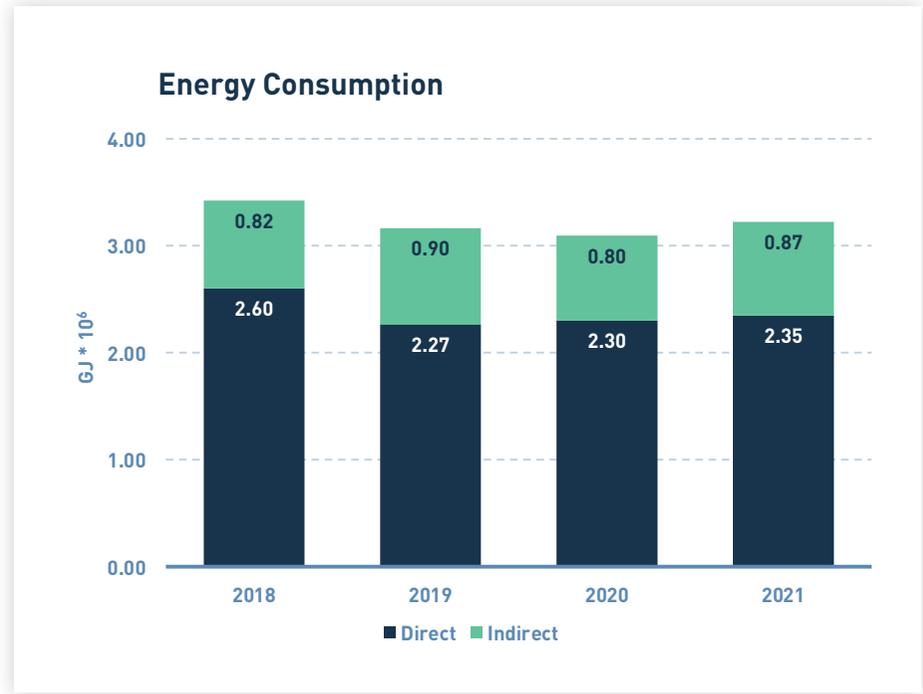
Footnote: Scope 1 emissions are related to our manufacturing facilities. The largest component is natural gas for boilers producing steam. Scope 2 emissions are related to purchased electricity and purchased steam used at our manufacturing facilities.



### Energy Consumption

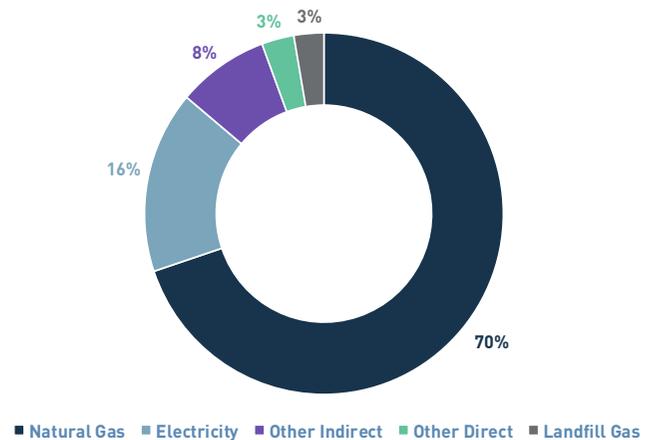
In 2021, our total energy consumption remained the same as the prior year. Our direct energy consumption, which includes, for example, natural gas to fuel our operations, plants and projects, increased 2%. Our indirect energy consumption, which includes purchased electricity and steam, increased 9%.

However, to better measure our energy performance, we use energy intensity as a key metric (the amount of energy consumed for every unit of product output in kWh / metric ton). In 2021, the overall energy intensity to produce chemical products in our operations decreased by 1% compared with 2020. We were able to achieve this improvement despite increased production. Some of the ways that our plants are working to reduce their energy consumption include optimizing processes and replacing lights with LED lights; incorporating energy efficient motors and power monitors; and replacing old air compressors and boiler burners with higher efficiency models.



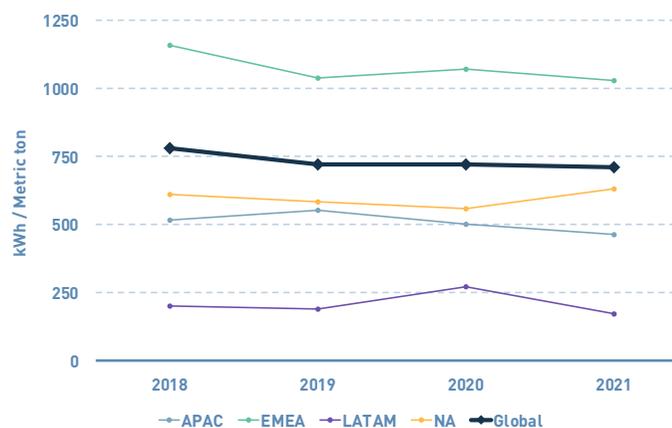


### 2021 Usage by Energy Generation Type



**Energy intensity** is calculated by normalizing energy consumption against production volume.

### Energy Intensity



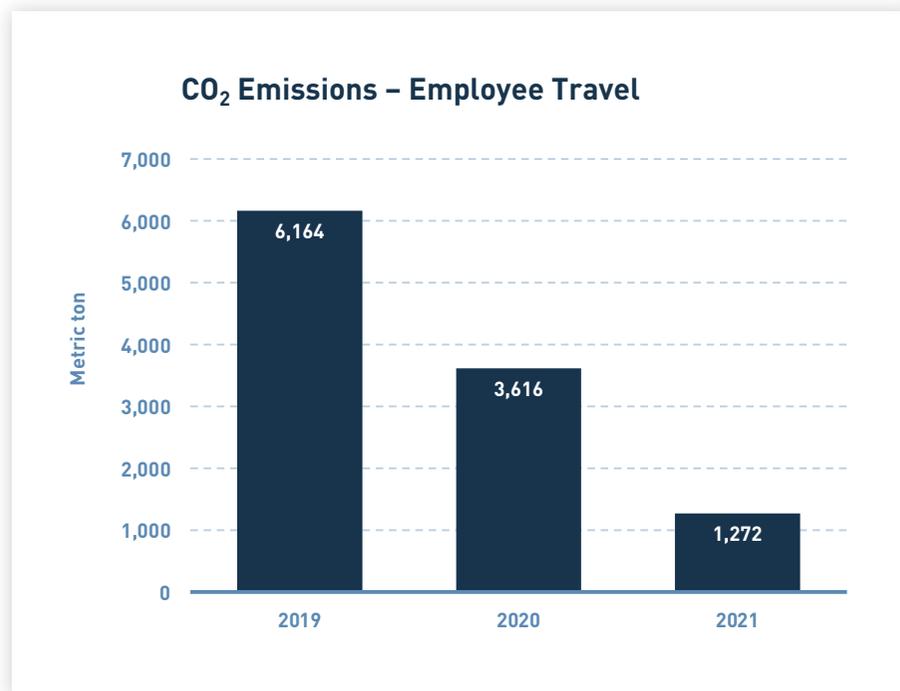
### SOLAR PANELS AT SPRINGVALE

Solenis' site in Springvale, Australia, installed 2 x 99 kW solar panel systems to supplement their electricity needs. The electricity from the solar panels accounts for approximately 35-40% of their energy consumption. Any excess electricity generated is then sold back to the grid.



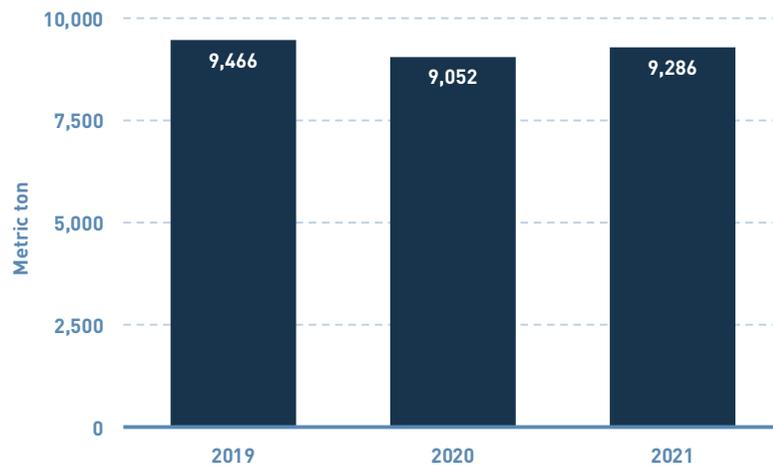
### Understanding our Travel-related Carbon Footprint

As a global organization, we are keenly aware of the impacts of business travel. Within Solenis, we have started to collect data on Scope 3, travel-related CO<sub>2</sub> emissions as a part of doing business and have amassed three years of data. Through our travel suppliers, we are collecting data for hotel, train and air travel. Clearly, the COVID-19 pandemic forced us to reduce travel, and find alternate ways to communicate and collaborate, which is reflected in the data. While this sets a new and very low benchmark, we remain committed to reducing CO<sub>2</sub> as part of our travel program.





### CO<sub>2</sub> Emission – Lease Cars



In addition, we are collecting data regarding the company's leased cars in EMEA and North America in an effort to track and reduce travel-related CO<sub>2</sub> emissions. Our strategy is to limit CO<sub>2</sub> emissions by shifting to carbon neutral engine types. In EMEA, 81% of all cars use internal combustion or diesel technology and all other regions use a 100% internal combustion engine fleet. In 2021, we saw an increase in CO<sub>2</sub> emissions from our company leased cars as travel began to open up post-COVID. We are committed to reducing these numbers not only through the engine mix, but also through other strategic initiatives.

## PRESERVING THE WORLD'S SPECIES AND MINIMIZING OUR IMPACT ON WATER STRESS

It's important to preserve the biological variety of plant and animal life on earth. As such, Solenis sites are located outside of the world's 36 "biodiversity hotspots" as defined by the Critical Ecosystem Partnership Fund. Our operations are not considered to have an impact on biodiversity, protected area or endangered species. Some of our sites are located near nature reserves, and as a matter of course, we conduct environmental impact assessments to ensure that our impact is minimized.

Another area which requires a preservation focus relates to water stress, or more simply, areas of the world where ability to meet the human and ecological demand is compromised or threatened. Solenis operates seven sites that are located in areas with water stress:

- Ankleshwar, India. However, the plant is supplied with water from an area that has a low degree of water stress.
- Americana and Paulinia, Brazil. These plants are located in the metropolitan region of Campinas, an area considered at risk for water stress.
- Altamira, Mexico. This is a water-stressed area due to decreasing rainfall over the past several years.
- Terrassa, Spain.
- Franklin and Suffolk, Virginia, U.S. These plants are located in a coastal subsidence zone.

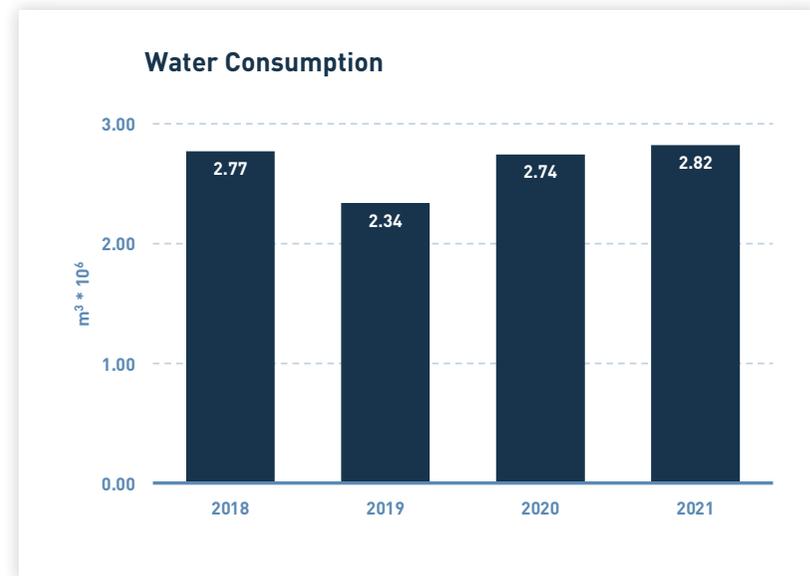
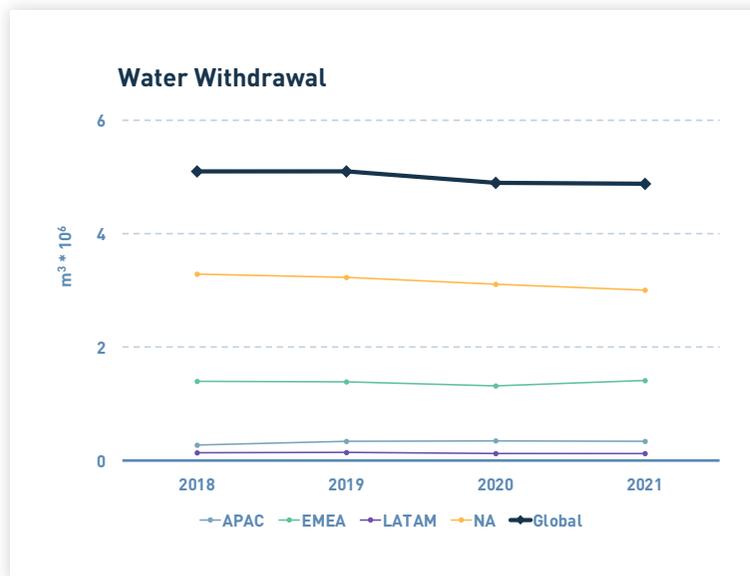
Solenis continues to monitor its presence in water-stressed areas, and regularly works to minimize its impact in these zones.



