EXPLORE ADVANCE IMPACT

Annual Integrated Report 2024

SYENSQO

CONTENT

About this report

Syensqo's 2024 Annual Integrated Report provides material information on Syensqo for the financial year ending December 31, 2024.

It includes a management report, as required by article 12 of the Royal Decree of November 14, 2007 relating to the obligations of issuers of financial instruments admitted for trading on a regulated market. The information required by articles 3:6 and 3:32 of the Belgian Code of Companies and Associations can be found in various chapters of the report. They include our corporate governance statement, remuneration report, risk management report, business performance review, sustainability statements and financial statements.

The Annual Integrated Report has been prepared in accordance with the European Union Corporate Sustainability Reporting Directive.

It has been approved by Syensqo's Executive Leadership Team and Board of Directors.

The future is rich with unexplored possibilities.

WE ARE EXPLORERS.

People from many horizons who dream the impossible,
solve the unsolvable, partnering to pioneer
the future of science.

Because a sustainable future starts with our commitment,
our solutions and innovations are the catalysts
that open new frontiers for the planet and its people.

WE ARE SYENSQO,

EXPLORERS CREATING BREAKTHROUGHS THAT ADVANCE HUMANITY.

A FIRST YEAR OF ENERGY, INNOVATION AND TEAMWORK

Rosemary Thorne, Chair of the Board of Directors

Reflecting on Syensqo's first year, I feel an immense sense of pride. Our journey as an independent Specialty Chemicals leader has been filled with energy, innovation, and teamwork. Amidst an exceptionally volatile backdrop of geopolitical unrest and subdued markets, our nascent company, Syensqo, not only fulfilled its commitments, staying true to its promise, but also laid the groundwork for future success.

One of my personal highlights was witnessing this enthusiasm firsthand when our Board of Directors visited our sites in Spinetta and Bollate, Italy, engaging directly with our remarkable teams. Consistently, I am also profoundly impressed by the dedication and creativity of Syensqo employees, whom I encounter during the company's regular online events that showcase progress across various domains.

Deep-rooted engagement

Although we are a young company, our roots run deep. Syensqo's employees have shown sincere commitment to our vision of an advanced specialty chemicals leader, driving growth through innovation, propelled by powerful megatrends. This was evident in the strong participation in our first employee shareholding plan. Building on these foundations, our charismatic CEO, Ilham Kadri, works wonders in motivation through her exceptional ability to inspire and her frequent engagement with the team in the field.

At Syensqo, sustainability and ethical responsibility are integral to our business strategy and support our profitability. In 2024,

At Syensqo, sustainability and ethical responsibility are integral to our business strategy and support our profitability. In 2024, Syensqo not only achieved an impressive gross margin of 33.8% and an underlying EBITDA margin of 21.5%; we also surpassed the sustainability targets outlined in our One Planet roadmap.

Furthermore, 2024 was the year in which we released our inaugural Human Rights Progress Report, which highlights our commitment to dignity and ethical business practices. Human rights are a priority at the highest levels of our organization, involving our Business Ethics Board, executive leadership, and the Board's Audit & Risk Committee.

Increasing returns for shareholders

In our first year of existence, our license to think independently enabled us to launch a significant share buy-back program — a testament to our confidence in our company's future and our commitment to creating value for shareholders. In September 2024, Syensqo announced its intention to acquire up to €300 million of its own shares, supported by its strong financial position. By year-end, 843,488 shares were repurchased at an average price of €75.68, returning €64 million to shareholders - and the program is continuing according to plan in 2025. All acquired shares have been canceled.

In parallel, the Board of Directors is proposing a dividend of €1.62 per share for the approval of shareholders at the upcoming annual general meeting on May 6, 2025 - which would amount to a total payout of €170 million. Including the 2024 dividend, total returns to shareholders in this challenging year reached €234 million, a 38% increase over 2023.

Thank you for these first steps by our side

As we embark on the next phase of our journey, I wish to extend my heartfelt gratitude to the stakeholders accompanying Syensqo. To our dedicated employees, management, and CEO, thank you for driving the company in its first steps through a highly uncertain and volatile world, infusing vitality and energy into our young company. To our shareholders, your unwavering support is invaluable. To our customers, your confidence in our innovative solutions inspires us. To our reliable suppliers, your dependability is greatly appreciated.

Syensqo is poised to play a vital role in the transformation of industries, driving growth and innovation. This is just the beginning, and I look forward to what lies ahead with great excitement.

WHAT A YEAR! SYENSQO'S FIRST STEPS TOWARD A GROUNDBREAKING FUTURE

Ilham Kadri, Chief Executive Officer of Syensqo

2024 was a milestone year for Syensqo, our first since our separation from Solvay. In addition to launching our new company, we accelerated the execution of our strategy and I am proud of the progress we have made. Indeed, I have been inspired by the renewed sense of purpose and energy that the separation has fueled, as well as the new opportunities we have to better serve our customers, drive profitable growth and unleash our full potential.

I am also proud of Syensqo's explorers, our people, who have navigated a challenging first year with the courage, creativity and resilience that are part of our DNA. Thank you!

Our sharper focus and increased agility has allowed us to adapt to the changing industry and uncertain macroeconomic environment that characterized 2024. As a result, we gained tremendous clarity around how we will accelerate our innovation to outperform our markets, become an even purer-play specialty company and allocate capital to drive long-term returns.

Our commitment to deliver on our targets was tested throughout our debut year. However, supported by strong execution on initiatives that we control, we delivered underlying EBITDA of €1.41 billion, within the outlook range we provided at the start of 2024.

The year also saw us advance our customer-led strategy, better understand their needs and bring new innovative solutions that deliver value. This included the opening of a new state-of-the-art application development lab dedicated to Specialty Polymers, which allows us to deepen our customer relationships and win more business with them.

Indeed, our commitment to bringing groundbreaking innovations and being a responsible manufacturer was enhanced in 2024. This included the introduction of new cutting-edge adhesive technologies for aerospace customers, collaborating on next-generation space launch systems, unveiling new technologies using recycled polymers for household and food appliances, as well as developing new non-fluorosurfactant materials to further support our customers' sustainability goals and anticipate the future of regulatory demands.

Underpinned by our strong balance sheet, we continued to invest in growth as well as rewarding our shareholders. In addition to paying a dividend of €1.62 per share in May, we launched our first share buyback program in November, returning an additional €64 million in the last two months of the year.

Finally, we launched a new employee share purchase plan in November 2024 and I am proud to share that nearly 3,000 employees, or more than 20% of our workforce, have chosen to invest their money in our future.

Explorers at heart, better equipped to advance

In 2024, we hosted "Engagement Sessions" with employees across the world to define what being an explorer means. We identified three core behaviors that drive our success: **explore**, **advance**, and **impact**.

We explore by embracing curiosity and continuous learning. We advance by bringing diverse perspectives together and rising as one. We create impact by putting customers first and delivering tangible results in all circumstances.

These behaviors also saw us secure numerous significant customer wins across our end markets and technologies. This is also testament to the growing "hunting culture" in our commercial teams, which is an untapped opportunity for us and will play an important role in our future growth.

Supporting this, we launched a number of new tools and initiatives, including our "Growth Dashboard" and "Sales Activation Cockpit" to sharpen our market insights as well as our proprietary in-house GenAi sales assistant, which has already yielded incremental customer wins.

Aligned with our vision, these new ways of working complement our broader ambitions to transform our organization to become stronger, simpler and more agile.

In the first half of the year, we conducted a comprehensive review of our innovation and commercial pipelines to ensure they continued to meet our criteria for returns, taking into account evolving macroeconomic and industry dynamics. This included the decision to delay our North American battery materials project by up to two years and the opportunity we have taken to reassess our priorities around growth projects.

What we now see is the opportunity to do more with less, and the option to invest in growth projects that are closer to home and provide a clearer line of sight to their returns.

To further advance our new company, we pressed on with our Star Factory Program to enhance the performance, safety and sustainability of more than 70 per cent of our industrial sites, and are also building our own IT infrastructure and establishing our Global Business Services organization, which will further enhance efficiency once our transitional agreements with Solvay reach their completion at the end of 2025.

Enhancing our sustainability performance

Our sustainability goals are aligned with our financial targets, enabling new sources of growth and profitability.

Through our One Planet roadmap, we are operating with more efficiency, while decreasing physical risks around our manufacturing sites, as well as those of our suppliers and customers across the value chain. As a result, this is improving our operational resilience and will support our long-term growth.

Over the course of 2024, we continued to make progress on our journey to achieve carbon neutrality of Scope 1 and 2 emissions by 2040, and are more than half way to achieving our 2030 climate targets. Moreover, I am especially proud that we achieved validation from the Science Based Targets initiative (SBTi) for our targets at the end of the year.

More recently, we announced a Climate Pledge to collaborate with our top 70 suppliers, who account for approximately 80% of our greenhouse gas emissions from purchased raw materials, to further advance our Scope 3 emission reduction targets.

We have also increased the share of sales contributing to the circular economy from 14% in 2023 to 16% in 2024, focusing on products that enhance durability, use recycled or renewable materials, or support end-of-life recycling.

Additionally, we announced our first target for nature, focusing on water stewardship, where we are committed to achieve a 20% average water reduction at sites exposed to water availability issues by 2030, equivalent to a reduction of more than 7 million cubic meters of fresh water intake!

Unlocking value in 2025 and beyond

Looking to 2025, we expect macroeconomic and demand uncertainty to continue across most of our end markets. For Syensqo, our priority remains on focusing on what we can control as well as taking action to create and unlock value.

Our priorities for the year can be segmented into three main areas:

First, customer-oriented initiatives and investments to drive growth as we accelerate our cultural shift toward a "hunting" culture to bring new sources of growth from existing and new customers.

Second, taking actions to become more efficient through cost savings and investments in our new digital architecture as we fully exit the transition services agreements with Solvay.

Third, executing on initiatives to create and unlock value. This includes the divestment of the Oil & Gas and Aroma businesses and continuing our €300 million share buyback program.

As we announced at the end of February, our Board of Directors has approved the exploration of a potential dual listing in the United States of America. The Americas are our largest region, representing more than 40% of our net sales and is home to more than half of our industrial sites. With the added potential benefit of expanding and enhancing our investor base, it is logical for us to explore a US listing.

While we expect 2025 to be another year of uncertainty, fundamental megatrends such as electrification, lightweighting, connectivity, resource efficiency amongst others are undeniably shaping our world.

We believe Syensqo is uniquely positioned to benefit from these secular growth opportunities, and are fully focused on leading our industry toward a more profitable and sustainable future. The best is yet to come!

01

STRATEGY

1 STRATEGY

1.1 Key figures for 2024

Syensqo is a science company developing groundbreaking solutions that enhance the way we live, work, travel, and play. Inspired by the scientific conferences initiated by Ernest Solvay in 1911, our diverse and global team of more than 13,000 employees in 30 countries brings great minds together to push the limits of science and innovation for the benefit of our customers.

1.1.1 Syensqo around the world

€6.56bn Net sales	**41%** Americas	**23%** Europe	**35%** Asia-Pacific and rest of the World
13,278(1) Employees	**41%** Americas	**38%** Europe	**21%** Asia-Pacific
62 Industrial sites	**36** Americas	**14** Europe	**12** Asia-Pacific
12 Major R&I Centers	**4** Americas	**5** Europe	**3** Asia-Pacific

(1) On December 31, 2024.

1.1.2 Research and innovation

2,095 Employees	**€348M** R&I effort	**20.9%** Vitality Index *% of products/applications < 5 years*

1.1.3 Financial indicators

2024 vs. 2023

€2.22bn Gross Profit **33.8%** Gross Profit Margin	**€1.41bn** Underlying EBITDA **-10%** organic basis(1)	**€390M** Free cash flow(2) to Syensqo shareholders **-12.9%**
7.9% ROCE(3) **-280**bps	**€1.62**(4) Dividend per share	Up to **€300 million** share buyback program

(1) Organic growth excludes forex conversion and scope effects.
(2) Free cash flow to Syensqo shareholders is the free cash flow after payment of net interests, coupons of perpetual hybrid bonds and dividends to non-controlling interests. This represents the cash flow available to Syensqo shareholders, to pay their dividend and/or to reduce the net financial debt. Excludes the €167 million payment to NJDEP made in Q2 2024.
(3) Return on capital employed.
(4) Subject to shareholders' approval at the AGM | May 6, 2025.

1.2 Our strategy

1.2.1 Our Group purpose and strategy

At Syensqo, our purpose is to create breakthroughs that advance humanity. We innovate to meet the needs of our customers and society today and in the future.

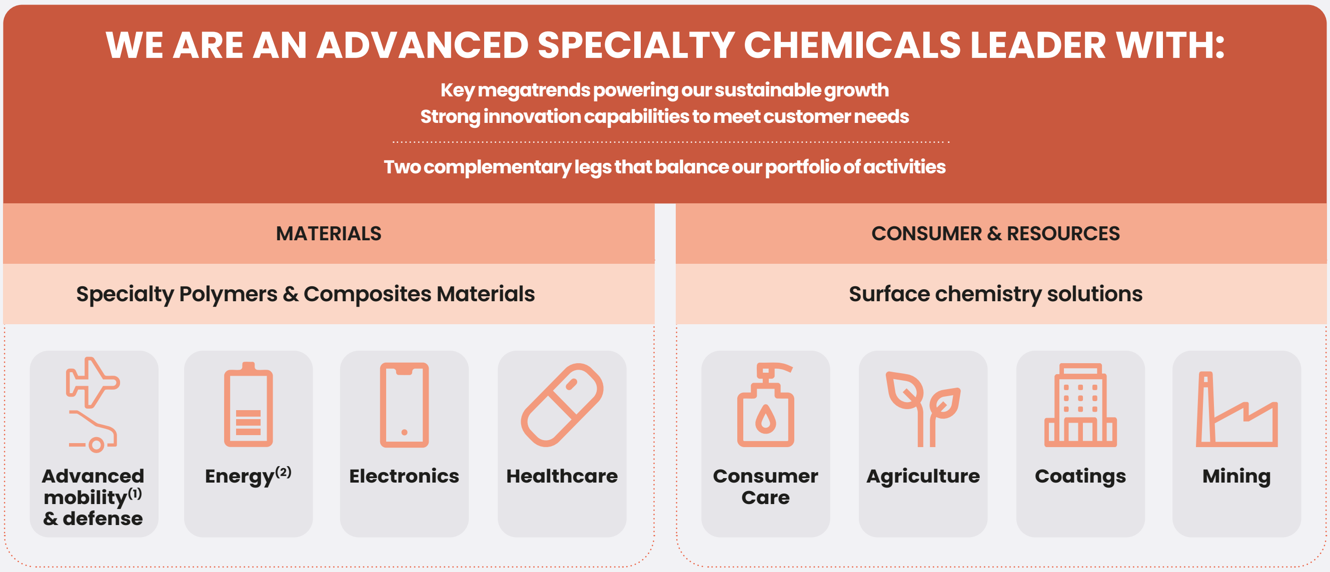
Over the last decade, we have streamlined, simplified, and reinforced our portfolio through mergers and acquisitions, which culminated in the creation of Syensqo in December 2023. Syensqo is now positioned as a specialty chemicals leader driving sustainable growth through innovation across eight core markets, driven by key industry megatrends.

Being a specialty business for Syensqo means focusing on innovation, customer collaboration and deep application understanding, and value-driven solutions. We differentiate ourselves through proprietary processes and intellectual property, allowing us to stay competitive and meet specific customer needs. Rather than competing on cost alone, we create value by aligning with key market trends, ensuring profitable and sustainable growth.

Sustainability is central to our strategy, products, and the way we engage with our employees and value chain. We recognize that our long-term success is intrinsically tied to the health of the broader social and environmental ecosystems within which we operate.

Syensqo offers two complementary specialty businesses: Materials (i.e. specialty polymers and composite materials) and Consumer & Resources (i.e. surface chemistry solutions). This approach ensures a balanced, stable and flexible portfolio that minimizes our exposure to risks and end-market volatility.

Across our businesses, we aim to be the prime innovation partner for our customers, to grow at around twice the market rate, and deliver superior returns.



(1) *Advanced mobility includes automotive and aerospace*

(2) *Energy includes batteries, green hydrogen (H2), piping*

1.2.2 Sustainable growth propelled by key megatrends

Global megatrends and technology shifts offer significant opportunities for Syensqo, and we have aligned our businesses, innovation projects, and product portfolio to respond to these global forces. By advancing sustainable innovation, our actions today set the course for long-term growth while contributing to a healthier planet

1.2.2.1 Electrification

Electrification is a critical lever to achieving carbon neutrality, enabling the transition from fossil fuels and coal. Chemistry is at the heart of the electrification trend. To meet growing demand for electric vehicles (EVs) and facilitate the transition to clean mobility, we provide solutions for applications such as e-motors, battery cells and modules, charging infrastructure, and green hydrogen. Upstream the electrification value chain, our solutions enable copper miners to make their operations more efficient.

We innovate:

- **Automotive solutions:** Our advanced specialty polymer materials for EV batteries, e-motors, power electronics and battery packs help enhance energy efficiency, system integration, safety, and sustainability in e-mobility applications.
- **Mining solutions:** Our metal-specific extractants are key enablers in the extraction and purification of battery metals and copper (EVs have 3-4x more copper than ICEs). In addition, our best-in-class reagents can be used for recycling of battery metals from end-of-life batteries.
- **Green hydrogen:** We are developing solutions for use in electrolyzers, fuel cells and other facets of hydrogen systems to help decarbonize hard-to-abate sectors and transportation.
- **Battery materials:** Our PVDF suspension solutions help perform better. We innovate for next generation battery technologies, with the aim to improve safety and performance.

KEY FIGURES:

€25bn **Total addressable market for Syensqo**	**~50%** **Amount of electric or hybrid vehicles in global production by 2030** *(Source: LMC Automotive)*
> 20% **CAGR in batteries between 2018 and 2030** *(Source: World Material Forum)*	**> €400bn** **OEM investment in EVs over the next 10 years** *(Source: OEMs/company public disclosures)*

1.2.2.2 Lightweighting

Lightweighting enhances vehicle sustainability by improving fuel efficiency, reducing CO_2 emissions, and boosting energy efficiency. For example, in the aviation industry, where fuel consumption accounts for the majority of emissions and 20-40% of operating costs, lightweighting improves competitiveness. Replacing metal with plastic and composite alternatives, lighter with the same strength, also offers design flexibility, improved safety, enhanced durability and lower maintenance costs. Syensqo offers a broad portfolio of advanced materials, catering to the needs of the aviation, automotive, and energy sectors.

We innovate:

- **Specialty polymers:** Our extremely lightweight polymers can replace heavy metal parts in automotive and aerospace applications, offering the same strength and, often, increased resistance to corrosion and extreme temperatures and improved engine efficiency.
- **Composite materials:** Our thermoset composites offer unique benefits for aerodynamics, design, part integration, and corrosion resistance. Some also provide superior flame retardancy in EV battery enclosures. Our thermoplastic composites (TPCs) are durable, chemical-and corrosion-resistant, lightweight and recyclable materials suitable for lightweighting applications in the aviation and automotive sectors, and in the transition to cleaner energy.

KEY FIGURES:

> €10bn **Total addressable market for Syensqo**	**-7.6gCO_2/km** **CO_2 emissions for every 100kg weight reduction** *(Source: International Organization of Motor Vehicle Manufacturers)*
- 5% **CO_2 emissions enabled by composite material in modern aircrafts** *(Source: Major airlines CO_2 emissions reports)*	

1.2.2.3 Advanced connectivity

As technology evolves, there is increased demand for hyperconnectivity, miniaturization, and exponential data growth. Syensqo provides advanced materials for semiconductors and smart devices that fulfill the electronics industry's precision and sustainability needs.

We innovate:

- **Smartphone polymers:** Our specialty materials for smartphones span our specialty polymer and composite portfolios. They facilitate the design freedom needed for new-generation smart devices, which must be lightweight, robust and sustainably made, while meeting precise electrical, thermal, and flammability performance requirements.
- **Semiconductor consumables:** Based on high-purity materials, our advanced specialty polymer solutions ensure a clean and controlled environment for the manufacture and assembly of semiconductor chips.

KEY FIGURES:

> €50bn **Total addressable market for Syensqo**	**$84bn** **Sales of consumer electronics devices by 2030** *(Source: Digitimes)*
$144.2bn **Estimated global automotive semiconductor market value by 2030** *(Source: Techinsights)*	**+ 24%** **CAGR in the augmented and virtual reality industry by 2032** *(Source IDTechX)*

1.2.2.4 Resource efficiency

The urgency to limit the use of natural resources is driven by increasing pollution, biodiversity loss, and the need to reduce CO_2 emissions. This demands optimization of resource use, waste reduction, and innovation of sustainable materials. Syensqo develops solutions to improve resource efficiency and support a circular economy.

We innovate:

- **Mining solutions:** Our proprietary digital platforms enable mines to optimize their operations and increase mineral recovery by connecting chemistry and operational feedbacks. We also offer a broad range of solvent extractants for metal purification and concentration. Both examples enable more efficient mining practices and reduce water use.
- **Specialty polymers:** Our polymers are used to manufacture food packaging that extends shelf life and enhances the safety of food contact applications. They are also found in filter bags and membranes used to treat gases emitted by multiple industries.
- **Water treatment solutions**: Our specialty polymers for water treatment are used in membranes for potable, industrial and municipal applications, enhancing chemical resistance and mechanical strength. By improving filtration and separation technologies, these solutions contribute to more efficient use of water resources, reducing waste and supporting sustainable water management.

KEY FIGURES:

> €50bn **Total addressable market for Syensqo**	**x 6** **Lithium supply by 2030** *(Source: World Material Forum)*
x 5 **Copper demand for batteries from 2021-2030** *(Source: Bloomberg NEF)*	**>80%** **Consumers willing to pay for more sustainable produced or sourced goods** *(Source: PwC 2024)*

1.2.2.5 Improving quality of life

The impacts of demographic change, climate change, and a rise in chronic diseases are adding pressure to health and food systems around the world and thus increasing social inequities. Syensqo provides solutions which support human health and well-being and food and water security.

We innovate:

- **Specialty polymers for healthcare:** Our high-performance, biocompatible polymers are used for hemodialysis membranes, our biomaterials enhance the functional performance of implantable devices, and our Actizone™ technology provides reliable, long-lasting disinfection.
- **Smart device polymers:** Our polymers are used in internal electronic and structural applications in advanced wearable devices that are used by consumers to monitor their health and well-being.
- **Water treatment:** We offer sustainable, cost-effective solutions that help meet society's growing need for clean water. Our materials, chemicals, and solutions are used across the value chain to treat industrial, municipal, drinking and ground water.
- **Agricultural solutions:** We offer solutions for crop protection, plant nutrition, and grain and seed care that promote more sustainable agricultural practices. We also offer solutions to enable the digitization and development of equipment.

KEY FIGURES:

10bn **Projected world population by 2050** *(Source: FAO: Global agriculture toward 2050)*	**+ 70%** **Food output needed to feed a population of 9.1 billion** *(Source: IDTechX)*
$19.5bn **Market for agricultural biologicals by 2031** *(Source: Fresenius 2030 vision)*	**+ 6%** **Patients needing kidney replacement therapy per year** *(Source: Fresenius 2030 vision)*

1.2.2.6 Natural and low-carbon solutions

Rising consumer interest in wellness is boosting demand for organic, natural, and sustainable products, driven by awareness of health and environmental impacts. The chemical sector is adapting to these preferences and stricter sustainability regulations by emphasizing natural, carbon-neutral, and ethically sourced products. Syensqo supports this shift with a sustainable and circular portfolio, focusing on renewable materials and biotechnology to promote renewable carbon and biodegradable solutions.

We innovate:

- **Bio-based ingredients:** We are the world leader in the chemical modification of guar, used in the beauty care, nutrition, and agriculture markets. We continue to enhance our capabilities to develop natural ingredients, including through recent acquisitions in biotechnology and renewable materials. More than 80% of our hair and skin care products are natural based.
- **Waterborne Coating Solutions:** Our coating solutions are designed to address key market needs, including a strong push for decarbonization, the reduction of volatile chemicals by transitioning to alternative technologies like waterborne paints, and the demand for improved functionalities such as enhanced adhesion, water resistance, and corrosion resistance to increase the durability of paints and coatings.
- **Formulation Solutions for Biologicals**: Biologicals present a new frontier in crop protection and we are reapplying our extensive formulation know-how to support the agricultural sector on its transition, offering solutions specifically developed to address the unique challenges of formulating biologicals.

KEY FIGURES:

> €10bn **Total addressable market for Syensqo**	**+ 5%** **CAGR '24-30 in organic shampoos** *(Source: Internal Data)*
$25bn **Market for agricultural biologicals by 2031** *(Source: Internal Data)*	**+ 3%** **CAGR '24-30 in waterborne coatings** *(Source: Internal Data)*

1.2.3 Our growth system

We have implemented a structured framework into our businesses, our "growth system", that steers innovation, commercial and resourcing priorities toward reaching our full potential. It involves embedding new ways of working into our businesses and operations.

Actions taken to implement the growth system into our operations include:

- Strategically reviewed our innovation pipeline, to ensure a solid foundation for our growth system.
- Changed our ways of working, governance and operating model to focus on growth.
- Developed a Growth Dashboard to monitor commercial opportunities, manage our innovation pipeline and assess progress against our full potential.
- Provided our sales people with better admin support and increased the time they spend with customers.
- Involved Executive Leadership Team members in strategic account planning.
- Developed a tool to optimize capital allocation by evaluating growth projects and prioritizing those with the highest growth potential and low environmental impact.
- Developed action plans to set the trajectory to 2030 sustainability goals through our One Planet roadmap.

We have reinforced our growth and performance management governance system, introducing growth dialogues into our businesses and enhancing cross-business dialogues.

Focused innovation to propel our growth

Syensqo's innovation strategy is centered on aligning our scientific expertise with the evolving needs of our customers and the planet, and addressing key megatrends that drive growth and sustainability.

Our businesses maintain leading positions in their core markets, developed through decades of collaboration with our customers. They benefit from robust innovation pipelines and unique application expertise. Our global Research and Innovation Centers foster collaboration and knowledge exchange.

We strategically and selectively position ourselves in growth opportunities that create the highest value while developing market-leading solutions for our customers and the planet. We actively drive our innovation toward sustainable growth strongly believing that it will tie to long-term value and deliver above market growth. Utilizing our Sustainable Portfolio Management (SPM) Framework, we embed environment and social considerations into our businesses strategy, innovation pipeline, and product portfolio. As a result, Syensqo's innovation pipeline is evaluated to support sustainable solutions by 2030.

We continue investing in research & innovation (R&I) through selected investments and acquisitions. Recent acquisitions in biotechnology and renewable materials – such as Jin Young Bio in South Korea, producing biomimetic natural ceramides for hair care and skin cleansing formulations; or controlling stake in Azerys, a natural rosemary extraction business in Morocco – enable Syensqo to create innovative solutions that reduce reliance on non-renewable resources, promote circularity, and minimize environmental impact.

1.2.4 Our eight core markets across two pillars

Our portfolio is balanced by two distinct but complementary specialty business activities, covering eight core markets: Materials, encompassing Specialty Polymers and Composite Materials; and surface chemistry solutions for Consumer & Resources.

As specialty businesses with a common approach to their markets, the activities complement each other well: our Materials businesses require substantial capital investment, involve long product life cycles, have high barriers to entry, and offer a compelling value proposition with attractive margins. Our Consumer & Resources businesses offer shorter time to market and require significantly less capital. This complementarity between businesses helps us balance risk, increase our resilience, and navigate market volatility.

1.2.4.1 Materials

Syensqo is an industry leader in advanced materials, providing customers with solutions that address critical performance and environmental challenges. These solutions include our portfolio of high-performance polymers in our Specialty Polymers GBU and our portfolio of thermoset and thermoplastic materials, adhesives, and ablatives in our Composite Materials GBU.

Our Specialty Polymers business offers the broadest portfolio of high-performance polymers in the industry, supported by highly competent teams and strong assets able to offer a wide range of solutions to the most demanding technical developments. Our products are in cars, phones, airplanes, and many leading edge industrial manufacturing plants. We have a proven track record, delivering strong growth over the past decades supported by key megatrends, such as electrification, lightweighting, advanced connectivity, and healthcare development.

Our Composite Materials business is a critical supplier providing high-performance materials to the aerospace, defense aircrafts and automotive industries. It is expected to benefit from unprecedented market demand over the coming decade and beyond, with the main customers of our core businesses having nearly a decade of projected orderbook and through the development of new important business opportunities where the unique properties of our materials can deliver concrete and tangible value.

The main initiatives to support our Materials businesses growth can be summarized around three axis:

1. Prepare our organization, processes, ways of working and investments to support our customer growth and accelerate new developments.
2. Build partnerships to develop new markets and/or balance risk.
3. Work on our operational excellence to remain competitive and responsible producers.

Our material products and solutions are essential enablers of the most significant transformations envisaged by humanity for the coming decades.

1.2.4.2 Consumer & Resources

Our Consumer & Resources activities cover our surface chemistry solutions which deliver product and process performance to our customers in consumer care, agriculture, coatings and mining. We leverage our core technology platforms, such as surfactants, monomers, natural polymers and green solvents, together with our unique formulation and application capabilities, to create specialty ingredients and reagents, and to help our customers achieve the best performance in their products and processes. We deliver value by developing new sustainable and higher performance solutions, anticipating rapidly evolving regulatory and customer needs.

Previous years focused on optimizing our Consumer & Resources portfolio, laying the foundation for us to pivot in 2023, with the establishment of Syensqo, to our current strategic focus: accelerate growth in targeted attractive segments through differentiated and specialty driven solutions to achieve the full potential of our businesses. Our strategy is based on the following pillars:

1. Clear and focused selection of the most attractive segments to play in. We focus our investments on four key markets: consumer care, agriculture, coatings and mining.
2. Implementing our Growth System to enable a shift in operating model and mindset.
3. Focusing our innovation efforts on high-performance & sustainable solutions, and upgrading our application expertise.
4. Developing solutions to mitigate risks and capture opportunities from upcoming regulatory changes.
5. Ensuring cost-competitiveness and agility as a defense against competition from Asia.

1.2.4.3 Our solutions across our eight core markets

At the core of our strategy, we have identified **eight key markets** that drive our innovation, product development, and commercial efforts. These markets represent the greatest opportunities for growth, impact, and long-term value creation. By concentrating our resources and expertise in these areas, we ensure that our solutions are tailored, impactful, and aligned with megatrends and the evolving needs of our customers.

Advanced mobility and defense

This market encompasses commercial and defense aircraft, Advanced Air Mobility (AAM) solutions such as air taxis and space vehicles, and automotive applications. The main megatrends shaping growth are lightweighting and electrification. We offer solutions such as lightweight composites for aviation and automotive applications, and specialty polymers for battery and other automotive applications.

- Tecnoflon FKM, Fomblin PFPE, Amodel PPA, Ryton PPS, KetaSpire PEEK, Torlon PAI, enable powertrain efficiency in internal combustion engine cars. This improves fuel efficiency, which reduces emissions.
- Radel, Ajedium, Veradel, Solef Suspension PVDF, Torlon, Ketaspire and Galden provide high performance, durability and safety across aerospace applications. They also contribute to lightweighting, which improves fuel efficiency, lowering emissions.

Energy

The energy market covers both fossil and renewable energy sources. Electrification and resource efficiency are the main megatrends driving market growth, primarily by enabling the transition to more renewable energy sources and reduced carbon emissions. Our solutions include thermoplastic composites that are used in the current energy market and can also be used to transport green hydrogen in the future, and specialty polymers used in industrial applications to increase electrification.

- Solef PVDF increases power density in battery cell binders, which improves the drive range of electric vehicles.
- Fomblin, Amodel, Tecnoflon, Ryton and IXEF enhance the performance, safety and efficiency of batteries powered by energy sources that are not fossil fuels. These include batteries used in EVs, energy storage systems and other renewable energy technologies.
- Our Aquivion ionomers improve system durability, efficiency and total cost of ownership, helping customers improve the viability and scalability of green hydrogen technologies, such as electrolyzers, fuel cells and other facets of hydrogen systems.

Electronics

The electronics market encompasses all solutions relating to electronic technology. Its growth is driven by the advanced connectivity megatrend, with miniaturization, hyperconnectivity, and circularity emerging as market priorities. We offer solutions for semiconductors and smartphones, including composites and specialty polymers that meet the market's need for increasingly small, robust and sustainable components.

- Our ECHO portfolio provides sustainable, eco-friendly and circular materials for premium smart devices and electric components, designed to reduce environmental impact while maintaining high performance and durability. They include:
  - **Recycled materials:** Solutions that incorporate recycled content to reduce waste and promote circularity.
  - **Low-emission materials**: Solutions designed to minimize emissions during production and use, contributing to a greener manufacturing process.

Healthcare

An aging population and increasing global access to healthcare are opening up opportunities for growth in this market, fueled by the quality of life megatrend. This provides opportunities for our Specialty Polymers business. We supply dialysis equipment manufacturers with a sulfone polymer, working closely with them to continually improve our offer. There is a long-term trend toward using our materials in the healthcare market and we have a successful track record of double GDP growth, which we expect to continue.

Consumer Care

Fueled by the natural and low-carbon solutions megatrend, formulators in the beauty, home care and nutrition market are looking to design high-performance and eco-conscious products that cater to consumer preferences and comply with strict regulations. Our beauty care portfolio includes hair care ingredients developed using sulfate-free and guar cleansers, and ingredients for skincare products. We also plan to leverage fermentation capabilities to increase our offer of differentiated products, in particular in beauty and nutrition. These are key contributors to Syensqo's circularity-enabling solutions.

- Our Naternal® line offers readily biodegradable, non ecotoxic conditioning polymers for hair care.
- Polycare® Products are a range of active ingredients for hair care that offer split-end cure, no-frizz therapy and heat protection.
- Our Mirasoft® line offers 100% naturally-derived biosurfactants for skin, hair and scalp.

Agriculture

The quality of life megatrend, a growing focus on pest resistance, and the need to meet various regulatory requirements are shaping a shift toward more sustainable agricultural practices and regenerative agriculture, aimed at reducing environmental impact and addressing food availability issues. Our increasingly sustainable portfolio of crop protection solutions, green solvents and seed care solutions help improve crop yields and facilitate the transition to more sustainable agricultural practices.

- Our Crop Protection solutions include industry-leading dispersion, emulsification and wetting technologies and innovative solutions for biopesticides.
- Our range of Rhodiasolv® Green Solventse offer eco-friendly, high-solvency solvents for versatile formulation applications.
- Our Peridiam® Quality range offers microplastic-free, crop-specific seed coatings that protect seed germination, increase production yield and reduce environmental impact.

Coatings

The coatings market is driven by the quality of life megatrend. Customers are looking for safe, durable and sustainable coatings for applications across industries such as building and construction, automotive, and electronics. Syensqo is a leader in waterborne coatings solutions. Our architectural binder solutions are used in water-based paints, our formulation additives enhance coating durability, and our industrial binder solutions help drive the switch to waterborne industrial coatings, particularly in China.

- Our Coatings solutions include APE-free and low-VOC surfactants, durability-enhancement additives for corrosion resistance, scrub resistance, and low carbon, biodegradable emulsion polymers for conversion to water-based formulations.

Mining solutions

Growing demand for critical metals is driven by the electrification and advanced connectivity megatrends, which require these metals for battery and technology applications. The resource efficiency megatrend also drives the market, with mining companies searching for sustainable operational solutions to help them better manage resources such as water, energy and minerals. Syensqo's solutions in mineral processing, mineral extraction processing and industrial minerals help optimize yields. They can also be used in metal recycling, and enable reduced cost of ownership and regulatory compliance.

- Our SolvExtract digital solution is a first-of-its-kind digital platform. It gives mine operators access to previously unattainable data, allowing them to make informed operational decisions more quickly, increasing productivity and maximizing resource efficiency.

STRATEGY

1.3 How we create value

OUR VALUE CHAIN

Syensqo is a multinational speciality chemicals company, focusing on the research, development, and production of advanced materials for both industrial and consumer applications. We primarily operate business-to-business (B2B), providing products and services to other businesses rather than directly to consumers. Our sourcing from suppliers includes review of sustainability performance, supply disruptions, and other factors, and for some critical suppliers, a key account management program further strengthens our collaboration.

UPSTREAM (INPUTS) | OWN OPERATIONS | DOWNSTREAM (OUTPUTS)

Transportation and distribution → Distribution channels →

UPSTREAM (INPUTS)

Raw materials

Main raw material value chains

- Petrochemicals are obtained from petroleum through refining processes
- Mineral chemicals come from inorganic solid substances
- Bio-based chemicals are derived from materials of biological origin
- Other raw materials include additional types, e.g. composites and recycled resins

Indirect materials & services

Main indirect materials & services

- Water
- Energy
- Logistics
- Technical services
- Packaging
- General expenses

Own production

- Energy (e.g. biomass)

OWN OPERATIONS

Research & Innovation | **Manufacturing of solutions** | **Enabling functions**

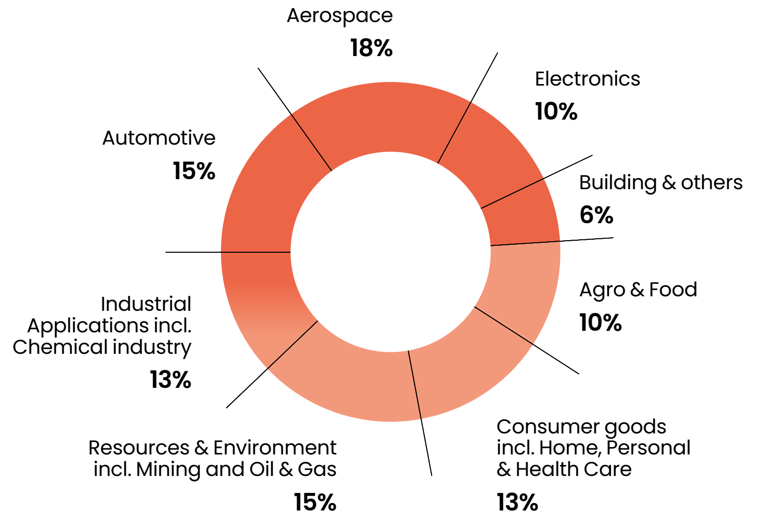
Material Businesses	Intermediate products	Production of ingredients	Production of materials	Processing/ formulation
Specialty Polymers	Partially involved	Fully involved	Core activity of the business	Partially involved
Composite Materials	Partially involved	Fully involved	Core activity of the business	Partially involved
Consumer and Resources Businesses				
Novecare*		Fully involved		Core activity of the business
Technology Solutions		Fully involved		Core activity of the business
Aroma Performance		Fully involved		Core activity of the business
Oil & Gas Solutions**		Fully involved		Core activity of the business

Involvement of businesses in production steps

- Core activity of the business
- Fully involved
- Partially involved

DOWNSTREAM (OUTPUTS)

Customers | **Consumers & end-users** | **Disposal of products**



- Materials
- Consumer & Resources

Contributing to a circular economy

- **Designed to increase the lifespan of end-products**
- **Made of renewable, recycled or CO_2-captured carbon based raw materials or by-products, or produced with renewable energy**
- **Designed to increase the recycling yield (quantity & quality) of customer's products**

GLOBAL FOOTPRINT ACROSS OUR VALUE CHAIN

** We only considered the following activities in 40 d ii "manufacturing of pesticides, and other agrochemical products". As for oil & gas, Syensqo sells products to our customers that are used in the manufacturing of pesticides and agrochemical products. Syensqo itself does not produce any active building blocks of pesticides or agrochemicals.*

*** Syensqo does not derive any revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels. Syensqo derives revenues from selling products that are used by our customers in that value chain.*

OUR BUSINESS MODEL

Our business model is designed to foster innovation and create lasting value for our customers, society and the planet. By adopting a unified operating model tailored to both of our speciality businesses, we are driving agility and innovation, concentrating our resources on delivering what matters to our customers.

Syensqo operates in line with high sustainability standards. We comply with all relevant local, national, and international laws and regulations related to climate, environmental protection, human rights and labor, product stewardship, and ethical governance. Where possible, we go further than standards set by laws and regulations, as demonstrated by the goals of our sustainability roadmap, One Planet, introduced in section 1.4. "Our sustainability ambition".

(1) Excluding hybrid bonds.

(2) Excluding the contribution from corporate and business services.

(3) Excluding the payment of €167 M to the NJDEP.

(4) Recommended to the Shareholders meeting on meeting on May 6, 2025.

(5) Total emissions from Syensqo operations.

(6) Focus 5 categories include the five categories of scope 3 in the 2030 target perimeter: purchased goods and services (3.1), fuel- and energy-related activities (3.3), processing of sold products (3.10), end-of-life of sold products (3.11) and end-of-life treatment of sold products (3.12).

(7) Includes Scope 1+2 GHG emissions and targeted areas of Scope 3 Emissions.

(8) Sites exposed to water availability challenges have faced drought in the past or are at risk of drought in the coming years, and may be subject to fresh water intake restrictions by local authorities, identified using the Aqueduct Water Risk Atlas and conducting local assessments to confirm water availability challenges. Sites subject to the target represent 40% of Syensqo's total fresh water intake in the baseline year 2021 and include: in France: Clamecy, Melle, Saint-Fons, Tavaux; in Mexico: Atequiza; and in the U.S: Baton Rouge, Long Beach.

(9) The Syensqo KPI "Share of sales enabling circular economy" is calculated by adding: sales of products increasing durability in the use phase downstream in the value chain; sales based on recycled or renewable materials (85%) and renewable energy (15%); and sales enabling recycling at the end of life downstream in the value chain.

(10) The estimation is based on the number of products in core hair and skin care application, as defined by SPM.

(11) Sustainable solutions as defined in our Sustainable Portfolio Management Guide. «Sustainable Portfolio Management Tool.» Syensqo, 2024, https://www.syensqo.com/en/our-impact/sustainability/sustainable-portfolio-management-tool.

(12) Reportable Injury & Illness rate (RIIR): number of reportable injury or illness per 200,000 work hours amongst employees and contractors.

(13) The engagement index assesses employee satisfaction with Syensqo as an employer, proudness to work for the company and whether they would recommend it as a great place to work.

(14) The scope was our permanent or fixed-term Syensqo employees up to senior management level, regardless of their seniority, in 17 participating countries representing 98.5% of our workforce.

OUR RESOURCES

Human

Syensqo's employees are located across the world: 38% in Europe, 37% in North America, 4% in Latin America and 21% in Asia and the rest of the world.

- **13,278** Employees

Financial

We have invested €378 million in growth.

- **€6.9 bn** Equity attributable to Syensqo share[1]
- **€1.9 bn** Underlying net debt
- **€671 M** Total Capex
- **€1.5 bn** Personnel expenses

Material

Our net energy costs represented about €218 million and our overall raw materials expenses amounted to about €2.3 billion.

- **1,123 kt** Raw materials
- **7 TWh** Energy consumption

Securing strategic resources

Strategic sourcing: We conduct market analysis to identify risks and opportunities across our spend categories, and develop corresponding sourcing strategies. The execution of these sourcing strategies ensure gathering, developing, and securing of our critical inputs.

ESG risk management approach: We apply a systematic approach for risk identification and severity assessment across our upstream value chains and their operating countries, initiating risk mitigation action plans as needed. Additionally, we use a third-party risk management tool to conduct adverse media screening, e.g. on ESG, bribery, corruption, human rights and modern slavery.

OUR BUSINESS

Syensqo's diverse product portfolio and culture of innovation are well aligned with the megatrends shaping our society and planet. These trends collectively offer a clear and sustained strategy for our business, driving accelerated growth and long-term success.

One operating model

Our operating model prioritizes customer needs with a dedicated, diverse team driving growth. Central to our strategy is our One Planet sustainability roadmap, focusing on climate, nature, sustainable growth, and better life. Our business model and growth system ensures efficiency, agility, and customer-centricity across all business segments, through a unified strategy aligning with our sustainability goals to drive innovation and excellence.

Innovation and sustainability

Our long-standing leadership in innovation within specialty materials and consumer technologies is globally recognized and valued by our customers. With around 2,000 scientists, comprising 15% of our workforce, dedicated to research, we maintain a robust intellectual property portfolio with over 1,800 patent families, protecting approximately 50% of our net sales.

Two specialty businesses

MATERIALS

Our unique high-performance polymers and composite technologies provide innovative solutions for cleaner mobility, electronics and healthcare.

- **73%** of Group EBITDA[2]

CONSUMER AND RESOURCES

We are global leaders in essential chemicals. Our solutions are used in a broad range of applications in end markets such as home and personal care, agro, mining, resources and building.

- **27%** of Group EBITDA[2]

OUR IMPACT

Our customers

We engage with our customers on shared goals such as reducing carbon footprint, protecting the environment and providing better life for people and society.

By fostering close collaboration between our strategic customers and key account managers and our functional and scientific experts, we deliver mutual growth and lasting value.

Economic

- **€1.4 bn** Underlying EBITDA
- **€390 M** Free cash flow (FCF) to Syensqo shareholders from continuing operations[3]
- **€1.62** per share Recommended 2024 dividend[4]

Environmental & Social

	2024	2024 vs 2021
Climate & Nature		
Scope 1 & scope 2 GHG emissions ($MtCO_2eq$)[5]	**1.5**	**22%** Structural reduction
Scope 3 GHG emissions ($MtCO_2eq$) in Focus 5 categories[6]	**5.1**	**13%** Structural reduction
Champion in decarbonization	**>17%** reduction in GHG emissions[7] achieved across value chain since 2021	
Freshwater withdrawal for sites exposed to water availability challenges (Mm^3)[8]	**28.3**	**24%** reduction
Sustainable growth		
Sales enabling circular economy[9]	**16%**	**+4pp**
Promoter of clean beauty	**>85%**[10] of hair and skin care products derived from natural origin	
Sustainable solutions sales	**63%** of our revenue[11]	
Innovation	**80 %** of innovation pipeline focused on sustainable solutions	
Better life		
Safety / Reportable Injury and Illness Rate - RIIR[12]	**0.32**	**29%** reduction
Group average engagement index score[13]	**72%**	
Syensqo employee shares program participation rate[14]	**21.5%**	

1.4 Our sustainability ambition[(1)]

Sustainability is central to our business. Guided by our One Planet roadmap, we are boosting competitiveness, efficiency, and resilience, while decreasing risks across our operations and value chain.

Our measurable goals provide us with a clear blueprint forsustainable product innovation, such as our portfolio of naturaland bio-based polymers for consumer care, and polymers usingrecycled raw materials for automotive and consumer devices,which support a circular economy. Additionally, our innovation inthe lightweighting of composite materials for aerospaceadvances clean mobility and is one of the many examples of howwe create value for our customers and share success.

ONE PLANET GOALS AND PERFORMANCE INDICATORS IN 2024

Climate

Carbon neutrality in Scope 1 & 2 by 2040[(1)]

42% reduction Scope 1 & 2 by 2030[(2)]

22% reduction in 2024[(2)]
-2pp vs 2023

25% reduction Scope 3 Focus 5 emissions[(2,3)] by 2030[(2)]

13% reduction in 2024[(2)]
+3pp vs 2023

Nature

20% reduction in freshwater withdrawal by 2030[(2)]
at sites exposed to water availability challenges

24% reduction in 2024[(2)]
+2pp vs 2023

Sustainable Growth

18% of Circular sales by 2030[(4)]

16% in 2024
+2pp vs 2023

Sustainable solutions sales[(5)]

63% in 2024
+3pp vs 2023

Better life

Safety
Aim for zero RIIR[(6)]

29% reduction in 2024[(2)]

Paid living wage
All employees by 2026[(7)]

> 95% in 2024

(1) Reduce Scope 1 and 2 emissions by at least 80% from 2021 baseline and compensate residual emissions with high-integrity carbon credits in line with UN High Level Expert Group recommendations.

(2) Reference year 2021. For climate: structural reductions since 2021 baseline; year-on-year evolutions are absolute reductions.

(3) Focus 5 categories of Scope 3 emissions: (a) purchased goods and services (b) fuel- and energy-related activities (c) processing of sold products (d) use of sold products and (e) end-of-life treatment of sold products.

(4) Based on Ellen MacArthur Foundation Circulytics methodology.

(5) As defined in Syensqo's Sustainable Portfolio Management Guide.

(6) Reportable Injuries and Illnesses per 200,000 work hours.

(7) Based on Wage Indicator Foundation methodology, analyzing wages in the 13 countries with the highest number of employees (representing >95% of employees).

(1) ESRS 2 SBM-1 40 e) - g).

1.4.1 Climate

Climate change is a pressing global challenge. We aim to achieve carbon neutrality for Scope 1 and 2 GHG emissions by 2040 across all businesses.[1] Furthermore, we are driving innovation and sustainable practices across our operations and value chain, decreasing physical risks, and supporting the global transition to a net zero economy.

Our 2030 targets, validated by the Science Based Targets initiative (SBTi) in 2024, aim to reduce Scope 1 and 2 GHG emissions from our own operations by 42% and Scope 3 emissions from Focus 5 categories[2] in our value chain by 25% compared to the 2021 baseline. In 2024, 50% of our 2030 GHG emissions targets were achieved.

All of our industrial sites in the United States and China use 100% renewable electricity and our site in Kallo-Beveren, Belgium, now operates with zero Scope 1 and 2 GHG emissions.

We aim to create more sustainable value chains across all of our markets. In early 2025, we announced a supplier Climate Pledge targeting a mutual agreement with our top 70 suppliers, accounting for approximately 80% of our GHG emissions from raw materials purchased.

We apply an internal carbon price of €100 per metric ton of CO_2 to greenhouse gas emissions of our operations for capital investment decisions worldwide.

Our climate action extends beyond minimizing our footprint and mitigating risks; we are delivering solutions which avoid carbon emissions for our customers and society. Guided by greater demand for lightweighting and electrification, we are advancing innovation and expanding production capacity for technologies enabling clean mobility, energy efficiency, and the uptake of sustainable bio-based solutions for a carbon-neutral future.

A description of the products and services, customer categories, and relationships with stakeholders related to our worldwide Climate goals can be found in sections 1.2.4.3 *Our solutions across our eight core markets*: *"Advanced mobility and defence" and "Energy"* and 5.1.3 *Stakeholder Engagement*.

1.4.2 Nature

Nature and its deep interconnectedness with climate change is a growing priority. Guided by the importance of managing resource efficiencies and improving quality of life, we are addressing our environmental footprint, focusing on key areas such as water, pollution, and waste, while enhancing ecosystem health and resilience through sustainable solutions.

In 2024, we unveiled our first target for Nature, addressing water scarcity and protecting business continuity. By 2030, we aim to achieve a 20% average reduction in fresh water withdrawal compared to the 2021 baseline at sites exposed to water availability challenges, while anticipating business growth.[3]

Furthermore, by 2026, 15 sites representing 90% of our total fresh water withdrawal will be equipped with Water Stewardship Plans to address local impacts and risks.

Leveraging science-based methodologies, we are advancing efforts to reduce pollution and minimize landfill use through waste management practices that recover and valorize materials.

Across our value chain, we collaborate with suppliers to promote responsible sourcing practices, protect biodiversity, and safeguard people and the environment in the downstream applications of our products.

A description of the products and services, customer categories, and relationships with stakeholders related to our worldwide Nature goals can be found in sections 1.2.4.3 *Our solutions across our eight core markets*: *"Electronics", "Consumer Care", "Coatings", and "Mining solutions"* and 5.1.3 *Stakeholder Engagement*.

(1) Carbon neutrality goal by 2040 combines ambition to reduce Scope 1 and 2 emissions by at least 80% from the 2021 baseline and to compensate residual emissions with high-integrity carbon credits in line with the recommendations of the United Nations' High Level Expert Group.

(2) Focus 5 categories of Scope 3 GHG emissions include (1) purchased goods and services and (2) fuel-and energy-related activities [both upstream] as well as (3) processing, (4) use and (5) end-of-life treatment of sold products [downstream].

(3) Sites exposed to water availability challenges have faced drought in the past or are at risk of drought in the coming years, and may be subject to fresh water intake restrictions by local authorities, identified using the Aqueduct Water Risk Atlas and conducting local assessments to confirm water availability challenges. Sites subject to the target represent 40% of Syensqo's total fresh water intake in the baseline year 2021 and include: in France: Clamecy, Melle, Saint-Fons, Tavaux; in Mexico: Atequiza; and in the USA: Baton Rouge, Long Beach.

1.4.3 Sustainable Growth

Sustainable growth is a cornerstone of our business strategy. Guided by strategic megatrends, we focus on low-impact, renewable-based products that enhance customer operations and contribute to our top-line growth.

Aligned with our strategy to support the global transition to a more circular economy, we are aiming to increase our share of sales enabling circularity for our customers, targeting 18% of total net sales by 2030.(1) Our circular performance in 2024 was driven by the increasing customer demand for products that are naturally based and sustainably sourced in our Consumer & Resources businesses, and also for products with increased content of recycled raw materials, from both chemical and mechanical recycling, in our Materials businesses.

A description of the products and services, customer categories, and relationships with stakeholders related to our worldwide Circular Economy goals can be found in sections 1.2.4.3 *Our solutions across our eight core markets: "Electronics", "Agriculture" and "Consumer care"* and 5.1.3 *Stakeholder Engagement.*

Furthermore, we believe that operating as a responsible company means providing sustainable business solutions to our customers. Through our Sustainable Portfolio Management Framework, we are creating value for our customers through products that, in a given application, improve social and environmental performance while while also demonstrating lower environmental impact in their production.

Our approach to product stewardship promotes the safe use of products throughout their life cycle, fosters the development of more sustainable solutions that benefit society, and responds to the expectations of customers and other stakeholders.

This includes our efforts to reduce substances of concern and substances of very high concern from our marketed products. We have been innovating to find alternatives for the PFAS substances that may trigger concern, with a current focus on phasing out the use of fluorosurfactants. Since 2019, we have quadrupled our investment in research & innovation to invent a new polymerization process using non-fluorosurfactant technologies. Our success in developing non-fluorosurfactant technologies in the United States at our West Deptford, New Jersey facility was a major step in this journey, and we are now working toward the objective of manufacturing nearly 100% of our fluoropolymers without the use of fluorosurfactants in Spinetta Marengo, Italy by 2026.

1.4.4 Better Life

The safety and wellbeing of our people is paramount. Through the Better Life pillar of our sustainability roadmap, we aim to continue this tradition by creating a safe, fair and inclusive culture, and acting in a way that benefits society as a whole.

In 2024, we made progress toward achieving our goals of zero workplace accidents and all employees receiving a Living Wage by 2026(2).

We respect Human Rights, foster inclusivity, and work to strengthen relationships with local communities. By collaborating with stakeholders, we address local needs and promote sustainable development, while maintaining strict safety measures to protect communities well-being. Through open communication channels that allow individuals and communities to voice concerns, we enhance transparency and accountability.

A description of the products and services, customer categories, and relationships with stakeholders related to our worldwide Better Life goals can be found in sections 1.2.4.3 *Our solutions across our eight core markets: "Electronics", "Agriculture", "Healthcare"* and 5.1.3 *Stakeholder engagement*.

ESG Ratings

In 2024, Syensqo's sustainability ratings demonstrated resilient performance. Several ratings were conducted during Syensqo's first year, with some policies and data still being established during rating periods.

MSCI	SUSTAINALYTICS	ISS ESG	chemsec CHEMSCORE	ecovadis
A	Medium Risk	C+	C-	68/100

(1) *Circular sales, based on Ellen MacArthur Foundation Circulytics Methodology, include products: (1) Designed to encourage longer use than the industry standard in practice and at scale; (2) Made of bio-based, recycled-based, by product and carbon capture-based raw materials, or produced with renewable energy; (3) designed for re-use or to increase the recycling yield (quantity and quality) of the customer's products.*
(2) *Living Wage calculated based on Wage Indicator Foundation methodology.*

02

PERFORMANCE

2 PERFORMANCE

2.1 Overview of the consolidated results

2.1.1 Financial figures

2.1.1.1 Key financial figures

		IFRS			Underlying		
€ million	Notes	2024	2023	% yoy	2024	2023	% yoy
Net sales	B1	6,563	6,834	-4.0%	**6,563**	6,834	-4.0%
Net operating costs, excluding depreciation & amortization	B2	5,360	5,548	-3.4%	**5,151**	5,216	-1.3%
Gross profit		2,219	2,375	-6.6%	**2,219**	2,375	-6.6%
Gross margin		33.8%	34.8%	-90 bps	**33.8%**	34.8%	-90 bps
EBITDA	B3	1,203	1,286	-6.5%	**1,412**	1,618	-12.7%
EBITDA margin		18.3%	18.8%	-50 bps	**21.5%**	23.7%	-220 bps
Depreciation, amortization & impairments	B4	-732	-739	-1.0%	**-533**	-484	10.0%
EBIT		471	547	-13.8%	**879**	1,134	-22.4%
Net financial charges	B5	-119	-158	-24.4%	**-148**	-159	-7.2%
Income tax expenses	B6	-357	-192	85.7%	**-178**	-218	-18.3%
Tax rate	B6			0 bps	25.1%	23.0%	+210 bps
Profit / (loss) for the period		-5	197	n.m.	**553**	756	-26.8%
(Profit) / loss attributable to non-controlling interests		0	3	-98.6%	**-0**	4	n.m.
Profit / (loss) attributable to Syensqo shareholders		-5	193	n.m.	**553**	752	-26.5%
Basic earnings per share (in €)	B17	-0.05	1.83	n.m.	**5.28**	7.10	-25.7%
Dividend	B18				**1.62**	1.62	0.0%
Capex	B7				**-671**	-848	-20.9%
Cash conversion (LTM)[1]	B7				**71%**	85%	n.m.
Free cash flow to shareholders	B8				**223**	448	-50.2%
FCF conversion ratio (LTM)	B8				**16.0%**	28.2%	n.m.
Net working capital	B9				**1,124**	1,201	-6.4%
Net financial debt	B10	-1,359	-1,084	25.4%	**-1,859**	-1,584	17.4%
Underlying leverage ratio	B10				**1.3x**	1.0x	34.5%
ROCE	B12				**7.9%**	10.6%	-280 bps
Research & innovation	B13				**348**	340	2.4%
Research & innovation as % of sales	B13				**5.3%**	5.0%	30 bps

(1) Cash conversion = (EBITDA +/- change in working capital - Sustenance capex)/EBITDA).

2.1.1.2 Historical key financial data

		As published				
€ million		2020	2021	2022	2023	2024
Income statement data						
Sales	a	5,381	6,032	8,123	7,065	6,846
Net sales	b	5,261	5,915	7,890	6,834	6,563
Gross profit		1,560	1,886	2,604	2,375	2,219
Gross margin		29.7%	31.9%	33.0%	34.8%	33.8%
Underlying EBITDA	c	1,027	1,282	1,863	1,618	1,412
Underlying EBITDA margin	d	19.5%	21.7%	23.6%	23.7%	21.5%
IFRS EBIT	e	-931	585	1,098	547	471
Underlying profit for the period	f	260	567	989	756	553
IFRS profit for the period	g	-1,282	453	964	197	-5
Underlying profit attributable to Syensqo share	h	257	559	974	752	553
IFRS profit attributable to Syensqo share	i	-1285	444	950	193	-5
Cash flow data						
Capex	j	372	451	642	848	671
Sustenance capex	k	n.a.	n.a.	n.a.	352	293
Growth capex	l	n.a.	n.a.	n.a.	496	378
Change in working capital	m	n.a.	n.a.	n.a.	108	-123
Cash conversion(1)	n = (c-k+m)/c	n.a.	n.a.	n.a.	85%	71%
FCF	o	572	243	577	448	223
FCF to Syensqo shareholders	p	572	243	577	448	223
Balance sheet data						
Net working capital	q	760	1,024	1,213	1,200	1,124
Net working capital/sales	r = µ(q/a)	14.1%	17.0%	15.2%	18.7%	16.9%
Underlying net debt(2)	s = t+u	4,201	3,938	3,814	1,584	1,859
Perpetual hybrid bonds	t	-	-	-	500	500
IFRS net debt	u	4,201	3,938	3,814	1,084	1,359
IFRS equity	v	3,078	4,333	4,946	7,608	7,482
Equity attributable to non-controlling interests	w	13	18	24	42	50
Perpetual hybrid bonds in equity	x				494	494
Equity attributable to Syensqo share (excluding hybrids)	y = v-w-x	3,065	4,315	4,922	7,072	6,938
Underlying leverage ratio	z = s/c	4.1x	3.1x	2.1x	1.0x	1.3x
Other key data						
Research & innovation	A	241	254	302	340	-348
Research & innovation as % of sales	B = -A/b	4.6%	4.3%	3.8%	5.0%	5.3%

(1) Cash conversion = (EBITDA +/- change in working capital - Sustenance capex)/EBITDA).
(2) Underlying net debt includes the perpetual hybrid bonds, accounted for as equity under IFRS.

The table above presents the historical figures of the Group as published at the reference date. These data have not been affected by possible subsequent restatements due to perimeter changes, IFRS/IAS standards evolution, changes in definition of APM, etc.

Over the reference periods, the following main changes have occurred:

2020:

At the end of December 2020, the assets and liabilities related to some businesses have been reclassified as "held for sale" (assets for a total amount of €118 million and liabilities for a total amount of €65 million):

- The commodity amphoterics surfactants activities in Novecare.
- The Process Materials business (part of Composites).

2021:

During 2021, the assets and liabilities related to the following businesses previously classified as "held for sale" were divested:

- The Process Materials business (part of Composite Materials).
- The Novecare amphoterics surfactants activities.
- The Novecare surfactants and antioxidants business in Rasal (India).

These divestments led to a decrease in sales of €133 million in 2021 compared to 2020. There was no material capital gain/loss on these divestments.

In July 2023 Syensqo announced the closing of the acquisition, from Bayer, of a seed coating business, with facilities in Méréville, France, and tolling operations in the U.S. and Brazil. This is a natural extension to Syensqo's own AgRHO® family of sustainable seed boosting solutions (part of Novecare) and supports the drive toward more bio-based, sustainable technologies.

In April 2024 Syensqo announced the completion of the acquisition of JinYoung Bio, a specialty cosmetic ingredients supplier based in South Korea. The investment marked a significant step in expanding Syensqo's portfolio toward more natural and high-value specialty skin care solutions with both functional and active ingredients.

2.1.2 Extra-financial figures

2.1.2.1 One Planet Roadmap

The One Planet roadmap is based on three core pillars - Climate & Nature, Growth, and Better Life - aligned with our sustainability and financial targets.

Through this comprehensive roadmap, we aim to improve efficiency, while decreasing physical risks around our manufacturing sites, as well as those of our suppliers and customers across the value chain. As a result, this will improve our operational resilience and support our long term growth.

Our measurable One Planet goals provide us with a clear blueprint for sustainable innovation, operational excellence, and employee wellbeing.

Climate & Nature	**2024 vs 2021**	**2024**	**2023**	**2021 baseline**	**2030 target**
Scope 1 & Scope 2 GHG emissions (Mt)	22% Structural reduction(1)	1.5 Mt	1.6 Mt*	2.1 Mt*	Reduce by 42%
Scope 3 GHG emissions (Mt) in Focus 5 categories(2)	13% Structural reduction(1)	5.1 Mt	5.0 Mt*	6.0 Mt*	Reduce by 25%
Growth	**2024 vs 2021**	**2024**	**2023**	**2021**	**2030 target**
Circular sales(4)	+4pp	16%	14%*	12%*	18%
Better Life	**2024 vs 2021**	**2024**	**2023**	**2021**	**Target**
Safety Reportable Injury and Illness rate - RIIR(7)	29% Reduction	0.32	0.28(A)	0.45(A)	Aim for zero

* *These metrics have been restated versus what was reported in the prior year to be comparable to current year metrics in terms of perimeter and calculation methodology.*

(A) *The comparative metrics, highlighted with a letter "A", were subject to reasonable assurance by our statutory auditor in the previous year, for which we refer to their reasonable assurance report dated April 11, 2024. This was a voluntary reasonable assurance engagement of individual metrics/key performance indicators with reference to different and other reporting criteria than the European Sustainability Reporting Standards ("ESRS's"). Accordingly, these 2023 comparative metrics have not been subject to limited assurance procedures in accordance with the ESRS's.*

2.1.2.2 Climate & Nature

In 2024, Scope 1 and 2 GHG emissions decreased by 2% year-on-year, or a 22% structural reduction since 2021[1]. All of our industrial sites in the United States and China used 100% renewable electricity. Globally, 75% of our sites, in Scope 1 and 2, were powered by 100% renewable electricity. Scope 3 GHG emissions in Focus 5 categories increased 3% year-on-year, or a 13% structural reduction since 2021[1][2].

In 2024, fresh water withdrawal at sites exposed to water availability challenges[3] increased 2% year-on-year. Including production evolution and structural reductions, this equated to a 24% reduction since 2021.

2.1.2.3 Growth

Sales generated by products that enable circularity, promote durability, or are based on renewable raw materials and energy amounted to 16% of total net sales in 2024[4]. This represents a 2 percentage point improvement year-on-year, and a 4 percentage point improvement compared to the 2021 baseline.

Furthermore, sustainable solutions[5] sales represented 63% of our revenue in 2024, or a 3 percentage point increase year-on-year, demonstrating progress toward a more sustainable portfolio.

2.1.2.4 Better Life

Since 2021, our employee engagement demonstrates a high level of awareness and focus on priority areas including safety and inclusion[6]. We have reduced safety incidents by 29% comparatively to the 2021 baseline. In 2024, our reportable injury and illness rate[7] increased to 0.32 (versus 0.28 in 2023). We have also provided comprehensive training on inclusive leadership for all newly hired and appointed team managers.

Finally, our newly launched Employee Shares Program, with a 21.5% participation rate, successfully strengthens the ownership mentality within the workforce, and in alignment with value creation, supports higher performance, productivity, and superior employee engagement.

Regarding our Living Wage commitment, a global wage gap assessment was conducted in 2024 across more than 95% of our internal active workforce, and no employee was paid below Living Wage[8].

(1) Structural reductions are linked to specific projects and recurring impacts and exclude lower activity levels.

(2) Focus 5 categories of Scope 3 GHG emissions include (1) purchased goods and services and (2) fuel-and energy-related activities [both upstream] as well as (3) processing, (4) use and (5) end-of-life treatment of sold products [downstream].

(3) Sites exposed to water availability challenges have faced drought in the past or are at risk of drought in the coming years, and may be subject to fresh water withdrawal restrictions by local authorities, identified using the Aqueduct Water Risk Atlas and conducting local assessments to confirm water availability challenges. Sites subject to the target represent 40% of Syensqo's total fresh water withdrawal in the baseline year 2021 and include: in France: Clamecy, Melle, Saint-Fons, Tavaux; in Mexico: Atequiza; and in the USA: Baton Rouge, Long Beach.

(4) Circular sales, based on Ellen MacArthur Foundation Circulytics Methodology, include products: (1) Designed to encourage longer use than the industry standard in practice and at scale; (2) Made of bio-based, recycled-based, by product and carbon capture-based raw materials, or produced with renewable energy; (3) designed for re-use or to increase the recycling yield (quantity and quality) of the customer's products.

(5) Sustainable solution as defined in our Sustainable Portfolio Management Guide. "Sustainable Portfolio Management Too l."

(6) Comparing Pulse results over time (2021 to 2024) on employee engagement, safety awareness and equal opportunities questions.

(7) Reportable Injury & Illness rate (RIIR): number of reportable injury or illness per 200,000 work hours amongst employees and contractors.

(8) Living Wage calculated based on Wage Indicator Foundation methodology, analyzing wages in the 13 countries with the highest number of employees (representing >95% of employees).

2.2 Preparation background

2.2.1 Comparability of results & reconciliation of underlying Income Statement indicators

In addition to IFRS accounts, Syensqo also presents alternative performance indicators ("underlying") to provide a more consistent and comparable indication of the Group's underlying financial performance and financial position, as well as cash flows. These indicators provide a balanced view of the Group's operations and are considered useful to investors, analysts and credit rating agencies as these measures provide relevant information on the Group's past or future performance, financial position or cash flows. These indicators are generally used in the sector it operates in and therefore serve as a useful aid for investors to compare the Group's performance with its peers. The underlying performance indicators adjust IFRS figures for the non-cash Purchase Price Allocation (PPA) accounting impacts related to acquisitions, for the coupons of perpetual hybrid bonds, classified as equity under IFRS but treated as debt in the underlying statements, for impairments and for other elements that would distort the analysis of the Group's underlying performance.

2.2.2 Alternative performance metric (APM)

Syensqo measures its financial performance using alternative performance metrics, which can be found below. Syensqo believes that these measurements are useful for analyzing and explaining changes and trends in its historical results of operations, as they allow performance to be compared on a consistent basis. Definitions of the different metrics presented here are included in the glossary at the end of this financial report.

2.2.3 Description of the operational segments

Syensqo is organized into three Reportable Segments:

- **Materials**, consisting of the GBUs Composite Materials and Specialty Polymers. The Materials segment offers a unique portfolio of high-performance polymers and composite technologies used primarily in sustainable mobility applications. Its solutions enable weight reduction and enhance performance while improving CO_2 and energy efficiency. Major markets served include next-generation mobility in automotive and aerospace, healthcare and electronics.
- **Consumer & Resources** offer a unique formulation & application expertise through customized specialty formulations for surface chemistry & liquid behavior, maximizing yield and efficiency of the processes they are used in while minimizing the eco-impact. Novecare, Technology Solutions, Aroma, and Oil & Gas focus on specific areas such as resources (improving the extraction yield of metals, minerals and oil), industrial applications (such as coatings) or consumer goods and healthcare (including vanillin and guar for home and personal care).
- **Corporate & Business Services** includes corporate and other business services, such as research & innovation, cogeneration units dedicated to the Syensqo activities and new business development (NBD) and the Peroxides activities in the Zhenjiang entity.

2.3 Underlying Group figures

NOTE B1

NET SALES

Net sales of €6,563 million in 2024 declined by 4% on a reported basis, or 3% organically, versus 2023 as higher volumes, particularly in Novecare and Composite Materials, were offset by lower pricing, most notably in Speciality Polymers and Novecare.

Net sales	€ million
2023	**6,834**
Scope	0
Forex conversion	-81
Volume & Mix	94
Price	-285
2024	**6,563**

SALES BY END-MARKET

Net sales by end-market %	Syensqo		Materials		Consumer & Resources	
	2024	2023	2024	2023	2024	2023
Aerospace	18%	15%	31%	26%	0%	0%
Automotive	15%	16%	24%	25%	4%	4%
Electronics	10%	10%	16%	16%	1%	1%
Building	6%	5%	3%	3%	10%	9%
Resources & Environment	16%	17%	5%	7%	29%	30%
Consumer goods, Healthcare & HPC	13%	13%	11%	12%	16%	16%
Agro & Food	10%	10%	3%	3%	19%	19%
Industrial & Chemical	13%	14%	7%	8%	22%	22%
Syensqo	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

NOTE B2

UNDERLYING RAW MATERIALS & ENERGY COSTS

The overall raw materials expenditure amounted to circa €2.3 billion in 2024 (vs. €2.3 billion in 2023 and €3.1 billion in 2022). It can be split into: crude oil derivatives for 42%, minerals derivatives for 17% (e.g. glass fiber, phosphorus, sodium hydroxide…), natural gas derivatives circa 4%, biochemicals for 11% (e.g. glycerol, guar, fatty alcohol, ethyl alcohol…) and others for 27% (composites…).

Net Energy costs represented circa €219 million in 2024 (vs €218 million in 2023 and €367 in 2022). It was incurred: in Europe 40%, Asia 31% and the Americas 28%. The main energy sources are Natural Gas 59% (vs 35% in 2023 and 45% in 2022), Electricity 23% (vs 41% in 2023 and 32% in 2022), and Steam, Hydrogen and Biomass 18% (vs 23% in 2023 and 22% in 2022).

More information on the energy efficiency in the Extra-financial section of this Annual Report section 5.2 Environment.

NOTE B3

UNDERLYING EBITDA

Underlying EBITDA	€ million
2023	**1,618**
Scope	-34
Forex conversion	-16
Materials	-124
Consumer & Resources	9
Corporate & business service	-42
2024	**1,412**

Underlying EBITDA	€ million
2023	**1,618**
Scope	-34
Forex conversion	-16
Volume & mix	-37
Net pricing	-97
Fixed costs	-22
2024	**1,412**

Underlying EBITDA of €1,412 million in 2024 declined by 13% on a reported basis, or 10% organically. The decrease was driven by expected lower net pricing, unfavorable product mix and higher year-on-year fixed costs. On a reported basis, year-on-year underlying EBITDA growth was negatively impacted by dissynergies related to the partial demerger from Solvay and from the voluntary phase out of fluorosurfactant-based product lines within Specialty Polymers.

Underlying EBITDA margin of 21.5% in 2024 decreased by approximately 220 basis points versus 2023, driven by lower underlying EBITDA margin in the Materials segment as well as higher Corporate & Business Services expenses.

NOTE B4

UNDERLYING DEPRECIATION & AMORTIZATION

Amortization and depreciation & impairment charges were €533 million in 2024, compared to €484 million in 2023.

NOTE B5

UNDERLYING NET FINANCIAL CHARGES

€ million		2024	2023
Cost of borrowings		-113	-190
Interest on loans & short-term deposits		22	81
Other gains & losses on net indebtedness		-6	-24
Net cost of borrowings	**a**	**-97**	**-133**
Coupons on perpetual hybrid bonds	b	-13	-1
Cost of discounting provisions	c	-38	-26
Net financial charges	**d = a+b+c**	**-148**	**-159**

The change in the net cost of borrowings between 2023 and 2024 is mainly explained by the execution of the Group refinancing, in 2024, after the Partial Demerger.

In 2024, the Syensqo Group recorded in the cost of borrowing €57 million of interest charges related to the senior notes, of which €36 million related to the US$1.2 billion senior notes issued in June 2024. Conversely, in 2023, the Group recorded €126 million of financial charges resulting from intercompany loans in place with the former Solvay Group entities prior to the Partial Demerger.

The two drawdowns on the "bridge-to-bond" credit facilities in place before the June 2024 refinancing have generated €31 million of financial charges in 2024.

The decrease of Interest on loan & short-term deposits in 2024 is explained mainly by the interest income from the internal bank accounts in place with Solvay, recorded in 2023 before the Partial Demerger. Additionally, in 2024 a lower amount of cash generated financial income after the two "bridge to bond" credit facilities were repaid.

The cost of discounting provisions relates to post-employment benefits (net of the expected return on plan assets) and to environmental provisions and its increase is largely attributable to the evolution of the applicable discount rates

NOTE B6

UNDERLYING INCOME TAXES

(in € million)		2024	2023
Profit / (loss) for the period before taxes	a	731	974
Earnings from associates & joint ventures	b	21	25
Interests and realized foreign exchange gains (losses) on the RusVinyl joint venture		0	0
Income taxes	c	-178	-218
Underlying tax rate	**d = -c/(a-b)**	**25.1%**	**23.0%**

The 2.1 percentage point increase is mainly due to unfavorable mix of taxable profit by country.

NOTE B7

CAPEX

€ million		2024	2023
Acquisition (-) of tangible assets	a	-509	-762
of which capital expenditures required for the partial demerger and excluded from Free Cash Flow	b	14	54
Acquisition (-) of intangible assets	c	-115	-88
Payment of lease liabilities	d	-61	-53
Capex	**e = a+b+c+d**	**-671**	**-848**
Materials		-436	-557
Consumer & Resources		-143	-217
Corporate & Business Services		-91	-74
Sustenance Capex	**f**	**-293**	**-352**
Materials		-178	-215
Consumer & Resources		-76	-113
Corporate		-38	-24
WC Variation	**g**	**-123**	108
Materials		-38	-50
Consumer & Resources		0	96
Corporate & Business Services		-85	62
Underlying EBITDA	**h**	**1,412**	**1,618**
Materials		1,185	1,312
Consumer & Resources		449	458
Corporate & Business Services		-222	-151
Cash conversion	**i=(f+g+h)/h**	**71%**	**85%**
Materials		82%	80%
Consumer & Resources		83%	96%

Capex in continuing operations was €671 million in 2024, a decrease of 21% compared to €848 million in 2023.

NOTE B8

FREE CASH FLOW

€ million		2024	2023
Cash flow from operating activities	**a**	**841**	**1,275**
of which cash flow related to the Partial Demerger and portfolio management and excluded from Free Cash flow	b	-122	-105
Cash flow from investing activities	c	-612	-1,231
of which change in internal bank accounts with remaining Solvay Group	**d**	**0**	**-570**
of which capital expenditures required for the partial demerger and excluded from Free Cash Flow	e	-14	-54
Acquisition (-) of subsidiaries	f	-4	-2
Acquisition (-) of investments - Other	g	-3	-14
Loans to associates and non-consolidated companies and related parties	h	-5	172
Sale (+) of subsidiaries and investments	i	13	32
Recognition of factored receivables	j		
Corporate costs after taxes	k	0	-51
Payment of lease liabilities	l	-61	-53
Free cash flow (FCF)	**m = a-b-c+d-e-f-g-h-i-j+k+l**	**304**	**568**
Net interests received/(paid)	n	-74	-119
Coupons paid on perpetual hybrid bonds	o	-13	
Dividends paid to non-controlling interests	p	-2	-8
Capital injections paid / received to / from non-controlling interests	q	9	7
FCF to Syensqo shareholders	r = m+n+o+p+q	223	448
FCF to Syensqo shareholders from continuing operations (LTM)	**s**	**223**	**448**
Dividends paid to non-controlling interests from continuing operations (LTM)	t	-2	-8
Underlying EBITDA (LTM)	u	1,412	1,618
FCF conversion ratio (LTM)	**v = (s-t)/u**	**16%**	**28%**

Free cash flow to shareholders was an inflow of €223 million in 2024. Excluding €167 million related to the payment to the NJDEP, free cash flow to shareholders amounted to €390 million. This included €671 million of capital expenditures, comprising €293 million of sustenance capital expenditure and €378 million of growth capital expenditure.

NOTE B9

NET WORKING CAPITAL

€ million		2024	2023
Inventories	a	1,273	1,244
Trade receivables	b	948	907
Other current receivables	c	297	385
Trade payables	d	-1,001	-918
Other current liabilities	e	-392	-417
Net working capital	**f= a+b+c+d+e**	**1,124**	**1,201**
Quarterly total sales	g	1,662	1,599
Annualized quarterly total sales	h = 4*g	6,650	6,396
Net working capital / quarterly total sales	**i=f/h**	**16.9%**	**18.8%**

NOTE B10

UNDERLYING NET DEBT

€ million		2024	2023
Non-current financial debt	a	-1,822	-2,159
Current financial debt	b	-293	-154
IFRS gross debt	c=a+b	-2,115	-2,313
Underlying gross debt	d=c+h	-2,615	-2,813
Other financial instruments (current + non-current)	e	97	78
Cash & cash equivalents	f	659	1,150
Total cash and cash equivalents	g=e+f	755	1,228
IFRS net debt	h=c+g	-1,359	-1,084
Perpetual hybrid bonds	i	-500	-500
Underlying net debt	**j=i+h**	**-1,859**	**-1,584**
Underlying EBITDA (LTM)	**k**	**1,412**	**1,618**
Underlying leverage ratio	**l=-j/k**	**1.3**	**1.0**

Underlying net financial debt amounted to €1,859 million at the end of December of 2024, versus €1,584 million at the end of 2023, resulting in a underlying leverage ratio of 1.3x and a gearing ratio of 21%. The increase in underlying net financial debt versus the end of 2023 was primarily driven by the €167 million payment to the New Jersey Department of Environmental Protection (NJDEP) and the dividend payment of €170 million, partially offset by positive free cash flow.

NOTE B11

PROVISIONS

(in € million)	Dec 31, 2023	Payments	Net new provisions	Unwinding of provisions	Asset return	Remeasure ments	Changes in scope & other	Dec 31, 2024	YoY change
Employee benefits	-373	37	-2	-94	24	12	1	-395	-21
Environment	-500	47	15	-21	0	0	167	-292	208
Restructuring and other provisions	-202	43	-97	0	0	-4	19	-241	-39
TOTAL	**-1,076**	**127**	**-84**	**-115**	**24**	**9**	**187**	**-928**	**148**

Provisions decreased by €148 million at the end of 2024 to €928 million, primarily due to the reclassification of the €167 million settlement with NJDEP at the end of March as other current liabilities, following the Court approval on March 1, 2024 and then subsequently paid in April 2024.

NOTE B12

ROCE

€ million	As calculated	2024	2023
Underlying EBIT (LTM)	a	879	1,134
Accounting impact from amortization & depreciation of purchase price allocation (PPA) from acquisitions	b	-134	-134
Numerator	c = a+b	745	1,000
WC industrial	d	1,293	1,443
WC Other	e	-115	-146
Property, plant and equipment	f	3,629	3,243
Intangible assets	g	1,637	1,785
Right-of-use assets	h	194	199
Investments in associates & joint ventures	i	205	208
Other investments	j	14	8
Goodwill	k	2,604	2,648
Denominator	l = d+e+f+g+h+i+j+k	9,460	9,388
ROCE	**m = c/l**	**7.9%**	**10.6%**

ROCE has been defined as one of the key performance metrics to evaluate the strategy. ROCE for 2024 was 7.9% versus 10.6% in 2023 mostly from lower profit and higher capital investment.