# Water Management

At Solenis, water is of critical importance to us. Our purpose and strategic focus as a company is to help our customers conserve water. As a result, we take it equally as seriously in our own operations.

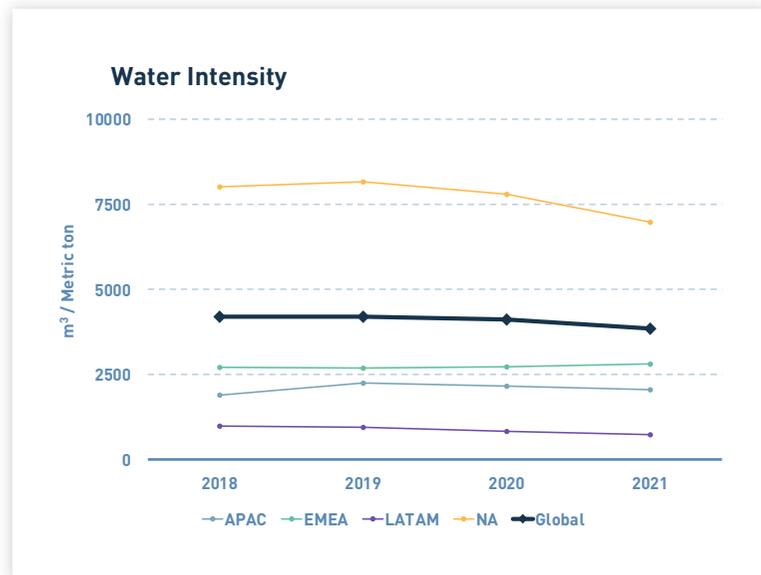
We assess and manage our water risks by reducing our water withdrawal from various sources such as bodies of water, groundwater and wells, and improving our wastewater systems. Our approach includes control measures to monitor and prevent contamination of groundwater; programs to reduce water intake using efficient equipment; reusing or recycling water; and wastewater treatment systems.





In 2021, Solenis' water withdrawal was essentially flat with 2020. As a result, given the almost 5% increase in production, we reduced our water intensity by almost 6%. Solenis was able to improve its water intensity by significantly increasing the implementation and usage of closed water-cooling systems at its plants. In addition, the plants were able to reduce water contamination in its processes and reuse more process wastewater versus discharging the water. Solenis' water consumption increased 3% in 2021 versus the prior year consistent with the increase in production. However, water consumption measurement is challenging given the impact of stormwater at our manufacturing facilities, which is not separated from industrial water discharges at all locations.

Last year, Solenis set a target to reduce its water consumption 5% by 2030 with 2018 as the baseline. Due to the challenges of measuring water consumption accurately, which are not in Solenis' control, we are working on establishing new water management goals going forward.



**Water intensity** is calculated by normalized water withdrawal against production volume.



### EFFICIENCY WITH THE WATER WE USE

Solenis engineers in Brazil are studying and implementing procedures to re-claim and re-use water consumed while cleaning tanks during production. Some of the actions they are taking include reducing water volume during vessel washing, reusing the water in other parts of the operation, and providing training to operators to better manage water use. These processes will significantly reduce water intake and reduce effluents.



# Environmental Incident Management and Waste Management

## Environmental Incident Management

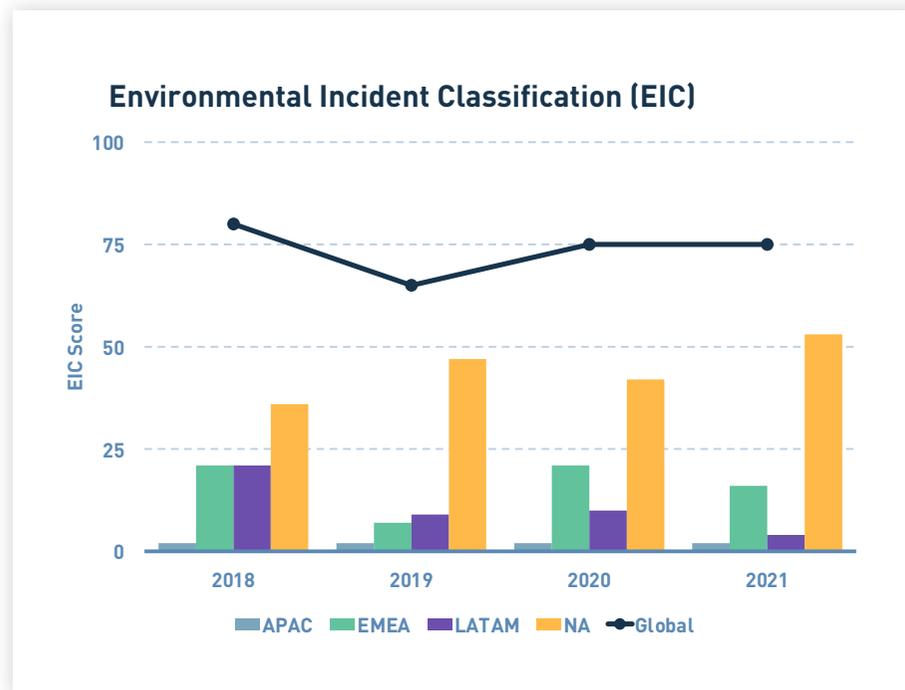
At Solenis, we comply with all applicable environmental regulations. Our operations and plants are governed by our global Responsible Care management system and other processes to reduce our impacts and improve our overall environmental performance. A key focus of these management systems is the reduction of environmental incidents that may arise from chemical releases. In addition, each site has emergency response procedures in place in the event of a chemical release.

In order to measure our performance as it relates to spills and releases, we calculate an Environmental Incident Classification (EIC) score based on its severity level (EIC Score allocates the following points: Minor – 1, Moderate – 3, Significant – 5).



Last year, we set a target to reduce our EIC score by at least 10% compared to the previous year. And, in 2020, Solenis' legacy sites reduced the EIC score by 12%. However, in 2020, the score increased to 75 due to the addition of several manufacturing sites acquired from BASF. In 2021, our EIC score was flat with the previous year. As was the case last year, all of the incidents were either minor or moderate; there were no significant incidents at any of our plants in 2021. While we were disappointed that we were not able to reduce the EIC score in 2021, we believe the causes are limited to a few locations where we are implementing corrective actions. We remain committed to reducing our EIC score by at least 10% per year starting from a 75 points baseline. All of our manufacturing sites have secondary containment and spill kits in place around units and storage tanks; conduct fugitive odor and emission assessments; and conduct emergency response drills to prevent or manage environmental incidents.

Incidents are reviewed by Solenis' supply chain and leadership team and corrective actions are implemented to avoid reoccurrence. [Follow this link](#) to understand how EIC is calculated.



## RESPONSIBLE CARE MERIT AWARD FROM THE ASSOCIATION OF INTERNATIONAL CHEMICAL MANUFACTURERS IN CHINA

Solenis was awarded the 2021 Responsible Care\* Merit Award from the Association of International Chemical Manufacturers (AICM), recognizing our significant contribution in the areas of Environment Health and Safety (EHS), Responsible Care, and Sustainability. Committed to the Responsible Care initiative, AICM represents over 50 multinational chemical companies operating in China in the pursuit of a sustainable chemical business environment.



“We are very honored to receive this award that recognizes our commitment to continual improvement and investment in safety, health, and environmental protection.”

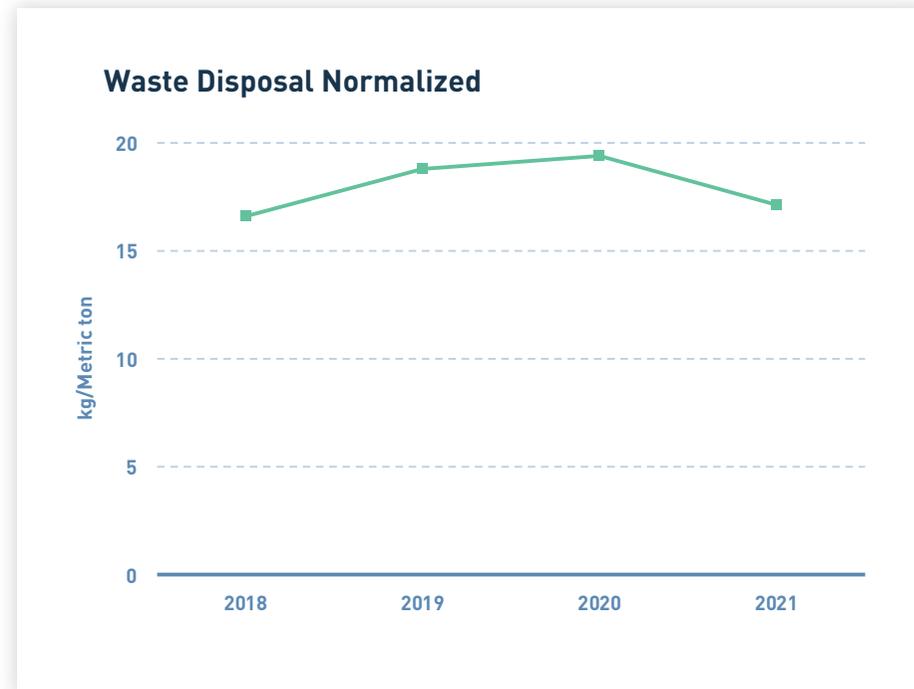
– Ted Kelly, Vice President, Asia Pacific



## Waste Management

In our manufacturing sites, we have implemented processes to reduce, recycle and reuse materials that potentially can become waste, such as containers, pallets, and solvents. We also aim to minimize the amount of sludge from our wastewater. This reduces disposal volumes and energy needed for transportation. Across all of our sites, we monitor the volume of our waste disposal.

In 2021, our waste disposal intensity, based on production, decreased from 19.4 to 17.1 kg waste per metric ton production. Waste management remains challenging due to the one-time effects of demolition projects in our manufacturing sites which tend regularly to artificially inflate our non-hazardous waste statistics.



**Waste disposal normalization** is calculated by generated waste against production volume.



# 03

OUR APPROACH TO SUSTAINABILITY

## Partnerships in Our Value Chain

# 3

## Partnerships in Our Value Chain



In this section we cover:



Engaging With Communities



Responsible Supply Chain Mgmt & Mfg

**Given our global reach at Solenis, we recognize our responsibility to employees, customers, suppliers, governments, investors and the local communities of which we are a part.**

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



# Responsible Supply Chain Management & Manufacturing

## Responsible Manufacturing

Our global supply chain consists of 35 manufacturing facilities serving 120 countries across five continents. Solenis is operating in North America, Europe, the Middle East and Africa (EMEA), Latin-America and Asia-Pacific. We are committed to operating in a safe and compliant manner, in line with the principles and ethics of our Responsible Care program. Our manufacturing sites are compliant with regulations and most have the ISO 9001, RC14001, ISO 14001 and ISO 45001 standards in place. Going forward, our aim is to increase the number of certified manufacturing sites. In 2021, we procured 0.5 billion kg raw materials and produced and sold 1.3 billion kg of specialty chemicals.

	KPI	Target	2021 Progress
Responsible Operations	<ul style="list-style-type: none"> <li>Operate with zero harm and be fully compliant</li> </ul>	<ul style="list-style-type: none"> <li>By 2025, certify all plants ISO 9001, RC14001, ISO 14001, ISO 45001 and SEDEX</li> </ul>	<ul style="list-style-type: none"> <li>94% ISO 9001 certified</li> <li>91% RC14001 certified</li> <li>94% ISO 14001 certified</li> <li>91% ISO 45001 certified</li> <li>94% covered by SEDEX</li> </ul>
Procurement	<ul style="list-style-type: none"> <li>Ensure responsible procurement and supplier management</li> </ul>	<ul style="list-style-type: none"> <li>By 2030, increase supplier adherence to Solenis sustainability requirements &gt;90%</li> </ul>	<ul style="list-style-type: none"> <li>Initiated GRMS supplier registration process</li> </ul>



Certification	2020	2021	2022 Goal	2025 Goal
<b>ISO 9001 quality management system</b>	<ul style="list-style-type: none"> <li>• 91% – facilities certified</li> </ul>	<ul style="list-style-type: none"> <li>• 94% Solenis-owned manufacturing sites</li> </ul>	<ul style="list-style-type: none"> <li>• 100% Solenis-owned manufacturing sites (excluding any new acquisitions and mergers)</li> </ul>	-
<b>RC14001, ISO 14001 and ISO 45001 occupational health and safety</b>	<ul style="list-style-type: none"> <li>• 79% – RC14001 certified</li> <li>• 85% – ISO 14001 certified</li> <li>• 76% – ISO 45001 certified</li> </ul>	<ul style="list-style-type: none"> <li>• 91% – RC14001 certified</li> <li>• 94% – ISO 14001 certified</li> <li>• 91% – ISO 45001 certified</li> </ul>	-	<ul style="list-style-type: none"> <li>• 100% Solenis-owned manufacturing sites (excluding any new acquisitions and mergers)</li> </ul>
<b>SEDEX<sup>1</sup></b>	<ul style="list-style-type: none"> <li>• 68% – facilities are covered</li> </ul>	<ul style="list-style-type: none"> <li>• 94% Solenis-owned manufacturing sites</li> </ul>	-	<ul style="list-style-type: none"> <li>• 100% Solenis-owned manufacturing sites (excluding any new acquisitions and mergers)</li> </ul>

<sup>1</sup>For more information, visit [SEDEX](#)

## Our Suppliers

Solenis is committed to establishing a sustainable procurement value chain by aligning with suppliers and business partners who share our commitment to environmental, social and ethical business practices. Currently, we work with more than 1,200 raw material suppliers as well as 6,000 other non-raw material suppliers globally.

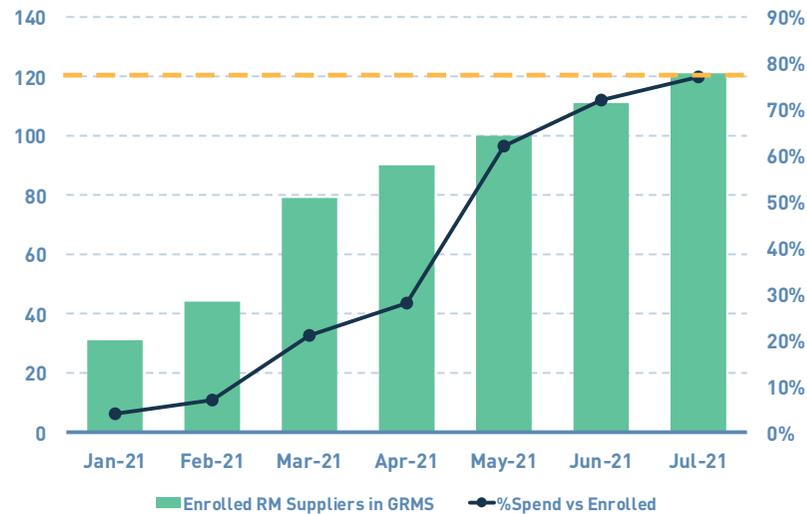
We seek to build long-term relationships with our suppliers in every country in which we operate. Our policies and principles on this matter are set out in our Supplier Diversity policy. We are committed to identifying and partnering with diverse and minority-owned suppliers in our overall sourcing activities and empower them to participate in our competitive bidding process. In 2021, we leveraged a supplier relationship management tool to assist in gathering additional information regarding minority and diverse suppliers. This data will allow us to target and expand our spend with these suppliers. In 2021, our spend was approximately \$3.4 million.

We expect every supplier in our value chain to adhere to our Supplier Code of Conduct, which covers legal, social, environmental and ethical topics. We are committed to qualifying and maintaining suppliers whose attributes and behaviors support our Corporate Social Responsibility principles and match our own safety and ethical standards.

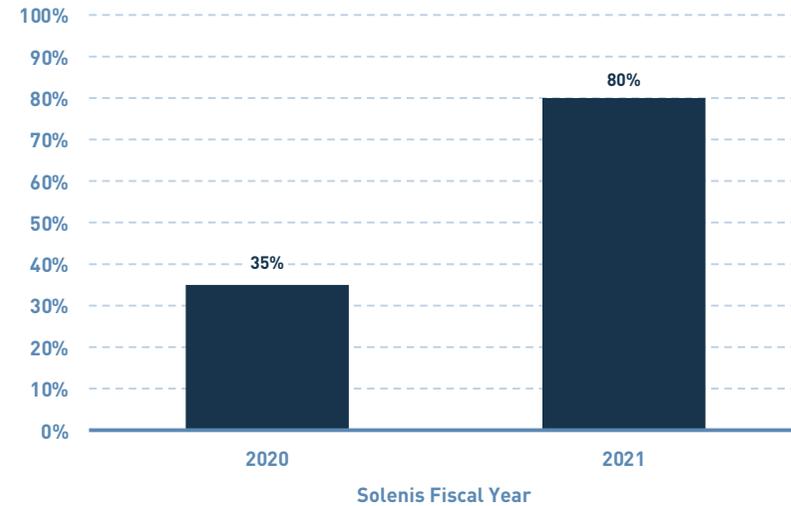
In 2021, we implemented a Global Risk Management Solutions (GRMS) platform to improve tracking and compliance of our raw material suppliers. Through the integrated GRMS portal, all suppliers are required to certify against Solenis' Supplier Code of Conduct and Sustainable Procurement of Raw Material (if applicable). During 2021, we increased our enrollment (measured by amount spent) from 35% in 2020 to 80% in 2021. Annual renewal is required for all enrolled suppliers. In addition, all raw material category managers and buyers completed Sustainability Procurement training. This training is being extended to our product management, R&D and Supply Chain leadership.



### Supplier Enrollment (GRMS)



### Raw Material Spend Coverage



In 2022, we will finalize the development of a Supplier Relationship Management tool that will strengthen our partnerships and enable us to build mutually beneficial capabilities with our suppliers. This year our supplier risk assessment will also expand to include indirect, logistics and packaging suppliers.

As a result of the GRMS risk assessment, our raw material category managers maintain the discretion to review any suppliers marked as “high-risk.” For suppliers that do not meet our standards, as spelled out in our policies, we will provide education, create a work plan and hold them accountable to meet our requirements. Ultimately, if they cannot meet our policy or refuse to comply, we will identify and move our business to alternative suppliers.

Procedures on sustainable procurement are set out in our Sustainable Procurement of Raw Materials policy. We will continue to assess our suppliers’ performance and enhance our risk assessment tool to address ethical risks in our direct material supply chain, including but not limited to our raw material suppliers and intermediaries.

Greater than 68% of our suppliers’ deliveries can be classified as local. Our regions are defined as North America, Latin America, EMEA and Asia Pacific. Deliveries within a region are considered as local.



## Human Rights in our Supply Chain

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

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

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



# Solenis Global Certifications

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

✓ Certification achieved, certificate is available on solenis.com

✦ Certification foreseen for FY2022

Certification status as of September 30, 2021

<sup>1</sup>The Bradford & Grimsby locations are considered one legal entity and operate a common management system. They hold two distinct SEDEX certificates.

<sup>2</sup>Plants added to the Solenis portfolio and will be added into our certification process in the coming years.



## Engaging with Communities

Solenis and its employees worldwide have an established history of commitment to the communities where we do business and live. We focus on three main causes: support for women and girls; environmental stewardship; and STEM (science, technology, engineering and math) education.

Our Corporate Social Responsibility Committee is in its third year and this group of diverse and enthusiastic volunteers from around the world is driving new forms of engagement through our SolenisGives program. Any employee can use this new web-based portal to launch or join charitable activities that align with company or personal priorities. Employees can connect across borders and time zones in collaboration and mutual support for the betterment of others. Activities in the first year included driving family water conservation at home; creation of wildlife-friendly spaces at plant sites; and raising money for disaster relief for flood victims in northern Europe. Nearly 400 employees reported giving more than 1,100 hours of personal time to 35 organizations last year. As the SolenisGives program matures, becomes better-known within the company and is established as our go-to center of community engagement, we expect this volunteerism to grow and that we will be able to better report the impact of these various philanthropies.

Our largest formal corporate commitment in the U.S. is to the annual United Way giving campaign, which raised nearly \$140,000 last year, plus a 50-percent company match. We also donated a number of retired and refurbished – but still very usable – laptop computers to United Way and other charities around the world that distributed them to students. John Panichella, our CEO, serves on the board of United Way of Delaware as chairman of Revenue and Growth.



Our other major commitment is to The Water Project, a non-profit organization helping impoverished villages in sub-Saharan Africa. Our initiatives with The Water Project last year brought clean water and hygiene education to more than 600 people in two villages in Kenya.

Much of our community engagement occurs at the local level. Each manufacturing plant with 10 or more employees develops and implements a formal community relations plan. With 100 percent participation of our Responsible Care plants in 2021, these plans outlined community activities supporting a wide range of outcomes, including strengthening local relationships, educating and building healthier communities, and creating wealth and employment opportunities. For example, our plant in Busnago, Italy, joined other businesses to donate a van to provide easier transportation for disabled residents – the second time the site has done so. The community relations plans are core to our Responsible Care program, reinforcing that we will be a good neighbor, especially in all aspects of safe operations.



## Support for Women and Girls

We support women who may not have thought of a career in manufacturing. In Bradford, U.K., Solenis supported a community event that enabled female students at a local school to explore career paths and talk with role models, such as our production manager at the 540-employee plant.

In Araraquara, Brazil, we celebrated the addition of women to the production team. A mural on a side of the building depicts the first one, and reminds everyone of our mantra – Stop, Think and Act to ensure safety.

A culture of sustainability often starts at home and frequently is the responsibility of women. We conducted our first global survey of working parents, with more than 1,200 employees participating. They indicated that childcare was the top issue for them and that more flexibility was needed. As a result, new guidelines were developed offering more flexibility for remote work and start/stop times.





## EXCELLENCE IN SUFFOLK

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

## Environmental Stewardship

Just as many of us worked from home last year, we also became environmental stewards at home. Programs were identified and implemented that would not run afoul of guidelines and standards restricting gatherings or requiring masks. As a result, we had an impressive level of engagement, which in many cases also involved family members participating.

Support for Earth Hour in March promoted turning off lighting at home for an hour, underlining the need for global cooperation to protect the planet, even at a personal level.

Tree-planting and building bird and insect boxes were among the activities for Earth Day and a Restore Our Earth challenge. Employees and family members in Warsaw, Poland, and Bradford, England, spent personal time clearing trash from community woodlands and a cemetery.

In addition, many in Warsaw contributed to cleaner air and their own health by starting to bicycle to work. Free bike servicing and a safety seminar supported their efforts.



## STEM Education

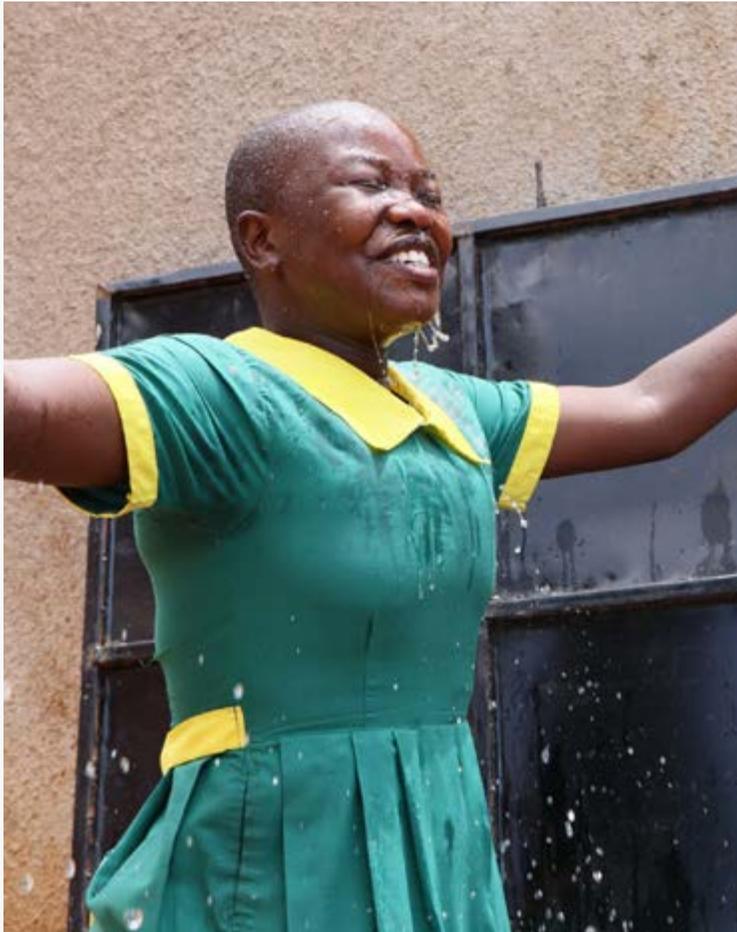
Bradford Manufacturing Weeks in the United Kingdom is an initiative that brings manufacturers, schools and young people together to showcase opportunities in manufacturing. Our plant is a key player in the community, offering work experience opportunities for young people, site tours and involvement in the many networking events. New statistics from Bradford Manufacturing Weeks 2021 show that in four years, the initiative has cumulatively brought more than 15,000 manufacturing experiences to the district's students. It pays off – one of our young employees was named apprentice of the year and another was runner-up.