NOTE B13

RESEARCH & INNOVATION

€ million		2024	2023
IFRS research & development costs	a	-343	-339
Grants netted in Research & development costs	b	26	29
Depreciation, amortization & impairments included in Research & development costs	c	-89	-84
Capex in Research & innovation	d	-67	-56
Research & innovation	e = a-b-c+d	-348	-340
Materials		-234	-227
Consumer & Resources		-95	-101
Corporate & Business Services		-19	-12
Net sales	f	6,563	6,834
Materials		3,772	4,004
Consumer & Resources		2,791	2,826
Corporate & Business Services		0	4
Research & innovation as % of sales	**g = -e/f**	**5.3%**	**5.0%**
Materials		**6.2%**	**5.7%**
Consumer & Resources		**3.4%**	**3.6%**

2.4 Underlying figures per segment

SEGMENT OVERVIEW

€ million	FY 2024	FY 2023	% yoy	% organic
Net sales	**6,563**	**6,834**	**-4.0%**	**-2.8%**
Materials	3,772	4,004	-5.8%	-5.0%
Specialty Polymers	2,590	2,936	-11.8%	-10.7%
Composite Materials	1,182	1,069	10.6%	10.3%
Consumer & Resources	2,791	2,826	-1.2%	0.4%
Novecare	1,390	1,367	1.6%	2.9%
Technology Solutions	680	687	-1.1%	0.9%
Aroma Performance	321	347	-7.6%	-6.7%
Oil & Gas	401	424	-5.5%	-2.5%
Corporate & Business Services	0	4	-92.8%	n.m.
EBITDA	**1,412**	**1,618**	**-12.7%**	**-10.0%**
Materials	1,185	1,312	-9.7%	-9.5%
Consumer & Resources	449	457	-1.7%	2.1%
Corporate & Business Services	-222	-150	48.4%	23.4%
EBITDA margin	**21.5%**	**23.7%**	**-220 bps**	**-**
Materials	31.4%	32.8%	-130 bps	-
Consumer & Resources	16.1%	16.2%	-10 bps	-
Capex	**671**	**848**	**-20.9%**	**-**
Materials	436	557	-21.7%	-
Consumer & Resources	143	217	-34.1%	-
Corporate & Business Services	91	74	23.5%	-
Cash conversion	**71%**	**85%**	**-1,520 bps**	**-**
Materials	82%	80%	190 bps	-
Consumer & Resources	83%	96%	-1,340 bps	-
Research & innovation	**348**	**340**	**2.3%**	**-**
Materials	234	227	3.1%	-
Consumer & Resources	95	101	-5.9%	-
Corporate & Business Services	19	12	60.8%	-
Research & innovation as % of sales	**5.3%**	**5.0%**	**30 bps**	**-**
Materials	6.2%	5.7%	50 bps	-
Consumer & Resources	3.4%	3.6%	-20 bps	-

NOTE B14

MATERIALS SEGMENT

€ million	2024	2023	% yoy	% organic
Net sales	3,772	4,004	-5.8%	-5.0%
Specialty Polymers	2,590	2,936	-11.8%	-10.7%
Composite Materials	1,182	1,069	10.6%	10.3%
EBITDA	1,412	1,618	-12.7%	-9.5%
EBITDA margin	31.4%	32.8%	-130 bps	-
Capex	436	557	-21.7%	-
Cash conversion	82%	80%	190 bps	-
Research & innovation	234	227	3.1%	-
Research & innovation as % of sales	6.2%	5.7%	50 bps	-

NET SALES BRIDGE

Underlying	€ million
2023	**4,004**
Scope	-
Forex conversion	-34
Volume & Mix	-136
Price	-102
2024	3,772

Net sales of €3,772 million in 2024 decreased by 6% on a reported basis, or 5% organically, versus 2023. The year-on-year decrease was due to lower pricing and volumes in Specialty Polymers. This was partially offset by strong net sales growth in Composite Materials, driven by higher pricing and volumes.

Specialty Polymers net sales of €2,590 million in 2024 decreased by 12% on a reported basis, or 11% organically. Excluding the impact from the voluntary phase out of fluorosurfactant-based product lines, Specialty Polymers net sales decreased by 8% in 2024 versus 2023 on a reported basis. The year-on-year decrease in net sales was driven by lower demand across most end markets, most notably in the automotive, healthcare and industrial end markets.

Composite Materials net sales of €1,182 million in 2024 increased by 11% on a reported basis, or approximately 10% organically, versus 2023. Growth was driven by higher pricing and volumes, with both civil aerospace and space and defense applications contributing to the strong year-on-year performance.

NOTE B15

CONSUMER & RESOURCES

€ million	2024	2023	% yoy	% organic
Net sales	2,791	2,826	-1.2%	0.4%
Novecare	1,390	1,367	1.6%	2.9%
Technology Solutions	680	687	-1.1%	0.9%
Aroma Performance	321	347	-7.6%	-6.7%
Oil & Gas	401	424	-5.5%	-2.5%
EBITDA	449	457	-1.7%	2.1%
EBITDA margin	16.1%	16.2%	-10 bps	-
Capex	143	217	-34.1%	-
Cash conversion	83%	96%	-1,340 bps	-
Research & innovation	95	101	-5.9%	-
Research & innovation as % of sales	3.4%	3.6%	-20 bps	-

NET SALES BRIDGE

Underlying	€ million
2023	**2,826**
Scope	-
Forex conversion	-47
Volume & Mix	195
Price	-183
2024	**2,791**

Net sales of €2,791 million in 2024 declined by 1% on a reported basis, and approximately flat organically compared to 2023 as higher volumes in all business units, most notably in Novecare, was offset by lower pricing, particularly in Novecare and Aroma Performance.

Novecare net sales of €1,390 million in 2024 increased by 2% on a reported basis and 3% organically compared to 2023. The year-over-year growth was driven by broad-based volume increases, particularly in the Agro, Consumer, Construction, Industrial and Chemical Applications end markets. This was partially offset by lower pricing, most notably in the Agro and Consumer end markets.

Technology Solutions net sales of €680 million in 2024 decreased by 1% on a reported basis, but increased by 1% organically, versus 2023 as higher volumes in mining solutions and polymer additives were partially offset by lower pricing.

Aroma Performance net sales of €321 million in 2024 decreased by 8% on a reported basis, or 7% organically, versus 2023 as lower pricing was partially offset by higher year-on-year volumes.

Oil & Gas net sales of €401 million in 2024 decreased by 6% on a reported basis, or 3% organically, versus 2023 driven by lower pricing, partially offset by volume growth.

NOTE B16

CORPORATE & BUSINESS SERVICES

€ million	2024	2023	% yoy	% organic
Net sales	0	4	-92.8%	n.m.
EBITDA	-222	-150	48.4%	23.4%
Capex	91	74	23.5%	-
Research & Innovation	19	12	60.8%	-

NET SALES BRIDGE

Underlying	€ million
2023	4
Scope	-
Forex conversion	-1
Volume & Mix	-3
Price	0
2024	0

Corporate and Business services reported a cost of €222 million to Syensqo's EBITDA in 2024, a year-on-year increase of €72 million versus 2023, primarily driven by planned dissynergies related to the partial demerger from Solvay, higher corporate costs, as well as higher spend on growth platforms.

2.5 Reconciliation of underlying and IFRS measures

In addition to IFRS accounts, Syensqo also presents underlying Income Statement performance indicators to provide a more consistent and comparable indication of Syensqo's economic performance. These figures adjust IFRS figures for the non-cash Purchase Price Allocation (PPA) accounting impacts related to acquisitions, for the coupons of perpetual hybrid bonds classified as equity under IFRS but treated as debt in the underlying statements, and for other elements to generate a measure that avoids distortion and facilitates the appreciation of performance and comparability of results over time.

EBITDA on an IFRS basis totaled €1,203 million, versus €1,412 million on an underlying basis. The difference of €209 million is explained by the following adjustments to IFRS results, which are done to improve the comparability of underlying results:

- €178 million to adjust for the "*Result from portfolio management and major restructuring*" (excluding depreciation, amortization and impairment elements), mainly including costs incurred for the restructuring of the Aroma Performance GBU and separation costs primarily related to information technology after the demerger from Solvay and to the the restructuring plan announced in November 2024.
- €18 million to adjust for the "*Result from legacy remediation and major litigations*", mainly due to adjustment for Legacy remediation and litigations related to accruals to environmental provisions and legal expenses.
- €13 million to exclude net losses related to energy hedges, to reflect the related economic hedge (after the gain from novation recorded in 2023), included in *Other operating gains & losses*.

EBIT on an IFRS basis totaled €471 million, versus €879 million on an underlying basis. The difference of €408 million is explained by the above-mentioned €209 million adjustments at the EBITDA level and €199 million of "*Depreciation, amortization & impairments*". The latter consists of €134 million to adjust for the non-cash impact of amortization charges on intangible assets resulting from purchase price allocation, which are adjusted in "*Other operating gains & losses*", an impairment loss of €55 million on the Oil and gas Group of CGUs and impairment of €9 million of other non performing assets.

Net financial charges on an IFRS basis were -€119 million versus -€148 million on an underlying basis. The adjustments made to IFRS net financial charges mainly consists of:

- -€13 million for the reclassification of coupons on perpetual hybrid bonds, which are treated as dividends under IFRS, and as financial charges in underlying results,
- -€20 million related to the impact of increasing discount rates on environmental provisions,
- €7 million relate to the exclusion of the results from investments at fair value through P&L.

Income taxes on an IFRS basis were -€357 million, versus -€178 million on an underlying basis. The €179 million adjustment mainly relates to valuation allowances on deferred taxes on losses and deferred taxes on unremitted earnings.

Profit / (loss) attributable to Syensqo shareholders was -€5 million on an IFRS basis and €553 million on an underlying basis. The delta of €558 million reflects the above-mentioned adjustments to EBIT, net financial charges and income taxes.

2.6 Notes to the figures per share

HISTORICAL KEY SHARE DATA

Historical key share data		2024	2023
Number of shares (in 1000 shares)			
Issued shares at end of year	a	105,033	105,876
Treasury shares at end of year	b	1,580	655
Shares held by Solvac	c	32,622	32,622
Outstanding shares at the end of the year	d = a-b	103,453	105,221
Average outstanding shares (basic calculation)	e	104,769	105,835
Average outstanding shares (diluted calculation)	f	105,424	106,316
Data per share (in €)			
Equity attributable to Syensqo share	g = .../d(1)	67.06	67.21
Underlying profit for the period (basic)	h = .../e(1)	5.28	7.10
IFRS profit for the period (basic)	i = .../e(1)	-0.05	1.83
IFRS profit for the period (diluted)	j = .../f(1)	-0.05	1.82
Gross dividend(2)	k	1.62	1.62
Net dividend(2)	l = k*(1-30%)	1.13	1.13
Share price data (in €)(3)			
Highest	m	97.47	109.9
Lowest	n	67.41	89.52
Average	o = v/u	81	93.57
At the end of the year	p	70.56	94.26
Underlying price/earnings	q = p/h	13.4	13.3
IFRS price/earnings	r = p/i	-1,411	51.5
Gross dividend yield	s = k/p	2.3%	1.7%
Net dividend yield	t = l/p	1.6%	1.2%
Stock market data(3)			
Annual volume (in 1000 shares)	u	42,651	6,312
Annual volume (in € million)	v	3,444	591
Market capitalisation, end of year (in € million)	w = p*d	7,300	9,918
Velocity	x = u/a	40.6%	6.0%
Velocity adjusted for free float	y = u/(d-c)	60.2%	8.7%

(1) The numerator can be found under the same label in the historic key financial data table in section 1 of the Business review.
(2) Recommended 2024 dividend, pending General Shareholders meeting on May 6, 2025.
(3) The stock market data for 2024 is based on all trades registered by Euronext.

NOTE B17

EARNINGS PER SHARE

Earnings per share		2024	2023
Profit attributable to Syensqo share (in € m)			
Underlying profit for the period	a	553	752
IFRS profit for the period	b	-5	193
Number of shares (in 1000 shares)			
Issued shares at end of year	c	105,033	105,876
Treasury shares at end of year	d	1,580	655
Outstanding shares at the end of the year	e = c-d	103,453	105,221
Average outstanding shares (basic calculation)	f	104,769	105,835
Average outstanding shares (diluted calculation)	g	105,424	106,316
Data per share (in €)			
Underlying profit for the period (basic)	h = a/f	5.28	7.10
Underlying profit for the period (diluted)	i =a/g	5.25	7.07
IFRS profit for the period (basic)	j = b/f	-0.05	1.83
IFRS profit/loss for the period (diluted)	k = b/g	-0.05	1.82

NOTE B18

DIVIDEND

Total proposed dividend of €1.62 per share, subject to Shareholders' approval during the Annual General Meeting scheduled for May 6, 2025, with payment thereafter.

2.7 Outlook

For 2025, we expect macroeconomic and demand uncertainty to continue across most of our end markets. Supported by our strong balance sheet, we will focus on accelerating initiatives that are within our control, increasing cost savings and further focusing our investments to outperform our markets.

Growth is expected to be led by Composite Materials, supported by strong underlying demand as well as our diverse range of customer programs and applications. For Specialty Polymers, we expect net sales to be approximately flat versus 2024, with growth primarily driven by Healthcare and Food Packaging, offset by the lower net sales in Electronics.

Overall, we expect flattish volumes in 2025. This includes the combined impact of approximately €80 million from customer headwinds in Electronics, driven by a design change in a customer program, and in Aerospace, as a result of strike action at a major customer and its related impact on demand in the first half of the year.

In order to enhance our profitability in 2025 and beyond, we also plan to accelerate cost savings initiatives. This is expected to both offset the inflationary impact on costs during the year, and also deliver more than €200 million of run rate savings by the end of 2026.

On a full year basis, our outlook is as follows[1]:

- **Underlying EBITDA** of at least €1.4 billion
- **Capital Expenditures** to be approximately €600 million
- **Free Cash Flow** of approximately €400 million

The first quarter of 2025 is expected to deliver the lowest quarterly EBITDA performance of 2025, given the expected impact of headwinds mentioned above as well as lower year-on-year overall demand. We therefore expect first quarter EBITDA to be at approximately the same level as Q4 2024.

(1) Assumes no significant change in key macroeconomic variables, or disposals.

03

CORPORATE GOVERNANCE STATEMENT

3 CORPORATE GOVERNANCE STATEMENT

3.1 Introduction

Syensqo SA/NV ("Syensqo" or the "Company") – headquartered in Belgium and listed on Euronext Brussels – is committed to upholding global governance best practices and disclosures, emphasizing transparency and promoting a culture of sustainable long-term value creation.

In accordance with Belgian law, Syensqo adheres to the principles and provisions of the 2020 Belgian Corporate Governance Code (the "Belgian Governance Code"), which is based on a "comply or explain" principle. The Belgian Governance Code can be found on the website of the Belgian Corporate Governance Committee.

Syensqo's Board of Directors adopted a Corporate Governance Charter (the "Charter"). The Charter was last amended on February 23, 2024 and is available on Syensqo's website. It describes the main aspects of Syensqo's approach to corporate governance, including the governance structure and the internal rules of the Board of Directors, the "Executive Leadership Team" (the "ELT") and Specialized Committees set up by the Board of Directors.

In addition, Syensqo publishes a Corporate Governance Statement in the Annual Integrated Report, which includes the information required by the Belgian Code of Companies and Associations (hereafter the "Code of Companies and Associations" or the "BCCA") and the Belgian Governance Code. The Corporate Governance Statement includes additional information regarding Syensqo's corporate governance practices and relevant modifications to this, together with details on the remuneration of directors and executives and on relevant events that took place during the year.

3.2 Capital, shares and shareholders

3.2.1 Capital

As of December 31, 2024, Syensqo's share capital amounts to €1,351,624,292.82 and comprises 105,032,929 issued shares.

3.2.2 Syensqo shares

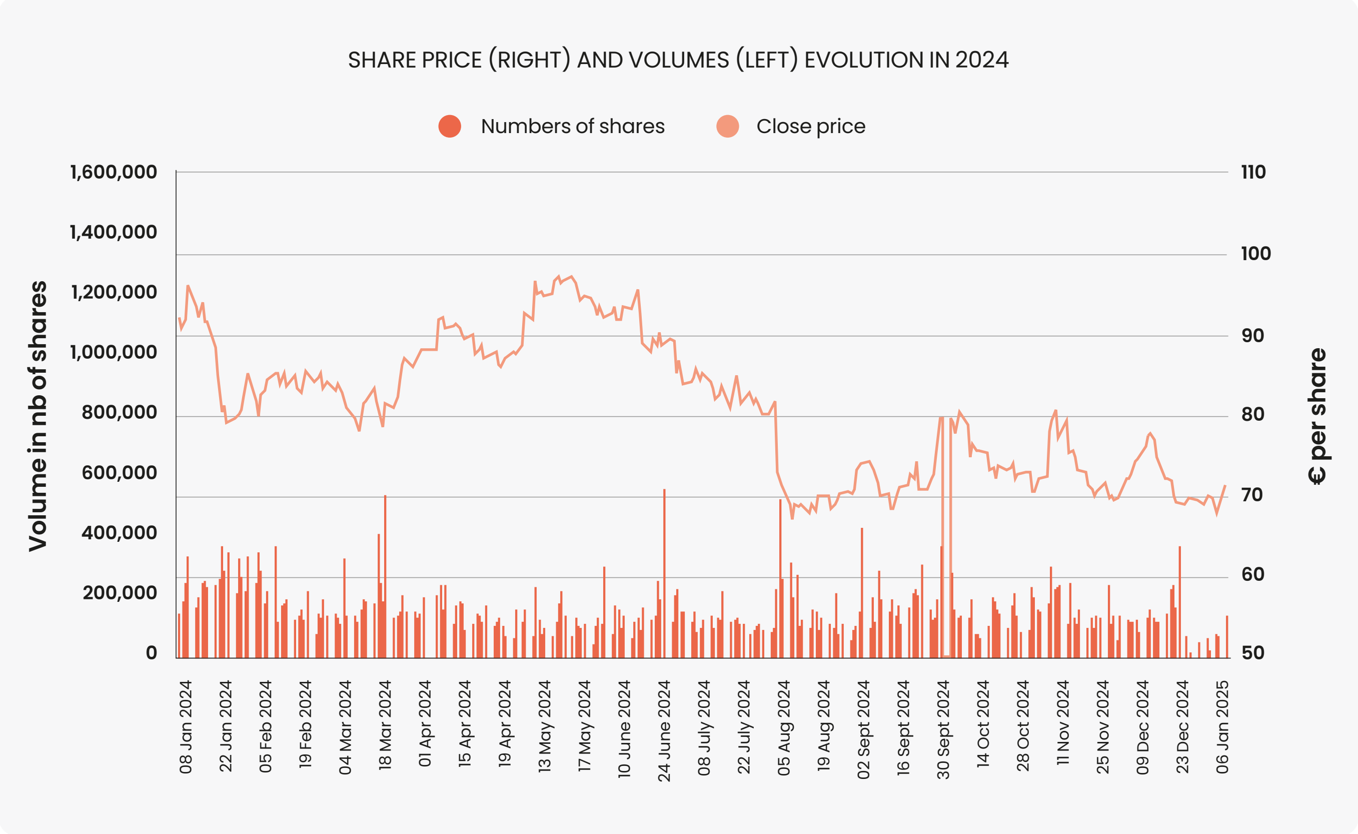
The shares of Syensqo (SYENS.BE) are listed on Euronext Brussels.

Syensqo is included in the BEL20, the main Belgian index and in other indices such as the Euronext, BEL, CAC, DJ EURO STOXX, MSCI, FTSE Russel, S&P, Bloomberg. In September 2024, Syensqo delisted voluntarily from Euronext Paris in order to simplify its listing structure, and following a review of the direct and indirect cost and administrative requirements related to its listing on Euronext Paris, while maintaining its listing on Euronext Brussels.

During 2024, the average closing share price was €80.99, while the 52-week range was €67.41 - 97.47 per share. Syensqo's closing share price on December 31, 2024 was €70.56, which represents a decrease of 25.1% compared to the end of 2023.

Average daily trading volume as reported by Euronext was 166,604 shares in 2024, representing approximately €13.5 million exchanged per day. In addition to Euronext, there are other alternative trading venues where investors are able to buy and sell Syensqo shares.

SHAREPRICE (RIGHT) AND VOLUMES (LEFT) EVOLUTION IN 2024



3.2.3 Shareholders and shareholding structure

Transparency notifications

Transparency notifications are required by Belgian law and Syensqo's bylaws when an investor crosses the thresholds of 3%, 5%, 7.5% or any multiple of 5% of voting rights. Unless otherwise indicated, this refers to theoretical voting rights, taking into account all the shares to which voting rights are attached, even if the exercise of these rights is suspended.

- Solvac SA gave notice that as of December 11, 2023, it held 32,621,583 Syensqo shares, representing 30.81% of voting rights at such date.
- Blackrock Inc., an institutional investor, gave notice that as of February 11, 2025, it held 3,167,087 Syensqo shares, representing 3.01% of the voting rights, and 677,847 equivalent financial instruments, representing 0.64% of the voting rights. This amounts to a combined interest in Syensqo of 3.65%.

Solvac

Syensqo's largest shareholder is Solvac SA, a public limited liability company established under Belgian law, incorporated in 1983 ("Solvac" or the "Reference Shareholder"). Its primary asset consists of shares in Solvay SA and shares in Syensqo.

Solvac's shares are traded on Euronext Brussels. It has approximately 14,000 shareholders. Among these, approximately 2,300 individuals are related to the founding families of Solvay and Solvac, which, combined, are reported to hold approximately 77% of Solvac shares.

A relationship agreement with Solvac has not been considered necessary, given Solvac's stated investment objective and track record of engagement with Solvay since its initial investment in 1983. Syensqo's articles of association do not provide for any specific director nomination rights for Solvac, however Solvac may propose the appointment of certain Directors.

Treasury shares

In 2024, Syensqo launched two share buyback programs:

1. A first share buyback program - launched on June 25, 2024 and completed on October 23, 2024 - to cover current and future obligations under Syensqo's current Long Term Incentive Plans for its employees. In the framework of this program, Syensqo acquired 983,000 Syensqo shares, representing approx. 0.93% of the Company's outstanding shares.
2. A second share buyback program, launched on November 5, 2024 to return up to 300 million euros to shareholders to further enhance Syensqo's capital structure and efficiency by cancelling all shares bought back under the program. This program is still ongoing and is executed in different tranches. Under this program and until December 31, 2024, Syensqo acquired a total of 843,488 Syensqo shares, representing approx. 0.8% of the Company's outstanding shares. All the acquired shares were canceled.

As a result, on December 31, 2024, Syensqo held a total of 1,579,830 Syensqo shares representing 1.5% of the total number of Syensqo shares, broken down as follows:

- 928,458 Syensqo shares, representing approx. 0.88% of the Company's outstanding shares, in the framework of the first share buyback program (LTI hedging).
- 651,372 Syensqo shares held by Syensqo Stock Option Management SRL ("SSOM"), a wholly owned indirect subsidiary of Syensqo. In addition, SSOM owns 198,120 call options. Those shares and options are held by SSOM for its own account, as part of its strategy to cover the obligations assumed by SSOM regarding stock options granted by Syensqo (or formerly by Solvay) to Group senior executives. The voting rights attached to the Syensqo shares held by SSOM are, as a matter of law, suspended.

SHARE BUYBACK PROGRAMS

NUMBER OF TOTAL OWN SHARES ACQUIRED, CANCELED AND DELIVERED TO EMPLOYEES

	Total number of shares	Number of own shares held by Syensqo	Par value (€) of acquired shares (round number)	Equivalent value per share (€)	Percentage in the capital (based on the number of shares)
SITUATION AT JANUARY 1, 2024	**105,876,417**	**655,072**	**8,362,686**	**94.65**	**0.62%**
First Share Buyback Program					
Total number of own shares acquired from June 25, 2024 to October 23, 2024		983,000	12,549,033	75.64	0.93%
Total number of shares delivered to employees		-58,242	-743,521	77.10	-0.06%
Second Share Buyback Program (current)					
Total number of own shares acquired from November 5, 2024 to November 27, 2024		658,488	8,406,295	75.93	0.62%
Total number of own shares canceled		-658,488	-8,406,295	75.93	-0.62%
Total number of own shares acquired from December 4, 2024 to December 31, 2024		185,000	2,376,501	74.77	0.18%
Total number of own shares canceled		-185,000	-2,376,501	74.77	-0.18%
SITUATION AT DECEMBER 31, 2024	**105,032,929**	**1,579,830**	**20,294,418**	**70.56**	**1.50%**

Employee Share Purchase Plan

Syensqo believes that employee share purchase plans provide attractive incentives for employees to increase their equity ownership in the Company, enhancing commitment and enabling employees to better share in the Company's growth and performance.

In September 2022, Solvay launched the first Employees Share Purchase Plan initiative for which more than 3,800 employees contributed to the plan (out of the 6,100 participants before the Partial Demerger). In October 2024, they received 54,542 Syensqo shares, in accordance with the Plan.

In November 2024, Syensqo introduced a new Employee Share Purchase Plan, capped at 330,000 shares and accessible to employees across seventeen countries. By purchasing shares in Syensqo, participants received a free share on joining the scheme and a matched share for every two Syensqo shares purchased. This initiative, as part of Syensqo's employee engagement program, achieved a participation rate of 21.5%, involving nearly 3,000 employees. The share purchases will take place over a 12-month period, commencing in February 2025.

Shareholding structure

As of December 31, 2024, Syensqo's capital was represented by 105,032,929 ordinary shares. As there is only one class of shares, all Syensqo shares carry the same rights. Each share comes with the right to one vote, following the "one share, one vote" principle.

Apart from the Transparency notifications mentioned above, Syensqo also holds Syensqo shares, directly or indirectly (see above Treasury shares). The remaining shares, comprising approximately 65%, are held by the public.

3.2.4 Relations with investors and analysts

Syensqo maintains an open, ongoing and constructive dialogue with the investment community. Syensqo seeks to provide pertinent and accurate information to ensure understanding of the Company's business and strategy, helping the financial community to make their own informed assessments and judgments. Detailed information on its business activities, strategy and financial performance is available through various regulatory and other publications, such as the Annual Integrated Report, financial reports and press releases, as well as other media, such as webcasts, which are available on our website.

The Investor Relations team maintains a close relationship with investors throughout the year. The CEO and CFO also prioritize interactions with the investment community. Syensqo's teams interact with investors using both face-to-face meetings and digital technologies.

Syensqo adheres to the guidelines issued by the FSMA (Financial Services and Markets Authority in Belgium) and complies with the disclosure obligations defined by Belgian law and contained in the Market Abuse Regulation (EU) 596/2014 (MAR).

Interactions with shareholders, Solvac and Syensqo founding families

Committed to maintaining relationships of trust with shareholders and the financial community, Syensqo aims to provide comprehensive, transparent and timely information regarding the Group's vision and strategic ambition, its main developments as well as financial performance and targets.

The Company provides information and services and organizes activities for shareholders, including institutional investors. Every shareholder has access to clear, comprehensive, transparent information through a dedicated "investor relations" section on Syensqo's website. Syensqo also engages with retail banks, regularly interacting with their analysts and participating in events dedicated to private investors. The Group also organizes investor conferences and events as well as presentations, visits and roadshows for investors and analysts. In addition, in order to maintain a close relationship with its individual shareholders in particular, the Group has set up a Shareholder Service which answers queries and requests for information from registered shareholders (subject to applicable legislation and in particular closed periods).

In 2024, Syensqo's Management participated in 3 events organized by Syensqo's founding families to update them on strategy and results. All interactions were based on public information.

Interactions with sell-side analysts

Syensqo is covered by 20 sell-side analysts who regularly publish research on the Company (approximately 150 notes in 2024). The up-to-date list of analysts and the company's consensus estimates can be found on Syensqo's investor relations website.

In addition to regular meetings, emails and conversations, Syensqo organizes quarterly conference calls between the senior management and the financial community, following the publication of the Group's results. Although specifically geared toward analysts, these conference calls are accessible live to all investors, and remain available in the form of an on-demand video and transcript on Syensqo's website.

Interactions with institutional investors

Syensqo mainly interacts with institutional investors following the announcement of quarterly, half- and full-year results.

In 2024, Syensqo participated in 29 events, 23 of which involved senior management: 13 roadshows, 10 conferences, 4 earnings calls, and 2 fireside chats, in countries across Europe and North America.

In many of the meetings with the financial community, Syensqo's CEO and the CFO were present. They discussed various topics, including quarterly earnings results and market conditions, the prospects for the current year as well as the company's medium-term strategy and targets. Particular attention was given to pricing dynamics, volume recovery across its key end markets, and capital allocation priorities, including investments in future growth projects as well as shareholder returns.

Interactions with stewardship and responsible investment teams at shareholders and ESG research providers, including proxy advisors

At least once a year, the CEO, the CFO, the Chief People Officer, the Head of Investor Relations, the Chief Sustainability Officer and the Corporate Secretary meet with the stewardship and responsible investment teams of institutional investors and ESG research providers, including proxy advisors. The purpose of this exercise is to provide an update on Syensqo's key ESG targets and performance. Syensqo also treats these meetings as an opportunity to understand changes in the methodologies and policies used by these stewardship teams, as well as to actively solicit their feedback on how Syensqo can improve ESG practices and disclosures.

3.3 Board of Directors and Board Committees

The Company opted for a "one tier" governance structure, which it considers the most appropriate for the Group to operate effectively. This means that the Company is managed by a Board of Directors (conseil d'administration/raad van bestuur) empowered to carry out all acts necessary or useful to achieve its Purpose, except those reserved by law or the articles of association to the General Meeting.

The Board of Directors is responsible for the Company's overall strategic direction. The Board of Directors sets the Company's general policy, with a view to establishing effective, responsible and ethical leadership, and monitoring its performance. It makes key decisions regarding major investments, divestments, capital structure, policies, risk management, audit and control matters, and significant operational matters. Syensqo's Board of Directors is responsible for defining the Group's long-term strategy and for overseeing, challenging and supporting the implementation of Syensqo's strategy.

The Board of Directors has set up on a permanent basis the following specialized Committees: Audit and Risk Committee, Finance Committee, Remuneration Committee, Nomination Committee, and Environmental, Social and Governance (ESG) Committee.

The Board of Directors has delegated specific management powers to the Executive Officers of the Company, who collectively run the Company, within the framework of an Executive Committee, also named the Executive Leadership Team (ELT).

The articles of association and the Charter of the Company define the role and mission, functioning, size, composition, training and evaluation of the Board of Directors. The internal rules of the Board of Directors and the Committees are attached to the Charter and are available on Syensqo's website.

INVOLVEMENT OF THE BOARD OF DIRECTORS AND ITS COMMITTEES IN TERMS OF ESG GOVERNANCE

ESG and sustainability are core components of the Board of Directors decision-making process. The Board regularly monitors the implementation of Syensqo's sustainability strategy, with a view to ensuring progress toward meeting sustainability goals. Additionally, the Board receives and discusses detailed reports from each meeting of the ESG Committee.

As reflected in Syensqo's Corporate Governance Charter, ESG Governance within Syensqo is translated into shared accountability and differentiated missions mainly between the Board of Directors (which pursues sustainable value creation), the ESG Committee (which focuses on the ESG targets related to material impacts, risks and opportunities as well as progress toward these targets), the Audit & Risk Committee (which focuses on the quality and reliability of reporting, and ensures consistency with the enterprise risk management process) and the Remuneration Committee (which ensures that LTI and STI objectives include relevant ESG targets). The ELT is, for its part, responsible for ESG strategy definition, implementation and performance. The Charter of the Company details Syensqo's sustainability policy and the role of each management body, which can be summarized as follows:

ESG Committee	Audit & Risk Committee	Remuneration Committee	Nomination Committee
• Oversees the Group's commitments to sustainable development • Reviews the Group's long-term strategic direction, particularly in relation to social and environmental responsibility • Focuses on the ESG targets related to material impacts, risks and opportunities as well as progress toward the targets • Assesses strategic initiatives and evaluates their economic, financial, social and environmental impacts • Regularly monitors updates on CSRD matters	• Focuses on quality and reliability of reporting - including under CSRD - and ensures information is accurate and transparent • Monitors the effectiveness of internal control mechanisms • Ensures that ESG matters are integrated into the Enterprise Risk Management processes	• Formulates recommendations on the remuneration structure of executive officers, ensuring that LTI and STI objectives include relevant ESG targets • Reviews the remuneration policy, focusing on ensuring ethical standards and best practices are adhered to	• Focuses on governance aspects and addresses how diversity in terms of gender, experience, skills and backgrounds is promoted and managed within the Board of Directors, through a rigorous selection process and the organization of relevant Board training sessions

3.3.1 Board of Directors

Structure and composition

The composition and functioning of the Board of Directors are designed to ensure that the right profiles are represented, with the diverse skills, experience and background deemed necessary to drive Syensqo's business and sustainability strategy.

As of December 31, 2024, the Board of Directors was composed of ten directors and has the following attributes:

- The Board is chaired by an independent director.
- The roles of Chair and CEO are separated.
- Nine of the ten directors are non-executive directors, the CEO being the only executive director.
- The Board has a Vice-Chair.
- Six of the ten directors are Independent non-executive directors according to article 7:87, §1 of the BCCA and meet the criteria set out in rule 3.5 of the Belgian Corporate Governance Code. In addition, and without prejudice to the application of the criteria set out in the Corporate Governance Code, the Corporate Governance Charter of the Company requires a waiting period of at least one year before the Company can recognize the independence of any director of the Company's reference shareholder, Solvac SA, who would leave the Board of Directors of Solvac SA to join the Board of Directors. All Independent directors have been recognized in this capacity by the Extraordinary Shareholders Meetings.
- Six of the ten directors, including the CEO, are women.
- Directors represent nine different nationalities.

All ten directors were appointed at the Extraordinary Shareholders Meeting of December 8, 2023, for a four-year term, until the end of the Ordinary Shareholders Meeting to be held in May 2027.

The Secretary of the Board is Aminata Kaké, Corporate Secretary and Deputy General Counsel. The role and responsibilities of the secretary of the Board of Directors are described in the Syensqo Corporate Governance Charter.

A list and description of the individual board members, including their other executive positions, independence, and meeting attendance during 2024 can be found in the following pages.

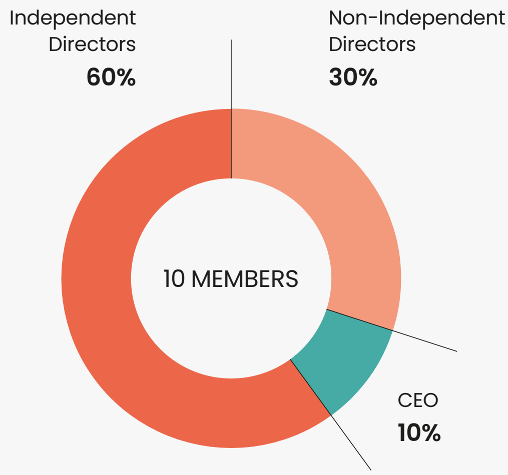
COMPOSITION OF THE BOARD OF DIRECTORS AS OF DECEMBER 31, 2024

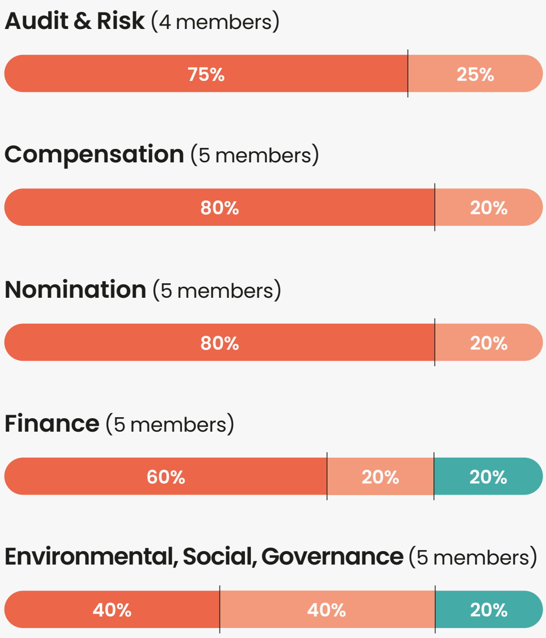
★ *Chair* ● *Member*

		Date of birth	Nationality	Independent	Other publicly listed directorship or corporate office	Specialized Committees: ESG	Audit & Risk	Finance	Nomination	Remuneration
Rosemary Thorne *Chair of the Board* Meetings attendance in 2024: **8**/8		1952	British	▲				★ **2**/2	● **4**/4	● **4**/4
Ilham Kadri *CEO* Meetings attendance in 2024: **8**/8		1969	French Moroccan		2	● **3**/3		● **2**/2		
Françoise de Viron *Vice-Chair of the Board* Meetings attendance in 2024: **8**/8		1955	Belgian			★ **3**/3			● **4**/4	● **4**/4
Roeland Baan Meetings attendance in 2024: **7**/8		1957	Dutch	▲	1	● **3**/3	● **5**/6	● **2**/2		
Edouard Janssen Meetings attendance in 2024: **7**/8		1978	Belgian		1		● **6**/6	● **2**/2		
Nadine Leslie Meetings attendance in 2024: **7**/8		1963	American Haitian	▲	2	● **2**/3			● **3**/4	● **2**/4
Matti Lievonen Meetings attendance in 2024: **8**/8		1958	Finnish	▲					● **4**/4	★ **4**/4
Mary Meaney Meetings attendance in 2024: **8**/8		1972	American French		1	● **3**/3				
Heike van de Kerkhof Meetings attendance in 2024: **8**/8		1962	German	▲	1		● **6**/6		★ **4**/4	● **4**/4
Julian Waldron Meetings attendance in 2024: **8**/8		1964	British French	▲			★ **6**/6	● **2**/2		

INDEPENDENCE

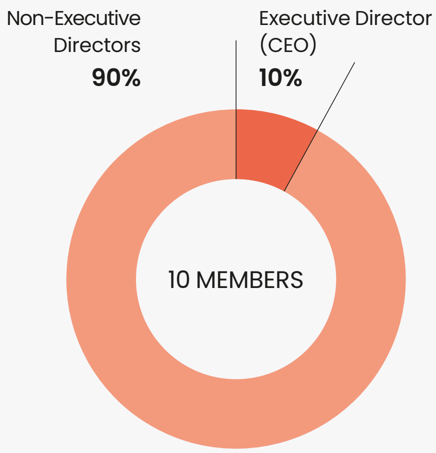
Board of Directors

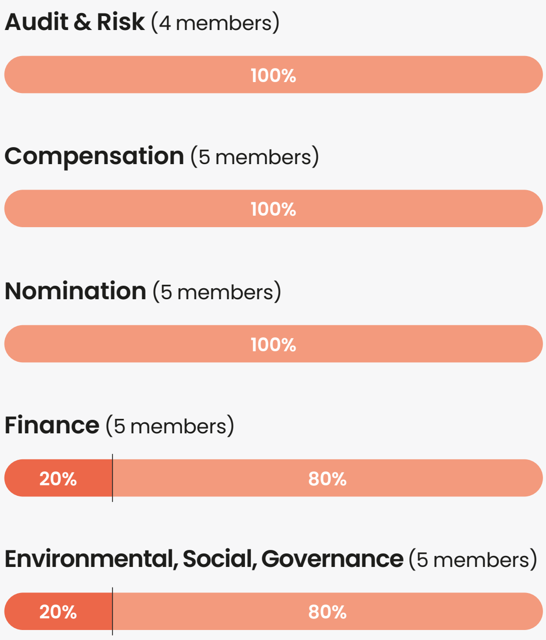




EXECUTIVE AND NON-EXECUTIVE DIRECTORS

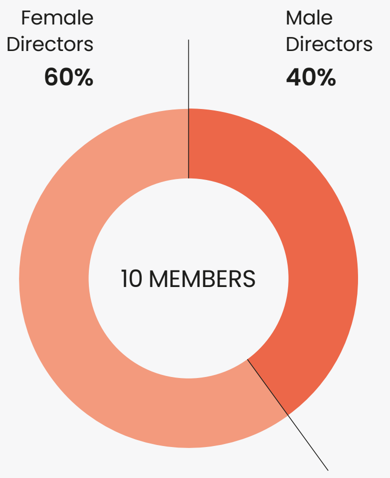
Board of Directors





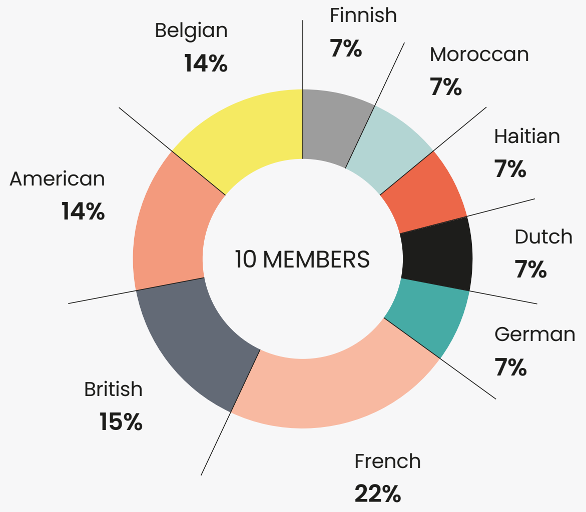
GENDER BALANCE

Board of Directors



NATIONALITY

Board of Directors



DIRECTORSHIPS AND POSITIONS HELD AT DECEMBER 31, 2024

Rosemary Thorne

- Chair of the Board of Directors
- Independent Director

Nationality: British	**Born in:** 1952
Appointment date: December 2023	**Directorship expiry date:** 2027

Holds **500** Syensqo shares

Rosemary Thorne, 73, has served as an Independent Director, Chair of the Board of Directors and Chair of the Finance Committee since December 2023. Prior to this, Ms. Thorne served as an Independent Director on the Board of Directors of Solvay from 2014 to 2023, and as Chair of the Audit Committee. Ms. Thorne has decades of financial leadership experience across a wide range of industries. Ms. Thorne is an Independent Director on the Board of Merrill Lynch International (UK), a wholly-owned subsidiary of Bank of America Corporation, serving as Chair of the Audit Committee. She previously served as Chief Financial Officer at J. Sainsbury, the UK's largest supermarket chain at the time; Bradford & Bingley; and Ladbrokes. Ms. Thorne previously sat as an Independent Director on the Boards of Royal Mail Group, Cadbury Schweppes, Santander UK, First Global Trust Bank and Smurfit Westrock in Ireland.

Diplomas
- Honors Degree in Mathematics and Economics from the University of Warwick (UK)
- Fellow of the Chartered Institute of Management Accountants FCMA and CGMA
- Fellow of the Association of Corporate Treasurers FCT

Professional address: Syensqo
Rue de la Fusée 98, 1130 Brussels - Belgium

Syensqo mandates
- Chair of the Board of Directors
- Chair of the Finance Committee
- Member of the Remuneration Committee
- Member of the Nomination Committee

Other corporate offices and directorships
- Board Member and Chair of Audit Committee of Merrill Lynch International (UK), a wholly owned subsidiary of Bank of America Corporation

Skills related to the strategy and development objectives of Syensqo
- Chemical/ Industrial sectors and related value chains
- Finance/ Accounting, including (extra) financial reporting
- Risk Management & Operational Excellence
- Strategy, Business Growth
- ESG
- Leadership of large companies
- People/ Culture and Social Relations
- International Experience

Ilham Kadri

- Board Member and
- Chief Executive Officer

Nationality: French-Moroccan	**Born in:** 1969
Appointment date: December 2023	**Directorship expiry date:** 2027

Holds **36,985** Syensqo shares

Dr. Ilham Kadri, 56, has served as Chief Executive Officer and a member of the Board of Directors of Syensqo since December 2023. Prior to this, Dr. Kadri served as CEO at Solvay from 2019 to 2023. Dr. Kadri successfully led the transformation of Solvay, delivering double-digit EBITDA growth and 18 consecutive quarters of positive free cash flow, deleveraging the balance sheet and promoting superior people engagement. Dr. Kadri also successfully led the demerger of Solvay into two independent and publicly listed companies, Solvay and Syensqo. Dr. Kadri is also a member of the Board of Directors, of the Nominating & Governance Committee and the Personnel & Compensation Committee of A.O. Smith Corporation (listed on the New York Stock Exchange), as well as a member of the Board of Directors and of the Audit Committee of L'Oréal S.A. (listed on Euronext Paris). She is active in non-profit organizations, as Chair of the World Business Council for Sustainable Development (WBCSD), President of the European Chemical Industry Council (Cefic), Vice-Chair of the European Round Table for Industry (ERT) as well as a permanent member of the World Economic Forum's International Business Council (WEF). Dr. Kadri has extensive leadership experience across a variety of industries on four continents and with leading industrial multinationals, including Shell, UCB, Huntsman, Dow, Sealed Air. Prior to joining Solvay, Dr. Kadri was CEO and President of Diversey in the USA, led the company's return to profitability and resulting spin off and divestiture to Bain Capital. She founded two non-Profit foundations: the Solvay Solidarity Fund in Belgium in 2020 which supported more than 7000 families affected by COVID-19 and natural disasters; and founded the ISSA Hygieia Network in 2015 in the USA, to help women in the cleaning industry. Dr. Kadri has received two Doctor Honoris Causa from EWHA University in Korea and Université de Namur in Belgium.

Diplomas
- PhD in Macromolecular Physics-Chemistry from Louis Pasteur University, Strasbourg (France)
- Degree in Chemical Engineering from l'École des Hauts Polymères, Strasbourg (France)

Professional address: Syensqo
Rue de la Fusée 98, 1130 Brussels - Belgium

Syensqo mandates
- Chief Executive Officer and Chair of the Executive Committee
- Member of the Finance Committee
- Member of the ESG Committee

Other corporate offices and directorships held
- Board Member, Member of the Nominating & Governance Committee and Member of the Personnel & Compensation Committee of A.O. Smith Corporation (listed on the New York Stock Exchange)
- Board Member of Directors and Member of the Audit Committee of L'Oréal S.A. (listed on Euronext Paris)

Skills related to the strategy and development objectives of Syensqo
- Chemical/ Industrial sectors and related value chains
- Finance/ Accounting, including (extra) financial reporting
- Risk Management & Operational Excellence
- Strategy, Business Growt
- Research & Innovation
- ESG
- Leadership of large companies
- People/ Culture and Social Relations
- Digital Technology, AI and Cybersecurity
- International Experience

Françoise de Viron

- Vice-chair of the Board
- Non Independent Director

Nationality: Belgian	**Born in:** 1955
Appointment date: December 2023	**Directorship expiry date:** 2027

Holds **2,040** Syensqo shares

Dr. Françoise de Viron, 69, has served as a Non-Independent Director, Vice-Chair of the Board of Directors and Chair of the ESG Committee since December 2023. Prior to this, Dr. de Viron served as Director at Solvay from 2013 to 2023. Dr. de Viron is a regarded academic leader and has extensive experience in innovation and R&D management, organizational learning, knowledge strategy and qualitative research.

She is a Professor Emeritus at the Faculty of Psychology and Education Sciences and Louvain School of Management at UCLouvain in Belgium where she has been an Academic Member of various groups. Dr. de Viron previously also served as Director (2014-2019) and president of AISBL EUCEN – the European Universities Continuing Education Network. Prior to her university position, from 1985 to 2000, she was leading the development of Artificial Intelligence applications in the Energy Sector at Tractebel S.A. (now Tractebel-Engie).

Diplomas	• Master in Physics (1977) UCLouvain, Belgium • Ph. D. in Science (1981) UCLouvain, Belgium • Master in Sociology (2000) UCLouvain, Belgium
Professional address:	Syensqo Rue de la Fusée 98, 1130 Brussels - Belgium
Syensqo mandates	• Vice-Chair of the Board of Directors • Chair of the ESG Committee • Member of the Remuneration Committee • Member of the Nomination Committee
Other corporate offices and directorships	• Board Member ASBL "Amis du Musée de Louvain-la-Neuve" • Professor Emeritus and invited UCLouvain • Academic Member of GIRSEF, Interdisciplinary Research Group on Socialization, Education and Training (UCLouvain - IACCHOS)

Skills related to the strategy and development objectives of Syensqo

- Chemical/ Industrial sectors and related value chains
- Strategy, Business Growth
- Research & Innovation
- ESG
- People/ Culture and Social Relations
- Digital Technology, AI and Cybersecurity

Roeland Baan

- Board Member
- Independent Director

Nationality: Dutch	**Born in:** 1957
Appointment date: December 2023	**Directorship expiry date:** 2027

Roeland Baan, 68, has been an Independent Director of Syensqo since December 2023. Mr. Baan is President and Chief Executive Officer of Topsoe, a privately-held leading provider of clean energy and petrochemical technologies, and Chair of the Supervisory Board of SBM Offshore NV. (listed on Euronext Amsterdam). Mr. Baan has extensive experience in supply chain management, M&A, business development and operations management. Prior to joining Topsoe in 2020, he was President and CEO of Outokumpu and has held several executive roles at global organizations such as Aleris International, ArcelorMittal and SHV NV. He spent over 16 years in various roles across the globe at Shell, living in South America, in Africa and in the United Kingdom.

Diplomas	• Master of Science (M. Sc.) Economics (1975-1980) Vrije Universiteit Amsterdam
Professional address:	Syensqo Rue de la Fusée 98, 1130 Brussels - Belgium
Syensqo mandates	• Member of the Audit & Risk Committee • Member of the Finance Committee • Member of the ESG Committee
Other corporate offices and directorships	• CEO of Topsoe • Chair of Supervisory Board Of SBM Offshore NV.

Skills related to the strategy and development objectives of Syensqo

- Chemical/ Industrial sectors and related value chains
- Finance/ Accounting, including (extra) financial reporting
- Risk Management & Operational Excellence
- Strategy, Business Growth
- Research & Innovation
- ESG
- Leadership of large companies
- People/ Culture and Social Relations
- International Experience

Edouard Janssen

- Board Member
- Non-Independent Director

Nationality: Belgian	**Born in:** 1978
Appointment date: December 2023	**Directorship expiry date:** 2027

Holds **111,512** Syensqo shares

Edouard Janssen, 46, has served as a Non-Independent Director of Syensqo since December 2023. Prior to this, Mr. Janssen served as Director at Solvay from 2021 until 2023. Mr. Janssen is Chief Financial Officer of D'Ieteren Group, an investment company (listed on Euronext Brussels), which currently owns (co-) control positions in various businesses, including Belron. Mr. Janssen is also a Board member of privately-held Union Financière Boël. He is active in academics, as Vice-Chair of the advisory board of the Solvay Brussels School of Economics and Management and on the advisory board of the INSEAD HGIBS. Mr. Janssen mainly brings expertise in finance, strategy, entrepreneurship, and planning. From 2005 to 2021, he has worked within Solvay, in different roles in finance and management, mainly in Europe and the USA. Before that, he started his career at Morgan Stanley, in London.

Diplomas	• Master of Science in Finance & Management (1995-2000) Solvay Brussels School • Insead MBA
Professional address:	Syensqo Rue de la Fusée 98, 1130 Brussels - Belgium
Syensqo mandates	• Member of the Audit & Risk Committee • Member of the Finance Committee
Other corporate offices and directorships	• CFO of D'Ieteren Group • Board Member of Union Financière Boël • Vice-Chair advisory Board Solvay School of Economics and Management

Skills related to the strategy and development objectives of Syensqo

- Chemical/ Industrial sectors and related value chains
- Finance/ Accounting, including (extra) financial reporting
- ESG
- Digital Technology, AI and Cybersecurity

Nadine Leslie

- Board Member
- Independent Director

Nationality: American/ Haitian	**Born in:** 1963
Appointment date: December 2023	**Directorship expiry date:** 2027

Nadine Leslie, 61, has been an Independent Director of Syensqo since December 2023. Ms. Leslie is President and Chief Executive Officer of Middlesex Water Company (listed on Nasdaq) and a member of the Board of Directors of Provident Financial Services (listed on the New York Stock Exchange). Ms. Leslie also serves on the Board of Trustees of Hackensack Meridian Health Network. Prior to this, Ms. Leslie was a Non–Executive Director of Seven Seas Water Corporation and held several leadership positions within Suez, the last one being that of Chief Executive Officer of Suez North America.

Diplomas	• B.S Civil Engineering – Faculté des Sciences PAP Haiti
Professional address:	Syensqo Rue de la Fusée 98, 1130 Brussels - Belgium
Syensqo mandates	• Member of the ESG Committee • Member of the Remuneration Committee • Member of the Nomination Committee
Other corporate offices and directorships	• President and CEO of Middlesex Water Company • Member of the Board of Directors of Provident Financial Services

Skills related to the strategy and development objectives of Syensqo

- Chemical/ Industrial sectors and related value chains
- Finance/ Accounting, including (extra) financial reporting
- Risk Management & Operational Excellence
- Strategy, Business Growth
- ESG
- Leadership of large companies
- People/ Culture and Social Relations
- International Experience

Matti Lievonen

- Board Member
- Independent Director

Nationality: Finnish	**Born in:** 1958
Appointment date: December 2023	**Directorship expiry date:** 2027

Matti Lievonen, 66, has been an Independent Director and Chair of the Remuneration Committee since December 2023. Prior to this, he served as an Independent Director at Solvay from 2018 to 2023. Mr. Lievonen is a proven executive in the energy, forestry, power and automation industries with an extensive track record of leading businesses through climate transition. Mr. Lievonen is Executive Chairman of EcoCeres and a member of the Supervisory Board of Wintershal Dea. For over ten years until 2018, he served as Chairman and Chief Executive Officer of Neste Corporation, a global leader in next-generation renewable fuels and chemicals. During his time at Neste, Mr. Lievonen successfully promoted the development of clean fuels as well as Finland's bioeconomy strategy in advancing renewable transportation fuels. Mr. Lievonen has also been involved with organizations such as Fortum Board, SSAB, Nynäs AB, Ilmarinen, and the HE Finnish Fair Foundation. Until 2021, Mr. Lievonen was Chairman of the Board of Directors at Fortum. He has been recognized for his admirable leadership and expertise, and in 2016 was awarded an Honorary Doctorate of Technology by the Aalto University Schools of Technology.

Diplomas	• B.Sc (Eng) Institute of Technology, Savonia University of Applied Science (1985) • eMBA, Aalto University (2009)
Professional address:	Syensqo Rue de la Fusée 98, 1130 Brussels - Belgium
Syensqo mandates	• Chair of the Remuneration Committee • Member of the Nomination Committe
Other corporate offices and directorships	• Member of the Supervisory of WintershalDea • Member of the board of EcoCeres

Skills related to the strategy and development objectives of Syensqo

- Chemical/ Industrial sectors and related value chains
- Finance/ Accounting, including (extra) financial reporting
- Risk Management & Operational Excellence
- Strategy, Business Growth
- Research & Innovation
- ESG
- Leadership of large companies
- People/ Culture and Social Relations
- International Experience

Mary Meaney

- Board Member
- Non-Independent Director

Nationality: American/ French	**Born in:** 1972
Appointment date: December 2023	**Directorship expiry date:** 2027

Holds **534** Syensqo shares

Dr. Mary Meaney, 52, has been a Non-Independent Director since December 2023. Dr. Meaney is a member of the Board of Directors and of the Audit Committee of Groupe Bruxelles Lambert SA (listed on Euronext Brussels), and a member of the Board of Directors and of the Remuneration Committee of Beamery and a member of the Board of Directors and of the Finance Committee of Imperial College London. She also serves on the Advisory Board of Imperial College Business School. Meaney brings expertise in strategy, M&A, and change management, which she acquired over a 24-year career at McKinsey where she was a Senior Partner, served on the McKinsey Shareholders Council (global Board of Directors) and led McKinsey's global Organization practice.

Diplomas	• B.A in Public and International Affairs. Graduated Summa cum Laude (1989-1993) – Princeton University • D.Phil in Politics – Oxford University, Rhodes Scholarship (1993-1996)
Professional address:	Syensqo Rue de la Fusée 98, 1130 Brussels - Belgium
Syensqo mandates	• Member of the ESG Committee
Other corporate offices and directorships	• Member of the Board - Beamery • Member of the board - GBL • Member of Finance Committee – Imperial College Council • Member of Advisory Board - Imperial College Business School

Skills related to the strategy and development objectives of Syensqo

- Chemical/ Industrial sectors and related value chains
- Risk Management & Operational Excellence
- Strategy, Business Growth
- ESG
- Leadership of large companies
- People/ Culture and Social Relations
- International Experience

Heike Van de Kerkhof

- Board Member
- Independent Director

Nationality: German	**Born in:** 1962
Appointment date: December 2023	**Directorship expiry date:** 2027

Holds **380** Syensqo shares

Ms. Heike Van de Kerkhof, 62, has served as an Independent Director and Chair of the Nomination Committee of Syensqo since December 2023. Ms. Van de Kerkhof is also a member of the Board of Directors and of the Audit Committee and of the HSE & Sustainability Committee of OCI N.V. (listed on Euronext Amsterdam) and an independent Non-Executive Director of Goodpack in Singapore owned by KKR. Van de Kerkhof brings more than 30 years of experience in the chemicals, oil & gas and materials industries, having served in numerous leadership roles around the globe. From 2020 to 2023, she served as Chief Executive Officer and member of the Board of Directors of Archroma Management GmbH. She also served as a member of the Board of Directors of Venator Materials PLC, of the Supervisory Board of BP Europa SE and of the Board of Directors of Neste Oyj (listed on Nasdaq Helsinki). Prior to her role at Archroma Management GmbH, Ms. Van de Kerkhof served as Vice President of Lubricants, Western Hemisphere at BP Oil UK, and held positions at Castrol and The Chemours Company. She also held many leading roles within DuPont over 18 years.

Diplomas	• BSME Textile Engineering (1988) – Monchengladbach University, Germany. • MBA – European University, Switzerland (2001)
Professional address:	Syensqo Rue de la Fusée 98, 1130 Brussels - Belgium
Syensqo mandates	• Chair of the Nomination Committee • Member of Remuneration Committee • Member of Audit & Risk Committee
Other corporate offices and directorships	• Member of Board of Directors and the Audit Committee and of the HSE & Sustainability Committee of OCI N.V. • Member of the Board at Goodpack Singapore

Skills related to the strategy and development objectives of Syensqo

- Chemical/ Industrial sectors and related value chains
- Finance/ Accounting, including (extra) financial reporting
- Risk Management & Operational Excellence
- Strategy, Business Growth
- Research & Innovation
- ESG
- Leadership of large companies
- People/ Culture and Social Relations
- International Experience

Julian Waldron

- Board Member
- Independent Director

Nationality: British/ French	**Born in:** 1964
Appointment date: December 2023	**Directorship expiry date:** 2027

Holds **555** Syensqo shares

Julian Waldron, 60, has served as an Independent Director and Chair of the Audit and Risk Committee of Syensqo since December 2023. Mr. Waldron is Chairman of privately-held Albéa Group, a global beauty and personal care packaging company which operates 35 facilities in Europe, Asia and the Americas. He is also a member of the Board of Directors and Chair of the Finance, Risk and Investment Committee of Carbon Clean Ltd., a privately-owned carbon capture company dedicated to achieving net zero. Mr. Waldron has held senior leadership roles at several leading listed companies in the industrial, technology and services sectors and brings a wealth of expertise in finance, business operations and IT. Until joining Albea in 2022, Mr. Waldron was Chief Financial Officer and member of the Executive Committee of Suez S.A. (prior to its acquisition by Veolia Environnement S.A.). Prior to that, Mr. Waldron held various roles at Technip S.A. – then TechnipFMC plc – initially serving as Chief Financial Officer and later as Chief Operating Officer. Prior to that, he was Chief Financial Officer and then Interim Chief Executive at Thomson. Mr. Waldron started his career at the S.G. Warburg bank, working there for over 14 years.

Diplomas	• MA – Cambridge University
Professional address:	Syensqo Rue de la Fusée 98, 1130 Brussels - Belgium
Syensqo mandates	• Chair of the Audit & Risk Committee • Member of the Finance Committee
Other corporate offices and directorships	• Chairman Albea Group • Member of the Board of Directors and Chair of the Finance, Risk and Investment Committee of Carbon Clean Ltd.

Skills related to the strategy and development objectives of Syensqo

- Chemical/ Industrial sectors and related value chains
- Finance/ Accounting, including (extra) financial reporting
- Risk Management & Operational Excellence
- Strategy, Business Growth
- ESG
- Leadership of large companies
- Digital Technology, AI and Cybersecurity
- International Experience

Director skills and qualification matrix

Syensqo's Board of Directors is equipped with a wide range of skills and experience essential to guiding the company's long-term strategy. This expertise is systematically recorded in the Directors' Skills and Qualifications Matrix, which serves as a tool for the Board and Nominating Committee to identify skills to be filled or strengthened when considering new members. These skills are aligned with Syensqo's core business and strategic objectives, ensuring that the necessary expertise supports the company's long-term operations and goals. The matrix is based on the education, professional experience, previous management positions and continuous training of directors, both inside and outside the Company.

The Board's expertise plays a decisive role in addressing Syensqo's material impacts, risks and opportunities, especially as ESG issues are integrated into the company's strategy. Directors with knowledge of and commitment to sustainable development, together with the Executive Leadership Team and technical experts, play an essential role in shaping the Group's ESG strategic vision. Their experience of ESG strategies, governance, business ethics and societal commitment enables the Board to approach ESG issues holistically and conduct in-depth analyses. For example, effective oversight of climate strategy requires an understanding of climate science and the strategic implications of decarbonization efforts. This enables the Board to make informed decisions on the company's key sustainability risks and opportunities, reinforcing Syensqo's commitment to advancing humanity while protecting the planet.

	Chemical/Industrial sectors and related value chains	Finance/Accounting, including (extra) financial reporting	Risk Management & Operational Excellence	Strategy, Business Growth	Research & Innovation	ESG	Leadership of large companies	People/Culture and Social Relations	Digital technology, AI and cybersecurity	International Experience
Rosemary Thorne	×	×	×	×		×	×	×		×
Ilham Kadri	×	×	×	×	×	×	×	×	×	×
Francoise de Viron	×			×	×	×		×	×	
Roeland Baan	×	×	×	×	×	×	×	×		×
Edouard Janssen	×	×				×			×	
Matti Lievonen	×	×	×	×	×	×	×	x		×
Nadine Leslie	×	×	×	×		×	×	x		×
Mary Meaney	×		×	×		×	×	x		×
Heike Van de Kerkhof	×	×	×	×	×	×	×	×		×
Julian Waldron	×	×	×	×		×	×		×	×

Diversity at Board level

The composition of the Board of Directors meets and exceeds the legal requirements applicable to listed companies in Belgium related to gender diversity. Furthermore, Syensqo values a diverse and inclusive Board of Directors in gender, age, nationality, experience, education, background and skill set, representing Syensqo customers' footprint - including a Board with nine nationalities, and among whose members 60% are women. Syensqo's commitment to diversity at Board level is further evidenced by the criteria for appointment of directors listed in section 5.2.3 of the Charter, which is available on Syensqo's website. Details of the qualifications and experience of the Board members can be found in Section 3.3.1 of this Report under "Structure and Composition" and "Director skills and qualification matrix".

Functioning of the Board of Directors

The Articles of Association provide that the Board of Directors meets as often as the Company's interests require, convened and chaired by its Chair or, if the Chair is unable to attend, convened and chaired by the Vice-Chair or, if both are unable to attend, by a Director responsible for the day-to-day management of the Company. It must be convened whenever the Executive Committee, a Director responsible for the day-to-day management of the Company or at least three Directors so request. Further information on the functioning of the Board of Directors is provided for in the Governance Charter.

In 2024, the Board of Directors met 8 times for its regular meetings, with overall meeting attendance of 96,2%. Each individual attendance is shown in the table in Section 3.3.1 of this Report under "Structure and Composition". Board discussions, reviews and resolutions focused on, but were not limited to the following:

- Review of Group strategy.
- Budget and forecasts review, including Syensqo One Planet targets.
- Strategic projects, such as acquisitions, divestments and capital expenditure.
- Capital allocation, financial management policy, financial reporting and risk management.
- Review of reports on operations safety indicators, policies in place and leading initiatives in this area.
- Monitoring of the macroeconomic and geopolitical context and its potential impact on Syensqo's operations and supply chain.
- Issuance and placement of Syensqo group's inaugural USD-denominated bond offering for $1.2 billion.
- Launch and completion of a share buyback program to cover Syensqo's obligations under its Employee Long-Term Incentive Plans.
- Launch of a second share buyback program to return up to 300 million euros to shareholders to improve Syensqo's capital structure and efficiency, by cancelling all shares bought back under the program.
- Delisting from Euronext Paris.
- In terms of People and Culture, among other initiatives, support of the launch of a worldwide Employee Share Purchase Plan, enabling Syensqo employees to invest in the company's future.
- Sustainability and ESG matters, such as review of the progress of Syensqo's One Planet objectives and Syensqo's CSRD readiness status, approval of Syensqo's first external Fresh Water Intake (FWI) commitment, aiming at reducing the volume of FWI by an average of 20% at sites facing water availability issues, in order to ensure a stable fresh water intake by 2030 at Group level, while supporting the Group's growth ambitions.
- With regard to Ethics and Compliance, review of Syensqo's first Human Rights Progress Report and approval of the following new or revised policies: (i) the Human Rights Policy, (ii) the Conflict Minerals Policy, (iii) the Ethical Recruitment Policy and (iv) the "Speak Up" Policy (which now includes the reporting of Human Rights violations).
- Talent management and succession planning for the Board of Directors, the Executive Leadership Team and Senior Management roles.
- Roll out of Syensqo's Target Operating Model, aiming at supporting Syensqo's growth ambitions.
- Review of Syensqo's approach to artificial intelligence (AI) and (Gen) AI technologies.
- Preparation and convening of the Annual General Meeting.

The Board of Directors was kept regularly informed and received reports on the activities of the Audit and Risk Committee, the ESG Committee, the Nomination Committee, the Remuneration Committee and the Finance Committee.

Rules for preventing conflict of interest

The Company applies a strict policy to prevent conflicts of interest, particularly in the operation of its governing bodies, as described in article 1.9 of the Corporate Governance Charter, and applies in particular articles 7:96 and 7:97 of the BCCA. In 2024, article 7:96 of the BCCA was applied by the Board of Directors on March 24, 2024, in relation to decisions regarding the CEO's objectives and the 2024 Group Objectives:

"Prior to any discussion or decision of the Board of Directors on this agenda item, Ilham Kadri declared that she had a direct financial interest in the implementation of the Board's decisions relating to the CEO objectives for 2024 (agenda items 2 and 4). In accordance with Article 7:96 of the Code of Companies and Associations, Ilham Kadri did not take part in the deliberation and the vote on these decisions.

The Board then reviewed the CEO's proposed individual STI objectives for 2024 which, under the Remuneration Policy, have a 20% weighting, the remaining 80% being formula based (i.e. the Group's financial objectives with a 65% weighting, and the One Planet KPIs with a 15% weighting, addressed under agenda item 4, below). The objectives are based on 3 pillars: (i) 'Strategy & Operation' including Growth and Innovation, Portfolio Assessment and Responsible Manufacturing; (ii) 'People, brand and investors' (iii) 'Other', including Financing/Balance Sheet growth and Thought leadership for the Industry. The proposed targets were discussed, including prioritization, and are aligned with the strategic objectives and reflect the ambitions of the Group mid-term plan. The Board also discussed their prioritization.

Resolution: After deliberation, the Board of Directors, with the exception of the CEO which did not take part in the decision relating to her, unanimously approved the CEO individual objectives for 2024 as detailed in the Board meeting pre-reads."

In addition, *"after deliberation and upon recommendation of the Remuneration Committee, the Board of Directors, with the exception of the CEO who did not take part in the deliberation and decisions relating to her, unanimously approved the 2024 Group Objectives as follows:*

- *2024 Group STI performance targets:*
  - *Group Financial performance targets (65% weighting): (i) Organic EBITDA growth target (70% weighting) and (ii) Free cash flow conversion target: 20% (30% weighting).*
  - *One Planet KPI's (15% weighting);*
  - *Individual targets (20% weighting).*
- *2024 LTI performance targets:*
  - *Organic Underlying EBITDA Growth targets (40% weighting).*
  - *ROCE improvement - base point variation (40% weighting).*
  - *GHG Emissions reductions (20% weighting).*

The Board of Directors also approved the Group LTI grant budget for 2024."

Evaluation

With a view to improve its own effectiveness, the Board of Directors, under the leadership of the Chair of the Board of Directors and the Chair of the Nomination Committee, evaluates on a regular basis (preferably every year) its composition, its functioning, its information and interactions with the executive management and the composition and functioning of the Committees created by it. The members of the Board of Directors are invited to express their opinions on those various points. In addition, every three years, the evaluation is led by an external consultant. In the framework of its own evaluation, the Board of Directors also evaluates the Audit and Risk Committee, the Finance Committee, the Remuneration Committee, the Nomination Committee and the ESG Committee and their composition and functioning. The recommendations of the Board of Directors on possible improvements are implemented by each Committee.

At the end of each director's term, the Nomination Committee evaluates the director's participation and presence at the Board's or Committee meetings and their commitment and constructive involvement in discussions and decision-making in accordance with a pre-established and transparent procedure. The Nomination Committee shall in that context also assess whether the contribution of each director is adapted to changing circumstances facing the Company from time to time. The Board of Directors, based on the results of the performance evaluation by the Nomination Committee, where appropriate, proposes new Directors for appointment, proposes not to renew existing directors or taking any measure deemed appropriate for the effective operation of the Board of Directors.

The Board of Directors regularly reviews its internal procedures (at least every three years).

In November 2024, Syensqo's Board conducted its first evaluation since its inception in December 2023. For this inaugural exercise, the Board opted for a self-assessment based on a written questionnaire. The key findings of this assessment can be summarized as follows:

- The composition of the Board of Directors, the complementary skills, experience and diverse background of its members and the role they play comply with applicable corporate governance provisions, and match the current and future strategic needs of Syensqo.

- The Board of Directors is satisfied with the way it operates, with the information provided by Management, and with its interaction with the Board's Specialized Committees.
- Decisions are taken by consensus and in the best interests of the Company.
- The Board develops an inclusive approach that balances the legitimate interests and expectations of shareholders and other stakeholders.
- The Directors made suggestions concerning the conduct of meetings, and confirmed the priority topics for the current year and next, in connection with the implementation of Syensqo strategy.

Induction and continuous Board training

Information sessions are organized for new directors, aimed at acquainting them with the Group as quickly as possible. The program includes a review of the Group's strategy and activities and of the main challenges in terms of growth, competitiveness and innovation, as well as finance, research & development, human resources management, legal context, corporate governance, compliance and the general organization of operations. These information sessions are open to every director who wishes to participate.

Visiting industrial or research sites at least once a year is also part of the Board program. In March 2024, the Board visited the site of Spinetta Marengo (Italy).

In addition, directors attend internal and external training courses on subjects related to the Group's activities. For example, in 2024, Syensqo organized in-house Board training, where appropriate with external experts or university professors, on ESG, corporate governance, activism, geopolitical outlook and post-U.S. election macroeconomic implications.

3.3.2 Board Committees

The Board of Directors has set up on a permanent basis the following specialized Committees: Audit and Risk Committee, Finance Committee, Remuneration Committee, Nomination Committee and Environmental, Social and Governance (ESG) Committee. The principles governing the composition, role and missions of the committees, as well as their internal rules, are set out in the Charter.

These Committees are advisory in nature. Within their respective areas of responsibility, the Committees make recommendations to the Board, give comfort to the Board that certain issues have been adequately addressed and, if necessary, bring specific issues to the attention of the Board. Except where otherwise provided by law or upon specific delegation by the Board, the decision-making shall remain the collegial responsibility of the Board.

The various Committee members are appointed for two-year renewable terms by the Board of Directors, upon prior advice of the Nomination Committee. The Board aims to appoint a majority of independent members to all its Committees, unless it deems it appropriate to proceed differently from time to time. As of today, all key Committees (Audit and Risk, Nomination and Remuneration Committees) are composed solely of non-executive directors, a majority of whom are independent, and are chaired by independent directors. More importantly, these Committees comprise members who have the experience and skills necessary to ensure they deliver on their mandate.

The Board of Directors may also set up temporary ad hoc committees.

Where needed, each Committee has access to independent professional advice, financed by the Company, for all topics pertaining to the competence of such Committee.

Audit and Risk Committee

Composition, missions and functioning

The Audit and Risk Committee is composed of a minimum of three members. The members of the Audit and Risk Committee are all non-executive directors and at least a majority of them are independent directors. The Chair of the Audit and Risk Committee must be an independent Member.

The members of the Audit and Risk Committee collectively are competent in the area of activities of the Company, as well as in financial management, enterprise risk management, financial reporting, accounting and audit through their training and experience acquired in the course of their careers (see Section 3.3.1 of this Report under "Structure and Composition"). The Corporate Secretary acts as Secretary to the Audit and Risk Committee.

The Audit and Risk Committee assists the Board of Directors to ensure in particular the reliable nature of financial information and compliance with relevant laws, regulations and control processes, examining the areas of risk that can potentially have a material effect on the Group's financial situation. The Audit and Risk Committee hears reports from, amongst others, the CFO, the Head of Internal Audit and Risk Management and the Statutory Auditor. It meets alone with each of them whenever it deems useful. The Audit and Risk Committee also collaborates as appropriate with other Committees, in particular with the ESG Committee, as regards the conformity of key ESG performance indicators with the statutory and regulatory requirements (including with the statutory auditor) and the Group's sustainability strategy and performance.

Internal rules relating to the Audit and Risk Committee are set out in the Governance Charter.

At December 31, 2024, the Audit and Risk Committee is composed of:

- Julian Waldron, Independent Director, Chair of the Audit and Risk Committee
- Edouard Janssen, Non-Executive Director
- Heike Van de Kerkhof, Independent Director
- Roeland Baan, Independent Director

Report of activities

In 2024, the Audit and Risk Committee organized met 6 times, with an overall meeting attendance of 95,8% (each individual attendance is shown in the table in Section 3.3.1 of this Report under "Structure and Composition") and mainly reviewed:

- Quarterly, half-yearly, and annual performance updates, financial statements, and financial reporting.
- Internal Audit Plan and reports.
- Reports from the Statutory Auditor.
- The independence of the Statutory Auditor.
- Syensqo's Enterprise Risk Management framework, the internal control systems and the effectiveness of internal controls and risk mitigation measures.
- The Group General Counsel's quarterly reports on major ongoing legal disputes.
- Reports from the Chief Compliance Officer on Syensqo Ethics and Compliance policies, focusing on the Speak Up Program, ESG Compliance, Human Rights due diligence and Data Protection.
- Syensqo's CSRD approach and readiness status; in this respect, the Audit & Risk Committee held two joint meetings with the ESG Committee dedicated to Syensqo Double Materiality Assessment, methodology and alignment with Syensqo's Enterprise Risk Management Framework.

Finance Committee

Composition, missions and functioning

The Finance Committee is composed of a minimum of three members. The Chair of the Board of Directors and the Chair of the ELT are members of the Finance Committee. The Board of Directors aims at appointing an independent member as Chair of the Finance Committee. The members of the Finance Committee are qualified in the fields of corporate finance and accounting through training and experience acquired in the course of their careers (see Section 3.3.1 of this Report under "Structure and Composition"). The Corporate Secretary acts as Secretary to the Finance Committee. It also gives its opinion on Board financial topics and policies and on the financial implications of strategic projects falling within the competence of the Board of Directors.

Internal rules relating to the Finance Committee are set out in the Governance Charter.

At December 31, 2024, the Finance Committee is composed of:

- Rosemary Thorne, Independent Director, Chair of the Board of Directors and of the Finance Committee
- Julian Waldron, Independent Director
- Edouard Janssen, Non-Executive Director
- Roeland Baan, Independent Director
- Ilham Kadri, Executive Director and Chair of the ELT

Report of activities

In 2024, the Finance Committee met twice with an overall meeting attendance of 100%, and mainly provided opinions on:

- Financial matters, including the dividend payout, the levels, conditions and currencies of indebtedness, the monitoring of the credit strength of the Group's balance sheet.
- The issuance and conditions of Syensqo group's inaugural USD-denominated bond offering for $1.2 billion.
- The hedging of foreign-exchange and energy risks, the hedging policy of the long-term incentive plans and the financing of major investments, in light of interest rate development and macroeconomic environment.

Remuneration Committee

Composition, missions and functioning

The Remuneration Committee is composed of a minimum of three members. A majority of the Remuneration Committee members are independent directors. The Board of Directors aims at appointing an independent Member as Chair of the Remuneration Committee. The Remuneration Committee members are qualified in the field of remuneration policy (see Section 3.3.1 of this Report under "Structure and Composition"). The Corporate Secretary acts as Secretary to the Remuneration Committee.

The Remuneration Committee performs the duties assigned to it by Article 7:100, § of the BCCA. In particular, without limitation:

- Advise the Board of Directors on the policy and level of remuneration for directors and ELT members, including the CEO.
- Give its opinion on the Group's principal remuneration policies (including long-term incentive plans).

- Prepare the Remuneration Policy that reflects the Group's strategy.
- Prepare the annual Remuneration Report, as included in the Corporate Governance Statement.

In addition, the Remuneration Committee ensures the effectiveness of the ESG strategy implementation by ensuring that LTI and STI objectives include relevant ESG targets.

Internal rules relating to the Remuneration Committee are set out in the Charter, which is available on Syensqo's website.

At December 31, 2024, the Remuneration Committee is composed of:

- Matti Lievonen, Independent Director and Chair of the Remuneration Committee
- Rosemary Thorne, Independent Director and Chair of the Board of Directors
- Françoise de Viron, Non-Executive Director
- Heike Van de Kerkhof, Independent Director
- Nadine Leslie, Independent Director

Report of activities

In 2024, the Remuneration Committee met 4 times, with an overall meeting attendance of 90% (each individual attendance is shown in the table in Section 3.3.1 of this Report under "Structure and Composition") and mainly:

- Reviewed the benchmark analysis of remuneration for ELT Members and Non-executive Directors.
- Made recommendations to the Board of Directors concerning the setting of 2024 short-term and long-term performance targets for the ELT Members.
- Reviewed the granting of short-term and long-term incentives (performance share units and stock options) to the Company's senior executives.
- Reviewed the information to be included in the Remuneration report.

Nomination Committee

Composition, missions and functioning

The Nomination Committee is composed of a minimum of three members. A majority of Nomination Committee members are independent directors. The Board of Directors aims at appointing an independent Member as Chair of the Nomination Committee. The Chair of the Board of Directors is a Member of the Nomination Committee. The Corporate Secretary acts as Secretary to the Nomination Committee.

The Nomination Committee's principal role is to make recommendations relating to, and examine proposals in respect of appointments to the Board of Directors, its Committees, and the ELT (including the CEO). It ensures that appointment criteria reflect the Group's key activities. In this context, it also addresses how complementarity and diversity in terms of skills, experience, gender and backgrounds are promoted and managed within the Board of Directors.

Internal rules relating to the Nomination Committee are set out in the Charter, which is available on Syensqo's website.

At December 31, 2024, the Nomination Committee is composed of:

- Heike Van de Kerkhof, Independent Director and Chair of the Nomination Committee
- Nadine Leslie, Independent Director
- Françoise de Viron, Non-Executive Director
- Rosemary Thorne, Independent Director and Chair of the Board of Directors
- Matti Lievonen, Independent Director

Report of activities

In 2024, the Nomination Committee met 4 times, with an overall meeting attendance of 95% (each individual attendance is shown in the table in Section 3.3.1 of this Report under "Structure and Composition") and mainly focused on:

- Succession planning for the Board of Directors, ELT and senior management.
- The talent management process.
- Monitoring of the Board's skills matrix and ongoing Board training activities, organized both inside and outside the company.
- The Board of Directors' self-assessment process.

Environmental, Social and Governance (ESG) Committee

Composition, missions and functioning

The ESG Committee is composed of a minimum of three members. The Chair of the ESG Committee shall be a member with appropriate skills, training and experience on ESG-related topics. The Corporate Secretary acts as Secretary to the ESG Committee.

The ESG Committee supports the Board in understanding (i) the expectations of Syensqo's key stakeholders, (ii) the impact of ESG issues on Syensqo's ability to create value, and (iii) ESG trends and associated impacts, risks and opportunities. The ESG Committee monitors the Company's overall approach toward ESG matters, ensures this approach is aligned with and integrated in the overall Group strategy and defines in this respect ESG key performance indicators. It also monitors the implementation of the Corporate Sustainability Reporting Directive (CSRD) and other similar laws and regulations.

The ESG Committee performs periodic reviews, at least annually, of the Group's ESG policies, progress and effectiveness, taking into account: a) relevant risk and opportunity mapping; b) new sustainability developments and their impact on the Group; c) the Group's current sustainability performance, main strengths and challenges; and d) future priorities, opportunities and challenges in this respect. The results of such a review must be presented to the Board of Directors, including the following: environmental topics, including climate-related risk mitigation, legacy environmental risks and potential future exposures; and regulatory developments, particularly in the chemicals sector; social topics including the health, welfare and careers of its employees, contractors, suppliers and the broader communities in which the Group operates; governance topics, including oversight of the integration of the ESG commitments in Syensqo's business activities, related internal and external reporting and effectiveness of engagement with stakeholders on ESG-related matters.

In addition, the ESG Committee collaborates as appropriate with other Committees, such as the Audit and Risk Committee as regards key ESG performance indicators and the Group's extra–financial strategy and performance, and the Remuneration Committee, with oversight responsibility for executive remuneration, talent management and other shared topics. These Committees address the material impacts, risks and opportunities related to ESG topics as listed in the sustainability statements of this Report[1].

Internal rules relating to the ESG Committee are set out in the Charter, which is available on Syensqo's website.

At December 31, 2024, the ESG Committee is composed of:

- Françoise de Viron, Non-executive Director and Chair of the ESG Committee
- Nadine Leslie, Independent Director
- Roeland Baan, Independent Director
- Mary Meaney, Non-Executive Director
- Ilham Kadri, Director and Chief Executive Officer

Report of activities

In 2024, the ESG Committee met 3 times, with an attendance rate of 93.3%, and focused mainly on:

- Monitoring of Syensqo's CSRD approach and readiness status; in this respect, the ESG Committee held two joint meetings with the Audit & Risk Committee dedicated to Syensqo's Double Materiality Assessment, methodology and alignment with Syensqo's Enterprise Risk Management Framework.
- The review of Syensqo's ESG governance as defined in the Syensqo Governance Charter.
- The formulation of recommendations to the Board of Directors regarding the adoption of the external commitment on water management.
- Monitoring the filing process and ratings from ESG rating agencies.
- Monitoring the progress on One Planet 2024 objectives for Climate, Sustainable Growth (including circular solutions), Nature (including Water Stewardship commitments and Biodiversity roadmaps) & Better Life (including DE&I objectives and progress on living wages); the Committee also had a preliminary discussion on Syensqo's One Planet 2025 objectives, which will be further defined in early 2025.

3.4 Executive Leadership Team (ELT)

The Board of Directors has delegated specific management powers to the Executive Officers of the Company, who act collectively, within the framework of an Executive Committee, also named Executive Leadership Team (ELT).

Syensqo's ELT gives shape to the strategy, steers the Group's business portfolio, and protects the Group's interests. It also makes sure everything is in place to achieve Syensqo's vision to outgrow the market and deliver strong returns through customer-driven innovation. The ELT collectively is in charge of Syensqo's overall performance, enabling Syensqo to achieve our long-term value creation goals and meet financial targets.

ELT members are appointed by the Board of Directors in consultation with the CEO (except for his/her own appointment) upon recommendation of the Nomination Committee, for four–year renewable terms, unless otherwise decided by the Board of Directors.

The role, responsibilities, composition, procedures and evaluation of the ELT are described in detail in the Charter, which is available on Syensqo's website.

As part of its functions, the Executive Leadership Team is responsible for defining, implementing and monitoring the Group's ESG strategy. The ELT sets the strategic direction on sustainability and is involved in all major decisions, receiving regular updates on progress. The ELT is accountable for implementing the Group's sustainability priorities and targets at executive level. Moreover, the ELT presents key sustainability targets to the Board of Directors for approval, ensuring alignment and commitment across the Group's organization.

(1) See the material impacts, risks and opportunities' tables in the sustainability statements.

The ELT carries out monthly deep-dive meetings consisting of in–depth reviews on People, Strategy, Finance, Innovation and other specific topics, depending on current events. In 2024, the ELT held 10 meetings.

During 2024, the following changes occurred in the composition of the Executive Leadership Team:

- Ms. Joëlle Boxus left the Executive Leadership Team on July 31, 2024
- Mr. Hervé Tiberghien was appointed Chief People Officer with effect on August 1, 2024, in addition to his current mandate as Chief Operations Officer.

ELT POSITIONS HELD AT DECEMBER 31, 2024

Ilham Kadri

- Chair of the Executive Leadership Team
- Chief Executive Officer

Nationality: French-Moroccan	**Born in:** 1969
Appointment date: December 2023	**ELT Term expiry date:** 2027

Presence at ELT meeting(s) in 2024: **10**/10

Holds **36,985** Syensqo shares

Dr. Ilham Kadri, has served as Chief Executive Officer and a member of the Board of Directors of Syensqo since December 2023. Prior to this, Dr. Kadri served as CEO at Solvay from 2019 to 2023. Dr. Kadri has successfully led the transformation of Solvay, delivering double-digit EBITDA growth and 18 consecutive quarters of positive free cash flow, deleveraging the balance sheet and promoting superior people engagement. Dr. Kadri also successfully led the demerger of Solvay into two independent and publicly listed companies, Solvay and Syensqo. Dr. Kadri is also a member of the Board of Directors, of the Nominating & Governance Committee and the Personnel & Compensation Committee of A.O. Smith Corporation (listed on the New York Stock Exchange), as well as a member of the Board of Directors and of the Audit Committee of L'Oréal S.A. (listed on Euronext Paris). She is active in non-profit organizations, as Chair of the World Business Council for Sustainable Development (WBCSD), President of the European Chemical Industry Council (Cefic), Vice-Chair of the European Round Table for Industry (ERT) as well as a permanent member of the World Economic Forum's International Business Council (WEF). Dr. Kadri has extensive leadership experience across a variety of industries in four continents and with leading industrial multinationals, including Shell, UCB, Huntsman, Dow, Sealed Air. Prior to joining Solvay, Dr. Kadri was CEO and President of Diversey in the USA, led the company's return to profitability and resulting spin off and divestiture to Bain Capital. She founded two non-Profit foundations: the Solvay Solidarity Fund in Belgium in 2020 which supported more than 7000 families affected by COVID-19 and natural disasters; and founded the ISSA Hygieia Network in 2015 in the USA, to help women in the cleaning industry. Dr. Kadri received two Doctor Honoris Causa from EWHA University in Korea and Université de Namur in Belgium.

Diplomas	• PhD in Macromolecular Physics-Chemistry from Louis Pasteur University, Strasbourg (France) • Degree in Chemical Engineering from l'École des Hauts Polymères, Strasbourg (France)
Professional address:	Syensqo Rue de la Fusée 98, 1130 Brussels - Belgium

Hervé Tiberghien

- Executive Leadership Team Member
- Chief Operations Officer & Chief People Officer

Nationality: French	**Born in:** 1964
Appointment date: December 2023	**ELT Term expiry date:** 2027

Presence at ELT meeting(s) in 2024: **10**/10

Holds **10,303** Syensqo shares

Hervé Tiberghien, serves as Chief Operations Officer & Chief People Officer at Syensqo. Prior to this, he served as Chief People Officer and member of the Executive Leadership Team at Solvay from 2019 until 2023. At Solvay, he has been responsible for building an inclusive culture across the organization, while focusing on driving individual and organizational growth. He has a strong background in both HR and industrial operations, and previously served in a number of operational and HR roles at PPG Industries, including Chief Human Resources Officer and Vice President of Human Resources. His previous industrial positions include Director of Industrial Coatings facilities at PPG and EMEA, as well as Quality Director and Plant Director for automotive glass manufacturing operations at AGC in Belgium.

Diplomas	• Master in Human Resources from HEC St Louis, Brussels, Belgium
Professional address:	Syensqo Rue de la Fusée 98, 1130 Brussels - Belgium

Marc Chollet

- Executive Leadership Team Member
- Chief Strategy Officer

Nationality: French	**Born in:** 1964
Appointment date: December 2023	**ELT Term expiry date:** 2027

Presence at ELT meeting(s) in 2024: **10**/10

Marc Chollet serves as Chief Strategy Officer of Syensqo since December 2023. Prior to this, he served as Chief Strategy Officer and a member of the Executive Leadership Team at Solvay from 2021 until 2023 where he was instrumental in upgrading the Group's business portfolio, driving more than 100 transformational M&A transactions. He joined Solvay through its acquisition of Rhodia in 2011, where he had served as Deputy General Manager of Strategy, Marketing and Sales since 2007 and as a member of the Executive Committee. Before that, Mr. Chollet led several regional businesses at the Rohm & Haas Group in Agrochemicals, Plastic and Coating additives. Mr. Chollet began his career at Lesieur Alimentaire in the international business development department before being appointed as head of the division and later as Director of International Development and member of the Board of Management of the Consumer Goods division of the Group Eridania Beghin-Say.

Diplomas	• Engineer in Agronomy from the National Institute of Agronomy Paris-Grignon, Specialization in Business Economics & Marketing Management
Professional address:	Syensqo Rue de la Fusée 98, 1130 Brussels - Belgium

Christopher Davis

- Executive Leadership Team Member
- Chief Financial Officer

Nationality: South Africa & UK	**Born in:** 1973
Appointment date: December 2023	**ELT Term expiry date:** 2027

Presence at ELT meeting(s) in 2024: **10**/10

Holds **3,324** Syensqo shares

Christopher Davis, serves as Chief Financial Officer at Syensqo since December 2023. Prior to this, he served as Chief Financial Officer and Chief Sustainability Officer at Orica Limited from 2013 until 2023. He brings over 20 years of leadership and management experience within large complex multinational organizations in the natural resources & mining, industrial and chemicals sectors. Prior to joining Syensqo, Mr. Davis served in multiple leadership roles at Anglo American PLC, including Chairman & CEO of the Scaw Metals Group, CFO of Scaw Metals Group and Head of Business Analysis and Reporting of Anglo Platinum Limited. He has extensive M&A experience and has overseen a number of large, complex financial transactions. Mr. Davis has a track record of improving financial performance and strengthening balance sheets. He has also led the successful implementation of financial aspects of SAP across 50+ countries. At Orica, Mr. Davis developed and executed on a 'net zero by 2050' sustainability strategy and roadmap.

Diplomas	• Bachelor of Commerce degree and postgraduate diploma from the University of South Africa in Accounting & Auditing • Postgraduate diploma in Treasury Management from the University of South Africa
Professional address:	Syensqo Rue de la Fusée 98, 1130 Brussels - Belgium

Mark Rollinger

- Executive Leadership Team Member
- Group General Counsel

Nationality: USA	**Born in:** 1973
Appointment date: December 2023	**ELT Term expiry date:** 2027

Presence at ELT meeting(s) in 2024: **10**/10

Holds **618** Syensqo shares

Mark Rollinger serves as General Counsel of Syensqo since December 2023. Prior to this, he served as Chief Legal Officer at Stellantis. In his former role since 2013, he completed the 2017 acquisition by PSA of Opel/Vauxhall and the 2021 merger with Fiat Chrysler. Prior to Stellantis, he served as Chief Legal Officer at Sodexo from 2009 to 2013, and at Lafarge from 2003 to 2009, in both legal and development roles. He was Deputy General Counsel (M&A) at Rhodia from 2000 to 2003. Mr. Rollinger began his career at Cleary, Gottlieb, Steen & Hamilton in both the U.S. and European offices. He is a graduate of Yale (B.A.) and Harvard (J.D.) and a member of the New York Bar.

Diplomas	• Bachelor of Arts from Yale University • Doctorate (JD) of Law from Harvard University
Professional address:	Syensqo Rue de la Fusée 98, 1130 Brussels - Belgium

3.5 Remuneration report

3.5.1 Introduction from the Chair of the Remuneration Committee

On behalf of the Remuneration Committee I am pleased to introduce Syensqo's 2024 Remuneration Report. Key features of the Board members and Executive Leadership Team's Remuneration components are disclosed in the remuneration report, where the pay-for-performance philosophy and strategy-linked framework are outlined.

Engagement and listening to our Stakeholders

Syensqo aims to have policies and processes that are not only compliant with applicable regulatory requirements and consistent with the Belgian Governance Code, but also in line with global best practices. Our aim has been to embody transparency with key stakeholders , especially with regard to Executive and Non-Executive Director Remuneration. Our approach is to proactively engage with key stakeholders, to ensure that our approach to Remuneration in both policy and practice, remains aligned with the interests of our key stakeholders. The 2023 remuneration report received strong shareholder support with 96.85 % of votes in favor of the report, and we are confident that the 2024 report again offers a clear explanation of the factors influencing 2024 remuneration and provides transparent disclosure of future objectives.

2024 performance highlights

In its first year of existence, in a challenging business environment, adverse macroeconomic conditions and political challenges, unpredictable demand in automotive and aerospace, and unique issues like the Boeing strike affecting the broader supply chain, I am proud to say that Syensqo successfully focused on steering the business through these challenges to deliver a strong set of results.

The Company achieved an organic EBITDA of €1.41 billion, despite the macroeconomic softness and persistent market uncertainties affecting the sector. Additionally Syensqo generated a robust free cash flow of EUR 390 million, affected by slightly higher capital expenditure in the last quarter of 2024, as the Company continued its investment efforts.

This achievement remained consistent with expectations, considering the severe headwinds and the Company's balance sheet remains one of the strongest amongst Syensqo's industry peers.

Syensqo responded with swift agility to adapt to the external environment, optimising operations which resulted in a reduction of approximately 300-350 positions, or about 2% of the workforce, primarily in France, the United States, Belgium and Italy. Throughout this transition, Management remained dedicated to acting with respect and empathy, ensuring comprehensive support and care for all affected employees. The speed and care with which this has been undertaken has shown the leadership and agility of the Executive Leadership Team.

In the second half of the year, the company embarked on a journey in revealing Syensqo core behaviors, shaped by insights gathered from numerous engagement sessions with employees worldwide. These discussions highlighted what truly sets Syensqo apart. Syensqo's behaviors are anchored in three foundational pillars: EXPLORE - ADVANCE - IMPACT. They highlight how the company succeeds. It is a story of growth and forward momentum.

The company also launched a new employee share purchase plan, and offered employees the opportunity to become company shareholders. By purchasing shares in Syensqo, employees received a free share on joining the scheme and a matched share for every two Syensqo shares purchased. This initiative, part of Syensqo's employee engagement program, achieved a participation rate of 21.5%. By becoming shareholders, employees gain a deeper appreciation of the Group's performance and experience the associated risks and rewards of share ownership.

Overall, Syensqo's first year as a new company has served to reinforce the company's purpose, and the growth strategy remains unchanged despite the headwinds faced in 2024.

The Board has been particularly proud and impressed to see how the company has executed at pace, taken steps to accelerate measures, driven greater efficiency and speed of innovation; gained share and deepened its customer relationships; These actions ensure Syensqo is further enhancing its operating leverage as volume recovers, driving solid financial performance in the midst of instability. The Partial Demerger has given the company increased visibility and agility as to how the company must adapt and respond to such an environment, ensuring prioritization of investments toward the most promising and highest return projects, relying on robust fundamentals starting with a strong balance sheet, differentiated solutions and talents.

Remuneration Outcomes (Pay-for-Performance)

In making pay decisions for the CEO and the Executive Leadership Team, the Board has considered: the company's performance against both short- and long-term objectives; the individual contribution and the reward philosophy, as applied to the wider workforce.

All 2024-related remuneration decisions were taken in accordance with our previously approved remuneration policy. The key recommendations for the CEO and Executive Leadership Team made to the Board by the Remuneration Committee were the following: annual STI outcomes were determined in reference to performance against the objectives set at the beginning of 2024, and the Remuneration committee's assessment of the CEO and Executive Committee members' levels of performance.

Our 2024 financial achievements whilst positive under the circumstances, were met at the lower end for organic EBITDA and not met for the free cash flow conversion target. Our 2024 One planet targets were outstanding and well above the targets.

These achievements have resulted in an overall bonus payment below target (see below for more details) which is a direct reflection of the performance of the business.

Looking Ahead

At the Extraordinary Shareholders Meeting on December 8, 2023, shareholders approved the Syensqo Remuneration Policy which retained the Remuneration Policy principles applicable before the Partial Demerger.

In 2025, the Remuneration Committee, with the support of independent consultants, will conduct a thorough evaluation of the Remuneration Policy. This process will involve an in-depth analysis of market trends, collecting feedback from stakeholders such as institutional investors and proxy advisors, and benchmarking against industry peers. The aim of this review is to ensure that all aspects of the policy promote behaviors and actions that advance Syensqo's objectives, align with current market practices, and meet stakeholder expectations

Changes to the Remuneration Policy may be proposed in the coming years in light of Syensqo's strategic ambition and compelling purpose – centered on creating advanced, sustainable solutions that advance humanity. As the Chair of the Remuneration Committee, it will be my focus to ensure that when changes to the Remuneration Policy are contemplated, we will proactively seek to gather a wide range of views from stakeholders, including institutional investors and proxy advisors, before bringing the changes for shareholders' approval.

Details of the remuneration payable to the Board and ELT members are set out on the following pages. Unless otherwise stated, all amounts in this Remuneration Report are presented as gross amounts and in euros.

Matti Lievonen

Independent Director and Chair of the Remuneration Committee

Remuneration at a glance

REMUNERATION IS AN ESSENTIAL TOOL TO MOTIVATE THE RIGHT TALENT AND TO DRIVE OUR STRATEGY OF GROWTH AND INNOVATION

Our remuneration principles to attract, retain and motivate high calibre executives

Competitiveness	The remuneration structure is set around the median of the market. with the ability to pay below or above this position to reflect experience, skills, responsibilities and contribution. The strengthened framework looks to attract, motivate and retain the best talent in alignment with market trends and shareholders' long-term interests and is a reflection of Syensqo's reward principle of Results-driven Reward.
Alignment	The remuneration policy is aligned with shareholder interests, our short, mid- and long-term strategy, our objectives and growth aspirations.
Long term orientation	Policy and incentives focus on sustainable and long-term value creation, in the interest of our shareholders and employees.
Compliance	Syensqo adopts policies and processes that are compliant with applicable regulatory requirements and consistent with the Belgian Governance Code, and global best practices. Remuneration decisions are compliant and equitable, keeping in mind pay levels within the wider workforce, and balancing cost and value appropriately.
Transparency	Our aim has been to embody transparency in the way Syensqo sets and delivers pay.

How we performed in 2024

Financial & Non Financial

€6.56bn **Net sales** +1% volumes -4% pricing	**€2.22bn** **Gross profit** 33.8% margin -90bps YoY
€1.41bn **EBITDA** 21.5% margin	**€390mn** **Free cash flow**[(1)]
0.32 reportable injuries and illnesses per 200,000 work hours	

(1) *Excludes the €167 million payment to NJDEP paid in Q2 2024.*

3.5.2 Remuneration of the Board of Directors

The 2024 shareholders' meeting approved the change of the remuneration of non-executive directors with a vote of 99.61%, with effect from January 1, 2024. Changes were proposed following a benchmarking exercise carried out by an independent consultant against a peer group of European companies. This review clearly showed that the remuneration offered to the Directors was positioned significantly below the peer group and that a review of remuneration packages was required to continue to attract individuals from across various jurisdictions with the required skills and experience to reflect Syensqo's global footprint. The key changes were to increase the annual fees and reduce the fee per meeting. This change of mix represented the shift in the market practice away from fees per meeting.

Syensqo's directors are remunerated, in line with Syensqo's Remuneration Policy, with fixed emoluments, the common basis of which is set at the Annual Shareholders Meeting. Any additional remuneration is decided by the Board in accordance with Article 24 of the articles of associationt:

"Directors shall receive fixed emoluments, the amount and terms of which shall be determined by the General Meeting. The decision of the General Meeting shall stand until otherwise decided.

The Board of Directors is authorized to grant fixed emoluments in addition to the emoluments provided for in the preceding paragraph to Directors entrusted with special duties distinct from their directorship.

The Directors responsible for day-to-day management and the members of the Executive Committee are also each entitled to a variable remuneration determined by the Board of Directors on the basis of their individual performance and the consolidated performance of the Syensqo Group".

The Group provides the Chair of the Board with administrative assistance, an office and the support of the General Secretariat.

The other non-executive directors receive support from the General Secretariat. Syensqo also provides customary insurance policies covering the Board of Directors' activities when they are carrying out their duties.

Board fees are determined after considering the roles and responsibilities of each director, and the practices of companies of a similar size and international complexity. An assessment of market practice is conducted on a regular basis and the fees are disclosed in the remuneration report each year.

Board of Directors individual remuneration

Upon recommendation of the Remuneration Committee and in accordance with the Remuneration Policy, the Ordinary Shareholders' Meeting on May 23, 2024, approved the following remuneration for Non-Executive directors, with effect from the January 1, 2024:

Annual fixed fee		Attendance fee per Board and Committee meetings
Board of Directors		
Chair	€300,000	The attendance fee is €1,000 for the attendance of Board meetings or Committee meetings; this amount is increased by €1,000 per meeting for Board or Committee members who are based outside Europe and traveling overseas to attend Board or Committee meetings in person.
Other Members	€75,000	Where Nomination and Remunerationmeetings occur on the same day, only one meeting fee is paid.
Audit Committee		The Chair of the Board does not receive attendance fees for the Board or Committee meetings. The CEO only receives attendance fees for the Board Meeting.
Chair	€35,000	Syensqo reimburses directors' travel and expenses for meetings related to their Board and Board Committee functions.
Other Members	€20,000	
Other Committees		
Chairs	€18,000	
Other Members	€10,000	

Non-executive directors do not receive any additional remuneration linked to results or other performance criteria. More specifically, non-executive directors are not entitled to annual bonuses, stock options or performance share units, or to any supplemental pension scheme.

In accordance with the Remuneration Policy, the annual gross fixed remuneration for the CEO is included in her annual remuneration fees as an ELT member, and the Board meeting attendance fees are paid for the board meetings she attends.

Share ownership guidelines for the Board

Syensqo acknowledges that the Belgian Governance Code recommends that a portion of the remuneration paid to non-executive directors be in shares (Principle 7.6), and that Syensqo's Remuneration Policy does not provide for this. However, the Remuneration Committee considers that the current Remuneration Policy complies with the objectives of Principle 7.6. Indeed, the Share Ownership Guidelines provide that non-executive directors need to hold equivalent to 100% of their gross annual fixed fees in shares. This shareholding is to be built up over a period of 3 years. These shares should be held until at least one year after the non-executive director leaves the Board of Directors and, in any case, for at least three years after the shares were acquired. The dividends attached to these shares are paid at the same time as for the other shareholders.

The Remuneration Committee regularly reviews Syensqo's remuneration practices, disclosures and market practices to determine whether the current Remuneration Policy remains appropriate. Any changes to the Remuneration Policy regarding the Board's remuneration will be submitted to shareholders and only be implemented following shareholder approval.

Amount of remuneration and other benefits granted directly or indirectly to the members of the Board by the Company or by an affiliated company

GROSS COMPENSATION AND OTHER BENEFITS GRANTED TO DIRECTORS

	From January 1st to December 31st 2024 (Amount in EUR)														2023 from December 8th to 31st 2023	
Name Mandate	Fixed fees	# Board meetings attended	Board Committee fee	# Finance Committee meetings attended	Finance Committee fee	# Audit Committee meetings attended	Audit Committee fee	# Remuneration Committee attended	Remuneration Committee fee	# Nomination Committee attended	Nomination Committee fee	# ESG Committee attended	ESG Committee fee	Total fees for 2024	Total gross amount including fix fees	Board of Directors and Committees attendance fees
Rosemary Thorne Chair of the Board of Directors and Chair of the Finance Committee	300,000	*8/8*			2/2			4/4			4/4			300,000	20,964	4,000
Ilham Kadri Chief Executive Officer and a member of the Board of Directors		*8/8*	8,000		2/2							3/3		8,000	6,083	4,000
Françoise de Viron Non-Independent Director, Vice-Chair of the Board of Directors and Chair of the ESG Committee	113,000	*8/8*	8,000					*4/4*	1,000	*4/4*	4,000	*3/3*	3,000	129,000	6,083	4,000
Matti Lievonen Independent Director and Chair of the Remuneration Committee	103,000	*8/8*	8,000					*4/4*	4,000	*4/4*	1,000			116,000	6,083	4,000
Edouard Janssen Non-Independent Director	105,000	*7/8*	7,000	*2/2*	2,000	*6/6*	6,000							120,000	6,083	4,000
Julian Waldron Independent Director and Chair of the Audit and Risk Committee	120,000	*8/8*	8,000	*2/2*	2,000	*6/6*	6,000							136,000	6,083	4,000
Heike Van de Kerkhof Independent Director and Chair of the Nomination Committee	123,000	*8/8*	8,000			*6/6*	6,000	*4/4*	1,000	*4/4*	4,000			142,000	6,083	4,000
Roeland Baan Independent Director	115,000	*7/8*	7,000	*2/2*	2,000	*5/6*	5,000					*3/3*	3,000	132,000		
Mary Meaney Non-Independent Director	85,000	*8/8*	8,000									*3/3*	3,000	96,000	6,083	4,000
Nadine Leslie Independent Director	105,000	*7/8**	8,000					*2/4*		*3/4*	3,000	*2/3*	2,000	118,000	6,083	4,000
TOTAL														**1,297,000**		

* *The attendance fee was increase by €1,000 as the board member travelled intercontinentally to attend one meeting in person out of the 7 meetings she attended*

3.5.3 Remuneration of the Executive Leadership Team (ELT)

Syensqo's remuneration philosophy and policy

The following table summarizes the core elements and key principles of Syensqo's Remuneration Policy which apply both to ELT members and other senior executives:

Fixed compensation	+	One-Year Variable STI (cash bonus)	+	Multi-Year Variable LTI (shares plan)	+	Benefits	=	Total Remuneration

Fixed remuneration (base salary)

Purpose and link to strategy	Policy
Ensure that Syensqo's ELT members are rewarded for their experience, responsibilities and individual performance while maximizing returns in a responsible and sustainable way. The strengthened framework looks to attract, motivate and retain the best executive talent in alignment with market trends and shareholders' long-term interests. These important principles are also reflected in the remuneration policies and programs offered to Syensqo employees globally. Provide market-aligned cash income, which is regularly reviewed by the Remuneration Committee considering positioning relative to the peer market median, performance, indexation, and role changes.	In line with the Remuneration Policy, remuneration of the ELT members is benchmarked against that of a relevant peer group. The peer group reflects Syensqo's strategy and pool for executive talent, while also considering other factors such as: industry, size, geographic presence, complexity and talent market dynamics. Syensqo aligns the remuneration of its Executive Leadership Team (ELT) with a peer group that mirrors its strategic focus and executive talent pool. This peer group comprises European chemical and industrial firms similar in operational footprint, revenues, and headcount. The peer group may change from time to time to reflect these criteria and changes are approved by the Board of Directors. The Remuneration Committee targets positioning Syensqo's remuneration packages around the market median, considering individual experience and performance. Regular reviews of the peer group composition ensure alignment with Syensqo's strategic direction and changes in the selected companies' ownership or operating models.

STI (cash bonus)

Purpose and link to strategy	Policy
Short- term variable remuneration is tied to the achievement of strategic objectives, including financial performance, driving sustainable performance, and recognizes the delivery of excellent results	2024 target STI: 120% of base salary for the CEO and 70% for the other ELT members. The minimum payout is 0% and maximum is 200% of STI target. The weight STI performance metrics is as follows: • 65% Financial • 15% ESG • 20% Individual objectives Weights may vary to reflect priorities within the policy parameters

LTI (share-based incentive)

Purpose and link to strategy	Policy
Fosters alignment with shareholder interests, promoting accountability and driving long-term value creation through strategic execution and performance excellence.	The annual grant value is determined as a percentage of fixed base remuneration for all ELT members. 2024 target LTI levels represented 150% of base pay for the CEO and up to 125% for the other ELT members. Outcomes range from zero if the minimum targets are not met, to a maximum of 150% of target if all plan objectives are achieved. Performance share plan representing 70% of the LTI grant and a Restricted share plan for 30%.

Other elements of fixed remuneration (pension and other benefits)		**Share ownership guidelines**	
Purpose and link to strategy	**Policy**	**Purpose and link to strategy**	**Policy**
Contribute to the competitiveness of the overall remuneration package in alignment with market practice.	Set around the median of the market and is a reflection of Syensqo's principle of Care.	Requirement for a minimum share ownership by ELT members. Ensure alignment between the interests of the ELT members and Syensqo's long-term value creation.	The weight PSU performance metrics are as follows: • Financial objectives (80%) • Sustainability objectives (20%) 150% of fixed base remuneration for the CEO and 100% of fixed base remuneration for other ELT members. 5-year period to comply. Any shares acquired to meet this requirement should be held until at least one year after the ELT member leaves the Group and, in any case, for at least three years after the shares were acquired.

Malus and claw back	**Discretion**
As per the Remuneration Policy, the Remuneration Committee will exercise discretion to activate malus and clawback provisions in exceptional circumstances, such as serious reputational damage, risk management failures, financial errors, misconduct, regulatory breaches, significant losses, or deteriorating financial health, with clawback potentially extending up to three years for awards under the Remuneration Policy.	The Remuneration Committee retains discretion to adjust performance outcomes under the Short-Term Incentive (STI) and Long-Term Incentive (LTI) programs based on various factors, including unforeseen circumstances, shareholder experience, and other relevant considerations, with explanations provided in the annual remuneration report. Additionally, the Committee may apply discretion to adjust award opportunities, with details as to how discretion was applied to be disclosed in the Remuneration Report for shareholder approval.

Peer group

The peer group considered for the ELT, which remains unchanged since the previous year, is the following:

- UCB
- Umicore
- BASF
- Brenntag
- Covestro
- Evonik
- LANXESS
- Wacker Chemie AG
- AkzoNobel
- Clariant
- Givaudan
- Babcock International Group
- Croda International Plc
- Johnson Matthey Plc

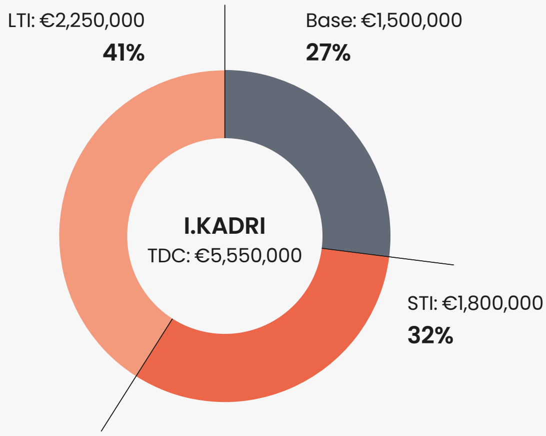
Pay mix and remuneration opportunities for ELT members

The pay mix of ELT members at the end of the reporting period is outlined below, and displays their Total Direct Remuneration "at target". As shown in the graphs, the Remuneration Policy is highly geared toward variable remuneration that is subject to meeting pre-determined performance objectives that are aligned with what is communicated to the financial market as well as incorporating our sustainability ambition.

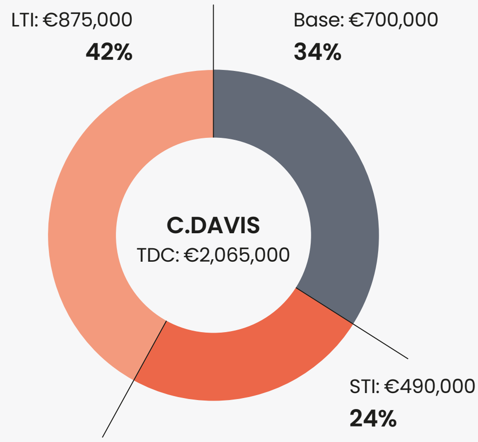
Overview: Pay mix of ELT members

The below graphs cover base remuneration and the standard short-term and long-term incentives granted as part of the Remuneration Policy "at target" for the full year 2024 (in millions of euros). They display the remuneration to which ELT members would have been entitled, at target, for the period from January 1, 2024 until December 31, 2024.

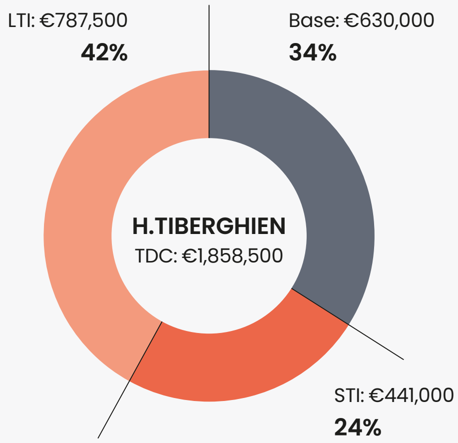
As on December 31, 2024



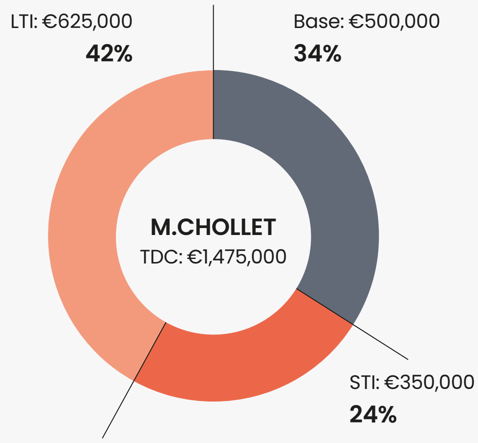
Fixed: 27% / Variable : 73% (LTI & STI)



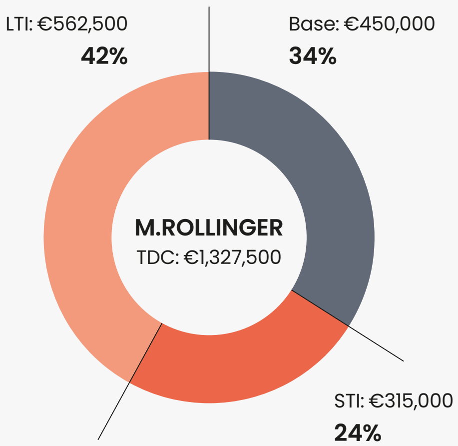
Fixed: 34% / Variable : 66% (LTI & STI)



Fixed: 34% / Variable : 66% (LTI & STI)



Fixed: 34% / Variable : 66% (LTI & STI)



Fixed: 34% / Variable : 66% (LTI & STI)

Pay mix and remuneration opportunities for ELT members

- LTI
- STI
- Fixed base

Base remuneration and Benefits

Fixed base remuneration

Fixed base remuneration reflects the individual's experience, skills, responsibilities, and performance. It is reviewed annually and may be adjusted, taking into consideration a number of factors, including:

- comparable salaries in appropriate comparator groups;
- changes within the scope of the role;
- changes in the Group's size and profile; and
- inflation following legal requirements in different countries.

Fixed base remuneration, which does not include the value of any benefits offered to ELT members, is used to calculate targets for variable remuneration.

Details of the fixed base remuneration of the CEO and other ELT members are disclosed in Section "Amount of remuneration paid and other benefits granted directly or indirectly to the CEO and other ELT Members" of this Annual Integrated Report.

For 2025, in light of the current challenges confronting the business, the Executive leadership Team have elected to hold their annual fixed fee or remuneration unchanged as an act of leadership and to demonstrate their commitment and solidarity with the business in difficult circumstances. This choice has been endorsed and approved by the Remuneration Committee and the Board of Director, setting the tone and example for the business.

Pension and other benefits

Benefits are not dependent on an individual's performance and are seen as a critical part of Syensqo's remuneration package. Syensqo aims to ensure that the nature and level of these benefits are in line with market practice and what is provided to other executives in the Group.

In accordance with Belgian legal requirements, the CEO, Ilham Kadri, is self-employed and has a separate management agreement with the Company which was transferred from Solvay to Syensqo. This agreement provides for specific provisions with respect to pension contributions, death-in-service and disability benefits.

Some of the ELT members have a separate contractual agreement, giving them self employed status in Belgium. This includes pension, death-in-service and disability provisions.

Except the CEO who must be self-employed, the other ELT members are either employees of the Company or self-employed. ELT members who are employees are granted benefits such as a pension plan, death-in-service, disability and healthcare benefits according to the provisions of the plans applicable in their home countries. Self-employed ELT members (other than the CEO) are entitled to the payment of an annual fixed base fee under their contractual agreement with the Company, which will also covers pension contributions, death-in-service, disability and healthcare benefits, as well as certain benefits-in-kind (e.g. company vehicle or car allowance, tax filing assistance).

Syensqo aims to ensure that the nature and level of these other benefits are appropriately aligned with market practice and what is provided to other executives in the Group.

Hervé Tiberghien (Chief Operations and People Officer) entered into separate management agreements with the Company from December 8, 2023, giving him self-employed status in Belgium. Christopher Davis (Chief Financial Officer) has entered into a separate management agreement with the Company since May 1, 2024, following the completion of the change in immigration status as required by the Belgium authorities. These agreements include pension, death-in-service and disability provisions.

Marc Chollet (Chief Strategy Officer) and Mark Rollinger (General Counsel), based in France, remain under local employment contract under French law.

Short- and long-term variable pay

Short Term Incentive (STI) plan

Maximum Award Opportunities

As per the Remuneration Policy, the STI target is 120% of fixed base remuneration for the CEO and up to 70% of fixed base remuneration for other ELT members. The minimum payout is 0% and maximum is 200% of STI target. The award limit complies with the recommendation of the Corporate Governance Code (2020) that the short-term variable remuneration to the executive management be subject to a cap (Principle 7.10).

These maximum award opportunities will remain for the 2025 financial year.

Setting STI Performance Objectives

Annually, the Board establishes performance objectives for both the Group and the CEO, a process typically conducted during the February Board meeting. The performance objective-setting aims to establish challenging yet achievable targets, incorporating input from various perspectives within the business while ensuring alignment with Syensqo's long-term growth and sustainability goals communicated to the market. Moreover, this process is also mindful of not incentivizing executives to take excessive risks that could jeopardize the company's stability, reputation, and long-term sustainability.

Syensqo's strategy for performance objectives tied to Short-Term Incentives (STIs) involves establishing ambitious, growth-focused targets for the "target" award level, while "maximum" awards are reserved for achieving exceptionally high performance levels, ensuring adherence to the principle of pay-for-performance.

In line with market practice, and due to the commercial sensitivity of disclosing short-term targets prospectively, Syensqo discloses the performance objectives set and the performance against them on a retrospective basis.

STI Performance Objectives

The STI plan provides a cash opportunity that is based solely on the achievement of pre-determined annual financial, non-financial and individual objectives.

Target amount	Payout range	Payout is calculated on the basis of the achievement of the 3 components with respective weighting*
Set as a % of the fixed base remuneration	Between 0% to 200% of the STI target	Group objectives: **65%** Individual objectives: **20%** Sustainability: **15%**

** Weighting of each measure can vary with policy.*

The 2024 STI plan focuses on three broad performance categories with the following weightings for all ELT members:

- Financial Objectives (65% of the STI) aims to align with shareholder interests through various criteria, which could include metrics such as free cash flow conversion, alongside other measures focused on enhancing profitability and shareholder value.
- Syensqo One Planet Objectives (15% of the STI), aims to reflect our sustainability initiatives to use it as our strategic advantage through focusing on three areas: Climate and Nature, Sustainable Growth, and Better Life.
- Individual Objectives (20% of the STI): are customized for each ELT member to align with their specific roles and responsibilities within the organization. They may include objectives related to areas such as project milestones, innovation initiatives, leadership development, or any other relevant metrics that measure the ELT member's impact on Syensqo's success. These objectives are pre-determined, and may be quantitative and/or qualitative. These objectives are defined by the Board for the CEO and then cascaded down to other ELT members by the CEO. The CEO assesses the achievement of individual objectives by the ELT Members, and this assessment is then reviewed and validated by the Board. The individual performance of the CEO is assessed by the Remuneration Committee, and this is then reviewed and validated by the Board. The CEO is absent from the Remuneration Committee and Board during all discussions relating to CEO pay.

In line with market practice, and due to the commercial sensitivity of disclosing short-term targets, Syensqo will disclose targets and the performance against these targets on a retrospective basis only. However, Syensqo will disclose in a separate document, ahead of the Ordinary General Shareholders Meeting, the performance measures and associated weighting of each measure selected under the STI plan to determine the CEO's bonus for the upcoming financial year.

Bonuses are subject to malus and clawback provisions, as foreseen in the Remuneration Policy.

Group performance 2024

The Group's 2024 performance results are:

GROUP PERFORMANCE 2024

Group Performance Measures	Minimum	Actual performance	Target	Maximum	Result for STI payout calculation
Organic EBITDA growth	-12%	-10%	-7%	7%	41%
Free cash flow conversion	17%	15.8%	20%	25%	0%
Syensqo One Planet progress	Overall achievement of the 7 KPIs	✓		Significant improvement compared to targets overall	163%

● Actual performance

Taking into account external challenges, the Remuneration Committee recognised the business leadership for achieving robust results despite severe headwinds. The Remuneration Committee considered that the overall STI outcome appropriately reflects the results delivered.

Summary of CEO STI objectives for 2024

Objectives	Overall weight	KPI	Sub-weight
Financial	65%	EBITDA (70%)	45.5%
		Free Cash Flow (30%)	19.5%
Sustainability	15%	One Planet	15%
Individual non-financial	20%	Strategy & Operations People, brand and investors Other	20%

Individual objectives and performance of the CEO for STI calculation

The Board and Remuneration Committee determine these objectives at the beginning of the financial year and track their achievement as part of a review of the CEO's performance during the year.

The performance has been measured in a holistic way, considering short-term impact and overall long-term company sustainability.

The payout level for the individual objectives for the CEO was proposed to the Board by the Remuneration Committee on the performance assessment at the end of the cycle as summarized below in the key priority areas for 2024.

Category	Objective	Key initiatives delivered as part of the objective
Strategy & Operations	Growth and Innovation Portfolio Assessment Responsible Manufacturing	• Build a healthy commercial pipeline to support growth and instill a customer-obsession culture with a hunting mindset • Develop a growth strategy for APAC • Set up an internal GenAI incubator infrastructure with use cases to drive growth • Refresh strategy and assess Syensqo current portfolio • Announced Syensqo's first One Planet target for Nature, to achieve a 20% average reduction in Fresh Water Intake by 2030 compared to 2021 at highly water stressed sites • Released the first Human Rights Report detailing our commitment to Human Rights in our operations and supply chain • Star factory design plan and implementation (Productivity, One Planet incl. community engagement, Digitalisation.) • Swiftly initiated a project to right-size our operations
People, brand and investors	Syensqo culture Fit-for-purpose organization Syensqo Brand Equity	• Activate the NEW company purpose across the organization at every level, and reinforce the new company governance • Continue promoting Code of business Integrity (CoBi) and continue driving fair and inclusive cultureprogram at all levels of the company • Launch a day3 PMO with dedicated leadership, preparing a successful TSA exit, designing a new infrastructure (IT, IS, GBS, ERP) • Launch and build brand equity globally and reinforce engagement with key stakeholders across different geographies
Other	Financing / Balance Sheet growth Thought leadership for the Industry	• Continue to lead a responsible and sustainable industry • Engage in external non-profit institutions (WBCSD, CEFIC, ERT) to promote a sustainable industry and raise Syensqo's profile • Pursue philanthropic support to communities and healing the planet (Syensqo Fund)
Total range 0% to 40% of STI		**Final individual performance score: 34.5%**

2024 was a pivotal year for Syensqo, as a new company navigating a challenging macroeconomic landscape. The focus was on establishing Syensqo's strategic, structural, and cultural foundations, attracting new investors, strengthening shareholder confidence, and optimizing operations, all while progressing toward a successful separation from Solvay. The Financial outcomes for 2024 are below target which is in line with the performance of the business and the Board have not exercised any discretion in adjusting the outcome. For the individual element, in recognition of her outstanding leadership and unwavering commitment in 2024, particularly in challenging circumstances, the Board of Directors following the performance assessment conducted by the Remuneration Committee, approved an individual award of 34.5% resulting in an overall Short-Term Incentive (STI) outcome of 1,400,000 euros. This represents a total bonus award of 78% of her STI target, which the board is satisfied with in an accurate reflection of both Group and individual performance.

The One planet targets, accounting for 15% of the STI target amount, consisted in seven equally weighted metrics related to our commitment to sustainability. The objective related to climate resulted in an outcome of 77,143 euros, which represents 5.51% of the STI payout of the CEO, considering the actual performance on this metric.This amount is reflected in the STI award above and is not in addition to it.

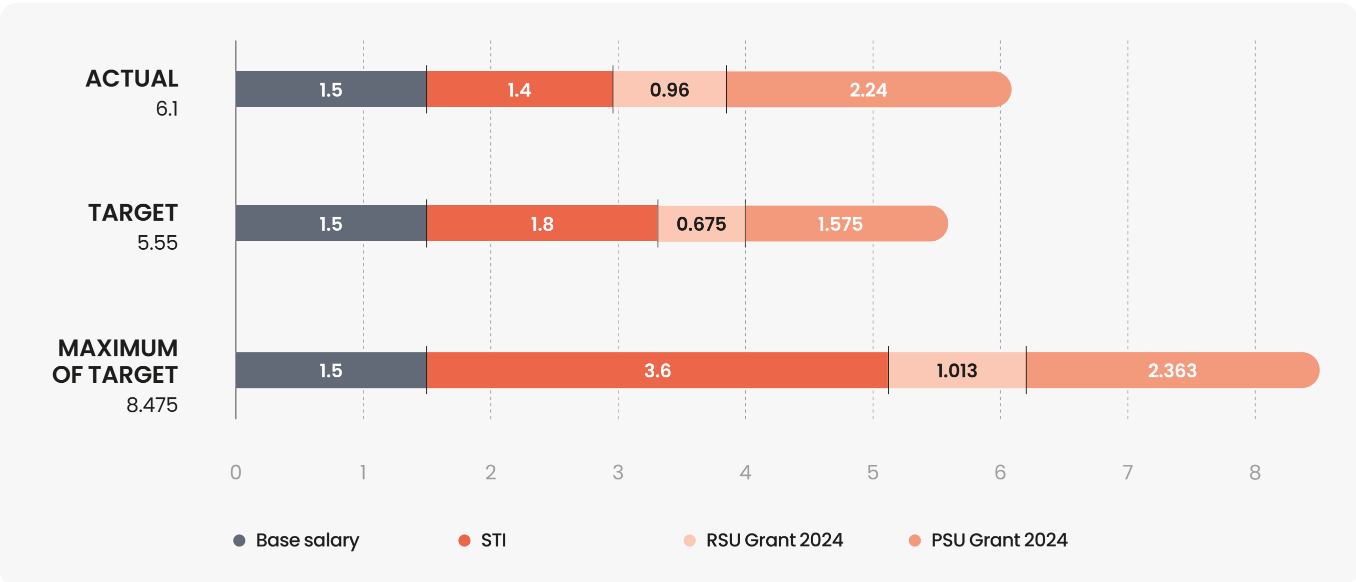
STI payout amounts, taking into account the Group and individual performance of each ELT member for the results achieved in 2024, are disclosed in section "Amount of remuneration paid and other benefits granted directly or indirectly to the CEO and other ELT Members".

Pay for performance

CEO : Actual again maximum possible

The pay for performance impact can be illustrated as follows for the CEO:

ACTUAL TARGET AND MAXIMUM OF TARGET



Long Term Incentive (LTI)

Scheme's purpose and components

Syensqo aims to incentivize its ELT members by implementing a Long Term Incentive (LTI), wherein a substantial portion of equity awards is contingent upon performance criteria aligned with the Company's communicated strategy. This approach fosters alignment with shareholder interests, promoting accountability and driving long-term value creation through strategic execution and performance excellence.

Syensqo uses two equity vehicles to incentivize its ELT members: the Performance-based Share Units (PSUs) and the Restricted Stock Units (RSUs):

PSUs	RSUs
PSUs represent 70% of the annual grant value and vest by meeting pre-defined long-term financial and non-financial objectives over a three-year performance period to promote a focus on long-term enterprise value growth and sustainability.	RSUs represent 30% of the annual grant value and vest over three years and aims to align ELT members' interests with that of shareholders and foster the retention of key personnel.
Performance objectives are distributed across Financial (60% to 80% of the award) and One Planet (20% to 40% of the award) categories, with targets and their respective weights established to align with the Group's mid- and long-term strategy. The opportunity varies from a minimum of zero, if the minimum target is not met, to a maximum payout of 150%, if the maximum target is achieved. In addition, for the vesting of the PSUs, a performance measure compares the relative performance of the Group to the TSR performance of the Stoxx 600 index, ensuring a clear focus within the ELT to create shareholder value. Where the PSU result is above zero, the TSR measure can decrease the PSU outcome by 25% of the PSU result when the TSR is in the lower quartile of the Stoxx 600 index, and increase the PSU result by 25% when the TSR is in the top quartile of the Stoxx 600 index. Syensqo will disclose in a separate document, ahead of the Ordinary General Shareholders Meeting, the performance measures and associated weighting of each measure selected under the LTI plan to determine the vesting of PSUs granted in 2025. The Board assesses the achievement of the targets set, based as a rule on the audited results of the Group. Every year, the Board determines the budget available for distribution and the total volume of PSUs available is subsequently allocated to the eligible population. PSUs feature employment or presence conditions, and dividends accrue solely on vested awards, paid out at the conclusion of the performance period.	RSUs feature employment or presence conditions, and dividends accrue solely on vested awards, paid out at the conclusion of the three-year vesting period.
Share Ownership guidelines To align executives' interests with those of shareholders, a requirement to build and maintain a shareholding in Syensqo equivalent to 150% of fixed base remuneration for the CEO and 100% of fixed base remuneration for other ELT members is included in the Remuneration Policy. This shareholding should normally be built up over a period not exceeding five years. This is in compliance with the recommendation of the Belgian Governance Code (Principle 7.9). Any shares acquired to meet this requirement should be held until at least one year after the ELT member leaves the Group and, in any case, for at least three years after the shares were acquired. At this stage, ELT members are building their shareholding to meet these Share Ownership Guidelines (See detail under Section 3.1.1 of the Corporate Governance Statement).	**CLAWBACK PROVISIONS RELATING TO LTI (PSUS AND RSUS)** Syensqo has the right to claim reimbursement of any amounts paid in accordance with the PSU - RSU plans, from any participant, during a period of three years from the date of the payment, on the basis of erroneous results that were subsequently adjusted or corrected.

SHARES PLAN (PSU AND RSU)
INCLUDING PSUS - RSUS ALLOTTED IN 2024 TO ELT MEMBERS

The main conditions of the performance share plan						Information regarding the reported financial year		
						During the year		
Name	Plan specification & year	Performance Period	Award Date	Vesting Date	Opening balance	Shares awarded		Closing Balance on 31/12/2024
					Balance outstanding shares begin year	Number of shares	Grant Value (€)	
Ilham Kadri	RSU 2022 - Solvay	2022-2024	7.05.2022	31.12.2024	26,550			26,550
	RSU 2022 - Syensqo	2022-2024	7.05.2022	31.12.2024	26,550			26,550
	PSU 2023	2023-2025	7.03.2023	31.12.2025	26,049			26,049
	RSU 2023	2023-2025	7.03.2023	31.12.2025	11,164			11,164
	PSU 2024*	2024-2026	24.03.2024	31.12.2026		26,525	2,240,000	26,525
	RSU 2024*	2024-2026	24.03.2024	31.12.2026		11,368	960,000	11,368
	Total				**90,313**			**128,206**
Christopher Davis	PSU 2023	2023-2025	7.03.2023	31.12.2025	4,186			4,186
	RSU 2023	2023-2025	7.03.2023	31.12.2025	1,795			1,795
	PSU 2024*	2024-2026	24.03.2024	31.12.2026		7,253	612,500	7,253
	RSU 2024*	2024-2026	24.03.2024	31.12.2026		3,109	262,500	3,109
	Total				**5,981**			**16,343**
Hervé Tiberghien	RSU 2022 - Solvay	2022-2024	7.05.2022	31.12.2024	6,303			6,303
	RSU 2022 - Syensqo	2022-2024	7.05.2022	31.12.2024	6,303			6,303
	PSU 2023	2023-2025	7.03.2023	31.12.2025	5,522			5,522
	RSU 2023	2023-2025	7.03.2023	31.12.2025	2,367			2,367
	PSU 2024*	2024-2026	24.03.2024	31.12.2026		6,528	551,250	6,528
	RSU 2024*	2024-2026	24.03.2024	31.12.2026		2,798	236,250	2,798
	Total				**20,495**			**29,821**

The main conditions of the performance share plan						Information regarding the reported financial year		
						During the year		
Name	Plan specification & year	Performance Period	Award Date	Vesting Date	Opening balance	Shares awarded		Closing Balance on 31/12/2024
					Balance outstanding shares begin year	Number of shares	Grant Value (€)	
Chollet, Marc	RSU 2022 - Solvay	2022-2024	7.05.2022	31.12.2024	5,836			5,836
	RSU 2022 - Syensqo	2022-2024	7.05.2022	31.12.2024	5,836			5,836
	PSU 2023	2023-2025	7.03.2023	31.12.2025	4,900			4,900
	RSU 2023	2023-2025	7.03.2023	31.12.2025	2,100			2,100
	PSU 2024*	2024-2026	24.03.2024	31.12.2026		5,181	437,500	5,181
	RSU 2024*	2024-2026	24.03.2024	31.12.2026		2,221	187,500	2,221
	Total							**26,074**
Mark Rollinger	PSU 2023	2023-2025	7.03.2023	31.12.2025	2,851			2,851
	RSU 2023	2023-2025	7.03.2023	31.12.2025	4,086			4,086
	PSU 2024*	2024-2026	24.03.2024	31.12.2026		4,663	393,750	4,663
	RSU 2024*	2024-2026	24.03.2024	31.12.2026		1,999	168,750	1,999
	Total							**13,599**

* *PSU's and RSU's share price for March 2024 grant was €84.35*

Stock options (SOP)

Outstanding SOPs were transferred from Solvay to Syensqo on December 8, 2023 in the context of the Partial Demerger. Therefore, Syensqo ELT members who have been transferred from Solvay to Syensqo hold SOPs as part of the LTI plans adjustments validated by Solvay's Board and described in the 2023 Syensqo Annual Report in Section [5.3.5.2.2] "Adjustments to the outstanding SOPs and PSUs and RSUs plans".

As of December 31, 2024, historical Stock Option Plans (SOP) under Solvay in place before the Partial Demerger remained outstanding under the 2020 and 2021 SOPs, and the rules thereof are reiterated below.

Under Belgian law, unlike most other jurisdictions, taxes on stock options are due at the time of grant. Solvay, like other Belgian companies, had therefore set no additional performance criteria for determining the vesting of stock options. The options have a vesting period of three full calendar years – meaning that options will vest on the first day of the fourth year after the grant year – followed by a four-year exercise period.

When they were granted, the SOPs gave each beneficiary the right to buy shares at a strike price corresponding to the fair market value of the shares upon grant. Every year, the Board determined the volume of stock options available for distribution, based on an assessment of the economic fair value at grant, using the Black Scholes valuation formula. The total volume of options available was subsequently allocated to the eligible population.

Features:

- options are granted at the money (or fair market) value;
- they become exercisable for the first time three full calendar years after they are granted;
- they have a maximum term of eight years;
- they are not transferable inter vivos;
- the plan includes a bad leaver clause.

In addition, SOPs also remain outstanding under 2022 SOP that was set up in the context of the Partial Demerger, the features of which are as follows:

- Stock options were subject to performance conditions – implementation of separation and value creation – and would have been forfeited in full if the Partial Demerger had not occurred by 2025.
- The combined share prices of Solvay and Syensqo following completion of the Partial Demerger had to be above €100 for at least 15 trading days in total (not required to be consecutive days), for the options to become exercisable as from January 1, 2026 and deliver value. If this criteria had not been met, the award would have lapsed.
- The options may be exercised by beneficiaries between January 1, 2026 and December 31, 2027 inclusive, providing presence and performance criteria are met.
- Taxes were paid at the time of the grant in Belgium and cannot be recouped if the options do not vest or upon voluntary departure, demonstrating executives' commitment and belief in the success of the Partial Demerger and value creation for both companies.
- The Exercise Price of each option is €84.34, which was the fair market value of the Solvay share at the time of the grant (August 2022).
- Each stock option entitle its holder to acquire one Solvay share and one Syensqo share against payment of the exercise price ("basket" options).
- Stock options were determined as a multiple of annual base salary in a range between 50% and 200%, depending on the Board's view of how critical the role of the beneficiary was for project Po2.

The 2022 SOP plan was not adjusted in the context of the Partial Demerger. Accordingly, the 2022 stock options remain "basket options" entitling their holders to acquire one Solvay share and one Syensqo against payment of the exercise price.

Stock options, PSUs and RSUs held on December 31, 2024 by the ELT members

The table below shows the evolution of outstanding balances of stock options issued to ELT members and the balance of the Syensqo stock options held by the ELT members as of December 31, 2024.

STOCK OPTIONS
BALANCE ON 31/12/2024

Name	SOP	Balance on 31/12/2023	Granted between in 2024	Exercised between in 2024	Expired in 2024	Vested	Non vested	Balance on 31/12/2024
Kadri, Ilham	Solvay (segregated options)(1)	93,617		56,632		93,617		36,985
	Syensqo (segregated options)(1)	93,617				93,617		93,617
	Basket options(2)	129,418					129,418	129,418
Tiberghien, Herve	Solvay (segregated options)(1)	27,135		16,415		27,135		10,720
	Syensqo (segregated options)(1)	27,135				27,135		27,135
	Basket options(2)	23,355					23,355	23,355
Chollet, Marc	Solvay (segregated options)(1)	41,536		24,169		41,536		17,367
	Syensqo (segregated options)(1)	41,536				41,536		41,536
	Basket options(2)	22,399					22,399	22,399
Total	Solvay (segregated options)(1)	162,288		97,216		162,288		65,072
	Syensqo (segregated options)(1)	162,288				162,288		162,288
	Basket options(2)	175,172					175,172	175,172

(1) *Options granted under the historical 2020 and/or 2021 SOPs reflecting the adjustments validated by Solvay's Board in the context of the Partial Demerger and which, accordingly, entitle their holder to acquire a Solvay share or a Syensqo share against the payment of separate exercise prices.*
(2) *Options granted under the 2022 Po2 SOP and which, accordingly, entitle their holder to a Solvay share and a Syensqo share against the payment of a single exercise price.*

None of the other ELT members hold any stock options as of December 31, 2024.

2021-2023 LTI Performance Share Unit plan performance results

The results of the 2021 PSU grant were calculated in April 2024 and paid in June 2024, based on a three-year performance period ending on December 31, 2023, with vesting factor of 100% of target.

Performance against the objectives set at the start of the performance period (in 2021), for the 3 years performance under the 2021 plan is summarized below:

Point based KPI matrix		Performance year 2021		Performance year 2022		Performance year 2023	
	Weight	Target	Result	Target	Result	Target	Result
Underlying EBITDA Organic Growth	40%	11%	27%	8%	29%	8%	-5%
ROCE Growth (bp)	40%	150	443	150	467	150	-181
CO_2 emissions reduction	20%	10.7	11	10.7	11	10.7	9.1

Based on the performance achieved against the targets set at the start of the performance period, this resulted in a payout of 100% of the PSU value granted in 2021, with the addition of the total dividends, taking into account the number of vested units calculated over three years (€11.65 per unit).

Payouts made in 2024 to the ELT Members relating to the 2021-2023 PSU plan are disclosed in the section below: Amount of remuneration paid and other benefits granted directly or indirectly to the CEO and other ELT Members.

Amount of remuneration paid and other benefits granted directly or indirectly to the CEO and other ELT members from January 1, 2024 to December 31, 2024

According to the Remuneration Policy and based on the Board of Directors' assessment of the performance of the Group and our executives in 2024 from January 1 to December 31, the remuneration of the CEO and other ELT members was as follows:

Name Position	Fixed remuneration	Variable remuneration: Annual variable pay based on 2024 paid in 2025	Variable remuneration: The value of vested equity based remuneration 2024(1)	Total direct remuneration	Extraordinary items (2)(3)	Benefits: Pension(4)	Benefits: Other(5)	Total remuneration Excluding extraordinary	Proportion of fixed and variable remuneration (excluding extraordinary items)	
Ilham Kadri CEO & Chairperson of the ELT	1,500,000	1,400,000	1,349,542	4,249,542	3,500,000	1,038,432	278,279	5,566,253	Fixed Variable	51% 49%
Christopher Davis CFO & ELT member	666,563	315,000	-	981,563		247,439	218,055	1,447,057	Fixed Variable	78% 22%
Hervé Tiberghien COO & ELT member	630,000	370,000	303,299	1,303,299		194,196	217,586	1,715,081	Fixed Variable	61% 39%
Joëlle Boxus CPO & ELT member	465,167	-	-	465,167	850,000	102,539	40,757	608,463	Fixed Variable	100% 0%
Marc Chollet CSO & ELT member	500,000	225,000	194,084	919,084		119,156	107,108	1,145,347	Fixed Variable	63% 37%
Mark Rollinger GC & ELT member	450,000	170,000	-	620,000		69,505	90,053	779,558	Fixed Variable	78% 22%

(1) PSU 2021-2023 paid in June 2024; overall plan result 100% as disclosed in the section "2021-2023 LTI Performance Share Unit plan performance results".

(2) Joelle Boxus termination package as per the self employment contract provisions (12 months monthy fee and STI at target).

(3) As previously disclosed in the Supplement to the Registration document as part of the demerger, published in November 2023, and in accordance with the agreed retention plan between Dr. Kadri and the Company, Dr. Ilham Kadri was granted a yearly retention payment, for the financial year ended on December 31, 2024, paid in 2025. The retention period also covers 2025 (an amount of €3.5M gross) and 2026 (an amount of €4M gross). This retention program and its related payments are made in compliance with the discretionary powers given to the Board contained within the Remuneration Policy. This is also in line with common practice and was implemented given the specific context where Syensqo began a stand-alone journey, the challenges it faces for the future, and to ensure focus can be maintained, as well as to ensure business continuity of Syensqo.

(4) Ilham Kadri : Special pension contribution of €10 M paid in Q1 2024 within current pension fund in order to take into account a more adequate level of occupational pension commitment in consideration for the previous positions before joining the Solvay Group.

(5) Long-term benefits (e.g. death-in-service, disability & medical benefits, jubilees) & benefits in kinds (e.g. company vehicle, education, relocation package expenses, tax filing assistance).

COMPARATIVE INFORMATION ON THE EVOLUTION OF REMUNERATION AND COMPANY PERFORMANCE

The table below shows the remuneration of the Board and the ELT in comparison to the Group's performance, starting on January 1, 2024, considering the start date of the new Syensqo Group and its ELT.

	2024
Remuneration	
Remuneration of the Board (€)	1,297,000
Remuneration of the CEO Ilham Kadri (€)	5,566,253
Remuneration for Members of the Executive Committee (€)	5,695,506
Average remuneration of employees (€)	88,492
Ratio between the remuneration of the CEO and the average remuneration of employees	63x
Syensqo performance	
Underlying profit for the period (€ million)	553
Underlying EBITDA (€ million)	1,412
Free Cash Flow (€ million)	390 Excluding the €167 million payment to NJDEP made in Q2 2024

The remuneration of the CEO and the ELT members includes: (1) base remuneration paid in 2024; (2) STI for the results of 2024; and (3) PSU value for the results of the 2021-2023 plan, paid in June 2024. It does not include: (1) granted or vested value of LTIs during 2024, as SOPs do not represent a value until exercised and PSUs and RSUs that vest on December 31 are delivered the following year, taking into account the performance of the Group over the vesting period for the PSUs; and (2) any one-time payments. Average remuneration of employees is calculated as: "total wages and direct social benefits" divided by the "number of employees on a year-over-year basis for continued operations," as disclosed in the respective sections of this Annual Integrated Report. Following the guidance issued by the Belgian Corporate Governance Commission regarding remuneration disclosure, published in November 2020, the ratio of the CEO's pay (highest paid executive in the Group) to that of the lowest paid Syensqo employee in Belgium in 2024 is 126x. The lowest paid employee is defined as a full-time employee in Belgium who has worked for a full year and holds the lowest base salary at year end. The actual total remuneration received by this employee is considered in the calculation of the ratio.

3.5.4 Statements of compliance of remuneration for Chairperson and ELT members

This report has been prepared by the Remuneration Committee.

The remuneration packages of Ilham Kadri, the Chairperson of the ELT (and CEO) and the other ELT members, are in compliance with Article 7:91 of the BCCA, which provides that, in the absence of statutory provisions to the contrary or express approval by the Annual Shareholders Meeting, at least 25% of the variable remuneration shall be linked to predetermined performance criteria that are objectively measurable over a period of at least two years, and at least another 25% should be based on predetermined performance criteria that are objectively measurable over a period of at least three years.

The remuneration packages are set by the Board, based on recommendations from the Remuneration Committee. These remuneration packages are also compliant with the Belgian Governance Code.

Variable remuneration consisted of an annual incentive based on the performance achieved relative to the Group's economic and sustainable development performance objectives, and on the performance of the individual as measured against a set of pre-determined individual objectives.

ELT members, including the CEO will receive, as from 2024, PSUs and RSUs in the form of shares.

The expenses of the ELT members, including those of its Chairperson (the CEO), are governed by the same rules that apply to all senior management staff, namely the justification of all business expenses, item by item. Private expenses are not reimbursed. In the case of mixed business and private expenses, such as cars, a proportionate rule is applied in the same way as to all management staff in the same position.

According to Belgian Law, any material changes to our Remuneration Policy need to be submitted to shareholders for approval before implementation.

3.5.5 Key provisions of Executive Leadership Team members' contractual relationships with the Company and/or an affiliated company, including provisions relating to remuneration in the event of early departure

ELT members, including the Chairperson (CEO), have directorships in Group subsidiaries as a function of their responsibilities. Where such directorships are compensated, they are included in the amounts given above, regardless of whether the position is deemed to be salaried or undertaken on a self-employed basis under local legislation.

ELT members are under a self-employed status and have a management agreement of Belgian law, except Marc Chollet and Mark Rollinger who are employed under employment contracts (subject to French law).

In the event of a decision to terminate Ilham Kadri's contract, she will be eligible for a contractual indemnity of 18 months of her fixed and variable compensation and all other benefits granted, and a non-competition period of 12 months applies, with payment of an indemnity equivalent to 6 months of remuneration computed in the same basis as the termination indemnity, unless the parties agree to waive the application of the clause.

In the event that Ilham Kadri resigns, she must give Syensqo a notice period of 6 months and she is subject to the non-competition clause described above, unless the parties agree to waive the application of the clause.

In the event of a change in control of Syensqo or a major restructuring of Syensqo, Ilham Kadri may ask that her contract be terminated at the same conditions as in case of termination by Syensqo no later than 90 days following such request.

The amount of the contractual indemnities of 18 months and 6 months has been approved by the Annual Shareholders Meeting of Solvay of May 10, 2022, that approved the Remuneration Policy of Solvay, in compliance with Article 7:92 of the Belgian Companies and Association Code. In addition, the convention for Ilham Kadri includes provisions for the possibility of tax equalization on certain elements of Dr. Kadri’s compensation as a consequence of the loss of her special tax status in Belgium.

Hervé Tiberghien and Christopher Davis have a management contract of a definite period of 4 years that is tacitly renewed when their mandate is renewed.

In the event that Syensqo terminates the contract of Hervé Tiberghien or Christopher Davis or if their mandate is not renewed at the end of a 4-year period, they will be eligible for a contractual indemnity equal to the annual fixed fees and the short term variable fees at target for a period of 12 months. Their management contracts provide for a non-competition period of 12 months after termination, with an indemnity that equals to 50% of the remuneration for the non-competition period (if Syensqo does not waive the application of the clause). This indemnity, if due by the Company, is included in the termination indemnity, from which it shall be deducted.

In the event that Hervé Tiberghien or Christopher Davis resign, they shall respect a notice period of 4,5 months and are subject to the non-competition clause described above, unless Syensqo waives the application of the clause.

For the other ELT members, in the event of a decision to terminate their employment contract or in the event that they resign the legal system applies (i.e. French law for Marc Chollet and Mark Rollinger).

A non-competition period of 12 months after termination applies to Marc Chollet , with an indemnity that equals to the higher of (i) 50% of his gross remuneration (including fixed remuneration, non-fixed remuneration and benefits) and (ii) 70% of the gross fixed remuneration, unless Syensqo waives the application of the clause. A non-competition period of 12 months after termination applies to Marc Rollinger , with an indemnity that equals to the higher of (i) 60% of his gross remuneration (including fixed remuneration, non-fixed remuneration and benefits) and (ii) 80% of the gross fixed remuneration, unless Syensqo waives the application of the clause.

At the time of departure from the ELT and the Group on July 31, 2024, Joëlle Boxus received a contractual departure indemnity of 12 months remuneration (computed on her total remuneration), in compliance with Belgian law and the terms of her self-employment contract, disclosed in the previous report (p. 113).

The above report is aligned with Belgian Governance Code requirements. Except for the CEO (whose contract has been contributed to Syensqo and whose contract’s key provisions are mentioned in and aligned with the Remuneration Policy), the terms and conditions of the other ELT members’ contracts are in deviation from the Remuneration Policy of Syensqo insofar as contractual termination indemnities apply to ELT members with a management contract, and non-competition indemnities in excess of the legal minimum requirements are foreseen in their contracts. The terms and conditions of the ELT members’ contracts aim to align with market practices.

3.6 Main characteristics of risk management, internal control and internal audit

3.6.1 Roles and responsibilities

Syensqo governance and organizational structure for risk management adhere to the three lines of defense model as depicted in the table below:

Board of Directors / Audit and Risk Committee		
The Audit and Risk Committee is in charge of monitoring the effectiveness of internal control systems. It supervises the work of Internal Audit and risk management relating to financial, operational and compliance monitoring, including ESG related aspects. The role and responsibilities of the Audit and Risk Committee are detailed in the Corporate Governance Charter. For additional information on the work of internal audit see section 6.5 below.		
Executive Leadership Team		
The Executive Leadership Team owns the Syensqo Top Group risks and is responsible for evaluating the effectiveness of risk mitigation strategies and monitoring the company performance.		
First Line: Management	**Second Line: Risk Management, Compliance and other monitoring and oversight Functions**	**Third line: Internal Audit**
Syensqo leaders and managers, as first line of defense, are accountable for ensuring the adequacy of the risk management and internal control framework in their respective Global Business Units (GBUs) and Functions.	The Risk Management and the Internal Control team, as part of the second line of defense, provide advice and ensure that leaders address the challenges at stake. It is in charge of setting up and maintaining a comprehensive and consistent system for risk management and internal control across the Group, which is independently reviewed by the Internal Audit team - the third line of defense. The Ethics and Compliance department coordinates investigations of potential Code of Business Integrity infringements.	The Internal Audit function provides independent and objective oversight. It evaluates the effectiveness of internal controls, risk management and governance processes.

3.6.2 The control environment

The control environment is the foundation of our internal control system, setting the tone at the top and fostering a culture of compliance and ethical behavior among all employees. It comprises diverse components that establish a clear framework of principles, rules, roles, and responsibilities, reflecting management's commitment to compliance.

- The Code of Business Integrity, available on our website, serves as a reference for underlying policies and procedures. Employees regularly receive training on the Code. More information can be found in the chapter on Corporate Governance Statement and the Sustainability Statements sections of this report.

To facilitate reporting on potential Code of Business Integrity violations, an Ethics Hotline managed by a third party is available for employees who cannot approach their managers or the compliance organization, or who prefer to remain anonymous. More information can be found in the Sustainability Statements section of this report.

Internal control systems have been established throughout the organization to ensure identification and mitigation of risks, including to financial and sustainability reporting, by setting up targets, policies, manuals, procedures, and internal controls. We continuously monitor our financial and sustainability reporting processes and controls and update them as needed.

3.6.3 The risk management process

The risk management process takes into account the organization’s strategic objectives and is structured into the following phases:

- Risk identification, assessment and prioritization
- Implementation of mitigation plans with risk owners accountable for delivery
- Monitoring of risk mitigation plans for adequacy and effectiveness
- Monitoring of key risk indicators to provide early warning signals of potential risk

Further details on Enterprise Risk Management, including a description of the Group’s main risks and the actions taken to avoid or mitigate them, can be found in the Risk Management section of this report. Additional details on the integration of ESG risks into the Risk Management process can be found in the Sustainability Statements section of this report.

3.6.4 Control activities and monitoring

Syensqo has an internal control system in place, established under the CFO's sponsorship, which aims to ensure compliance with current laws and regulations, the implementation of the Group policies, the accuracy of the financial and sustainability information and that internal processes are efficient and effective.

Internal Controls are designed and described by the Process Owners, based on a risk analysis, with the support of the Corporate Internal Control team. At each level of the Group, Control Owners are responsible for the control execution.

Control activities, policies and procedures, are defined for the major financial and sustainability reporting processes. With the Introduction of CSRD, The company has strengthened its internal control framework over the ESG reporting, by defining a formal ESG internal control framework. To define the ESG Internal Control framework, a risk approach and the controls objectives were defined ensuring that risks such as completeness, accuracy and integrity of data were covered.

The Internal Control team oversees a framework for monitoring control effectiveness and coordinates self-evaluation campaigns focusing on key risks and key processes.

Some internal controls are operated by Solvay under the Transition Services Agreement (TSA) between Solvay SA and Syensqo. Solvay is expected to operate these controls according to the standards set prior to the spin-off. Syensqo's Internal Control team receives assurance over these controls through a System and Organization Controls (SOC) Report.

3.6.5 Internal Audit

The Internal Audit team employs a systematic approach to enhance governance, risk management, and internal control processes, aiding the organization in achieving its objectives.

Guided by its Audit Charter, the team conducts audits across the Group, reporting to the Head of Internal Audit & Risk Management. The audit plan, approved by the Executive Leadership Team and the Audit and Risk Committee, is informed by the Group risk mapping, entity contributions to the Group, historical internal audit results and external benchmarking. It includes audits at entity levels and Group-wide processes, focusing on high-risk areas, including ESG. Each audit results in a report with findings, risks, and a Management action plan, which is monitored for implementation. The audit report is shared with the local and functional Management, business leaders, Executive Leadership team and presented at the Audit & Risk Committee meetings. The team also conducts cross-functional analyses, including of ESG related areas, to identify weaknesses and share insights for improvement with the Management, contributing to enhance the overall Internal Control system.

In 2024, the team conducted 16 audits, focusing on risk management, operational efficiency, internal controls, governance, and compliance. Key areas included ESG, Ethics and Compliance, information and physical security, and Group transformation.

The Head of Internal Audit & Risk Management reports to the CFO and maintains direct relationships with the Chair of the Audit and Risk Committee and the CEO, attending all committee meetings and having private sessions with the committee.

3.7 External audit

The audit of the Company's financial situation, financial statements, sustainability statements and the conformity of these statements – and the entries to be recorded in the financial statements in accordance with the BCCA and the bylaws – are entrusted to one or more auditors. These are appointed at the Shareholders Meeting and chosen from among the members, either natural or legal persons, of the Belgian Institute of Company Auditors.

The responsibilities and powers of the auditor(s) are set by law.

- The Shareholders Meeting sets the number of auditors and their emoluments in accordance with the law. Auditors are also entitled to reimbursement of their travel expenses for auditing the Company's sites and administrative offices.
- The Shareholders Meeting may also appoint one or more alternate auditors. Auditors are appointed for three-year renewable terms, which cannot be revoked by the Shareholders Meeting without good reason.
- The Audit and Risk Committee assesses the effectiveness, independence and objectivity of the external auditor with regard to the:
  - content, quality and insights provided in key external auditor plans and reports, in particular those summarizing audit work performed on risks identified by the Company;
  - engagement with the external auditor during Committee meetings;
  - robustness of the external auditor in their handling of key accounting principles;
  - provision of non-audit services.

Ernst and Young Réviseurs d'Entreprises SRL, incorporated under Belgian law, with registered office at Kouterveldstraat 7b, 1831 Diegem, Belgium, registered in the Brussels Register of Legal Persons under company number 0446.334. 711, represented by Ms. Marie Kaisin, was appointed as statutory auditor of the company by the Annual General Meeting of February 27, 2023 for a term of three years, expiring at the close of the Annual General Meeting of 2026, called to approve the financial statements for the year ending December 31, 2025. The Ordinary General Meeting of May 23, 2024 also entrusted the statutory auditor with the specific task of ensuring the sustainability reports, as required by Directive 2022/2464 of the European Parliament and of the European Council of December 14, 2022 concerning corporate sustainability reports, for a term equal to the current term of office of the company's statutory auditor.

For the year ending December 31, 2024, professional services were performed by Ernst and Young and their respective affiliates.

The yearly 2024 audit fees for Syensqo SA were set at €1.4 million for the statutory and consolidated accounts of Syensqo and at €0.6 million for the audit required by the Corporate Sustainability Reporting Directive. Additional audit fees for Syensqo affiliates in 2024 amount to €2.3 million. Supplementary non-audit fees of €2.7 million were engaged in 2024 by Syensqo and affiliates of which:

- Other assurance service missions:
  - Invoiced by the statutory auditor of the Group: €. 1.7 million,
  - Invoiced by other EY entities: €0.4million.

3.8 Deviation from the Belgian governance code

The Company deviates from Rule 7.6 of the Belgian Corporate Governance Code which recommends that a portion of the remuneration paid to non-executive directors be in shares. The Company considers however that its remuneration practices remain relevant and comply with the spirit of Rule 7.6 because non-executive directors are required to hold a number of Company shares equivalent to 100% of their gross annual fixed board fees. These shares should be held until at least one year after the non-executive director leaves the Board of Directors and, in any case, for at least three years after the shares were acquired.

For further details, please see Section 3.5 (Remuneration Report).

3.9 Items to be disclosed pursuant to article 34 of the Belgian Royal Decree of November 14, 2007

Article 34 of the Royal Decree of November 14, 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market (hereinafter the “Royal Decree”), requires them to enumerate and, if appropriate, comment in a management report on the following elements where their nature is such that they may have an impact in the event of a takeover bid.

3.9.1 Capital structure

As of December 31, 2024, the capital of the Company amounted to €1,351,624,292.82, represented by 105,032,929 ordinary shares with no designated par value, fully paid up.

All Syensqo shares are entitled to the same rights. There is a single class of shares.

3.9.2 Transfer of shares and shareholders’ arrangements

Syensqo’s articles of association do not contain any restriction on the transfer of shares.

The Company has been informed that certain individual shareholders who hold shares directly in Syensqo may decide to consult one another when questions of particular strategic importance are submitted by the Board of Directors to the Shareholders’ Meeting. Each of these shareholders, however, remains free to vote as he or she chooses. None of these individuals, either individually or in concert with others, reaches the initial 3% transparency notification threshold. Syensqo is not aware of the existence of a concert between its shareholders.

3.9.3 Holders of securities with special control rights

There are no such securities.

3.9.4 Control mechanism of any employee share scheme where the control rights are not exercised directly by the employees

There is no employee share scheme with such a mechanism.

3.9.5 Restrictions on the exercise of voting rights

Each Syensqo share entitles its holder to exercise one vote at Shareholders' Meetings.

Article 10 of the Company's articles of association provides that the exercise of voting rights and other rights attached to shares that are jointly owned, or of which the usufruct and bare ownership rights have been separated or are pledged, are suspended pending the appointment of a single representative to exercise the rights attached to the shares.

The voting rights attached to the shares in Syensqo held by Syensqo Stock Option Management, a wholly-owned indirect subsidiary of the Company, are, as a matter of law, suspended.

3.9.6 Appointment, renewal, resignation and dismissal of directors

The articles of association of the Company provide that the Company is to be managed by a Board of Directors composed of no less than five members, their number being determined by the Shareholders' Meeting (Article 12). Directors are, in principle, appointed by the Shareholders Meeting for four years, and may be reappointed.

The Board of Directors submits directors' appointments, renewals, resignations or dismissals to the Ordinary Shareholders Meeting for approval. It also invites such Shareholders' Meetings to vote on the independence of the directors fulfilling the related criteria, having first sought the advice of the Nomination Committee, whose mission is to define and assess the profile of any new candidate using its criteria for appointment and for specific competences.

The Ordinary Shareholders' Meeting decides on proposals made by the Board of Directors on this matter by a simple majority.

If a directorship becomes vacant during a term of office, the Board of Directors may co-opt a new director, subject to ratification at the next Shareholders' Meeting.

3.9.7 Amendment of Syensqo's articles of association

Amendments to the Company's articles of association must be submitted as a resolution to the Shareholders' Meeting, at which at least 50% of the share capital of Syensqo must be present or represented. In principle, amendments must be passed by a 75% majority of the votes cast.

If the attendance quorum is not met at the first Extraordinary Shareholders'' Meeting, a second Shareholders' Meeting may be convened and will take a decision without any attendance quorum requirement.

For certain other matters, such as amendment of the Purpose of the Company, higher voting majorities may apply.

3.9.8 Powers of the Board of Directors

Powers of the Board of Directors

The Board of Directors is the highest governing body of the Company.

It is entrusted with all the powers that are not reserved, by articles of association, to the Shareholders' Meeting.

The Board of Directors has kept responsibility for certain key areas and has delegated the remainder of its powers to an Executive Leadership Team (further detailed in the Charter).

In all matters for which it has exclusive responsibility, the Board of Directors works in close cooperation with the Executive Leadership Team, which, in particular, is responsible for preparing most of the proposals for decisions made by the Board of Directors.

The Board's authorizations to issue and buy back shares and increase the capital

Following the Extraordinary Shareholders' Meeting of December 8, 2023, the Board of Directors is authorized to acquire or pledge Syensqo shares at a unit price which may not be less than one euro (EUR 1.00) and which may not be more than 10% higher than the highest price on the last twenty (20) trading days prior to the transaction. The Company must also comply with the price limits set out in Articles 7:215 and following of the BCCA and Articles 8:2 and following of the Royal Decree implementing the BCCA. This authorization extends to the acquisition or pledging of shares in the Company by one of its direct and, insofar as necessary, indirect subsidiaries, as well as by any person acting in his or her own name but on behalf of these companies. The nominal value of the shares acquired, including those previously acquired by the Company and held in its portfolio and those acquired by a direct subsidiary within the meaning of Article 7:221, par. 1 of the BCCA, may not exceed 10% of the subscribed capital. This authorization is valid for five years as from February 2, 2024.

The Board of Directors is also authorized to acquire or pledge shares in the Company, where such acquisition is necessary to avoid serious and imminent harm to the Company, including in the event of a public takeover bid for the Company's shares. This authorization is valid for two years as from February 2, 2024.

The Board of Directors is authorized to sell Syensqo shares, subject to compliance with the applicable legal requirements, to one or more specific persons other than staff members. This authorization extends to the disposal of shares in the Company by one of its direct and, insofar as necessary, indirect subsidiaries, as well as by any person acting in his or her own name but on behalf of these companies. The Board of Directors is also authorized to dispose of shares in the Company, in accordance with the conditions set out in Articles 7:215 and following of the BCCA, when such disposal is necessary to avoid serious and imminent harm to the Company, including in the event of a public takeover bid for the Company's shares. This authorization extends to the disposal of shares in the Company by one of its direct and, insofar as necessary, indirect subsidiaries, as well as by any person acting in his or her own name but on behalf of these companies. This authorization is valid for two years as from February 2, 2024.

Following the same Extraordinary Shareholders' Meeting, the Board of Directors is authorized to increase the capital of the Company by a maximum amount of EUR 135,000,000. This authorization is valid for a duration of five years, as from February 2, 2024. The Board of Directors may limit or cancel shareholders' preferential rights. This option includes the limitation or elimination of shareholders' preferential rights in favor of one or more specific persons other than employees of the Company or its subsidiaries. Any decision to use the authorization given to the Board of Directors to increase the capital requires a majority of three quarters of the votes (rounded up to the nearest whole number) of the Directors present or represented at the relevant Board meeting.

The Board of Directors is further authorized to increase the Company's capital (including, where applicable, with limitation or cancellation of the shareholders' preferential rights) in the event of a public takeover bid for the securities issued by the Company, subject to the conditions and within the limits set out above and in Article 7:202 of the BCCA. This authorization is valid provided that the notification by the Financial Services and Markets Authority that it has received notice of a public takeover bid for the Company is received within two years as of December 8, 2023. Capital increases carried out by the Board of Directors under this authorization will be deducted from the remaining amount of the authorized capital.

3.9.9 Significant agreements or securities that may be impacted by a change of control of the Company

The Extraordinary Shareholders' Meeting of November 13, 2023 approved the change of control provisions set out in:

- The Separation Agreement (article 4.2) entered into between the Company and Solvay SA, governing certain matters relating to the separation of the Solvay Group and prior reorganization transactions, and the relationship of Syensqo, Solvay SA and their respective affiliates as from the effective date of the Partial Demerger, and implementing certain additional arrangements relating thereto, including certain cross-indemnification undertakings related to environmental liabilities.
- The U.S. Tax Matters Agreement (article 3.02) entered into between the Company and Solvay SA, Essential Holding America LLC and Solvay Holding, Inc., governing the respective rights, responsibilities and obligations of Syensqo and Solvay SA with respect to certain U.S. tax matters, including with respect to U.S. tax liabilities (including, generally, responsibility and potential indemnification obligations for U.S. taxes attributable to each company's business and taxes and losses arising, under certain circumstances, in connection with the intragroup spin-off of certain U.S. entities and the Partial Demerger, U.S. tax attributes, U.S. tax contests and U.S. tax returns).

3.9.10 Agreements between the Company and its directors or employees providing for remuneration if directors resign or are good leavers, or in the case of a public takeover bid

Not applicable to the non-executive directors. The key provisions of the ELT Members' contractual relationships with the Company and/or an affiliated company are described in Section 3.5.5 of the Remuneration Report.

04

ENTERPRISE RISK MANAGEMENT

4 ENTERPRISE RISK MANAGEMENT

In the context of elevated global economic and geopolitical uncertainty, environmental challenges, rapid technological advancements and heightened sensitivity and expectations related to climate change and sustainability, the need for a dynamic and forward-looking approach to risk management has never been more critical to Syensqo's success.

Our actions and commitment to robust and dynamic enterprise risk management ensures we remain agile and resilient, prepared to respond to evolving threats and positioned to seize opportunities.

4.1 Enterprise risk management in action

Risk identification → Risk evaluation → Risk response → Risk Monitoring

At Syensqo, risk-related processes and provisions (risk identification and evaluation, risk response and risk monitoring) are integrated into the way we work. They apply to everyone, from the Board of Directors and front-line workers, to our supply chain partners and customers.

Inspired by the Committee of Sponsoring Organizations (COSO) principles, our Enterprise Risk Management methodology and approach focus on the main critical and emerging risks that could significantly impact Syensqo's ability to achieve our strategic objectives. It requires our Global Business Units (GBUs), Functions and the Group as a whole to anticipate, identify and prioritize risks, develop and deliver on mitigation plans, continually scan the environment to assess whether risks and exposures are changing and test whether priorities and plans remain appropriate. This process is closely monitored by the Enterprise Risk Management team through systematic assessments, which enable us to monitor decisions and measure actions and progress.