In Krefeld, Germany, we provided financial support for science education at two community schools and also sponsored Girls' Day activities for older students. In Araraquara, Brazil, an employee conducted a lecture on chemistry for local technical students.



### APPRENTICE OF THE YEAR

James Poole from the Solenis Bradford site was named as Manufacturing Apprentice of the Year at the Telegraph and Argus, Bradford Means Business Awards in September 2021.



## Water Project

We have business partners and customers ranging in size from huge, water-intensive industrial complexes to backyard swimming pools. Each in their own way places a high value on crystal clear water.

On perhaps a more critical personal level are our partners at The Water Project and the people they serve in sub-Saharan Africa. Since 2006, the non-profit, non-governmental organization has been helping communities gain access to sanitary water and education to establish healthy lifestyles. Frequently these efforts revolve around schools, quite literally centers of hope for the future.

Solenis sponsored two projects in 2021 and will continue to be a supporter in 2022. The most recent success, at Ebumbayi Primary School in Kenya, serves more than 500 people through a 75,000-liter rainwater catchment system. It replaced two small tanks that quickly dried up once the rain stopped, forcing students to fetch water from a stream, wasting class time and often bringing along waterborne diseases such as typhoid. The projects particularly benefit women and girls, who are typically responsible for cooking, washing and cleaning.

In addition to a reliable water supply, the project included handwashing stations and latrines providing privacy and improved sanitation. Upon completion of construction, a team from The Water Project spent a day teaching personal and environmental hygiene, COVID-19 identification and prevention, and operation of the new facilities. A student club will continue promotion of best practices, especially handwashing. Follow-up training and support visits from The Water Project will continue into the future.





# 04

OUR APPROACH TO SUSTAINABILITY

# Responsible Business Practices

# 4

## Responsible Business Practices



### In this section:



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

We conduct our business in accordance with our Global Standards of Business Conduct (the Code) and the associated policies. The Code sets expectations for every Solenis employee for interactions with each other, customers, business partners and people in the communities in which we do business. In addition, we expect Solenis employees to behave in a manner consistent with our Deliberate Ethics<sup>SM</sup> Culture – a focused approach of doing business consistent with our core values of respect, integrity and accountability across all our operations around the world, without exception. Deliberate Ethics is a mindset of being intentional about driving and maintaining a high-performance culture while keeping our core values and the Code top-of-mind.



## Business Ethics & Compliance

**With a risk-based approach to compliance, we have tailored our compliance program to fit the unique circumstances of our company. Our Office of Ethics and Compliance regularly reviews and improves the compliance infrastructure to be consistent with international compliance best practices.**

In the event we become aware of allegations or concerns of potential or actual violations of law or company policy, the Office of Ethics and Compliance will investigate the matter and, where appropriate, take disciplinary action and implement corrective measures to prevent future violations.

### **Global Standards of Business Conduct: the Code**

Our [Code](#) is available in 16 languages, and all employees are required to comply with the Code and other company policies. Each year, Solenis employees are asked to certify compliance with the Code and report any known violations of the Code or company policies, including any actual or potential conflicts of interest. In 2021, the total certification completion rate was 96%.

In addition, business partners acting on behalf of Solenis in any country, such as agents, distributors or other third-party representatives, are expected to confirm their commitment to the compliance principles found in the [Code](#).

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





## Associated Policies

Other associated policies, which supplement the Code, also apply to all employees at Solenis and, where applicable, to third parties that operate on behalf of Solenis. These policies cover a range of activities and business operations and include:

- [Anti-Corruption Policy](#): Contains a set of rules concerning the company's compliance with applicable anti-bribery laws and regulations.
- [Conflicts of Interest Policy](#): Helps employees better recognize the existence of conflicts of interest (actual and potential) and understand both the legal and business ramifications.
- [Antitrust and Competition Law Policy](#): Guides employees' behavior and compliance with all antitrust and competition laws to maintain fair market competition. In 2021, there were no legal actions for anti-competitive behavior, antitrust, and/or monopoly practices.
- Human Rights Policy: Solenis follows the norms and principles in the Universal Declaration of Human Rights and other major multinational agreements and strives to embed Human Rights through a variety of measures, including monitoring, training, communication campaigns and open dialoguing, and corrective actions if necessary. Some operational functions that typically trigger human rights concerns are not utilized by Solenis. For example, our company does not have or use the type of security operations that may result in human rights violations.

## Compliance Training

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

Solenis' Annual Training and Communication Plan sets out mandatory training requirements for all employees globally on key compliance topics, including: Code Awareness: Anti-Corruption; and Anti-Harassment. In addition, we are currently implementing a Human Rights training module. Completion rate statistics will become available in the second half of 2022.

We provide additional tailored trainings for employees in various functions, based on risk assessments or operational needs, including competition and trade sanctions compliance training.



## Share your Concern

We encourage our employees to ask questions and raise concerns about any potential misconduct or ethical issues under the Code. We make sure that they are aware of all the communication tools available for that purpose. Employees are encouraged to speak with their line managers, contact an HR representative or reach out to the Office of Ethics and Compliance. In addition, employees can also use our Share Your Concern intranet platform, where they can ask a question about any Code-related topic. They can also call a dedicated hotline and file an anonymous report. The hotline is available 24 hours a day, seven days a week with translation services available for callers who do not speak English. Our Investigations Policy and Reporting Policy provide a framework with a view toward ensuring that no adverse actions are taken against any employee who, in good faith, reports a concern or initiates a complaint.

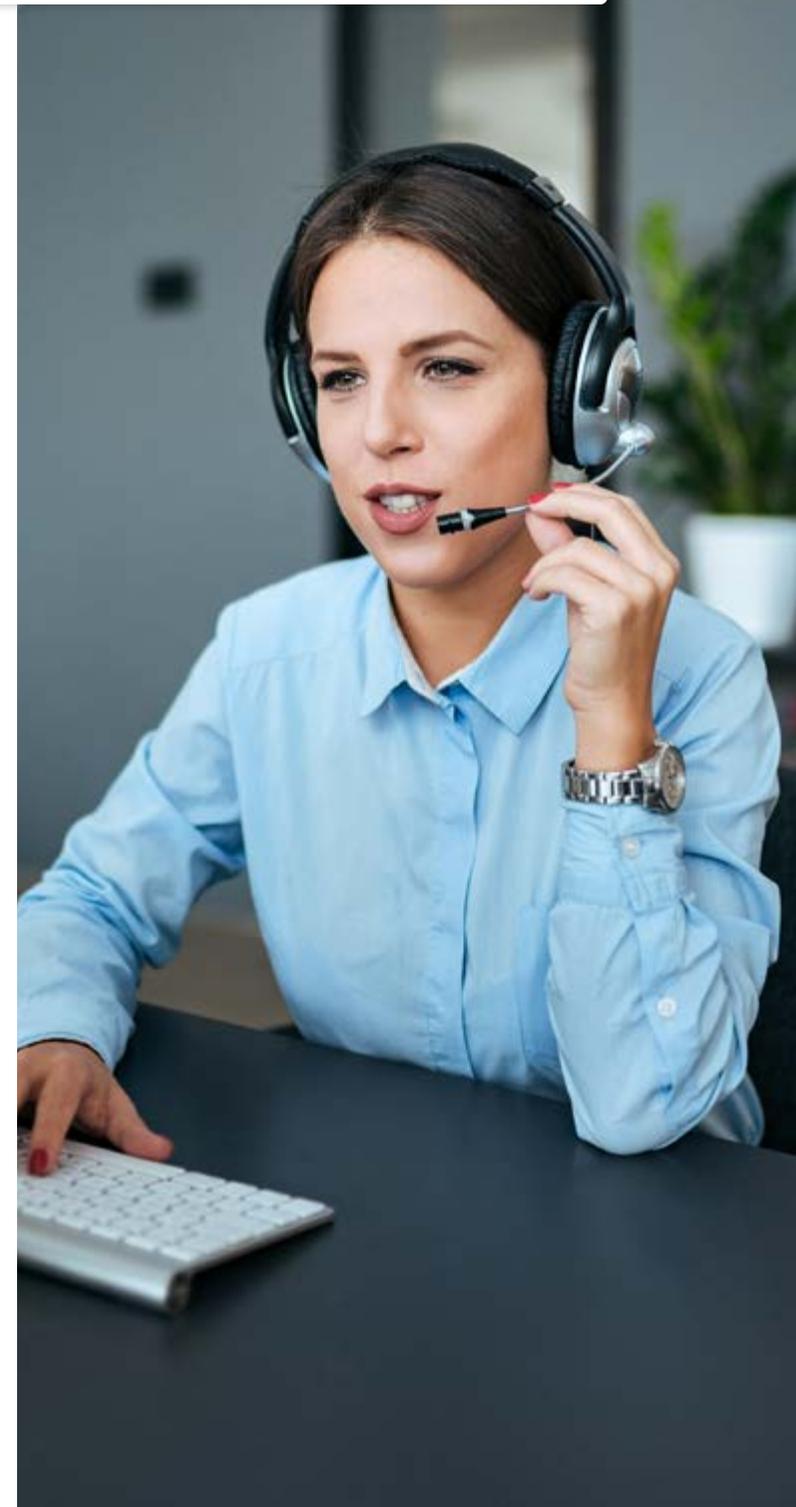
## Risk Assessments and Audits

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

## Our Approach to Tax

As a multinational company, Solenis is subject to taxation in each country in which we operate. We seek to minimize our tax exposure and prevent unnecessary tax disputes via our [Global Tax Strategy](#). More specifically, we do this by adopting clear technical tax positions and establishing and maintaining open and constructive relationships with tax authorities. In addition, we monitor changes in relevant tax law and practice and undertake regular training if necessary.

The Vice President of Tax and the CFO meet regularly to review current tax initiatives. All significant, non-routine tax transactions are approved first by the CFO and then by the CEO before being presented to the Solenis Board of Directors or appropriate sub-committee. The board plays a key role in overseeing management of our risks and to ensure our risk management policies are consistent with our corporate strategy. Solenis complies with all tax laws, regulations and disclosure requirements in all countries in which we operate. We submit all tax returns by their due dates with supporting documentation if necessary, and stay abreast of all changes in tax law and practice. To ensure continued compliance, we engage in regular training on any consequences of changes in tax law/practice.





## Political Contributions

Solenis has not made any political contributions.

## Marketing and Labeling Compliance

As a Responsible Care\* company, Solenis has a long-standing commitment to product stewardship and the practice of making health, safety and environmental information readily available to those who need it. Our Product Regulatory, Safety and Stewardship team produces the necessary documentation and petitions and subsequent notifications for a wide range of compliances, including:

- U.S. Food and Drug Administration (FDA) regulations
- German Federal Application Institute for Risk Assessment (BfR) recommendations
- Chinese GB regulation framework
- European Union Ecolabel; Blue Angel (Germany) Ecolabel or the Nordic Swan Ecolabel (Nordic countries)
- National Sanitation Foundation (U.S.), Kiwa (Netherlands), EN (France) standards for drinking water
- U.S., European Union and other local biocidal regulations

The portfolio of compliances also covers dietary certifications, such as kosher and halal.

Solenis' product safety assessments are supported by internal toxicology specialists. With specialists located in every region of the world, close contact and communications is possible with our customers and with regional regulatory stakeholders, including authorities, customer organizations and non-governmental organizations (NGOs). Solenis classifies its products according to the United Nations' Globally Harmonized System of Classification and Labeling of Chemicals (GHS) worldwide. Even when GHS methodology has not yet been implemented in the country legislation, Solenis aligns and uses this classification methodology globally on all its Safety Data Sheets (SDS) and product (handling) labels. Our SDS are provided directly to customers in the official language(s) of the country. We have the capability of using labels in 36 different languages, including traditional Chinese, Japanese, and Russian and have specific SDS templates for 58 countries.

In 2021, Solenis successfully integrated customer support around regulatory and product stewardship in our sales management tools. This provides the necessary streamlined process to make sure all requests are answered in a timely manner. In 2021, we handled more than 10,500 requests.

To ensure compliance with regulations, marketing communications materials (print and electronic) are reviewed by legal, technology, product stewardship and approved prior to publication.



## Data Protection Governance

**At Solenis, we view privacy as a basic human right, and we take the protection of personal data very seriously. We treat personal data confidentially, collect it and use it in accordance with applicable laws and regulations. This not only applies to employees' data, but also data of our customers, suppliers, business partners and other individuals with whom we work.**

We have effective policies and procedures in place securing lawfulness, fairness, transparency, integrity and confidentiality of personal data entrusted to Solenis. Solenis' global data privacy approach is based on the European Union General Data Protection Regulation (EU GDPR), but we also take steps to meet local data privacy requirements where these are stricter than our global standards.

The collection, use, retention, safeguarding and disclosure of personal data is regulated in our Privacy Statement, Data Protection Policy, Fair Processing Notice and Data Subject Rights Guidelines. We ensure data privacy, including personal integrity through implementation of our Data Protection Impact Assessment Process Guidelines and Data Breach Notification Policy. Should a data security incident occur, we assess the resulting risks to individuals and take action as appropriate. Our Privacy Statement is available on Solenis' website. Our policies and guidelines have been communicated and distributed to our employees as a part of our global data privacy rollout implementation program.