Since 2023, the Enterprise Risk Management team has worked with the Sustainable Development team to align Syensqo's risk identification and evaluation with the requirements set out in the European Union's Corporate Sustainability Reporting Directive (CSRD). In 2024, we incorporated the results of the Enterprise Risk Management (ERM) assessment into the Double Materiality Assessment (DMA) detailed in the Sustainability Statements section Chapter 5.

Non ERM risks are managed and reported as part of normal business operations and routines established within GBUs and Business Functions - some of which are detailed in the relevant sections of our Annual Report. For example, Financial Risk Management is fully detailed in the Notes to the Financial Statements in Chapter 6.

4.1.1 Enterprise Risk Management process and governance

	Risk identification and evaluation	Risk response	Risk monitoring
Board	Annual review and validation of risk prioritization and evaluation methodology		• Annual Group risk assessment and program update
Audit and Risk Committee			• Assesses effectiveness of enterprise risk management program • Annual review and assessment of Top Group risks
		• Periodic presentations by risk owners on key actions and trends	
CEO		• Nominates Executive Risk Owners	
Executive Leadership Team (ELT)	• Provides top-down perspective on Top Group risks identified via bottom-up process • Provides input on any additional risks • Decides and validates Top Group Risks	• Drives strong risk management culture within their organizations/ functions	• Monitors the level of control of Top Group Risks (effectiveness of mitigation plans)
Executive Risk Owners	• Provides top-down perspective on Group risks identified via bottom-up process	• Provides guidance and risk leadership to Delegate Risk Owners and risk action teams	• Reviews Key Risk Indicators (KRIs) and Risk Actions with Delegate Risk Owners • Observes KRI trends to identify emerging risks and drive faster decision making
Delegate Risk Owners	• Provides input on any additional risks	• Ensures Risk Action Owners have the necessary resources and support to execute mitigation actions and escalate if necessary • Tracks and monitors progress of mitigation actions	• Monitors defined KRIs and follows up on significant changes
Risk Action (including key risk indicators) Owners		• Implement identified actions and reports progress and updates to Delegate Risk Owners	• Reports KRI metrics and trends to Delegate Risk Owners
Enterprise Risk Management (ERM) team	• Facilitates risk identification and evaluation workshops across GBUs and key Functions • Consolidates Group risks	• Assesses and provides feedback on effectiveness of actions • Tests adequacy of implemented actions prior to closure	• Monitors the effectiveness of mitigation plans • Monitors KRI trends, benchmarking them internally and externally • Drives and promotes risk culture and governance

The Enterprise Risk Management team is the focal point for enterprise risk management activities across Syensqo. The team works with GBUs, Functions and sites to identify, evaluate, mitigate and monitor Top Group Risks across the organization.

The Board of Directors meets with the CEO, CFO and the Head of Internal Audit and Risk Management once a year to discuss the Top Group Risks. During the year, the Audit and Risk Committee reviews progress and regularly invites the relevant leaders and risk owners to provide an overview of their risk and the progress made on mitigating actions.

4.1.2 Risk identification and evaluation

Nominated representatives from across Syensqo's GBUs and Functions are responsible for identifying and evaluating key risks in their areas. To help them with this, the ERM Team carries out structured Risk Identification and Evaluation workshops annually. Prior to the workshops, reading materials covering external risk scans and benchmarking of reported risks from Syensqo's key peers are provided to the teams. During these workshops, the ERM team validates and challenges identified risks as needed, to ensure that both emerging risks and broader Environmental, Social and Governance (ESG) considerations are taken into account. Once validated, identified risks are collated into a global Master Risk Register, managed centrally by the ERM team.

Any risks identified outside of these structured workshops at other points during the year are sent to the ERM team for evaluation and potential inclusion into the Master Risk Register.

Once a risk has been identified, it is evaluated using a standard risk assessment scale based on its magnitude (impact) and likelihood. Both are assessed on a scale of 1 to 5 and in alignment with the requirements set out in the CSRD. Following the guidelines outlined in European Sustainability Reporting Standard (ESRS) 1, ESG-related risks are clearly linked in the risk register to the relevant ESRS topic or sub-topic.

Risk magnitude or impact evaluates the potential financial, strategic, reputational or legal/compliance impact of identified risks. Risk likelihood assessments are done on the basis of residual risks - so they take into account the existence and effectiveness of the current controls in place to manage those risks. To meet CSRD requirements, ESG risks are also assessed on a gross risk basis (without consideration of existing controls). The total score for each risk is identified by multiplying its risk magnitude by its risk likelihood. For 2024, following the risk prioritization described above, eight key risk categories were identified as the Top Group Risks for Syensqo. They are presented in **Table 1** below.

The output of the Group Risk Identification and Evaluation process is reviewed and validated by the ELT at least once a year. Once validated, the CEO appoints owners for each of the Top Group Risks.

4.1.3 Risk Response

TABLE 1 - 2024 TOP GROUP RISKS & RESPONSE

RISK [ESG impact]	OUR RESPONSE
Environmental Factors [E] The risk that environmental factors like the physical (acute and chronic) and transition impacts of climate change lead to significant business disruption and damage to people and our plants, or that current or past releases into the environment (air, water, ground) from our production sites are judged negatively, leading to reputational damage, litigation and liabilities.	Climate change is a priority for Syensqo that presents both risks and opportunities for the Group. Our Climate Change Policy applies to all our operations and businesses. It outlines our approach to cut greenhouse gas (GHG) emissions across our operations and the value chain, manage climate-related impacts and transition risks and create positive impact by avoiding GHG emissions and advancing associated business opportunities. More details on the assessment of potential climate change impacts on our operations due to flooding, water scarcity, hurricanes and other environmental events can be found in the Sustainability Statements Chapter 5.2.1.1 - Climate change. Our Pollution Policy describes our commitment to prevent, control and reduce air, water and soil pollution. We strive to mitigate the potential negative impact of our operational processes on the surrounding communities and the environment by continuously improving pollution release monitoring. We apply the Pollution Mitigation Hierarchy (avoid, reduce, restore, regenerate and transform) approach. More details on how we monitor and manage current or past environmental releases can be found in the Sustainability Statements Chapter 5.2.1.4.2 - Emissions, effluents and remediation. We have a dedicated Environment Steering Committee that meets quarterly to ensure ongoing attention and strategic guidance on all environmental topics, including climate-related subjects and remediation. This committee is led by the Chief Operations and People Officer (COPO), with contributions from the Chief Sustainability Officer, GBU presidents, and key experts.

RISK [ESG impact]	OUR RESPONSE
Regulated Products [E] The risk that evolving regulatory changes or a forbidden or inappropriate use of a hazardous product, including intermediates and raw materials, could affect our ability to sell and source materials, cause human harm or environmental damage, or negatively affect our reputation.	Our industry operates in a dynamic regulatory environment, in which significant changes aimed at enhancing environmental safety, public health and sustainability frequently take place. We closely monitor regulatory updates in countries where our products are manufactured and sold to ensure timely compliance and anticipate changes that could affect our operations. We identify, assess and manage product-related risks and promote safe use of products throughout their life cycle. This includes undertaking or supporting responsible development, manufacturing, distribution, use and disposal of our products. We focus on developing sustainable product solutions that benefit society, anticipating regulations and societal needs. This includes replacing substances of very high concern (SVHC) where feasible. We collaborate with suppliers and customers to promote these goals and principles. We also provide accurate safety and environmental information on all our products to our downstream users. In 2024, we launched our new Product Stewardship Policy, which encompasses all of the points outlined above. We also implemented other measures, which are detailed in the Sustainability Statements Chapter 5.2.1.4 - Emissions, effluents & remediation, and product stewardship *and* Chapter 5.3.2 - Protecting human health.
Health and Safety [S] The risk that a major accident on or off site (occupational, process, transportational) or an acute chronic exposure leads to irreversible injury or fatalities, damage to assets, the environment or communities, litigation or negative reputational impact.	Syensqo prioritizes the safety of our people, as we outline in our One Planet sustainability roadmap. Our industrial sites, like most industrial operations, carry out high-pressure and high-temperature processes, which entail risk. We also use chemical substances that have risks associated with their chemical composition. Our risk prevention, assessment, mitigation and audit and reporting measures are detailed in the Sustainability Statements Chapter 5.3.2 - Protecting human health.
Geopolitics and External Events The risk that geopolitical disputes, or unfair trade practices in key markets, cause trade wars, supply chain constraints and/or regulatory deadlocks or other business disruption, leading to an inability to trade that impacts financial results, and potentially leading to fines and/or litigation.	Although Syensqo's risk is reduced by balancing our Group's activities across the major regions of the world, geopolitical instability can still have a significant impact on our operations. The key measures we take to manage this risk include: • Scenario assessments aimed at simulating the impact of certain geopolitical events (or crises) on our business operations and ensuring that appropriate business responses and contingencies are in place. • Geopolitical risk scans, and monitoring and strengthening relationships with alternative suppliers and logistics partners. • Regulatory watch in about 10 major countries to anticipate and identify any trade defense measures as early as possible and respond to or influence upcoming trade events, such as sanctions. • Strategic trade intelligence data gathering and monitoring of potential emerging threats, as well as the competitive landscape. • Supply chain diversification through our Global Supply Chain Function, which provides guidance to GBUs on their supply chains so that they can actively execute risk management initiatives. • IP protection. • Cross-functional collaboration initiatives between our General Counsel, Strategy, GPA and Global Trade teams to drive trade defense measures such as anti-dumping and safeguard duties. • Several actions launched in 2023 and continued throughout 2024 aimed at addressing targeted geopolitical risks.

RISK [ESG impact]	OUR RESPONSE
Separation from Solvay The risk that we are unable to manage separation complexity in terms of timing and quality, or the risk of non-compliance with pre-spinoff commitments leading to major business disruptions or financial exposure.	To drive the Transitional Service Agreement (TSA) exit process and secure business continuity, compliance, and accountability, Syensqo set up a Project Management Office (PMO) organization, reporting to the COPO. Its actions include: • Establishing a relationship forum with Solvay, focused on resolving separation agreement matters. • Setting up formal TSA governance to secure effective TSA delivery. This governance includes a Strategic Steering Committee that meets regularly and involves the Chief Operating Officers, Chief Information Officers (CIO), Global Business Services (GBS) leads from Syensqo and Solvay SA. • Creating a global master risk register to identify and address major risks. This is reviewed frequently with hub leaders and includes adequate risk escalation measures. • Establishing a Functional Steering Committee to take high-level TSA related decisions. • Briefing executives and Board Members on key boundary conditions related to the spinoff, as part of efforts to ensure awareness and lead adherence to boundary conditions. • Closely monitoring entanglements, liabilities allocation and ruling decisions, and disseminating formal rules throughout the organization.
Regulatory Compliance [S & G] The risk of non-compliance with existing or evolving regulations related to governance, trade compliance, cybersecurity, data protection, bribery and corruption, ESG and others,leading to reputational damage and fines.	Syensqo's Code of Business Integrity applies to all employees and majority-owned joint venture partners and includes the following topics: Speak up with no retaliation, Health and Safety in the Workplace, Inclusion, Diversity, and Non-Discrimination, Harassment-Free Environment, Conflicts of Interest, Anti-Bribery and Anti-Corruption, Gifts and Entertainment, Fair, Competition, Financial Records and Accounting, Insider Trading, International Trade, Supply Chain, Human Rights, Sustainability and Corporate Philanthropy. Our Supplier Code of Business Integrity applies to our suppliers. Our trade compliance framework encompasses procedures and automated systems to screen products, sales and partners (including shareholders of our customers) to comply with all relevant trade control regulations, managing sanctioned party lists, licenses and, where applicable, end use certificates. Full details on our risk prevention, assessment, mitigation and audit and reporting measures are detailed in Chapters 5.2 Social and 5.3 Governance of the Sustainability Statements.
Intellectual Property The risk that our inability to protect sensitive information leads to exposure or loss of proprietary information, resulting in a loss of competitive advantage, data breaches, non compliance and financial loss.	To support our strategic ambition to become our customers' prime innovation partner, we plan to significantly enhance our capability to create breakthroughs that advance humanity and accelerate our long-term growth. This includes collaborating with leading institutions and biotechnology startups, expanding our application labs, continuing to hire top talents and investing in disruptive technologies. Our reliance on IP assets like trademarks, copyrights and trade secrets will continue to grow, increasing our exposure to potential risks. Key measures taken to support our strategic efforts while protecting our sensitive information include: • Our Intellectual Asset Management organization sits within and reports directly to our Research & Innovation organization, enabling closer resource and risk management alignment. In 2024, we relaunched the Intellectual Property Management Policy to provide clarity and guidance on the identification and protection of inventions. • Mandatory training with recertification every two years for all employees and advanced training modules required for the more senior "cadre" population. In 2024, we automated the Audit Trail for Confidentiality and IP protection training, which drove training completion up to ~96% globally. • A stand-alone IP stage-gate is built into the standard R&I project management framework. This requires project managers to complete an IP risk checklist, which may trigger a more detailed review by IP counsel. • Regulatory watch to monitor new and changing laws and regulations governing digital content and data privacy that could impact how we manage and protect our IP. • Strong cross-functional links with our Cyber Risk Management Program, Strategic Threat Intelligence and Legal teams on IP protection enforcement and alternative strategies for countries with weaker enforcement mechanisms.

RISK [ESG impact]	OUR RESPONSE
Cybersecurity The risk of interruption to our key systems or operations due to a cyber attack, leading to business interruptions, data leaks or a safety event.	As for most major companies, Syensqo's exposure to cyber risk stems from our extensive use of information and communication technologies and the gradually increasing automation levels of our sites. Like most multinationals, Syensqo experiences cyber incidents and actively responds to those incidents to limit their impact. Led by the Chief Information Security Officer (CISO), the CISO Office team oversees all cyber security activities and provides budget and priority recommendations to the Security Board. The Security Board consists of the COPO and the CIO (who reports directly to the CEO), and meets quarterly to discuss and address cyber risks. In 2024, we expanded the cyber team to meet new cyber challenges, such as operational technology (OT), security into projects (SIP) and compliance, and set-up a dedicated governance team to address and follow up on cybersecurity exceptions, as well as cyber risks linked to our separation from Solvay. We defined a multi-year Cybersecurity Roadmap to address the challenges and risks identified. This roadmap is divided into several key initiatives, including: • Cyber Risk Management Program: A program aimed at capturing, assessing, prioritizing, managing, monitoring and reporting cybersecurity risks within the Group, ensuring ownership and accountability. It includes an assessment of the cyber maturity of our third party partners and quarterly Cyber Risk Steering Committee reports to the CIO that cover our posture on cyber risks. • Cyber User Awareness and Training Program: A program aimed at all Syensqo Business Services and Digital Technology (DT) professionals, which includes mandatory cyber security training for all employees. The program also involves regular internal phishing simulation campaigns to raise awareness about phishing and, more generally, social engineering, and other cyber awareness actions, like topical e-learning courses, and the regular publication of cybersecurity tips to increase employee awareness. • Security into Projects (SIP): By integrating SIP, we have improved our ability to carry out project risk analysis. This program ensures "security by design" in projects for which cyber aspects have to be reviewed by the CISO Office before they can be validated and launched. • Cyber Compliance Program: We monitor and address cybersecurity regulations and requirements in a structured manner. These requirements are incorporated into our cyber controls framework, which is used in assessment campaigns. Compliance with these requirements is achieved in close collaboration with the GBUs, but also through cyber assessments carried out by third-party experts, where necessary. • Network Security initiatives: We have achieved several significant improvements in our security posture by deploying enhanced security technology across our network. This includes controls such as endpoint detection and response, multi-factor authentication, immutable back-ups, a stronger demilitarized zone (DMZ) and improvement of our security identity and Security Operation Center (SOC). • Cyber Threat Intelligence Program: We have established a cyber threat monitoring watch, which is linked to the major cyber risks identified and results in the production of watch bulletins in various formats, which are widely shared across Syensqo. • Insurance: Syensqo is insured against the potential financial impact of a cyber attack. This insurance covers damage to assets, business interruption, ransomware and third party liability in case of loss of third party confidential information.

4.1.4 Risk monitoring

A key aspect of risk monitoring is the identification and implementation of KRIs. These are a combination of leading and lagging indicators that are tracked, measured and reported to give us an indication as to whether the risk is increasing or decreasing or to highlight potential risk red flags.

4.1.5 Crisis preparedness

In addition to the function-specific crisis preparation activities incorporated into our enterprise risk management, such as within cybersecurity and geopolitics risks, there is a network within Syensqo to ensure crisis preparedness. Members of this network perform tasks and implement programs to ensure that Sites, GBUs and Functions are prepared for specific crisis situations. Each site is equipped with an Emergency Response Plan and follows the Syensqo Crisis Management Procedure. These programs include crisis simulations, media training for potential spokespersons, maintenance of key databases and analysis of relevant internal and external events. (see Chapter 5.3.2.2 of the Sustainability Statements -Health and safety on and around our sites).

LITIGATION

As a result of the diverse nature of its activities, and the geographic footprint of its operations, Syensqo is exposed to legal risks, particularly in the areas of product liability, contractual relations, antitrust laws, patent disputes, tax assessments and HSE matters. In this context, litigation is a normal recurring feature of Syensqo's operating business, both to protect against claims, some of which we believe to be without merit, and to defend the rights and interests of the Group.

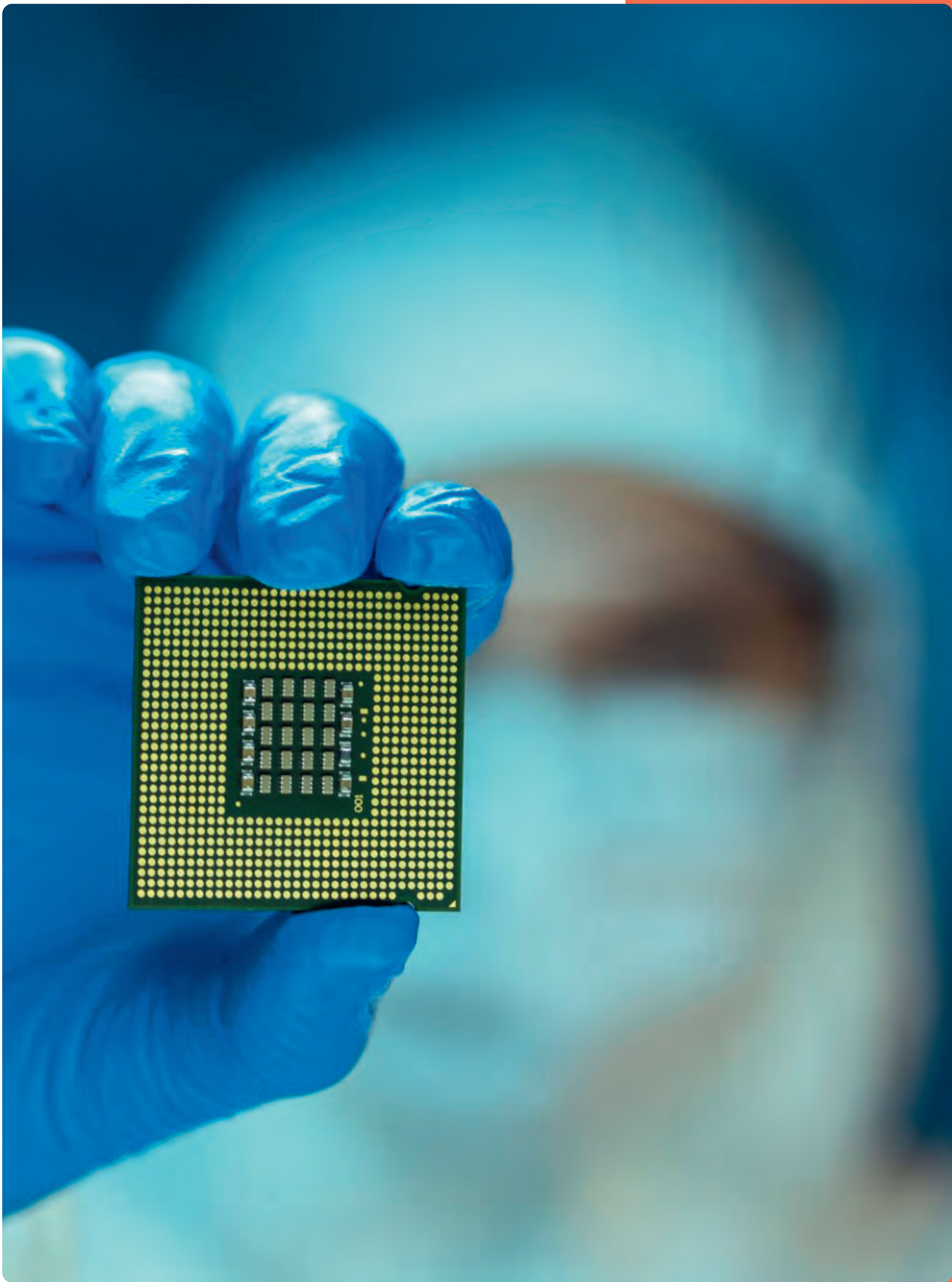
Ongoing legal proceedings involving the Syensqo Group that are currently considered to potentially involve significant risks are outlined below. The legal proceedings described below do not constitute an exhaustive list.

The proceedings summarized below represent the material matters pending against Syensqo regardless of the merits of the claims and the strengths of Syensqo's defenses. There can be no assurance regarding the outcome of any proceeding described below; Syensqo will continue to vigorously defend itself based on the merits of its defenses while opportunistically seeking consensual resolution in appropriate cases.

For certain cases, we have created reserves or provisions in accordance with appropriate accounting governing rules and policies, to cover financial risk and defense costs (see the section "Provisions for litigation to the consolidated financial statements" in this report). We do not ordinarily disclose the extent to which provisions are made in relation to individual proceedings, because this would be prejudicial to our interests. In addition, we maximize all available insurance coverage. Adverse outcomes of material contested matters, individually or in the aggregate, could exceed the amounts of applicable provisions or insurance coverage and could have a material adverse effect on the revenues and earnings of the Group.

HSE-related proceedings

- PFAS: Our settlement with the New Jersey Department of Environmental Protection (NJDEP), in the lawsuit seeking natural resource damages and environmental cleanup of PFAS pollution allegedly caused by an operating facility of the subsidiary in New Jersey, is memorialized in a Judicial Consent Order (JCO) that took effect in March 2024. As of 31 December 2024, a Syensqo subsidiary in the US, Solvay Specialty Polymers USA LLC ("SSP"), was a defendant in 37 separate lawsuits relating to its use of per- and polyfluoroalkyl substances (PFAS). Of these, 11 have reached material resolution and are expected to be dismissed in 2025.
- Overall, the number of these cases in the US remains low in comparison to other industry participants. The Company continues to dispute the merits of these claims and defend itself accordingly. In all of these cases, the plaintiffs have the burden of proof against all defendants.
- Spinetta site, Italy: The Public Prosecutor's Office requested a trial for alleged culpable environmental disaster (directed against two managers and Solvay Specialty Polymers Italy SpA). The case is pending before the Judge of the Preliminary Hearing who will decide whether the case will be taken to trial.
- Spinetta site, Italy: The Piedmont Regional Administrative Court rendered a favorable decision concerning aspects connected with the site's Integrated Environmental Authorisation ("AIA"), in particular to manufacture and use cC6O4. The court confirmed the validity of the decision of the Province of Alessandria to extend the production/use of cC6O4 (dated February 2021).
- Bussi site, Italy: Administrative cases are pending in relation to the identification of the alleged polluter of the Bussi industrial site (which Solvay sold in 2016) and of the Tirino River. Edison was recognized by the competent administrative authorities as the "sole and exclusive polluter" of both the site and the river. SSPI was joined to these proceedings.



05

SUSTAINABILITY STATEMENTS

5 SUSTAINABILITY STATEMENTS

5.1 General

5.1.1 Sustainability operational governance

Our CEO and the Executive Leadership Team (ELT) are responsible for the management of Syensqo and the implementation of our strategy, including sustainability-related matters. In particular, the CEO, the ELT and the Chief Sustainability Officer oversee the proper organization and functioning processes for identification, management and control of principal impacts, risks, and opportunities (IROs), including sustainability-related IROs, and implementation of related activities.

The Chief Operations and People Officer (COPO) leads quarterly steering committees focused on environmental and social topics. They include the Chief Sustainability Officer, Global Business Unit (GBU) presidents, and several heads of functions and key experts within Syensqo. The Environmental Steering Committee and Social Steering Committee address topics including action setting and monitoring and management of potential risks and impacts. They also track opportunities and sustainability performance, provide strategic guidance, and make recommendations for the ELT and Board ESG Committee. As part of our sustainable growth initiative, we incorporate sustainability matters (i.e. GHG emissions, freshwater withdrawal, SPM, product stewardship) as part of the criteria for the selection and prioritization of major investments and Research & Innovation projects.

The Chief Financial Officer (CFO) leads a monthly steering committee focused on sustainability reporting, including implementation of the Corporate Sustainability Reporting Directive (CSRD). It includes the Chief Sustainability Officer and several heads of functions. This CSRD Steering Committee has defined the new operational governance for reporting sustainability information and tracking implementation. It also acts as an interface between the other sustainability-related steering committees to ensure alignment regarding sustainability reporting.

For all material sustainability matters, Syensqo has appointed dedicated Topic Leaders to oversee the identification and management of ESG impacts, risks, and opportunities. These leaders are entrusted with designing and operating a robust, efficient, and compliant ESG reporting process, ensuring alignment with our unwavering commitment to sustainability and ethical practices. Supporting these efforts, ESG reporting officers play a pivotal role in executing the comprehensive disclosure reporting process. This involves consolidating disclosures, verifying their consistency, and facilitating their validation. They collaborate closely with group functional experts who oversee a network of data capturers, ensuring the accuracy and reliability of the information. To further enhance reporting compliance and reliability, ESG reporting controllers have been appointed to meticulously review disclosures, ensuring they meet consistency and compliance standards. Site Directors are tasked with overseeing ESG reporting activities at site level. Along with Sustainability Directors and Sustainability Champions, they ensure that each GBU/site is aligned with our sustainability goals and standards, reinforcing our commitment.

The Business Ethics Board, led by the Chief Compliance Officer (CCO), ensures compliance and integrity, with Regional Compliance Officers maintaining ethical standards throughout the organization. The CCO also reports to the Board Audit & Risk Committee annually on Ethics & Compliance and business conduct matters, as well as data related to "Speak Up", our grievance mechanism for internal and external stakeholders. The CCO is accountable for the implementation of Ethics & Compliance, including all Business Conduct policies: Code of Business Integrity, Anti-Corruption and Anti-Bribery Policy, Policy on Gifts, Entertainment, Charitable Donations and Sponsorship, Conflict of Interest Policy, and Speak Up Policy. These policies are approved by the ELT, and reinforce our Ethics & Compliance strategy which has been approved by the Board of Directors. They are published on our external and internal corporate website and communicated to all employees and potentially affected stakeholders, ensuring transparency and accessibility. The Speak Up Policy was established through internal consultation and validation, while also considering stakeholders' expectations through collaboration across multi-stakeholder initiatives. The other policies above are long-standing policies for which we did not explicitly consider stakeholders' expectations.

Global Business Units presidents are accountable for sustainability targets and performance, in their respective business units, supported by senior executives in their leadership team.

A network of Sustainability Champions ensures that our sustainability ambition is deployed in all GBUs, corporate functions, and sites. They are responsible for cascading relevant information, ensuring necessary training is organized, and developing and implementing annual and multi-year roadmaps to meet objectives.

All sustainability-related policies are approved by the ELT and reinforce sustainability strategies which have been approved by the Board of Directors. In 2024, we developed twelve new policies: Climate Change, Water Management, Pollution, Waste, Circular Economy, Product Stewardship, Non-discrimination, Community Engagement, Operations Safety, Sustainable Procurement, Sustainable Portfolio Management, and Animal Care and Use. These policies were established through multiple rounds of consultations and validations with selected internal experts, while also considering stakeholders' expectations via proxy information, for example via multi-stakeholder initiatives. These policies are published on our corporate website and communicated to all employees and potentially affected stakeholders, ensuring transparency and accessibility.

We offer a sustainability e-learning program to all employees, covering climate, nature, sustainable business, and social topics, available in seven languages and integrated into employee onboarding.

The Star Factory program is our response to a rapidly evolving manufacturing world, where our global sites learn from one another and enhance capabilities for operational efficiency across manufacturing excellence, focusing on sustainability and the safety of our people. By transforming our manufacturing plants and sites, the Star Factory program aims also to develop and attract top industrial talent, ensuring we meet increasingly high customer expectations and operate more effectively. This initiative fosters innovation, talent development, and cutting-edge research capabilities.

Star Factory roadmaps addressing GHG, water, waste, pollution to air and water, and biodiversity initiatives were developed for an additional 17 Syensqo sites in 2024, for a total of 45 sites.

5.1.2 Basis for preparation

5.1.2.1 General basis for preparation of sustainability statements

5.1.2.1.1 Reporting frameworks

This sustainability statement has been prepared on a consolidated basis and in accordance with the Corporate Sustainability Reporting Directive (CSRD) - Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting and the European Sustainability Reporting Standards (ESRS) - Commission Delegated Regulation EU 2023/772 of July 2023 supplementing the Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards.

5.1.2.1.2 Reporting scope and boundaries

The sustainability statements have been prepared on a consolidated basis. Reporting boundaries are consistent with the financial reporting scope and boundaries, described in the Financial Statements' note F36, "List of companies included in the consolidation scope", except for climate (ESRS E1) and pollution (ESRS E2-4) mandatory CSRD metrics, which are reported on the operational perimeter. For process safety incident rate and workforce related metrics, all Syensqo active internal employees are included, regardless of the operational or financial perimeter.

The financial reporting scope includes fully consolidated companies and companies in proportional consolidation (if any) in line with their consolidation rate, while companies consolidated by applying the in-equity method of accounting are excluded.

Syensqo's operational perimeter includes our financial perimeter and goes beyond, insofar as it also includes the subsidiaries outside the consolidation perimeter or under equity method on which Syensqo controls operations.

Before the December 2023 spin-off, Syensqo was included within the Solvay Group perimeter. Metrics related to 2021, 2022 and 2023 have been split between Syensqo and the Solvay Group, following the approach that was described in Syensqo's 2023 sustainability reporting.

In 2024, Syensqo acquired Azerys. This entity, deemed non-financially material and non-consolidated, was not included in the 2024 Sustainability statements. It will be incorporated next year to ensure proper integration into our sustainability monitoring systems.

Financial figures used in the sustainability statements are reconciled with the Financial statements. CSRD required energy and GHG intensity ratios are based on Consolidated Income Statements" net revenue,. and the EU Taxonomy disclosure is computed using total turnover, in both cases defined as the sum of Consolidated Income Statements' net sales and revenue from non-core activities. Entity-specific metrics requiring sales (like SPM solutions and Circular economy), as well as water consumption intensity ratio, are based on net sales. Capital Expenditures (capex) and Operational Expenditures (OpEx) are consistent with the totals indicated respectively in Note F1 ("Capital expenditures" 2024 Group total) and Note F2 ("Personnel expenses" and "Other fixed expenses" 2024 total), respectively. Current and future financial resources required to implement action plans are disclosed following the rules laid out below in *section 5.1.2.2. Disclosures in relation to specific circumstances.*

We have used the option to omit certain pieces of information linked to our intellectual property, know-how, or the results of innovation due to confidentiality reasons. For each case, this is mentioned in the sustainability statements.

Syensqo has conducted a double materiality assessment covering the upstream and downstream value chain (see section *5.1.4 Double Materiality*). Our sustainability statement covers upstream and downstream value chains. Additionally, for each material sustainability matter, we explain if policies, actions and targets cover upstream and/or downstream value. Regarding metrics, if upstream and downstream value chain data are only considered, it is explained in the accounting policy disclosed in each chapter.

5.1.2.1.3 External review

Unless specified otherwise in the topical ESRS, metrics are not validated by any external body other than the assurance provider. We refer to page 380 for the Auditor's limited assurance report on Sustainabity Statement and Auditor's Reasonable assurance on Scope 1 and 2 GHG emissions.

5.1.2.2 Disclosures in relation to specific circumstances

Time horizons

In our sustainability statements, we consider the following definitions for time horizons: short- *(i.e. financial year)*, medium- *(i.e. > 1 year and ≤ 5 years)*, and long-term *(i.e. > 5 years)* time horizons.

Sources of estimation and outcome uncertainty (including value chain estimation)

There are inherent sources of estimations and uncertainty when using models for life cycle assessments and footprint calculations based on methodologies and industry data. At Syensqo we strive to create standards alignment in our value chains and to use third party protocols where available in order to minimize this uncertainty. While some of the metrics are based on estimations, Syensqo does not anticipate these metrics to be subject to a high degree of measurement uncertainty.

Syensqo's sustainability report includes forward-looking statements, that are uncertain in nature as they do not relate to historical or current facts and include guidance. Words such as 'plan', 'strategy', 'project', 'target' and other words and terms of similar meaning in connection with any discussion of future operating, financial or sustainability performance identify forward-looking statements.

Factors that may affect future results include, but are not limited to, global as well as local political, economic and environmental conditions.

Upstream and/or downstream value chain data estimates from sources are used to compute our Scope 3 GHG emissions and SPM metrics (share of revenue breakdown by SPM Categories). We provide a description of the basis for preparation and the level of accuracy in section 5.2.1.1.6. *Climate related metrics and section* 5.2.2.1.4. *Taking action in relation with Product design and Process safety in the value chain,* respectively.

Changes in preparation or presentation of sustainability information and reporting errors in prior period

The year 2024 is our first reporting year under the CSRD. Nevertheless, we provide historical data for various metrics, particularly when aligned with our external targets. When metrics disclosed in the 2024 sustainability statements were already disclosed in 2023, we have restated previous years' figures to make them comparable with 2024 figures; for example, this could occur if the calculation methodology or accuracy evolved in a material manner versus previous years, if the reporting scope changed materially, or if material reporting errors in prior periods were corrected. Such cases are clearly indicated and commented in their section, and both previously published and restated figures are provided. No comparative figures are disclosed for new metrics introduced by the CSRD in 2024.

We exercise judgment to determine whether restatements are necessary, and when it is the case, our restatement approach consists in applying current methodologies, accuracy, and scope to past years actual data as much as possible. When this is not possible, we use the best proxy approach to restate past data.

Some of our 2023 metrics included as comparative metrics in this sustainability statement, were subject to limited or reasonable assurance by our statutory auditor in the previous year, for which we refer to their limited assurance report dated April 11, 2024. This was a voluntary limited or reasonable assurance engagement of individual metrics/key performance indicators with reference to different and other reporting criteria than the European Sustainability Reporting Standards ("ESRS's"). Accordingly, these 2023 comparative metrics have not been subject to limited assurance procedures in accordance with the ESRS's. They are highlighted with an "L" (limited assurance) or with an "R" (reasonable assurance).

Specific approach related to current or future financial resources allocated to action plan

Sustainability actions are disclosed when they contribute materially to reaching targets or policy objectives. An "action plan" is then defined for each ESRS topic, as a group of such actions.

Current financial resources required to implement each action plan can comprise capex and/or OpEx, and are reported following the rules below, except when the information is sensitive, in line with ESRS 1 paragraph 7.7.

Current capex relate to the envelope spent in 2024 to implement each action plan; they are reported if the total amount spent in this envelope is material.

Current OpEx relate to external costs excluding recurrent operations. They are reported when material amounts have been spent in 2024 to implement some of the actions included in each action plan. Recurrent OpEx are excluded as they are part of normal operations; our organization is set up to allow the management of recurrent sustainability actions in relation with our material IROs.

Future financial resources are also disclosed for sustainability matters on which medium and long-term targets have been set, provided an envelope has been validated by our Board of Directors. This forward-looking information is by nature uncertain, as it relates to future projects, some of them not yet validated. The related amounts may be either consolidated or deconsolidated in future financial statements.

Use of phase-in provisions

Syensqo has chosen to exclude voluntary disclosure for the first year of reporting under CSRD, except where deemed particularly useful, and to use the phase-in provisions allowed for companies of more than 750 employees. Additionally Appendix IV contains optional disclosure points that were not audited by our statutory auditor.

Incorporation by reference

The following table lists the ESRS disclosure requirements in ESRS 2 and in the topical standards which are material to Syensqo and which have guided the preparation of our sustainability statements, further details can be found in the *Appendix I, detailed DMA results*. The table can be used to navigate to information relating to a specific disclosure requirement in the annual report.

Disclosure Requirement (DR)	Section
ESRS 2 General Disclosures	
ESRS 2 - BP-1 – General basis for preparation of sustainability statements	5.1.2.1 General basis for preparation of sustainability statements
ESRS 2 - BP-2 – Disclosures in relation to specific circumstances	5.1.2.2 Disclosures in relation to specific circumstances
ESRS 2 - GOV-1 – The role of the administrative, management and supervisory bodies	3 Corporate Governance statement
	3.3 Board of directors and board committees
ESRS 2 - GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	3.3.2 Board Committees
ESRS 2 - GOV-3 – Integration of sustainability-related performance in incentive schemes	3.5 Remuneration report
ESRS 2 - GOV-4 – Statement on due diligence	5.1.5 Statement on sustainability due diligence
ESRS 2 - GOV-5 – Risk management and internal controls over sustainability reporting	3.6 Main characteristics of risk management, internal control and internal audit
	4.1 Enterprise risk management in action
ESRS 2 - SBM-1 – Strategy, business model and value chain	1.1.1 Syensqo around the world
	1.2.4 Our eight core markets across two pillars
	How we create value (infographic)
	Our Business model (infographic)
	1.4 Our sustainability ambition
ESRS 2 - SBM-2 – Interests and views of stakeholders	5.1.3 Stakeholder engagement
ESRS 2 - SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	*IROs are embedded in every topic-specific section below*
	5.1.4.3 Syensqo's resilience analysis on material topics
ESRS 2 - IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	5.1.4.1 The Double Materiality Assessment process
ESRS 2 - IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement	5.1.4.2 High-level outcome of the double materiality assessment
ESRS E1 Climate Change	
ESRS 2, E1 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	5.2.1.1.1 Material impacts, risks and opportunities related to climate change
ESRS 2, E1 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities	5.2.1.1.1 Material impacts, risks and opportunities related to climate change
E1-1 – Transition plan for climate change mitigation	5.2.1.1.2 Transition plan for climate change mitigation
E1-2 – Policies related to climate change mitigation and adaptation	5.2.1.1.3 Climate Policy
E1-3 – Actions and resources in relation to climate change policies	5.2.1.1.5 Taking action in relation to climate change
E1-4 – Targets related to climate change mitigation and adaptation	5.2.1.1.4 Climate related targets
E1-5 – Energy consumption and mix	5.2.1.1.6 Climate related Metrics - Energy
E1-6 – Gross scopes 1, 2, 3 and Total GHG emissions	5.2.1.1.6 Climate related Metrics - GHG Emissions
E1-7 – GHG removals and GHG mitigation projects financed through carbon credits	5.2.1.1.7 GHG removals and GHG mitigation projects financed through carbon credits
E1-8 – Internal carbon pricing	5.2.1.1.8 Internal carbon pricing

Disclosure Requirement (DR)	Section
ESRS E2 Pollution	
ESRS 2, E2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	5.2.1.4.1 Material impacts, risks and opportunities related to emissions, effluents, remediation, and product stewardship (for Own Operations)
	5.2.2.1.1 Material impacts, risks and opportunities related to product design and process safety in the value chain (for Value Chain)
ESRS 2, E2 IRO-1 – Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	5.2.1.4.1 Material impacts, risks and opportunities related to emissions, effluents, remediation, and product stewardship (for Own Operations)
	5.2.2.1.1 Material impacts, risks and opportunities related to product design and process safety in the value chain (for Value Chain)
E2-1 – Policies related to pollution	5.2.1.4.2 Emissions, Effluents and remediation (for Own Operations)
	5.2.2.1.2 Our policies and management approach (for Value Chain)
E2-2 – Actions and resources related to pollution	5.2.1.4.2 Emissions, Effluents and remediation (for Own Operations)
	5.2.2.1.4 Taking action in relation with Product design and Process safety in the value chain (for Value Chain)
E2-3 – Targets related to pollution	5.2.1.4.2 Emissions, Effluents and remediation (for Own Operations)
	5.2.2.1.3 Targets related to product design and process safety in the value chain (for Value Chain)
E2-4 – Pollution of air, water and soil	5.2.1.4.2 Emissions, Effluents and remediation
E2-5 – Substances of concern and substances of very high concern	5.2.1.4.3 Product stewardship
ESRS E3 Water and Marine Resources	
ESRS 2, E3 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	5.2.1.2.1 Material impacts, risks and opportunities related to water (for Own Operations)
	5.2.2.1.1 Material impacts, risks and opportunities related to product design and process safety in the value chain (for Value Chain)
ESRS 2, E3 IRO-1 – Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	5.2.1.2.1 Material impacts, risks and opportunities related to water (for Own Operations)
	5.2.2.1.1 Material impacts, risks and opportunities related to product design and process safety in the value chain (for Value Chain)
E3-1 – Policies related to water and marine resources	5.2.1.2.2 Water Policy and management approach (for Own Operations)
	5.2.2.1.2 Our policies and management approach (for Value Chain)
E3-2 – Actions and resources related to water and marine resources	5.2.1.2.4 Taking action in relation to water management (for Own Operations)
	5.2.2.1.4 Taking action in relation with Product design and Process safety in the value chain (for Value Chain)
E3-3 – Targets related to water and marine resources	5.2.1.2.3 Water related targets (for Own Operations)
	5.2.2.1.3 Targets related to product design and process safety in the value chain (for Value Chain)
E3-4 – Water consumption	5.2.1.2.5 Water consumption and withdrawal metrics
ESRS E4 Biodiversity and Ecosystems	
ESRS 2, E4 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	5.2.1.5.1 Material impacts, risks and opportunities related to biodiversity (for Own Operations)
	5.2.2.1.1 Material impacts, risks and opportunities related to product design and process safety in the value chain (for Value Chain)
ESRS 2, E4 IRO-1 – Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	5.2.1.5.1 Material impacts, risks and opportunities related to biodiversity
	5.2.2.1.1 Material impacts, risks and opportunities related to product design and process safety in the value chain (for Value Chain)
E4-2 – Policies related to biodiversity and ecosystems	5.2.1.5.2 Biodiversity at Syensqo (for Own Operations)
	5.2.2.1.2 Our policies and management approach (for Value Chain)
E4-3 – Actions and resources related to biodiversity and ecosystems	5.2.1.5.2 Biodiversity at Syensqo (for Own Operations)
	5.2.2.1.4 Taking action in relation with Product design and Process safety in the value chain (for Value Chain)
E4-4 – Targets related to biodiversity and ecosystems	5.2.1.5.2 Biodiversity at Syensqo (for Own Operations)
	5.2.2.1.3 Targets related to product design and process safety in the value chain (for Value Chain)

Disclosure Requirement (DR)	Section
ESRS E5 Resource Use and Circular Economy	
ESRS 2, E5 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	5.2.1.3.1 Material impacts, risks and opportunities related to waste
	5.2.2.1.1 Material impacts, risks and opportunities related to product design and process safety in the value chain (for Value Chain)
	5.2.2.2.1 Material impacts, risks and opportunities related to circular economy
ESRS 2, E5 IRO-1 – Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	5.2.1.3.1 Material impacts, risks and opportunities related to waste
	5.2.2.1.1 Material impacts, risks and opportunities related to product design and process safety in the value chain
	5.2.2.2.1 Material impacts, risks and opportunities related to circular economy
E5-1 – Policies related to resource use and circular economy	5.2.2.1.2 Our policies and management approach
	5.2.2.2.2 Circular Economy Policy and management approach
	5.2.1.3.2 Waste Policy and management approach
E5-2 – Actions and resources related to resource use and circular economy	5.2.2.1.4 Taking action in relation with Product design and Process safety in the value chain
	5.2.2.2.4 Taking action in relation with circular economy
	5.2.1.3.4 Taking action in relation to waste management
E5-3 – Targets related to resource use and circular economy	5.2.2.1.3 Targets related to product design and process safety in the value chain
	5.2.2.2.3 Targets related to circular economy
	5.2.1.3.3 Waste-related targets
E5-4 – Resource inflows	5.2.2.2.5 Metrics - Resource inflows & Resources outflows
E5-5 – Resource outflows	5.2.2.2.5 Metrics - Resource inflows & Resources outflows
	5.2.1.3.5 Resource outflows - waste metrics
ESRS S1 Own Workforce	
ESRS 2, S1 SBM-2 – Interests and views of stakeholders	5.1.3 Stakeholder engagement
ESRS 2, S1 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	5.3.2.1 Material impacts, risks and opportunities related to Health and Safety
	5.3.3.1 Material impacts, risks and opportunities related to Labor Practices & Talent Management, and Fair & Inclusive Culture
S1-1 – Policies related to own workforce	5.3.1.2.1 Human Rights Policy
	5.3.2.2.1 Health and safety policy on our sites
	5.3.3.2 Policies related to social impact for our own workforce and our affected communities
S1-2 – Processes for engaging with own workers and workers' representatives about impacts	5.3.1.3 Process for engaging with value chain workers
	5.3.2.2.2 Processes for engaging about health and safety on our sites
	5.3.3.3.1 With our own workforce
S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns	5.3.1.3 Process for engaging with value chain workers
	5.3.2.2.3 Processes for remediating impacts and channels to raise concerns related to health and safety on our sites
	5.3.3.4. Channels for own workforce to raise concerns
S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	5.3.2.2.5 Taking actions in relation with health and safety on our sites
	5.3.3.6.1 Actions toward our own workforce
S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	5.3.1.5. Human rights commitments
	5.3.2.2.4 Targets related to health and safety on our sites
	5.3.3.5 Targets for our own workforce and affected communities
S1-6 – Characteristics of the undertaking's employees	5.3.3.7.1 Characteristics of Syensqo's employees
S1-8 – Collective bargaining coverage and social dialogue	5.3.3.7.2 Collective bargaining coverage and social dialogue
S1-9 – Diversity metrics	5.3.3.7.3 Diversity metrics
S1-10 – Adequate wages	5.3.3.7.4 Adequate living wages
S1-14 – Health and safety metrics	5.3.2.2.6 Health and safety on our site indicators
S1-16 – Compensation metrics (pay gap and total compensation)	5.3.3.7.5 Remuneration metrics
S1-17 – Incidents, complaints and severe Human Rights impacts	5.3.1.7 Human rights metrics

Disclosure Requirement (DR)	Section
ESRS S2 Workers in the value chain	
ESRS 2, S3 SBM-2 - Interests and views of stakeholders	5.1.3 Stakeholder engagement
ESRS 2, S2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	5.3.1.1 Material impacts, risks and opportunities related to Human Rights 5.3.2.1 Material impacts, risks and opportunities related to Health and Safety
S2-1 – Policies related to value chain workers	5.3.1.2.1 Human Rights Policy 5.3.2.2.1 Health and safety policy on our sites 5.3.2.3.1 Health and safety policy in our value chains
S2-2 – Processes for engaging with value chain workers about impacts	5.3.1.3 Process for engaging with value chain workers 5.3.2.2.2 Processes for engaging about health and safety on our sites 5.3.2.3.2 Process for engaging with value chain workers and end-users
S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns	5.3.1.4 Channels for value chain workers and communities to raise concerns 5.3.2.2.3 Processes for remediating impacts and channels to raise concerns related to health and safety on our sites 5.3.2.3.3 Channels to report concerns for value chain workers and end-users
S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	5.3.1.6 Taking action on Human Rights impacts 5.3.2.3.5 Health and Safety actions for our value chains workers and end-users
S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	5.3.1.5 Human rights commitments 5.3.2.2.4 Targets related to health and safety on our sites 5.3.2.3.4 Health and Safety commitments in our value chains
ESRS S3 Affected communities	
ESRS 2, S3 SBM-2 - Interests and views of stakeholders	5.1.3 Stakeholder engagement
ESRS 2, S3 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	5.3.1.1 Material impacts, risks and opportunities related to Human Rights 5.3.2.1 Material impacts, risks and opportunities related to Health and Safety 5.3.3.1 Material impacts, risks and opportunities related to Labor Practices & Talent Management, and Fair & Inclusive Culture
S3-1 – Policies related to affected communities	5.3.2.4 Health and Safety of communities
S3-2 – Processes for engaging with affected communities about impacts	5.3.2.4 Health and Safety of communities
S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns	5.3.1.4 Channels for value chain workers and communities to raise concerns 5.3.2.4 Health and Safety of communities
S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	5.3.1.6 Taking action on Human Rights impacts 5.3.2.4 Health and Safety of communities
S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	5.3.2.4 Health and Safety of communities 5.3.3.5 Targets for our own workforce and affected communities
ESRS S4 Consumers and end-users	
ESRS 2, S4 SBM-2 – Interests and views of stakeholders	5.1.3 Stakeholder engagement
ESRS 2, S4 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	5.3.2.1 Material impacts, risks and opportunities related to Health and Safety
S4-1 – Policies related to consumers and end-users	5.3.2.3.1 Health and safety policy in our value chains
S4-2 – Processes for engaging with consumers and end-users about impacts	5.3.2.3.2 Process for engaging with value chain workers and end-users
S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	5.3.2.3.3 Channels to report concerns for value chain workers and end-users
S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	5.3.2.3.5 Health and Safety actions for our value chains workers and end-users
S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	5.3.2.3.4 Health and Safety commitments for our value chains workers and end-users

Disclosure Requirement (DR)	Section
ESRS G1 Business Conduct	
ESRS 2, G1 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	5.4.1.1 Material impacts, risks and opportunities related to business conduct and supply chain management
ESRS 2, G1 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	5.4.1.1 Material impacts, risks and opportunities related to business conduct and supply chain management
G1-1 – Corporate culture and Business conduct policies and corporate culture	5.4.1.2.1 Business ethics policies, corporate culture, and grievance mechanisms
G1-2 – Management of relationships with suppliers	5.4.1.4 Fair relationship with suppliers
G1-3 – Prevention and detection of corruption and bribery	5.4.1.2.1 Business ethics policies, corporate culture, and grievance mechanisms - Anti-Corruption and Anti-Bribery Policy
G1-4 – Incidents of corruption or bribery	5.4.1.2.1 Business ethics policies, corporate culture, and grievance mechanisms - Anti-Corruption and Anti-Bribery Policy
G1-5 – Political influence and lobbying activities	5.4.1.3 Main memberships and partnerships and policy engagement

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

United Nations Sustainable Development Goals

Syensqo has been signatory of the UN Global Compact since February 2024. In 2015, the United Nations established a set of goals to end poverty, protect the planet and ensure prosperity for all. Each of these 17 Sustainable Development Goals (SDGs) include specific targets to be achieved by 2030. Achieving the SDGs requires efforts by governments, the private sector, civil society, communities and individuals. SDGs where we could have a material impact, positive or negative, and/or for which our sustainable solutions could enable further progress, are integrated into our double materiality assessment.

In Appendix III, we disclose impact indicators for the SDGs for every corresponding section of the Annual Integrated Report.

5.1.3 Stakeholder engagement

We proactively engage with our workforce, investors, shareholders, key stakeholders in local communities, public authorities, non-profit and non-governmental organizations, and across our value chain, including with customers and suppliers. These engagements offer us valuable opportunities to gather input for our strategic, commercial, and sustainability planning. We consistently incorporate stakeholder feedback, aligned with our governance and strategic planning cycles, and provide insights and updates to our Executive Leadership Team and relevant Board committees.

In 2024, we issued a survey to over 200 stakeholders across all stakeholder groups to inform the design and delivery of our sustainability program, One Planet. Furthermore, we hosted a Sustainability Dialogue meeting with 25 participants from various stakeholder groups to receive qualitative input on our strategy, targets and actions, and to identify priority focus areas for the future.

All of the above engagement activities will contribute to a refresh of our One Planet program and further implementation of sustainability projects, including the Product Carbon Footprint, throughout 2025, which are unlikely to modify the relationship with and views of our stakeholders.

KEY STAKEHOLDERS >	CUSTOMERS & CONSUMERS
Description of the relationship	• Direct sales channels • Distribution channels
Stakeholders expectations	• Customer focused business model • Innovation and sustainability enabler • Credible sustainability strategy and impact • High level of quality and services
Engagement and its purpose	• Close collaboration between our account managers and customers on sustainable business opportunities, data exchange platforms, etc. • Direct contact between customers and GBU teams (e.g. top management, sustainability, R&I, supply chain) on product and ESG specific matters • Mid- to long-term alignment on innovation, e.g. sustainable solutions, enabling circularity, resources efficiency, etc. • Feedback mechanism to collect any complaints and suggestions • Participation in CDP and EcoVadis to increase transparency • Online surveys on our impact along the entire value chain as part of the double materiality assessment in 2024
Syensqo's consideration of the outcome	• Innovative products that have a positive impact on our customers' sustainability goals , e.g. ECHO and Up product lines, Green Solvents, etc. • Collaborative Sustainability Initiatives: Sustainable Guar Initiative, seminars on reducing carbon footprint through upcycled surfactants, seminars on APE free Surfactants, Product Carbon Footprint projects, etc. • Addressing customers' concerns: our Speak Up program, automatic system to send safety data sheets by email to avoid any misuse or loss of data leading to complaints, formalized recall procedures if needed, etc. • CDP & EcoVadis improvement plans
Syensqo's adjustments to its strategy or business model	• Our robust R&I pipeline and Growth Platforms support co-development of solutions to enable sustainability for our customers • Our target on the share of revenue enabling circular economy for our customers includes products designed to increase the longevity of customer products, products using bio-based feedstocks, recycled-based feedstock, by-products as feedstock, and CO_2-captured-based feedstock or utilizing renewable energy, and by enabling product recycling and reuse or recyclability by design • Our SPM tool has been developed to alert our businesses to sustainability market signals to anticipate their impact and develop the right answers for our customers in a timely manner; M&A, R&I, capex, and investments utilize the SPM methodology to guide business decisions, in relation to environmental and social impact of our portfolio and operations

KEY STAKEHOLDERS >	SUPPLIERS
Description of the relationship	• Level of engagement and selected buying channels depends on the supplier segmentation into critical, regular, and tail-end suppliers
Stakeholders expectations	• Fair and ethical commercial partnerships and relationships
Engagement and its purpose	• Supplier account management to discuss sustainable business opportunities and long-term alignment • Collaborative initiatives to drive progress on sustainability topics • Speak-Up program in case of any witnessed or suspected violations • Online surveys on our impact along the entire value chain as part of the double materiality assessment in 2024
Syensqo's consideration of the outcome	• Sustainable Sourcing policy • Climate Pledge • Product Carbon Footprint • Supplier invoice tracking tool and e-invoicing with Ariba to facilitate the invoicing and payment process
Syensqo's adjustments to its strategy or business model	• Raw Material purchasing under the responsibility of Group procurement. • Creation of Regional Procurement to address local sites.

KEY STAKEHOLDERS >	INVESTORS – SHAREHOLDERS
Description of the relationship	• Major shareholders • Institutional investors • Retail investors
Stakeholders expectations	• Return on investment • Transparency and visibility on strategy, risks and opportunities • Transparency and progress on Syensqo One Planet performance • Strong corporate governance
Engagement and its purpose	• One-on-one meetings with investors • Roadshows and conference presentations • Senior leaders direct engagement with shareholders • Responding to ESG, credit and proxy voting, and rating agencies • Responses to investor queries about Syensqo sustainability performance and approaches
Syensqo's consideration of the outcome	• ESG rating improvement plans
Syensqo's adjustments to its strategy or business model	• The partial demerger from Solvay enables Syensqo to focus on growth, innovation and sustainability e.g. our Growth Platforms, One Planet program and investment in sustainable innovation • SPM tool has been developed to alert our businesses to sustainability market signals to anticipate market impacts for our portfolio

KEY STAKEHOLDERS >	EMPLOYEES, OTHER WORKERS & WORKERS IN OUR VALUE CHAINS
Description of the relationship	• Own employees through direct interactions, employee representatives, and IndustriAll • Workers in the value chain through due diligence process, sustainability initiatives, and IndustriAll
Stakeholders expectations	• A responsible and equitable company regarding working conditions, health & safety, and Human Rights • Training and equal career opportunities
Engagement and its purpose	• Regular communication between CEO and employees (digital webinars and email channel "ask Ilham") and regular on-site visits by the top management • Regular dialogue between managers and employees via town halls, manager led quarterly check ins and annual performance reviews • Digital communication with employees via the weekly corporate newsletter or local site communication channels • Social dialogue with employee representative bodies at site, country, European and Group levels • Syensqo Global Forum • Dialogue with employees in ad hoc sessions, e.g. Culture engagement sessions and Inclusion focus groups • Employee surveys ("Pulse") 3 times a year • Employee Resource Groups (ERG): a channel and resource for all employees to raise concerns and interact with management • Online survey shared with EWC on Syensqo's impact along the entire value chain as part of the double materiality assessment in 2024 • Upstream due diligence program, which incorporates our Together for Sustainability (Tfs) engagement (i.e. EcoVadis questionnaires & on-site audits)
Syensqo's consideration of the outcome	• Ensuring a living wage for 100% of employees by 2026 • 100% of employees are covered by a collective agreement, i.e. Syensqo Cares • Syensqo Fair & Inclusive Culture program • Solidarity Fund to enhance solidarity between employees • Leadership action plan based on Pulse surveys to identify areas for improvement regarding employee well-being • Employee Assistance Program offering mental health support and additional services to employees and relatives • Trainings and career opportunities are offered e.g. with Digital Platform "YouGrow", Future Functional Leaders and Future Topical Leaders programs • Performance is calibrated through annual performance reviews and recognized through e.g. Syensqo incentive schemes, CEO Award • Sustainable Guar Initiative
Syensqo's adjustments to its strategy or business model	• The Talent Growth Platform was developed to better support our employees' career development, increase retention, and the upskilling of Syensqo's workforce

KEY STAKEHOLDERS >	LOCAL COMMUNITIES
Description of the relationship	• Local residents around sites • Local public stakeholders and regulatory bodies
Stakeholders expectations	• A responsible partner with safe and compliant operations • Participate in local development
Engagement and its purpose	• Ah-hoc direct dialogues with local government and regulatory bodies and societal institutions • Ad-hoc public meetings, site visits and consultations • Surveys for local communities around a selection of Syensqo sites on Syensqo's impact along the entire value chain as part of the double materiality assessment in 2024
Syensqo's consideration of the outcome	• Objective of manufacturing nearly 100% of our fluoropolymers without the use of fluorosurfactants in Spinetta Marengo, Italy by 2026 • The Syensqo Fund to support community development • Site specific initiatives in collaboration with local communities
Syensqo's adjustments to its strategy or business model	• With Star Factory, we are able to engage on local community projects. • Formalize and consolidate a standardized site-level engagement process by 2025

KEY STAKEHOLDERS >	SOCIETAL STAKEHOLDERS
Description of the relationship	• NGO"s • Academia and Educational institutions • Government and Public institutions • Trade Associations
Stakeholders expectations	• Jobs • Innovation • Investment and taxes • Responsible and compliant partner
Engagement and its purpose	• Regular and constructive dialogue with government, public authorities and policymakers • Position papers and answer to public consultations • Regulatory watch & monitoring • Active members of global and regional trade associations, e.g. CEFIC, ICCA, etc. • Partnership with NGOs • Active participation in sustainability networks, e.g. WBCSD, UN Global Compact, Ellen McArthur Foundation, etc. to accelerate ESG adoption • Specific cross-collaborative initiatives on sustainability topics • Upstream due diligence program, which incorporates our Together for Sustainability (Tfs) engagement (i.e. EcoVadis questionnaires & on-site audits) • Online surveys on Syensqo's impact along the entire value chain as part of the double materiality assessment in 2024 • A digital stakeholder dialogue organized by Syensqo's with the support from CSR Europe to further explore Syensqo's DMA
Syensqo's consideration of the outcome	• Objective of manufacturing nearly 100% of our fluoropolymers without the use of fluorosurfactants in Spinetta Marengo, Italy by 2026 • Climate Impulse partnership • Sustainable Guar Initiative • Collaborative frameworks to accelerate ESG adoption: Global Circularity Protocol, Portfolio Sustainability Assessment (PSA), etc. • Chilean Mining Leaders project
Syensqo's adjustments to its strategy or business model	• Syensqo One Planet deployment

5.1.4 Double Materiality

5.1.4.1 The Double Materiality Assessment process

Syensqo reports on material sustainability topics and adopts sustainability priorities based on a double materiality assessment (DMA). This exercise identifies ESG aspects across short- *(i.e. financial year)*, medium- *(i.e. > 1 year and ≤ 5 years)*, and long-term *(i.e. > 5 years)* time horizons that could trigger material financial effects on Syensqo, or for which Syensqo has a positive, negative, potential or actual impact on society and the environment.

It is the first year that our materiality assessment is in line with the CSRD, the ESRS, and relevant guidance from the European Financial Reporting Advisory Group (EFRAG).

Double materiality assessment process

1. Scope of the double materiality assessment
   - **Own operations**: We included global production facilities, research and innovation centers, and enabling functions in local offices and headquarters.
   - **Value chains**: We considered our upstream and downstream value chains to identify IROs, and developed a comprehensive and structured approach to screen all value chains on ESG topics from an impact perspective.
2. Identification of impacts, risks, and opportunities
   - **Impacts**: For the identification of our impacts and dependencies, we studied all ESRS sub-sub-topics based on available external evidence under the form of governmental frameworks, upcoming regulations, external tools like ENCORE, and trustworthy publications from (European) institutions, governments, business or sector associations, international organizations, civil society, and consulting firms to understand the indirect views of external experts and stakeholders, including potentially affected communities. Via this desk research, we also developed a better understanding of where and how certain workers, potentially affected communities, and consumers and/or end-users might be at greater risk of harm, and which type of business relationships could be involved. We subsequently supplemented this information from an internal perspective by incorporating consolidated internal data and procedures, and specific company initiatives (e.g. employee surveys). We also relied on our upstream due diligence processes (incl. Ecovadis & third party risk management) to monitor and identify potential negative impacts along our value chains and/or linked to certain types of business relationships. To complement this desk research, we organized internal stakeholder workshops to collect input from subject matter experts in relevant Corporate Functions and GBUs.
   - **Opportunities**: As part of the double materiality exercise, we relied on internal stakeholder workshops and additional output from relevant Corporate Functions, GBUs and Growth Platforms to identify opportunities arising from identified impacts and dependencies. We also relied heavily on our SPM tool and took into account our climate scenario analysis. This SPM framework, which is designed to analyze the environmental and social impacts of product applications and integrate early market and regulatory signals, is fully integrated into our overall management process to identify sustainable opportunities for the company. As such, SPM assessments are performed not only on our existing portfolio, but also on our R&I pipeline, potential M&A activities, etc. As global megatrends and technology shifts offer us significant opportunities, we have aligned our businesses, innovation projects, and product portfolio to respond to these forces.
   - **Risks**: This part of the financial materiality assessment is fully integrated within the Entreprise Risk Management (ERM) process (see Enterprise Risk Management chapter). The starting point is the central risk register, managed by Corporate Risk Management. Similar to what was done for impacts and opportunities, a bottom-up approach was utilized where Corporate Risk Management held risk identification and assessment workshops with representatives from each GBU, Business Support Activities, and Corporate Functions. By sharing an extensive risk universe, which among others included information on all ESRS sub-sub-topics, the team ensured that internal stakeholders considered risks arising from impacts and dependencies during the discussions.

To integrate direct external perspectives on Syensqo's IROs, in addition to our indirect stakeholder approach, we consulted various external stakeholder groups through online surveys and a Sustainability Dialogue meeting. These surveys were also completed by a representative sample of affected communities around our sites. This process is ongoing, and will thus form the basis of future materiality assessments.

3. Assessment and Prioritization

— **Impact materiality assessment**

- Own operations: We assessed the information collected in paragraph *2. Identification of impacts, risks, and opportunities*, and engaged our internal subject matter experts to perform the assessment and prioritization of the identified impacts. For environmental sub-sub-topics, we assumed material impact mainly from our production sites, rather than administrative and R&I.
- Value chains: We relied on an 'external evidence'-based, step-by-step process to objectively assess and prioritize the potential impact of Syensqo through our value chains. Because this approach only allows us to assess potential impacts, we commit to increasing due diligence to identify actual impacts.
- Scoring methodology: In line with ESRS and the EFRAG guidance documents, Syensqo assessed impacts based on relative scale & scope *(both a 5-level score, weighted 50/50)*, irremediable character *(multiplier with amplifying effect for negative impacts only)*, and likelihood *(multiplier with attenuating effect for potential impacts only)*.
  - Actual positive impacts are scored based on scale and scope.
  - Potential positive impacts are scored based on likelihood, scale, and scope.
  - Actual negative impacts are scored based on severity, a combination of scale, scope and irremediable character.
  - Potential negative impacts are scored based on likelihood and severity, a combination of scale, scope and irremediable character.

— **Financial materiality assessment for risks**

- Approach: Syensqo's Corporate risk team used the same workshops and sessions, as described in paragraph *2. Identification of impacts, risks, and opportunities*, to assess and prioritize existing, as well as newly-identified risks. The risk scoring methodology described below was used to prioritize all risks. ESG risks are fully embedded into Syensqo's ERM practices, so there is no differentiation in risk assessment methodology between ESG and non-ESG risks. To meet CSRD requirements, ESG risks are assessed on gross risk, i.e. before risk control measures according to ESRS 1.
- Scoring methodology: Syensqo assigned risk scores based on a qualitative and/or quantitative assessment of the potential financial magnitude (5-level score) and the likelihood (5-level multiplier with attenuating effect). The quantitative assessment of the potential magnitude was based on Earnings Before Interest Tax Depreciation and Amortization (EBITDA). The qualitative assessment was based on strategic and/or reputational implications, stakeholder perception, and in relation to any legal and regulatory compliance. The results of this assessment were used for the prioritization of topics and determined which sustainability matters are material for reporting purposes.

— **Financial materiality assessment for opportunities**

- Data sources: The Strategy and Corporate Sustainability teams relied on available financial data (projections) to assess opportunities. Similar data, e.g. SPM data and projections on global megatrends and technology shifts, are used to guide Syensqo's strategy and are, where applicable, integrated into our management processes.
- Scoring methodology: We used the same scoring methodology as for risks, but relied only on the quantitative approach for the magnitude, and extended this approach by including additional financial metrics like net sales and capex.

Syensqo has set the materiality threshold across its IROs at a final score of ≤ 2.5 out of 5. This means that IROs scored as 2.5 or above, and their associated ESRS topic, are deemed material.

4. Clustering

We consolidated certain ESRS sub-sub-topics, presented in section *5.1.3.2 High-level outcome of the double materiality assessment*, and combined certain material IROs to streamline the outcome of our DMA. This was also documented in our central DMA database.

5. Validation and Internal control

A dedicated CSRD Steering Committee, including our CFO, GC, and Chief Sustainability Officer, was responsible for any intermediate validation throughout this process, whilst Syensqo's ELT and Board gave the final validation on the DMA process and results. The ELT also reviewed and validated all consolidated IROs.

Our internal control consists of segregation of duties between the DMA lead (i.e. data collection), Topic leaders (i.e. decision-making), and the CSRD Steering Committee (i.e. regular oversight and approval). All information related to the DMA process is consolidated in our central DMA database and corporate risk registry. This permits us to maintain a clear and accessible audit trail of all inputs, decisions, and outcomes, provide accountability, and allow for retrospective evaluation. Syensqo's DMA process is aligned to the ESRS and all relevant EFRAG guidance, and was reviewed by an independent external auditor.

6. Monitoring and DMA review

We monitor risks through our corporate risk registry, which is continuously developed and updated. We continuously monitor our opportunities via our SPM framework and related management processes. A designated part of our Corporate Sustainable Development (SD) team is also responsible for ongoing collaboration with GBU's, R&I, and Strategy to deliver on sustainable growth and the related opportunities. Our SD team closely monitors our material impact, in close collaboration with other departments within Syensqo.

We will conduct a complete in-depth DMA every 3 years with a high-level review of the previous DMA on a yearly basis, and align with evolving regulations.

5.1.4.2 High-level outcome of the double materiality assessment

The table here below presents the consolidated outcome of the DMA, based on material IROs in both our own operations and the value chain.

DOUBLE MATERIALITY ASSESSMENT RESULTS

	Scope		Financial Materiality		Impact Materiality	
	OO	VC	Opp.	Risk	Pos.	Neg.
ENVIRONMENT						
CLIMATE CHANGE	✖	✖	▲	▼	▲	▼
EMISSION, EFFLUENTS & REMEDIATION	✖			▼		▼
WATER	✖					▼
BIODIVERSITY	✖	✖				▼
CIRCULAR ECONOMY	✖	✖	▲	▼	▲	
WASTE	✖					▼
PRODUCT DESIGN & PROCESS SAFETY IN VC		✖		▼	▲	▼
PRODUCT STEWARDSHIP, INCL. PRODUCT SAFETY	✖	✖	▲	▼	▲	▼
SOCIAL						
EMPLOYEE HEALTH & SAFETY	✖			▼	▲	▼
FAIR & INCLUSIVE CULTURE	✖				▲	
LABOR PRACTICES & TALENT MANAGEMENT	✖			▼	▲	
WORKERS' HUMAN RIGHTS		✖		▼		▼
SITE STEWARDSHIP & COMMUNITY ENGAGEMENT	✖			▼	▲	▼
COMMUNITIES QUALITY OF LIFE		✖	▲	▼	▲	▼
GOVERNANCE						
BUSINESS ETHICS	✖	✖		▼	▲	▼
SUPPLY CHAIN MANAGEMENT					▲	

Scope: ✖ Own operations ✖ Value chain
Financial Materiality: ▲ Opportunity ▼ Risk
Impact Materiality: ▲ Positive ▼ Negative

The mapping between every ESRS sub-sub-topic and our Syensqo's naming can be found in *Appendix I - Detailed DMA results and clustering table.* This table also includes additional materiality assessments performed by Syensqo on specific metrics-related data points.

Details on our material IROs are grouped at the beginning of each relevant chapter in the sustainability statements chapter.

The list of Disclosure Requirements that Syensqo complies with, following the outcome of the DMA can be found under 5.1.2.2 Disclosures in relation to specific circumstances - Incorporation by reference.

The necessary datapoints derived from other EU legislation are listed in *Appendix II - Datapoints that derive from other EU legislation.*

5.1.4.3 Syensqo's resilience analysis on material topics

To evaluate our capacity to address material actual and potential impacts and risks and to capitalize on opportunities over the short-, medium-, and long-term, we conducted an internal qualitative resilience assessment in 2024, based on available data and input from certain key departments.

We keep pace with new technologies, changing business models and consumer demands through a strategic focus on diverse, sustainable growth opportunities in the medium- to long-term, whilst managing our material actual and potential impacts. We simultaneously meet stakeholder expectations on the short- to medium-term by optimizing our diverse product portfolio, and making informed resource and capital allocation decisions. Well-defined frameworks consisting of targets, policies, controls and actions allow us to manage potential negative outcomes, while remaining sufficiently agile to respond to unexpected circumstances.

Syensqo's resilience analysis is continuously evolving in step with the ever-changing world, technological advancements and lessons learned ensuring ongoing improvement and adaptability.

5.1.5 Statement on sustainability due diligence

Core elements of due diligence	Section in the sustainability statements	Pages
(a) Embedding due diligence in governance, strategy and business model	1.2.3 Our growth system Our Business Model (infographic) 3.3.1 Board of Directors 3.3.2 Board Committees 3.4 Executive Leadership Team 4.1 Enterprise risk management in action 5.1.1 Sustainability operational governance 5.1.4.1 The Double Materiality Assessment process	
(b) Engaging with affected stakeholders in all key steps of the due diligence	5.1.1 Sustainability operational governance 5.1.3 Stakeholder engagement 5.1.4.1 The Double Materiality Assessment process 5.3.1.3 Process for engaging with value chain workers and their communities 5.3.2.2.2 Processes for engaging about health and safety on our sites 5.3.2.3.2 Process for engaging with value chain workers and end-users 5.3.2.4 Health and safety of communities 5.3.3.3 Process for engaging with own workforce and our affected communities	
(c) Identifying and assessing adverse impacts	5.1.4.1 The Double Materiality Assessment process 5.2.2.1.2 Our policies and management approach 5.3.1.4 Channels for value chain workers and communities to raise concerns 5.3.2.2.3 Processes for remediating impacts and channels to raise concerns related to health and safety on our sites 5.3.2.3.3 Channels to report concerns for value chain workers and end-users 5.3.2.4 Health and safety of communities 5.3.3.4 Channels to raise concerns 5.4.1.2.1 Business ethics policies, corporate culture, and grievance mechanisms	
(d) Taking actions to address those adverse impacts	5.2.1.1.5 Taking action in relation to climate change 5.2.1.2.4 Taking action in relation to water management 5.2.1.3.4 Taking action in relation to waste management 5.2.1.4.2. Emissions, Effluents and remediation 5.2.1.4.3. Product stewardship 5.2.2.1.4 Taking action in relation with Product design and Process safety in the value chain 5.2.2.2.4 Taking action in relation with circular economy 5.3.1.2.4 Sustainable Sourcing Statement 5.3.1.2.5 Conflict Minerals Policy 5.3.1.6 Taking action on Human Rights impacts 5.3.2.2.5 Taking actions in relation with health and safety on our sites 5.3.2.4 Health and Safety of communities 5.3.2.3.5 Health and Safety actions for our value chains workers and end-users 5.3.3.6 Taking action for the working conditions of our employees	
(e) Tracking the effectiveness of these efforts and communicating	5.2.1.1.4 Climate related targets 5.2.1.1.6 Climate related metrics 5.2.1.2.3 Water related targets 5.2.1.2.5 Water consumption and withdrawal metrics 5.2.1.3.5 Resource outflows - waste metrics 5.2.1.4.2 Emissions, Effluents and remediation 5.2.1.4.3 Product stewardship 5.2.2.1.4 Taking action in relation with Product design and Process safety in the value chain 5.2.2.2.3 Targets related to circular economy 5.2.2.2.5 Metrics - Resource inflows & Resources outflows 5.3.1.7 Human rights metrics 5.3.2.2.4 Targets related to health and safety on our sites 5.3.2.2.6 Health and safety on our site indicators 5.3.3.5 Targets for our own workforce and affected communities 5.3.3.7 Own workforce metrics	

5.2 Environment

5.2.1 Limiting the environmental impact of our activities

5.2.1.1 Climate change

5.2.1.1.1 Material impacts, risks and opportunities related to climate change

The process, methodologies, assumptions and tools used to identify and assess climate-related IROs are described in *section 5.1.4.1 The Double Materiality Assessment process*. We used our current GHG emissions data (*section 5.2.1.1.6 Climate related metrics*) and our transition plan (*section 5.2.1.1.2 Transition plan for climate change mitigation*) to identify our GHG emission sources and assess our current and potential impacts on climate change.

In 2023, we completed a climate scenario analysis to better understand and assess climate-related risks and opportunities, for both transition risks and opportunities and physical risks. The objective was to obtain a climate risk and opportunity heatmap with financial impact based on the latest International Energy Agency (IEA) emission scenarios and the Intergovernmental Panel on Climate Change (IPCC) scenarios. Results and insights were integrated into Syensqo's risk management practices and strategy.

Assessment on transition risks and opportunities

We focused on the three most significantly exposed GBUs—Specialty Polymers, Composite Materials, and Novecare—based on total emissions (Scope 1, 2, and 3) and their exposure to climate-sensitive markets like automotive, aerospace, consumer goods, and agriculture. We considered two IEA scenarios: the 1.5°C Net Zero Emissions Scenario and the 3°C Stated Policy Scenario, chosen for their combination of quantitative and qualitative assumptions. Our analysis spanned the medium- and long-term time horizons, 2030 and 2050, utilizing a climate scenario analysis tool from a leading consulting firm to provide external insights and challenge our assumptions. This included quantitative assumptions on price, cost, volume changes, and adaptation potential, with price trajectories up to 2050 for various energy sources. The analysis, based on consulting service and Syensqo expertise, considered market dynamics across key markets and site characteristics. We assessed the financial impact on each GBU by examining procurement, operations, and customer impacts. The analysis covered all countries with Syensqo sites, the top 25 procurement countries, and the top 25 market countries by revenue.

To identify climate transition risks and opportunities, we also used our SPM tool, categorizing products as "climate solutions" or "climate challenges." For opportunities identified via our SPM tool, we rely on our SPM framework to craft a response strategy (for more details on the framework, see *section 5.2.2.1.2 Our policy and management approach*).

All identified risks and opportunities were assessed using financial materiality criteria of magnitude and likelihood.

Assessment on physical risks

We focused on six Syensqo sites with the highest contribution margin: Augusta (CA), Marietta (OH), and Greenville (SC) in the US; Tavaux in France; Spinetta Marengo in Italy; and Changshu in China. We analyzed two climate scenarios: 4°C global warming (IPCC RCP 8.5 and SSP-5.85) and 3°C global warming (IPCC RCP 4.5 and SSP-2.45), across three time horizons: 2030, 2050, and 2100. Using a climate scenario analysis tool from a leading consulting firm, we evaluated acute risks like heatwaves and floods, and chronic risks such as sea level rise and water stress. Quantitative assumptions on climate hazard frequency and vulnerability were derived from the consulting service's model, based on Jupiter ClimateScore™ Global and UCL EM-DAT, with financial impacts calculated from asset damage and business interruption over 20 years.

For 2024, physical risks were managed with support from Syensqo's property insurer, FM, and reinsurers, using proprietary flood modeling. Sites with insured values over €50 million were evaluated by FM engineers and benchmarked for resilience.

As presented in the Financial statements consolidation principles (*Climate change section)* and note F19, Syensqo's climate change risks and opportunities were not deemed to have a material impact on the financial statements for the periods presented. Further, Syensqo concludes that the climate change risk does not impact the going concern assessment for December 2024.

GLOSSARY FOR THE TABLE BELOW

For impacts, risks & opportunities	For impacts only	For social impacts related to S1 only
• **OO** = Own operations • **VC** = Value chain	Column 'Time Horizon' • **ST** = Short term • **MT** = Medium term • **LT** = Long term	Column 'Own workforce category' • **OE** = Own employees • **BOE** = Beyond own employees, incl. self-employed and employed by third party undertakings that are primarily engaged in employment activities
If not indicated as "Entity Specific", it is covered by an ESRS (sub-sub-)topic		
Column 'Current & anticipated effects' • **High** = Important effect • **Medium** = Significant effect • **Low** = Modest effect		

Material impacts, risks, and opportunities

Type of IRO	Own Operations (OO) or Value chain (VC)	Time Horizon	IRO Name	Description	Current & anticipated effects

CLIMATE CHANGE

ESRS E1 Climate change - Climate change mitigation & Energy

Type of IRO	Own Operations (OO) or Value chain (VC)	Time Horizon	IRO Name	Description	Current & anticipated effects
▼ Actual Negative Impact	✖ OO ✖ VC	LT	GHG emissions from our operations and value chain *(Scope 1, 2, and 3)*	Syensqo's Scope 1 GHG emissions, coming from our industrial activities, Scope 2 GHG emissions, coming from purchased electricity and steam from energy suppliers, and Scope 3 GHG emissions occurring in the value chain, as a consequence of our activities at suppliers' sites or earlier in the supply chain from the extraction and production of purchased materials, as well as at customers' sites, when consumers use our product, or at the end of a product's life, have been deemed to contribute to climate change leading to higher global temperatures, reduced availability of fresh water, more frequent droughts, wildfires & floods, a reduction of biodiversity, human health, etc.	High
▲ Opportunity	✖ OO	-	Move toward carbon neutrality for Scope 1 & 2 by 2040	The use of lower-emission sources of energy and electricity, and process optimization efforts will result in reduced (operating) costs and energy use reduction. Syensqo has a climate transition action plan to pursue this material opportunity.	Low
▼ Risk	✖ OO ✖ VC	-	Transition policy and legal risk	The risk that an inability or delay to achieve the Syensqo climate transition objectives (Scope 1, 2 and 3) lead to higher carbon pricing costs for own operations or increased raw material costs, particularly in the European Union (EUETS).	Low
▲ Opportunity	✖ VC	-	Products contributing to decarbonization	Through SPM, we identified growth opportunities for our sustainable solutions that are contributing to downstream GHG emission reductions by enabling lightweighting, improving energy efficiency, and supporting renewable energy storage.	High
▲ Opportunity	✖ VC	-	Innovation contributing to decarbonization *(climate transition opportunity)*	Syensqo's strategic innovation to accelerate our growth is fueled by key megatrends that contribute to the decarbonization of our planet. Our customer-driven solutions enable further lightweighting and therefore decarbonization of critical industries such as aerospace, mobility and energy, opening major business opportunities. Syensqo also combines innovative material and chemical solutions and competencies to accelerate the green hydrogen economy. And finally, Syensqo also offers a unique range of innovative materials for the next-generation of batteries to serve electrification in the automotive sector.	High

ESRS E1 - Climate change mitigation

Type of IRO	Own Operations (OO) or Value chain (VC)	Time Horizon	IRO Name	Description	Current & anticipated effects
▼ Risk	✖ OO ✖ VC	-	Market transition risk - Changing consumer behavior	Top Group Risk: The risk that changes in customer preferences, based on sustainability drivers such as GHG emissions from cradle to grave, may lead to loss of sales and reputational losses.	Low

ESRS E1 - Climate change adaptation

Type of IRO	Own Operations (OO) or Value chain (VC)	Time Horizon	IRO Name	Description	Current & anticipated effects
▼ Risk	✖ OO	-	Physical risks	Top Group Risk: Acute physical climate risks at certain sites can lead to significant damages to people and our plants as well as production shutdown causing significant business interruption.	Medium

Scope: ✖ Own operations ✖ Value chain
Financial Materiality: ▲ Opportunity ▼ Risk
Impact Materiality: ▲ Positive ▼ Negative

The policies, targets, actions and metrics described in this section contain information on our response to these material IROs. The climate transition plan explains how Syensqo will realize the related material opportunity, whilst the sections *1.2. Our strategy* and 1.*3. How we create value* provide insights on how Syensqo responds to other material opportunities in combination with the information under *section 5.2.2.1 Product design and Process safety in the value chain.* The current financial effects of these material opportunities are too confidential to disclose, and for these material risks, there are no current financial effects.

Climate scenario analysis - Resilience analysis

Resilience analysis based on the climate scenario analysis

The scope, methodology, timing, and applied time horizons for the climate change resilience analysis is fully aligned with our climate scenario analysis, which is explained above. Both provide valuable insights which are integrated in the Climate Transition Plan:

- Robust growth in both scenarios: market dynamics cause +70% total sales of the three businesses by 2050 in a 1.5°C world as well as in a 3°C world. An important assumption limiting sales growth is the cap set for total battery applications served in the 1.5°C scenario.
- The portfolio diversity provides solid balance: in a 1.5°C world, the specialty polymers business has the most significant growth opportunities, with demand increasing in most consumer segments while, in a 3°C world, the composite materials business has more opportunities, with fewer short-haul flights in the 1.5°C scenario. Novecare growth is undifferentiated overall: demand per market is responding differently to each scenario, contributing to a balanced outcome.
- Resilience to cost increases is high in the specialty polymers business and composite materials. An important assumption pertains to cost pass-through abilities. The part of the Novecare supply chain starting from palm oil and other vegetal oil alternatives is more GHG intensive and faces more risk in the 1.5°C scenario. Engaging with suppliers to reduce Scope 3 emissions and advancing sustainable nature-based feedstocks for Novecare enhances resilience to CO_2 costs and intrinsic competitiveness in the long run.

The analysis will require updating and continuously strengthening risk and opportunity management, strategy development and management decisions.

5.2.1.1.2 Transition plan for climate change mitigation

Syensqo's climate transition strategy combines reducing GHG emissions across the value chain and mitigating transition risks as well as generating positive impacts by avoiding GHG emissions in society and creating value with customers.

Our targets

Syensqo has a goal to achieve carbon neutrality in its operations (Scope 1 and Scope 2) by 2040. This combines a reduction of GHG emissions by at least 80% compared to the 2021 baseline and by compensating residual, hard-to-abate GHG emissions with high-integrity credits in line with the recommendations of the United Nations' High Level Expert Group on Net Zero Emissions Commitments of Non-State Actors.

By 2030, our goals are to:

- Reduce Scope 1 and 2 GHG emissions 42% as compared to 2021.
- Reduce Focus 5 categories of Scope 3 GHG emissions 25% as compared to 2021. These categories represent 77% of our total Scope 3 emissions. The "Focus 5" categories include (1) purchased goods and services, (2) fuel- and energy-related activities [both upstream] as well as (3) processing, (4) use and (5) end-of-life treatment of sold products [downstream].

By 2035, our goal is to:

- Reduce Scope 1 and 2 GHG emissions 60% compared to 2021, which is halfway between our 2030 goal and the minimum reduction level for 2040.

Our 2030 goals have been validated by the Science Based Targets initiative (SBTi) and are consistent with limiting global warming to 1.5°C in line with the Paris Agreement. The emission reduction targets cover all GHG emissions for Scope 1, Scope 2 and Focus 5 categories of Scope 3 in the GHG inventory boundaries of the company and are gross targets.

Our actions

For our operations - Scope 1 and Scope 2

Star Factory energy transition roadmaps are tailored for Syensqo plants, covering 91% of the total energy consumption in 2024. Decarbonization actions are grouped under three main levers:

- Use of renewable energy: e.g. renewable electricity, on-site bioenergy production from sustainable biomass and biogas, also sustaining supply security and competitiveness.
- Energy efficiency and electrification of technologies and processes: e.g. heat recovery, heat pumps, innovative energy-saving processes and equipment.
- Reduction of process emissions and energy mix improvement: e.g. clean technologies and processes reducing high Global Warming Potential (GWP) emissions, fuel switch.

Since 2021, decarbonization actions have achieved a structural annual reduction of 464 ktCO_2 by the end of 2024, or 22% of the 2021 baseline year. This includes the reduction of 26 ktCO_2 achieved in 2024 by the key actions in Spinetta Marengo, Italy and Saint Fons, France. These actions are expected to deliver an additional reduction of 148 ktCO_2 annually or 7% of the 2021 baseline in the years to come.

For our value chain - Scope 3

To reduce Focus 5 categories of Scope 3 GHG emissions in our supply chain and downstream value chain, we are:

- Engaging with suppliers and advancing the use of bio-based raw materials from sustainable low-emission sources: launched in 2024, the Supplier Climate Pledge is focused on Syensqo's Top 70 suppliers accounting for 80% of emissions from raw materials purchased (within category 3.1). This initiative builds on Syensqo's product carbon footprint (PCF) digital solution, which allows for aligning with suppliers and customers and identifying areas in which emissions can be reduced collaboratively.
- Managing the products portfolio and sustainability: this decarbonization lever is principally addressing downstream GHG emissions in the categories (10) Processing, (11) Use and (12) End-of-life treatment of products sold. It leverages the SPM tool to define sustainable solutions in the portfolio.

Since 2021, structural reductions through portfolio management and phasing down a high impact product achieved 770ktCO_2 by the end of 2024, or 13% of the 2021 Focus 5 categories of Scope 3 GHG emissions baseline.

Syensqo initiated a transportation GHG emissions reduction program in 2024, which are outside of Focus 5 categories of Scope 3 GHG emissions. We aim to reduce CO_2 emissions per metric ton-kilometer by 2.5% annually.

Avoided emissions in the value chain

Syensqo's growth initiatives in lightweighting with composite materials, electrification with batteries and green hydrogen aim to improve energy performance and enhance renewable energy use in the economy, significantly avoiding GHG emissions. Through this, Syensqo businesses align with megatrends at the heart of the transition to green mobility, which is expected to drive partnerships with customers, deliver new sources of value, and support long-term growth.

- Innovation is guided by Syensqo's SPM tool, which integrates Focus 5 categories of Scope 3 emissions and avoided emissions impacts, and provides clarity for optimal decisions. It includes designing products for circularity and using renewable and recycled raw materials (bio-based, recycled-based and CO_2-captured-based feedstocks).
- Syensqo invests in related production capacity in alignment with industry demand.

Construction works progressed in 2024 for advancing lightweighting, green hydrogen and electrification with several pilots of innovative technologies and production capacity expansion in Tavaux, France.

Syensqo is a main partner of the Climate Impulse project, a non-stop, emissions-free flight around the world in a green hydrogen-powered plane. Through Climate Impulse, Syensqo advances net zero emissions and sustainable air travel. Syensqo has also partnered with DS Penske Formula E Team, progressing innovation and green mobility.

Financial resources

- Scope 1 and Scope 2: plan for the 2030 and 2040 targets

	plan 2025-2040
Project investments	€800M*

* *Projects may be invested by Syensqo (capex) or by third-parties under non-consolidated schemes, on a case by case*

- Avoided emissions: plan for the key actions in implementation in 2024

	2024	planned
Capex	€130M	€103M

- Resources needed for planned actions are included in the company cash plan. Effective allocation is contingent on the future financial performance of the company.
- Capex and OpEx related to Actions are reported as EU Taxonomy Eligible Capex under Activity codes 7.3 Installation, maintenance and repair of energy efficiency equipment and 7.6 Installation, maintenance and repair of renewable energy technologies. (See *section 5.2.2.3 EU Taxonomy*)

Other Disclosures

- Locked-in GHG emissions from key assets and products are not considered to block achieving the targets or to represent material transition risks. They are fully integrated in the design of the Climate Transition Plan and in the prioritization and timing of actions to reduce Scope 1, Scope 2 and Scope 3 emissions and the exposure to carbon pricing policies.
- Syensqo is not excluded from the EU Paris-aligned Benchmarks.
- In 2024, Syensqo did not invest significant capex in economic activities related to coal, oil and gas.

Governance and management

Syensqo's climate transition plan is meticulously embedded in and aligned with its overall business strategy and financial planning through a comprehensive approach that integrates sustainability and climate-related considerations.

Governance:

- The CEO and the ELT manage Syensqo's strategy with a strong focus on sustainability, overseeing the organization and monitoring primary risks, including climate-related IROs.
- The dedicated Environment Steering Committee meets quarterly to ensure ongoing attention and strategic guidance on climate-related subjects. The committee reviews actions, resources and progress versus climate targets on a scheduled basis. This committee is led by the COPO, with contributions from the Chief Sustainability Officer, GBUs presidents, and key experts.

Ensuring that its transition strategy is aligned with overall business growth, risk management, and long-term resilience:

- Assessment of climate-related transition opportunities and threats is supported by the climate scenario analysis.
- The impact of climate risks and initiatives like the One Planet strategy are factored into key financial estimates and assessments.
- 80% of the Company's research and innovation projects are sustainable solutions, as per the SPM Framework.

Climate-related financial considerations:

- Incorporation in Financial Planning: Climate change impacts are integrated into financial estimations and strategic decision-making, including future cash flow projections for impairment tests, profitability assessments for deferred tax asset recoverability, and scenario analysis for transition and physical risks associated with different climate scenarios.
- The budget and mid-term planning process covers both financials and sustainability. It includes quantitative objectives, actions and resources for Scope 1 and Scope 2 and for the Focus 5 categories of Scope 3.
- The Investment Committee reviews climate-related impacts and risks of proposed investments, and mitigation plans where applicable.
- Committees include members of the ELT and are advised by the Chief Sustainability Officer.

Climate in Remuneration:

- The Incentive Committee reviews climate-related (and overall One Planet) key performance indicators (KPIs) for company employee incentive and remuneration schemes.

Carbon Pricing Policy:

- Syensqo implements an Internal Carbon Pricing scheme, applying €100 per metric ton of CO_2 to Scope 1, Scope 2 and Scope 3 upstream GHG emissions, ensuring capital investments align with the carbon neutrality for Scope 1 & 2 objective and reinforcing resilience against climate risks.

Syensqo's ELT has approved the Climate Transition Plan. It has been reviewed by the ESG Committee of the Board. Targets and the related financial resources have been approved by the Board.

5.2.1.1.3 Climate Change Policy

Syensqo's Climate Change Policy, which applies to all of our operations and businesses, outlines our approach to cut GHG emissions across our operations and the value chain, and manage climate-related impacts and transition risks, as well as to create positive impact by avoiding GHG emissions and advancing associated business opportunities. These actions also reduce potential pressures on biodiversity and ecosystems. The policy summarizes our climate-related metrics and targets, adaptation and mitigation strategies, as well as relevant company leaders involved in the governance of this topic at Syensqo.

Ambitious 2030 targets are set in Scope 1, Scope 2, and Scope 3, and we strive for reaching carbon neutrality of our own operations by 2040 (Scope 1 and Scope 2).

Core implementing components of our approach include:

- Increasing the use of renewable energies and advancing energy efficiency, optimizing our own operations and engaging with our supply chain partners
- Innovating and collaborating with our customers for bringing to scale solutions that enable zero and low-emissions downstream for green mobility and in the global economy

The policy also covers climate change adaptation by improving the resilience of our facilities to account for climate physical risks.

Syensqo's GHG emission reduction targets for 2030 have been validated by SBTi. We monitor all key GHG emissions metrics and performance indicators annually in accordance with the GHG Protocol and the World Business Council for Sustainable Development (WBCSD) guidance for the chemical sector.

The Chief Sustainability Officer is accountable for policy implementation, ensuring that it is effectively integrated into Syensqo's operations and aligned with our sustainability goals. Consideration given to the interests of key stakeholders in setting the policy and how we make it available is described in *section 5.1.1 Sustainability operational governance*.

Our Responsible Care Policy described in *section 5.3.2.2.1 Health and safety policy on our sites*, also covers our management approach on environmental topics related to climate change.

5.2.1.1.4 Climate-related targets

Climate change mitigation is material for Syensqo as defined in our Climate Change Policy on climate-related impacts, and transition risks and opportunities. Considering climate science, expectations of investors and strategic customers, the SBTi requirements for near-term targets, and the Climate Change Policy, targets in absolute value have been set to reduce GHG emissions in own operations and the value chain.

For GHG emissions of Scope 1 and Scope 2, we have two headline targets:

- Carbon neutrality for Scope 1 & 2 by 2040, consistent with the objective to limit global warming to 1.5°C above pre-industrial levels. This combines reducing emissions by at least 80% compared to 2021 and compensating residual, hard-to-abate emissions with high-integrity credits in line with the recommendations of the UN High Level Expert Group on the Net Zero Emissions Commitments of Non-State Actors.
- By 2030, a 42% reduction compared to 2021.

Halfway between its headline targets, Syensqo aims for 60% reduction by 2035 compared to 2021.

For GHG emissions of Scope 3 (value chain), the company targets a 25% reduction in "Focus 5" categories by 2030 compared to 2021. The "Focus 5" categories account for more than 77% of Syensqo's total Scope 3 emissions and include (1) purchased goods and services, (2) fuel- and energy-related activities [both upstream] as well as (3) processing, (4) use and (5) end-of-life treatment of sold products [downstream].

The emission reduction targets cover all GHG emissions for Scope 1, Scope 2 and Focus 5 categories of Scope 3 in the GHG inventory boundaries of the company and are gross targets, therefore ensuring consistency. They have been designed by reference to the cross-sector ambition thresholds for reducing emissions defined by SBTi. In 2024, a restatement of the emissions of Scope 3 has been triggered by methodological changes and accuracy improvements. The +2% impact of this restatement on progress to achievement of the 2030 target for Focus 5 categories of Scope 3 by end of 2023 is mitigated by the strengthening +2% of the target which has also taken place in 2024 in the process of the SBTi validation. Syensqo's portfolio of activities is the same as in the 2021 base year of its GHG targets, which is considered a representative year on average. Outcomes of the Syensqo strategic planning and climate scenario analysis, as well as customer and consumer demand for low carbon products, have been taken into account when prioritizing mitigation actions listed below that also manage the carbon price risk and cost competitiveness.

Decarbonization levers related to prevention and mitigation actions

Three decarbonization levers have been identified for GHG emissions Scope 1 and Scope 2:

- Use of renewable energy such as renewable electricity and bioenergies while sustaining supply security and competitiveness.
- Energy efficiency and electrification of technologies and processes.
- Reduction of process GHG emissions and energy mix improvement.

The progress of our electrification plans depends on the pace of innovation to scale for necessary deployment post-2030. Similarly, consistent evolution of local regulations, energy networks management and energy feedstock supply chains will be critical to enable Syensqo's switch to renewable energies and other changes in the energy mix.

For Scope 3 GHG emissions Focus 5 categories" reduction target, the principal decarbonization levers are:

- Engaging with suppliers and advancing the use of bio-based raw materials from sustainable low-emission sources: addressing emissions in categories (1) Purchased goods and services and (12) End-of-life treatment of products sold.
- Managing the products portfolio and sustainability, including phasing down certain products principally addressing emissions in categories (10) Processing, (11) Use and (12) End-of-life treatment of products sold.

Technology readiness is not material for the Scope 3 decarbonization levers in the 2030 time horizon of the target.

TARGET RELATED TO SCOPE 1 & 2 GHG EMISSIONS - TABLE

	Units	2021	2024	2030	2035	2040
Combined Scope 1 and Scope 2 GHG emissions market-based	Million tCO_2eq	2.1	1.5	1.2	0.8	0.4
	(Evolution vs 2021 %)			(-42%)	(-60%)	(-80%)[1]
Share of target relative to Scope 1 GHG emissions	%	100%	100%	100%	100%	100%
Share of target relative to Scope 2 GHG emissions	%	100%	100%	100%	100%	100%
Share of target relative to renewable energy	%			-26%	-31%	-35%
Share of target relative to electrification and energy efficiency	%			-10%	-19%	-30%
Share of target relative to process emissions and energy mix	%			-6%	-10%	-15%

(1) And compensation of residual GHG emissions for carbon neutrality Scope 1 & 2.

TARGET RELATED TO SCOPE 3 GHG EMISSIONS - TABLE

	Units	2021	2024	2030
Scope 3 GHG emissions	Million tCO_2eq	7.4	6.6	
Scope 3 GHG emissions covered by the target (Focus 5 categories)	Million tCO_2eq	6.0	5.1	
(% ot total Scope 3 GHG emissions)	(%)	(81%)	(77%)	
Scope 3 GHG emissions (Focus 5 categories) target	Million tCO_2eq			4.5
	(% of base year)			(-25%)
Share of target relative to supplier engagement and sustainable bio-based feedstocks	Million tCO_2eq			-13%
Share of target relative to products portfolio and sustainability	Million tCO_2eq			-12%

Through these targets, we track effectiveness of actions and policy to manage our material IROs related to GHG emissions.

5.2.1.1.5 Taking action in relation to climate change

Our actions to decarbonize our own operations and value chain and transition to carbon neutrality for Scope 1 & 2 are a response to the negative impacts and risks on climate change but also to the opportunities listed above, which have been identified under different climate scenarios including a 1.5°C scenario.

Own operations - Scope 1 and 2

As part of the Star Factory industrial transformation program, energy transition roadmaps are created for Syensqo plants. Actions to reduce GHG emissions are tailored for each plant through collaboration between a dedicated team of experts in energy transition and operational teams at industrial sites while considering local energy market conditions and regulations. By the end of 2024, Star Factory roadmaps covered 91% of our total energy consumption. Energy-related GHG emissions account for 78% of total Scope 1 and Scope 2, while process-related GHG emissions account for 22%.

Description of key actions and qualitative progress in 2024 by decarbonization lever:

Use of renewable energy

- The Saint Fons, France plant continued work on a biomass boiler replacing gas-fired boiling and using locally sourced wood waste from building demolition, and wood waste from used furniture. This will allow us to offer low carbon solutions to our Aroma performance customers with more than 95% of site energy coming from renewable sources.
- In 2024, 100% of the electricity purchased and consumed in the USA and in China, originates from renewable sources. Globally, 75% of our sites included in Scope 1 and Scope 2 are 100% powered by renewable electricity.
- In 2024, the Kallo-Beveren, Belgium site became our first plant to attain zero Scope 1 and Scope 2 emissions.

Energy efficiency and electrification of technologies and processes

- The Spinetta Marengo, Italy plant upgraded its chiller technology to shift away from fluorinated gas refrigerants and increase energy efficiency.

Reduction of process emissions and energy mix improvement

- The Spinetta Marengo, Italy plant continued incremental progress since the introduction of a breakthrough clean technology developed in-house in 2019 and specific to process emissions of perfluorocarbon (CF_4). New emission reductions have been unlocked in 2023. We have identified new process optimization and technology innovations for further reductions.

Summary of quantitative progress:

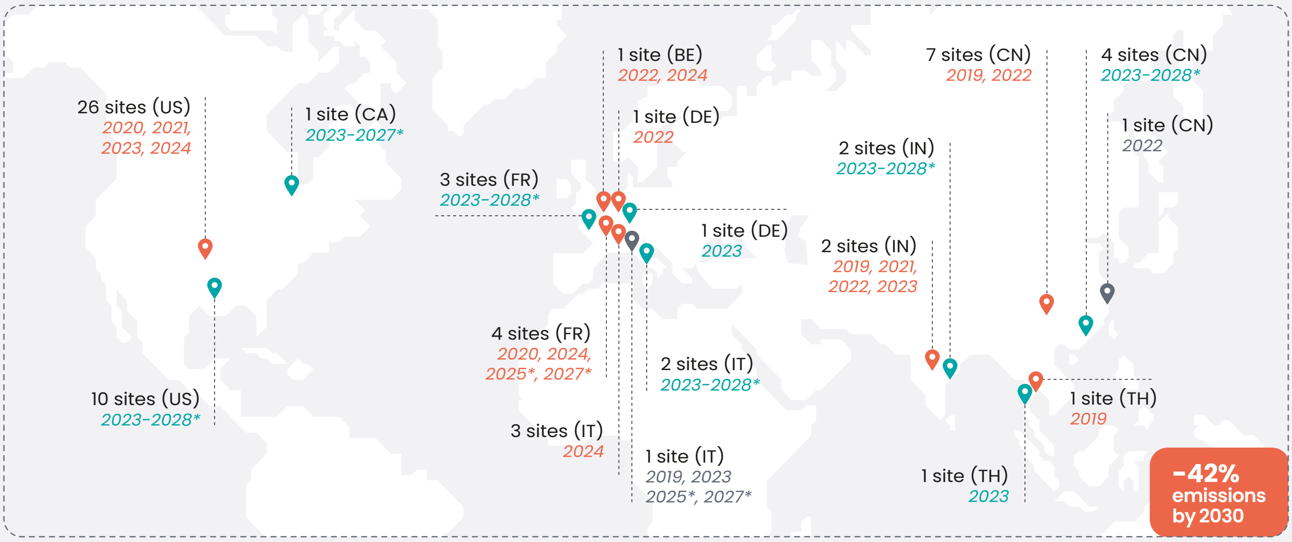
Actions completed since 2021 have achieved an annual reduction of 464 ktCO_2 by the end of 2024 or 22% of the baseline year 2021, including the reduction of 26 ktCO_2 achieved by the key actions in 2024. These actions are expected to produce an additional reduction of 148 ktCO_2 or 7% of the 2021 baseline in the years to come. Key actions are disclosed when they are approved for implementation and are expected to reduce GHG emissions by more than 20kt annually (1% of baseline emissions).

SUMMARY OF KEY ACTIONS AND THEIR REDUCTIONS

	Units	Reductions in 2024	Planned Reductions
TOTAL	**ktCO_2/year**	**26**	**148**

ACCELERATING THE ENERGY TRANSITION

- Renewable energy: solar, wind, biomass, biogas
- Energy efficiency and electrification
- Reduction of process emissions and energy mix



* Planned projects
Year(s) indicate the dates of project completion.
Multiple projects can be conducted at the same location.

Financial resources

Current and future financial resources required to implement action plans are disclosed following the rules laid out in the *section 5.1.2. Basis for Preparation*.

Scope 1 and Scope 2: plan for the 2030 and 2040 targets

	plan 2025-2040
Projects investments	€800M*

* *Projects may be invested by Syensqo (capex) or by third-parties under non-consolidated schemes, on case by base.*

- Syensqo's cash plan includes the resources needed for planned actions. Effective allocation is contingent on our future financial performance. National and local climate and energy policies are paramount to create an enabling environment. This includes the transformation of energy distribution networks, particularly electricity, and incentives sustaining the competitiveness of industrial players transitioning to low carbon operations.
- For any information concerning the KPIs required under Commission Delegated Regulation (EU) 2021/2178, please refer to *section 5.2.2.3.3. Templates for the KPIs of Non-financial Undertakings.*
- Syensqo's exposure to higher costs from carbon pricing schemes is managed by experts combining intelligence of climate transition policies, GHG emission reduction options and carbon markets. Related actions include financial hedging to manage the carbon price risk during the transition to a low-emission business profile.

Value chain - Scope 3

Description of key actions and qualitative progress by decarbonisation lever:

Engaging with suppliers and increasing visibility in the value chain

- In 2024, Syensqo launched the **Suppliers Climate Pledge** initiative which is focused on the Top 70 suppliers accounting for 80% of emissions from raw materials purchased (within category 3.1 "Purchased goods and services"). It is designed to be a mutual commitment in three areas:
  1. Establishing suppliers' roadmaps to reduce the carbon footprint of raw materials sourced and leveraging our expertise to support supplier decarbonization journeys
  2. Proposing low-carbon raw materials and embedding Scope 3 impact in the Request for Proposal process
  3. Requesting that suppliers establish science-based targets aligned with the 1.5°C trajectory and developing strategic partnerships.
- Because Scope 3 impact of raw materials contributes to 59% of the cradle-to-gate[(1)] PCF of our products on average, **alignment with suppliers on the PCF of raw materials** is crucial. New progress has been made in 2024, achieving a coverage rate of 38% of the raw materials Scope 3 impact with suppliers' PCF which have successfully passed our review process. This represents 700 PCFs from 160 suppliers. We plan to continue increasing the use of suppliers' data to foster alignment in the value chain and improve metrics accuracy.
- We continued rolling out our **PCF digital solution** for our products aligned with ISO 14067 and the PCF Guideline for the Chemical Industry issued by Together for Sustainability (TfS). The digital PCF solution provides granular data, identifying opportunities for GHG emissions reductions with suppliers and customers. Suppliers' PCFs that pass our review tests are incorporated into the digital solution, strengthening alignment across the value chain. In 2024, we significantly increased the coverage of our Consumer & Resources segment while expanding to 3 plants in the Materials segment. The number of our products with a digital PCF completed has increased from below 100 by the end of 2023 to over 2,200 by the end of 2024.

Transforming our products portfolio

Increasing the share of sales from products rated as sustainable solutions as per our SPM framework, which integrates emissions in the targeted Scope 3 categories (10) Processing, (11) Use and (12) End-of-life treatment of products sold, on an application basis serves to mitigate the risk arising from changes in customer behaviors leading to loss of sales and reputational losses based on sustainability drivers such as GHG emissions from cradle to grave.

Summary of quantitative progress:

Since 2021, we have achieved a 0.77 Mt CO_2 structural reduction or 13% of the 2021 Focus 5 categories baseline. This structural reduction is a result of portfolio management and the phasing down of a high impact product.

Financial resources

Current and future financial resources required to implement action plans are disclosed following the rules laid out in the *section 5.1.2 Basis for Preparation*. Capex needed for reducing the Scope 3 impact of raw materials is planned to come from players in the supply chain. Recurring OpEx are planned to be covered by demand for low carbon products with increased market share and value pricing. Non-recurring OpEx for creating actions are not material.

Exploring beyond our Focus 5 areas: In 2024, Syensqo also launched a program aimed at addressing the emissions from purchased transportation services reported under categories (4) upstream transportation and (9) downstream transportation which account for 4% of total Scope 3 emissions. The program's ambition is to achieve an annual reduction of 2.5% in CO_2 emissions per metric ton -kilometer by 2030.

Avoided emissions in our value chain

Focused growth initiatives are dedicated to lightweighting with composite materials, electrification with batteries and green hydrogen, as well as to renewable materials and biotechnology.

Innovation is guided by Syensqo's SPM tool which integrates GHG emissions throughout the life cycle, spanning both the Focus 5 and Avoided emissions impacts. It also includes designing products for circularity, using renewable and recycled raw materials, such as bio-based feedstock, recycled-based feedstock and CO_2-captured-based feedstock.

Investing in related production capacity, in alignment with industry demand.

Key actions in 2024 include: progressing construction works for several pilots of innovative technologies and production capacity expansion in Tavaux, France.

(1) *from resource extraction to the factory gate, before it is transported to the consumer*

Financial resources

Current and future financial resources required to implement action plans are disclosed following the rules laid out in the *section 5.1.2. Basis for Preparation.*

Avoided emissions: plan for the key actions in implementation in 2024

	2024	planned
Capex	€130M	€103M

- The resources needed for planned actions are included in Syensqo's cash plan. Effective allocation is contingent on our future financial performance.
- The capex spent in 2024 as reproduced in above table, is included in the total capex line disclosed in Financial statements Note F1 ("Capital Expenditures" 2024 Group total, page 264).

Action plan for climate physical risks

On-site field risk evaluations are conducted each year. FM generates specific human and physical natural hazard recommendations to the business units ensuring consistent and quality loss prevention programs. FM recommendations are managed via the FM centralized digital Global Portal used to provide an up-to-date status and feedback on each open recommendation so proper follow up can be achieved to complete them.

In line with the objective on Climate risk to meet 65% on FM climate risk's resilience index by 2025, Syensqo is continuously working on these site-level actions to improve resilience to physical natural hazards (e.g. flooding, wind) in the short to mid-term.

5.2.1.1.6 Climate related metrics

Accounting policy

Energy

Energy consumption includes all fuels and all energies in the form of electricity, heat, steam and cooling which are purchased and consumed by Syensqo. It excludes fuels or energies purchased and resold without transformation to third parties adjacent to our industrial sites. Energy consumption quantities are actual data. Net calorific values of fuels are based on suppliers' data or specific analysis reports. Energy conversion factors are site specific or standard references.

Scope 1 &2

Scope 1 and 2 GHG emissions are reported based on the Greenhouse Gas (GHG) Protocol.

Scope 1 includes all on-site GHG emissions from fuel combustion for generating electricity, heat, steam or cooling and from chemical processing.

- Fuel combustion for generating energy releases GHG emissions. They are calculated with actual fuel consumption quantities. Emission factors of fuels are based on their carbon content and usually taken from fuel suppliers or site specific analysis; default standard values are taken from the 2006 IPCC guidelines.
- GHG emissions released by chemical processing operations include all emissions from a production unit which are not from fuel combustion for energy generation. Their determination is specific to each situation and are generally using a calculation-based modelling or a measurement-based methodology.

Scope 2 includes all indirect GHG emissions which have taken place for generating electricity, heat, steam or cooling purchased and consumed. Fuels or energies purchased and resold without transformation to third parties adjacent to our industrial sites are excluded. Purchased energy quantities are actual data. Under the market-based method: electricity emission factors reflect the emissions for purchased electricity that the sites have purposefully chosen (or their lack of choice) and are the result of the contractual instruments or attributes for the electricity generation. Under the location-based method, electricity emission factors reflect the average emission intensity of grids where electricity consumption occurs. For purchased steam, source-specific emission factors are the same in calculations for both methods. The energy content used in determinations for Scope 2 and Energy consumption is aligned when supplier's data is unavailable.

Biofuels and purchased bioenergies: CO_2 emissions from the combustion of biomass and biogas in our sites and for generating purchased steam are biogenic emissions. CH_4 and N_2O emissions from biomass combustion are calculated with emission factors taken from external references and included in Scope 1 for on-site combustion and Scope 2 for purchased biosteam. Biomass quantities are actual data for on-site combustion and are based on the steam energy content and a standard yield for purchased biosteam.

Reporting boundary: the GHG inventory includes all industrial sites. Exclusions of small sites from the reporting boundary in aggregate must represent less than 1% of Syensqo's energy consumption and Scopes 1 and 2. The inventory also includes significant research centers, administrative offices or logistic facilities. Car fleet emissions are excluded from the reporting boundary for Scope 1 as immaterial (<0.1% of Syensqo's Scope 1).

Scope 3

Focus 5 categories include the five categories of Scope 3 in the 2030 target perimeter: purchased goods and services (3.1), fuel- and energy-related activities (3.3), processing of sold products (3.10), end-of-life of sold products (3.11) and end-of-life treatment of sold products (3.12).

3.1 - Purchased goods and services. Emissions related to raw materials are determined with actual purchased quantities of raw materials and their related product carbon footprints (PCF). Suppliers' most recent available PCF are used when qualified according to Syensqo's quality tests. Default values are taken or derived from Ecoinvent. An extrapolation is performed to account for all quantities of raw materials purchased. The spend-based method is used for purchases of other goods and services: Emissions are calculated with actual purchase amounts and spend emissions factor taken from USEEIO. The reporting boundary includes all purchases of goods and services except those covered in categories 3.2, 3.3, 3.4, 3.5 and 3.9.

3.3 - Fuel- and energy-related activities. It includes all emissions linked to the production of fuels and energies purchased, except emissions in Scope 2, and the losses during their transportation to Syensqo sites. Actual fuel and energy quantities purchased are used. Emission factors are from Ecoinvent, Defra, Ademe and likewise sources.

3.10 - Processing of sold products

3.11 - Use of sold products

3.12 - End-of-life treatment of sold products

The same determination principles apply for the three categories. Emissions are calculated at a product x application level and according to the product chemical composition and expected chemical reactions likely to generate emissions during each of the three life cycle stages. When end-of-life treatments of the sold products and related emissions are uncertain, default treatments and emission factors are taken from the WBCSD Guidance for Accounting & Reporting Corporate GHG Emissions in the Chemical Sector Value Chain. CO_2 withdrawals from the atmosphere for biogenic carbon in nature-based raw materials are deducted from the End-of-life category (3.12). They are calculated with actual purchased quantities. Biogenic carbon contents are actual data or based on mass balance. Biosourced raw materials are consistent with the biological materials disclosure in resource inflow (5.2.2.2.5). The reporting boundary includes all the sold products.

Other Scope 3 categories

3.2 - Capital goods. Emissions are based on actual capital expenses and emission factors under the WBCSD Guidance for Accounting & Reporting Corporate GHG Emissions in the Chemical Sector Value Chain assuming that capital goods are a mix of concrete and steel, as adjusted for inflation.

3.4 - Upstream transportation and distribution. It includes the flows of all raw materials to Syensqo premises or warehouses, for which standard routes are modelled, and moves between Syensqo sites and warehouses, for which actual transportation mode and end-to-end distance are used. Relevant emission factors are taken from the GLEC framework (Global Logistics Emissions Council) which is aligned with ISO 14083 and referenced by Cefic (European Chemical Industry Council).

3.5 - Waste generated in operations. It includes all emissions from incineration and landfilling of all wastes generated in our operations, except incineration with energy recovery. Calculations use actual volumes of wastes per category and emission factors from EcoInvent.

3.6 - Business travel. Business travel undertaken by Syensqo employees is recorded. Actual mileage is recorded for air and rail travel and extrapolated to represent all travel. Emission factors are from EcoInvent.

3.7 - Employee commuting. Emissions are based on the assumption that all employees commute every day in an average thermal engine car, except on homeworking days.

3.8 - Upstream leased assets: Nothing reported in this category. Emissions from the leased car fleet are pertaining to Scope 1 reporting boundary.

3.9 - Downstream transportation and distribution. It includes the flows of products sold to the customers' premises or warehouses. Actual transportation mode and end-to-end distance are used. Relevant emission factors are taken from the GLEC framework which is aligned with ISO 14083 and referenced by Cefic.

3.13 - Downstream leased assets. Not applicable as Syensqo has no downstream leased assets.

3.14 - Franchises. Not applicable as Syensqo has no franchises.

3.15 - Investments. Scope 1 and 2 emissions from non-consolidated entities. Emissions are reported according to Syensqo's financial interest in these entities, to ensure consistency with our financial statements.

Energy

TOTAL ENERGY

	Unit	2024	2023	2022
TOTAL GROSS ENERGY CONSUMPTION (1)	**MWh**	**6,987,739**	**6,922,474(1)**	**7,404,134(1)**
- Variation % 2024/2023	%	+1%(1)		
TOTAL ENERGY SOLD (2)	MWh	1 361,018(2)		
TOTAL NET ENERGY CONSUMPTION (1) - (2)	MWh	5,626,721		

(1) Not covered by the Independent Auditor's limited assurance report
(2) Sales are constituted by 1/3 of electricity sales and 2/3 from steam sales

ENERGY CONSUMPTION AND MIX BY DETAIL

	Unit	2024
Fuel consumption from coal and coal products	MWh	0
Fuel consumption from crude oil and petroleum products	MWh	11,762
Fuel consumption from natural gas	MWh	4,436,191
Fuel consumption from other fossil sources	MWh	264,533
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	MWh	988,549
TOTAL ENERGY CONSUMPTION FROM FOSSIL SOURCES	**MWh**	**5,701,035**
Share of fossil sources in total energy consumption		82%
Consumption from nuclear sources	MWh	157,473
Share of consumption from nuclear sources in total energy consumption		2%
Fuel consumption for renewable sources including biomass	MWh	177,806
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	951,425
The consumption of self-generated non- fuel renewable energy	MWh	0
TOTAL RENEWABLE ENERGY CONSUMPTION	**MWh**	**1,129,231**
Share of renewable sources in total energy consumption		16%

ENERGY PRODUCTION AND MIX

	Units	2024
Renewable energy production	MWh	160,025
Non-renewable energy production	MWh	4,389,964
TOTAL ENERGY PRODUCTION	**MWh**	**4,549,989**

ENERGY INTENSITY BASED ON NET REVENUE

	Units	2024
Total energy consumption per net revenue(1)	**MWh/M€**	**1,021**

(1) Total net revenue is reconciled to financial statements - 'Consolidated income statements', Sales line - page 246

All Syensqo's operations can be considered as "high climate impact" sectors according to the NACE Sections A to H and Section L (as defined in Commission Delegated Regulation (EU) 2022/1288).

GHG emissions

SCOPE 1 & 2 GHG EMISSIONS

	Units	2024	2023	2022	2021
Gross Scope 1 GHG emissions	$MtCO_2eq$	1.2	1.2[(1)R]	1.4[(1)]	1.4[(1)]
Gross market-based Scope 2 GHG emissions	$MtCO_2eq$	0.3	0.3[(1)R]	0.4[(1)]	0.6[(1)]
Gross location-based Scope 2 GHG emissions	$MtCO_2eq$	0.7	0.7[(1)R]	0.8[(1)]	0.8[(1)]
Gross Scope 1 & 2 market-based GHG emissions	$MtCO_2eq$	1.5	1.6[(1)R]	1.8[(1)]	2.0[(1)]
Gross Scope 1 & 2 market-based GHG emissions - restated	**$MtCO_2eq$**	**1.5**	**1.6[(1)]**	**1.9[(1)]**	**2.1[(1)]**
- Variation % 2024/2021	%	-26%			
- Variation % 2024/2023	%	-2%[(1)]			
Percentage of Scope 1 GHG emissions from regulated emission trading schemes	%	41%			
Percentage of Scope 2 GHG emissions from contractual instruments	%	45%[(2)]			
Scope 1 - CO_2 Biogenic emissions	$MtCO_2eq$	0.0			
Scope 2 - CO_2 Biogenic emissions	$MtCO_2eq$	0.0			

(1) Not covered by the Independent Auditor's limited assurance report
(2) 9% constitutes bundled instruments and 36% unbundled instruments

Contractual instruments include supplier agreements, renewable electricity power purchase agreements (PPA) and tariffs, guarantees of origin (GO), renewable electricity certificates (REC).

OTHER INDIRECT GREENHOUSE GAS EMISSIONS (SCOPE 3)

	Units	2024	2023	2021
3.1 Purchased goods and services	$MtCO_2eq$	3.3	4.0[1]	3.2[1]
3.2 Capital goods	$MtCO_2eq$	1.2	2.1[1]	1.1[1]
3.3 Fuel- and energy-related activities	$MtCO_2eq$	0.4	0.3[1]	0.3[1]
3.4 Upstream transportation and distribution	$MtCO_2eq$	0.1		
3.5 Waste generated in operations	$MtCO_2eq$	0.0		
3.6 Business travel	$MtCO_2eq$	0.0	0.0[1]	0.0[1]
3.7 Employee commuting	$MtCO_2eq$	0.0	0.0[1]	0.0[1]
3.8 Upstream leased assets	$MtCO_2eq$	0.0	0.0[1]	0.0[1]
3.9 Downstream transportation and distribution	$MtCO_2eq$	0.1	0.1[1]	0.3[1]
3.10 Processing of sold products	$MtCO_2eq$	0.3	0.3[1]	0.0[1]
3.11 Use of sold products	$MtCO_2eq$	0.0	0.0[1]	0.0[1]
3.12 End-of-life treatment of sold products	$MtCO_2eq$	1.1	1.6[1]	3.2[1]
3.13 Downstream leased assets	$MtCO_2eq$	0.0	0.0[1]	0.0[1]
3.14 Franchises	$MtCO_2eq$	0.0	0.0[1]	0.0[1]
3.15 Investments	$MtCO_2eq$	0.0	0.0[1]	0.0[1]
Sub-total Scope 3 "focus five" categories	$MtCO_2eq$	5.1	6.1[1]L	6.7[1]
Sub-total Scope 3 "focus five" categories - restated	**$MtCO_2eq$**	**5.1**	**5.0[1]**	**6.0[1]**
- Variation % 2024/2021	%	-14%		
- Variation % 2024/2023	%	+3%[1]		
Total Scope 3 emissions	$MtCO_2eq$	6.6	8.4[1]R	8.1[1]
Total Scope 3 emissions - restated	**$MtCO_2eq$**	**6.6**	**6.7[1]**	**7.4[1]**
- Variation % 2024/2021	%	-11%		
- Variation % 2024/2023	%	-2%[1]		
Percentage of Scope 3 GHG emissions calculated with primary data		33%		
Scope 3 - CO_2 Biogenic emissions	$MtCO_2eq$	0.3		

(1) Not covered by the Independent Auditor's limited assurance report

TOTAL (SCOPE 1 & 2 & 3) GHG EMISSIONS

	Units	2024	2023	2021
Total GHG emissions (market-based)	$MtCO_2eq$	8.1	9.9[(1)R]	10.2[(1)]
Total GHG emissions (market-based) - restated	**$MtCO_2eq$**	**8.1**	**8.3[(1)]**	**9.5[(1)]**
- Variation % 2024/2021	%	-14%		
- Variation % 2024/2023	%	-2%[(1)]		
Total GHG emissions (location-based)	$MtCO_2eq$	8.5	10.2[(1)]	10.3[(1)]

(1) Not covered by the Independent Auditor's limited assurance report

GHG INTENSITY PER NET REVENUE

	Units	2024
Total GHG emissions (market-based) per net revenue[(1)]	**$ktCO_2eq$/M€**	**1.2**
Total GHG emissions (location-based) per net revenue[(1)]	$ktCO_2eq$/M€	1.2

(1) Total net revenue is reconciled to financial statements - 'Consolidated income statements', Sales line - page 246

Total Scope 1 and 2 of our consolidated entities is equal to Total Scope 1 & 2 of entities under our operational control disclosed above.

As for the restatements performed in 2024 to ensure comparability with past years metrics:

- Scope 1 & 2 GHG emissions: the improvement in accuracy in 2024 leads to limited impact in 2021 which combined with previous restatement leads total impact of +0.1$MtCO_2eq$ in 2021.
- Scope 3 GHG emissions: there were methodological changes and improvements in accuracy in 2024 with significant impacts in categories (3.1), (3.2), (3.4), (3.5), (3.9), (3.10), (3.11) and (3.12). As an example, in previous years methodology, Scope (3.4) and (3.5) were assessed indirectly and not reported as such, but integrated in (3.1). The 2021 impact is -0.8$MtCO_2eq$ on "focus 5 categories" of Scope 3, and -0.7$MtCO_2eq$ on Total Scope 3 GHG emissions.

5.2.1.1.7 GHG removals and GHG mitigation projects financed through carbon credits

In 2024, Syensqo did not develop or contribute to GHG removal and storage projects in its own operations, in its value chain or outside its value chain.

Per Syensqo's Scope 1 and 2 carbon neutrality target, we currently intend to offset our residual, hard-to-abate emissions up to 20% of the 2021 baseline (400 $ktCO_2$) by purchasing and cancelling carbon credits in line with the UN High Level Expert Group on the Net Zero Emissions Commitments of Non-State Actors' recommendation. Carbon credits are planned to be for GHG emission reductions or removals from climate change mitigation projects outside our value chain and to be sourced under future contractual agreements with third parties.

5.2.1.1.8 Internal carbon pricing

Orienting investments, research and development, and portfolio toward zero-emissions

The carbon shadow price at Syensqo aims to promote zero- and low-emissions investments, sustain management of transition risks and opportunities, and increase overall resilience of investments.

An internal carbon price is set at €100 per metric ton of CO_2, irrespective of prevailing market prices, and aligns with analysis of the IEA for science-based carbon pricing trajectories and technology perspectives. The internal carbon price is used in two domains: capex decisions and SPM assessment.

The shadow price is used in all capex decisions worldwide for all Scope 1 and 2 GHG emissions as well as for emissions in Scope 3 category 1 for raw materials purchased. It supports targets to reduce Scope 1 and 2 emissions by 42% and Scope 3 emissions in Focus 5 by 25% by 2030 and prepares for carbon neutrality for Scope 1 & 2 by 2040.

SPM integrates the carbon shadow price for life cycle assessments (cradle-to-gate), financial impact analysis, product evaluation, research & development decisions, and market alignment. SPM is applied company-wide.

Carbon price used in internal pricing scheme

GHG EMISSION COVERAGE (PER SCOPE)

	Units	2024
Approximate volume of Scope 1 GHG emission covered by internal carbon pricing scheme	$MtCO_2eq$	1.2
Share of the overall GHG emissions for the Scope 1	%	100%
Approximate volume of Scope 2 GHG emission covered by internal carbon pricing scheme	$MtCO_2eq$	0.3
Share of the overall GHG emissions for the Scope 2	%	100%
Approximate volume of Scope 3 GHG emission covered by internal carbon pricing scheme	$MtCO_2eq$	3.8
Share of the overall GHG emissions for the Scope 3	%	58%

5.2.1.2 Water

5.2.1.2.1 Material impacts, risks and opportunities related to water

The process, methodologies, assumptions and tools used to identify and assess water-related IROs are described in *section 5.1.4.1. The Double Materiality Assessment process*.

Syensqo collects extensive site-level data to closely monitor water consumption, withdrawals, and discharges. External tools, like the Aqueduct Water Risk Atlas, help us better understand our potential impacts and risks. Related to our own operations, we have taken a conservative approach and considered water as material at an aggregated level, across our production sites. Our identification, assessment, and response to physical climate risks related to water are covered in *section 5.2.1.1.1 Material impacts, risks and opportunities related to climate change*.

Next to the direct stakeholder engagement at Group level covered in *section 5.1.4.1 The Double Materiality Assessment process*, community engagement is organized at site level. The process and its effectiveness is currently not consolidated systematically to inform our decisions at Group level.

Type of IRO	Own Operations (OO) or Value chain (VC)	Time Horizon	IRO Name	Description	Current & anticipated effects
WATER					
ESRS E3 - Water consumption, withdrawals, and discharges					
▼ Potential Negative Impact	✖ OO	ST	Water usage in own operations	Syensqo's water withdrawal is mainly used for chemical production processes & cooling purposes. Syensqo's water usage could have a potential impact on the water bodies around our sites, especially for those sites in hydric stress areas.	Medium

For the glossary please refer to section 5.2.1.1.1 Material impacts, risks and opportunities related to climate change.

Scope: ✖ Own operations ✖ Value chain
Financial Materiality: ▲ Opportunity ▼ Risk
Impact Materiality: ▲ Positive ▼ Negative

The policies, targets, actions and metrics below contain information on Syensqo's response to this material potential impact.

5.2.1.2.2 Water policy and management approach

Syensqo's Water Management Policy, which applies to all industrial sites under our full or majority ownership, outlines our approach to promoting efficient and responsible water use across our operations, mitigating risks, and reducing our environmental potential impact. It addresses the use, sourcing and treatment of water, and the prevention and abatement of water pollution at industrial sites. This includes our target for reducing freshwater withdrawal by an average 20% by 2030 compared to 2021 at sites exposed to water availability challenges and the implementation of tailored Water Stewardship Plans at 15 key sites by 2026.

Through the close monitoring of water-related indicators, we identify areas for improvement and implement water savings. Syensqo applies the Water Efficiency Hierarchy (prevent, reduce, reuse, recycle, restore) to reduce both water consumption and water withdrawn that is released back to the water environment. We quantify water effluents volumes and content, and treat discharged water, in adherence with local, national, and international regulations. According to our Pollution Policy, we identify and establish projects to decrease the release of Substances of Concern (SoC) or Substances of Very High Concern (SVHC) with the highest potential impact on the environment or risk to the business. We apply the Pollution Mitigation Hierarchy to reduce water pollution release and maintain Process Safety Management programs at all sites to help prevent accidental pollution. Additional details on pollution can be found in section *5.2.1.4 Emissions, effluents & remediation, and product stewardship.*

By 2026, we plan to implement tailored Water Stewardship Plans at 15 key sites, including those subject to our water target. These plans are designed to mitigate local potential impacts and risks, providing all needed resources supporting sustainable water management. The plans will emphasize collaborative community engagement and build on existing outreach initiatives to foster shared responsibility and enhance the effectiveness of our water management efforts.

Syensqo's Water Management Policy aligns with the UN SDGs (SDG 6) and complies with regional legislations, including the European Water Framework Directive.

We monitor all key water-related metrics annually, including water intake by source, water uses, volumes of discharged water, and water quality, while main water flows are followed in real time to track the implementation of water reduction projects.

The Chief Sustainability Officer is accountable for policy implementation, ensuring that it is effectively integrated into Syensqo's operations and aligned with our sustainability goals. Consideration given to the interests of key stakeholders in setting the policy and how we make it available is described in *section 5.1.1 Sustainability operational governance*.

We take the environmental and social impacts of water consumption and discharge into consideration in our research and innovation pipeline, leveraging life cycle analysis and our SPM Framework, as detailed in *section 5.2.2.1.2 Our policy and management approach.* SPM is also used to make informed decisions that favor the development and sales of products improving downstream water quality or reducing downstream water usage for Syensqo and its customers.

Our Responsible Care Policy described in *section 5.3.2.2.1 Health and safety policy on our sites*, also covers our management approach on environmental topics related to water.

5.2.1.2.3 Water-related targets

We aim to reduce freshwater withdrawal by 20% by 2030, compared to 2021, at sites exposed to water availability challenges. In-scope sites have faced drought in the past or are at risk of drought in the coming years, and may be subject to freshwater intake restrictions by local authorities. The volume of freshwater withdrawal in 2024 at the sites subject to this target is in line with our target and results from a combination of lower production levels in 2024 compared to the baseline 2021 as well as structural reduction projects implemented at several site.

Sites were identified using the Aqueduct Water Risk Atlas and conducting local assessments to confirm water availability challenges. While not located in areas of high or very high water risk according to the Aqueduct tool, some sites have been selected as the local assessment concluded they are exposed to water availability challenges. Sites subject to the target represent 41% of Syensqo’s total freshwater withdrawal in the baseline year 2021 while sites located in areas of high or very high water risk, according to the Aqueduct tool, represent less than 4%. Water availability assessments will be repeated at least every three years, and may result in the extension of the target to additional sites. This process will ensure our focus remains aligned with the evolving water scarcity situation, considering potential new water availability challenges faced by sites.

In 2024, we identified several sites as exposed to water availability challenges as per the methodology described above: in France: Clamecy, Melle, Saint-Fons, Tavaux; in Mexico: Atequiza; and in the USA: Baton Rouge, Long Beach. Among those sites, 3 are located in areas of high or very high water risk according to the Aqueduct tool, representing 50% of Syensqo freshwater intake in those areas in 2021.

Freshwater withdrawal reduction goals are site-specific, accounting for their potential water-related impacts and risks.

Freshwater withdrawal represents a significant part of Syensqo's total water withdrawal. While much of Syensqo's freshwater withdrawal is released back to the water environment, a portion is consumed when embodied in products or in waste, or lost, for instance, through evaporation. Therefore, while our goal does not directly relate to water consumption reduction, it indirectly does.

While Syensqo's stakeholders were not directly involved in the definition of this voluntary target, engaging with stakeholders is an integral part of the management of our potential impact on water usage in areas at water risk and reducing the potential impact of our operations on communities and the environment.

5.2.1.2.4 Taking action in relation to water management

We strive with our actions and our target to reduce freshwater withdrawal (see above *section 5.2.1.2.3 Water-related targets*) to prevent or mitigate potential negative impacts from water usage in our own operations, covering several sites in areas at water risk.

Water Stewardship Plans

Syensqo performs water-related risk and impact assessments to identify priority sites. This assessment covers all industrial sites under Syensqo's full or majority ownership and will be repeated every three years.

By 2026, 15 key sites will be equipped with tailored Water Stewardship Plans to address local potential impacts and risks, as well as with tools, materials, and training sessions to support implementation. The Water Stewardship Plans will address the water availability challenges faced by the site and aim at reducing the volume of freshwater withdrawal to the extent reasonably possible, and improving the quality of the water effluents, as applicable.

The 15 sites have been prioritized considering the following criteria: water availability challenges faced by the site, volume of freshwater withdrawn by the site, and quality of the site water effluents. Among the 15 sites, 4 are located in areas of high or very high water risk according to the Aqueduct tool, representing 57% of Syensqo freshwater withdrawal in those areas in 2021.

We launched our action plan in 2024 and will develop Water Stewardship Plans jointly with the concerned sites and experts from the Corporate Industrial and Site teams.

Freshwater withdrawal reduction

Water withdrawal management roadmaps:

Through Syensqo's Star Factory, industrial sites in scope of the program are developing sustainability roadmaps to minimize their environmental footprint. This includes a specific roadmap addressing water withdrawal-related potential impacts, which outlines targeted actions to reduce long term freshwater withdrawal, where relevant.

More than 30 sites, covering more than 90% of Syensqo's total freshwater withdrawal have now developed water withdrawal management roadmaps, including 5 out of 7 sites subject to Syensqo's 20% freshwater withdrawal reduction target by 2030, compared to 2021. Amongst sites with a water withdrawal management roadmap, 7 are in areas of high or very high water risk according to the Aqueduct tool, representing 35% of Syensqo freshwater withdrawal in those areas in 2021. We are committed to ensuring continuous improvement of these roadmaps over time.

Freshwater withdrawal reduction projects:

Projects aimed at reducing freshwater withdrawal by 20%, in 2030 compared to 2021, at sites facing water availability challenges, as well as potentially other sites, will be implemented by 2030.

For disclosure of current and future financial resources required, refer to the rules laid out in the *section 5.1.2 Basis for Preparation*.

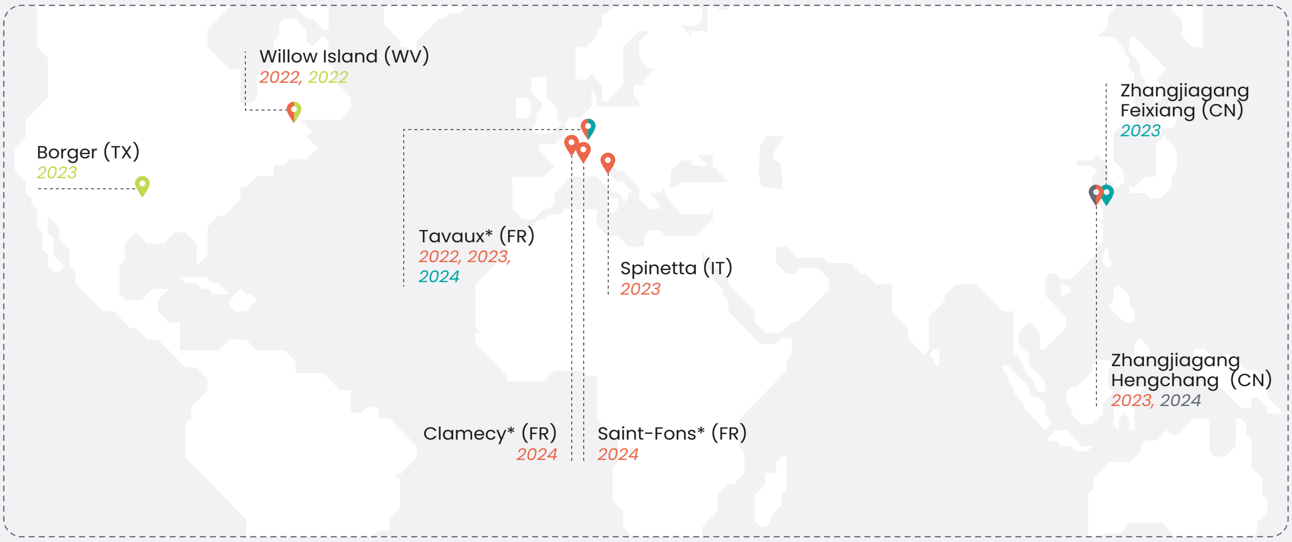
Syensqo has estimated the capex needed to implement freshwater withdrawal reduction projects at the sites subject to Syensqo's 20% average freshwater withdrawal reduction at around €20 million over the period 2024-2030.

PROJECTS ENABLING FRESHWATER WITHDRAWAL REDUCTION

WATER: Water use and mitigation lever applied

- Prevent
- Reduce
- Reuse
- Recycle

* Sites subject to the target of reducing by 20% on average their fresh water withdrawal by 2030 compared to 2021.



Year(s) indicate the dates of project completion.
Multiple projects can be conducted at the same location.

In 2024, we implemented several projects leading to structural freshwater withdrawal reduction, including the following projects at sites subject to the 20% average reduction by 2030 target:

- Recirculation loop and cooling circuit at Tavaux site (France) enabling a reduction by 0.57 Mm^3
- Valves automation of a cooling circuit at Clamecy site (France) enabling a reduction by 0.94Mm^3

Current capex and Opex related to those projects are below materiality threshold. Further projects are considered for implementation in the coming years at sites exposed to water availability challenges including condensate recovery, automation of cooling and heating systems and cooling closed loop.

5.2.1.2.5 Water consumption and withdrawal metrics

Accounting policy

Water uses and quantification

Syensqo uses water primarily for chemical production and cooling purposes.

We monitor all key water-related metrics and performance indicators annually, including water withdrawal by source, water uses, volumes of discharged water, and water quality. Water metrics are measured using water flow meters or provided in supplier invoices. They may be estimated in exceptional cases, for instance when a cooling tower lacks a water meter on the purge outlet, we estimate water loss from evaporation using flow and temperature data. Tools and processes are in place to monitor main water flows in real time and help track the implementation and impact of water reduction projects.

Water consumption refers to water that is contained in end products or in waste, as well as water lost through evaporative and non-evaporative means.

Areas subject to hydric stress are identified using the Aqueduct tool. Sites in areas subject to high or very high water risk have been identified considering a baseline water stress equal or higher than three. Based on this assessment, 18 sites have been identified. All research and innovation centers have been excluded from this evaluation due to their immateriality of water consumption compared to manufacturing sites.

Recycled and reused water is the sum of recycled or reused cooling water plus recycled or reused process water, excluding recirculated water in closed and semi-open loops.

Intensity ratios are the respective water metric divided by Syensqo's global net revenue.

Syensqo specific KPIs

Freshwater withdrawal, measured in millions of cubic meters per year, refers to the amount of incoming freshwater purchased from third parties, such as drinking water from the public network, or pumped by Syensqo from freshwater systems, such as rivers and lakes, and from groundwater sources, such as aquifers. Water pumped by Syensqo and resold to third parties is included in our freshwater withdrawal.

WATER CONSUMPTION

	Units	2024
Total water consumption	Million cubic meter	7.4
Total water consumption in areas at water risk (including areas of high-water stress) (18 sites)	Million cubic meter	1.1
Total water recycled and reused	Million cubic meter	1.0
Water consumption intensity ratio[(1)]	cubic meter/M€	1,133

(1) Total net revenue is reconciled to financial statements - 'Consolidated income statements' Net sales - page 244

WATER AND FRESHWATER WITHDRAWAL

	Units	2024	2023	2022	2021
Total water withdrawal	Million cubic meter	82.3	85.9(1)(2)	96.7(1)(2)	N/A
Freshwater withdrawal	Million cubic meter	74.6	78.3(1)(2)	87.4(1)(2)	90.5(1)
- Variation % 2024/2021	%	-17.6%			
- Variation % 2024/2023	%	-4.7%(1)			
Freshwater withdrawal for sites exposed to water availability challenges (7 sites)	Million cubic meter	28.3	27.7(1)	33.2(1)	37.2(1)
- Variation % 2024/2021	%	-24%			
- Variation % 2024/2023	%	+2%(1)			

(1) Not covered by the Independent Auditor's limited assurance report
(2) Restated data. Originally published data: 90.0 (2023) and 101.1 (2022) for Total water withdrawal; 77.7 R (2023) and 86.9 (2022) for Freshwater withdrawal

Restatements have been made due to increased scrutiny of our data, during which errors were identified and corrected to ensure the accuracy and reliability of our reporting, and comparability with 2024 data points.

Syensqo aims to reduce freshwater withdrawal by average 20% by 2030 compared to the 2021 baseline at sites exposed to water availability challenges. In 2024, freshwater withdrawal at the these sites increased 2% year-on-year. Including production evolution and structural reductions, this equated to a 24% reduction since 2021.

5.2.1.3 Waste[1]

5.2.1.3.1 Material impacts, risks and opportunities related to waste

The process, methodologies, assumptions and tools used to identify and assess waste-related IROs are described in *section 5.1.4.1 The Double Materiality Assessment process*.

Syensqo monitors hazardous and non-hazardous industrial waste generation and management at site level. To assess impacts and risks from our own operations, we have taken a conservative approach and considered waste material at an aggregated level, across our production sites.

In addition to the direct stakeholder engagement at Group level covered in *section 5.1.4.1 The Double Materiality Assessment process*, community engagement is organized at site level. The process and its effectiveness is currently not consolidated systematically to inform our decisions at Group level.

Type of IRO	Own Operations (OO) or Value chain (VC)	Time Horizon	IRO Name	Description	Current & anticipated effects
WASTE					
ESRS E5 - Waste					
▼ Potential Negative Impact	✖ OO	ST	Industrial waste, incl. hazardous waste, from own operations	Syensqo's chemical manufacturing processes generate waste, incl. hazardous waste. If it is not treated in a sustainable way, this waste may potentially have an impact on the environment and the health of workers & communities.	Medium

For the glossary please refer to section 5.2.1.1.1. Material impacts, risks and opportunities related to climate change.

Scope: ✖ Own operations ✖ Value chain
Financial Materiality: ▲ Opportunity ▼ Risk
Impact Materiality: ▲ Positive ▼ Negative

The policies, actions and metrics below contain information on Syensqo's response to this material potential impact.

(1) *This section covers disclosure related to Waste in ESRS E5.*

5.2.1.3.2 Waste Policy and management approach

Syensqo's Waste Policy, which is applicable to all sites under Syensqo's full or majority ownership or where Syensqo has legal responsibility, outlines our approach to reducing and responsibly managing waste to retain resource value, mitigate environmental and societal impacts, and support sustainable growth.

Syensqo aims to reduce industrial waste that is disposed of through landfilling or incineration without energy recovery. We apply the Waste Hierarchy (prevent, reduce, reuse, recycle, recover energy) to optimize resource usage and minimize environmental potential impact.

We implement projects aimed at reducing waste disposed of through landfill or incineration without energy recovery and promote waste reuse and recycling within our sites and in collaboration with third parties, striving for circularity. Our sites must collaborate only with qualified waste management companies that meet safety and regulatory standards and use reviewed and accepted waste facilities so that waste is disposed of using appropriate and sustainable technologies in compliance with all applicable regulations relating to the collection, storage, transportation, recovery, and disposal of waste, including hazardous waste.

We comply with all local, national, and international laws and regulations related to the collection, storage, transportation, recovery, and disposal of waste, including hazardous waste, from our operations. Our approach to waste management also aligns with UN SDG 12 to "Ensure sustainable consumption and production patterns", which aims to substantially reduce waste generation through prevention, reduction, recycling, and reuse by 2030. We monitor our policy through our waste-related action plans and metrics.

The Chief Sustainability Officer is accountable for policy implementation, ensuring that it is effectively integrated into Syensqo's operations and aligned with our sustainability goals. Consideration given to the interests of key stakeholders in setting the policy and how we make it available is described in *section 5.1.1 Sustainability operational governance*.

Our Responsible Care Policy, described in *section 5.3.2.2.1 Health and safety policy on our sites*, also covers our management approach on environmental topics related to waste.

Use of virgin recycled and renewable resources is covered by the Circularity Policy (*section 5.2.2.2.2 Circular economy policy and management approach*).

5.2.1.3.3 Waste-related targets

Syensqo does not currently have a public target related to waste reduction but is committed to reducing and responsibly managing waste from its operations. We have developed an action plan to reduce industrial waste that is disposed of through landfilling or incineration without energy recovery.

To track policy and actions effectiveness, we monitor and measure waste-related metrics annually, including volume, composition, and management of waste streams i.e. whether they are reused, recycled, or disposed of through landfilling or incineration with or without energy recovery.

We track the impact of waste management projects and assess progress annually according to set metrics and KPIs. Internal and external audits assess compliance with policies and internal procedures and identify improvement opportunities.

5.2.1.3.4 Taking action in relation to waste management

The short-term 2024 recurring actions described below aim to prevent or mitigate potential negative impacts from industrial waste from our operations.

Disposed waste reduction and waste management plans

Through Syensqo's Star Factory Program, industrial sites are developing sustainability roadmaps to reduce their environmental footprint. This includes a specific roadmap addressing waste-related potential impacts, outlining targeted actions to reduce industrial waste disposed of through landfilling or incineration without energy recovery.

More than 25 sites have developed waste roadmaps, representing more than 80% of our waste disposed of through landfilling or incineration without energy recovery compared with the 2021 baseline.

For industrial waste, particularly hazardous industrial waste, Syensqo is focused on adopting more sustainable disposal methods that avoid landfill or incineration without energy recovery when possible, thereby promoting material or thermal recovery. Such projects are implemented on a recurring basis and several projects leading to structural reductions include:

PROJECTS ENABLING THE REDUCTION OF WASTE DISPOSED OF THROUGH LANDFILLING OR INCINERATION WITHOUT ENERGY RECOVERY

WASTE: Waste prevention and management lever applied

- Reduce
- Recycle
- Reuse
- Energy recovery

Year(s) indicate the dates of project completion.
Multiple projects can be conducted at the same location.

The Tavaux site, France, has implemented three projects to reduce at source formation of solids in effluents and has reduced waste landfilled by 1 kt (dry weight).

Additional projects aimed at reducing waste disposed of through landfilling or incineration without energy recovery are considered for implementation in the coming years.

For current and future financial resources required, refer to the rules laid out in *section 5.1.2 Basis for Preparation*.

5.2.1.3.5 Resource outflows - waste metrics

Accounting policy

Waste types and composition

Waste results from manufacturing and research activities including purges and heavies from distillation processes, sludges from wastewater treatment, filter press cakes, and inter campaign and non-conform products and materials. Waste includes slow-moving obsolete goods wasted from our warehouses. It does not include domestic waste, which does not have a material impact. We do not track construction and demolition waste. Syensqo has no mining waste.

Our production processes generate waste that is organic or inorganic, hazardous or non-hazardous, and liquid or solid. Different materials can be present in Syensqo's industrial waste, such as glass & carbon fibers, thermoplastic and thermoset resins, monomers, potassium chloride, zinc chloride, sodium chloride and calcium fluoride.

Quantification

The quantities of waste, in their original state (i.e. wet weight), are measured by Syensqo or its waste management providers.

The total amount of non-recycled waste is the total amount of waste generated minus hazardous and non-hazardous waste diverted from disposal through recycling following CSRD requirements.

For EU sites, hazardous waste is defined according to Appendix III of the Waste Framework Directive (2008/98/EC). For non-EU countries, classification follows local legislation.

Syensqo specific KPIs

We monitor several waste volumes in dry weight to track progress of our action plan to reduce waste, including the volume of waste disposed of through landfilling or incineration without energy recovery.

The "dry weight" quantities are calculated based on the dry matter content, which can be measured or estimated.

In the European Union and North America, incineration with energy recovery is applied to all waste streams labeled R1 and H050, respectively. The waste management companies provide manifests as evidence of this process. In other regions, specific criteria must be met: the waste stream must have a minimum lower calorific value of 11.6 MJ/kg, and the incinerator must have an energy recovery system, such as a boiler, or the waste must be used as a supplemental fuel in industrial furnaces, like those in cement plants.

TOTAL WASTE GENERATED (IN WET QUANTITIES)

	Units	2024
Total amount of waste generated	1,000 tons	161.3
Total amount of hazardous waste generated	1,000 tons	65.6
Total amount of radioactive waste generated	g	0.0
Total amount of non-recycled waste	1,000 tons	132.5
Percentage of non-recycled waste	%	82%

WASTE DIVERTED FROM DISPOSAL (IN WET QUANTITIES)

		Units	2024
Hazardous waste diverted from disposal		1,000 tons	47.2
	Preparation for reuse	1,000 tons	7.2
	Recycling	1,000 tons	9.7
	Other recovery operations	1,000 tons	30.2
Non-hazardous waste diverted from disposal		1,000 tons	45.9
	Preparation for reuse	1,000 tons	8.1
	Recycling	1,000 tons	19.1
	Other recovery operations	1,000 tons	18.7
Total waste diverted from disposal		**1,000 tons**	**93.0**

WASTE DIRECTED TO DISPOSAL (IN WET QUANTITIES)

		Units	2024
Hazardous waste directed to disposal		1,000 tons	18.4
	Incineration	1,000 tons	11.5
	Landfill	1,000 tons	3.9
	Other disposal operations	1,000 tons	3.0
Non-hazardous waste directed to disposal		1,000 tons	49.8
	Incineration	1,000 tons	0.8
	Landfill	1,000 tons	48.5
	Other disposal operations	1,000 tons	0.5
Total waste directed to disposal		**1,000 tons**	**68.2**

WASTE GENERATED (IN DRY QUANTITIES)

	Units	2024	2023	2022
Total waste(4)	1,000 tons(1)	88.0	90.7(2)R	98.6(2)
Hazardous waste(5)	1,000 tons(1)	42.5	41.3(2)R	46(2)
Total waste disposed of through landfilling or incineration without energy recovery(3)	1,000 tons(1)	34.2	36.1(2)(6)	42.6(2)(6)
- Variation % 2024/2023	%	-5%(2)		

(1) Metric tons of dry waste.
(2) Not covered by the Independent Auditor's limited assurance report.
(3) Referenced in previous annual integrated reports as 'Total industrial waste not treated in a sustainable way (NSIW)'.
(4) Referenced in previous annual integrated reports as 'Total industrial waste'.
(5) Referenced in previous annual integrated reports as 'hazardous industrial waste'.
(6) Restated data. Originally published data: 35.1 R (2023) and 39.9 (2022).

Restatements have been made due to increased scrutiny of our data, during which errors were identified and corrected to ensure the accuracy and reliability of our reporting, and comparability with 2024 data points.

Syensqo has an action plan to reduce waste that is disposed of through landfilling or incineration without energy recovery. In 2024, this volume decreased by 5% year-on-year, resulting from production evolution and structural reduction.

5.2.1.4 Emissions, effluents & remediation, and product stewardship

5.2.1.4.1 Material impacts, risks and opportunities related to emissions, effluents, remediation, and product stewardship

The process, methodologies, assumptions and tools used to identify and assess IROs related to pollution and product stewardship are described in *section 5.1.4.1 The Double Materiality Assessment process*.

We closely monitor pollution to air[1] ("air emissions") and water ("water effluents"), including SoC and SVHC, at site level. We also continue to monitor and remediate historical soil pollution from discontinued activities at certain sites. For impacts and risks from our own operations, we have taken a conservative approach and considered pollution as material at an aggregated level, across production sites.

In addtion to the direct stakeholder engagement at Group level covered in *section 5.1.4.1 The Double Materiality Assessment process*, community engagement is organized at site level. The process and its effectiveness is currently not consolidated systematically to inform our decisions at Group level.

Type of IRO	Own Operations (OO) or Value chain (VC)	Time Horizon	IRO Name	Description	Current & anticipated effects
EMISSIONS, EFFLUENTS & REMEDIATION AND PRODUCT STEWARDSHIP					
ESRS E2 - Pollution of air, Pollution of water, Substances of concern & Substance of very high concern					
▼ Potential Negative Impact	✖ OO	ST	Air emissions and water effluents from own operations	As a chemical company, air emissions and water effluents from Syensqo's operations may potentially negatively impact surrounding communities and the environment. However, all sites are compliant with operating permits and aligned with regulations.	High
ESRS E2 - Pollution of air, Pollution of water, Pollution of soil *(only for historical, non-ongoing activities)*, Substances of concern & Substance of very high concern					
▼ Risk	✖ OO	-	Evolving HS&E regulations	Top Group Risk: The risk that evolving regulatory changes impact production or R&I activities or lead to product bans, including intermediates & raw materials, causing business disruptions, financial consequences, reputational implications, and loss of business.	High
▼ Risk	✖ OO	-	Current and past emissions from our operations	Top group Risk; The risk that current or past releases to the environment at production sites are considered negatively leading to media activism, potential litigation and liabilities or causing significant reputational damages.	High
▼ Risk	✖ OO & VC	-	Major accident on or off site	Top Group Risk: The risk of a major accident on site or an accident during transportation leading to an environmental impact, creating reputational damage, remediation costs, and potential litigation.	Medium

For the glossary please refer to section 5.2.1.1.1 Material impacts, risks and opportunities related to climate change.

Scope: ✖ Own operations ✖ Value chain
Financial Materiality: ▲Opportunity ▼Risk
Impact Materiality: ▲Positive ▼Negative

The policies, commitments, actions and metrics for pollution and product stewardship below contain information on Syensqo's response to this material potential impact and to these material risks. Regarding the current financial effects of the risk related to '*Current and past emissions from our own operations*', we refer to Syensqo's environmental provisions in the Financial statements, as detailed below. There are no current financial effects for the other two material risks.

(1) *As required in ESRS E2, the seven greenhouse gases connected to air pollution: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF6) and nitrogen trifluoride (NF3) are addressed in the Climate section.*

5.2.1.4.2 Emissions, effluents and remediation

Emissions and effluents policy and management approach

As a signatory to the International Council of Chemical Associations (ICCA)'s Responsible Care Global Charter®, our Responsible Care Policy outlines our commitment to safeguarding people (see *section 5.3.2.2 Health and safety on and around our sites*) and the environment. We continuously improve our Health, Safety and Environment (HSE) and security systems and processes throughout the value chain.

Our Pollution Policy describes our commitment to prevent, control, and reduce air, water, and soil pollution. We work to mitigate the potential negative impact of air emissions and water effluents from our operations on surrounding communities and the environment through pollution release monitoring and the Pollution Mitigation Hierarcy (avoid, reduce, restore, regenerate, and transform).

Our company-wide approach applies to all industrial sites under Sysenqo's full or majority ownership or legal responsibility, including sites with historical soil pollution that are no longer operational.

We comply with all relevant local, national, and international environmental laws and regulations related to pollution, and employ systems to maintain air emissions and water effluents below required limits. We evaluate and track air emissions and water effluents in compliance with all applicable environmental laws and regulations, providing data as required to the relevant authorities. We also track and assess the progress toward set metrics and KPIs of projects aimed at reducing the emission of key SoC and SVHC.

We apply the Pollution Hierarchy to reduce emission of the SoCs and SVHCs with the greatest potential impact to the environment or the business. We implements measures to control soil pollution and prevent groundwater migration to prevent further impact to the environment, people, and/or enable further use of the property.

By reducing air, water, andsoil pollutants, we reduce our potential impact on biodiversity and ecosystems around our sites.

To prevent accidental releases and effectively respond to emergencies, we rely on robust Process Safety Management programs and Emergency Response Plans (see *section 5.2.2.1 Product design and process safety in the value chain).*

Syensqo's comprehensive approach to pollution is in line with the UN' SDGs (SDG 3, Target 3.9 - "By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination" and SDG 14, Target 14.1 - "By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities"), and with regional legislation.

The Chief Sustainability Officer is accountable for implementing our pollution policy and ensuring it is effectively integrated intoSyensqo's operations and aligned with our sustainability goals.Consideration given to the interests of key stakeholders insetting the policy and how we make it available is described insection *5.1.1. Sustainability operational governance*.

Air emissions and water effluents commitments

Syensqo does not currently have a public target related to pollution reduction, but has a clear commitment to reduce and control pollution as described in our Pollution Policy.

We track the effectiveness of ourpolicies and action plans by measuring air emissions and watereffluents. We track and assess progress of projects aimed at reducing the release of SoC and SVHC.

Taking action in relation to pollution

Our HSE approach is built on a culture of safety for all employees and contractors, continuous improvement, competencies development, and HSE Minimum Requirements to mitigate risks, especially focusing on:

- the release of water effluents and air emissions from our sites that must meet all applicable emission limit values and environmental quality standards where relevant.
- sites assessment and actions to reduce and/or eliminate key SoC and SVHC from air emissions and water effluents.

Our dedicated Health, Safety and Environmental Sustainability (HSES) corporate team addresses and follows all environmental topics, including remediation.

Syensqo's HSE strategy includes the implementation of:

- An approved HSE management system *(see section 5.3.2.2 Health and safety on and around our sites*) which is implemented at every significant industrial and R&I site.
- HSE networks which review and adjust processes as necessary and share good practices by topical domains (e.g., process safety, transportation safety, etc.)
- A Product Safety Management System (PSMS) in each business
- Communication reporting tools and shared short- and long-term improvement plans
- Site audits, both to internal and external requirements at least once every five years

In the short term, recurring actions described below are designed to prevent or mitigate potential negative impacts, risks related to air emissions and water effluents, and risks related to HSE regulations evolution and major accidents on or off site.

Prevention and mitigation of environmental-related risks and potential impacts related to air emissions and water effluents

Our action plan for preventing and mitigating environmental risks from air emissions and water effluents includes a risk characterization and mitigation approach at relevant sites, monitoring regulations to address potential changes affecting environmental permits, and obtaining insurance for unknown gradual and sudden pollution, covering defense, clean-up, and third-party liability costs.

We identify and establish projects to anticipate upcoming regulations and reduce air emissions and water effluents, including projects to decrease the releases of SoC and SVHC, that have the highest negative potential impact on the environment or people, or pose a risk to our business. Mitigation actions are evaluated as needed.

For current and future financial resources required, refer to the rules laid out in *section 5.1.2 Basis for Preparation*. In 2024, our capex spent for projects preventing or mitigating environmental-related risks and potential impacts related to air emissions and water effluents reached €29 million (capex spent reported is included in the total capex line disclosed in Financial statements' Note F1 "Capital expenditures" 2024 Group total). Appropriate actions and financial resources will continue to be allocated to mitigate potential negative impacts and to comply with current and future regulations.

Remediation actions for historical soil pollution

The corporate HSES team is responsible for managing environmental liabilities from historical operations; the sites and businesses are responsible for managing environmental topics from current operations. HSES helps the sites and GBUs manage their environmental legacy, providing them with technical expertise and cash management through environmental provisions.

Syensqo implements measures and advanced technologies to control and remediate soil pollution and migration of contaminants in groundwater from historical or new incidents to prevent further impact to the environment and people and enable further use of the property, if applicable. This is applicable to all active Syensqo industrial sites which are under our full or majority ownership or legal responsibility, closed sites currently owned by Syensqo, and third party sites for which Syensqo still maintains some liability.

In 2024 we implemented several projects to control and remediate soil pollution from historical activities, prevent further environmental impact, control possible exposure and/or enable further use of the property. Some of these projects include soil and groundwater testing, dismantling structures, removing asbestos when required, conducting environmental assessments, and implementing remediation technologies.

The costs associated with historical environmental liabilities are managed through the environmental provisions. Financial resources allocated to remediation actions for historical soil pollution are aligned with Financial statements' Note F26:

- 2024 resources: €47M (Uses of Environmental provisions in 2024), excluding the payment of €167M to the New Jersey Department of Environmental protection to fund their remediation project.
- Future resources: €292M (Year end total provisions for environment)

Transport safety action plan

Our Transport Safety Management system aims to reduce incidents that could have catastrophic consequences. These incidents can happen during the movement of products, such as loading or unloading (if under the responsibility of Syensqo; on or off-site), moving vehicles on-site, or circulating on public roads, rail, air, inland waterways, or sea.

We monitor and comply with transport regulations, set standards for carriers of dangerous goods based on risk assessments, and provide additional training when needed. In 2024, we implemented safety procedures and guidelines in operational management of day-to-day transport operations (including loading and unloading), gathering and sharing lessons learned, ensuring worldwide emergency preparedness and response with hotlines in multiple languages, reporting and investigating incidents, and conducting audits.

For current and future financial resources required, refer to the rules laid out in the *section 5.1.2 Basis for Preparation*.

Process safety and critical incident action plan

Process Safety Management is a system for designing and operating industrial processes that handle large quantities of hazardous chemicals. Within Syensqo, process safety management principles apply to all sites even if not required by applicable regulations.

Key elements are:

- Completion of Process Hazard Analyses (PHA) to identify high-risk situations. These are performed on each unit with a unique risk matrix to quantify the risk level of every potential accidental scenario, combining severity and probability factors. A team of process safety experts is trained to apply the PHA methodologies.
- A preventative risk-based approach founded on systematic PHA, and the identification of critical scenarios for which mitigation action must be implemented in a committed time frame.
- Activation of an Emergency Response Plan in case of severe incidents on site. Relevant internal and external parties are informed through the application of Syensqo's crisis management procedure. If needed, the Corporate Crisis Cell (crisis alert duty 24/7) is also activated. Each site is also equipped with an Emergency Response Plan, and regular preparedness drills and training take place to support an effective response that limits any impact to people and the environment in case of an emergency (*see section 5.3.2.2.1 Health and safety policy on our sites*).
- Syensqo endeavors to avoid the highest severity incidents (top two severity levels in accordance with its severity level classification) and reduce the overall Process Safety Incident rate.
- Systematic analysis of each incident is carried out as soon as possible, in order to identify root causes and implement preventive actions to avoid similar incidents in the future.
- Central reporting of Process Safety Incidents. The incident severity is assessed by applying internal criteria, including consequences onsite or offsite, damage to the immediate vicinity and quantity of spilled material.
- Publication of process safety bulletins for significant incidents, distributed to all sites. These bulletins are used by the sites as support materials for safety talks to increase the process safety knowledge of employees

For current and future financial resources required, refer to the rules laid out in the *section 5.1.2 Basis for Preparation*.

Metrics related to air emissions and water effluents

Accounting policy

Quantification

Syensqo monitors air emissions and water effluents at our sites and applies the materiality principle in the selection of substances to report in Syensqo's reporting system, which includes more than 700 substances.

We calculate air emissions and water effluents according to methods perscribed by the local authorities in the sites' operating permits. Depending on the situation, sites may be required to quantify pollution by analytical measurements, through engineering calculations or estimations (e.g. use of emission factors). Where emissions are determined outside of the permitting context, Syensqo aligns with industry (sectoral) standards or other relevant standards and guidelines (ISO, CEN, etc.). In Europe, analytical measurement is standard and, where relevant, carried out in accordance with the recommendations of the applicable Best Available Techniques (BAT) Conclusions (BAT Reference Document (BREF)). Calculation of air emissions through modelling is widely accepted and standardized in the US and other countires worldwide.

Reporting

Emissions reporting includes only active industrial sites where Syensqo holds majority ownership or has operational control. Administrative and non-ongoing activity sites are excluded from our reporting scope.

As pollution to soil is not a material topic for ongoing activities, metrics related to emissions to soil are not reported.

All substances listed in the Annex II of the E-PRTR regulation are included in Syensqo's reporting system. Sites report quantified air emissions and water metrics related to effluents of E-PRTR substances. The consolidated amount of each E-PRTR substance emitted to air or water includes only the emissions from sites for which the applicable threshold value specified in the annex II of the regulation is exceeded. Substances not appearing in the list were either submitted as zero or fell below the established reporting thresholds.

Metrics related to SoC and SVHC in air emissions and water effluents are reported in section 5.2.1.4.4 Product Steawardship.

AIR EMISSIONS AND WATER EFFLUENTS (E-PRTR)

	Units	2024 Air	2024 Water
Total nitrogen	tons	-	361.40
Total Phosphorus	tons	-	45.18
Hydrochlorofluorocarbons (HCFCs)	tons	10.4	-
Chlorofluorocarbons (CFCs)	tons	4.2	-
Arsenic and compounds (as As)	tons	0	0.05
Chromium and compounds (as Cr)	tons	0	0.34
Nickel and compounds (as Ni)	tons	0	0.21
Lead and compounds (as Pb)	tons	0	0.08
Zinc and compounds (as Zn)	tons	0	0.58
1,2-dichloroethane (EDC)	tons	0	0.03
Halogenated organic compounds (as AOX) (9)	tons	-	6.41
PCDD + PCDF (dioxins + furans) (as Teq)	gTEQ	3.2	0
Tetrachloromethane (TCM)	tons	0	0.15
Trichloromethane	tons	2.6	0.02
Nonylphenol and Nonylphenoethoxylates (NP/NPEs)	tons	-	1.56
ethylene oxide	tons	0	0.08
Di-(2-ethyl hexyl) phthalate (DEHP)	tons	0	0.003
Phenols (as total C)	tons	-	0.81
Toluene	tons	-	0.52
Total organic carbon (TOC) (as total C or COD/3)	tons	-	863.69
Chlorides (as total Cl)	1,000 tons	-	71.51
Cyanides (as total CN)	tons	-	0.32
Fluorides (as total F)	tons	-	57.95
Hydrogen cyanide (HCN)	tons	38.5	-
Octylphenols and Octylphenolethoxylates	tons	-	0.17

NMVOC, NOX, SOX AIR EMISSIONS (E-PRTR)

	Units	2024	2023	2022
Non-methane volatile organic compounds (NMVOC)	1,000 tons	1.045	1.092(1)(2)	1.058(1)(2)
- Variation % 2024/2023	%	-4%(1)		
Nitrogen oxides (NOx/NO2)	tons	178	175(1)(2)	186(1)(2)
- Variation % 2024/2023	%	+2%(2)		
Sulphur oxides (SOx/SO2)	1,000 tons	1.140	0.995(1)(2)	0.912(1)(2)
- Variation % 2024/2023	%	+15%(1)		

(1) Not covered by the Independent Auditor's limited assurance report
(2) Values restated‴ to take into account the E-PRTR thresholds whereas originally published values had no thresholds applied to them.. Originally published data: 1.406 ᴸ (2023) and 1.521 (2022) for NMVOC; 613 ᴸ (2023) and 638 (2022) for Nitrogen oxydes; 1.029 ᴸ (2023) and 0.940 (2022) for Sulfur oxydes.