**“The foundation of data privacy lies in human rights and is becoming an indispensable element of Solenis’ sustainability strategy. At Solenis, our focus on privacy and responsible data management helps us to navigate dynamic regulatory changes, drive trust and create long-term value.”**

—Izabela Jeznach, assistant general counsel, Eurasia director and global privacy lead

Solenis’ Office of Data Privacy (ODP) ensures that Solenis handles personal data of employees, customers, providers or any other individuals in a secure and compliant way by monitoring and interpreting applicable regulations; increasing data privacy awareness; and employing leading edge detection and correction technology. In 2021, we did not receive any administrative fines or complaints about personal data management.

### Data Privacy Awareness

At Solenis, we educate employees about their role in building privacy into day-to-day activities. This is especially important as the digital world becomes more and more driven by remote work. All our employees having permanent or regular access to personal data are required to complete annual data protection training and participate in various data privacy awareness sessions, which are held regularly at individual units throughout Solenis. In addition, we have developed quarterly digital security awareness training. New content is added every three months and is assigned as mandatory training to employees and contractors with a Solenis account.

### Technological Safeguards

At Solenis, we use a combination of operational and technological safeguards to ensure that we have the correct information structure to protect our operations and the reliability and confidentiality of business and individual data. These include:

- The latest cybersecurity prevention and detection techniques with a globally distributed team of highly skilled experts.
- An evolving security model that helps us understand and respond to the ever-changing threat landscape.
- Focusing on the digital assets of our partners as much as our own.
- Audit and programmatically respond to identified vulnerabilities.

Internal and external information technology assessments are conducted multiple times per year by industry-recognized third parties. All identified risks are reported to our Board of Directors, quickly remediated, and retested. Going forward, Solenis is intent on continuing to improve its data privacy governance, and has set a goal to obtain ISO 27001 (Information Security Management) certification.

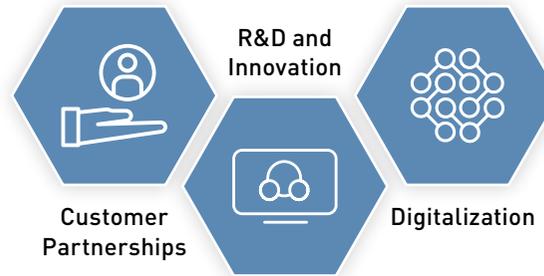


# Impact Through Our Customers

# Impact Through Our Customers



In this section we cover:



**Over the past decade, sustainability challenges, such as water scarcity, deforestation and climate change, have increased the urgency with which we, as part of a global community, must respond and react.**

At the same time, such challenges present an opportunity to grow our business by engaging with our customers to develop innovative and sustainable solutions that support water-intensive industries.



KPI	Target	2021 Progress
<b>Customers</b>	<ul style="list-style-type: none"> <li>Drive value for our customers</li> </ul>	<ul style="list-style-type: none"> <li>Deliver 5% return on investment for every customer year over year</li> <li>By 2030, 90% of revenue generation will result from supporting customers' sustainability goals</li> </ul>
<b>Planet &amp; Climate</b>	<ul style="list-style-type: none"> <li>Enable our customers to manage resources and manufacturing processes more effectively</li> </ul>	<ul style="list-style-type: none"> <li>Exceeded goal: documented \$174 million. Target was \$115 million in value delivered to customers</li> <li>87% of revenues supported customers' sustainability goals</li> </ul>
<b>Circularity</b>	<ul style="list-style-type: none"> <li>By 2025, 30% of our innovation programs will be focused on reducing our products' carbon footprint</li> </ul>	<ul style="list-style-type: none"> <li>14% of innovation programs drive reduced carbon footprint of our products</li> </ul>
	<ul style="list-style-type: none"> <li>Support circular economy principles in our sustainability focus</li> </ul>	<ul style="list-style-type: none"> <li>By 2025, 90% of innovation programs will have a sustainability / circularity focus</li> <li>88% of innovation programs in pipeline with sustainability / circularity focus</li> </ul>



### HEALTH & SAFETY AT CUSTOMER SITES

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



**Our unique combination of the right people, with the right experience using the right technology, serves our customers by addressing their most demanding challenges with innovative solutions. By 2030, we aim to generate 90% of our revenue by supporting our customers' sustainability goals with our products and processes.**

#### **1. Right people**

We have built a diverse team of over 1,600 engineers and service technicians, embedded at customer sites daily. These experts deliver superior value by providing solutions to challenges and identifying opportunities to manage natural resources such as water, energy and /or fiber as well as minimizing waste and greenhouse gas emissions and improving customers' ability to design and manufacture their products in a more environmentally responsible way.

#### **2. Right experience**

Developing and maintaining the best problem-solving team in the industry requires continuous focus on attracting and retaining talented individuals and ongoing training. Every commercial employee is required to commit 5% of their time to training and development annually in order to continuously upgrade their skills.

#### **3. Right technology**

Our world-renowned R&D team of more than 250 scientists and researchers delivers innovative and sustainable solutions that enable our customers to conserve natural resources and minimize waste in their operations.



## ValueAdvantage<sup>SM</sup> Partner Program

The ValueAdvantage<sup>SM</sup> partner program is Solenis' value delivery program. The program was developed to identify, document and measure the value we bring to our customers' businesses with our chemistry, support, service and expertise. Much of the value we create for customers is driven by our ability to help them reach their sustainability goals, such as minimizing water and energy usage, reducing their carbon footprint and limiting waste. In 2021, we exceeded our target of \$115 million value delivery to customers. We documented \$174 million.

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

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

In 2021 and going forward, the ValueAdvantage program pursues two key objectives. The first is to provide a 5% return on investment for every eligible customer and the second is that every salesperson should have at least one ValueAdvantage project with a sustainability component documented using a sustainability calculator. This will allow Solenis to provide verifiable improvements in areas such as CO<sub>2</sub> emissions, energy and water reduction at our customers' sites.

## Voice of the Customer (VOC)

Completing the feedback loop and listening to our customers through VOC research enables Solenis to identify gaps in service and develop clarity on areas of strength. Our North American Corporate Development team has a robust qualitative methodology that has provided an excellent channel for two-way communication with our key accounts for many years. In 2021, we broadened our approach and implemented a more automated VOC tool providing a feedback mechanism for all of our customers in every region. We completed the development and global rollout in early September. This tool can be initiated by the salesperson and is offered in 18 languages. Data can be viewed via custom built dashboards by various levels of management and allows for thousands of components of customer feedback. We will report on the results of this program in our 2022 report.





### SOLENIS WINS SUPPLIER AWARD FROM MARATHON PETROLEUM

Solenis was named a Marathon Petroleum Corporation (MPC) Sustainability Partner in MPC's 6<sup>th</sup> Annual Supplier Recognition Awards. The Supplier Recognition Awards is a program sponsored by MPC and is designed to honor suppliers who positively impacted the company's business throughout the previous calendar year.

Ed Connors, president, Solenis Americas proudly accepted this award on behalf of Solenis.

### Solenis Sustainability Award

Solenis' Sustainability Award is presented annually for verifiable customer projects that have, over 12 months, delivered meaningful, measurable results against our sustainability commitments for each project. The award is a celebration of our partnerships with our customers and forms a key part of our sustainability strategy. It is through these ongoing partnerships that we help customers drive sustainability while improving operational efficiency and productivity.

A Sustainability Award committee oversees the identification of suitable projects or achievements. Possible project candidates are identified through a nomination process and verified through the ValueAdvantage<sup>SM</sup> database. All winning projects or initiatives need to demonstrate measurable value, must have utilized at least one sustainability calculator and need to have a clear sustainability component aligned to our sustainability commitments.

Solenis 2021 Sustainability Award Winners		
<b>International Paper Pine Hill, Alabama</b>	Installation of ultrasonic bed depth monitor eliminated 1-2 mill water upsets/month.	<b>Results:</b> Decreased water waste from filter backwashes, demineralizer regenerations, and boiler blowdowns resulting in 1.3 MM gallons/yr fresh water savings.
<b>Contact Energy Limited New Zealand</b>	Customer goal was to return an 8-megawatt geothermal well to use and avoid having to drill a new well, which was cost prohibited. Project included the development of an effective method of cleaning the well bore and surrounding rock formation using chemistry and a unique application methodology.	<b>Results:</b> Operate with zero harm and ensure the well-being, health & safety of our people.



## R&D and Innovation

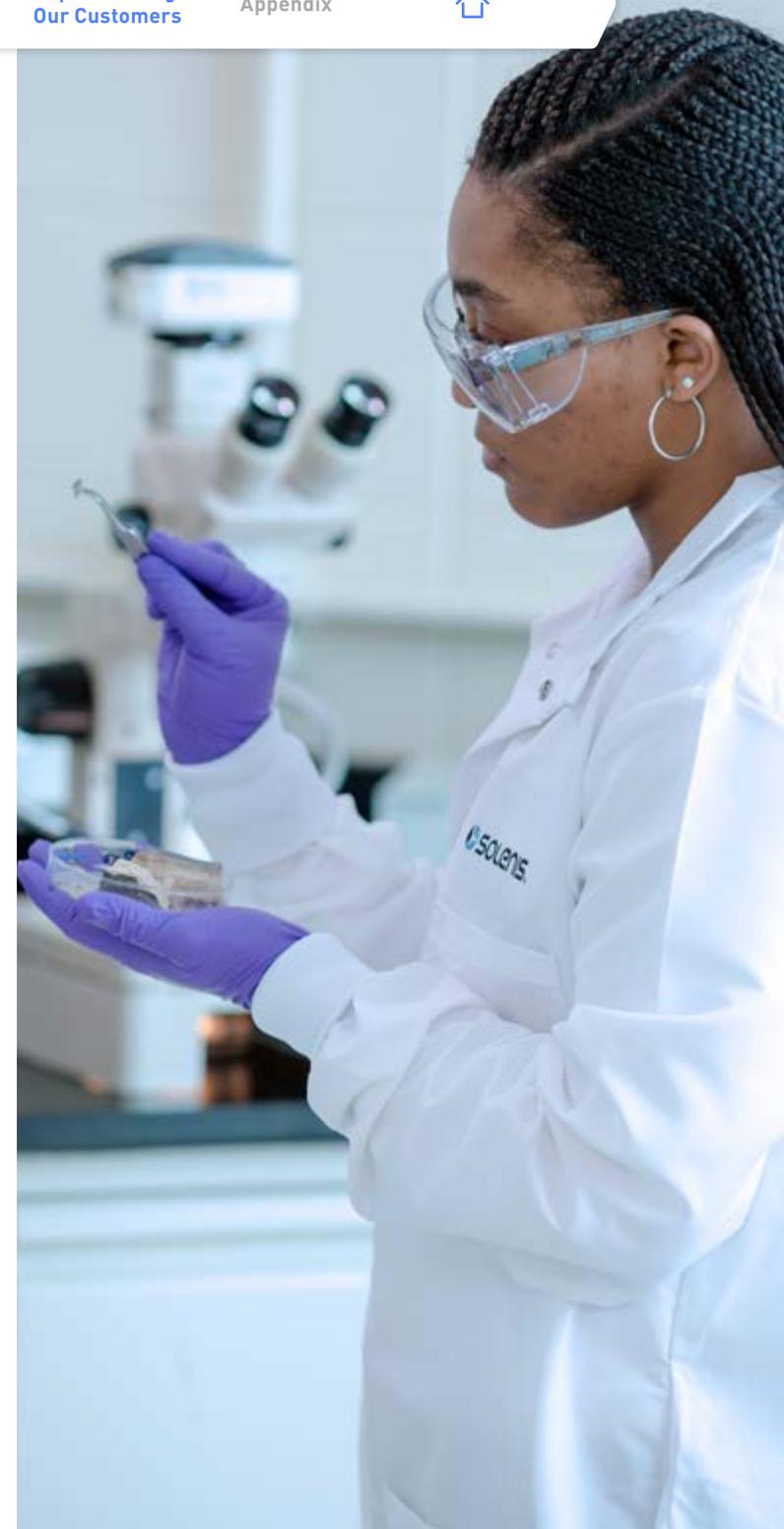
Solenis' innovations are focused on helping our customers in their sustainability journeys by reducing the consumption of water, energy and other resources in their processes. Solenis is recognized globally for our legacy of technology innovation. We invest in developing new chemistries to improve customers' products and processes, as well as developing technical solutions that enhance monitoring and optimizing the feeding of our specialty chemicals.

Historically, Solenis invests approximately 2% of total revenue in technology and development. Our global research and development team consists of approximately 250 employees, including approximately 70 experts with doctoral or master's degrees in a variety of fields. At their disposal is a vast selection of comprehensive paper-testing and water analysis equipment and innovative process-simulation instrumentation.

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

More than two-thirds of the company's technology focus is on developing new products, including short-term opportunities to generate product reformulations, as well as longer-term technology development with a focus on emerging trends that affect the global economy. New product concepts are continuously generated, refreshed and prioritized via continuous meetings with an array of customers. Once initiated, new product development is managed with a rigorous stage-gate innovation process that incorporates project checkpoints and cross-functional alignment from ideation to commercialization. The goal of this new product development effort is to consistently generate at least one-fourth of the company's revenues from products that are less than five years old, with 15% of all revenue being designated as New-to-the-World (NTW) innovation by 2025. We are confident that our approved business plan and project pipeline will ensure that we hit this target. In 2021, we increased the NTW component of our revenues from 8% to nearly 10%. In addition, almost a third of our total 2021 revenue growth came from NTW products and processes.

In 2022, to strengthen the collaboration with our customers and to address the growing need for sustainable packaging solutions in the food and beverage market, we intend to launch centers of excellence (COE) for packaging in Europe and North America supplemented by a virtual COE.





## Reducing our Products' Carbon Footprint

Reducing the impact of our products on the environment is a key focus for us at Solenis, and in order to drive continuous improvement, we need to be able to accurately measure those impacts. We are currently in the process of developing a tool to calculate the carbon footprint of our products. Our calculations will be done rigorously, and according to ISO standards. We expect to finish development of this tool and the carbon footprint calculations for most of our products in 2023.

In parallel to the development of calculation methods, we continue to work on efforts to reduce our carbon footprint of our products. This includes exploration of alternatives to fossil-based raw materials and optimizations of our supply chain, logistics and manufacturing processes. Solenis is continuously exploring new ideas and partnerships – including with research institutes and universities – to strengthen our approach. Our goal is to increase the share of projects focusing on carbon footprint reduction to 30% of our overall innovation program by 2025. In 2021, 14% of our innovation programs were aimed at reducing our products' carbon footprint.



## Open Innovation with External Partners

Solenis continuously seeks out and actively collaborates with industry and university partners on joint, open innovation programs. The intent is to support the industries we serve to discover new and innovative approaches that are sustainable and efficient. In 2021, about 70% of the opportunities evaluated by our External Technology group were sustainability-based.

### We continue our engagement and collaboration with external partners:

- A consortium coordinated by VTT Technical Research Centre of Finland Ltd., called "Piloting Alternatives for Plastics." With a focus on cellulose-based structures, this \$8.3 million program funded by multiple stakeholders emphasizes pilot-scale bio-based solutions for plastics replacement.
- Collaboration with the Renewable Bioproducts Institute at Georgia Institute of Technology, Atlanta, Georgia, U.S., to develop an innovative papermaking process using multi-phase forming that uses far less energy than conventional papermaking. The U.S. Department of Energy recently awarded this Georgia Tech consortium a \$3.75 million grant for this program.
- Participation in Bioeconomy Research Program with RISE, Sweden's Research Institute, and innovation partners. Fiber and chemical optimization are key components of the program, which envisions a fossil-free future where renewable sources are highly utilized.
- For industrial water, Solenis' innovation focus is identification of circular chemistries for use in corrosion and scale inhibition formulations, and in wastewater treatment applications. Activities also include examining production of key raw materials via bio-based synthesis routes. A key example is our engagement with Wageningen University in the Netherlands to develop bio-based antiscalants.
- Participation in a three-year research project "KonTriSol" funded by the German ministry of research and education. The goal of this project is to develop solutions for technical, legal and economic barriers in the use of nanofiltration / reverse osmosis processes (NF/RO) in drinking water treatment. A key challenge is the treatment of the concentrates/potential for the removal of environmental contaminants.

### In 2021, Solenis has initiated a high-level focus on partnerships in the beverage and food delivery markets.

- Our partnership with Pulpex Limited on optimizing a PET-free paper bottle, made from sustainably sourced pulp. Our chemical solutions include surface treatments to enable functional and visible properties, such as labeling with food-safe pigments and dyes.
- Our partnership with Zume, Inc. on non-polyfluoroalkyl substance (PFAS) food packaging that is now open-sourced to manufacturers across the market. This has the potential to dramatically reduce single-use plastic containers.
- Finally, we have committed to sponsorship of an innovative new sustainability consortium project, called "Films for the Future," which seeks to develop easily recyclable bio-based packaging films and barrier materials and demonstrate their convertibility. This program will begin in the second half of 2022 and continue for three years.

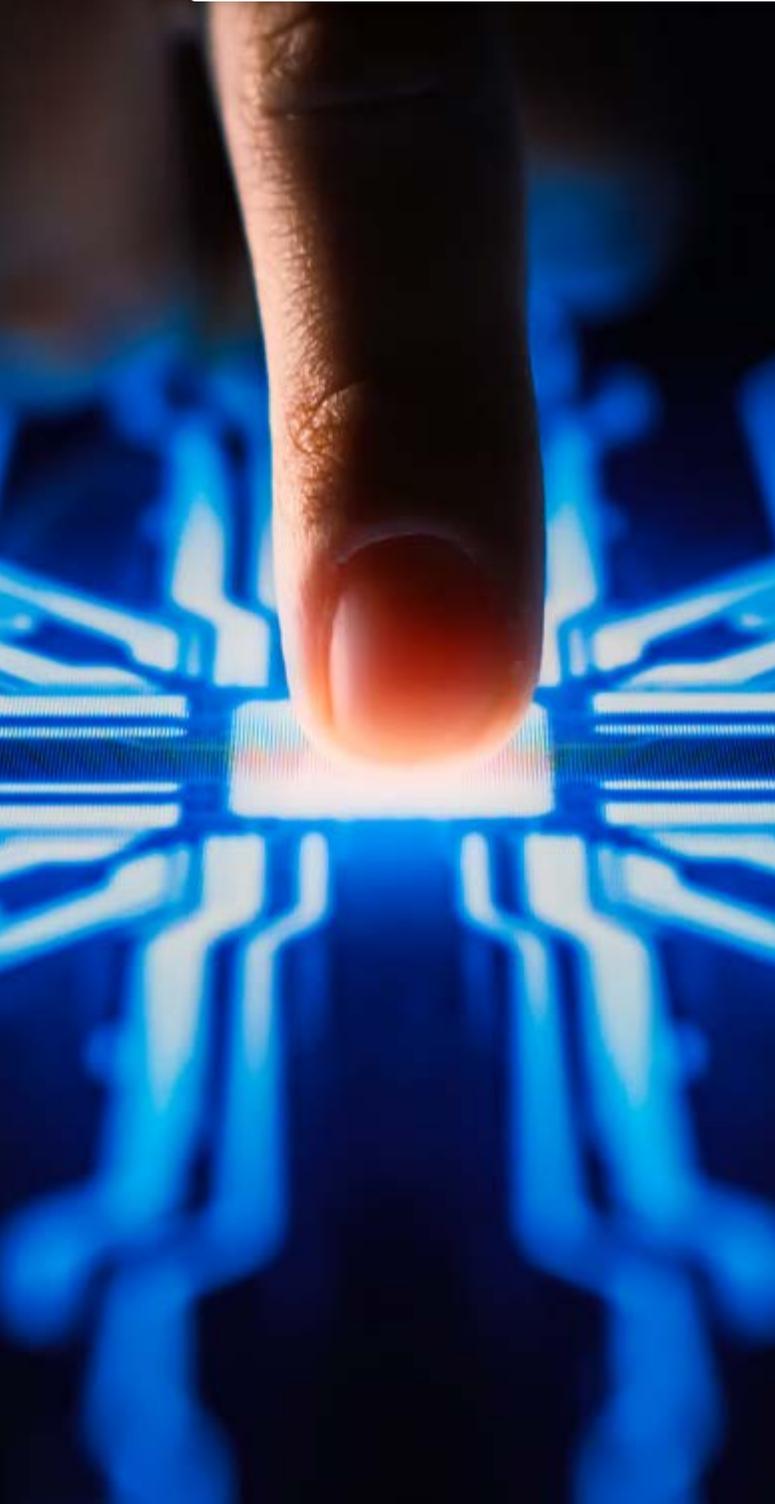


88%

of our innovation programs have a focus on sustainability/circularity in FY21

BY 2022  
90%

innovation programs will have a focus on sustainability/circularity



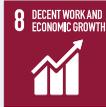
## Digitalization

In 2020, Solenis embarked on a multi-year digital transformation effort to develop a technical and commercial platform aimed at enhancing the value of Solenis' expertise, knowledge, and data for the benefit of our customers. This platform will replace several older solutions and applications, and will pull together data from various Solenis sources into one, central cloud-based location. When it is completed in 2022, this new platform will provide an easy-to-use, real-time dashboard from which our customers can monitor and control process and water treatment unit operations within their facilities. Customers will be able to identify and diagnose processing trends, and ultimately better troubleshoot problems if and when they occur. In addition, the platform will tie-in supply information, order histories, and other pieces of data to create a seamless way of managing the process and water treatment programs. This helps our customers become more cost-effective and aids them in reaching their sustainability goals. Also, the new platform will dovetail with the company's OPTIX™ applied intelligence platform that leverages artificial intelligence to optimize complex treatment programs and deliver deeper insights into customer applications. Ultimately, the new system will provide a higher level of quality and service to our customers.

In 2021, our global design teams – comprised of technical customer applications experts – reached several milestones in Solenis' digital transformation. They completed the design phase of this significant initiative and began to build and develop portions of the new platform and dashboard. In addition, the team has identified a small group of global customers to partner with in piloting this new system. The new platform is on-schedule for launch in 2022. Yet, we know that the opportunities for our customers to implement advanced digital solutions will only increase, and we are continuously working to be at the leading edge of this trend.

Lastly, the new platform will help Solenis achieve our own sustainability goals by minimizing the need for technical and commercial representatives to travel as extensively to customer sites as in the past. Our digital transformation is another example of how we at Solenis are partnering with our customers to become a force for sustainable change.



	 <b>People</b>	 <b>Circularity</b>	 <b>Planet &amp; Climate</b>	 <b>Responsible Operations</b>	 <b>Procurement</b>	 <b>Customers</b>		
<b>Targets</b>	<ul style="list-style-type: none"> <li>Continuously strive toward zero injury culture</li> <li>Create a diverse &amp; inclusive culture</li> </ul>	<ul style="list-style-type: none"> <li>Support circular economy principles</li> </ul>	<ul style="list-style-type: none"> <li>Enable our customers to manage resources &amp; manufacturing processes more effectively</li> </ul>	<ul style="list-style-type: none"> <li>Operate with zero environmental harm &amp; reduce our footprint</li> </ul>	<ul style="list-style-type: none"> <li>Operate with zero harm &amp; be fully compliant</li> </ul>	<ul style="list-style-type: none"> <li>Ensure responsible procurement &amp; supplier management</li> </ul>	<ul style="list-style-type: none"> <li>Drive Value for our customers</li> </ul>	
<b>Key Performance Indicators</b>	<ul style="list-style-type: none"> <li>Reduce injury rate by 10% year over year</li> </ul>	<ul style="list-style-type: none"> <li>By 2030, double the diverse population of leadership &amp; total workforce</li> <li>Annual Culture Survey to drive employee engagement</li> <li>Annual 5% investment of all employee working time on training</li> </ul>	<ul style="list-style-type: none"> <li>By 2025, &gt;90% of new innovation projects to have a sustainability/circularity focus</li> </ul>	<ul style="list-style-type: none"> <li>By 2030, 90% revenue generation will result through support of customers' sustainability goals</li> <li>By 2025, 30% of our innovation programs to drive reduction in carbon footprint of our products</li> </ul>	<ul style="list-style-type: none"> <li>By 2030, reduce CO<sub>2</sub> emissions by 20%.</li> <li>By 2030, reduce water consumption by 5%</li> <li>Reduce EIC score by 10% every year</li> </ul>	<ul style="list-style-type: none"> <li>Certify all plants ISO 9001, RC14001, ISO 14001, ISO 45001 &amp; SEDEX within three years of acquisition</li> </ul>	<ul style="list-style-type: none"> <li>By 2030, increase supplier adherence to Solenis sustainability requirements &gt;92.5%.</li> </ul>	<ul style="list-style-type: none"> <li>Deliver 5% return on investment for every customer</li> <li>Partner with every customer on sustainability journey</li> </ul>
<b>SDGs</b>	 	 	   	 				





# Appendix



# Stakeholder Engagement

Stakeholder engagement is integral to achieving our sustainability commitments. Our key stakeholders and how we engage with them is described below. We proactively create dialogue and engage with our stakeholders to assess and gain insight into the social, environmental and governance issues that we face internally and externally. Feedback from stakeholders is constantly incorporated into business strategy and helps to inform our sustainability journey.