We comply with all relevant local, national, and international environmental laws and regulations and take the necessary action to reduce SoC and SVHC emissions and effluents.

Process safety incident metrics

Accounting policy

PSI's are classified based on severity levels following ICCA Globally Harmonized Process Safety Metrics with additional, more conservative, company specific criteria. Environmental Incidents are a subset of Process Safety Incidents, which result in an impact to the environment. The Process Safety Incident rate (PSI rate) corresponds to the number of Process Safety Incidents per 100 full-time equivalent employees and contractors, assuming 2,000 working hours per worker, per year for employees, and reported monthly hours by all sites for contractors. We monitor this rate and benchmark with peers.

Restatement - New Perimeter:

In alignment with the guidance from the European Chemical Industry Council (Cefic), the methodology for calculating the Process Safety Incident (PSI) Rate has been updated. Previously, the PSI Rate was calculated only for production sites and research & innovation sites under operational control where a process risk may be identified. This has been expanded to cover all sites under operational control, aligning with the same perimeter for Occupational Safety metrics (RII, RIIR, etc.). Consequently, this expands to include more people in our own workforce even though the Total Hours methodology utilizing OSHA's 2,000hrs/employee/month remains the same.

PROCESS SAFETY INCIDENTS

	Units	2024	2023	2022
Process Safety Incident rate	Medium or higher severity incidents per 200,000 hours worked	0.75	0.63(1)(2)	0.66(1)(2)

(1) Not covered by the Independent Auditor's limited assurance report
(2) Restated values. Originally published value: 0.68 ᴸ (2023) and 0.74 (2022)

5.2.1.4.3 Product stewardship

Product Stewardship Policy and management approach

Syensqo's Product Stewardship Policy, applicable to all of its operations and businesses, strives to safeguard the health of people and the environment by promoting a comprehensive approach to chemical innovation and manufacturing. Newly acquired businesses must abide by this policy as soon as practical after acquisition.

We ensure our products are developed, manufactured, distributed, used, and disposed of responsibly; we provide access to quality information concerning our products; we sustainably meet product regulatory compliance obligations, and we work with our customers to help them to minimize possible risks they may identify in downstream product handling and customer end use product applications.

In particular, Syensqo intends to foster research for the development of more sustainable product solutions and alternatives that benefit society and the environment, including the replacement of SVHC where feasible.

Syensqo ensures that concerned employees are aware of and understand their role in product stewardship. We provide the necessary training and resources to empower employees to contribute effectively to the product stewardship approach.

Syensqo's comprehensive approach to product stewardship is in line with the aims of the UN' (UN) SDGs (SDG 12 - "Ensure sustainable consumption and production patterns"), the former UN Strategic Approach to International Chemical Management (SAICM), and newly adopted Global Framework on Chemicals (GFC). Our practices are aligned with the ICCA Responsible Care commitment and the Cefic Safe and Sustainable-by-Design (SSbD) guidelines, emphasizing transparency, accountability, and continuous improvement in sustainability practices. We monitor product stewardship performance in line with established metrics.

Our Global Product Stewardship Director is responsible for implementing this policy and working with Sustainability Teams to ensure integration into Syensqo operations and alignment with sustainability goals. Consideration given to the interests of key stakeholders in setting the policy and how we make it available is described in *section 5.1.1 Sustainability operational governance*.

Commitments related to product stewardship

Despite having no public target related to product stewardship, we track the effectiveness of our policies and actions related to product stewardship and have a key performance indicator to ensure that we are minimizing the presence of SVHC in our marketed products. It is detailed in the corresponding action - Looking for Safer alternatives for marketed products in the following section.

Taking action on product stewardship

Syensqo adheres to all applicable regulatory requirements related to product safety in every market and country we operate. We strive to go beyond compliance, setting more stringent internal standards where we believe it is necessary for the protection of people and the planet.

All the following short term 2024 actions are undertaken to prevent or mitigate the risks of evolving product safety regulations. They cover all the activities of the business: research, purchasing, manufacturing, investment and Merger & Acquisition (M&A) evaluations. These actions are related to the implementation of our Product Stewardship Policy.

Assessing SVHC in marketed products

Syensqo has developed a strategy to decrease the use of SVHC in marketed products and more broadly throughout the value chain.

For this purpose, we have extended the monitoring of the SVHC of the EU REACH Candidate list and EU REACH Authorization list (annex XIV) to a worldwide scope. This has been implemented by identifying all marketed products containing a concentration above 0.1% of those substances on a worldwide basis. In addition, since 2015, we created our own reference list of substances, the Syensqo-SVHC (S-SVHC) that goes beyond the traditional EU lists (Candidate list and Authorization list) by including several lists coming from other countries (e.g. POP Stockholm Convention, China/Banned substances for manufacturing, distribution, use, importation and exportation (MEP announcement No. 23), Korea/ISHA Harmful Substances Prohibited from Manufacturing, USA/TSCA Annex 6, Japan/ISHL Harmful substances needing permission for manufacturing, CMR 1A/1B official classifications (EU, China, Korea). We manage these lists the same way, by identifying all marketed products containing a concentration above 0.1% and a worldwide basis.

We have also established our own reference list of Substances Requiring Attention (SRA), such as substances under scrutiny by authorities, Non Governmental Organizations (NGOs), scientists and industries due to their known hazardous properties or potential effects. This allows us to anticipate risk mitigation needs and upcoming regulatory requirements.

The S-SVHC and SRA lists include SVHC and SoC as defined in accordance with CSRD.

Assessing SVHC in raw materials

We have extended our inventory process to raw materials used in production on a worldwide basis, and we identify raw materials containing a concentration of S-SVHC above 0.1%.

Looking for safer alternatives for marketed products

Risk studies and Analysis of Safer Alternatives (ASA) for all marketed products containing S-SVHC above 0.1% placed on the market are regularly performed with the business, and substances are replaced with safer alternatives where feasible. We also evaluate these products through Syensqo' SPM tool (*section 5.2.2.1.2 Our policy and management approach*) where chemical hazard and exposure associated with a chemical product in its use are assessed as one of the categories of signals on sustainability performance.

We set two objectives. First new ASA covering newly identified listed S-SVHC should be performed within one year and second all current ASA should be reviewed every three years. We aim to be 100% aligned with these objectives by the end of 2025. Details of Analysis of Safer Alternatives are given below with a focus on SVHC according to the CSRD.

ANALYSIS OF SAFER ALTERNATIVES

	Units	2024(1)	2023(2)
Analysis of safer alternatives required (Focus on SVHC according to the CSRD)	Number	23	18(3)
Of which completed	%	91	56(3)
Of which alternatives have been identified	%	43	60(3)

(1) According to the EU REACH authorization list (annex XIV – dated April 12, 2022) and EU REACH Candidate list (dated January 23, 2024). The perimeter covered is marketed products sold from January 2023 to December 2023.

(2) According to the EU REACH authorization list (annex XIV – dated April 12, 2022) and EU REACH Candidate list (dated January 17, 2023). The perimeter covered is marketed products sold from April 2022 to March 2023.

(3) Not covered by the Independent Auditor's limited assurance report.

In 2024, 21 ASA have been completed:

- 2 led to effective replacement, through SVHC substitution, reduction below the required threshold, stopping production or through better composition knowledge.
- 7 led to an "ongoing" status meaning that an alternative has been identified and discussed with the business and/or customers for implementation.
- 12 have resulted in no available alternatives, either because no substitute is available, or too complex qualification process on customer's side.

Additional commitment to phase out fluorosurfactants

At Syensqo, we are proud to produce a vast majority of our fluoropolymers – materials that are essential for electric vehicle batteries, hybrid engines, hydrogen applications, renewable energy installations, semiconductor manufacturing, medical devices, and more – without the use of fluorosurfactants.

Guided by our sustainability roadmap, we quadrupled our investment in research & innovation since 2019 to invent a new polymerization process that does not require the use of fluorosurfactants (non-fluorosurfactant technologies).

Our goal is to phase out the use of fluorosurfactants globally. Our success in developing non-fluorosurfactant technologies in the U.S. at our West Deptford, New Jersey facility was a major step in this journey, and we are now working toward the objective of manufacturing nearly 100% of our fluoropolymers without the use of fluorosurfactants in Spinetta Marengo, Italy by 2026.

Today in Spinetta Marengo, we only manufacture limited quantities of a next generation fluorosurfactant (C6O4) while we transition to the new non-fluorosurfactant technology. In addition, for our manufacturing in Spinetta Marengo, Syensqo applies state-of-the-art technologies that eliminate nearly 100% of the next generation fluorosurfactant emissions.

Syensqo never manufactured or sold PFOA, PFNA or PFOS. In addition, Syensqo never used PFOS or manufactured firefighting foams, which are a key source of certain PFAS in the environment. Syensqo voluntarily phased out use of PFOA and PFNA in the US in 2003 and 2010, respectively, and phased out use of PFOA globally in 2013.

Assessing SVHC in research & innovation projects

We use our SPM tool to evaluate sustainability during our research & innovation processes. When needed, we conduct dedicated Product Stewardship reviews, S-SVHC content checks, and assess compliance of the Raw Material or Finished Product.

For new molecules, Syensqo is currently developing an approach to have an early identification of properties of concern.

Participating to due diligences in mergers and acquisitions process

Product Stewardship is part of due diligence for acquisitions when needed. Questions are raised to the seller to assess the compliance of the future portfolio of products, including the presence of SVHC.

For current and future financial resources required, refer to the rules laid out in *section 5.1.2 Basis for Preparation.*

SoC and SVHC metrics

Accounting policy

The metrics relate to quantity in tons of SoC and SVHC according to CSRD definition.

We consider marketed products sold in 2024 and raw materials purchased for production in 2024 on a global basis, mapping more than 98.5% in weight of those sold and procured products. Any SVHC or SoC present above a threshold value of 0.1% in the composition of the product is taken into account in the calculation of the metrics.

"Emissions" refers to air emissions or water effluents from production facilities, without any threshold. In 2024, Syensqo has carried out a detailed assessment and added, in its emissions reporting system, those substances that are relevant in the company's processes, in line with the materiality concept. While the current list of substances is considered mature and allows adequate representation of the impact of emitted substances, we will continuously review and adapt the list of SoC and SVHC as needed. Emissions reporting includes only active industrial sites where Syensqo holds majority ownership or has operational control. Administrative and non-ongoing activity sites are excluded from our reporting scope.

We have chosen not to categorize SoC and SVHC by hazard categories due to double counting and ensure consistency in the absence of guidance on splitting substances by hazard category. This approach enhances clarity of our reporting and comparability across the industry.

SOC AND SVHCS

	Units	2024
PROCURED IN RAW MATERIALS		
Substances of Very High Concern (SVHC)[1]	1,000 tons	43.57
Substances of Concern (SoC)[2]	1,000 tons	289.16
LEAVING FACILITIES AS EMISSIONS and IN PRODUCTS SOLD		
Substances of Very High Concern (SVHC)[1]	1,000 tons	14.70
Substances of Concern (SoC)[2]	1,000 tons	77.22

(1) For SVHC, the 2 following regulatory list are taken into account: EU REACH authorization list (annex XIV – dated April 12, 2022) and EU REACH Candidate list (dated November 7, 2024).
(2) For SoC, additionally the following list is taken into account: CLP Annex VI (ATP 21). This figure includes k tons of SVHC, which are also SoC by definition.

We comply with all relevant local, national, and international environmental laws and regulations and take the necessary action to reduce SoC and SVHC emissions and effluents. Emissions represent a marginal portion of the total of SoC and SVHC leaving facilities.

5.2.1.5 Biodiversity

5.2.1.5.1 Material impacts, risks and opportunities related to biodiversity

The process, methodologies, assumptions and tools used to identify and assess biodiversity-related IROs are described in *section 5.1.4.1 The Double Materiality Assessment process*. We are in the process of conducting a more detailed assessment of Syensqo's transition and physical risks related to biodiversity and ecosystems in our value chain, where we have considered systemic risks. However, we have not yet performed a biodiversity and ecosystems scenario analysis.

Regarding our potential impacts from our own operations concerning climate change and pollution as direct drivers of biodiversity loss, we have taken a conservative approach and considered them material at an aggregated level, across all production sites.[1] .

We have identified 36 sites located within a 5 km distance from biodiversity-sensitive areas, as defined in Annex II of Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards. According to our DMA, activities on these sites have no material negative impact on these biodiversity-sensitive areas. We are however progressing with the Science Based Targets Network (SBTN) approach at these sites in order to better understand impacts from our industrial activities and fine-tune our DMA. Next to the direct stakeholder engagement at Group level, covered in *section 5.1.4.1 The Double Materiality Assessment process*, we continue to cultivate a mindset of biodiversity awareness at our sites, and collaborate with external stakeholders as part of our journey.

(1) Alpharetta, GA; Anaheim D'aircraft, CA; Anaheim, CA; Atequiza Jalisco; Augusta, GA; Baltimore, MD; Bangpoo; Baton Rouge, LA; Blue Island, IL; Borger, TX; Castanea, PA (Lock Haven); Changshu; Clamecy; Greenville, SC; Greenville, TX; Havre De Grace, MD; Heanor; Rayong (Hemaraj East); Itatiba; Kalamazoo, MI; Kallo-Beveren; Klundert; Levin; Long Beach, CA; Marietta, OH; Melle; Méréville; Midland, TX; Mount Pleasant, TN; Newark, DE; Niagara Falls Welland; Oestringen; Oldbury; Orange, CA; Orange, TX; Ospiate Bollate; Oudenaarde; Panoli; Pasadena, TX; Piedmont, SC; Rheinberg; Rock Hill, SC; Roha; Saint-Fons Spécialités; FengXian (Shanghai Ye Zhuang); Shreveport, LA (WSP); Spartanburg, SC; Spinetta Marengo; Taboão da Serra; Tavaux; Vernon, TX; West Deptford, NJ; Willow Island, WV; Winder, GA; Winona, MN; Wrexham; Zhanghiagang Feixiang; Zhangjiagang HC / Heng Chang; Zhenjiang; and Zhuhai.

Syensqo joined the Wildlife Habitat Council (WHC, recently renamed *Tandem Global*) in 2023. The partnership helps us to identify areas for improvement, both at our sites and in collaboration with our customers. WHC provides a framework for voluntary conservation action on a wide variety of corporate lands, promoting a collaborative and comprehensive approach to conservation activities around the world. Membership in the WHC helps us to raise awareness about nature conservation projects that are locally relevant.

As part of the Star Factory program, more than 30 industrial sites have developed biodiversity roadmaps to preserve and restore nature in and around their facilities while also raising awareness of employees and local communities on biodiversity. They rely on the knowledge of local authorities, associations and experts to establish a baseline of local biodiversity, assess the current status of the ecosystem, identify relevant nature conservation projects, and leverage WHC guidance to set specific metrics and performance indicators to monitor progress.

Type of IRO	Own Operations (OO) or Value chain (VC)	Time Horizon	IRO Name	Description	Current & anticipated effects
BIODIVERSITY					
ESRS E4 - Climate change and Pollution as direct impact drivers of biodiversity loss					
▼ Potential Negative Impact	✖ OO	ST-LT	Impact on biodiversity from Syensqo's GHG emissions, non-GHG emissions and effluents	Syensqo's Scope 1 & Scope 2 GHG emissions contribute to climate change, one of the main drivers of biodiversity loss. Emissions and effluents from Syensqo's operations as a chemical company may also potentially negatively impact biodiversity around our sites.	*Via E1 & E2*
ESRS E4 - Biodiversity and ecosystems					
▼ Potential Negative Impact	✖ VC	ST-LT	Impact on biodiversity in the value chain	Syensqo sources raw materials, including mineral, petrochemical, and biochemical products, from diverse suppliers. The extraction and/or production of these raw materials may potentially impact the extent and condition of certain ecosystems (e.g. via land degradation, desertification, or soil sealing), ecosystem services on which we depend, and the state of species via drivers like climate change, pollution, land-use change, fresh water-use change, direct exploitation, potentially invasive species, etc. in at-risk areas. Some of Syensqo's similar downstream value chains may also cause these potential impacts on biodiversity.	Medium and *via E1 & E2*

For the glossary please refer to section 5.2.1.1.1 Material impacts, risks and opportunities related to climate change.

Scope: ✖ Own operations ✖ Value chain
Financial Materiality: ▲ Opportunity ▼ Risk
Impact Materiality: ▲ Positive ▼ Negative

5.2.1.5.2 Biodiversity at Syensqo

In our own operations

Climate change and pollution, as direct impact drivers of biodiversity loss, are the only material (sub-)sub-topics for our own operations. Our management approach (policy, actions, targets and metrics) of these potential impacts are covered in *section 5.2.1.1 Climate change and section 5.2.1.4 Emissions, effluents and remediation, and product stewardship*.

By reducing GHG, other air emissions and water effluents, and by remediating or otherwise controlling risks associated with polluted soils and groundwater (as detailed in these sections), we reduce our potential impact on biodiversity and ecosystems. We track the effectiveness of our policies and actions by monitoring the amount of Scope 1 and -2 GHG emissions, covered in *section 5.2.1.1.6 Climate related metrics,* and releases of SoC, SVHC and E-PRTR substances to the environment from our sites, covered in *section 5.2.1.4.2 Emissions, effluents and remediation*. These actions do not include the use of biodiversity offsets nor do they incorporate indigenous knowledge.

In our value chains

Syensqo's management approach (policy and actions) for our material potential impacts on biodiversity in our value chain is described in *section 5.2.2.1 Product design Process safety in the value chain* and complemented in section *5.2.2.2.2 Circular economy policy and Social - 1.2.4 Sustainability Sourcing Statement*, as it pertains to the sourcing of renewable materials and its social consequences. We do not currently have any targets related to biodiversity in our value chains, We track the effectiveness of our policy items through our SPM indicator, covered in *section 5.2.2.1.4 Taking action in relation with Product design and Process safety in the value chain*, and the metric '% of biological materials (and biofuels used for non-energy purposes) sustainably sourced', covered in *section 5.2.2.2.5 Metrics - Resource inflows and outflows*. The policies, referenced above, referring to biodiversity, do not specifically relate to material dependencies and material physical and transition risks and opportunities. These actions do not include the use of biodiversity offsets and do not incorporate indigenous knowledge.

5.2.2 Generating sustainable growth

5.2.2.1 Product design and process safety in the value chain

5.2.2.1.1 Material impacts, risks and opportunities related to product design and process safety in the value chain

The process, methodologies, assumptions and tools used to identify and assess IROs related to environmental topics in our upstream and downstream value chain are described in *section 5.1.4.1 The Double Materiality Assessment process.*

The direct stakeholder engagement at Group level is covered in *section 5.1.4.1 The Double Materiality Assessment process*. In addition, Syensqo is engaging with customers on strategic partnerships. There is also a close collaboration between key account managers and customers to leverage ESG requirements and ambitions for our product offering. Our supplier account management helps align mutually beneficial sustainability approaches.

Type of IRO	Own Operations (OO) or Value chain (VC)	Time Horizon	IRO Name	Description	Current & anticipated effects
PRODUCT DESIGN & PROCESS SAFETY IN THE VALUE CHAIN					
ESRS E2 - Pollution of air, Pollution of water, Pollution of soil, Pollution of living organisms, Substances of concern & Substance of very high concern					
▼ Potential Negative Impact	✖ VC	ST	Air Emissions and water effluents in our value chain	Syensqo sources raw materials, including mineral, petrochemical, and biochemical products, from diverse suppliers. The emissions and effluents from producing our raw materials may potentially impact workers, surrounding communities, downstream users of water, and natural biota. Transportation and some of Syensqo's downstream value chains may also contribute to emissions and effluents that have a potential impact on surrounding communities, downstream users of water, and natural biota.	Medium
▲ Actual Positive Impact	✖ VC	ST	Products improving air & water quality	Through SPM, we identified our sustainable solutions contributing to a reduction of air pollution in end-products, e.g. fertilizers and vehicles, and potential water pollution of end-products, e.g. replacing solvent-based solution by water-based solutions.	Low
ESRS E3 - Water consumption, withdrawals, and discharges					
▼ Potential Negative Impact	✖ VC	ST	Water usage in the value chain	Syensqo sources raw materials, including mineral, petrochemical, and biochemical products, from diverse suppliers. Water withdrawal and consumption in the production of these materials may potentially impact water availability in areas facing hydric stress. Similar potential impacts may also arise within some of Syensqo's downstream value chains.	Medium
▲ Actual Positive Impact	✖ VC	ST	Products contributing to water availability	Through SPM, we identified our sustainable solutions used in end-products that improve downstream water availability, such as water tanks for the storage of rainwater, agriculture films, water membranes, etc.	Low
ESRS E5 - Waste					
▼ Potential Negative Impact	✖ VC	ST	Waste in our value chain	Syensqo sources raw materials, including mineral, petrochemical, and biochemical products, from diverse suppliers. If not treated in a sustainable way, especially in at-risk countries, waste generated during the production of our raw materials may potentially have an impact on the environment and the health of workers and communities. Some of Syensqo's downstream value chains and end product use can have a similar potential negative impact from waste in at-risk countries.	Low
CIRCULAR ECONOMY					
ESRS E5 - Resources inflows, including resource use, and Resources outflows related to products and services					
▲ Opportunity	✖ VC	-	Solutions improving resources use	Through SPM, we identified growth opportunities for our sustainable solutions, which are used by our customers to improve downstream resource efficiency of mining.	Low

For the glossary please refer to section 5.2.1.1.1 Material impacts, risks and opportunities related to climate change.

Scope: ✖ Own operations ✖ Value chain
Financial Materiality: ▲ Opportunity ▼ Risk
Impact Materiality: ▲ Positive ▼ Negative

The policies, actions and metrics below contain information on Syensqo’s response to these material actual and potential impacts and on how Syensqo pursues this material opportunity. Sections 1.2. *Our strategy* and 1.3. *How we create value* give some additional insights on how Syensqo responds to this material opportunity. The current financial effects of this material opportunity are too confidential to disclose.

5.2.2.1.2 Our policies and management approach

Syensqo's Sustainable Portfolio Management Policy and Sustainable Procurement Policy address potential environmental impacts in our value chain and pursue opportunities for products that address sustainability challenges. These approaches incorporate GHG emissions, air and water pollution, water, biodiversity, resource efficiency, and waste.

Sustainable Portfolio Management

Our SPM Policy is applicable to our full product portfolio. Across our global portfolio, operations, and value chain, Syensqo systematically integrates sustainability attributes in business decision making processes via an SPM tool. SPM is widely adopted by Syensqo's GBUs and Functions to integrate sustainability into their key processes to:

- Guide the business to develop robust action plans to drive the growth of the sustainable solutions portfolio and de-risk the challenges, for example by favoring the development of products according to the principles of Safe and Sustainable by Design (SSbD), and sales of products limiting air and water pollution and/or improving water availability in Syensqo's downstream value chain.
- Demonstrate the evidence base for sustainability claims using life cycle assessment (LCA)[1] from cradle-to-gate and cradle-to-cradle (from resource extraction to the factory gate, and to the consumer, respectively).
- Prioritize investments and resources to projects aligned with both business and sustainability goals, including research and innovation, capex, and mergers & acquisitions.

The SPM methodology is designed to boost Syensqo's business performance and deliver sustainable growth, showing decision makers how our products contribute to sustainability in relation to two factors. First the environmental footprint related to their production and associated risks and opportunities, based on cradle-to-gate LCA, which cover resource extraction to the factory gate, before it is transported to the consumer. Second, how their applications create benefits or challenges from a market perspective, based on a qualitative assessment using a cradle-to-cradle scope.

A sustainable solution is defined by Syensqo's SPM tool as a product in a given application that makes a wider social and environmental contribution to the customer's performance by demonstrating a favorable balance between value and environmental impact.

Syensqo's comprehensive approach to SPM is in line with the UNSDG 12 - "Ensure sustainable consumption and production patterns"). It is also recognized as consistent with the Product Sustainability Assessment (PSA) guidance of the WBCSD and the European Safe and Sustainable by Design initiative. Using the SPM Framework, we are able to monitor and track the evolution of our sustainable solutions portfolio.

Syensqo's SPM methodology is also cross referenced in Syensqo's Pollution Policy in *section 5.2.1.4.2 Emissions, Effluents and Remediation*, Syensqo's Water Policy in *section 5.2.1.2 Water*, and Syensqo's Waste Policy in *section 5.2.1.3 Waste*, as it takes into consideration the potential environmental and social impacts resulting from:

- The use of SoC and SVHC and the release of pollution (for which also referenced in *section 5.2.1.4.3 Product Stewardship*).
- Water consumption and discharge to the extent that with SPM we assess the water use as part of the ecoprofile of our product. Then in the market alignment we assess if the product in its use contributes to reducing water usage or improving water quality.
- Waste generation.
- Along the value chain from our portfolio and our research and innovation pipeline, leveraging cradle-to-gate life cycle analysis and a cradle-to-cradle qualitative assessment from a market perspective.

The Chief Sustainability Officer is accountable for policy implementation, ensuring that it is effectively integrated into Syensqo's operations and aligned with our sustainability goals. Consideration given to the interests of key stakeholders in setting the policy and how we make it available is described in *section 5.1.1. Sustainability operational governance*.

Sustainable Procurement Policy - Environmental due diligence in our supply chain

Syensqo's Sustainable Procurement Policy is applicable to all of our operations, employees, business units, and supply chain worldwide.

Syensqo manages the potential impacts and risks from its procurement activities, including raw materials and indirect purchases, and supports its suppliers in their sustainability journey, aiming for continuous improvement across the entire value chain. Our company-wide approach to Sustainable Procurement applies to all of our operations, employees, business units, and supply chain worldwide.

Syensqo's procurement due diligence aims to identify, assess and mitigate risks in its upstream value chains. Suppliers are assessed based on value chain-related risks, which include environmental risks, country-related risks, adverse media alerts, and an EcoVadis score. This helps us prioritize actions to address high-risk areas. We also conduct on-site audits and perform internal risk assessments based on country and value chain.

(1) LCA is a tool for compiling inputs and outputs, along with an evaluation of the potential environmental impacts of a product system throughout its life cycle. LCA methodologies follow international standards, namely ISO 14040, ISO 14044 and ISO 14046 norms.

Supplier risks, such as environmental issues, are integrated into the ERM program, ensuring coordination between the Internal Audit, Risk Management, Ethics & Compliance, and Procurement functions.

Financial and non-financial criteria are taken into account in the supplier selection process by buyers. Syensqo is also part of the TfS initiative, which conducts independent audits and assessments, i.e. Ecovadis Sustainability Ratings. When third-party audits or assessments are not deemed sufficient, Syensqo uses questionnaires focusing on key areas. Follow-up actions are based on assessment results, and Syensqo can ask for additional information and remedial actions, and may disengage from non-compliant suppliers or terminate the business relationship. Syensqo continuously seeks to improve mitigation measures, focusing on deeper engagement, corrective actions, and ongoing monitoring of potential negative environmental impacts.

Syensqo's approach to Sustainable Procurement is in line with the aims of the UNSDGs (specifically SDG 12 - "Ensure sustainable consumption and production patterns"). It is also aligned with internationally recognized standards and conventions, including the UN Global Compact.

We are dedicated to improving our due diligence monitoring and reporting processes. This includes tracking key performance indicators such as the number of suppliers covered by third-party assessments such as EcoVadis, TfS audits, and the questionnaires sent out to suppliers.

The Chief Procurement Officer is accountable for policy implementation, ensuring that it is effectively integrated into Syensqo's operations and aligned with our sustainability goals. This policy was established through multiple rounds of consultations and validations with selected internal experts, while also considering stakeholders' expectations via proxy information.

5.2.2.1.3 Targets related to product design and process safety in the value chain

We do not have a target but monitor the effectiveness of the implementation of our policy through action plans and subsequent indicators, as described below.

5.2.2.1.4 Taking action in relation with Product design and Process safety in the value chain

For current and future financial resources required for the action plans listed below, refer to the rules laid out in *section 5.1.2 Basis for Preparation.*

Strengthening the impact of our Sustainable Portfolio Management

In line with the SPM Policy, Syensqo continued the early assessment of research and innovation projects using the SPM methodology that is aligned with the Safe and Sustainable by Design (SSbD) principles. Additionally, it was the first year of applying SPM in the new major capex process to prioritize projects that have a positive sustainability impact. In the medium to long-term, both actions are expected to increase the sales of products with better social and environmental impacts, both in production and use.

In particular, we focus on accelerating the transition to products that improve health and safety, contribute to the climate transition and improve resource efficiency, for example by offering products that contribute to E-mobility and light weighting, Sustainable Agriculture, Low Carbon products for Beauty and efficient mining practices, as emphasized in our strategy.

The SPM assessment of our portfolio is done in collaboration with the business unit as described in the SPM guide. The data collected through the SPM assessment (LCA, market and regulatory signals) are key in supporting customer-facing activities with fact-based information to promote and differentiate our products in a specific application.

As an active member of the WBCSD, we are collaborating to develop a sector agnostic PSA that would enable comparison and adherence of PSA beyond the Chemical Industry in the medium-term.

We track the effectiveness of the impact of our SPM Policy and actions through the yearly evolution of the share of revenue categorized as solutions and through regular dialogue with users of the SPM tool.

Pursuing our environmental due diligence efforts

In accordance with the due diligence process across our entire supply chain, as described in the Sustainable Procurement Policy, 20 suppliers conducted a TfS audit and 2020 suppliers performed an EcoVadis assessment in 2024.

Focusing on high risk suppliers, 28% of them accounting for 90% of the spend are covered by an Ecovadis assessment. In addition to our internal risk management framework, we also used third-party risk management in 2024, to carry out supplier screening for adverse media on ESG topics.

SPM indicators

Accounting policy

SPM assessments rely on secondary data covering the upstream value chain. They are performed every year in order to capture the most recent signals from the market and cover more than 80% of Group net sales. Percentages are calculated by dividing the share of product sales assessed as Solutions, or other categories, (as defined in *section 5.2.2.1.2 Our policies and management approach*) with the total product sales which are coherent with Group Net sales (as disclosed in Consolidated Financial Statements).

A full description of the SPM methodology, including definition of the categories, and how it is applied to Syensqo's portfolio can be found in our SPM Guide, available on the Syensqo website.

Arthur D. Little, our partner in developing and improving our SPM methodology, performed an in-depth verification of our market alignment assessment results in 2023. This verification is done to ensure adherence to the methodology and continuous improvement. The SPM results are also audited by EY and received a limited assurance.

SHARE OF REVENUE BREAKDOWN BY SPM CATEGORIES

	Units	2024	2023(1)	2022(1)
Solutions	%	63	60R	59
Potentials	%	6	7	8
Transitions	%	9	9	10
Challenges	%	11	12	13
Not evaluated	%	11	12R	11

Figures are rounded up to the %
(1) Not covered by the Independent Auditor's limited assurance report

In 2024, extensive cradle-to-gate Life Cycle Assessments were performed for 94.4% of our products, by turnover share, placed on the market. Syensqo's LCA team manages a product database representing more than 1,100 different chemicals and materials, which is continuously updated to include the most recent industrial or innovation data. SPM assessments covered 89% of product sales.

Since 2021 Syensqo Solution Sales have evolved from 55% to 63% in 2024. Syensqo is diligent in applying the methodology and capturing the ESG market signals. We aim to continuously increase the share of sustainable solutions in our portfolio in order to meet our customer's and stakeholders expectations, providing sustainable, high quality, reliable and competitive products.

5.2.2.2 Circular economy

5.2.2.2.1 Material impacts, risks and opportunities related to circular economy

The process, methodologies, assumptions and tools used to identify and assess IROs related to resource inflows and outflows are described in *section 5.1.4.1 The Double Materiality Assessment process*. To assess the IROs regarding Syensqo's contribution to the circular economy, all business activities across the entire value chain were taken into account.

The direct stakeholder engagement at Group level is covered in *section 5.1.4.1 The Double Materiality Assessment process*. In addition, Syensqo is engaging with customers on strategic partnerships. There is also a close collaboration between key account managers and customers to leverage ESG requirements and ambitions for our product offering. Our supplier account management helps align mutually beneficial sustainability approach. We also consider proxies of potentially affected communities on certain opportunities.

Type of IRO	Own Operations (OO) or Value chain (VC)	Time Horizon	IRO Name	Description	Current & anticipated effects
CIRCULAR ECONOMY					
ESRS E5 - Resources inflows, including resource use, and resources outflows related to products and services					
▲ Opportunity	✖ OO ✖ VC	-	Product innovation on renewable materials & biotechnology	A strategic part of Syensqo's innovation focuses on increasing the use of renewable and sustainable raw materials, fostering the use of biotechnology, and developing biodegradable-by-design solutions In doing so, Syensqo advances a circular economy, addressing global challenges like climate change by decoupling economic activity from finite resource consumption.	Medium
▲ Opportunity	✖ OO ✖ VC	-	Growth in sales contributing to circular economy	As part of Syensqo's strategic pillar "Expanding the share of sustainable solutions", the revenue growth will be increasingly driven by a higher share of sales enabling a circular economy. The circular economy approach is a key lever to tackle global challenges like climate change. By 2030, Syensqo targets for 18% of sales to be driven by circularity, compared to 16% in 2024.	High
ESRS E5 - Resources inflows, including resource use,					
▼ Risk	✖ OO ✖ VC	-	Natural feedstock depletion	The risk of natural feedstock depletion and environmental degradation, particularly in the Consumer & Resources segment, driven by demand, new regulations, and customer preferences for sustainability, leading to price increases and potential loss of business.	Low

For the glossary please refer to section 5.2.1.1.1 Material impacts, risks and opportunities related to climate change.

Scope: ✖ Own operations ✖ Value chain
Financial Materiality: ▲ Opportunity ▼ Risk
Impact Materiality: ▲ Positive ▼ Negative

The policies, targets, actions and metrics contain information on how Syensqo pursues the material opportunity to grow sales that contribute to the circular economy, and how we manage our material risk related to natural feedstock depletion. How we enable the material opportunity linked to strategic innovation is covered in sections 1.2. *Our strategy* and 1.3. *How we create value*. The current financial effects of these material opportunities are too confidential to disclose, and for these material risks, there are no current financial effects.

5.2.2.2.2 Circular economy policy and management approach

Syensqo is committed to adopting circular principles which promote sustainable economic growth and conserve finite resources. Our Circular Economy Policy applies to all global operations and industrial sites under Syensqo's full or majority ownership.

The policy is based on three principles:

- Prolonging product lifespan
- Using renewable and recycled raw materials
- Enabling product recycling and reuse

With this policy, Syensqo promote transitioning away from use of virgin resources by:

- Expanding our use of recycled and renewable raw materials, including renewable energy
- Growing our use of technologies such as carbon capture, re-valorization of waste materials, and second life of materials

Implementation guidelines include designing for circularity, sustainable production, resource management, collaboration and innovation, education and awareness, and performance monitoring. Syensqo integrates circular economy models into its business and innovation strategies, collaborating with customers, suppliers, and partners to create closed-loop ecosystems.

Our circular economy activities align with UNSDG 12 for sustainable consumption and production.

This is supported by partnerships with industry, academia and cross sector organizations to drive innovation in circular economy practices and with engagement in research and development to create new materials and processes that support circularity. Participation in cross-sector initiatives, such as Action for Sustainable Derivatives (ASD), Roundtable for Sustainable Palm Oil (RSPO), is a key aspect of Syensqo's strategy to ensure responsible supply chain management and traceability. Syensqo also maintains partnerships with the Ellen MacArthur Foundation (EMF), Renewable Carbon Initiative (RCI) and the WBCSD to foster and accelerate the use of circular principles throughout its value chain, both downstream and upstream, as a key lever to minimize environmental impact. Syensqo has actively participated in EMF projects like "Product Innovation Principles and Metrics in a Circular Economy" and "Marketing Playbook for a Circular Economy." Additionally, Syensqo is a key contributor to the WBCSD Circularity Protocol, Circular Transition Indicator - Guidance for the Chemical Industry, and the Chemicals Transformation Roadmap.

Syensqo has established targets and metrics to monitor progress toward our circular economy goals and regularly report on performance.

The Chief Sustainability Officer is accountable for policy implementation, ensuring that it is effectively integrated into Syensqo's operations and aligned with our sustainability goals. Consideration given to the interests of key stakeholders in setting the policy and how we make it available is described in *section 5.1.1 Sustainability operational governance*.

Sustainable Procurement Policy

Our Sustainable Procurement Policy (*section 5.2.2.1.2 Our policies and management approach*) supports our circularity ambitions, promoting renewable and recycled raw materials and describing our participation in cross-sector initiatives aimed at establishing standards and increasing traceability and transparency.

Within that, our Sustainable Sourcing Statement (also covered for social aspects in *section 5.3.1.2.4 Sustainable Sourcing Statement*) details our specific approach relative to Palm Oil/Palm Kernel Oil Chemical Derivatives. While the EU Deforestation Regulation is not yet applicable, Syensqo preferentially sources from suppliers who can confirm compliance with No Deforestation, No Peat, No Exploitation (NDPE) criteria. These include:

- Responsible forest management, including a public policy for zero deforestation, protection of High Conservation Value habitats and protection of High Carbon Stock areas[1], avoiding the use of fire for preparing new planting.
- Sustainable growth, including protection of peat regardless of depth, responsible development of new plantings, seeking to utilize previously cleared and/or degraded land and avoid land conflict, plans to reduce pollution and GHG emissions.

Syensqo expects suppliers to implement these principles and commit to continuous improvement. We support suppliers in achieving compliance with the sustainability criteria.

Syensqo has achieved significant traceability milestones, with a high percentage of derivative volumes traced back to refineries, mills, and plantations.

This statement is linked to our Sustainable Procurement Policy, applicable to all Syensqo operations, employees, business units, and supply chain on a worldwide basis, and the Chief Procurement Officer (CPO) is accountable for its implementation.

(1) as defined by the High Carbon Stock Approach (HCSA).

5.2.2.2.3 Targets related to circular economy

Syensqo's policy focuses on creating a positive operational impact by increasing the efficiency and renewability of materials in the value chain we participate in. Syensqo has committed to achieving by 2030 18% of total revenue from sales of products contributing to the circular economy, with ambitions to grow this share beyond 2030. This target is a direct result of the increasing demand from our customers and stakeholders for low carbon products and optimization of resource use.

Syensqo's circular economy approach is based on portfolio transformation and innovation according to the three principles detailed in our policy that form the basis of indicators toward the 2030 goal.

Sales of products contributing to the circular economy are defined as revenues generated with products that meet the following criteria:

- Designed to encourage longer use than the industry standard in practice and at scale; for example designed to extend product life in a way that does not compromise circular treatment at the end of functional life.
- Made of bio-based, recycled-based, by-product, and CO_2-captured carbon-based raw materials, or produced with renewable energy.
- Designed for re-use or to increase the recycling yield (quantity and quality) of the customer's products.

As referenced in our Strategy chapter page 9, examples of products that are produced along circular principles include polymer additives used to extend durability; natural and bio-based polymers and surfactants used in consumer care and agriculture markets; and recycled and bio-based polymers used in electronics and automotive markets.

This target, taken on a voluntary basis, reflects the increasing demand for renewable based and durable products by stakeholders in our value chain. It relates to the prevention and recycling layers in the waste hierarchy, the increase of circular material use and finally to the minimization of primary raw material by leveraging renewable energy, recycled and renewable raw materials and technologies such as carbon capture, re-valorization of waste materials, and second life of materials.

The circular sales target is 18% of company revenue by 2030 vs a base line of 12% in 2021, and is based on the Circulytics Methodology of the Ellen MacArthur Foundation. The 2030 target is supported by the projected growth of Syensqo's circular portfolio and new product launches, as considered in the company's mid-term plan (MTP).

Accounting policy

The method for calculation for the Syensqo One Planet "Share of sales products contributing to the circular economy" KPIs was designed based on EMF assessment on and benchmarked across chemical industry standards.

The Syensqo One Planet KPI "Share of sales products contributing to the circularity economy" is calculated considering:

- Revenue from durability increase: Sales from products that increase longevity and durability without compromising the end-of-life circular treatment. Includes products that are designed for improved performance and encourage longer use.
- Revenue from circular sourcing:
  - Sales from products made with renewable or recycled materials. Includes materials like vegetables, oils, CCU capture, by-products, food wastes, wood wastes, and certified mass balance materials. The measurements adopted for calculation on rate of renewable content in product are as below:
    - Preferably, the Renewable Carbon Index (RCI) that measures the ratio of renewable carbons in the end product.
    - The Bill of Materials (BOM) approach that uses the actual % in weight of the renewable raw material used in the BOM of the end product, if precise RCI content is not available.
  - Sales from products generated using renewable energy, calculated based on the share of renewable energy used by the GBUs.
- Revenue from recyclability enabling: Sales from products that are designed to eliminate waste/pollution, encourage reuse and recyclability, comply with circularity criteria and enable closed loop business models.

Potential double counting is avoided by considering the above mentioned order of priority.

Syensqo evaluates the circularity of final products based on their renewable content. The Sales from renewable and recycled sources are calculated applying a weight factor between two criteria: Raw Materials and Energy. The measurement for materials adheres to the established resource outflow methodology on material and product, while energy data is meticulously reported at the site level. Sales linked to products manufactured using renewable energy are calculated by multiplying the Sales at GBU level by the percentage of renewable energy.

A factor of 85% is applied to renewable based raw materials and 15% to renewable energy.

Percentage of sales contributing to circular economy

PERCENTAGE OF SALES ENABLING CIRCULAR ECONOMY

	Units	2024	2023	2021
Sales of products contributing to circular economy (% group sales)	%	**16**	**14(1)(2)**	**12(1)(2)**
- Variation 2024 vs 2021	pp	+4		
- Variation 2024 vs 2023	pp	+2(2)		
Sales of products based on recycled or bio-based resources or produced with renewable energy	%	11	10(1)(2)	7(1)(2)
Sales of products increasing longevity	%	5	4(1)	5(1)
Sales of products enabling recycling	%	0	0(1)	0(1)

Figures are rounded up to the %
(1) Not covered by the Independent Auditor's limited assurance report.
(2) Values restated for comparability on RCI calculation approach. Originally published values: 13% L (2023) and 12% (2021) for sales of products contributing to circular economy; 8% (2023) and 7% (2021) for Sales of products based on recycled or bio-based resources or produced with renewable energy.

In 2024 the circular sales represented 16% of the company's net sales. This represented in absolute terms 2 percentage points growth versus 2023 and 4 percentage points growth versus the baseline year 2021.

In 2024, we launched the Renewable Carbon Index (RCI) calculation approach that measures the molar content of renewable carbon in the final product - increasing the accuracy of the measurement; we restated past years data with the same RCI to make them comparable to 2024. When it is not possible to apply the RCI calculation, we continue to use a mass approach based on the bill of material.

5.2.2.2.4 Taking action in relation with circular economy

Promotion of our current portfolio that enables circularity to our customers

By continuously working with customers and suppliers directly, Syensqo identifies opportunities for new products, alternative raw materials, and innovative technologies. Specific actions are in place, with varying timelines based on each project's development.

Such actions include: working with customers and suppliers on projects to boost the use of circular products and showcase their benefits, promoting a more sustainable industry through:

- Active promotion of products that incorporate renewable raw materials, such as bio-based, recycled, or by-product-based materials, and utilize renewable energy in their production processes.
- Focus on extending the durability and lifespan of products without compromising their end-of-life treatment, ensuring sustainable use and disposal.
- Development of collaborative projects with customers to increase the adoption of circular products and highlight their benefits, fostering a more sustainable industry.

The progress of this action plan is measured through our targets described in *section 5.2.2.2.3 Targets related to circular economy.*

For current and future financial resources required, refer to the rules laid out in the *section 5.1.2 Basis for Preparation*.

Research and innovation developments and investments to increase our portfolio

Research and innovation is integral to launching circular solutions, which are pivotal to the company's Sustainable Growth Strategy. Syensqo continues to allocate resources to the Renewable Materials & Biotechnology Platform, focusing on renewable materials and Biotechnology. Key examples of products contributing to Circular sales are the ECHO product line, Green Solvents for Agro, Natural Vanillin, and Natural Polymers for Personal Care and Home Care.

To further advance circularity principles, Syensqo is actively developing products through Biotechnology and utilizing raw materials based on carbon capture technology. Collaboration with external partners, including startups, is also a key strategy to accelerate the development cycle and bring innovative solutions to market. Syensqo invested in 2024 in Bioeutectics, a startup that provides natural and high-performance solvents.

For current and future financial resources required, refer to the rules laid out in the *section 5.1.2 Basis for Preparation*. These actions cover recurring short term and medium term time horizons. While Syensqo discloses the total research and innovation spend of the group annually, specific details regarding investments in circularity remain strategic and confidential information.

Training and development of the organization on circular economy principles

Syensqo is committed to provide continuous training on circular economy principles to all employees to embed a mindset of circularity and resource efficiency throughout the organization. The scope of this action encompasses all Syensqo employees. It is a short term recurring initiative. This involves developing circularity-focused projects, such as alternative raw materials, new technologies, innovative products, and business models, thereby enabling a circular transition.

Syensqo relies on external partnerships with EMF and WBCSD to deliver these trainings, as well as internal training programs for various departments, including Research & Innovation, Procurement, Sales & Marketing, and Industrial.

The financial and other resources allocated to these recurring short term actions are linked to Syensqo's external partnerships, as well as internal resources.

In 2024, 38 employees participated in the training offered by our EMF partnership. 223 employees from sales, marketing and Research and Innovation teams joined our Novecare GBU training effort to raise awareness and promote our sustainable solutions and circular products.

For current and future financial resources required, refer to the rules laid out in the *section 5.1.2 Basis for Preparation*.

Action to ensure sustainable sourcing of our bio-based materials

The scope of this ongoing action is focused on the supply chain of oleochemical derivatives in collaboration with external partners. Syensqo joined the cross-sector initiative ASD to develop a uniform standard for responsible supply chain management and traceability. Based on 2023 palm oil derivatives volumes, Syensqo traces 92.6% of its derivative volumes back to refineries, 92.4% back to mills and 69.5% back to plantations. Syensqo’s goal is to achieve 100% traceability up to the refineries & mills as a key first step to ensure compliance to zero deforestation among the concerned suppliers.

Syensqo joined the RSPO and some sites are RSPO-certified. We annually report our progress, which is available on the RSPO website members page. Syensqo is committed to sourcing all palm derivatives from certified sustainable sources, when commercially viable.

For current and future financial resources required, refer to the rules laid out in the *section 5.1.2 Basis for Preparation*.

5.2.2.2.5 Metrics - Resource inflows and outflows

Resource inflows

Our main raw materials include: biochemicals, derived from materials of biological origin, such as palm oil derivatives and bioethanol, mineral chemicals, that come from inorganic solid substances, such as phosphorus and glass fiber, petrochemicals, obtained from petroleum through refining processes, such as phenol and propylene oxide. Other raw materials encompass additional types not classified above, such as composites and resins.

Accounting policy

Raw material data related to volume and spend are extracted on a yearly basis from our ERP system by the procurement function. The data are classified by upstream value chains, enabling the identification of biochemicals.

Recycled materials are flagged, with recycled content percentages noted.

Sustainable sourcing evidence and third-party certifications such as RSPO, are collected from the suppliers and systematically stored, reviewed and approved. For these materials, weight is measured using supplier evidence or certification data.

In Syensqo, our Material resource inflow are characterized by their value chain of origin, as described below:

- Biochemicals
- Minerals
- Natural Gas
- Petrochemicals
- Others (including recycled based and/or by product based)

In the process of calculating metrics for Syensqo's procurement activities, several key assumptions are made to ensure accuracy and consistency. The scope encompasses all procurement activities and suppliers within Syensqo. It is assumed that all unit conversions to kilograms are precise, facilitating uniformity and alignment across all data analyses. Additionally, the procurement team relies on the assumption that purchase data retrieved from the ERP and material classification are comprehensive, accurate, and up-to-date. These assumptions are critical to maintaining the integrity and reliability of the metrics derived from the procurement process.

Direct measurements are used for bio-based materials and recycled based materials purchased weight in tons. In cases where the product is not 100% recycled, the percentage of recycled material informed by the supplier or certification (i.e. ISCC Plus) is used for the calculation.

	Units	2024
TOTAL WEIGHT OF PRODUCTS AND TECHNICAL AND BIOLOGICAL MATERIALS USED	**tons**	**1,122,813**
Percentage of biological materials (and biofuels used for non-energy purposes) sustainably sourced and certified by third party (as a percentage of total weight of products and technical and biological materials used)	%	6.7%
Weight of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture the undertaking's products and services	tons	10,379
Percentage of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture the undertaking's products and services	%	0.9%

Resource outflows - Product and materials

Through strategic partnerships with EMF and WBCSD, Syensqo is advancing the circularity agenda for chemicals. According to our circular economy approach based on portfolio transformation and innovation, we can identify products that are designed along three circular principles. That forms the basis of our indicator toward our 2030 target.

1. Prolong lifespan: Designing products that increase the longevity of materials without impacting recyclability

2. Regenerate: Designing products that use renewable and recycled raw materials, such as bio-based feedstock, recycled-based feedstock, by-products, and CO_2-captured-based feedstock, as well as utilizing renewable energy

3. Circulate: Retaining the value of the products and materials currently in use by enabling product recycling and reuse

Examples of products that are produced along circular priciples as referenced in section 1.2.4.3 *Our solutions across our eight core markets* include polymer additives used to extend durablity, natural and bio-based polymers and surfactants used in consumer care and agriculture markets, and recycled and bio-based polymers used in electronic and automotive markets.

As a specialty chemical supplier, our products are consumed and transformed by our customers. Concepts such as reparability and recyclability of our products are not applicable to chemical suppliers. Current recyclable content in our products packaging is not substantial due to limited scalability.

5.2.2.3 EU Taxonomy

In 2024, Syensqo rolled out the EU Taxonomy approach consistently accross the organization, and expanded its span to the six environmental objectives, while in 2023 we focused on climate objectives only.

Syesnqo's EU Taxonomy disclosure process follows three steps:

- The first step is a screening of eligible economic activities on which Syensqo operates, considering a financial materiality.
- Next, each of the economic activities are assessed for EU Taxonomy alignment, comprising substantial contribution to at least one of the six environmental objectives, 'Do No Significant Harm' (DNSH) on the five other objectives, and adherence to minimum safeguards.
- Finally, the KPIs required for Taxonomy reporting are calculated and reported following required templates

Syensqo's EU Taxonomy report, subject to a limited assurance engagement from our external auditors, covers the 2024 year and the same scope as our financial reporting perimeter.

5.2.2.3.1 Assessment of the EU Taxonomy eligibility

Based on the list of eligible activities shared by the European Commission, we have determined which of our activities are covered by the EU Taxonomy.

We analyzed the description of the activity Taxonomy Regulation (EU) 2020/852 and the subsequently published delegated acts to make the link with our SPM tool. The assessment of our SPM tool is subject to limited assurance engagement from our external auditors. For more details on SPM, please see *section 5.2.2.1.2 Our policies and management approach*.

To avoid double counting with economic activities already recorded under the climate change mitigation objective, we do not report taxonomy-eligible activities under the environmental objective of climate change adaptation.

As a consequence, the analysis of our portfolio leads to the identification of the following eligible economic activities, that all fall under the environmental objective of climate change mitigation:

Economic Activity Code	Economic Activity Name	Economic Activity Description
3.1	Manufacture of renewable energy technologies	Manufacture of renewable energy technologies, where renewable energy is defined in Article 2(1) of Directive (EU) 2018/2001. Relevant for sales, capex and Opex.
3.2	Manufacture of equipment for the production and use of hydrogen	Manufacture of equipment for the production and use of hydrogen. Relevant for sales, capex and Opex.
3.4	Manufacture of batteries (Enabling activity)	Manufacture of rechargeable batteries, battery packs and accumulators for transport, stationary and off-grid energy storage and other industrial applications. Manufacture of respective components (battery active materials, battery cells, casings and electronic components). Recycling of end-of-life batteries. Relevant for sales, capex and Opex.
3.6	Manufacture of other low carbon technologies (Enabling activity)	Manufacture of technologies aimed at substantial GHG emission reductions in other sectors of the economy, where those technologies are not covered in Sections 3.1 to 3.5 of this Annex. Relevant for sales, capex and Opex.
3.17	Manufacture of plastics in primary form (Transitional activity)	Manufacture resins, plastics materials and non-vulcanisable thermoplastic elastomers, the mixing and blending of resins on a custom basis, as well as the manufacture of non-customised synthetic resins. Relevant for sales, capex and Opex.
4.3	High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	Construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. This activity does not include high-efficiency co-generation of heat/cool and power from the exclusive use of renewable non-fossil gaseous and liquid fuels referred to in Section 4.19 of this Annex, and biogas and bio-liquid fuels referred to in Section 4.20 of this Annex. Relevant for sales, capex and Opex.
7.3	Installation, maintenance and repair of energy efficiency equipment	Individual renovation measures consisting in installation, maintenance or repair of energy efficiency equipment. Relevant for capex & Opex only
7.6	Installation, maintenance and repair of renewable energy technologies	Installation, maintenance and repair of renewable energy technologies, on-site. Relevant for capex & Opex only

As part of the eligibility assessment, a financial materiality threshold based on sales is applied. Key performance indicators will only be disclosed for material eligible activities, as calculating those KPIs for the immaterial eligible activities would result in undue cost and effort. Among above activities, only 3.4, 3.6, 3.17 and 4.3 were found material for Syensqo sales & opex KPIs in 2024. Activities 7.3 and 7.6 are also reported for capex, on top on the four above mentioned activities.

Some of our activities are related to two eligible activities: Manufacture of plastics in primary form (3.17), and another activity. In order to avoid double-counting in such occurrences, we attributed the KPIs to the non-plastics activity.

5.2.2.3.2 Assessment of EU Taxonomy alignment

For each activity identified as eligible and above the materiality threshold, Syensqo is assessing the technical screening criteria to determine if the activity complies with substantial contribution, the Do No Significant Harm (DNSH) conditions, and minimum safeguards that apply to all activities transversally.

Those assessments are on-going and should be finalized during 2025. Therefore, none of the eligible activities can be presented as aligned yet in 2024.

5.2.2.3.3 Calculation of taxonomy KPIs

Three quantitative indicators are reported for eligible (Eligibility ratio) and aligned activities (Aligned ratio): turnover, capex and OpEx.

Turnover KPI:

The denominator is the total consolidated sales, including revenue from non core activies, as disclosed in the Consolidated Income Statement.

The numerator is the Taxonomy eligible turnover. It is retrieved from Syensqo's ERP when the eligible activities are product based (Manufacture of plastics in primary form, High-efficiency co-generation of heat/cool and power from fossil gaseous fuels), or through SPM tool when the eligibility is based on the application of the product (Batteries, other low carbon activities).

Capex KPI:

Total capex used for the denominator of the eligibility ratio is retrieved from Syensqo Financial statements in Note F1, Information per segment, total Capital Expenditures. It includes Acquisitions of property, plant and equipment, Acquisition of intangible assets and Payments of lease liabilities in line with IFRS 16, but excludes Goodwill.

For the numerator, three categories have to be considered: (a) capex related to assets or processes that are associated with Taxonomy-eligible or aligned economic activities; (b) capex that are part of a plan to expand Taxonomy-aligned economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned ('Capex plan') and (c) Capex related to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to GHG reductions, and provided that such measures are implemented and operational within 18 months.

Taxonomy eligible capex (Category a) is retrieved either directly they are fully dedicated to an eligible activity. When capex relate to products sold on several applications, of which some are part of eligible activities, we use the ratio of eligible sales at plant or business unit level, to calculate the proportion of eligible capex at the level of this plant or business unit

Syensqo does not currently have any major capex plans (Category b) for taxonomy eligible activities that would transform a taxonomy non aligned activity into a taxonomy aligned activity within the next 5 years.

Individual measures enabling the target activities to become low-carbon or to lead to GHG reductions (Category c) are retrieved through the Climate Actions and Resources analysis and are reported under eligible activities 7.3 (Installation, maintenance and repair of energy efficiency equipment) and 7.6 (Installation, maintenance and repair of renewable energy technologies).

If those capex are also part of Category (a), they are deducted from that category to avoid double counting.

OpEx KPI:

The reporting covers research and development non-capitalized costs, maintenance and repair expenses as well as direct expenses related to day-to-day servicing of asset property and OpEx related to identified projects leading to GHG reductions. Amortization are not considered, as they refer to capex spent in previous years.

The denominator is the sum of Total Research and Development non-capitalized costs, and total plant maintenance costs. All those costs are included in and consistent with the costs reported in Financial statements' Note F2 (Personnel expenses and Other fixed expenses lines)

For the numerator, the same three cagories described in the Capex section have been considered.

The retrieve of Opex in category (a) followed the same rules as for Capex.

Syensqo didn't incur any eligible Opex related to categories (b) and (c) in 2024.

5.2.2.3.4 EU Taxonomy KPIs

PROPORTION OF TURNOVER FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ELIGIBLE OR TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

Financial year N	Year			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	Turnover (3)	Proportion of Turnover, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
		M€	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%																
Of which enabling		0	0%																
Of which transitional		0	0%																
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of batteries	CCM 3.4	202	3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									E	
Manufacture of other low carbon technologies	CCM 3.6	721	11%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									E	
Manufacture of plastics in primary form	CCM 3.17	1,544	23%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										T
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30	56	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										T
Turnover of Taxonomy-eligible butnot environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**2,523**	**37%**	37%	0%	0%	0%	0%	0%										
A. Turnover of Taxonomy-eligible activities *(A.1+A.2)*		**2,523**	**37%**	37%	0%	0%	0%	0%	0%										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		4,323	63%																
TOTAL A+B		**6,846**	**100%**																

PROPORTION OF CAPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ELIGIBLE OR TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

Financial year N	Year			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	Capex (3)	Proportion of Capex, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy(9)	Biodiversity(10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) Capex, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
		M€	*%*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%																
Of which enabling		0	0%																
Of which transitional		0	0%																
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*										
Manufacture of batteries	CCM 3.4	143	21%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									E	
Manufacture of other low carbon technologies	CCM 3.6	45	7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									E	
Manufacture of plastics in primary form	CCM 3.17	116	17%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										T
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30	2	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										T
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	3	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	1	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Capex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**309**	**46%**	46%	0%	0%	0%	0%	0%										
A. Capex of Taxonomy-eligible activities *(A.1+A.2)*		**309**	**46%**	46%	0%	0%	0%	0%	0%										
B - TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Cape.˝x of Taxonomy-non-eligible activities		362	54%																
TOTAL A+B		**671**	**100%**																

PROPORTION OF OPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ELIGIBLE OR TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

Financial year N	Year			Substantial contribution criteria						DNSH criteria (‘Does Not Significantly Harm’)									
Economic Activities (1)	Code (2)	OpEx (3)	Proportion of OpEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
		M€	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%																
Of which enabling		0	0%																
Of which transitional		0	0%																
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of batteries	CCM 3.4	48	10%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									E	
Manufacture of other low carbon technologies	CCM 3.6	26	5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									E	
Manufacture of plastics in primary form	CCM 3.17	103	21%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										T
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30	4	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										T
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**181**	**37%**	36%	0%	0%	0%	0%	0%										
A. OpEx of Taxonomy eligible activities (A.1+A.2)		**181**	**37%**	36%	0%	0%	0%	0%	0%										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		312	63%																
TOTAL A+B		**493**	**100%**																

Activities covered by separate reporting requirements in the Complementary Climate Delegated Act must be disclosed on the basis of templates. In this context, Syensqo has identified activity 4.30 – "High-efficiency co-generation of heat/cool and power from fossil gaseous fuels.". Template 2 and 3, relative to Taxonomy-aligned economic activities, have not been reported since the alignment analysis is not completed yet, hence we don't report any aligned activities in 2024.

NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES

Nuclear energy related activities	Syensqo's answer
The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities	
The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

GAS RELATED ACTIVITIES: TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

Row*	Economic activities	Sales Proportion (the information is to be presented in monetary amounts and as percentages)					
		(CCM+CCA)		Climate change mitigation		Climate change adaptation	
		Amount (M€)	%	Amount (M€)	%	Amount (M€)	%
5	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	56	1%	56	1%		
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	2,467	36%	2,467	36%		
8	Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI	2,523	37%	2,523	37%		

* *Rows 1 to 4 and 6 are empty and therefore not reported in this template.*

Row*	Economic activities	Capex Proportion (the information is to be presented in monetary amounts and as percentages)					
		(CCM+CCA)		Climate change mitigation		Climate change adaptation	
		Amount (M€)	%	**Amount** (M€)	%	**Amount** (M€)	%
5	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	0%	2	0%		
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	307	46%	307	46%		
8	Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI	309	46%	309	46%		

* *Rows 1 to 4 and 6 are empty and therefore not reported in this template.*

Row*	Economic activities	Opex Proportion (the information is to be presented in monetary amounts and as percentages)					
		(CCM+CCA)		Climate change mitigation		Climate change adaptation	
		Amount (M€)	%	**Amount** (M€)	%	**Amount** (M€)	%
5	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4	1%	4	1%		
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	177	36%	177	36%		
8	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	181	37%	181	37%		

* *Rows 1 to 4 and 6 are empty.*

GAS RELATED ACTIVITIES: TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES

Row*	Economic activities	Sales		Opex		Capex	
		Amount (M€)	%	**Amount** (M€)	%	**Amount** (M€)	%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
7	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	4,323	63%	362	54%	312	63%
8	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI'	4,323	63%	362	54%	312	63%

* *Rows 1 to 4 and 6 are empty and therefore not reported in this template.*

5.3 Social

To improve the readability of the section and avoid redundancy, we elected to have a topical approach rather than by stakeholders. The different ESRS are covered in the next three sub-sections as described below:

	S1 Own Workforce	S2 Value Chain workers	S3 Affected communities	S4 Consumers and end-users
Defending workers and communities' Human Rights		×	×	
Protecting Human health	×	×	×	×
Unleashing the power of our explorers	×		×	

5.3.1 Defending workers' and communities' Human Rights

5.3.1.1 Material impacts, risks and opportunities related to Human Rights

The process, methodologies, assumptions and tools used to identify and assess IROs related to Human Rights are described in *5.1.4.1 Double materiality assessment process*. All people in our own workforce, all value chain workers and all affected communities who could be materially impacted by Syensqo have been considered in our assessment.

Additionally, we have the opportunity to share about practices and their impacts in our industry groups such as TfS, RSPO and ASD. This helps us avoid that our own practices could cause or contribute to potential material negative impacts.

Type	Own Operations (OO) or Value chain (VC)	Time Horizon	IRO Name	Description	Current & anticipated effects
WORKERS' HUMAN RIGHTS					
ESRS S2 Workers in the value chain - Child labor & Forced labor					
▼ Potential Negative Impact	✖ VC	ST	Potential forced or child labor in the value chain	Syensqo sources raw materials, such as mineral and biochemical products, from a variety of suppliers. There is a potential concern that the production of upstream agricultural products and the extraction of mining materials by these suppliers might involve child or forced labor, particularly in at-risk countries. Similarly, downstream value chains in mining and agriculture within these high-risk regions could face comparable challenges. As we advance with the Green transition, it is crucial to diligently monitor and address these potential impacts to ensure ethical and sustainable practices throughout our supply chain.	Medium
▼ Risk	✖ VC	-	Potential forced or child labor in the value chain	Top Group Risk: The potential impact of forced or child labor in the value chain may expose Syensqo to reputational damage and potential financial consequences.	Low

Type	Own Operations (OO) or Value chain (VC)	Time Horizon	IRO Name	Description	Current & anticipated effects
COMMUNITIES' QUALITY OF LIFE					
ESRS S3 Affected communities - Security-related impacts					
▼ Potential Negative Impact	✖ VC	ST	Security of communities along our value chain	Syensqo sources raw materials, including mineral, petrochemical, and biochemical products, from diverse suppliers. The extraction activities of these types of raw materials might potentially impact the security of communities living around these activities in at-risk countries, especially in potential conflict areas. Syensqo's downstream value chains in terms of mining and oil & gas extraction in high risk countries might have similar potential negative impacts.	Medium
ESRS S3 Affected communities - Adequate food					
▲ Opportunity	✖ VC	-	Accelerating the transition to sustainable agriculture	Through SPM, we identified growth opportunities for our sustainable solutions used in agricultural and food end-products. Our solutions enable more sustainable practices to ensure availability of food, such as reducing pesticides, contributing to greenhouse films, preserving post-harvest integrity e.g. with using food ingredients like antioxidants, etc.	Low

For the glossary please refer to section 5.2.1.1.1 Material impacts, risks and opportunities related to climate change.

Scope: ✖ Own operations ✖ Value chain
Financial Materiality: ▲ Opportunity ▼ Risk
Impact Materiality: ▲ Positive ▼ Negative

The policies, targets, actions and metrics below contain information on Syensqo's response to the material potential impacts and risk. The management of the sustainable agriculture opportunity is covered in section *5.2.2.1 Product design and Process safety in the value chain*, with additional insights provided in sections 1.2. Our strategy and 1.3. How we create value. The current financial effects of this material opportunity are too confidential to disclose, and for this material risk, there are no current financial effects.

5.3.1.2 Our policies pertaining to Human Rights

Upholding Human Rights goes beyond mere compliance with local laws and regulations: it aligns with the core ethics and values outlined in our Code of Business Integrity (CoBI) and our Supplier Code.

Our Human Rights Policy applies to Syensqo's own activities and value chain. Our Supplier Code of Business Integrity (SCoBI) and Sustainable Sourcing statement concern our value chain workers.

Consideration given to the interests of key stakeholders in setting the five policies below and how we make them available is described in *section 5.1.1 Sustainability operational governance.*

To improve the readability and avoid redundancy, we gathered in the table below the references to the third-party standards or initiatives we are committed to through our policies:

Third-party standards	Syensqo Human Rights Policy	Syensqo Supplier Code of Business Integrity	Syensqo Sustainable Procurement policy
United Nations (UN) Universal Declaration of Human Rights	X	X	X
International Covenant on Civil and Political Rights and on Economic, Social and Cultural Rights UN Treaties	X	-	-
UN Global Compact	X	X	X
UN Guiding Principles on Business and Human Rights	X	X	X
UN Convention on the Rights of the Child and the Children's Rights and Business Principles	X	X	X
International Labor Organization (ILO)'s eight core labor conventions and Declaration on Fundamental Principles and Rights at Work	X	X	-
ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy	X	X	X
International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families	X	X	-
IndustriALL Global Union Framework Agreement	X	-	-
OECD Guidelines for Multinational Enterprises	X	X	X

5.3.1.2.1 Human Rights Policy

Syensqo is committed to behaving responsibly and preventing any infringement of Human Rights in our own operations, value chain and affected communities.

Syensqo aims to align with UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work and OECD Guidelines for Multinational Enterprises; however, we do not have formal mechanisms in place to monitor compliance with these frameworks. The full list of standards is available in the table above.

Our Human Rights Policy outlines our general approach, valid for our own workforce, our value chain workers and potentially affected communities, to respect Human Rights, engage with people and enable remedy for Human Rights impacts. It consists in using Human Rights risk assessments to identify and remediate potential human risks or negative impacts, fostering an open dialogue with employees, trade unions, NGOs and other relevant stakeholders, both in our own operations and along our supply chain, requiring for all employees and suppliers to respect our Human Rights commitments detailed below, for suppliers, the requirements are also communicated via the SCoBi, and offering a global "Speak Up" program for internal and external people to raise concerns and providing appropriate remediation accordingly.

Human rights commitments are not applicable for end-users and consumers as per our materiality assessment.

The CCO is accountable for the implementation of the policy. Policy commitments are monitored through supplier assessments and action plans and our Speak Up program.

Syensqo's Human rights commitments relevant for:	Own workforce	Value chain workers	Affected communities
Ensuring safe and healthy working conditions, promoting work-life balance, and expecting employees and suppliers to adhere to safety rules and promptly report any unsafe conditions.	×	×	-
Ethical Recruitment and Employment Practices: see *section 5.3.3.2.2. Ethical Recruitment and Employment Practices Policy.*	×	-	
Protecting the environment and individuals according to our Responsible Care Policy, with similar expectations for our suppliers.	×	×	×
Supporting employees' rights to freedom of association and collective bargaining.	×	×(1)	-
Providing equal opportunities, valuing a leadership that is diverse and inclusive, prohibiting discrimination and unequal treatment, including pay.	×	-	-
Zero tolerance for any form of child labor.	×	×	-
Prohibiting any form of modern slavery, servitude and forced or compulsory labor including bonded labor, indentured or involuntary prison labor and any form of human trafficking; and protecting the rights of migrant workers.	×	×	-
Ensuring that 100% of our employees worldwide will be paid at least a Living Wage by 2026.	×	-	-
Supporting indigenous People Rights: no tolerance for unlawful evictions or seizure of land, forests and waters.	×	×	×
Requiring that security personnel will respect Human Rights principles. (See Conflict Minerals Policy.)	×	×	×

(1) Via the SCoBI and IndustriALL agreement

5.3.1.2.2 Supplier Code of Business Integrity

Our Supplier Code of Business Integrity (SCoBI) applies to all Syensqo suppliers of goods or services, as well as their subcontractors. According to it, our suppliers shall comply with all applicable laws and regulations and are expected to use confidential information appropriately and protect it.

Syensqo wants to work with suppliers who share the belief that respect for Human Rights is in the interest of everyone. It is why, in all their operations, our suppliers shall protect the health and safety of all persons and the community and minimize their impact on the environment.

We may request individual suppliers to perform a third party sustainability assessment or audit.

The CPO, in collaboration with the Ethics & Compliance team, is accountable for the implementation of the Code.

5.3.1.2.3 Sustainable Procurement Policy

This policy, already described in *section 5.2.2.1.2 Our policies and management approach,* also covers the social aspects of supplier due diligence.

In particular, we have established a grievance mechanism for addressing concerns and continuously enhances our due diligence monitoring and reporting processes. Syensqo's comprehensive approach to sustainable procurement aligns with the UN SDG (SDG 12 - "Ensure sustainable consumption and production patterns") and to the other standards listed at the beginning of the section.

The CPO is accountable for the implementation of this policy, ensuring that it is effectively integrated into Syensqo's operations and aligned with our sustainability goals.

5.3.1.2.4 Sustainable Sourcing Statement

Similarly, while environmental considerations of this statement were already outlined in *section 5.2.2.1.2 Our policies and management approach*), it also covers social aspects of responsible sourcing.

Syensqo preferentially sources from suppliers who demonstrably support local communities with Free, Prior and Informed Consent (FPIC), who promote the inclusion of smallholders into the supply chain and assist them to increase yields and address social and environmental issues. Syensqo supports suppliers in complying with these standards, and expects them to develop plans to meet criteria and report non-conformance.

Our Sustainable Sourcing Statement is aligned with UN SDG 15, Life on Land, Action for Sustainable Derivatives (ASD), Roundtable for Sustainable Palm Oil (RSPO).

This statement is linked to our more general Sustainable Procurement Policy, therefore the CPO is accountable for its implementation.

5.3.1.2.5 Conflict Minerals Policy

At Syensqo we do not knowingly purchase products, components or materials that contain tin, tantalum, tungsten and gold (3TG) from sources that tolerate Human Rights violations. We do not tolerate any support to non-state armed groups in connection with the extraction, transport, trade, handling or export of minerals, nor to security personnel who act unlawfully. Where a company in our supply chain contracts security personnel, we require that they respect Human Rights principles. We do not offer or receive bribes in any way. We commit to pay taxes, fees and royalties due to governments and support efforts to contribute to the effective elimination of money laundering.

Examples of actions required from our suppliers include: not using 3TG from sources benefiting armed conflict, and cooperating with our due diligence process conducted according to OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

This policy is linked to our more general Sustainable Procurement Policy, therefore the CPO is accountable for its implementation, in collaboration with the Ethics & Compliance team.

5.3.1.3 Process for engaging with value chain workers and their communities

This section covers the potential negative impact and risk of forced or child labor in the upstream value chain workers and their communities. Downstream value chain workers' engagement process focuses on health and safety impacts and risks and is detailed in *section 5.3.2.3.2 Process for engaging with value chain workers and end-users on health and safety.*

As our due diligence is assessing our suppliers' performance in environmental and ethical standards, we are indirectly taking into account the way they engage with their workers and communities. Our due diligence begins at the start of the commercial relationship, requiring suppliers and subcontractors to comply with Syensqo's Supplier Code of Business Integrity, or refer to their own code, if we consider it aligned with ours. Engagement is prioritized based on the identification and assessment of risks, considering environmental and social aspects linked to country and value chain, adverse media alerts, and scores from EcoVadis, a global service provider specialized in sustainability performance assessments. Syensqo participates in the Together for Sustainability (TfS) initiative for independent audits and assessments conducted by approved audit companies. We use questionnaires on key areas like Human Rights and conflict minerals when third-party audits are deemed insufficient.

The frequency of engagement depends on the type of third party assessment used and is the buyers'responsibility. The effectiveness of the engagement process is assessed by indicators such as the coverage rates of our different third-party assessments.

Our IndustriALL Global Framework Agreement, described in detail in section *5.3.3.3 Process for engaging with our own workforce and our affected communities*, has a section on "Responsible relations with suppliers" that covers Human Rights. When yearly audits are conducted in a chosen country to comply with our framework commitments, suppliers may be audited as well.

Additionally to this recurring process, other ad hoc engagement initiatives have been launched, for example in 2024 on Living Wages, see details in *section 5.3.1.6 Taking action on Human Rights impacts.*

Although marginalized or vulnerable workers are considered in the value chain-related risk of our due diligence, we do not have a systematic approach to soliciting their perspectives As part of our current due diligence activities we have not identified any material impacts on indigenous peoples in our value chains.

We do not have a general approach to systematically engage with the potentially affected communities in our upstream value chains about our potential impacts but have specific initiatives for certain value chains, like the Sustainable Guar Initiative, which aims to improve the lives of guar farmers with the intermediary of the NGO Technoserve or through our partnership with RSPO, promoting responsible farming practices that protect the livelihoods of smallholder farmers and create economic opportunities for local communities, and better access to education and healthcare.

5.3.1.4 Channels for value chain workers and communities to raise concerns

Our general approach to addressing potential negative impacts is twofold: mitigating and remediating as part of our supplier due diligence and having robust grievance mechanisms in place.

1) Mitigation and remediation

   Based on assessment results, Syensqo may request additional information and remedial actions, and may disengage from or terminate relationships with non-compliant suppliers. We strive to enhance mitigation measures through deeper engagement, corrective actions, and ongoing monitoring. Effectiveness is evaluated by improvements in EcoVadis scores and the closure of corrective actions.

2) Grievance mechanisms

   Any third party, including value chain workers and members of their communities, can report potential breaches of law, our policies, or CoBI using our Speak Up Program (see *section 5.4.1.2.1 Business ethics policies and grievance mechanism*) and helpline.

   The helpline is publicly available on our corporate website, 24/7, in 19 languages, with multiple channels for reporting. We strive to increase the awareness and trust from potentially affected value chain workers and their communities but acknowledge that it is a continuous improvement journey. In 2024 we launched a pilot training for contractors working on Syensqo sites including the Speak Up program. A QR Code for the Ethics Helpline was provided at the entrance of a site for contractors and visitors. They had to attest that they completed the training.

   The Speak Up Program includes protection from retaliation, in accordance with local laws. Each reported case is thoroughly investigated and actions taken if necessary. The responsibility for implementation of the recommendations lies within the function to which the action has been assigned.

   In the palm oil value chain, we have a specific approach as Syensqo participates in cross-sector initiatives like ASD to enhance traceability and be able to propagate grievance mechanisms across the supply chain. Based on 2023 palm oil derivatives volumes, Syensqo traces 92.6% of its derivative volumes back to refineries, 92.4% back to mills and 69.5% back to plantations.

5.3.1.5 Human rights commitments

We currently do not have any targets related to Human Rights for our value chain workers, or their potentially affected communities.

Each year, we set priority objectives linked to our policies. They trigger various actions and subsequent indicators that are used to evaluate their effectiveness (see *section 5.3.1.6 Taking action on Human Rights impacts and section 5.3.1.7 Human rights metrics)*. Where applicable, these objectives are directly translated into individual or entity-specific yearly goals. For instance, in 2024 Responsible Sourcing actions accounted for 50% of the sustainability objectives for the Procurement function Short Term Incentive (STI) scheme.

Procurement due diligence is evaluated using a variety of internal indicators, covering the different types of third-party assessments. These include the percentage coverage of suppliers and associated spending, the percentage of suppliers under each category of inherent risk, the number of questionnaires sent, the number of suppliers that undertook an audit.

5.3.1.6 Taking action on Human Rights impacts

Our 2024, short term action plan is outlined below. For current and future financial resources required, refer to the rules laid out in *section 5.1.2 Basis for Preparation*.

Perform third-party assessments and monitor low performer suppliers in labor and Human Rights

The expected outcome of Human Rights assessment of suppliers is to identify the appropriate actions to mitigate potential negative impacts. Several types of assessments are performed, including provided by third-parties, and cover the value chain workers. Initially, inherent risk is determined, possibly complemented by screening of adverse media. In 2024, we covered 100% of our supplier base for inherent risk screening, 25% with a full Ecovadis scorecard.

To address our potential negative impact and risk of child and forced labor for our value chain workers and the security of communities along our value chain, 2024 monitoring focused on suppliers showing low scores on labor and Human Rights from different third party assessments.

We conducted 125 assessments and 22 audits. 51 suppliers were found to be low performers and we have engaged in action plans for 80% of these. We have audited 22 suppliers, 11 received a Human Rights questionnaire (through a third party risk assessment platform) and five have improved their EcoVadis assessment. Seven more are in progress. Those indicators help us track the effectiveness of actions in delivering outcomes for value chain workers and their communities. Syensqo continuously seeks to improve risk assessment and mitigation measures.

Define an action plan on Living Wage in the supply chain and launch a pilot

In 2024 we launched a pilot to expand our Living Wage initiative to our upstream value chain workers, starting with the scope of indirect and general expenses suppliers. Participating suppliers were nominated by our buyers, based on criteria such as partner level, spending, perceived willingness, and contract renegotiation. The expected outcome of the pilot was to generate engagement and first learnings before a wider implementation. In 2024, 2 suppliers have signed our living wage pledge.

Participate in collective sectorial initiative with Together for Sustainability (TfS)

Syensqo is a member of TfS, a global initiative that improves the sustainability performance of chemical companies and their suppliers. This participation is part of the management approach of our material Human Rights potential impacts for value chain workers and communities.

The TfS program is based on the UN Global Compact and Responsible Care® principles. TfS core offer includes assessments and audits that measure suppliers' performance in key areas, such as environmental, labor and Human Rights, and ethical and sustainable procurement, with the expectation that it fosters sustainable and resilient chemical supply chains. TfS assessments are carried out using EcoVadis and approved audit companies as a yearly recurring action.

We have not yet implemented any action to address the potential negative impact and risk of forced or child labor in our downstream value chain. We are focusing our efforts to improve our process for engaging with such workers. In particular we are establishing a multi-stakeholder dialogue within our mining value chain in the Democratic Republic of Congo. Our goal is to enhance the livelihoods of mining community families, protect local resources, and ensure stable income for beneficiaries, all while considering the impact of climate change on their activities.

5.3.1.7 Human rights metrics

Accounting policy

The Syensqo reporting channels are accessible to all employees and any third party (such as former employees, applicants, shareholders, self-employed persons, consultants, contractors, suppliers, customers, community members).

The Navex system enables systematic management of Speak up notified cases, where the assigned Compliance Officer records valid cases from various sources. Each case is assigned a specific category and status (substantantiated or not). All received complaints are reported below regardless of their investigation status.

WORK-RELATED INCIDENTS AND/OR COMPLAINTS

From own workforce, value chain workers, affected community members or end-users	Units	2024
Total number of incidents of discrimination including harassment	Number	56
Other Human Rights complaints filed through channels for people to raise concerns*	Number	0
Complaints filed to National Contact Points for OECD Multinational Enterprises	Number	0
Amount of fines, penalties, and compensation for damages as result of incidents of discrimination, including harassment and complaints filed	€	0
Severe Human Rights issues and incidents	Number	0
Severe alleged Human Rights issues and incidents that are cases of non respect of UN Guiding Principles and OECD Guidelines for Multinational Enterprises	Number	0
Amount of fines, penalties, and compensation for severe Human Rights issues and incidents	€	0

5.3.2 Protecting human health

5.3.2.1 Material impacts, risks and opportunities related to Health and Safety

The process, methodologies, assumptions and tools used to identify and assess IROs related to health and safety are described in *section 5.1.4.1. The Double Materiality Assessment process.* All people in our own workforce, all value chain workers, all affected communities, and all consumers and end-users who could be materially impacted by the undertaking have been considered in our assessment.

Type	Own Operations (OO) or Value chain (VC)	Time Horizon	Own workforce category	IRO Name	Description	Current & anticipated effects
EMPLOYEE HEALTH & SAFETY						
ESRS S1 Own workforce - Health and safety						
Potential Negative Impact / Actual Positive Impact	OO	ST	BOE	Own workforce health and safety	(-) As Syensqo is a chemical company, our operations may potentially have a negative impact on the health and safety of our workforce, which may include handling of SVHC, heavy equipment, extreme process conditions, etc. (+) Syensqo has a low level of health and safety incidents because of a strongly embedded safety culture, which is a result of programs for occupational health and safety, industrial hygiene, and employee well-being support.	Medium
Risk	OO	-	-	Own workforce health and safety	Top group Risk: The risk of a major accident on site, an acute chronic exposure or irreversible injury or fatalities, which could potentially lead to litigation and reputational damage.	Medium
WORKERS' HUMAN RIGHTS						
ESRS S2 Workers in the value chain - Health and safety						
Potential Negative Impact	OO / VC	ST	-	Health and safety of workers in our value chain	Value chain workers involved in the production of Syensqo's raw materials, handling Syensqo materials & products, working on Syensqo projects and/or on Syensqo sites might be exposed to risks of potential negative impacts on their health and safety. This also applies for some of the downstream value chains.	Medium
Risk	VC	-	--	Transportation accident in our value chain	Top Group Risk: A transportation accident, involving hazardous materials, may cause fatalities or irreversible injuries to workers in the value chain, potentially leading to litigation and reputational damages.	Medium
SITE STEWARDSHIP & COMMUNITY ENGAGEMENT						
ESRS S3 Affected communities - Communities' Health, safety & wellbeing *(Entity specific)*						
Potential Negative Impact	OO	ST		Communities' health and safety	As a chemical company, Syensqo may have a potential negative impact on the health and safety of communities around our sites.	Low
Risk	OO	--	-	Communities' health and safety	Top Group Risk: The risk that current or past releases to the environment at production sites are considered negatively by the local communities leading to media activism, potential litigations and liabilities or causing significant reputational damages.	Medium

Type	Own Operations (OO) or Value chain (VC)	Time Horizon	Own workforce category	IRO Name	Description	Current & anticipated effects
SITE STEWARDSHIP & COMMUNITY ENGAGEMENT, AND COMMUNITIES' QUALITY OF LIFE						
Risk	OO VC	-	-	Communities' health and safety across the entire value chain	Top Group Risk: A major accident on site or a transportation accident, involving hazardous materials, may cause fatalities or irreversible injuries to affected communities, potentially leading to litigation and reputational damages.	Medium
Potential Negative Impact	VC	ST	-	Communities' health and safety in the value chain	Syensqo sources raw materials, including mineral, petrochemical, and biochemical products, from diverse suppliers. The emissions and effluents from raw material extraction, processing, and waste disposal may potentially impact the health and safety of communities around these operations. Some of the downstream value chains may potentially contribute to similar negative impacts.	Medium
ESRS S3 Affected communities - Water and sanitation						
Potential Negative Impact	OO	ST	-	Availability of safe water for communities	As a chemical company, Syensqo's water usage and emissions to water may have a potential impact on the water bodies around our sites, which can also be used by local communities.	Low
PRODUCT STEWARDSHIP INC. PRODUCT SAFETY						
ESRS S4 Consumers and end-users - Health and safety						
Potential Negative Impact	VC	ST	-	Product quality and safety	As a chemical company, Syensqo needs to ensure that its products meet specifications, comply with regulations, and are appropriately used by consumers e.g. in health and personal care. A potential issue in the quality, safety or usage of the product might result in health and/or safety impacts for the end/user or consumer.	Low
Risk	VC	-	-	Product quality and safety	Top Group Risk: The risk that evolving regulatory changes or a forbidden or inappropriate use of our product could cause human harm or negatively affect our reputation.	High
Opportunity	VC	-	-	Products improving health and safety	Through SPM, we identified growth opportunities for our sustainable portfolio used in end-products that improve downstream health and safety of end-users via explosion prevention, prevention of fuel leaks, lower toxicity of products, health care products, food contamination avoidance, etc.	High
ESRS S4 Consumers and end-users - Access to (quality) information						
Actual Positive Impact	VC	ST	-	Ensure access to qualitative information	As a chemical company, a lack of qualitative information on our products can lead to serious health and safety issues for the consumers and end-users. Syensqo's Product Stewardship programs give adequate information and technical assistance to customers, ensuring a good understanding of products and how to safely use and handle them. Syensqo manages product information centrally and as legislation continues to evolve, the Group assesses any associated risks.	Low

For the glossary please refer to section 5.2.1.1.1 Material impacts, risks and opportunities related to climate change.

Scope: ✖ Own operations ✖ Value chain
Financial Materiality: ▲ Opportunity ▼ Risk
Impact Materiality: ▲ Positive ▼ Negative

The policies, targets, actions and metrics below contain information on Syensqo's response to these material actual and potential impacts and risks. For the management approach, policies and actions related to our material opportunity, we refer to *section 5.2.2.1 Product design and Process safety in the value chain,* with additional insights provided in sections 1.2. *Our strategy* and 1.3. *How we create value*. The current financial effects of this material opportunity are too confidential to disclose, and for these material risks, there are no current financial effects.

5.3.2.2 Health and safety on and around our sites

5.3.2.2.1 Health and safety policy on our sites

Syensqo's Responsible Care and Operations Safety policies describe our workplace accident prevention management system and the general Health and Safety approach applied to all employees and on-site value chain workers.

Responsible Care Policy

Syensqo and our CEO are signatories to the ICCA's Responsible Care Global Charter®, committing to health, safety, and environmental protection. It lays down commitments and means to achieve them.

We are committed to building and operating our facilities in a manner which protects the health and safety of employees, contractors and communities, aiming for no injuries and no environmental harm (including biodiversity). We promote sustainable chemical management throughout our products' life cycle. We aim to continuously reduce emissions, waste, consumption of energy and other resources, promote a circular economy, and address climate change. We ensure adequate protection of people, property, products, information systems against security threats. We engage with stakeholders to address their concerns, cooperate with governments and organizations for continuous improvement and openly communicate about our activities, products and environmental performance.

To realize these commitments, we strive to implement processes in line with our procedures on Occupational safety, Industrial Hygiene, Occupational Health, Process safety, Transport safety, Environment, Product Safety, and Security, as well as requirements of our Product Stewardship Management System, assessing safer alternatives for hazardous substances, and promoting their substitution when possible. We ensure manufacturing and R&I sites have an HSE Management System consistent with Group requirements., enhance security based on the Responsible Care Security Code. We improve our HSE processes through regular audits, performance indicators, and self-assessments. We pursue performance improvement in high materiality issues with targets defined in our sustainability strategy. We benchmark our sustainability management and performance through assessments by recognized external agencies.

This policy has been endorsed and signed by the CEO. Site managers and Industrial directors are responsible for its implementation. Consideration given to the interests of key stakeholders in setting the policy and how we make it available is described in *section 5.1.1 Sustainability operational governance*.

Operations Safety Policy

Syensqo's approach to occupational safety applies to all employees and on site contractors, in accordance with all applicable local, national, and international laws. Each year, Syensqo aims to achieve zero accidents in the workplace. Syensqo's HSE strategy and Minimum Requirements create a shared understanding and approach to mitigating major risks.

Hazard identification and risk assessments are performed according to Group procedures, which define Minimum Requirements for methods and the hierarchy of controls. They cover the following topics: chemical hazard communication, chemical risk assessment and management, noise exposure management, prevention of legionellosis, managing asbestos in facilities, respiratory protection equipment, occupational health. They also include the "Syensqo Life Saving Rules" focusing on lifting, excavation, traffic, personal protective equipment (PPE), line breaking, working in confined spaces, on powered systems, or in an explosive atmosphere. Syensqo's operational safety aligns with the ICCA Responsible Care Global Charter, ISO HSE Standards, IndustriALL Global Union, and the UN's SDG 8, along with national and regional standards.

Our approach encompasses:

HSE management and reporting

Syensqo's HSE strategy is based on each industrial site deploying a management system which includes risk-based procedures covering health, industrial hygiene, occupational safety, process safety, and the environment. Transport safety strategies occur at supply chain level. Site reporting processes evaluate performance, analyze incidents, and inform improvement plans and compliance audits are undertaken by internal or external parties periodically. Sites and group reporting allow monitoring of the policy.

Out of our 71 eligible sites, 96% have at least one management system in place that has been audited by a third party (or proxi) in the past five years. Many sites have been certified with multiple HSE Management Systems. Sites with fewer than 10 people, or that are not under Syensqo's operational control, are excluded.

A significant number of our sites have achieved certification under multiple HSE management systems. Specifically, 59 of our sites are certified by at least one of the internationally recognized programs listed hereafter. Specifically, within the eligible sites, ISO 45001 certification encompasses 41% of the sites and 49% of the people. ISO 14001 certification and RC14001 cover 63% and 21% of the sites respectively. Additionally, the ACC RCMS (American Chemistry Council's Responsible Care Management System) covers 24% of the sites.

In addition to the above certifications, Nineteen of our sites have another approved management system in place:

- The Responsible Care Program by ABIQUIM in Brazil, covering 3% of the sites.
- The Occupational Safety and Health Management System (GB/T 33000-2016) in China, covering 10% of the sites.
- The Occupational Safety and Health Administration Voluntary Protection Programs (OSHA VPP management system) in the US, covering 6% of the sites.
- Syensqo internal R&I HSE Management System (audited by people external to the site).

Industrial Hygiene and occupational health

Syensqo takes a comprehensive approach to minimizing workplace risks and safeguarding employee health, including: risk assessments and risk-based medical surveillance, pandemic preparedness, Bio Safety Planning, and human biomonitoring when needed. Syensqo also focuses on improving working conditions, providing an Employee Assistance program (EAP), promoting overall physical and mental health, and establishing conservative in-house exposure limits for critical substances.

Process safety management

It includes a preventative, risk-based approach with systematic analyses and timely mitigation actions for critical scenarios. Our goal is to avoid high-severity incidents and reduce the Process Safety Incident rate. Each site has an Emergency Response Plan, with regular drills and training to ensure effective responses to emergencies, minimizing impacts on people and the environment.

Transport safety

It uses tools and procedures to identify and mitigate transport-related risks, including qualification standards for dangerous goods carriers, enhanced training, comprehensive procedures and a global emergency response hotline in multiple languages.

The Industrial Directors and Site Managers are accountable for implementation of this policy, ensuring that it is effectively integrated into Syensqo's operations and aligned with our sustainability goals. Consideration given to the interests of key stakeholders in setting the policy and how we make it available is described in *section 5.1.1 Sustainability operational governance*.

5.3.2.2.2 Processes for engaging about health and safety on our sites

Our general process for engaging with our own workforce and contractors working on our sites is described in *section 5.3.3.3 Process for engaging with own workforce and our affected communities*. In particular, our engagement surveys ("Pulse") can be used to engage about health, safety and wellbeing and regular dialogues are held on those matters with worker representatives.

Then, specifically for health and safety matters, soliciting feedback from our own workforce and contractors working on our sites is key to improving our health and safety performance. This is accomplished using different formats.

First, Safety dialogues (Shop Floor Level), Leadership Safety Talks (Executive Level), Senior Leaders working night shifts, are encouraged as a direct means to engage with workers about health and safety especially with industrial sites. Feedback is then integrated into the yearly continuous improvement plan (See *section 5.3.2.2.5 Taking actions in relation with health and safety on our sites*). Industrial directors and site managers have operational responsibility for ensuring that this engagement happens and informs our approach.

Second, events such as Safety Day celebrations or Well Being activities, including webinars organized by our EAP, are organized to cover wellbeing at work and at home, by the corporate teams or ad hoc by the sites. At the corporate level, virtual events totaling 30 hours were organized in 2024 in partnership with our EAP. Ad hoc interventions from the EAP can also be organized to offer prompt specific support to employees on request. Seven of those took place in 2024.

Third, employees can interact with a network of Occupational Medical Professionals, which may also inform the HSE yearly improvement plan.

Engagement with Syensqo employees that may be more vulnerable to potential health and safety impacts is carried out within the medical network. Any special accommodation that may be needed is discussed with the physician or nurse that is the referent for the site.

5.3.2.2.3 Processes for remediating impacts and channels to raise concerns related to health and safety on our sites

The general process for employees and contractors on our sites to raise concerns is described in *section 5.3.3.3.1 With our own workforce*. Our Ethics helpline (Speak up) includes a specific category "HSE" to report health and safety concerns. In addition, if an employee has a health related question or concern, they can contact the internal medical team for assistance. There is one contact point for each site, the information is readily available on the intranet.

Finally, our EAP offers comprehensive support for employees. The EAP is accessible 24/7 through phone, chat, app, or SMS in requested languages and confidentially. The following services are offered: free counseling or coaching for personal and professional topics, on-line questionnaire focusing on well-being, finding solutions such as childcare, and legal services, support for reintegration after a parental leave. Managers get unlimited support sessions for team-related concerns. All services extend to family members living under the same roof.

A series of indicators, respecting confidentiality, allow us to track the effectiveness and trust of the channel, including utilization compared to industry benchmarks. An embedded survey measures how the employee heard about the platform, allowing us to measure returning users and overall feedback about the service.

The indicators are periodically analyzed by the Syensqo medical network to identify trends and set yearly goals.

5.3.2.2.4 Targets related to health and safety on our sites

Aim for zero accidents

Syensqo is dedicated to enhancing the quality of life for its employees by striving for zero injuries every year.

Stakeholders have not been directly involved in setting this target but progress is reported and discussed monthly at site and ELT level and also regularly discussed with workers' representatives.

In 2024 we reported a RIIR of 0.32 per 200,000 hours, showing steady progress compared to our 2021 baseline: of 0.45. Details on the scope and methodology can be found in the Accounting policy of the section *5.4.1.2.6 Health and safety on our site indicators*.

5.3.2.2.5 Taking actions in relation with health and safety on our sites

The risks related to Syensqo workforce wellbeing are addressed in our Safety Policy through the Employee Assistance Program, already described in detail in *section 5.3.2.2.1 Health and safety policy on our sites* and the related engagement process.

The action plans below describe the short term 2024 initiatives but are recurring. For current and future financial resources required, refer to the rules laid out in *section 5.1.2 Basis for Preparation*.

Health and safety continuous improvement initiatives

The goal of this action plan is to prevent or mitigate potential negative impacts on our own workforce and on-site value chain workers (contractors) as well as addressing the risk on our own workforce. Reinforcing the Syensqo safety culture, they are also contributing in advancing our actual positive impact on Health and Safety. The scope is described in *section 5.1.2 Basis for Preparation*.

The Health and Safety team reviews indicators trend analysis and feedback from senior executives annually to identify and prioritize action needed on our sites. This forms our annual Health and Safety objectives, set and approved by the ELT, including internal indicators.

In 2024, we placed more emphasis on leading actions, particularly the reporting of near misses, safety dialogues and Senior Leadership Talks in plants, and increasing "Life Saving Rules" (LSR) field audits.

In addition, standardized company-wide processes for incident root cause and ergonomics assessment were piloted and are being deployed globally.

In order to measure effectiveness of these leading actions, a leading/lagging ratio was developed as a new internal indicator. It compares the number of leading actions to the number of injuries (first aids and reportable injuries). It is reviewed each month by the ELT.

Product stewardship employee engagement and training

A training program is developed to on-board new employees from the Product Stewardship team. It comprises an introduction to the product range, their uses, the relevant regulations and Syensqo's tools and processes. A minimum awareness program is in place for people who need to provide information to the Product Stewardship team or be aware of the Product Stewardship principles in their decision making process.

5.3.2.2.6 Health and safety on our site indicators

Accounting policy

Syensqo uses the United States Occupational Safety and Health Administration's (OSHA) definitions of occupational accidents which comply with ESRS and enable comparisons outside Syensqo. All incidents are reported regardless of severity. If the incidents involve medical treatment beyond first aid they are classified as a Reportable Injury or Illness (RII).

The reporting scope covers all employees and contractors at sites under Syensqo's operational control, for which the Group manages and monitors safety performance. This includes our manufacturing, research and innovation and administrative sites, as well as a series of closed sites with limited activities. Syensqo uses the United States OSHA's definition of a contractor. This scope is also used for the HSE management system coverage metric, therefore excluding employees not located on sites in scope.

Syensqo's targets and internal indicators were historically measured per 200,000 hours worked. To ensure alignment with CSRD reporting standards, accident rates are additionally calculated per 1,000,000 hours worked. In 2025, we may consider aligning targets, indicators, and metrics to use the standardized 1,000,000 hours worked.

Employees' work hours are based on the sum of the active internal workforce (full-time equivalent) multiplied by the coefficient of 2,000 hours for all countries and sites. Contractors' actual work hours are reported monthly by all sites.

PERCENTAGE OF PEOPLE ON SITES COVERED BY HSE MANAGEMENT SYSTEM

	Units	2024
Percentage of Employees	%	98.3
Percentage of sites	%	96

NUMBER OF ACCIDENTS

	Units	2024	2023(1)	2022(1)	2021(1)
Fatal accidents - Employees	Number	0	0R	1	0
Fatal accidents - Contractors	Number	0	0R	0	0
RII - Employees	Number	43	41	48	50
RII - Contractors	Number	15	5	12	12
RII - Employees and Contractors	Number	58	46	60	62

(1) Not covered by the Independent Auditor's limited assurance report.

ACCIDENT FREQUENCY RATES

	Units	2024	2023(1)	2022(1)	2021(1)
RIIR - Employees	Medium or higher severity incidents per 200,000 hours worked	0.33	0.34	0.45	0.48
RIIR - Employees	Medium or higher severity incidents **per 1,000,000** hours worked	1.64	-	-	-
RIIR - Employees and Contractors	Medium or higher severity incidents per 200,000 hours worked	0.32	0.28[R]	0.42	0.45
- Variation % 2024/2023	%	+14%			
- Variation % 2024/2021	%	-29%			
RIIR - Employees and Contractors	Medium or higher severity incidents **per 1,000,000** hours worked	1.58	-	-	-

(1) *Not covered by the Independent Auditor's limited assurance report.*

5.3.2.3 Health and safety for our downstream value chain workers and end-users

5.3.2.3.1 Health and safety policy in our value chains

Product Stewardship Policy

Syensqo has a company-wide approach to product stewardship described in detail in the *section 5.2.1.4.3 Product Stewardship* and summarized here.

Syensqo is committed to promoting safe use of products throughout their life cycle, which includes undertaking or supporting responsible development, manufacturing, distribution, use, and disposal. Once our products leave our control, we aim to support our customers in their efforts to accomplish these same goals with their finished products and their end user customers. Our focus is on developing sustainable product solutions that benefit society, anticipating regulations and societal needs, and meeting the growing expectations of customers and stakeholders by providing quality product information.

To implement these commitments, we meet all regulatory requirements and set stringent internal standards when necessary. We identify, assess, and manage product-related risks and emerging regulations, foster research for sustainable solutions, including the replacement of SVHC where feasible, in collaboration with our suppliers and customers. We provide accurate safety and environmental information to users, offer training and resources to employees, and engage transparently with stakeholders.

5.3.2.3.2 Process for engaging with value chain workers and end-users

Syensqo primarily operates in Business-to-Business (B2B), providing specialized products and services to a wide range of industries. Our products are processed, formulated or reacted by our tier one customers to be integrated in their applications. Consequently, consumers and end-users are typically unaware that they are interacting with a Syensqo component within their products. Therefore, our primary interactions and relationships are with our direct business customers.

With value chain workers

Our sales representatives are the most direct link between Syensqo and our customers; they collaborate with the Product Stewardship Director and team, who are responsible for ensuring that we engage in health and safety in our downstream value chain. Our sales representatives also provide insights from our downstream value chain to feed our approach. We provide technical assistance to help customers understand and safely use our products, offering customized safety presentations and respond to their inquiries on regulatory information. We regularly inform distributors about risks and sometimes require written commitments against certain uses.

The Safety Data Sheet (SDS) and label are the main information channels for the downstream value chain workers. The SDS covers 16 sections providing all the information useful to safely use, transport and dispose of our product, also in case of emergency, as well as regulatory information and classification and labeling. It also includes an email address for downstream users to report questions or concerns, which the Product Stewardship team promptly addresses.

Syensqo has an SDS for each product, compliant with each country's requirements and languages. A so-called "United Nations" version is sent when there are no legal requirements in the country in order to create a Hazard Communication safety net. SDSs are revised as necessary and at least every three years. New or updated SDSs are sent electronically to maximize accessibility and reduce printing, or manually if not possible. SDS sending errors are monitored to ensure no sales or sample order goes through without an SDS being sent.

With end-users and consumers

Our customers are responsible for undertaking their own regulatory compliance analysis for their finished products using Syensqo products, by reviewing the regulatory information we provide. Subsequently they are responsible to cascade appropriate safe handling information to their consumers through the appropriate labeling, also taking into account particularly vulnerable workers or end-users. This allocation of responsibility is appropriate given the finished product manufacturer's superior knowledge of its and intended uses and therefore potential impacts. As a result, the most appropriate party to engage with end users is the finished product manufacturer, rather than Syensqo.

5.3.2.3.3 Channels to report concerns for value chain workers and end-users

With value chain workers

Our sales and customer service representatives represent the main channel for value chain workers to request additional product safety support. An email address and multilingual emergency phone number are available on each SDS and label. Our Speak up line is available also for our customers.

The email address is constantly monitored. The share of questions related to health and safety concerns is quite low, approximately 2% out of 2100 emails received in 2024.

In case of a request, we initially refer to the recommendations provided in the product SDS, especially around first aid, including acute or delayed effects and indication of any medical attention needed. We may also refer to recommendations for firefighting and accidental release measures including emergency procedures. We also provide tailored assistance where necessary.

In the European Union, advice can also come from Poison Centers as our products have been notified to them. To the extent that distributed product quality may be an issue of concern, the company would undertake an internal investigation. Depending on the outcome of any such investigation, follow up actions to mitigate potential health and safety concerns might include recipient customer communications, product recovery efforts, etc.

With end-users

End-users can raise concerns through contact information provided on product labels. As the flow of information requests moves up the supply chain, our customers may contact us if they identify that our product is concerned with the issue reported by the end-user.

5.3.2.3.4 Health and Safety commitments for our value chains workers and end-users

Our only target related to health and safety for our value chain workers is our "aim for zero" accidents, detailed in *section 5.3.2.2.4 Targets related to health and safety on our sites,* with a scope limited to contractors working on our sites. We do not have any targets for end-users, as we nearly exclusively engage in B2B sales.

Since product stewardship activities are linked to the specific hazards and risks of each product and business, we are exploring options to further extend our ambition in this context. The SDS being the main channel of information for the downstream value chain workers, we plan to publish for our 2025 annual report indicators showing the effectiveness of the SDS update and automatic shipping processes.

To track the effectiveness of our policy, we translate the commitments into action plans listed below, and we monitor their effectiveness through indicators where applicable.

5.3.2.3.5 Health and Safety actions for our value chains workers and end-users

Regarding the risk of transportation accidents in our value chain, it is directly connected to the risk of major accidents on or off site which is already covered in the *section 5.2.1.4.2 Emissions, effluents, remediation,* and it is mitigated through the same action plan "Transport safety action plan".

During our annual goal-setting process, we define the appropriate actions to address our potential negative impact for downstream value chain workers and our potential negative impact and risk for our consumers and end-users. We also assess the way we deliver actual positive impact for consumers and end-users.

For the reasons explained above, we cannot directly target end-users. Instead, we focus our efforts on our tier one customers (downstream value chain workers), which indirectly benefits end-users down the value chain.

All raw materials, marketed and Research & Innovation products worldwide are included in the scope of our 2024 short-term action plans listed below. They cover chemical regulations relevant for our zones and markets. For current and future financial resources required, refer to the rules laid out in *section 5.1.2 Basis for Preparation*.

Chemical regulation compliance and beyond

We continued the registration of chemicals as per the volumes imported or manufactured. We updated dossiers where necessary, for example, according to EU-REACH, either as new information becomes available or at the request of the European Chemical Agency (ECHA). We also improved on a voluntary basis the quality of REACH dossiers in the framework of the Cefic Action Plan program. and conducted site compliance reviews. We set new or more stringent exposure limits where we believe it is necessary. We ensured market compliance: Food Contact, Medical Device, Biocides, registration; and communicated it subsequently through certificates. We participated in networks to identify regulations' updates. Product Stewards are members of various trade associations and participate in webinars organized by authorities, consultants or other stakeholders to continuously increase the regulatory knowledge.

Mitigation measures

We improved our three control processes: first, our in-house Product Stewardship Management System based on the US Product Safety Code; second our Product Safety Management Process, aiming at identifying and prioritizing product risks with a special attention given to sensitive applications; and third our strategy to decrease the use of SVHC in marketed products and more broadly throughout the entire value chain (see section *5.2.1.4.3. Product Stewardship*). This included continuous improvement of our process in place for exchanging with suppliers and gathering relevant information on our raw materials: SDSs, composition disclosed, regulatory status to support our efforts to identify SoC or SVHC.

We created mitigation plans to address the case of new or updated regulation that may impact our ability to sell products and the case of inappropriate use of our products that may create personal or environmental damages, or major disturbance in downstream uses.

Proactive stakeholder engagement

We are engaging with a variety of stakeholders, including NGOs, industry associations and public authorities to advance science-based responses to regulatory consultations. We participate in consultations of new regulatory proposals, either as a single company or through our trade associations. We respond to questionnaires by investors, rating agencies and third party assessment organizations, such as Chemsec, Ecovadis or WBCSD. We also report on product stewardship data, in alignment with relevant regulatory frameworks.

5.3.2.4 Health and safety of communities

To manage potential negative impacts and risks on community health and safety, we take a targeted approach that varies based on the community's location.

First, for communities surrounding our own sites, they are included in the sites' management approach. Policies applicable can be found in *section 5.2.2.2.1 Health and safety policies on our sites, 5.2.1.4.2 Emissions, Effluents and Remediation*, *5.2.1.2.2 Water Policy* as well as *5.3.3.3 Community Engagement Policy*. Action plans are the same as the ones described in section *5.2.1.4.2 Emissions, Effluents and Remediation and 5.2.1.2.4 Taking action on Water.* There are no targets, the effectiveness of the policies and actions are followed via metrics listed in the same section, with the exception of our water target described in *section 5.2.1.2.3 Water related targets*, that aims at benefiting the communities around our sites. The approach for engaging and for the communities to raise concerns related to health and safety is the same as the general one developed by our sites toward their communities that is described in the sections *5.3.3.3.2 With our affected communities* and *5.3.3.4.2 With our affected communities*, respectively.

Second, for communities located in our upstream value chains, the potential negative impact is managed through the general approach of our procurement due diligence: in particular the Sustainable Procurement Policy and subsequent implementation measures described in *section 5.3.2.1.2 Our policies and management approach.* There is currently no specific target related to the health and safety of the upstream value chain communities.

Third, for communities located in our downstream value chains, we rely on our SPM management approach described in the *section 5.2.2.1 Product design and Process safety in the value chain.* As we specialize in B2B, our products are consumed in our tier one customers' applications. Our efforts currently focus on the health and safety of these value chain workers and end-users, through our robust Product Stewardship approach, which indirectly benefits the downstream affected communities.

5.3.3 Unleashing the power of our explorers

5.3.3.1 Material impacts, risks and opportunities related to Labor Practices & Talent Management, and Fair & Inclusive culture

The process, methodologies, assumptions and tools used to identify and assess impacts, risks and opportunities related to our workforce are described in *section 5.1.4.1. The Double Materiality Assessment process*. All people in our own workforce, and all affected communities who could be materially impacted by the actions of Syensqo have been considered in our assessment.

Type	Own Operations (OO) or Value chain (VC)	Time Horizon	Own workforce category	IRO Name	Description	Current & anticipated effects
LABOR PRACTICES & TALENT MANAGEMENT						
ESRS S1 Own workforce - Adequate wages & housing, Social dialogue, Freedom of association, Collective bargaining, and Work-life balance						
▲ Actual Positive Impact	✖ OO	ST	OE	Maintaining a high standard of employee working conditions	At Syensqo, employee wellbeing and engagement is fostered by fair labor practices, fair wages, and a good work-life balance. A constructive dialogue with employees and their representatives, built on trust, forms the basis for agreements, commitments, and initiatives that benefit the employees and their families.	Medium
ESRS S1 Own workforce - Secure employment and Working time						
▲ Actual Positive Impact	✖ OO	ST	OE	Ensuring secure & flexible employment	Syensqo has a positive impact on their employees, given a low representation of temporary and part-time contracts. A permanent contract is generally perceived to increase job security, chances of career advancement, sense of belonging and might offer more long-term benefits, which contributes to workers' overall well-being. This is especially important for certain historically underprivileged groups, such as women, who are often overrepresented among part-time workers, and recent graduates and underskilled workers, often overrepresented among workers with a temporary contract.	Low
ESRS S1 Own workforce - Work-life balance						
▼ Risk	✖ OO	-	-	Employee Wellbeing	The risk that organizational change fatigue could cause mental wellbeing decline, loss of critical talent which could lead to potential reputational damages and litigation.	Low
ESRS S1 Own workforce - Training and skills development						
▲ Actual Positive Impact	✖ OO	ST	OE	Employee training and skills development	Syensqo's focus on training employees and having regular performance & development reviews is contributing to their personal development, opens the door to new career opportunities, and can increase job satisfaction, confidence and empowerment. Both training, and performance and development tools & processes are available for the entire employee population. Upskilling and re-skilling the workforce is also a necessity to move forward with the Green transition and offers an opportunity to employees to develop future-proof skills.	Low
▼ Risk	✖ OO	-	-	Employee future skills	Not anticipating future skills could impair the development and performance of Syensqo and impede our strategic objectives.	Low

Type	Own Operations (OO) or Value chain (VC)	Time Horizon	Own workforce category	IRO Name	Description	Current & anticipated effects
FAIR & INCLUSIVE CULTURE						
ESRS S1 Own workforce - Diversity, Gender equality and equal pay for work of equal value, Employment and inclusion of persons with disabilities						
▲ Actual Positive Impact	✖ OO	ST	OE	Fostering a fair and inclusive workplace	Syensqo is fostering a fair and inclusive workplace culture with equal pay and equal opportunities for all, where employees from diverse backgrounds and with disabilities are being employed and feel valued, respected, and included. Syensqo is aiming at a fair level playing field where individuals can succeed based on their skills, qualifications, and merits while tackling gender-based conscious and unconscious mechanisms of exclusion or privilege. Feeling included, valued and treated fairly in the workplace can lead to higher job satisfaction, positively impact employees' mental well-being, and even improve their quality of life.	Low
ESRS S1 Own workforce - Measures against violence & harassment in the workplace						
▲ Actual Positive Impact	✖ OO	ST	BOE	Creating a harassment free environment	The Code of Business Integrity (CoBI) is the foundation for how we operate as a Group. Syensqo's CoBI lays the foundation to prohibit any form of harassment in the workplace, whether moral or sexual, physical, verbal, or non-verbal. Our Speak Up program is safeguarding the wellbeing and health of our workforce.	Medium
SITE STEWARDSHIP & COMMUNITY ENGAGEMENT						
ESRS S3 Affected communities - Communities' health, safety, and wellbeing *(Entity specific)*						
▲ Actual Positive Impact	✖ OO	ST	-	Contribution to communities' wellbeing	Many of the sites have local engagement programs in place that can increase communities' wellbeing through health and safety initiatives, employment opportunities, schooling & learning projects, etc. In addition, The Syensqo Fund is established to support Syensqo's mission to advance humanity with initiatives centered around four pillars. This involves fostering education to equip students for a technology-driven world and empowering communities by supporting initiatives that promote social unity, provide aid, and strengthen local solidarity near Syensqo sites.	Low

For the glossary please refer to section 5.2.1.1.1 Material impacts, risks and opportunities related to climate change.

Scope: ✖ Own operations ✖ Value chain
Financial Materiality: ▲ Opportunity ▼ Risk
Impact Materiality: ▲ Positive ▼ Negative

The policies, targets, actions and metrics below contain information on Syensqo's response to these material impacts and risks. There are no current financial effects for these material risks.

5.3.3.2 Policies related to social impact for our own workforce and our affected communities

Our Code of Business Integrity and Human Rights policies lay the foundations of our management approach to our own workforce. They are described in detail in the Business Conduct and Human Rights sections respectively. (*section 5.4.1.2.1 Business ethics policies and grievance mechanisms and section 5.3.1.2 Our policies pertaining to Human Rights*).

Additionally our Responsible Care and Safety policies, described in the health and safety section, cover the health and safety impacts to our own workforce (*section 5.3.2.2.1 Health and safety policy on our sites).*

Our policies on anti-discrimination, Ethical Recruitment and Employment practices and Community Engagement that outline important complementary content for our own workforce are briefly described below.

5.3.3.2.1 Inclusion and Non-Discrimination Policy

Syensqo's Inclusion and Non-Discrimination Policy, applicable to all Syensqo's employees and sites worldwide, outlines our approach to creating a positive impact for all our workforce. We provide equal opportunity for all individuals based on their skills and abilities, and prohibit discrimination and harassment based on racial and ethnic origin, color, sex, sexual orientation, gender identity, disability, age, religion, political opinion, national extraction, social origin, or any other forms of discrimination covered by applicable laws. There is a zero-tolerance policy toward any form of violence or harassment.

We embed the following practices across the organization in order to eliminate discrimination and build a fair and inclusive culture: an inclusive environment, allowing everyone in diverse teams to be respected and to feel valued for what they have to offer, at every level of the organization, equitable opportunities, where pay and career development are based solely on competence, merit and contribution. In addition we dialogue with relevant stakeholders in a spirit of mutual learning and sharing.

Syensqo's commitment to a fair and inclusive culture extends to all areas of the business, including recruitment; compensation and benefits; professional development and promotion; social and recreational programs; board appointments and succession planning.

Syensqo values leadership that is diverse and inclusive and is committed to closing gender pay gaps.

We develop specific awareness programs to support the inclusion of everyone and to make career advancement available to everyone based on their skills and abilities. That includes individuals from groups at particular risk of vulnerability or facing specific challenges, including but not limited to: women, parents, people with disabilities, members of racial, cultural, and ethnic minorities, senior employees, and LGBTQ+ individuals. We partner with external organizations and community groups to broaden the pipelines of talent for vulberable individuals to be considered in selection processes and career development.

To ensure discrimination is prevented, mitigated and acted upon once detected, we rely on our robust Ethics Hotline and associated procedures. Our approach is aligned with global initiatives such as UN Global Compact, IndustriALL Global Union, the WBCSD, and Responsible Care practices, as well as the UN SDGs (SDG 8 - "Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all").

The Fair and Inclusive Culture Director is accountable for policy implementation and monitoring through a set of indicators covering diverse distribution of workforce as well as feeling of inclusion. Consideration given to the interests of key stakeholders in setting the policy and how we make it available is described in *section 5.1.1 Sustainability operational governance*.

5.3.3.2.2 Ethical Recruitment and Employment Practices Policy

Syensqo's Ethical Recruitment and Employment Practices Policy, in addition to complying with applicable laws and regulations, respects, protects, and fulfills internationally recognized Human Rights. Our policy applies to all recruitment and employment activities conducted by ourselves or third-party providers. This policy complements the Syensqo Code of Business Integrity, the Supplier Code of Business Integrity as well as the Human Rights policy. It is aligned with ILO's eight core labor conventions and Declaration on Fundamental Principles and Rights at Work.

We implement fair recruitment, selection, and promotion processes that are free from bias and based on skills, abilities, training, and expertise. No recruitment fees nor discriminatory physical exams may be required from candidates. We do not hire employees under the age of 16 years. Employees under the age of 18 are not allowed to perform hazardous work or night shifts. Terms and conditions of employment are clearly communicated to future employees in writing, in a language understandable to them. We ensure that personal data is handled in compliance with applicable privacy laws. Candidates can report to our Speak Up program *(section 5.4.1.2.1 Business ethics policies and grievance mechanisms*).

Our commitments continue after the hiring process. We do not retain original ID documents and do not restrict employees' freedom of movement. Compensation, weekly working hours, work schedules, overtime and paid vacations are in accordance with applicable laws or collective bargaining agreements. We respect the right of all employees to form and join trade unions and bargain collectively. Only clean, healthy and safe accommodation may be provided to employees. As part of Syensqo Cares, we provide 16 weeks of parental paid leave for all parents, irrespective of their gender.

The CCO is accountable for policy implementation. Consideration given to the interests of key stakeholders in setting the policy and how we make it available is described in *section 5.1.1 Sustainability operational governance*.

5.3.3.2.3 Community Engagement Policy

Syensqo's Community Engagement Policy, applicable to all sites and employees, outlines our commitment to respecting Human Rights, addressing local needs, promoting health and safety, and acting with transparency and accountability with affected communities. Our sites engage with local and global organizations to enhance social, economic, and environmental wellbeing. They also support employee volunteer efforts for positive community impact. We promote community health and safety in the way we build and operate our facilities, including site emergency management. We address concerns voiced by community members in a confidential and secure manner. We have not identified any material impacts on indigenous peoples.

Our policy is aligned with international guidelines, including the UN Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises, and the ILO Conventions. Efforts are also in line with the UN' SDGs (SDG 17 - "Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development").

The Chief Sustainability Officer is accountable for the implementation of the policy and monitoring is managed within the Social Steering Committee framework. Consideration given to the interests of key stakeholders in setting the policy and how we make it available is described in *section 5.1.1. Sustainability operational governance*.

5.3.3.3 Process for engaging with own workforce and our affected communities

5.3.3.3.1 With our own workforce

Engagement with value chain workers is covered in the Health and Safety and Human Rights sections as per our IROs.

We have robust mechanisms in place to engage with our own workforce and representatives.

Direct organizational listening is held at global and local levels

Pulse Surveys

We conduct three "Pulse" surveys per year. First, a survey focused on the culture of fairness, inclusion and wellbeing, where employees are invited to self identify according to certain characteristics, allowing us to assess results for certain groups such as employees with primary care responsibilities, managers, or from underrepresented groups and run intersectional analysis. This was followed in 2024 by 19 focus groups with more than 120 employees from all regions who shared their experiences openly. Second, we launched our first confidential survey focusing on direct-manager impact, with plans to repeat on an annual basis. Questions were clustered by topic including Respect and Fairness, Trust and Integrity, Work-Life Balance, Safety and Values, etc The third survey focused in 2024 on sustainability to assess the extent to which our employees knew of our strategy and targets, and how they can contribute to them.

The Head of Talent, reporting to the COPO, is operationally responsible for Pulse surveys. Site and team managers are responsible for analyzing and implementing remediation actions. Results are accessible to all on the intranet and insights discussed with the senior executive level and workers representatives on request.

We consider potential barriers for engagement with Pulse surveys, translating them in 11 languages covering 99% of employees, and providing QR codes on a mobile phone for shop floor employees who do not have a professional computer at their disposal.

Average participation for the three surveys in 2024 was 67%. Average Engagement Index score for the Group was 72%.

Employee Resource Groups (ERGs)

Our six ERGs, led and run by employees, provide a critical resource to understand the unique challenges faced within our diverse company and to actively identify and address possible processes and behaviors that contribute to inequality and exclusion.

Each ERG is open to all Syensqo employees regardless of their background, characteristics or identities, and organizes its own engagement opportunities, via global and local events. ERG leaders participate in the "Inclusion activators" community, creating regular opportunities for direct exchange with the Fair and Inclusive Culture Director and Inclusion Activators from our sites all over the world.

In their respective mission statements, ERGs create a safe space for employees at risk or in vulnerable situations, including women, people with disabilities, members of racial, cultural, and ethnic minorities, junior employees, and LGBTQ+ individuals, as well as their colleagues, friends, family members and allies.

Townhall sessions

Site management organizes local "townhall" sessions.

Other initiatives

In 2024, "Culture sessions" were organized to lay the foundations of our Syensqo behaviors. For the first year as Syensqo, engagement sessions were held to listen to employees describe the desired culture they would like to see at Syensqo. This was the foundation for the new "Syensqo Behaviors" launched in November 2024. All employees worldwide were invited to participate through face to face or virtual meetings, with 25% attendance.

Engagement with workers representatives

The European Works Council (EWC)'s main purpose is to discuss and disseminate information that has a significant impact on employees and the company in the European region. It is composed of one member per country that has a manufacturing facility with a minimum of 40 employees, or where Syensqo has at least 100 employees. Countries receive an additional seat per 800 employees.

The Global Forum of Syensqo (GFS) brings together employee representatives from the major countries and regions in which Syensqo operates. Following the partial demerger of the Solvay Group and the emergence of Syensqo in 2024, an endorsement to the agreement was signed to continue the Global Forum at Syensqo, pursuing a journey that started in 2013 when the Solvay Group signed a Global Framework Agreement on Social Responsibility and Sustainable Development with Industri'ALL.

Engagement strategies

They involve monthly exchanges with the Select Committee, a subset of EWC, and the GFS to follow up on business and functional matters, quarterly briefing on financial results with the CFO and a plenary meeting held each year. The head of Labor Relations - reporting to the COPO - is operationally responsible for the social dialogue.

The effectiveness of the engagement with workers' is represented through notable achievements. Syensqo endorsed in 2024 the "Syensqo cares" agreement formerly established at Solvay, which includes since 2023 a new provision to support caregivers by allowing employees to take up to five days of paid leave to care or support a loved one in order to face unforeseen circumstances. For 2024, the highlight is the signature of a Global Framework Agreement on Digital Transformation and Artificial Intelligence, establishing safeguards in terms of governance, ethical use, and the continuous development of human expertise alongside technological advancements.

Finally, we strive to continuously bring an outside-in perspective to our engagement efforts through various benchmarks initiatives: Inclusion benchmark with Disability IN (silver award obtained in 2024 for the US), Pulse questions benchmarked by the platform provider, auditing process within IndustriALL and our own Ecovadis assessment.

5.3.3.3.2 With our affected communities

Community engagement around our own operations is the responsibility of our sites' managers. A number of our sites participate in so-called Community Advisory Panels, or functional equivalents, where local community members have regular opportunities to directly engage with Syensqo site managers and other local industrial representatives. However, we do not currently have a centralized approach. Effectiveness of community action is determined on a case by case basis depending on the most adequate indicator. We have not currently identified any indigenous communities affected by our own sites.

5.3.3.4 Channels to raise concerns

5.3.3.4.1 With our own workforce

We have established and maintain several channels for our employees to raise their concerns and needs. As explained in our internal "Speak Up booklet", the first place to address issues is with the employee's manager. In addition, employees may reach out to any other manager, a member of the Human Resources or Legal department, their regional Compliance Officer, any member of the Internal Audit department, their employees' representative (if unionized), the EAP, the medical network, and finally by using the Ethics Helpline, which is detailed in the Governance section on business ethics and grievance mechanisms.

To raise awareness, we make the information easily available on the intranet and include it in the yearly CoBI training mandatory for all employees. In order to assess the level of trust toward managers, we can now rely on our Manager Impact Index, measured through one of our Pulse surveys, as it is one of the categories considered. Additionally the one focusing on the culture of fairness, inclusion & wellbeing, assesses the awareness and trust regarding the Speak Up program.

Tracking and effectiveness assessment is embedded in the Speak Up process, as described in the section *5.4.1.2.1 Business ethics policies, corporate culture, and grievance mechanisms.*

5.3.3.4.2 With our affected communities

As a general approach, our Ethics helpline is open to any community member and can be found from our website. Our policy against retaliation applies as well. Cases are tracked and remediation actions managed in the same way previously described. We currently do not assess in a systematic way to what extent affected communities are aware of and trust this structure.

5.3.3.5 Targets for our own workforce and affected communities

For our own workforce, we focus on the target described hereafter - Living wage. For communities, we currently do not have a target as the local nature of this topic makes it challenging to select a unique way to define positive contribution. To measure the effectiveness of our Community engagement policy and actions, sites define and track ad hoc indicators.

Living wage

As stated in our Human Rights Policy, Syensqo's aspirations do not end in adhering to local laws and regulations regarding minimum wages. Within the Better Life pillar of our One Planet Program, we have committed to ensure that all of our employees worldwide will be paid at least a Living Wage by 2026.

This target originated from a cross functional taskforce including employees' representatives as well as participation in the Business Commission Tackling Inequality (BCTI) from the WBCSD. Workers' representatives are regularly informed about the progress against this target.

For our first year of reporting, within a scope representing 96% of our active internal workforce, no employee is paid below Living Wage according to a 2024 external benchmark from Wage Indicator Foundation. The methodology used is aligned with our reporting of Adequate Wages and detailed in the *section 5.3.3.7.4 Adequate living wages.*

5.3.3.6 Taking action for the working conditions of our employees

5.3.3.6.1 Actions toward our own workforce

Our guiding principles and practices for the actual positive impact "Ensure secure & flexible employment" are detailed in our Ethical Recruitment and Employment practices policy detailed in *section 5.3.3.2.2 Ethical Recruitment and Employment Practices Policy*, while the outcome is monitored via the lagging indicators in *section 5.3.3.7.1 Characteristics of Syensqo's employees.* Currently an action is not in place to manage this impact.

It is the same for the risk of "Employee Wellbeing", which is mostly managed via the process for employees to raise health and safety concerns, described in *section 5.3.3.3 Process for engaging with our own workforce and our affected communities*, in particular our Employee Assistance Program.

The other IROs are covered by the different action plans described below. For current and future financial resources required, refer to the rules laid out in *section 5.1.2 Basis for Preparation.*

Summary of action plans by IROs	FIC	Living Wage	Learning Expedition	Syensqo Shares
Actual Positive Impacts				
Maintaining a high standard of employee working conditions		×		×
Fostering an inclusive and equitable workplace	×			
Creating a harassment free environment	×		×	
Employee training and skills development	×		×	
Risks				
Employee future skills	×		×	

Global Inclusion initiatives for the year 2024

The short term 2024 action plan was designed to create a more equitable and inclusive workplace. It encompasses several actions.

- Mandatory Inclusive Leadership Workshop aimed to equip new people managers with the necessary skills and knowledge to lead diverse teams effectively. 135 new managers have participated in this workshop (participation rate of 88.2% within targeted population).
- Increased transparency for employees through the integration of ERG presentations in the onboarding programs of new hires and an online Fair and Inclusive Culture Dashboard available to all.
- Publication of Inclusion toolkits providing guidance on various aspects of Inclusion, including recruitment, team management, inclusive behaviors, and workplace etiquette. These toolkits are made accessible to all Syensqo employees, particularly team managers.
- Launch of internal Syensqo Inclusion Impulse Awards to reward and share best practices. Sites that demonstrated exceptional commitment to inclusion will be recognized and celebrated by our CEO. Applications were received from 41 applications from sites that represent a workforce of 5,131 employees.

Additional initiatives whose primary purpose is to deliver positive impacts our own workforce are taken at entity and site level, as well as by the ERGs, such as training programs on gender equity, unconscious bias and intercultural dialogue, awareness campaigns on neurodiversity, invisible diseases, LGBTQ+ rights, Black History Month, Inclusion Focus groups at site level in local languages.

To monitor and evaluate FIC efforts, we established several networks: Inclusion Activators, the FIC Council, and the Inclusion Impulse Forum. Their role is to oversee the implementation of FIC action plans and ensure that entities are held accountable. Regular online forums were organized to engage with local sites and ERGs, promoting the sharing of best practices.

In order to identify needed and appropriate actions and ensure that our own practices do not contribute to material negative impacts, a comprehensive FIC framework was made available to all entities and sites, enabling them to develop tailored action plans to effectively address the impact of a fair and inclusive culture on their respective workforces This framework encompasses a wide range of considerations, including but not limited to gender equity, and is designed to align with local regulations, cultures, and demographics. It encourages entities and sites to customize their action plans to align with the specific requirements and conditions of their local context.

Fair wages for our own workforce

To maintain a high standard of working conditions and increase employee engagement, we have a multi year action plan to pay fair wages.

First, regarding our commitment to pay at least a Living Wage to all our employees by 2026, we executed a pilot covering our main countries of operations in 2024. To that effect we launched a multi disciplinary taskforce, including a member from the EWC, we contracted with the Wage Indicator Foundation as external data provider, we mapped employee locations to relevant benchmark values, defined and collected guaranteed income for employees in scope, compared this income to benchmark values, and conducted case-by-case evaluations where necessary.

The scope, methodology and result of this action plan are disclosed in *section 5.3.3.7.4 Adequate living wages.*

In addition, the Syensqo Employee Shares Program was launched in 2024. We invited thousands of employees to act as entrepreneurs and owners, broadening their perspectives and encouraging them to embrace all opportunities to drive the Group's transformation. By purchasing shares in Syensqo, employees received a free share on joining the scheme and a matched share for every two shares purchased, granted after the 2 years lock-in period. The effectiveness of the plan was measured through the participation rate: 21.5% or 2,828 employees enrolled in the program.

The scope was our permanent or fixed-term Syensqo employees up to senior management level, regardless of their seniority, in 17 participating countries representing 98.5% of our workforce.

Launch of the Syensqo learning expedition

The outcome of this short term 2024 action plan was to detail out Syensqo's learning strategy, organization and available resources, based on our "70/20/10" learning model (70% on the job, 20% mentoring and coaching, 10% coursework and training). It covers ethics, technical and managerial dimensions.

First it emphasizes our mandatory yearly training for all on Business Integrity, for which we track the participation rate. Second, for technical skills, it promotes our academies: Star factory (industrial), Sales, Innovation, Procurement, Supply chain, Global Shared Services, as well as a new training program to use generative AI. It also highlights training resources promoting safety, health and wellbeing and offers opportunities for sustainability training through our structured e-learning curriculum or our partnership with the Ellen MacArthur Foundation. It includes access to the Rosetta Stone platform for language skills. Third, regarding people management and leadership skills, we launched the First Time Managers Toolkit. A specific development program was offered to the first line managers and external coaching to middle managers or "360" assessment on request.

To assess the effectiveness of the current offer, identify which actions are needed, and improve our own practices, the Talent team interviewed managers and Human Resources Strategic Business Partners, and used external benchmarks. They also involved Business Leaders through the Talent & Reward Steering Committee that was set up in 2024. Based on the insights gathered they designed and piloted three learning interventions for managers that will be rolled-out globally in 2025.

5.3.3.6.2 Actions toward our affected communities

Site led community engagement

All of our sites are taking action to actively support employees' volunteering efforts to deliver a positive impact on our communities. It is a recurring effort, the time horizon depends on each action. For current and future financial resources required, refer to the rules laid out in *section 5.1.2 Basis for Preparation*. The scope is all entities, and employees, and contractors are encouraged to participate in community engagement activities. Due to the very local nature of community engagement initiatives, each site is responsible for setting the right indicators to measure the effectiveness of their actions but we have not consolidated this impact in 2024.

At the corporate level, we launched several short term actions in 2024 with the expected outcome of supporting the sites, structure the approach, reward and share best practices, including the “Star Factory” Forums led by corporate experts on inclusion and social sustainability at industrial sites, the introduction of the Syensqo Inclusion Impulse Awards to recognize impactful site-level inclusion initiatives, and the publication of the Human Rights Progress Report highlighting best practices for engaging with local communities.

The Syensqo Fund

The Syensqo Fund is Syensqo’s philanthropic vehicle launched in July 2024, underscoring our dedication to having a positive impact on communities. The initiatives supported by the Syensqo Fund align with our four core philanthropic pillars: protecting the planet, nurturing innovation, fostering education, and supporting solidarity. These initiatives must have a significant social impact, address societal challenges, improve the wellbeing of end beneficiaries, and support communities close to Syensqo sites.Below are examples medium term actions undertaken to make a difference through the "Fostering Education" and "Supporting Solidarity" pillars:

- **Fostering education:** Focuses on empowering individuals and communities through educational initiatives such as Toekomst Atelier de l’Avenir (TADA), a program helping underprivileged youth in Brussels.
- **Supporting solidarity:** The Syensqo Fund is dedicated to providing support to those that face severe hardship, whether it’s the company’s employees or the communities living around our sites.

The Fund is administered by the King Baudouin Foundation (KBF), which has a long-standing reputation and extensive experience in managing philanthropic funds responsibly and transparently. It ensures that donations are used in ways that create the most significant social impact. A Management Committee composed of unremunerated members from the KBF, Syensqo, and independent third parties orients the Fund's actions and validates the allocation of donations.

5.3.3.7 Own workforce metrics

5.3.3.7.1 Characteristics of Syensqo’s employees

The Corporate Sustainability Reporting Directive (CSRD) applicable in the European Union requires disclosure of the employment data below. Syensqo is an equal opportunity employer and does not discriminate against any employee or applicant for employment on the basis of race, color, religion, sex, sexual orientation, gender identity, national origin, age, disability, genetic information or any other trait protected by law.

Accounting policy

Syensqo management approach is related to IROs of our own workforce based on the number of people, regardless of their FTE, therefore only headcount is used.

All metrics are linked to a picture taken at the end of December 2024. Disclosures related to non-guaranteed hours employees are not relevant in the 2024 reporting, since this type of contract was not used in the company.

Gender information is provided by the employees themselves during the onboarding.

NUMBER OF EMPLOYEES BY GENDER

	Units	2024
Men	Headcount	10,064
Women	Headcount	3,209
Other	Headcount	2
Not Disclosed	Headcount	3
Total Employees	**Headcount**	**13,278**

NUMBER OF EMPLOYEES BY COUNTRY AND BY REGION

	Units	2024
Headcounts in countries representing at least 10% of workforce		
USA	Headcount	4,775
France	Headcount	2,133
China	Headcount	1,796
Headcounts by region		
Asia, Pacific and the rest of the world	Headcount	2,743
Europe	Headcount	5,096
North America	Headcount	4,966
Latin America	Headcount	473
Total Employees	**Headcount**	**13,278**

NUMBER OF EMPLOYEES BY CONTRACT TYPE

	Units	2024
Number of permanent employees	**Headcount**	**12,686**
Women	Headcount	3,018
Men	Headcount	9,663
Other / Not disclosed	Headcount	5
Number of temporary employees	**Headcount**	**592**
Women	Headcount	191
Men	Headcount	401
Other / Not disclosed	Headcount	0
Total Employees	**Headcount**	**13,278**

TURNOVER

	Units	2024
Employees who have left the company in 2024	Headcount	1,019
Rate of employee turnover	%	8

Syensqo's headcount in 2024 is very close to 2023 (+1%) and its turnover rate is in line with previous years.

Headcounts are not disclosed as such in Financial statements; however, headcounts disclosures are consistent with the "Wages and direct social benefits" reported in Note F2 of the Financial statements.

5.3.3.7.2 Collective bargaining coverage and social dialogue

Accounting policy

Syensqo employees are covered by the global collective agreement "Syensqo Cares" that sets minimum standards and benefits for all. Locally, other collective bargaining agreements may be in place covering specific groups of employees.

In 2024, France is the only EEA country with a workforce greater than 10% of our total workforce.

COLLECTIVE BARGAINING & WORKERS' REPRESENTATIVE COVERAGE

	Units	2024	2023	2022
Total employees covered by collective bargaining agreements	**%**	**100**	**100**(1)L	**100**(1)
Collective bargaining agreements coverage in France	%	100		
Percentage of employees covered by workers' representatives, in France	%	100		

(1) Historical figures as provided in our 2023 annual intergrated report.

5.3.3.7.3 Diversity metrics

Accounting policy

We define "Top Management" as the combination of "Middle Management", including management level from S-Grade 19 to S22 included and "Senior Management", from S-Grade 23 and above. S grade is a hierarchy adapted from Hay methodology. Measurement of workforce distribution in leadership per gender is understood as the percentage of women, men, other and undeclared genders within the active internal workforce of "Top Management" as defined here above.

WOMEN IN SENIOR AND MIDDLE MANAGEMENT

	Unit	2024	2023[1]	2022[1]	2021[1]
Men, other and undisclosed genders in Top management	Headcounts	1478			
Men, other and undisclosed genders in Top management	%	70,9	72.1	75	76
Women in Top management	Headcounts	607			
Women in Top management	%	29.1	27.9[R]	25	24

(1) Not covered by the Independent Auditor's limited assurance report.

SYENSQO'S WORKFORCE BY AGE

	Units	2024	2023[1]	2022[1]
Under 30 years old	Number	1,288	1,277	1,219
Between 30–49 years old	Number	7,516	7,433	7,114
50 years old and older	Number	4,474	4,392	4,286
Total headcount	**Number**	**13,278**	**13,102[R]**	**12,619**

(1) Not covered by the Independent Auditor's limited assurance report.

In 2024, the percentage representation of women in mid and senior positions amounted to 29.1 vs 70.9 men, other and undeclared genders. The global trends are monitored by the Fair & Inclusive Culture (FIC) Council, with leaders representing each entity. By analyzing the hiring, promotion and retention rates per gender at entity level, Syensqo fine-tunes its action plan per entity to accelerate progress toward gender equity with a zero-tolerance policy on discrimination.

5.3.3.7.4 Adequate living wages

Accounting policy

In 2024, Syensqo decided to align the methodology used for adequate wages to match the living wage assessment methodology. Additionally, it was decided to align the scope for the adequate wage to the 13 countries with the highest number of employees (representing 96% of employees) for consistency with the perimeter to the countries covered by the other remuneration metrics.

The selected benchmark provider is the WageIndicator Foundation which provides transparency on the composition and methodology. The selected values (in local currency) for all countries are the capped 2024 benchmark, for increased stability year on year. We consider this as a pilot year, being the first year of reporting, we expect that we will continue to explore and enhance our methodology and scope in the future.

The remuneration considered for the adequate wages assessment is the Annual Base Salary in the local currency. It corresponds to guaranteed income. For each employee in scope, their Annual Base Salary in the local currency is measured against the yearly Living wage benchmark.

For employees whose Annual Base Salary would be lower than the benchmark values, the cases are investigated with the local HR in order to confirm the data accuracy and check if there are additional guaranteed income elements that were not included in the Annual base salary. In case the person would be confirmed as being below benchmark after the in depth analysis, then the person would be counted as not having an adequate wage. Whenever relevant, the % of employees not paid on adequate wage, will be calculated and reported by country. Whenever an employee is working part time, their full time equivalent salary is compared to the benchmark.

No employee is paid below the selected adequate wage benchmark for the 13 countries within the reporting perimeter (>95% of employees).

5.3.3.7.5 Remuneration metrics

Accounting policy

The remuneration analysis includes 2 metrics: gender pay gap and total remuneration ratio.

In order to be consistent across all the metrics reported for active internal employees, it excludes trainees, students, apprentices, external people (i.e. contractors working for another company or freelance) and retired employees.

2024 reporting perimeter covers 13 countries representing 96% of the number of active company employees. It includes all regular employees, both with fixed-term or long-term contracts.

Regarding the total remuneration ratio:

- For each employee, the annual total remuneration is calculated based on the sum of the key components paid in 2024. Remuneration in local currency is divided by the purchasing power balance (PPP) index in order to take into account the local cost of living across different countries.
- Total remuneration is calculated by summing the base salary, shift premiums, overtime, bonus, expatriation costs, holiday pay and defined contribution pension. As far as the data is available, non payroll benefits are included, such as legacy defined benefit pensions, health insurance and cars. In instances where discrepancies arise in the actual pay data extracted from the payroll system, the Annual Base Salary (as defined and used in Adequate wages section) may be utilized as a reference. Termination costs and employer social charges are excluded from the total remuneration calculation.
- In situations where actual worked hours are unavailable or deemed unreliable, estimated worked hours are employed. These estimates are derived from country standard contractual hours, adjusted for the local standard paid leave, which includes public holidays and contractual leave days specific to each country.
- The Remuneration Ratio is calculated by dividing the CEO's 2024 total remuneration (adapted to PPP) by the median total remuneration of the employees in scope (excluding CEO).

Regarding the Gender pay gap metrics:

- To calculate the Gender Gap, individual hourly rates are calculated by dividing the total remuneration by the actual worked hours of the individual, where available and applicable, otherwise estimated worked hours are used.
- The average hourly rate is calculated for all men and similarly for all women. The Gender gap ratio is then calculated as follows: (average hourly rate for men - average hourly rate for women)/average hourly rate for men.

RATIO OF BASIC SALARY OF WOMEN TO MEN

	Unit	2024
Gender pay gap ratio	%	-7

The calculated global gender gap is -7 %, meaning that the average wages of women are higher than the average wages of men. This is due to the spread of employees, as women are more present in managerial positions than non-managerial.

	Unit	2024
Total remuneration ratio	ratio	1:67

5.4 Governance

5.4.1 Doing business in an ethical way

5.4.1.1 Material impacts, risks and opportunities related to business conduct and supply chain management

The process, based on the indirect views of external stakeholders via desk research and direct interactions with internal stakeholders, methodologies, assumptions and tools used to identify and assess business conduct-related IROs are described in *section 5.1.4.1 The Double Materiality Assessment process*. To assess the impact and risks of our operations and value chains, we combined a high-level view with detailed input from our corporate compliance team. They used specific data from Syensqo's Speak Up and other channels, whilst ensuring confidentiality. To identify and assess impacts across our value chains, we screened for high-risk activities and locations, incl. the use of the Corruption Perceptions Index (CPI) country score.

Type of IRO	Own Operations (OO) or Value chain (VC)	Time Horizon	IRO Name	Description	Current & anticipated effects
BUSINESS ETHICS					
ESRS G1 - Corporate culture, and Corruption and bribery					
▲ Actual Positive Impact	✖ OO	ST	Strong culture of business integrity	Syensqo fosters a culture of integrity by upholding strong ethical values, creating a respectful and energizing work environment, and leading by example. A dedicated, independent Ethics & Compliance department manages a comprehensive program to ensure adherence to ethical business standards and regulations.	Low
ESRS G1 - Corruption and bribery *(ESRS)*, **and Competition** *(Entity specific)*					
▼ Risk	✖ OO ✖ VC	-	Non-compliance with anti-bribery and anti-corruption, or antitrust	Top Group Risk: The risk that non-compliance with anti-bribery, anti-corruption or antitrust policies or regulations may lead to significant exposure for Syensqo.	Medium
ESRS G1 - Protection of whistleblowers					
▲ Actual Positive Impact	✖ OO	ST	Protection of whistle-blowers via our Speak Up program	Syensqo has a well-embedded Speak Up program that encourages all stakeholders to report potential breaches of our Code of Business Integrity, our policies, our values or the law via an external, third-party, easily accessible helpline. Cases that are reported through the Speak Up program are investigated as required. Disciplinary actions, corrective and preventive measures and process improvements are implemented when necessary.	Low
ESRS G1 - Animal welfare					
▲ Actual Negative Impact	✖ OO	ST	Animal testing	As a chemical company, Syensqo must have a deep understanding of the potential hazards posed by our products in order to carry out activities safely and protect customers, users, the general public, Syensqo's workforce and the environment. To comply with new and existing chemical regulations, or to further consolidate safety data, Syensqo commissions animal tests, when necessary.	Low

Type of IRO	Own Operations (OO) or Value chain (VC)	Time Horizon	IRO Name	Description	Current & anticipated effects
ESRS G1 - Political engagement and lobbying activities					
▲ Actual Positive Impact	✖ OO	ST	Responsible lobbying activities	We pursue constructive dialogue with governmental and political stakeholders as part of the Company's commitment to developing impactful sustainable solutions with partners and through collaborations. Working with public authorities and government officials, the Company commits to responsible, honest and transparent action, based on our values, principles, and best knowledge. The Company is committed to ensuring that any dialogue and advocacy complies with the Code of Business Integrity, and the rules and principles set out in the policies. The Company is listed in the Lobby and Transparency registers of the European Union, the United States, France and Germany, and aligns with industry trade associations codes of practice.	Low

SUPPLY CHAIN MANAGEMENT

Type of IRO	Own Operations (OO) or Value chain (VC)	Time Horizon	IRO Name	Description	Current & anticipated effects
ESRS G1 - Management of relationships with suppliers					
▲ Actual Positive Impact	✖ OO	ST	Social and environmental supplier screening	To tackle Human Rights and environmental impacts across our value chains, we have developed an ESG risk management approach for our supply chain. It provides a systematic approach for risk identification and risk severity assessment of our upstream value chains and their operating countries, and triggers risk mitigation action plans.	Low

For the glossary please refer to section 5.2.1.1.1 Material impacts, risks and opportunities related to climate change.

Scope: ✖ Own operations ✖ Value chain
Financial Materiality: ▲ Opportunity ▼ Risk
Impact Materiality: ▲ Positive ▼ Negative

The policies below, and where applicable the actions and metrics below, contain information on Syensqo's response to these material (potential) impacts and risks. Syensqo does not have targets related to Governance at the moment, because of our strong existing management approach and the low current and anticipated effects of these sub-topics at the same time. There are no current financial effects for these material risks.

5.4.1.2 Business ethics and compliance framework

5.4.1.2.1 Business ethics policies, corporate culture, and grievance mechanisms

At Syensqo, we protect our culture of integrity. We strive to uphold strong ethical and regulatory standards at all times, ensuring our actions align with policies, procedures and with our values and actively contribute to the future of a trusted company. Integrity means fostering an environment in which every person feels confident and comfortable to speak up and raise concerns in good faith when witnessing potential breaches of law, policies, ethics and compliance standards or Syensqo's Code of Business Integrity.

We also uphold a strong culture of business integrity in the value chain, as described in our Code of Business Integrity and our Supplier Code of Business Integrity (*section 5.3.1.2.2 Supplier Code of Business Integrity*). Through our Anti-Corruption and Anti-Bribery Policy, Policy on Gifts, Entertainment, Charitable Donations and Sponsorship and our Conflict of Interest Policy, we strengthen our engagement to conduct business in an ethical way. Our grievance mechanism and the protection of whistle-blowers, as described in our Speak Up Policy, encourages confidential and anonymous reporting of breaches, so Syensqo can address and remediate them. Consideration given to the interests of key stakeholders in setting these policies, approval process, accountability for implementation, and how we make them available, is described in *section 5.1.1 Sustainability operational governance*.

The Ethics & Compliance department is responsible for organizing all training and communication related to the contents of these policies, and is also responsible for investigating all reports that have been brought to its attention. This is how the Ethics and Compliance department is monitoring the policy. All employees are responsible for familiarizing and complying with the policies and supporting internal requirements, completing all assigned training in support of the Policies, and obtaining guidance from Ethics & Compliance.

Finally, we have our Internal Competition Law Policy to promote and maintain fair competition in markets, and our Animal Care and Use Policy ensures that we avoid animal testing whenever possible and treat animals humanely with great regard for their welfare.

The role of the administrative, management and supervisory bodies related to business conduct; and their expertise on business conduct matters are described in our Governance chapter - section *3.1.1 Structure and composition*, *3.2 Board committees* and section *3.1.2 Director skills and qualification matrix*.

2024 action plan on corporate culture

We reference the actions undertaken by Syensqo to establish, develop, and promote a corporate culture in *section 5.3.3.3.1 Process for engaging with our own workforce* and *section 5.3.3.6 Taking action for the working conditions of our employees.*

Code of Business Integrity

The Code of Business Integrity is the foundation for how we operate as a Group, and applies to every Syensqo employee, and to all third parties acting on Syensqo's behalf. In order to comply with the Code of Business Integrity, employees shall complete all assigned Ethics & Compliance training, seek advice when things are not clear, and promptly report anything that may violate the Code or the related policies and procedures. The Code of Business Integrity cannot cover every single situation, but all employees are invited to use their good judgement to make sure they are operating under the spirit of the Code. Should actual violations be observed, each team member is encouraged to take action immediately and report such situations to a supervisor, the Ethics & Compliance department, Legal, or Human Resources.

Syensqo’s Code of Business Integrity covers the following topics: Speak up with no retaliation, Health and Safety in the Workplace, Inclusion, Diversity, and Non-Discrimination, Harassment-Free Environment, Conflicts of Interest, Use of Group Assets, Data Privacy, An Open Dialogue with Employees, Communication with the Public, Use of Social Media, Anti-Bribery and Anti-Corruption, Gifts and Entertainment, Fair, Competition, Financial Records and Accounting, Insider Trading, International Trade, Supply Chain, Human Rights, Sustainability, Political Contributions, and Charitable Activities and Corporate Philanthropy.

Syensqo is committed to respecting and supporting Human Rights with regard to its employees, the communities in which it operates and its business partners as expressed in the internationally recognized standards including the U.N. Universal Declaration of Human Rights and UN Guiding Principles on Business and Human Rights. We adhere to the legal minimum age requirements as outlined in the relevant ILO conventions and the laws of the countries where we operate.

2024 action plan on business integrity

As part of the comprehensive program to ensure adherence to ethical business standards and regulations, the Ethics & Compliance department implemented a mandatory Code of Business Integrity e-learning, completed by for 99%[(1)] of all employees in 2024, who achieved a score of more than 80%. This is an annual mandatory training for all employees to understand and adhere to our Code of Business Integrity. This year’s 1-hour, web-based training provided practical information and interactive business cases on ethical business behavior, our Speak Up or whistleblowing program, retaliation, and living our values. Additionnaly in 2024, we started to roll out an ethical standards training for contractors that will be implemented progressively in our sites.

Anti-Corruption and Anti-Bribery Policy

We have a policy, consistent with the UN Convention against Corruption, with the purpose to provide a framework of rules and procedures to detect, prevent, and address potential violations of applicable laws in the scope of Anti-Corruption and commercial Bribery. It prohibits the exchange of bribes for business purposes and requires individuals to report instances of bribery. Syensqo has also established Speak Up processes and an Ethics Helpline for reporting concerns or violations of bribery and corruption confidentially. In parallel, the Anti-bribery and Anti-corruption training aims to prevent these incidents.

(1) Employees on long-term sick leave during the yearly 2-month window to complete the training are not included.

This policy applies to all Syensqo employees as well as to all third parties acting on our behalf. The functions most vulnerable to corruption and bribery include the Governmental Affairs teams due to their interactions with government officials and regulators, which can create opportunities for unethical behavior, Sales teams due to direct client interactions and the pressure to meet targets, which may lead to unethical shortcuts, especially in high-value transactions, Procurement teams due to their role in supplier selection and contract negotiations, handling large financial transactions, and the pressure to reduce costs, which can lead to unethical behavior, and Site Directors, with significant operational control and decision-making authority, especially in interactions with suppliers and ensuring regulatory compliance, where external parties might attempt to influence decisions through bribery. As we consider that all managers, level S15 (i.e. junior management level adapted from the Hay Job Evaluation Methodology) and above, could be at risk for bribery and corruption, we train our whole manager population.

The process to report corruption and bribery at Syensqo involves multiple steps, including investigation, reporting to senior management, on a need to know basis, and taking appropriate action. The final report includes findings and actions to be taken. Risk monitoring results are reported to the ELT, Board members, and the Audit & Risk Committee. In the event that a breach is substantiated, the policy states that the measures and disciplinary actions may be taken with the aim of remediating the breach and protecting Syensqo. The investigators are separate from the chain of management involved in the investigation when required to avoid a conflict of interest.

Short term action plan for the prevention and detection of corruption and bribery

Anti-Bribery and Anti-Corruption training is designed to emphasize Syensqo's dedication to conducting business ethically without engaging in corruption or unfair competition, and minimize the risk of incidents. It covers various topics such as recognizing bribery, detecting high-risk transactions, interacting with third parties, working with distributors and sales agents, and promoting a culture of reporting concerns without fear of reprisal, as outlined in our Anti-Bribery and Anti-Corruption Policy. The Anti-Bribery and Anti-Corruption training is provided to employees at level S15 and above, including the ELT, which reflects 100% of functions-at-risk. Employees in the target audience need to complete the training every 2 years to ensure a proper understanding of its content to comply with the policy. The 2023 of training was a series of video-based micromodules including of key definitions, laws, best practices, and scenarios for combating bribery and corruption in international business. To complete this training, a quiz score of 80% was required. The next training will be organized in 2025, and sessions on Anti-Bribery and Anti-Corruption were organized on an ad hoc basis in 2024.

Supply chain related actions in 2024 included adding a specific clause to our contract template for Procurement, a statement for distributors, and we also reference to *section 5.2.2.1.4 Taking action in relation with Product design and Process safety in the value chain* for actions related to our supplier due diligence. These actions are expected to decrease the risk of corruption and bribery in our value chain.

Ethics & Compliance and business conduct matters are discussed on an annual basis at the Board Audit & Risk Committee. There is no formal Board training on ABAC.

For current and future financial resources required, refer to the rules laid out in *section 5.1.2 Basis for Preparation.*

Accounting policy

The Anti-Bribery and Anti-Corruption training at Syensqo targets employees at level S15 and above, including the Executive Leadership Team, procurement, commercial, governmental affairs, and site directors, with a biennial schedule. The YouGrow platform supports training management by enabling the Compliance Officer and HR to track completion rates and follow up with individuals who have not completed their training. The last training was in 2023, and the next is set for 2025, so completion data for 2024 can not be disclosed.

RATE OF ANTI-CORRPUTION AND ANTI-BRIBERY TRAINING	Units	2024
Anti-corruption and anti-bribery training completed by functions-at-risk	%	0

Convictions and fines for corruption and bribery during the reporting period

Accounting policy

Syensqo's Legal Team conducts systematic tracking of litigation cases by region, categorizing them by type. In close collaboration with the Ethics and Compliance team, any convictions and fines pertaining to anti-bribery, anti-corruption are informed and investigated. This operational framework ensures comprehensive monitoring and fortifies our unwavering zero-tolerance policy toward unethical practices.

No breaches in procedures and standards of anti-corruption and anti-bribery triggered specific actions in 2024.

CONVICTIONS AND FINES FOR CORRUPTION AND BRIBERY

	Units	2024
Convictions for violation of anti-corruption and anti- bribery laws	Number	0
Amount of fines for violation of anti-corruption and anti- bribery laws	€	0

* *These numbers are extracted from our grievance mechanism; "Speak-Up"*

Policy On Gifts, Entertainment, Charitable Donations and Sponsorship

The purpose of this policy is to provide a framework of rules and procedures that must be followed when exchanging Gifts and Entertainment; making Charitable Donations; and Sponsoring Events. The policy supports Syensqo's commitment to conducting business honestly and ethically in accordance with the Syensqo Code of Business Integrity and the Syensqo Anti-Bribery and Anti-Corruption Policy.

This policy applies to all Syensqo employees. Syensqo has implemented a Gifts and Entertainment Tracking System (GETS) designed to prevent bribery-related liabilities, available on Syensqo intranet. After submitting an approval request through GETS, Syensqo employees need to follow additional steps before moving forward with gifts, entertainment, charitable donations, or event sponsorships, such as getting their manager approval and depending on a certain threshold approval from Corporate Citizenship and Ethics & Compliance.

2024 action plan on gifts, entertainment, charitable donations and sponsorship

As this policy is closely linked with our Anti-Corruption and Anti-Bribery Policy, we reference the 2024 actions for the prevention and detection of corruption and bribery.

Conflict of Interest Policy

Syensqo has a Conflict of Interest Policy applying to all employees and to representatives and agents who act on our behalf. At Syensqo, all employees are expected to act in a fair and impartial manner in all business dealings and to place the interests of Syensqo over personal interests in matters relating to Syensqo business. The purpose of this policy is to provide the rules, principles and guidelines for avoiding any actual or potential conflict of interest or an appearance thereof. Employees may take part in activities outside their jobs, provided these activities do not create a conflict of interest.

All employees, agents and representatives shall exercise fair, objective and impartial judgment in all business dealings and shall place the interests of Syensqo over any personal interests in matters relating to Syensqo business. They shall also avoid any transaction or situation in which personal interests conflict with the interests of Syensqo, including situations arising from the use of Syensqo's assets for personal gain or from relationships with one or more individuals or entities. They shall refrain from using nonpublic information either for personal profit or in any manner that affects or might reasonably be expected to affect Syensqo's interests adversely. They shall refrain from performing any other professional activity that affects or might reasonably be expected to adversely affect the performance of their employment duties or Syensqo's interests. They shall not use their contacts or position in the company to advance interests contrary to those of Syensqo. They shall not, through another person or entity, participate in or receive the benefits of any activity or investment that, if the same were engaged in directly by the Syensqo employee, agent or representative, would be in violation of this policy. When faced with an actual or potential conflict of interest, employees shall disclose fully and promptly such conflicts to their manager, supervisor or functional leader.

The Legal & Compliance organization is responsible and accountable for deploying effective and timely communication and training related to this policy.

There were no specific actions related to Syensqo's conflict of interest policy in 2024.

Speak up Policy, or Whistleblowing Policy

We encourage employees and third parties to speak up about any potential breaches of law, policies, ethics, or our Code of Business Integrity. We have a policy in place that ensures confidentiality and non-retaliation for those who report concerns in good faith. This policy also outlines the procedure for reporting any breaches.

The Syensqo reporting channels can be used to report any actual or potential breach. These reporting channels include the Syensqo Ethics Helpline, which has a feature specifically designed for anonymous reporting, an email, or a phone call to the Regional Compliance Officer or the CCO.

The Syensqo Ethics Helpline is a safe, reliable, and convenient method to report concerns. It is run by an experienced third-party provider and ensures easy-to-use and confidential reporting. The Syensqo Ethics Helpline is available 24/7, 365 days a year and can be accessed globally by all Syensqo employees and third parties. Reports can be made in 19 languages, and no call-tracing or recording devices are used. Reporting through the Syensqo Ethics Helpline will generate a file number which allows the reporter to easily follow up on the report.

Contact details of the CCO and the Regional Compliance Officers can be found in appendix three of the Speak Up Policy that is under publication on the website. In Belgium, Italy, and France, there is also a local point of contact known as the "local Whistleblowing Officer" for reporting. These local reporting channels include face-to-face meetings or anonymously reporting to the local Whistleblowing Officer via e-mail.

The Syensqo reporting channels are accessible to all employees (including Syensqo employees, former employees and candidates in a recruitment process, volunteers and trainees) as well as to any other third party (such as applicants, directors, shareholders, self-employed persons, consultants, contractors, suppliers and customers). The reporter will receive an acknowledgement of receipt of the report within seven days.

Reports made through these channels will be directly addressed and handled by independent and trained Ethics & Compliance professionals, who take every report seriously and follow up thoroughly.

The Compliance Officer will assess the information provided in the report and, where relevant, analyze the breach(es) reported and check if it is necessary to carry out an in-depth investigation. The Compliance Officer will communicate with the reporter, ask for additional information if necessary, provide feedback, and/or follow up on potential new reports. If the reporter has chosen to remain anonymous, it is encouraged to periodically check the Syensqo Ethics Helpline to learn about the status of the report (in progress or closed) or to answer any possible additional questions raised through the Syensqo Ethics Helpline. The Compliance Officer will decide whether a more in-depth investigation is needed. They will take the lead in the investigation and may be assisted by internal experts and/or external experts where appropriate. Investigations will be conducted thoroughly with due regard to the principles of confidentiality, anonymity (if applicable), objectivity, fairness to all parties involved, and non-retaliation. The Compliance Officer will provide the reporter with appropriate feedback within a reasonable timeframe, not exceeding three months from the date of the acknowledgment of receipt of the report. If the investigation could not be finalized within that timeframe, the reporter will receive an update. If the reporter has chosen to remain anonymous, it is encouraged to periodically check the Syensqo Ethics Helpline to learn about the status of the report (in progress or closed). Feedback will be shared taking into account confidentiality obligation.

Following the investigation, the Compliance Officer, if applicable, will prepare a report describing the investigation measures and actions to be taken. The report may be shared with the senior management of Syensqo on a need-to-know basis only. The final report will include the findings and the actions to be taken: In the event that a breach is demonstrated, relevant measures and disciplinary actions may be taken with the aim of remediating the breach and protecting Syensqo. In case the investigation shows that there is insufficient or no evidence of a breach, no further action will be taken. Process improvements may, however, still be required, as well as feedback to the implicated parties. External reporting channels can be considered if necessary, either after reporting through Syensqo channels or directly if appropriate for the specific matter.

We will maintain confidentiality and protect against retaliation, in compliance with EU law and local laws of EU countries to ensure safe reporting of breaches or violations. Confidentiality maintains privacy of the reporter's identity, while protection against retaliation prevents adverse actions. These measures are specific to breaches outlined by local laws, and Syensqo will comply with additional protective measures required by local laws. Overall, these measures create a culture of trust and accountability.

This policy and the aforementioned reporting channels and procedures are compliant with the requirements of the Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union Law and applicable local laws. Training on non-retaliation is foreseen for all employees as part of the annual Code of Business Integrity training. The principle of non-retaliation for the reporter is reminded during the interviews in the investigation process.

This is applicable to each legal entity in the Syensqo Group ("Syensqo"). Each legal entity will be defined as “the Company” for the purpose of this policy.

2024 action plan on speak up

Via our mandatory CoBI training, 99%[1] of all employees were trained and informed on our whistleblowing policy and speak up program in 2024. Our Ethics & Compliance team is also trained on request by experts and law firms. Cases were reviewed and investigated when necessary, and disciplinary and remedial actions were implemented when required.

Internal Competition Law Policy

Syensqo aims to conduct business ethically and not enter into any business arrangements that eliminate or distort competition. Syensqo has a formal Internal Competition Law Policy that stresses the importance of strict adherence to all competition laws. Any violation of this policy may result in disciplinary action, subject to, and in conformity with, applicable laws.

This policy was drafted through a collaboration between in-house legal and external lawyers, taking into account the interests of key stakeholders. The policy was reviewed by the General Counsel (GC), and then approved by the ELT. The GC is accountable for the implementation of this policy, which is made available on the company’s internal website for all employees.

(1) Employees on long-term sick leave during the yearly 2-month window to complete the training are not included.

Syensqo has a Competition Law Compliance Program with a zero-tolerance approach to competition law infringements. As part of our Competition Law Compliance Program, we provide a competition law toolkit on the Syensqo internal website that includes up-to-date guidelines on specific areas of competition law, including guidance on dealing with competitors, dawn raids, information exchange in mergers and acquisitions transactions, swaps, price announcements and vertical relationships. To minimize cartel risks, Syensqo has a computer-based system that tracks all contacts relevant employees have with competitors through a procedure based on managerial approval.

Syensqo has a dedicated legal expert for competition law within the GC Function who is responsible for implementing the Competition Law Compliance Program and is in charge of providing competition law advice and guidance, as well as deploying effective and regular communication and training on subjects related to competition law.

2024 action plan on competition law

In 2024, the dedicated expert organized general employee training on competition law, on the use of the computerized tracking system for meetings with competitors, and ad-hoc training for specific high-risk target employee populations, all part of our Competition Law Compliance Program to achieve the objectives of our internal policy. To further minimize risks, we also upgraded our competition law toolkit in 2024, available to all employees, to reflect the latest legal developments and provide employees with practical guidelines to address recurrent questions.

Syensqo's Animal Care and Use Policy

Syensqo provides innovative products for a wide variety of uses and a large number of users. We require a proper understanding of the hazards of our products in order to carry out our activities and protect users, Syensqo personnel and the environment. There is growing demand from both regulatory authorities and the public for product risk and hazard assessments. Meeting these requirements often triggers a need to engage testing, both with and without the use of animals. To comply with new and existing chemical regulations, or to further consolidate safety data, Syensqo commissioned animal tests in 2024.

Syensqo avoids animal testing whenever possible, but in cases in which animal testing is required we commit to conducting studies that treat animals humanely, giving them the best care possible, and using all animals responsibly, with great regard for their welfare. In compliance with European cosmetic regulations, Syensqo does not perform specific testing on animals solely to support cosmetic uses. Syensqo carries out tests on animals required for all regulations and applications relating to a given substance just once, unless specifically requested by any authority worldwide. Whenever possible, we avoid the need for new studies by actively advocating for the reuse of data from studies conducted within a given framework, such as REACH, for other registration systems.

Syensqo's Animal Care and Use Policy is to apply the "3R principles" (Replacement, Reduction and Refinement) in each case and to comply with all applicable regulations. All of our studies comply with international standards, such as OECD guidelines. Regulatory studies are almost exclusively performed by laboratories accredited by the Association for Assessment and Accreditation of Laboratory Animal Care International (AAALAC). Once a study is underway, Syensqo staff monitor the execution and quality of the studies and maintain a continuous qualification and evaluation program for the laboratories.