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



# ESG Data Table

Environmental data									
Reference GRI Indicator / Solenis Metric	Sustainable Development Goals (SDG)	Description	Units (metric)	2019	2020	2021	Notes	Externally Assured Metrics	
102-19, 102-20, 102-29, 102-30, 102-31		Board of Directors oversees and/or manages climate-related risks?		No	No	Yes			
102-19, 102-20, 102-29, 102-30, 102-31		Senior management Team oversees and/or manages climate-related risks?	Yes/No	No	Yes	Yes			
		Total amount invested, annually, in climate-related infrastructure, resilience, and product development.	USD	Not tracked/Not available					
103-2, 301-308		Environmental Policy	Yes/No	Yes	Yes	Yes		X	
103-2, 301-308		Waste, water, energy, and/or recycling policies	Yes/No	Yes	Yes	Yes		X	
103-2, 301-308		Company uses a recognized energy management system?		Partly	Partly	Partly		X	
102-7		Solenis owned Manufacturing Facilities	#	35	34	35		X	
102-7		Solenis Owned Manufacturing Equipment Operated at Customer Facilities	#	4	4	4		X	
Solenis Metric (301)		Production Volume	ton	1,215,400	1,190,100	1,268,700	E1	X	
Solenis Metric (GRI 301)		Purchased Raw Materials	ton	308,800	490,700	520,200	E2		
302-1	12	Energy Consumption Within the Organization	GJ	3,164,000	3,094,400	3,222,000		X	
302-1	12	Total Amount of Energy Directly Consumed	GJ	2,266,000	2,298,600	2,349,000		X	
302-2	12	Total Amount of Energy Indirectly Consumed	GJ	898,000	795,800	873,000		X	
302-2	12	Energy usage by generation type	%	Landfill Gas: 3 Natural gas: 67 Other Direct: 6 Electricity: 18 Other Indirect: 6	Landfill Gas: 3 Natural gas: 69 Other Direct: 5 Electricity: 15 Other Indirect: 8	Landfill Gas: 3 Natural gas: 70 Other Direct: 3 Electricity: 16 Other Indirect: 8			



## Environmental data

Reference GRI Indicator / Solenis Metric	Sustainable Development Goals (SDG)	Description	Units (metric)	2019	2020	2021	Notes	Externally Assured Metrics
302-3	12	Energy Intensity	kWh/ton	720	720	710		X
303-5	6	Total Amount of Water Consumed	m <sup>3</sup>	2,339,800	2,744,800	2,822,100		X
303-5	6	Total Water Withdrawal	m <sup>3</sup>	5,099,290	4,896,470	4,880,940		X
303-5	6	Water Intensity	(m <sup>3</sup> /kg)10 <sup>6</sup>	4,196	4,114	3,847		X
	6	Total Amount of Water Reclaimed	m <sup>3</sup>	1,635,400	1,060,600	1,023,600	E3	
		Total CO <sub>2</sub> Emissions	ton	190,100	184,100	192,100		X
305-1	13	Direct (Scope 1) CO <sub>2</sub> Emissions	ton	117,500	118,600	120,500		X
305-2	13	Indirect (Scope 2) CO <sub>2</sub> Emissions	ton	72,600	65,500	71,600		X
305-3	13	Other Indirect (Scope 3) CO <sub>2</sub> Emissions	ton	Not tracked/ Not available				
305-4	13	CO <sub>2</sub> Emissions Intensity	ton CO <sub>2</sub> /ton prod	0.16	0.15	0.15		X
305-6	13	Emissions of Ozone-Depleting Substances (ODS)	ton	0	0	0		
306-4	12	Hazardous Waste	ton	10,400	11,400	11,870		X
306-4	12	Non-Hazardous Waste	ton	12,400	11,700	9,820		X
306-4	12	Total Waste	ton	22,800	23,100	21,690		X
306-4	12	Waste Disposal Normalized	kg waste/ ton prod	18.8	19.4	17.1		X
Solenis Metric		Number of RC14001 Certified Facilities	#	26	27	32		X
Solenis Metric		% RC14001 Certified Facilities	%	74%	79%	91%		X
Solenis Metric		Number of ISO 14001 Certified Facilities	#	28	29	33		X
Solenis Metric		% ISO 14001 Certified Facilities	%	80%	85%	94%		X



## Environmental data

Reference GRI Indicator / Solenis Metric	Sustainable Development Goals (SDG)	Description	Units (metric)	2019	2020	2021	Notes	Externally Assured Metrics
Solenis Metric		Number of ISO 50001 Certified Facilities	#	2	2	2		X
Solenis Metric		Environmental Incident Classification (EIC) Score	#	65	75	75		X
Solenis Metric		Process Safety Management Incidents	#	0	0	0	E4	X

## Social data

Reference GRI Indicator / Solenis Metric	Sustainable Development Goals (SDG)	Description	Units (metric)	2019	2020	2021	Notes	Externally Assured Metrics
102-7		Total Number of Employees at Solenis	#	5,150	5,161	5,292		X
102-8, 405-1		Overall headcount held by female	%	Not Tracked/ Not Available	23	24		X
102-8, 405-1		VP and above positions held by diverse population	%	Not tracked/Not available		26		X
102-8, 405-1		Directors and above positions held by diverse population	%	Not tracked/Not available		25		X
102-8, 405-1		Entry and midlevel positions held by female	%	Not tracked/Not available	16	21		
102-8		Overall headcount by part-time employees	%	Not tracked/Not available	2	2		X
102-8		Overall headcount held by contractors and/or consultants	#	Not tracked/ Not available				
102-38		Ratio of CEO total compensation to median full-time employee total compensation	#	Not tracked/Not available	34:1	88:1	S2	
102-38		Company report CEO compensation ratio in regulatory filings		Not Applicable				



## Social data

Reference GRI Indicator / Solenis Metric	Sustainable Development Goals (SDG)	Description	Units (metric)	2019	2020	2021	Notes	Externally Assured Metrics
103-2		Sexual harassment and /or non-discrimination policy	Yes/No	Yes	Yes	Yes		X
103-2		Occupational health and/or global health & safety policy	Yes/No	Yes	Yes	Yes		X
103-2		Child and/or forced labor policy	Yes/No	Yes	Yes	Yes		X
103-2		Child and/or forced labor policy cover suppliers and vendors	Yes/No	Yes	Yes	Yes		X
103-2		Human rights policy	Yes/No	No	No	Yes		X
103-2		Human rights policy cover suppliers and vendors	Yes/No	Not Applicable				
401-1b		Year-over-year change for full time employees	%	10.7	10.4	10.1		X
401-1b		Year-over-year change for part-time employees	#	Not tracked/Not available				
401-1b		Year-over-year change for contractors and/or consultants	#	Not tracked/Not available				
403-9	8	Recordable Injuries (OHSa criteria)	#	28	29	22	S3	X
403-9	8	Total Recordable Rate (OHSa criteria)		0.63	0.53	0.41	S4	X
403-9	8	Work-related fatalities	#	0	0	1		X
403-9	8	Days Away from Work Cases (OHSa criteria)		14	13	11	S9	X
403-9	8	Days Away from Work Rate (OHSa criteria)		0.32	0.24	0.20	S10	X
403-9	8	Lost time injury frequency rate (LTIFR)		1.58	1.19	1.01	S5	X
403-9	8	Lost time injury severity rate (LTISR)		0.05	0.06	0.02	S6	X
405-1		Board seats occupied by women (as compared to men)	%	0	0	0		
405-1		Committee chairs occupied by women (as compared to men)	%	0	0	0		
405-2		Ratio of median male compensation to median female compensation	#	Not tracked / Not available	1.19:1	1.22:1	S7	X
Solenis metric		Number of ISO 45001 Certified Facilities	#	22	26	32		X



## Social data

Reference GRI Indicator / Solenis Metric	Sustainable Development Goals (SDG)	Description	Units (metric)	2019	2020	2021	Notes	Externally Assured Metrics
Solenis metric		% of ISO 45001 Certified Facilities	%	63%	76%	91%		X
Solenis metric		Number of ISO 9001 Certified Facilities	#	32	31	33		X
Solenis metric		% ISO 9001 Certified Facilities	%	91%	91%	94%		X
Solenis metric		Number of Sedex Facilities	#	22	23	33	S8	X

## Governance data

Reference GRI Indicator / Solenis Metric	Sustainable Development Goals (SDG)	Description	Units (metric)	2019	2020	2021	Notes	Externally Assured Metrics
102-16		Vendors or suppliers required to follow a Code of Conduct	Yes/No	Yes	Yes	Yes		X
102-23, 102-22		Company prohibit CEO from serving as board chair	Yes/No	No	No	No		
102-23, 102-22		Board seats occupied by independents	%	17	17	33		
102-35 b		Executives formally incentivized to perform on sustainability	Yes/No	No	No	No		
102-41		Employees Covered by Collective Bargaining Agreement	%	Not tracked/Not available	36	35		X
102-16.		Suppliers who have formally certified their compliance with the code	%	Not tracked/Not available	35	79		X
102-16.		Ethics and/or Anti-Corruption policy	Yes/No	Yes	Yes	Yes		X
102-16.		Workforce who have formally certified its compliance with the policy	%	Not Tracked/Not Available	95	96		X
102-56		Company's sustainability disclosures assured or validated by a third party	Yes/No	No	No	Yes		X



## Governance data

Reference GRI Indicator / Solenis Metric	Sustainable Development Goals (SDG)	Description	Units (metric)	2019	2020	2021	Notes	Externally Assured Metrics
405-1		Board seats occupied by women (as compared to men)	%	0	0	0		
405-1		Committee chairs occupied by women (as compared to men)	%	0	0	0		
418 Customer Privacy 2016		Data privacy policy	Yes/No	Yes	Yes	Yes		
418 Customer Privacy 2016		Steps to comply with GDPR rules	Yes/No	Yes	Yes	Yes		
		Company published Sustainability Report	Yes/No	No	No	Yes		X
		Sustainability data included in regulatory filings			Not Applicable			X
		Sustainability data provided to sustainability reporting frameworks	Yes/No	No	No	Yes		X
		Company focus on specific UN Sustainable Development Goals (SDG's)	Yes/No	No	No	Yes		X
		Company set targets and report progress on the UN SDG's	Yes/No	No	No	No		X

### Notes

- E1. Products manufactured and ready to be shipped, excluding intermediates, certain service agreements and packaging materials. This excludes volumes from resale / relabelling and contractor manufacturers (tollers).
- E2. Externally purchased quantities of raw material used for manufacturing (a few sites outside of SAP are not accounted for). This excludes material shipped intercompany (e.g., raw materials, intermediates), packaging materials and raw material used at contractor manufacturers (tollers).
- E3. Measured as volume of cleansed waste water safely discharged from a Solenis manufacturing facility direct to surface water.
- E4. A process safety incident is defined as an unplanned event arising from the manufacturing process involving a listed high hazardous chemical that results in a serious incident
- S2. Company sold in 2021, resulting in a monetization event, which drove an equity payout
- S3. OSHA recordable incident as defined by Occupational Safety and Health Administration in the U.S.
- S4. Total Recordable Rate (TRR) / Recordable Incident –  
Calculated by multiplying the total number of incidents which meet the criteria of being recordable by the U.S. Occupational Safety and Health Administration (OSHA) in one year by 200,000 hours and divided by the total number of hours worked by all employees. 200,000 hours are the expected hours normally worked in a year by 100 workers.
- S5. Lost time injury frequency rate (LTIFR) for direct workforce - (total number of lost time injury events) x 1,000,000 / total hours worked company wide
- S6. Lost time injury severity rate (LTISR) for direct workforce - (number of days lost due to injuries) x 1,000 / total hours worked
- S7. For the mid-career to senior management roles, Solenis pays men and women comparably with an average gender ratio of 1.03.  
There is focus to equalize pay at the junior/entry level roles. Such actions will bring the overall ratio in line with the Solenis 2030 Diversity vision to Double our diverse population of our leadership and total workforce.
- S8. Bradford and Grimsby locations are one legal entity and operate a common management system. They hold two distinct SEDEX certificates.
- S9. OSHA recordable incident that involved days away from work as defined by Occupational Safety and Health Administration in the U.S.
- S10. Days Away from Work Rate (DAWR) –  
Calculated by multiplying the total number of OSHA recordable incident that involved days away from work in one year by 200,000 hours and divided by the total number of hours worked by all employees. OSHA days away from work incident as defined by Occupational Safety and Health Administration in the US. 200,000 hours are the expected hours normally worked in a year by 100 workers.



# GRI Index Table

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

## List of material issues & definitions

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



# GRI Index Table (continued)

## List of material issues & definitions

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



## GRI 102 General Disclosure 2016

### Organizational Profile

GRI Standard	Description	Page Reference
102-1	Name of the Organization	Solenis LLC
102-2	Activities, brands, products, and services	Solenis at a Glance, <a href="#">page 8</a>
102-3	Location of headquarters	Global Headquarters: Wilmington, Delaware, USA APAC Region Headquarters: Shanghai, China EMEA Region Headquarters: Schaufhausen, Switzerland LATAM Region Headquarters: Sao Paulo, Brazil North America Region Headquarters: Wilmington, Delaware, USA
102-4	Location of operations	Value Chain, <a href="#">page 13</a>
102-5	Ownership and legal form	We are a LLC / Private Equity/ Owned 100% by Platinum Equity as of Nov. 9, 2021
102-6	Markets served	Markets We Serve, <a href="#">page 9</a>
102-7	Scale of the organization	Value Chain, <a href="#">page 13</a>
102-8	Information on employees and other workers	Solenis at a Glance, <a href="#">page 10</a> Diversity, Equity & Inclusion, <a href="#">page 30</a>
102-9	Supply chain	Value Chain, <a href="#">page 13</a> Responsible Supply Chain Management & Manufacturing, <a href="#">page 59</a>
102-10	Significant changes to the organization and its supply chain	2021 in Review, <a href="#">page 6</a> Acquisition by Platinum Equity, <a href="#">page 11</a> Value Chain, <a href="#">page 13</a>
102-11	Precautionary Principle or approach	About the Report, <a href="#">page 5</a>
102-12	External initiatives	About the Report, <a href="#">page 5</a>
102-13	Membership of associations	Appendix -- Stakeholder Engagement, <a href="#">page 90</a> Governance and Compliance   Product Stewardship   Solenis



## GRI 102 General Disclosure 2016

### Strategy

GRI Standard	Description	Page Reference
102-14	Statement from senior decision maker	CEO Statement, <a href="#">page 3</a>
102-15	Key impacts, risks, and opportunities	Materiality Assessment, <a href="#">page 14</a>

### Ethics and Integrity

GRI Standard	Description	Page Reference
102-16	Values, principles, standards, and norms of behavior	Solenis at a Glance, <a href="#">page 10</a>

### Governance

GRI Standard	Description	Page Reference
102-18	Governance structure	Governance, <a href="#">page 18</a>

### Stakeholder Dialogue

GRI Standard	Description	Page Reference
102-40	List of stakeholder groups	Appendix -- Stakeholder Engagement, <a href="#">page 90</a>
102-41	Collective bargaining agreements	Total Rewards & Benefits, <a href="#">page 42</a>
102-42	Identifying and selecting stakeholders	Appendix -- Stakeholder Engagement, <a href="#">page 90</a>
102-43	Approach to stakeholder engagement	Appendix -- Stakeholder Engagement, <a href="#">page 90</a>
102-44	Key topics and concerns raised	Materiality Assessment, <a href="#">page 14</a>



## GRI 102 General Disclosure 2016

### Reporting Practice

GRI Standard	Description	Page Reference
102-45	Entities included in the consolidated financial statements	Solenis at a Glance, <a href="#">page 10</a>
102-46	Defining report content and topic Boundaries	About this Report, <a href="#">page 5</a> Strategic Lenses and Materiality Assessment, <a href="#">page 14</a>
102-47	List of material topics	Materiality Assessment, <a href="#">page 14</a>
102-48	Restatements of information	There are no restatements of information given in previous reports
102-49	Changes in reporting	There have been no significant changes from the previous reporting period in the list of material topics or topic boundaries
102-50	Reporting period	Oct 1, 2020 - Sept 30, 2021
102-51	Date of most recent report	March 30, 2020 / Assurance letter issued June 2020
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	<a href="#">Contact Us For More Information   Solenis</a>
102-54	Claims of reporting in accordance with the GRI Standards	About the Report, <a href="#">page 5</a>
102-55	GRI content index	Appendix - GRI Index, <a href="#">page 93</a>
102-56	External assurance	Appendix - Assurance, <a href="#">page 110</a> About the Report, <a href="#">page 5</a> Data Quality Enhancements, <a href="#">page 46</a>



## GRI 200 Economic Standards

### Economic Performance

GRI Standard	Description	Page Reference
103-1 <sup>a</sup>	Explanation of the material topic and its Boundary	Confidentiality constraints: Solenis is privately held and therefore does not disclose information on this topic.
103-2 <sup>b</sup>	The management approach and its components	
103-3 <sup>c</sup>	Evaluation of the management approach	
201-1	Direct economic value generated and distributed	Confidentiality constraints: Solenis is privately held and therefore does not disclose information on this topic.

### Market Presence

GRI Standard	Description	Page Reference
103-2	The management approach and its components	Well-being, Health & Safety of our People, <a href="#">page 20</a>
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Total Rewards & Benefits, <a href="#">page 41</a>
202-2	Proportion of senior management hired from the local community	Diversity & Inclusion, <a href="#">page 35</a>

### Indirect Economic Impacts

GRI Standard	Description	Page Reference
103-2	The management approach and its components	Engaging with Communities, <a href="#">page 64</a>
203-1	Infrastructure investments and services supported	For EHS see <a href="#">page 45</a>
203-2	Significant indirect economic impacts	Engaging with Communities, <a href="#">page 64</a>



## GRI 200 Economic Standards

### Procurement Practice

GRI Standard	Description	Page Reference
103-2	The management approach and its components	Partnerships in our Value Chain, <a href="#">page 58</a>
204-1	Proportion of spending on local suppliers	Partnerships in our Value Chain, <a href="#">page 61</a>

### Anti-corruption

GRI Standard	Description	Page Reference
103-2	The management approach and its components	Business Ethics & Compliance, <a href="#">page 71</a>
205-1	Operations assessed for risks related to corruption	Business Ethics & Compliance, <a href="#">page 72</a>
205-2	Communication and training about anti-corruption policies and procedures	Business Ethics & Compliance, <a href="#">page 72</a>

### Tax

GRI Standard	Description	Page Reference
103-2	The management approach and its components	Business Ethics & Compliance, <a href="#">page 73</a>
207-1	Approach to tax	Business Ethics & Compliance, <a href="#">page 73</a>
207-2	Tax governance, control, and risk management	Business Ethics & Compliance, <a href="#">page 73</a>
207-3	Stakeholder engagement and management of concerns related to tax	Business Ethics & Compliance, <a href="#">page 73</a>
207-4	Country-by-Country Reporting	Confidentiality constraints: Solenis is privately held and therefore does not disclose information on this topic.



## GRI 300 Environmental Standards

### Materials

GRI Standard	Description	Page Reference
103-2	The management approach and its components	Partnerships in Our Value Chain, <a href="#">page 58</a>
301-1	Materials used by weight or volume	Partnerships in Our Value Chain, <a href="#">page 59</a>

### Energy

GRI Standard	Description	Page Reference
103-2	The management approach and its components	Protecting our Planet, <a href="#">page 44</a>
302-1	Energy consumption within the organization	Climate Change & Energy Management, <a href="#">page 48</a>
302-2	Energy consumption outside of the organization	Climate Change & Energy Management, <a href="#">page 50, 51</a>
302-3	Energy intensity	Climate Change & Energy Management, <a href="#">page 49</a>
302-4	Reduction of energy consumption	Climate Change & Energy Management, <a href="#">page 49</a>

### Water and Effluents

GRI Standard	Description	Page Reference
103-2	The management approach and its components	Protecting our Planet, <a href="#">page 44</a>
303-2	Management of water discharge-related impacts	Water Management, <a href="#">page 52</a>
303-3	Water withdrawal	ESG Data Table
303-4	Water discharge	ESG Data Table
303-5	Water consumption	Water Management, <a href="#">page 52</a>



## GRI 300 Environmental Standards

### Emissions

GRI Standard	Description	Page Reference
103-2	The management approach and its components	Protecting our Planet, <a href="#">page 44</a>
305-1	Direct (Scope 1) GHG emissions	Climate Change & Energy Management, <a href="#">page 47</a>
305-2	Energy indirect (Scope 2) GHG emissions	Climate Change & Energy Management, <a href="#">page 47</a>
305-3	Other indirect (Scope 3) GHG emissions.	Climate Change & Energy Management, <a href="#">page 50, 51</a>
305-4	GHG emissions intensity	ESG Data Table
305-5	Reduction of GHG emissions.	Climate Change & Energy Management, <a href="#">page 47</a>

### Waste 2020

GRI Standard	Description	Page Reference
306-1	Waste generation and significant waste-related impacts	EIC & Waste Management, <a href="#">page 56</a>
306-3	Waste generated	EIC & Waste Management, <a href="#">page 56</a>

### Supplier Environmental Assessment

GRI Standard	Description	Page Reference
103-2	The management approach and its components	Partnerships in Our Value Chain, <a href="#">page 58</a>
308-1	New suppliers that were screened using environmental criteria	Responsible Supply Chain Mgmt & Mfg, <a href="#">page 60</a>



## GRI 400 Social Standards

### Employment

GRI Standard	Description	Page Reference
103-2	The management approach and its components	Well-being, Health & Safety of Our People, <a href="#">page 20</a>
401-1	New employee hires and employee turnover.	Diversity & Inclusion, <a href="#">page 35</a>
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees.	Total Rewards & Benefits, <a href="#">page 39</a>
401-3	Parental leave	Total Rewards & Benefits, <a href="#">page 40</a>

### Labor/Management Relations

GRI Standard	Description	Page Reference
103-2	The management approach and its components	Well-being, Health & Safety of Our People, <a href="#">page 20</a>
402-1	Minimum notice periods regarding operational changes	Total Rewards & Benefits, <a href="#">page 42</a>

### Occupational Health and Safety (2018)

GRI Standard	Description	Page Reference
103-2	The management approach and its components	Well-being, Health & Safety of Our People, <a href="#">page 20</a>
403-1	Occupational health and safety management system	Health & Safety, <a href="#">page 21</a>
403-2	Hazard identification, risk assessment, and incident investigation	Solenis implementation of Responsible Care Program
403-3	Occupational health services	Solenis implementation of Responsible Care Program
403-5	Worker training on occupational health and safety	Solenis implementation of Responsible Care Program
403-6	Promotion of worker health.	Health & Safety, <a href="#">page 24</a>
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships.	Health & Safety, <a href="#">page 24</a>
403-8	Workers covered by an occupational health and safety management system.	Health & Safety, <a href="#">page 23</a>
403-9	Work-related injuries	Health & Safety, <a href="#">page 22</a>



## GRI 400 Social Standards

### Training and Education

GRI Standard	Description	Page Reference
103-2	The management approach and its components	Well-being, Health & Safety of Our People, <a href="#">page 20</a>
404-1	Average hours of training per year per employee.	Training & Development, <a href="#">page 37</a>
404-2	Programs for upgrading employee skills and transition assistance programs	Training & Development, <a href="#">page 37</a>
404-3	Percentage of employees receiving regular performance and career development reviews	Training & Development, <a href="#">page 38</a>

### Diversity and Equal Opportunity

GRI Standard	Description	Page Reference
103-2	The management approach and its components	Well-being, Health & Safety of Our People, <a href="#">page 20</a>
405-1	Diversity of governance bodies and employees	Diversity, Equity & Inclusion, <a href="#">page 30</a>
405-2	Ratio of basic salary and remuneration of women to men	Total Rewards & Benefits, <a href="#">page 41</a>

### Freedom and Association of Collective Bargaining

GRI Standard	Description	Page Reference
103-2	The management approach and its components	Well-being, Health & Safety of Our People, <a href="#">page 20</a>
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Total Rewards & Benefits, <a href="#">page 42</a>

### Security Practices

GRI Standard	Description	Page Reference
103-2	The management approach and its components	Business Ethics & Compliance, <a href="#">page 72</a>
410-1	Security personnel trained in human rights policies or procedures	Business Ethics & Compliance, <a href="#">page 72</a>



## GRI 400 Social Standards

### Human Rights Assessment

GRI Standard	Description	Page Reference
103-2	The management approach and its components	Business Ethics & Compliance, <a href="#">page 72</a>
412-1	Operations that have been subject to human rights reviews or impact assessments	Business Ethics & Compliance, <a href="#">page 72</a>
412-2	Employee training on human rights policies or procedures	Business Ethics & Compliance, <a href="#">page 72</a>

### Local Communities

GRI Standard	Description	Page Reference
103-2	The management approach and its components	Partnerships in Our Value Chain, <a href="#">page 58</a>
413-1	Operations with local community engagement, impact assessments, and development programs	Engaging with Communities, <a href="#">page 64</a>

### Supplier Social Assessment

GRI Standard	Description	Page Reference
103-2	The management approach and its components	Partnerships in Our Value Chain, <a href="#">page 58</a>
414-1	New suppliers that were screened using social criteria	Responsible Supply Chain Mgmt & Mfg, <a href="#">page 60</a>

### Public Policy

GRI Standard	Description	Page Reference
103-2	The management approach and its components	Responsible Business Practices, <a href="#">page 70</a>
415-1	Political contributions	Business Ethics & Compliance, <a href="#">page 74</a>

### Marketing & Labeling

GRI Standard	Description	Page Reference
103-2	The management approach and its components	Responsible Business Practices, <a href="#">page 70</a>
417-1	Requirements for product and service information and labelling	Business Ethics & Compliance, <a href="#">page 74</a>



## GRI 400 Social Standards

### Customer Privacy

GRI Standard	Description	Page Reference
103-2	The management approach and its components	Responsible Business Practices, <a href="#">page 70</a>
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Protection Governance, <a href="#">page 75</a>

### Socioeconomic Compliance

GRI Standard	Description	Page Reference
103-2	The management approach and its components	Responsible Business Practices, <a href="#">page 70</a>
419-1	Non-compliance with laws and regulations in the social and economic area	Business Ethics & Compliance, <a href="#">page 71</a>

**103-1<sup>a</sup>**  
**103-2<sup>b</sup>**  
**103-3<sup>c</sup>**

103-1, 103-2 and 103-3 are shown for GRI 201 only. Thereafter, for each Standard included, the relevant management approach content is being covered under the page reference / report section given for 103-2.



# Assurance Statement