While studies are needed for regulatory and scientific purposes, Syensqo continues to strengthen its capabilities and understanding of alternative methodologies that do not involve vertebrate animals.

Syensqo is a member of the European Partnership for Alternative Approaches to Animal Testing (EPAA), pooling efforts to accelerate alternative approaches to animal studies at national, European, and global levels. It also takes part in NAM related working groups in professional associations such as the Cefic.

Syensqo's Animal Care and Use Policy is applicable to all of our operations and businesses. The Syensqo Animal Care and Use Committee (SACUC) oversees the implementation of this policy and monitors the use of animals in studies, aiming to minimize animal experimentation.

The Group Product Stewardship Director is accountable for implementation, ensuring that it is effectively integrated into Syensqo's operations and aligned with our sustainability goals. Consideration given to the interests of key stakeholders in setting the policy and how we make it available is described in *section 5.1.1 Sustainability operational governance*.

2024 action plan on animal care and use

To comply with new and existing chemical regulations, or to further consolidate safety data, we commissioned animal tests in 2024. Our dedicated corporate committee reviewed these animal testing activities to verify conformity with the principles and mandatory elements of our Animal Care and Use Policy and limit our impact.

5.4.1.2.2 Evaluate effectiveness of business conduct topics, corporate culture, and grievance mechanisms

Accounting policy

Please refer to the account policy in *section 5.3.1.7. Human rights metrics* and *section 5.3.3.3.1. With our own workforce* for the description of metrics used to evaluate performance and effectiveness of business conduct topics, corporate culture, and grievance mechanisms

5.4.1.3 Main memberships and partnerships and policy engagement

Syensqo engages with industry groups, legislators, and other key stakeholders on numerous topics related to, among other things, sustainability-related topics and economic policies that are critical to our global businesses. For example, policy files on which we collaborate with external stakeholders include: the Green Deal, Chemical Strategy for Sustainability, Circular Economy, REACH, Industrial Policy, Critical Raw Materials Act, Internal Market, intellectual property, taxation, trade policy, and export control.

Syensqo promotes positions that are evidence based, and when possible aligned with other industry stakeholders. We engage on topics which are material to the company, including pollution, water resources, circular economy, consumers and end-users, and business conduct. Our main positions on these evolving topics, for which our respective material IROs(1) serve as a basis, are part of ongoing activities. Hence, Syensqo refers to the main positions of trade association channels like Cefic, American Chemistry Council, Plastics Europe, and ICCA.

Syensqo is registered in the German and EU Transparency Registers:

- European Union Transparency Register: 685934152245-39
- Deutscher Bundestag Lobby Register: R005716
- Haute Autorité pour la Transparence de la vie publique (France): 922031505 (legal entity: Specialty Operations France) - H763808846 (legal entity: Solvay France)

Our Vice-President Global Government and Public Affairs is responsible for the oversight of these activities. There was no appointment of any members of the administrative, management and supervisory bodies who held a comparable position in public administration in the last 2 years.

5.4.1.4 Fair relationship with suppliers

We have no policies, actions, or targets in regard to payment terms and late payments, as it is not material for Syensqo *(Appendix I - Detailed DMA results and clustering table).*

How we address Human Rights and environmental impacts across our value chains is described in *section 5.3.1.2 Our policies pertaining to Human Rights*, in particular the policy Sustainable Procurement and in *section 5.2.2.1 Product design and Process safety in the value chain*.

A specific action plan is in place for risk-exposed commodities: conflict minerals and palm oil and derivatives, described in *section 5.3.1.2 Our policies pertaining to Human Rights*. In *section 5.2.2.1.4 Taking action in relation with Product design and Process safety in the value chain*, we explain the actions taken in regard to our environmental due diligence efforts.

In 2024, we also had supplier account management in place to discuss business opportunities, long-term alignment, mutually beneficial sustainability topics, etc. Buyers have access to training via the TfS training academy, and take financial and ESG criteria into account in the supplier selection process. These ESG criteria are also included in the supplier evaluation process. Furthermore, the procurement function is collectively incentivized to progress on selected ESG indicators through the sustainability portion of the Short Term Incentive, representing 15%. In 2024, the objectives related to: a combination of leading and lagging indicators for the upstream Scope 3 via the collection of Supplier Product Carbon Footprints and the achieved reduction of emissions; Human Rights due diligence via the number of third-party assessments; and a pilot to engage with suppliers on Living Wage.

(1) in 5.2.1.2.1 Material impacts, risks and opportunities related to water, 5.2.1.4.1 Material impacts, risks and opportunities related to emissions, effluents, remediation, and product stewardship, 5.2.2.2.1 Material impacts, risks and opportunities related to circular economy, 5.3.2.1 Material impacts, risks and opportunities related to Health and Safety under 'Product Stewarship inc. product Safety', and 5.4.1.1 Material impacts, risks and opportunities related to business conduct and supply chain management

APPENDIX I - DETAILED DMA RESULTS AND CLUSTERING TABLE

Sustainability matters covered in topical ESRS		Double materiality: Own operations	Double materiality: Value chain	Non-material data points	Syensqo's terminology: Own operations	Syensqo's terminology: Value chain
ESRS E1 - Climate change						
Climate change adaptation		YES	NO		**Climate change**	
Climate change mitigation		YES	YES			
Energy		YES	YES			
ESRS E2 - Pollution						
Pollution of air		YES	YES	E2-4, DP 28b[2]	**Emissions, Effluents & Remediation**	**Product design & Process safety in the value chain**
Pollution of water		YES	YES			
Pollution of soil & process safety		YES[1]	YES			
Pollution of living organisms and food resources		NO	YES			
Substances of concern		YES	YES			**Product stewardship**
Substances of very high concern		YES	YES			
Microplastics		NO	NO		**Microplastics**	
ESRS E3 - Water and marine resources						
Water	Water consumption	YES	YES	E3-4, DP 28d[3]	**Water**	**Product design & Process safety in the value chain**
	Water withdrawals	YES	YES			
	Water discharges	YES	YES			
Marine resources	Water discharges in the oceans	NO	NO		**Marine resources**	
	Extraction and use of marine resources	NO	NO			
ESRS E4 - Biodiversity and ecosystems						
Direct impact drivers of biodiversity loss	Climate Change	YES, via E1	YES		**Biodiversity**	
	Land-use change, fresh water-use change and sea-use change	NO	YES			
	Direct exploitation	NO	YES			
	Invasive alien species	NO	YES			
	Pollution	YES, via E2	YES			
	Others	NO	NO			
Impacts on the state of species	Examples: Species population size	NO	YES			
	Examples: Species global extinction risk	NO	YES			
Impacts on the extent and condition of ecosystems	Examples: Land degradation	NO	YES			
	Examples: Desertification	NO	YES			
	Examples: Soil sealing	NO	YES			
Impacts and dependencies on ecosystem services		NO	YES			

<table>
<tr><th rowspan="2" colspan="2">Sustainability matters covered in topical ESRS</th><th colspan="3">Double materiality</th><th colspan="2">Syensqo's terminology</th></tr>
<tr><th>Own operations</th><th>Value chain</th><th>Non-material data points</th><th>Own operations</th><th>Value chain</th></tr>
<tr><td colspan="7">ESRS E5 - Circular economy</td></tr>
<tr><td colspan="2">Resources inflows, including resource use</td><td>YES</td><td></td><td rowspan="3">E5-4, DP 31 ©[4]
E5-5, DP 36 ©[5]</td><td colspan="2" rowspan="2">Circular Economy</td></tr>
<tr><td colspan="2">Resource outflows related to products and services</td><td>YES</td><td></td></tr>
<tr><td colspan="2">Waste</td><td>YES</td><td>YES</td><td>Waste</td><td>Product design & Process safety in the value chain</td></tr>
<tr><td colspan="7">ESRS S1 - Own workforce</td></tr>
<tr><td rowspan="8">Working conditions</td><td>Secure employment</td><td>YES</td><td>N/A</td><td rowspan="17"></td><td rowspan="7">Labor practices & Talent management</td><td rowspan="17">N/A</td></tr>
<tr><td>Working time</td><td>YES</td><td>N/A</td></tr>
<tr><td>Adequate wages</td><td>YES</td><td>N/A</td></tr>
<tr><td>Social dialogue</td><td>YES</td><td>N/A</td></tr>
<tr><td>Freedom of association, the existence of works councils and the information, consultation and participation rights of workers</td><td>YES</td><td>N/A</td></tr>
<tr><td>Collective bargaining, including rate of workers covered by collective agreements</td><td>YES</td><td>N/A</td></tr>
<tr><td>Work-life balance</td><td>YES</td><td>N/A</td></tr>
<tr><td>Health and safety</td><td>YES</td><td>N/A</td><td>Employee health & safety</td></tr>
<tr><td rowspan="5">Equal treatment and opportunities for all</td><td>Gender equality and equal pay for work of equal value</td><td>YES</td><td>N/A</td><td>Fair & inclusive culture</td></tr>
<tr><td>Training and skills development</td><td>YES</td><td>N/A</td><td>Labor practices & Talent management</td></tr>
<tr><td>Employment and inclusion of persons with disabilities</td><td>YES</td><td>N/A</td><td rowspan="3">Fair & inclusive culture</td></tr>
<tr><td>Measures against violence and harassment in the workplace</td><td>YES</td><td>N/A</td></tr>
<tr><td>Diversity</td><td>YES</td><td>N/A</td></tr>
<tr><td rowspan="4">Other work-related rights</td><td>Child labour</td><td>NO</td><td>N/A</td><td rowspan="4">Own workers' Human Rights</td></tr>
<tr><td>Forced labour</td><td>NO</td><td>N/A</td></tr>
<tr><td>Adequate housing → Linked to adequate wages under working conditions</td><td>Via living wage</td><td>N/A</td></tr>
<tr><td>Privacy</td><td>NO</td><td>N/A</td></tr>
</table>

Sustainability matters covered in topical ESRS		Double materiality: Own operations	Double materiality: Value chain	Double materiality: Non-material data points	Syensqo's terminology: Own operations	Syensqo's terminology: Value chain
ESRS S2 - Workers in the value chain						
Working conditions	Secure employment	N/A	NO		***N/A***	**Labor practices & Talent management**
	Working time	N/A	NO			
	Adequate wages	N/A	NO			
	Social dialogue	N/A	NO			
	Freedom of association, including the existence of work councils	N/A	NO			
	Collective bargaining	N/A	NO			
	Work-life balance	N/A	NO			
	Health and safety	N/A	YES			**Value chain workers' Human Rights**
Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value	N/A	NO			**Fair & inclusive culture**
	Training and skills development	N/A	NO			**Labor practices & Talent management**
	The employment and inclusion of persons with disabilities	N/A	NO			**Fair & inclusive culture**
	Measures against violence and harassment in the workplace	N/A	NO			
	Diversity	N/A	NO			
Other work-related rights	Child labour	N/A	YES			**Value chain workers' Human Rights**
	Forced labour	N/A	YES			
	Adequate housing	N/A	NO			
	Water and sanitation	N/A	NO			
	Privacy	N/A	NO			
ESRS S3 - Affected communities						
TOPIC ADDED BY SYENSQO: Communities' Health, safety & wellbeing		YES	YES		**Site stewardship & Community engagement**	**Communities quality of life**
Communities' economic, social and cultural rights	Water and sanitation	YES	NO			
	Adequate housing	NO	NO		**Communities' economic, social and cultural rights**	**Communities' economic, social and cultural rights**
	Adequate food	NO	YES			**Communities quality of life**
	Land-related impacts	NO	NO			**Communities' economic, social and cultural rights**
	Security-related impacts	NO	YES			**Communities quality of life**
Communities' civil and political rights	Freedom of expression	NO	NO		**Communities' civil and political rights**	**Communities' civil and political rights**
	Freedom of assembly	NO	NO			
	Impacts on Human Rights defenders	NO	NO			
Rights of indigenous peoples	Free, prior and informed consent	NO	NO		**Rights of indigenous peoples**	**Rights of indigenous peoples**
	Self-determination	NO	NO			
	Cultural rights	NO	NO			

Sustainability matters covered in topical ESRS		Double materiality: Own operations	Double materiality: Value chain	Double materiality: Non-material data points	Syensqo's terminology: Own operations	Syensqo's terminology: Value chain
ESRS S4 - Consumers and end-users						
Information-related impacts for consumers and/or end-users	Privacy	N/A	NO		N/A	**Commercial practices toward end-users**
	Freedom of expression	N/A	NO			
	Access to (quality) information	N/A	YES			**Product stewardship, incl. product safety**
Personal safety of consumers and/or end-users	Health and safety	N/A	YES			
	Security of a person	N/A	NO			**Commercial practices toward end-users**
	Protection of children	N/A	NO			
Social inclusion of consumers and/or end-users	Non-discrimination	N/A	NO			
	Access to products and services	N/A	NO			
	Responsible marketing practices	N/A	NO			
ESRS G1 - Business conduct						
Corporate culture		YES	NO	G1-5, DP 29 (b)[6]	**Business Ethics**	**Business Ethics**
Protection of whistleblowers		YES	NO			
Animal welfare		YES	NO			
Political engagement		YES	NO			
Management of relationships with suppliers including payment practices	Incentives on engagement with suppliers (Topic added by Syensqo)	NO	NO		**Supply chain Management**	**Supply chain Management**
	Payment terms (Topic added by Syensqo)	NO	NO			
	The screening and evaluation of social and environmental performance of suppliers (Topic added by Syensqo)	YES	NO			
Corruption and bribery	Prevention and detection including training	YES	YES		**Business Ethics**	**Business Ethics**
	Incidents	YES	YES			
TOPIC ADDED BY SYENSQO: Antitrust / Anti-competition		YES	NO			

(1) For non-ongoing operations/activities only.
(2) E2-4, DP 28b: Microplastics generated or used by the undertaking is not material based on the DMA results.
(3) E3-4, DP 28d: An approach on water storage at Group level is not viable for Syensqo, given the size in volume that would be required. Additionally, the sites with the highest demand for water intake represent 12% of the total sites, meaning that the contribution of water storage from 88% of the sites is not significant in a corporate level analysis. On the other hand, water storage shall remain a best practice recommended for small sites under hydric stress in the frame of the Group policy on water risks mitigation. This is in accordance with the industry best practices of developing local solutions for specific situations.
(4) E5-4, DP 31 (c) is not material for packaging: Our annual packaging spend & volume is relatively low, and this is largely due to our strategic use of bulk packaging and the re-use of packaging whenever possible.
*(5) E5-5, DP 36 (c) **Products:** Products sold that are consumed and transformed by customers, is making the concept of recyclability of our chemicals inapplicable. **Packaging:** Our annual packaging spend & volume is relatively low, and this is largely due to our strategic use of bulk packaging and the re-use of packaging whenever possible.*
(6) G1-5, DP 29 (b) is not material: As specified in our Code of Business Conduct, the Group does not take part in party political activities nor does it make financial or in-kind contributions to policymakers. Hence, we have no material IRO and nothing to report. However, we do engage in a constructive debate with public authorities on subjects of legitimate interest to Syensqo. Only those employees specifically authorized to do so will carry out these activities. In this respect, we may support non-governmental organizations. Syensqo respects the freedom of our employees to make their own political decisions. Any personal participation or involvement by an employee in the political process must be on an individual basis, on the employee's own time and at the employee's personal expense.

APPENDIX II - DATAPOINTS THAT DERIVE FROM OTHER EU LEGISLATION

The table below includes all of the datapoints that derive from other EU legislation as listed in ESRS 2 appendix B, indicating where the data points can be found in our report and which data points are assessed as 'Not material'.

Disclosure Requirement and related datapoints	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section in Sustainability Statements
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	X		X		*3.3.1 The Board of Directors*
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			X		*3.3.1 The Board of Directors*
ESRS 2 GOV-4 Statement on due diligence paragraph 30	X				*5.1.5 Statement on sustainability due diligence*
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	X	X	X		*Not material*
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	X	X			*Not material*
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	X		X		*Not material*
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			X		*Not material*
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				X	*5.2.1.1.2 Transition plan for climate change mitigation*
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)			X		*5.2.1.1.2 Transition plan for climate change mitigation*
ESRS E1-4 GHG emission reduction targets paragraph 34	X	X	X		*Sustainability Statements:1.1.4 Climate related target*
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	X				*5.2.1.1.6 Climate related Metrics*
ESRS E1-5 Energy consumption and mix paragraph 37	X				*5.2.1.1.6 Climate related Metrics*
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	X				*5.2.1.1.6 Climate related Metrics*
ESRS E1-6 Gross scope 1, 2, 3 and Total GHG emissions paragraph 44	X	X	X		*5.2.1.1.6 Climate related Metrics*
Gross GHG emissions intensity paragraphs 53 to 55	X	X	X		*5.2.1.1.6 Climate related Metrics*
ESRS E1-7 GHG removals and carbon credits paragraph 56				X	*5.2.1.1.7 GHG removals and GHG mitigation projects financed through carbon credits*
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			X		*Not material*
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) **ESRS E1-9** Location of significant assets at material physical risk paragraph 66 (c)		X			*Not material*
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)		X			*Not material*
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			X		*Not material*

Disclosure Requirement and related datapoints	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section in Sustainability Statements
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	X				*5.2.1.4.2 Emissions, Effluents and remediation*
ESRS E3-1 Water and marine resources paragraph 9	X				*5.2.1.2.2 Water Policy and management approach* *5.2.2.1.2 Our policies and management approach*
ESRS E3-1 Dedicated policy paragraph 13	X				*5.2.1.2.2 Water Policy and management approach* *5.2.2.1.2 Our policies and management approach*
ESRS E3-1 Sustainable oceans and seas paragraph 14	X				*Not material*
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	X				*5.2.1.2.5 Water consumption and withdrawal metrics*
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	X				*5.2.1.2.5 Water consumption and withdrawal metrics*
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	X				*5.2.1.5.1 Material impacts, risks and opportunities related to biodiversity*
ESRS 2- IRO 1 - E4 paragraph 16 (b)	X				*5.2.1.5.1 Material impacts, risks and opportunities related to biodiversity*
ESRS 2- IRO 1 - E4 paragraph 16 (c)	X				*5.2.1.5.1. Material impacts, risks and opportunities related to biodiversity*
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	X				*5.2.1.5.2 Biodiversity at Syensqo*
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	X				*Not material*
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	X				*5.2.1.5.2 Biodiversity at Syensqo*
ESRS E5-5 Non-recycled waste paragraph 37 (d)	X				*5.2.1.3.5 Resource outflows - waste metrics*
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	X				*5.2.1.3.5 Resource outflows - waste metrics*
ESRS 2- SBM3 - S1 Risk of incidents of forced labor paragraph 14 (f)	X				*5.3.1.1 Material impacts, risks and opportunities related to Human Rights*
ESRS 2- SBM3 - S1 Risk of incidents of child labor paragraph 14 (g)	X				*5.3.1.1 Material impacts, risks and opportunities related to Human Rights*
ESRS S1-1 Human rights policy commitments paragraph 20	X				*5.3.1.2.1 Human Rights Policy*
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21		X			*5.3.1.2.1 Human Rights Policy*
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	X				*Not material*
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	X				*5.3.2.2.1 Health and safety policy on our sites*
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	X				*5.4.1.2.1 Business ethics policies, corporate culture, and grievance mechanisms*
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	X		X		*5.3.2.2.6 Health and safety on our site indicators*

Disclosure Requirement and related datapoints	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section in Sustainability Statements
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	X				*Not material*
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)II	X		X		*5.3.3.7.5 Remuneration metrics*
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	X				*5.3.3.7.5 Remuneration metrics*
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	X				*5.3.1.7 Human rights metrics*
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	X		X		*5.3.7 Human rights metrics*
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	X				*5.3.1.1 Material impacts, risks and opportunities related to Human Rights*
ESRS S2-1 Human rights policy commitments paragraph 17	X				*5.3.1.2.1 Human Rights Policy*
ESRS S2-1 Policies related to value chain workers paragraph 18	X				*5.3.1.2.1 Human Rights Policy*
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	X		X		*5.3.1.7 Human rights metrics*
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			X		*5.3.1.2.1 Human Rights Policy*
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	X				*5.3.1.7 Human rights metrics*
ESRS S3-1 Human rights policy commitments paragraph 16	X				*5.3.2.4 Health and Safety of communities*
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	X		X		*5.3.1.7 Human rights metrics*
ESRS S3-4 Human rights issues and incidents paragraph 36	X				*5.3.1.7 Human rights metrics*
ESRS S4-1 Policies related to consumers and end-users paragraph 16	X				*5.3.2.3.1 Health and safety policy in our value chains*
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	X		X		*5.3.2.3.1 Health and safety policy in our value chains*
ESRS S4-4 Human rights issues and incidents paragraph 35	X				*5.3.1.7 Human rights metrics*
ESRS G1-1 UN Convention against Corruption paragraph 10 (b)	X				*5.4.1.2.1 Business ethics policies, corporate culture, and grievance mechanisms*
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	X				*5.4.1.2.1 Business ethics policies, corporate culture, and grievance mechanisms*
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	X		X		*5.4.2.2 Prevention and detection of corruption and bribery*
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	X				*5.4.1.2.2 Prevention and detection of corruption and bribery*

APPENDIX III - UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

UN Sustainable Development Goals	Reference
SDG 3: Good health and well-being	5.3.2 Protecting human health
SDG 5: Gender equality	5.3.3 Unleashing the power of our explorers
SDG 6: Clean water and sanitation	5.2.1.2 Water 5.2.1.4 Emissions, effluents & remediation, and product stewardship 5.2.2.1 Product design and Process safety in the value chain 5.3.2 Protecting human health
SDG 7: Affordable and clean energy	5.2.1.1 Climate change
SDG 8: Decent work and economic growth	5.3.1 Defending workers and communities' Human Rights 5.3.3 Unleashing the power of our explorers
SDG 12: Responsible consumption and production	5.2.2 Generating sustainable growth 5.2.1.3 Waste
SDG 13: Climate action	5.2.1.1 Climate change
SDG 15: Life on land	5.2.1.1 Climate change 5.2.1.4 Emissions, effluents & remediation, and product stewardship 5.2.1.5 Biodiversity
SDG 17: Partnership for the goals	5.4.1.3 Main memberships and partnerships and policy engagement

APPENDIX IV - NOT PART OF THE SUSTAINABILITY STATEMENT

NUMBER OF ACCIDENTS

	Units	2024(1)	2023(1)	2022(1)	2021(1)
LTII - Employees	Number	16	13	20	22
LTII - Employees and contractors	Number	17	15	26	27

ACCIDENT FREQUENCY RATES

	Units	2024(1)	2023(1)	2022(1)	2021(1)
LTIIR - Employees	Accidents per 200,000 hours worked	0.10	0.12	0.19	0.21
LTIIR - Employees and contractors	Accidents per 200,000 hours worked	0.11	0.09	0.18	0.19

(1) Not covered by the Independent Auditor's limited assurance report.

Syensqo uses the United States Occupational Safety and Health Administration's (OSHA) definitions of occupational accidents, covering these indicators:.

- Lost Time Injury or Illness (LTII): a work-related injury or illness that results in a work interruption of one or more days, not including the day of the accident
- Lost Time Injury and Illness Rate (LTIIR): the number of LTIIs resulting from an accident per 200,000 work hours. For more information related to Employees, contractors and worked hours definitions and methodologies, see the accounting policy in section 5.3.2.2.6 Health and safety on our site indicators.

06

FINANCIAL STATEMENTS

6 FINANCIAL STATEMENTS

6.1 Consolidated financial statements

Syensqo SA/NV (the "Company" or "Syensqo") is a public limited liability company governed by Belgian law and listed on Euronext Brussels. The principal activities of the Company, its subsidiaries, joint ventures and associates (jointly the "Group" or "Syensqo Group") are described in note F1 Revenue and Segment Information.

The Syensqo Group operates 62 sites in 30 countries, employs over 13,000 employees and delivered net sales of €6.6 billion in 2024. Syensqo SA is the Group's ultimate parent with its registered office located at Rue de la Fusée 98, B – 1130 Brussels, Belgium.

On March 14, 2025, the Board of Directors authorized the consolidated financial statements for issuance.

Main events and changes in the consolidation scope

Environmental liabilities

On June 28, 2023, Solvay Specialty Polymers USA, LLC ("Solvay Specialty Polymers"), a subsidiary of Syensqo SA, and the New Jersey Department of Environmental Protection (NJDEP) announced an agreement resolving certain PFAS related claims in New Jersey.

The agreement, which is not an admission of liability, was structured as a Judicial Consent Order and it was presented to the US Court for review and approval, which was obtained on March 1, 2024 and became final and binding.

Under the terms of the agreement, Solvay Specialty Polymers paid US$75 million to NJDEP for Natural Resource Damages (NRDs) and US$100 million to fund NJDEP PFAS remediation projects in areas of New Jersey near the Reporting Entity's West Deptford site. The settlement included commitments for Solvay Specialty Polymers to complete remediation activities that began in 2013, including testing water and soil near the West Deptford site. Solvay Specialty Polymers established a remedial funding source in the initial amount of US$ 214 million to fund those activities. As a result of this settlement, Solvay Specialty Polymers had increased its environmental provision by around US$ 250 million (€229 million) in 2023.

Following the approval of the Judicial Consent Order by the US Court, an amount of US$180 million (€167 million) was reclassified from "Other (current) provisions" to "Other (current) liabilities" as of March 31, 2024 and that amount was paid in April 2024 (in the Statement of Cash flows, it is included in the Changes in working capital). The balance of the provision will be spent over a 30-year period and is included in Other non-current provisions.

The environmental provision recorded is based on the net present value of the cash flow forecast needed, for current and future years, to settle the remediation obligations. This provision represents the estimated cash out and does not reflect expected recoveries from third-party contributors nor does it reflect the potential insurance proceeds, the combination of which could significantly reduce the resultant costs.

The Group submitted certain claims from its environmental liability insurance and received and recognized €32 million as a preliminary settlement of these insurance policy claims in February 2024. Other unrecognized insurance proceeds and recovery from third-party contributors are still under discussion.

See note F26 Provisions.

Bond issuance

On June 4, 2024, the Group issued senior bonds for a nominal amount of US$1.2 billion across two tranches:

- US$600 million bond with a 5-year maturity and a 5.65% fixed coupon;
- US$600 million bond with a 10-year maturity and a 5.85% fixed coupon.

Proceeds from the bond issuance were used for general corporate purposes, including the repayment of the bridge loan facility set up by Syensqo at the end of 2023 in relation to the demerger from Solvay. The bridge loan facility was repaid in June 2024.

The bonds are recognized as long-term financial liabilities and measured at amortized cost in accordance with IFRS 9 Financial Instruments.

See note F27 Financial Instruments.

Share buyback programs

In 2024, the Group had various share buyback programs that were carried out under the terms and conditions approved by the Extraordinary General Shareholders' meeting held on December 8, 2023.

In June 2024, the Group launched the first share buyback program. The repurchase of Syensqo shares under this share buyback program was intended to cover current and future obligations under Syensqo's current Long Term Incentive plans for its employees. Syensqo acquired 983,000 Syensqo shares for a total price of €74 million. All acquired shares are recognized as treasury shares.

On September 30, 2024, the Group announced that the Board approved a plan to commence a new share buyback program for a value of up to €300 million. The purpose of the program is to further enhance Syensqo's capital structure and efficiency, canceling all shares repurchased as part of the program and thereby reducing the issued share capital of the Company. The program will be carried out under the terms and conditions approved by the Extraordinary General Shareholders' meeting held of December 8, 2023. It will be conducted in accordance with applicable regulations, and executed by an independent intermediary. The program will be executed in numerous independent tranches.

On November 5, 2024, the Group launched the first tranche of the €300 million buyback program. The Group completed this first tranche on November 27, 2024 and acquired 658,488 Syensqo shares for a total price of €50 million.

On December 4, 2024, the Group launched the second tranche of the €300 million buyback program. This tranche will run until February 26, 2025 and will cover a maximum amount of up to €50 million. The contractual mandate with the independent financial intermediary may be canceled at any time, therefore, in accordance with IFRS 9 Financial Instruments, no financial liability is recognized at December 31, 2024 for the €50 million mandate. By December 31, 2024, the Group had acquired 185,000 Syensqo shares for a total price of €14 million in the second tranche of the program.

All the 843,488 shares acquired in November and December 2024 under the €300 million buyback program were canceled in December 2024 (See Note F22).

Pension risk management

On September 17, 2024, the Group announced a significant step in its ongoing commitment to the financial stability of its retirees in the US and Canada by reducing its pension obligations through the purchase of group annuity contracts. This strategic move is designed to reduce the Group's gross pension obligations and associated volatility risk, while enhancing the long term security of pension benefits for its retirees.

Syensqo has, in August 2024, entered into agreements with Pacific Life Insurance Company ("Pacific Life") and RBC Insurance ("RBC"), to transfer some of its legal and constructive pension obligations with no change to the benefits for its retirees. The transfer resulted in a settlement of its US$485 million gross pension obligation. Considering that the plans were fully funded, it did not result in any additional cash funding requirement.

RBC will begin paying and administering the retirement benefits of affected retirees and beneficiaries in Canada from December 2024 and Pacific Life will similarly do the same for US retirees and beneficiaries from January 2025.

The US and Canada defined benefit obligations have decreased by US$470 million and CAD $20 million respectively, while US$450 million and CAD$20 million of plan assets have been derecognized as a result of the transfer.

See note F25 Employee Benefits for further details.

Consolidated income statement

In € million	Notes	2024	2023
Sales	*(F1)*	6,846	7,065
of which revenue from non-core activities	*(F1)*	283	231
of which net sales		6,563	6,834
Cost of goods sold		-4,627	-4,690
Gross profit		**2,219**	**2,375**
Commercial costs		-308	-296
Administrative costs		-697	-521
Research and development costs		-342	-339
Other operating gains and (losses)	*(F3)*	-161	-141
Earnings from associates and joint ventures	*(F18)*	21	25
Results from portfolio management and major restructuring	*(F4)*	-243	-388
Results from legacy remediation and major litigations	*(F4)*	-18	-168
EBIT		**471**	**547**
Cost of borrowings	*(F5)*	-113	-190
Interest on loans and short term deposits	*(F5)*	22	81
Other gains and (losses) on net indebtedness	*(F5)*	-4	-31
Cost of discounting provisions	*(F5)*	-18	-28
Result from equity instruments measured at fair value		-7	10
Profit/(loss) for the year before taxes		**352**	**389**
Income taxes	*(F6)*	-357	-192
Profit/(loss) for the year		**-5**	**197**
attributable to:			
- Syensqo share		-5	193
- non-controlling interests		0	3
Basic earnings per share (€)	*(F7)*	-0.05	1.83
Diluted earnings per share (€)	*(F7)*	-0.05	1.82

Consolidated statement of comprehensive income

In € million	Notes	2024	2023
Profit/(loss) for the year		**-5**	**197**
Other comprehensive income			
Gains and (losses) on hedging instruments in a cash flow hedge	*(F8)*	40	-50
Currency translation differences	*(F8)*	213	-169
Share of other comprehensive income of associates and joint ventures	*(F8)*	6	-6
Recyclable components		**260**	**-225**
Gains and (losses) on equity instruments measured at fair value through other comprehensive income	*(F8)*	-3	-6
Remeasurements of the net defined benefit liability	*(F8)*	-78	-35
Non-recyclable components		**-81**	**-41**
Income tax relating to recyclable and non-recyclable components	*(F6)*	-10	28
Other comprehensive income/(loss), net of related tax effects	***(F6)***	**168**	**-238**
Comprehensive income/(loss) for the year		**163**	**-41**
attributable to:			
- Syensqo share		161	-42
- non-controlling interests		2	1

Consolidated statement of cash flows

In € million	Notes	2024	2023
Profit/(loss) for the year		-5	197
Adjustments to profit / (loss) for the year		1,278	1,472
- Depreciation, amortization and impairments	*(F2)*	732	739
- Earnings from associates and joint ventures	*(F18)*	-21	-25
- Other non-operating and non-cash items	*(F9)*	7	-62
- Additions and reversals of employee benefits and provisions	*(F25, F26)*	84	470
- Net financial charges & gains and losses on investments at fair value through P&L		119	158
- Income tax expense/income	*(F6.F)*	357	192
Changes in working capital	*(F10)*	-123	108
Use of provisions and payments for employee benefits	*(F25, F26)*	-148	-134
Additional voluntary contributions (pension plans)	*(F25)*	0	-86
Dividends received from associates and joint ventures	*(F18)*	20	6
Income taxes paid (excluding income taxes paid on sale of investments)	*(F6.F)*	-181	-288
Cash flow from operating activities		**841**	**1,275**
of which cash flow related to the Partial Demerger and portfolio management and excluded from Free Cash Flow		*-122*	*-105*
Acquisition (-) of subsidiaries	*(F11)*	-4	-2
Acquisition (-) of investments - Other	*(F11)*	-3	-14
Loans to associates and non-consolidated companies and related parties		-5	0
of which with remaining Solvay Group		*0*	*0*
Loan repayments from associates and non-consolidated companies		0	172
of which with remaining Solvay Group		*0*	*172*
Sale (+) of subsidiaries and investments	*(F11)*	13	32
Acquisition (-) of tangible and intangible assets	*(F11)*	-624	-850
of which property, plant and equipment	*(F11)*	*-509*	*-762*
of which capital expenditures required for the partial demerger and excluded from Free Cash Flow	*(F11)*	*-14*	*-54*
of which intangible assets	*(F11)*	*-115*	*-88*
Sale (+) of property, plant and equipment and intangible assets	*(F11)*	9	1
Dividends from equity instruments measured at fair value		2	1
Change in Internal Bank Accounts with remaining Solvay Group	*(F28)*	0	-570
Changes in non-current financial assets		0	-1
Cash flow from investing activities		**-612**	**-1,231**

In € million	Notes	2024	2023
Capital injection / reimbursements from non-controlling interesting interests		9	7
Acquisition (-) / sale (+) of treasury shares	*(F22)*	-137	3
Increase in borrowings	*(F28)*	1,315	1,755
of which from remaining Solvay Group		*0*	*771*
Repayment of borrowings	*(F28)*	-1,566	-3,208
of which to remaining Solvay Group		*0*	*-2,270*
Changes in other financial assets	*(F28)*	-22	-4
Payment of lease liabilities	*(F28)*	-61	-53
Net interests paid		-74	-119
Coupons paid on perpetual hybrid bonds	*(F22)*	-13	0
Dividends paid to Syensqo shareholders	*(F12)*	-170	0
Dividends paid to non-controlling interests		-2	-8
Dividends paid to Solvay Group	*(F12)*	0	-436
Dividends received from Solvay Group	*(F12)*	0	1,305
Other transactions with Solvay Group	*(F12)*	0	1,656
Other	*(F13)*	0	-9
Cash flow from financing activities		**-723**	**890**
Net change in cash and cash equivalents		**-493**	**934**
Currency translation differences		2	-28
Opening cash balance		1,150	244
Closing cash balance	*(F28)*	**659**	**1,150**

Prior to the Partial Demerger, changes in receivables or liabilities from the cash pooling agreements, as well as proceeds from and repayments of loans with the Remaining Solvay Group were included in the line items "Increase / Repayment of borrowings" in the cash flows from financing activities of the consolidated statements of cash flows and the related amount is provided in dedicated lines. When an intercompany bank account, that was part of the cash pool, was in a structural asset position for Syensqo, the related changes were reflected in cash flows from investing activities.

Transactions with the Remaining Solvay Group that were treated as contributions from or distributions to shareholders are included in the consolidated statements of cash flows. Such transactions resulted from the inclusion of expenses or income in the consolidated financial statements such as taxes of Mixed Entities, restructuring costs, employee benefit charges, charges for usage of shared assets, that are considered to be immediately settled by the Remaining Solvay Group.

In the consolidated statements of cash flows such expenses or income resulted respectively in cash outflows or inflows presented as part of the cash flow from operating activities and they are offset by the contributions from or distributions to shareholders presented as "Other transactions with Solvay Group" in the cash flows from financing activities. Intercompany Bank Accounts between Syensqo and the Remaining Solvay Group, in place over the periods presented and eliminated as part of the consolidation procedures applied for the Solvay Group Consolidated Financial Statements, were reinstated in the Syensqo Consolidated Financial Statements.

When those intercompany bank accounts, part of the cash pooling system, were in a structural asset position for Syensqo, the related changes are presented in the line "Change in internal bank accounts with Remaining Solvay Group" as part of the cash flow from investing activities.

At the end of December 2023, there were no longer any remaining intercompany bank accounts between Syensqo and the Remaining Solvay Group as the accounts were settled at or prior to the Partial Demerger following the completion of the Legal Reorganization.

Consolidated statement of financial position

In € million	Notes	December 31, 2024	December 31, 2023
ASSETS			
Intangible assets	*(F14)*	1,639	1,659
Goodwill	*(F15, F19)*	2,659	2,560
Property, plant and equipment	*(F16)*	3,729	3,494
Right-of-use assets	*(F17)*	188	188
Equity instruments measured at fair value	*(F27)*	86	94
Investments in associates and joint ventures	*(F18)*	208	207
Other investments		13	19
Deferred tax assets	*(F6)*	391	661
Other Loans and other assets		137	196
Other financial instruments	*(F28)*	30	30
Non-current assets		**9,079**	**9,108**
Inventories	*(F20)*	1,273	1,244
Trade receivables	*(F27)*	948	907
Income tax receivables		51	52
Other financial instruments	*(F27)*	67	48
Other receivables	*(F21)*	297	385
Cash and cash equivalents	*(F28)*	659	1,150
Current assets		**3,294**	**3,786**
Total assets		**12,373**	**12,894**
EQUITY & LIABILITIES			
Share capital	*(F22)*	1,352	1,352
Share premiums		1,022	1,022
Other reserves		5,059	5,193
Non-controlling interests	*(F23)*	50	42
Total equity		**7,482**	**7,608**
Employee benefits	*(F25)*	395	373
Other provisions	*(F26)*	314	405
Deferred tax liabilities	*(F6)*	381	428
Other non-current Financial debt	*(F28)*	1,822	2,159
Other liabilities		50	76
Non-current liabilities		**2,961**	**3,442**
Other provisions	*(F26)*	219	297
Other current Financial debt	*(F28)*	293	154
Trade payables	*(F27)*	1,001	918
Income tax payables		25	58
Other liabilities	*(F29)*	392	417
Current liabilities		**1,929**	**1,844**
TOTAL EQUITY AND LIABILITIES		**12,373**	**12,894**

Consolidated statement of changes in equity

	Equity attributable to equity holders of the parent												
								Revaluation reserve (fair value)					
In € million	Notes	Share capital	Share premiums	Treasury shares	Perpetual hybrid bonds	Retained earnings	Currency translation differences	Equity instruments measured at fair value through other compre-hensive income	Cash flow hedges	Defined benefit pension plan	Total other reserves	Non-controlling interests	Total equity
December 31, 2022		-	-	-	-	**5,002**	**-130**	**4**	**3**	**44**	**4,922**	**24**	**4,946**
Profit for the year		-	-	-	-	193	-	-	-	-	193	3	197
Items of other comprehensive income	*(F8)*	-	-	-	-	0	-173	3	-32	-33	-235	-3	-238
Comprehensive income		-	-	-	-	**193**	**-173**	**3**	**-32**	**-33**	**-42**	**1**	**-41**
Capital increase		-	-	-	-	-	-	-	-	-	-	7	7
Transactions with Solvay Group		-	-	-62	494	2,247	1	0	-9	1	2,672	20	2,692
Allocation of invested equity according to the legal structure		1,352	1,022	-	-	-2,374	-	-	-	-	-2,374	-	0
Cost of share based payment plans		-	-	-	-	11	-	-	-	-	11	-	11
Dividends		-	-	-	-	0	-	-	-	-	0	-8	-8
Acquisition (-) / sale (+) of treasury shares		-	-	2	-	-	-	-	-	-	2	-	2
December 31, 2023		**1,352**	**1,022**	**-59**	**494**	**5,079**	**-302**	**8**	**-39**	**12**	**5,193**	**42**	**7,608**
Profit for the year		-	-	-	-	-5	-	-	-	-	-5	0	-5
Items of other comprehensive income	*(F8)*	-	-	-	-	0	217	-10	38	-79	167	2	168
Comprehensive income		-	-	-	-	**-5**	**217**	**-10**	**38**	**-79**	**161**	**2**	**163**
Capital increase		-	-	-	-	-	-	-	-	-	-	9	9
Cost of share based payment plans		-	-	-	-	19	-	-	-	-	19	-	19
Dividends		-	-	-	-	-170	-	-	-	-	-170	-2	-173
Coupons of perpetual hybrid bonds		-	-	-	-	-13	-	-	-	-	-13	-	-13
Acquisition (-) / sale (+) of treasury shares		-	-	-137	-	-	-	-	-	-	-137	-	-137
Cancellation of treasury shares		-	-	64	-	-64	-	-	-	-	-	-	-
Other		-	-	4	-	2	0	-	-	0	6	-	6
DECEMBER 31, 2024		**1,352**	**1,022**	**-129**	**494**	**4,848**	**-85**	**-2**	**-1**	**-67**	**5,059**	**50**	**7,482**

Prior to the Partial Demerger, Syensqo did not constitute a group with a parent company in accordance with IFRS 10 Consolidated Financial Statements. Therefore, share capital, share premium, treasury shares and retained earnings for period ended September 30, 2023 were presented as Invested equity attributable to Syensqo. Cumulated exchange differences on currency translation of foreign operations were measured at their carrying amount included in the Solvay Group's consolidated financial statements for Dedicated Entities and pro rata the net assets transferred to Syensqo for the Mixed Entities. The changes in equity that result from transactions deemed to be immediately settled through equity and as such treated as contributions from or distributions to shareholders are included in the line "Transactions with Solvay Group", in the statements of changes in equity. Those contributions from or distributions to shareholders relate to carve-out specific considerations, such as the allocation of costs for shared services, impact of tax results recalculated on separate tax return basis, restructuring charges and employee benefit charges and from the execution of the liability management program.

Details about the "Transactions with Solvay Group" line and the reconciliation between the related amounts in the Consolidated Statements of Cash Flows and Consolidated Statements of Changes in Equity are presented in the note F12 Dividends paid to / received from the Solvay Group and other transactions with remaining Solvay Group and note F22 Equity.

6.2 Notes to the consolidated financial statements

6.2.1 IFRS general accounting policies

6.2.1.1 Basis of preparation

This information was prepared in accordance with European Regulation (EC) 1606/2002 on the application of international accounting standards dated July 19, 2002. The Group's consolidated financial statements for the year ended December 31, 2024 were prepared in accordance with IFRS Accounting Standards as published by the International Accounting Standards Board (IASB), and endorsed by the European Union.

The accounting standards applied in the consolidated financial statements for the year ended December 31, 2024 are consistent with those used to prepare the consolidated financial statements for the year ended December 31, 2023. The Group has not early adopted any other standards, interpretations or amendments that have been issued but are not yet effective.

Syensqo Combined Financial Statements

Solvay SA ("Solvay" or the "Solvay Group") announced, on March 15, 2022, that it was reviewing plans to separate into two independent, publicly traded companies:

- "SpecialtyCo" (now renamed Syensqo), which would comprise the Solvay Group's Materials segment, and the majority of the Solvay Group's Solutions segment: Novecare, Technology Solutions, Aroma Performance, and Oil and Gas (together the "Specialty Businesses" or "Syensqo Businesses"). Syensqo SA was constituted on February 27, 2023 as Specialty Holdco Belgium before it was subsequently renamed.
- "EssentialCo", which would comprise the leading mono-technology businesses in the Solvay Group's Chemicals segment and the Special Chem business (together the "Remaining Solvay Group"). Following the Partial Demerger (as defined below), the Remaining Solvay Group would consist of EssentialCo.

The separation was effected by means of a partial demerger ("scission partielle") of Solvay SA, under Belgian law, whereby Solvay SA contributed the shares and other interests it holds in the legal entities operating the Specialty Businesses, its rights and obligations under the agreements entered into with those legal entities, as well as certain other assets and liabilities under a universal succession regime ("transmission à titre universel") to Syensqo (the "Partial Demerger"). Upon completion of the Partial Demerger, Solvay SA shareholders received shares issued by Syensqo SA pro rata to their shareholdings in Solvay SA. The shares of Syensqo SA were admitted to trading on the regulated market of Euronext Brussels and Euronext Paris on December 8, 2023, immediately after the Partial Demerger. Stock exchange trading in the shares of Syensqo SA commenced on December 11, 2023.

The Partial Demerger was approved by the shareholders at the extraordinary general meeting on December 8, 2023.

In 2023, prior to the Partial Demerger, a Legal Reorganization occurred by: (i) transferring assets, liabilities and activities from legal entities that previously undertook both Specialty Businesses and Remaining Solvay Group operations (referred to as "Mixed Entities") to existing or new legal entities dedicated to either Specialty Businesses or the Remaining Solvay Group's activities; and (ii) reorganizing the ownership within the Solvay Group of all existing legal entities entirely dedicated to the Specialty Businesses before the Legal Reorganization ("Dedicated Entities"), all existing legal entities that were Mixed Entities before the Legal Reorganization and from which Remaining Solvay Group's activities have been carved out, and all new legal entities to which Specialty Businesses have been carved-out as part of the Legal Reorganization. The Legal Reorganization is a business combination under common control that is scoped out of IFRS 3 *Business Combinations*. In the absence of an IFRS standard specifically applicable to such a transaction, management elected to apply the pooling of interests method in the consolidated financial statements of Syensqo, based on the historical carrying values of the assets and liabilities of the combining entities. Syensqo SA is the continuing entity of the Reporting Entity reflected in the combined financial statements of SpecialtyCo.

The preparation of the figures in 2023 prior to the Partial Demerger date, required management to apply accounting methods and policies that are based on judgments. The application of these judgments, including how the entities within the existing Solvay Group were combined, affected the reported amounts of income and expenses prior to the Partial Demerger date.

Please refer to the following notes for further information on the judgments taken to prepare the figures for the Syensqo Group Consolidated Financial Statements prior to the Partial Demerger.

- F6 Income taxes
- F14 Intangible assets
- F16 Property, plant and equipment
- F22 Equity
- F25 Employee Benefits
- F27 Financial instruments
- F28 Net indebtedness
- F32 Related parties

Standards, interpretations and amendments applicable for the first time in 2024

Below are the standards, interpretations and amendments that became effective as of January 1, 2024 and which are relevant to the Group.

Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued 'Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)' with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15") to be accounted for as a sale. The amendments did not have a material impact on the Group's current accounting practices.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued 'Classification of Liabilities as Current or Non-current (Amendments to IAS 1)' providing a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. This amendment did not have a material impact on the classification of the Group's liabilities.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

As a result of implementing the amendments, the Group has provided additional disclosures about its supplier finance arrangements. Please refer to Note F27.

International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates, notably in Belgium where the ultimate parent entity is located. The legislation is effective for the Group's financial year beginning January 1, 2024.

For further comments, see note F6.A.

Standards, interpretations and amendments applicable for the first time after 2024

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Consolidated Financial Statements and which may have an impact on the Group are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

In August 2023 the IASB issued the amendments to IAS 21 which are effective for annual periods beginning on or after January 1, 2025 and specify when a currency is exchangeable into another currency and, consequently, when it is not, how an entity determines the exchange rate to apply when a currency is not exchangeable, and the disclosures an entity provides when a currency is not exchangeable. This amendment is not expected to have a material impact on the Group's consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements (not yet endorsed by the EU)

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 *Presentation of Financial Statements*. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

IFRS 18 also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after January 1, 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

6.2.1.2 Basis of measurement and presentation

The consolidated financial statements are presented in millions of euros, which is also the functional currency of the parent company. Rounding differences may occur in respect of individual amounts or percentages.

The preparation of the consolidated financial statements requires the use of estimates and assumptions that have an impact on the application of accounting policies and the measurement of amounts recognized in the consolidated financial statements. The areas for which the estimates and assumptions are material with respect to the consolidated financial statements are presented in the section Critical accounting judgments and Key sources of estimation uncertainty.

6.2.1.3 Principles of consolidation

6.2.1.3.1 Consolidation scope

General

The consolidated financial statements incorporate the financial statements of the Company, and:

- entities controlled by the Company (including through its subsidiaries) and that hence qualify as subsidiaries (see 3.1.2. below);
- arrangements over which the Company (including through its subsidiaries) exercises joint control, and that qualify as joint ventures (see 3.1.3. below);
- entities over which the Company (including through its subsidiaries) has significant influence and that hence qualify as associates (see 3.1.3. below).

Where necessary, adjustments are made to the financial statements of the investees so as to align their accounting policies with those of the Group.

In accordance with the principle of materiality, certain companies, which are not of a significant size, have not been included in the consolidation scope. Companies are deemed not to be significant when, during two consecutive years, they do not exceed any of the three following thresholds in terms of their contribution to the Group's accounts:

- sales of €15 million;
- total assets of €7.5 million;
- headcount of 75 persons.

Companies that do not meet these criteria are, nevertheless, consolidated where the Group believes that they have a potential for rapid development, or where they hold shares in other companies that are consolidated based on the above criteria.

In the aggregate, the non-consolidated companies have an immaterial impact on the consolidated financial statements of the Group including the operating cash flows and earnings before interest and tax.

The full list of companies can be obtained at the Company's head office.

Investments in subsidiaries

A subsidiary is an entity over which the Group has control. Control is achieved when the Group has (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. To assess whether the Group has control, potential voting rights are taken into account. Subsidiaries are fully consolidated. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition and up to the effective date of disposal.

Intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity. Non-controlling interests are initially measured, either at fair value (full goodwill method), or at the non-controlling interests' proportionate share in the recognized amounts of the acquiree's identifiable net assets (proportionate goodwill method). The choice of measurement is made on an acquisition-by-acquisition basis. Subsequent to the acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about relevant activities require the unanimous consent of the parties sharing control.

The results, assets and liabilities of associates and joint ventures are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, on initial recognition, investments in associates and joint ventures are recognized in the consolidated statement of financial position at cost, and the carrying amount is adjusted for post-acquisition changes in the Group's share of the net assets of the associate or joint venture, less any impairment of the value of individual investments. Goodwill relating to the associate or joint venture is included within the carrying amount of the investment and is assessed for impairment as part of that investment.

Losses of an associate or joint venture in excess of the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture) are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Where a Group entity transacts with an associate or joint venture of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate or joint venture.

After application of the equity method, the Group reviews its investments in associates and joint ventures for impairment. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group performs its analysis and calculates any impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognizes the loss in the consolidated income statement.

6.2.1.4 Foreign currencies

The individual financial statements of each Group entity are prepared in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group entity are expressed in euros (EUR), which is the presentation currency of the Group's consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entities' functional currency are recognized at the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the closing rate. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rate when the fair value was measured. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the initial transactions.

Exchange differences are recognized in profit or loss in the period in which they arise except for:

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income under "currency translation differences"; and
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see note F27 Financial instruments and financial risk management for hedge accounting policies).

The main exchange rates used are:

		Year-end rate		Average rate	
1 Euro =		**December 31, 2024**	**December 31, 2023**	**2024**	**2023**
Brazilian Real	BRL	6.421	5.361	5.824	5.401
Yuan Renminbi	CNY	7.586	7.838	7.788	7.661
Pound Sterling	GBP	0.829	0.869	0.847	0.870
Indian Rupee	INR	88.983	91.968	90.550	89.311
Japanese Yen	JPY	163.048	156.342	163.845	151.982
Korean Won	KRW	1,530.079	1,423.387	1,474.903	1,412.478
Mexican Peso	MXN	21.545	18.736	19.816	19.185
US Dollar	USD	1.039	1.105	1.082	1.081

6.2.1.5 Climate Change

In preparing the Consolidated Financial Statements, Syensqo's management has considered the impacts of climate change, particularly in the context of the disclosures included in the environment section of the Sustainability statement and the Syensqo Group's progression in the ambitious One Planet roadmap. In November 2023, Syensqo released new, and more ambitious, sustainability targets, structured around three pillars: climate, sustainable growth, and better life. For climate, the targets to be achieved by 2030 are:

- Achieve carbon neutrality in its operations (Scope 1 and Scope 2) by 2040. This combines a reduction of GHG emissions by at least 80% compared to the 2021 baseline and by compensating residual, hard-to-abate GHG emissions with high-integrity credits in line with the recommendations of the United Nations' High Level Expert Group on Net Zero Emissions Commitments of Non-State Actors.
- By 2030, reduce Scope 1 and 2 GHG emissions by 42% as compared to 2021 and reduce Focus 5 categories of Scope 3 GHG emissions 25% as compared to 2021. These categories represent 77% of our total Scope 3 emissions. The "Focus 5" categories include (1) purchased goods and services, (2) fuel- and energy-related activities [both upstream] as well as (3) processing, (4) use and (5) end-of-life treatment of sold products [downstream].
- By 2035, reduce Scope 1 and 2 GHG emissions by 60% compared to 2021, which is halfway between our 2030 goal and the minimum reduction level for 2040.

Our 2030 goals have been validated by the Science Based Targets initiative (SBTi) and are consistent with limiting global warming to 1.5°C in line with the Paris Agreement. The emission reduction targets cover all GHG emissions for Scope 1, Scope 2 and Focus 5 categories of Scope 3 in the GHG inventory boundaries of the company and are gross targets.

Syensqo has an internal carbon price policy under which a €100 per metric ton CO_2 is applied to all Scope 1 and 2 greenhouse gas emissions and serves as an input cost into all capital expenditure investment decisions, irrespective of prevailing market prices. This approach ensures that all investments contribute positively to the resilience of the Group in the face of climate change risk and are also oriented toward achieving carbon neutrality.

In addition to the strategic direction, policies and commitments, it is important to note that Syensqo management is taking actions aligned with its climate change goals and that sustainability goals are part of the targets for short term and long term incentive schemes (See Note F24 Share based payments). These are extensively developed in the Sustainability Ambition section. Several Scope 1 and 2 projects were initiated over the last years:

- By the end of 2024, plants representing 91% of our total energy consumption have Star Factory energy transition plans, including roadmaps to enable the use of renewable energy, energy efficiency gains, the electrification of our processes or the reduction of process emissions.
- Decarbonization actions since 2021 have achieved a structural annual reduction of 464 ktCO_2 by the end of 2024, or 22% of the 2021 baseline. Key actions in progress are expected to deliver an additional reduction of 148 ktCO_2 annually or 7% of the 2021 baseline in the years to come. They include: construction of a biomass boiler in Saint-Fons, France, replacing gas-fired boiling and using locally-sourced wood waste from building demolition and waste furniture; upgrading the chiller technology and continuing progress to reduce process emissions in Spinetta Marengo, Italy.
- Long-term solar and wind power purchase agreements, generally accounted for as executory own use contracts, and long-term contracts to purchase Renewable Energy Certificates, recorded in operating expenses. 75% of sites globally are using 100% renewable purchased electricity.

For the Scope 1 and 2 emission targets, as disclosed in the Sustainability Statements, capital expenditure up to €800 million is expected for the period 2025 to 2040, to be executed either directly or through non-consolidated schemes.

Syensqo is actively increasing the share of renewables in its energy mix, which reaches 16% in 2024. This limits Syensqo's exposure to the price fluctuation of fossil fuel energy.

Additionally, as mentioned in the sustainability statements' climate change actions plan section, Syensqo has invested €130 million in 2024 on Focused growth initiatives aiming at avoiding emissions in our value chain. Those initiatives are dedicated to lightweighting with composite materials, electrification with batteries and green hydrogen, as well as to renewable materials and biotechnology.

Syensqo management has also considered the impact of climate change in making some key estimates within the consolidated financial statements, including the execution of the One Planet strategy, which is included in the budgets, mid-term plan and long-term forecasts, which are used to:

- estimate future cash flows used in impairment assessments of the carrying value of non-current assets (such as intangible assets and goodwill) (see Note F19 Impairment);
- estimate future profitability used in the assessment of the recoverability of deferred tax assets (see Note F6 Deferred taxes), provisions, etc.

Syensqo management completed its scenario analysis and review of the climate-related transition and physical risks in 2023. For transition risks, the scenario analysis focuses on total emissions (Scope 1+2+3) and exposure to climate sensitive markets. The main takeaway is robust growth in both scenarios, 1.5°C and 3°C, with generally good resilience to cost increases. The Specialty Polymers business has the most significant opportunities in the 1.5°C scenario. Overall, physical risks are moderate in both scenarios 3°C and 4°C for the six sites with the highest exposure to contribution margin.

In summary, Syensqo's climate change risks and opportunities mentioned above were considered as part of the reporting judgments and estimates, but did not have a material impact on the consolidated financial statements for the periods presented. Further, Syensqo concludes that the climate change risk does not impact the going concern assessment at December 2024. Additional information can be found in Notes F16 Property, Plant and Equipment, F17 Right-of Use Assets and Lease Obligations and F20 Inventories.

6.3 Critical accounting judgments and key sources of estimation uncertainty

6.3.1 Critical accounting judgments

The Group has no critical accounting judgments.

6.3.2 Key sources of estimation uncertainty

Impairment

The Group performs annual impairment tests on (groups of) CGUs to which goodwill has been allocated, and each time there are indicators that their carrying amount might be higher than their recoverable amount. This analysis requires management to estimate the future cash flows expected to be generated by the CGUs and a suitable discount rate in order to calculate present value. The recoverable amount is highly sensitive to discount and growth rates.

Further details are provided in note F15 Goodwill and F19 Impairment.

Deferred tax assets

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profits will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits.

The Group has €5.3 billion (€4.7 billion in 2023) of tax losses carried forward for which no deferred tax assets were recognized. These losses relate to subsidiaries that have a history of losses, do not expire, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries do not have any taxable temporary differences that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognize deferred tax assets on these tax losses carried forward.

Further details are provided in Note F6.C. Deferred taxes in the consolidated statement of financial position and F6.D Other Information.

Defined benefit obligations - General

The actuarial assumptions used in determining the defined benefit obligations at December 31 as well as the annual cost can be found in note F25 Employee benefits. All main employee benefits plans are assessed annually by independent actuaries. Discount rates and inflation rates are defined centrally by management. The other assumptions (such as future salary increases and expected rates of medical care cost increases) are defined at a local level. All plans are supervised by the Group's central Human Resources department with the help of a central actuary to check the reasonableness of the results and ensure consistency in reporting. All assumptions are reviewed at each reporting date.

Further details are provided in note F25 Employee benefits.

Environmental provisions

Environmental provisions are managed and coordinated jointly by the Environmental Rehabilitation department and the Finance department. In case of environmental impacts stemming from historical production activities, generally, no provision is recognized for remediation works beyond the 20 years due to the inherent high level of uncertainty as to the timing and amount.

The forecasts of expenses are discounted to their present value. The discount rates fixed by geographical area correspond to the average risk-free rate on 10-year government bonds or the inflation rate if higher. These rates are set annually by the Finance Department and can be revised based on the evolution of economic parameters of the country involved. To reflect the passage of time, the provisions are increased each year at the discount rates described above.

Further details are provided in note F26 Provisions.

Provisions for litigations

Any significant litigations (post M&A and other, including threat of litigation) are reviewed by Syensqo's in-house lawyers with the support, when appropriate, of external counsels at least every quarter together with the Finance and Insurance Departments. This review includes an assessment of the need to recognize provisions, disclose contingent liabilities and/or contingent assets.

Further details are provided in note F26 Provisions and F31 Contingent assets, liabilities and financial guarantees.

Leases – Identifying whether a contract includes a lease

The Group enters into various contracts to obtain goods and services. Determining whether those contracts include a lease requires judgment. Elements that are considered include assessing whether or not there is an identified asset. To make the determination the Group considers whether or not it has the right to obtain substantially all of the economic benefit of the asset(s) throughout the period of use. Additionally, the Group assesses the extent of its decision-making rights and the existence of any substantive substitution rights. All facts and circumstances relevant to the assessment are considered and the identification of a lease is determined with the support of the departments that have the relevant knowledge, and which mainly includes the GBU management. Refer to note F17 Right-of-use assets and lease obligations for the leases that were identified by the Group and accounted for in accordance with IFRS 16 *Leases*.

Leases – Assessment of lease term

Determining the lease term requires judgment. Elements that are considered include assessing the probability that early termination options or extension options will be exercised. All facts and circumstances relevant to the assessment are considered, and the main ones have been described in note F17 Right-of-use assets and lease obligations. Lease terms are determined with the support of the departments that have the relevant knowledge, and that mainly includes the Purchasing department, and the Facilities department.

NON-IFRS (UNDERLYING) METRICS

In addition to IFRS accounts, Syensqo also presents alternative performance indicators to provide a more consistent and comparable indication of the Group's underlying financial performance and financial position, as well as cash flows. These indicators provide a balanced view of the Group's operations and are considered useful to investors, analysts and credit rating agencies as these measures provide relevant information on the Group's past or future performance, position or cash flows. These indicators are generally used in the sector it operates in and therefore serve as a useful aid for investors to compare the Group's performance with its peers.

See Glossary for definitions of adjustments (IFRS vs Underlying metrics) and Business Review for more information and reconciliation with IFRS figures.

Notes to the consolidated income statement

NOTE F1

REVENUE AND SEGMENT INFORMATION

Accounting policy

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer.

Sale of goods: Contracts can be short term (including based only on a purchase order) or long term, some have minimum off-take requirements. As the Group is in the business of selling advanced materials and specialty chemicals, contracts with customers generally concern the sale of goods. As a result, revenue recognition generally occurs at a point in time when control of the chemicals is transferred to the customer, generally on delivery of the goods.

Contracts that contain minimum off-take requirements obligate customers to pay shortfall payments if the required volumes, as defined in the contracts, are not purchased. Shortfall payments are recognized as revenue when the likelihood of the customer purchasing the minimum volume becomes remote subject to renegotiation of the contract and collectability.

The revenue of the Group consists mainly of sales of chemicals, which qualify as separate performance obligations. Value-added services – mainly customer assistance services – corresponding to Syensqo's know-how are rendered predominantly over the period that the corresponding goods are sold to the customer.

Variable consideration: some contracts with customers provide trade discounts or volume rebates. Trade discounts and volume rebates give rise to variable consideration under IFRS 15, and are required to be estimated at contract inception and subsequently at each reporting date. IFRS 15 requires the estimated variable consideration to be constrained to prevent overstatement of revenue.

Moment of recognition of revenue: revenue is recognized when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. Substantially all revenue stems from performance obligations satisfied at a point in time, i.e. The sale of goods. Revenue recognition for those takes into account the following:

- The Group has a present right to payment for the asset;
- The customer has legal title to the asset;
- The Group has transferred physical possession of the asset;
- The customer has the significant risks and rewards of ownership of the asset (in this respect, incoterms are considered); and
- The customer has accepted the asset.

Products sold to customers generally cannot be returned, other than for performance deficiencies. Customer acceptance clauses are in many cases a formality that would not affect the Group's determination of when the customer has obtained control of the goods. Revenue from services is recognized in the period those services have been rendered.

The Group sells its chemicals to its customers, (a) directly, (b) through distributors, and (c) with the assistance of agents. When the Group delivers a product to distributors for sale to end customers, the Group evaluates whether that distributor has obtained control of the product at that point in time. No revenue is recognized upon delivery of a product to a customer or distributor if the delivered product is held on consignment. Indicators of consignment inventory include:

- The product is controlled by the Group until a specified event occurs, such as the sale of the product to a customer of the distributor or until a specified period expires;
- The Group is able to require the return of the product or transfer the product to a third party (such as another distributor); and
- The distributor does not have an unconditional obligation to pay for the product (although he might be required to pay a deposit).
- Agents facilitate sales and do not purchase and resell the goods to the end customer.

Warranties: warranties provide a customer with assurance that the related product will function as the parties intended because it complies with agreed-upon specifications. Substantially all warranties do not provide the customer with a service in addition to the assurance that the product complies with agreed-upon specifications, and are hence accounted for in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

Licensing: In case of performance obligations relating to licensing intellectual property (IP), the Group assesses if it grants a right to access the IP as it exists throughout the license period or a right to use the IP as it exists at the point in time at which the license is granted. If the performance obligation is to grant a right to access, then the related revenue is recognized over the license period; otherwise, it is recognized at a point in time, i.e. when the license period starts or when the customer starts using the IP. The Group assesses if the license provided can be considered as being distinct in the context of the contract. If not, the license will have to be bundled with other goods or services provided in the contract.

An Operating Segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker and for which discrete financial information is available. Syensqo's chief operating decision maker is the Chief Executive Officer.

General

The Group organizes its structure and groups the businesses around their similarities in financial performance, products and production processes. These groups of businesses ('the operating segments') are aggregated into reportable segments when they are similar with respect to their underlying business, competencies and technologies, application, product characteristics and customer portfolio. The Group has identified three reportable segments:

- Materials, consisting of the GBUs Composite Materials and Specialty Polymers. The Materials segment offers a unique portfolio of high-performance polymers and composite technologies used primarily in sustainable mobility applications. Its solutions enable weight reduction and enhance performance while improving CO_2 and energy efficiency. Major markets served include next-generation mobility in automotive and aerospace, healthcare and electronics.
- Consumer and Resources offer a unique formulation and application expertise through customized specialty formulations for surface chemistry and liquid behavior, maximizing yield and efficiency of the processes they are used in while minimizing the eco-impact. Novecare, Technology Solutions, Aroma, and Oil & Gas focus on specific areas such as resources (improving the extraction yield of metals, minerals and oil), industrial applications (such as coatings) or consumer goods and healthcare (including vanillin and guar for home and personal care).
- Corporate & Business Services includes corporate and other business services, such as research and innovation, cogeneration units dedicated to the Syensqo activities, new business development activities (NBD) and the Peroxides activities in the Zhenjiang entity.

External net sales by segment and by GBU

In € million	2024	2023
Materials	**3,772**	**4,004**
Specialty Polymers	*2,590*	*2,936*
Composite Materials	*1,182*	*1,069*
Consumer & Resources	**2,791**	**2,826**
Novecare	*1,390*	*1,367*
Technology Solutions	*680*	*687*
Aroma Performance	*321*	*347*
Oil and Gas	*401*	*424*
Corporate & Business Services	**0**	**4**
CBS and NBD	*0*	*4*
TOTAL	**6,563**	**6,834**

There are no individual customers that contribute 10% or more to the Group's revenue or any individual segment's revenue in either 2024 or 2023.

Sales by market

Sales by market are presented in the Business Review, see note B1.

Revenue from non-core activities

This revenue primarily comprises commodity and utility third party transactions, and other revenue, considered to not correspond to Syensqo's core business, such as the sales of the Peroxides business in the Zhenjiang entity.

Total consolidated sales, including revenue from non-core activities for a total amount of €6.846 million are used as the denominator in the computation of the Eligible Turnover KPI for the EU Taxonomy in the Sustainability Statements.

Net sales by country and region

The sales disclosed below are allocated based on the customers' location.

In € million	2024	%	2023	%
Belgium	58	1%	67	1%
Germany	416	6%	456	7%
Italy	238	4%	254	4%
France	195	3%	201	3%
Netherlands	33	1%	46	1%
Spain	61	1%	55	1%
European Union - Other	275	4%	325	5%
European Union	**1,276**	**19%**	**1,403**	**21%**
Europe – Other	**266**	**4%**	**289**	**4%**
United States	2,047	31%	2,139	31%
Canada	93	1%	92	1%
North America	**2,140**	**33%**	**2,232**	**33%**
Brazil	253	4%	248	4%
Mexico	161	2%	151	2%
Latin America - Other	145	2%	155	2%
Latin America	**558**	**9%**	**553**	**8%**
Australia	69	1%	72	1%
China	964	15%	941	14%
Hong Kong	80	1%	69	1%
India	165	3%	165	2%
Indonesia	68	1%	66	1%
Japan	272	4%	344	5%
Saudi Arabia	16	0%	11	0%
South Korea	222	3%	229	3%
Thailand	45	1%	46	1%
Turkey	53	1%	49	1%
Other	368	6%	366	5%
Asia and rest of the world	**2,323**	**35%**	**2,357**	**34%**
TOTAL	**6,563**	**100%**	**6,834**	**100%**

Information per segment

2024 – In € million	**Materials**	**Consumer & Resources**	**Corporate & Business Services**	**Group Total**
Income statement items				
Net sales (including inter-segment sales)	3,772	2,795	0	6,567
- Inter-segment sales	0	-4	0	-4
Net sales	3,772	2,791	0	6,563
Revenue from non-core activities	142	27	114	283
Gross profit	1,474	733	12	2,219
Depreciation, amortization and impairments	390	1,008	79	1,477
Earnings from associates and joint ventures	11	8	2	21
Underlying EBITDA(1)	**1,185**	**449**	**-222**	**1,412**
Depreciation and amortization (other than amounts reflected below)				-533
Underlying EBIT				***879***
Corporate costs allocation				0
Other operating gains and losses				-14
Amortization of intangible assets resulting from PPA				-134
Results from legacy remediation and major litigation				-18
Results from portfolio management and major restructuring				-243
EBIT				**471**
Net financial charges				-119
Income taxes				-357
Profit/(loss) for the year				**-5**

2024 – In € million	**Materials**	**Consumer & Resources**	**Corporate & Business Services**	**Group Total**
Statement of financial position and other items				
Capital expenditures(2)	436	143	91	671
Investments	0	2	5	7
Working capital				
Inventories	815	452	6	1,273
Trade receivables	534	404	9	948
Trade payables	422	393	187	1,001

(1) Underlying EBITDA is a key performance indicator followed by management (see Business Review section for further details).
(2) Capital expenditures include Acquisitions of property, plant and equipment, Acquisition of intangible assets and Payments of lease liabilities. This is also the amount used as the denominator of the Eligibility Capex ratio presented in the Taxonomy KPIs in the Sustainability Statements.

2023 - In € million	**Materials**	**Consumer & Resources**	**Corporate & Business Services**	**Group Total**
Income statement items				
Net sales (including inter-segment sales)	4,004	2,826	4	6,834
- Inter-segment sales				
Net sales	4,004	2,826	4	6,834
Revenue from non-core activities	144	28	59	231
Gross profit	1,631	745	-2	2,375
Depreciation, amortization and impairments	383	310	46	739
Earnings from associates and joint ventures	9	9	7	25
Underlying EBITDA(1)	**1,312**	**457**	**-151**	**1,618**
Depreciation and amortization (other than amounts reflected below)				-484
Underlying EBIT				***1,134***
Corporate costs allocation				67
Other operating gains and losses related to Partial Demerger				38
Amortization of intangible assets resulting from PPA				-136
Results from legacy remediation and major litigation				-168
Results from portfolio management and major restructuring				-388
EBIT				**547**
Net financial charges				-158
Income taxes				-192
Profit/(loss) for the year				**197**

2023 - In € million	**Materials**	**Consumer & Resources**	**Corporate & Business Services**	**Group Total**
Statement of financial position and other items				
Capital expenditures(2)	557	217	73	848
Investments	0	1	14	16
Working capital				
Inventories	792	444	9	1,244
Trade receivables	485	380	42	907
Trade payables	392	357	169	918

(1) Underlying EBITDA is a key performance indicator followed by management (see Business Review section for further details).
(2) Capital expenditures include Acquisitions of property, plant and equipment, Acquisition of intangible assets and Payments of lease liabilities. This is also the amount used as the denominator of the Eligibility Capex ratio presented in the Taxonomy KPIs in the Sustainability Statements.

NON-CURRENT ASSETS, CAPITAL EXPENDITURES AND INVESTMENTS BY COUNTRY AND REGION

In € million	Non-current assets				Capital expenditures and investments			
	December 31, 2024	%	December 31, 2023	%	2024	%	2023	%
Belgium	212	2%	195	2%	-4	1%	-21	2%
Germany	43	1%	42	1%	-3	0%	-3	0%
Italy	467	5%	444	5%	-82	12%	-109	13%
France	2,025	24%	1,902	23%	-258	38%	-302	35%
European Union - Other	**51**	1%	46	1%	-4	1%	-9	1%
European Union	**2,798**	**33%**	**2,630**	**32%**	**-352**	**52%**	**-444**	**51%**
Europe - Other	159	**2%**	**147**	**2%**	**-22**	**3%**	**-20**	**2%**
United States	4,501	53%	4,404	54%	-221	33%	-286	33%
Canada	181	2%	179	2%	-18	3%	-20	2%
North America	**4,682**	**55%**	**4,583**	**56%**	**-229**	**35%**	**-306**	**35%**
Brazil	39	1%	46	1%	-4	1%	-3	0%
Latin America - Other	10	0%	9	0%	-5	1%	-4	0%
Latin America	**49**	**1%**	**55**	**1%**	**-9**	**1%**	**-6**	**1%**
Thailand	8	0%	7	0%	-1	0%	-1	0%
China	518	6%	503	6%	-40	6%	-68	8%
South Korea	20	0%	13	0%	-4	1%	-2	0%
India	228	3%	231	3%	-11	2%	-13	1%
Singapore	2	0%	1	0%	0	0%	-1	0%
Japan	2	0%	2	0%	-1	0%	-1	0%
Other	53	1%	47	1%	-1	0%	-1	0%
Asia and rest of the world	**831**	**10%**	**806**	**10%**	**-57**	**8%**	**-87**	**10%**
TOTAL	**8,521**	**100%**	**8,221**	**100%**	**-678**	**100%**	**-864**	**100%**

Non-current assets are those other than deferred tax assets, loans and other assets, other financial instruments and post-employment benefit assets. Capital expenditures and investments include acquisitions of property, plant and equipment, right-of-use assets, intangible assets and investments in subsidiaries and other investments (joint ventures and associates).

NOTE F2

CONSOLIDATED INCOME STATEMENT BY NATURE

In € million	Notes	2024	2023
Net sales	*(F1)*	6,563	6,834
Revenue from non-core activities	*(F1)*	283	231
Raw materials, utilities and consumables used		-2,940	-2,931
Changes in inventories		8	-114
Personnel expenses		-1,525	-1,591
Wages and direct social benefits		-1,175	-1,219
Employer's contribution for social insurance		-270	-276
Pensions and insurance benefits		-59	-74
Other personnel expenses		-20	-22
Depreciation, amortization and impairments		-732	-739
Other variable logistics expenses		-209	-181
Other fixed expenses		-823	-605
Addition and reversal of provisions (excluding employee benefit obligations)	*(F26)*	-92	-387
Income from Cross indemnities, PFAS insurance indemnities, Energy hedging novation and Edison partial award	*(F3,F26)*	0	213
M&A costs and gains and losses on disposals	*(F4)*	-83	-208
Earnings from associates and joint ventures	*(F18)*	21	25
EBIT		471	547

Prior to the Partial Demerger, Solvay SA and other entities within the Solvay Group provided various shared services to the Syensqo businesses. These services included, but were not limited to: accounting, human resources, information technology, legal, tax, risk management and treasury services. The costs of such services that historically were charged to Syensqo businesses have been included in the Consolidated Income Statement prior to the Partial Demerger based on their historical amounts.

The costs of such services that historically were not charged to Syensqo businesses and that were reported as part of the results of the Corporate and Business Services segment in the Solvay Group Consolidated Financial Statements have been included in the pre-Partial Demerger figures based on historical relative usage.

The costs related to corporate functions that were incurred for the benefit of the Solvay Group as a whole, including but not limited to costs for Solvay SA's Board of Directors, Executive Leadership Team, Investor Relations and Corporate Communications have not been included in the pre-Partial Demerger figures.

Other fixed expenses mainly include costs of services, licenses, and professional fees.

DEPRECIATION, AMORTIZATION AND IMPAIRMENTS

in € million	2024	2023
Cost of goods sold	366	352
Administrative costs	59	39
Research and development	89	84
Other operating gains and losses	153 (of which PPA 134)	144 (of which PPA 134)
Net impairment	64	119
TOTAL	**732**	**739**

See note F19 Impairments for more details on impairment losses.

NOTE F3

OTHER OPERATING GAINS AND LOSSES

In € million	2024	2023
Start-up and preliminary study costs	-24	-25
Capital gains/losses on sales of property, plant and equipment and intangible assets	1	0
Net foreign exchange gains and losses	-5	-6
Amortization of intangible assets resulting from PPA	-134	-134
Other	0	24
Other operating gains and losses	-161	-141

Prior to the Partial Demerger, the financial instruments held by Solvay Energy Services for Syensqo CO_2 emissions met the conditions to be treated as "own use" contracts in the Syensqo Group Combined Financial Statements for the years ended December 31, 2022, 2021 and 2020. In the context of the Partial Demerger, these contracts were settled by Solvay Energy Services and reentered into, at current market prices, by the Syensqo Group. The positive difference between the instruments that were renegotiated and their carrying amount in the Solvay Group was transferred in cash to the Syensqo Group and the realized result on this contract novation (€38 million) was included in Other Operating Gains and Losses in 2023.

NOTE F4

RESULTS FROM PORTFOLIO MANAGEMENT AND MAJOR RESTRUCTURINGS, LEGACY REMEDIATION AND MAJOR LITIGATIONS

Accounting policy

Results from portfolio management and major restructurings include:

- gains and losses on the sale of subsidiaries, joint ventures, and associates that do not qualify as discontinued operations;
- acquisition costs of new businesses;
- one-off operating costs related to internal management of portfolio (carve-out of major lines of businesses);
- gains and losses on the sale of real estate not directly linked to an operating activity;
- restructuring charges driven by portfolio management and by major reorganizations of business activities, including impairment losses resulting from the shutdown of an activity or a plant;
- impairment losses (reversals) resulting from testing of CGUs.

Results from legacy remediation and major litigations include:

- the remediation costs not generated by on-going production facilities (shut-down of sites, discontinued productions, previous years' pollution); and
- the impact of significant litigations.

RESULTS FROM PORTFOLIO MANAGEMENT AND MAJOR RESTRUCTURING

In € million	2024	2023
Restructuring costs and impairment	-158	-181
Impairment	-64	-119
Restructuring costs	-94	-62
M&A costs and gains and losses on disposals	-85	-208
Results from portfolio management and major restructuring	**-243**	**-388**

In 2024, impairment losses mainly related to the CGU Oil & Gas (Consumer and Resources) for €55 million and other non performing assets for €9 million. See note F19 Impairment.

In 2023, the CGU Aroma Performance (Consumer and Resources) was impaired for €114 million following the increase in the discount rate and continued lower demand for synthetic vanillin, customer destocking and strong competition in the food, flavor & fragrance markets, despite the expected improvements from actions taken on fixed costs. See note F19 Impairment.

The restructuring costs are primarily related to the right-sizing plan announced by the Group in November 2024 to adapt its organization, better meet the evolving needs of its customers and focus on projects that will accelerate growth. The related restructuring provision is based on a reduction of approximately 400 positions, primarily in France, the United States, Belgium and Italy. See note F26 Provisions.

In 2024, M&A costs mainly relate to separation costs related to information technology, following the Partial Demerger from Solvay.

In 2023, the M&A costs are mainly explained by the costs incurred for the Partial Demerger and includes €51 million for restructuring costs that were recognized in the context of the TSA (see note F26 Other Provisions).

Prior to the Partial Demerger, Results from portfolio management, major restructuring, legacy remediation and litigation have been allocated to the Syensqo Group according to the GBUs in scope. In addition, a proportion of the restructuring costs attributable to CBS and shared services have been allocated to the Syensqo Group based on the assumption that restructuring costs were proportional to the historical usage of shared services by Syensqo and the remaining Solvay Group.

RESULTS FROM LEGACY REMEDIATION AND MAJOR LITIGATIONS

In € million	2024	2023
Major litigations	-27	39
Remediation costs and other costs related to non-ongoing activities	9	-207
Results from legacy remediation and major litigations	**-18**	**-168**

Following an arbitration procedure that began in 2012, on June 22, 2021, the ICC Arbitration Court in Geneva (CH) issued a partial award in favor of Solvay Specialty Polymers Italy S.p.A, ordering Edison S.p.A. (Edison) to pay €92 million for the losses, damages and costs incurred up to the end of 2016 in relation to certain environmental issues at the Spinetta Marengo and Bussi sites, previously owned and operated by (Mont)Edison S.p.A. and Ausimont S.p.A.

On January 23, 2023, the Group received a favorable ruling from the Court of Appeal of Milan, which rejected Edison's appeal against the enforcement of the partial award, making it definitively enforceable in Italy. On February 8, 2023, Edison settled the €92 million partial award in full with the Group and this was included in the Major litigations' results in 2023.

For the remaining movement in litigation costs please refer to the note F26 Provisions.

In 2024, the remediation results reflect the net reversal of environmental provisions following a revision in the estimates for future remediation expenses.

In 2023, remediation costs included the €229 million provision recorded in Q2, 2023 related to per- and polyfluoroalkyl substances (PFAS). The Group submitted certain claims from its environmental liability insurance and received confirmation in December 2023 that Solvay Specialty Polymers will receive €32 million as a preliminary settlement of these insurance policy claims. This was recognized in Other Receivables at December 31, 2023 with the corresponding gain included in Results from legacy remediation and major litigations. The insurance settlement was subsequently received in February 2024.

In 2023 the remediation cost also included €51 million HSE cross indemnification asset and €21 million HSE cross indemnification liability that were recognized in the context of the Separation Agreement. See note F26 Provisions.

Prior to the Partial Demerger, Results from legacy remediation and litigation have been allocated to the Syensqo Group according to the GBUs in scope.

NOTE F5

NET FINANCIAL CHARGES

Accounting policy

Interest on borrowings is recognized in costs of borrowings as incurred, with the exception of borrowing costs directly attributable to the acquisition, construction and production of qualifying assets (see note F16 Property, Plant and Equipment).

Net foreign exchange gains or losses on financial items and changes in fair value of derivative financial instruments related to net indebtedness are presented in "Other gains and losses on net indebtedness", with the exception of changes in fair value of derivative financial instruments that are hedging instruments in a cash flow hedge relationship, and which are recognized on the same line as the hedged item, when the latter affects profit or loss.

In € million	2024	2023
Cost of borrowings	-101	-178
Result on Settlement of Cash Flow Hedges	1	0
Interest expense on lease liabilities	-13	-12
Interest on loans and short term deposits	22	81
Foreign exchange gains / losses	1	-7
Interest element of Financial Instruments	-6	-10
Other gains and losses on net indebtedness	1	-14
Net cost of borrowings	**-95**	**-140**
Cost of discounting provisions	-38	-26
Impact of change of discount rate on provisions	20	-2
Result from equity instruments measured at fair value	-6	10
Net financial charges	**-120**	**-158**

The change in the net cost of borrowings between 2023 and 2024 is mainly explained by the execution of the Group refinancing, in 2024, after the Partial Demerger.

Cost of borrowings:

- In 2024, the Syensqo Group recorded in the cost of borrowing €57 million of interests related to the senior notes, of which €36 million related to the US$1.2 billion senior notes issued in June 2024 (see Main Events). Conversely, in 2023, the Group recorded €126 million of financial charges resulting from intercompany loans in place with the former Solvay Group entities prior to the Partial Demerger;
- The two drawdowns on the "bridge-to-bond" credit facilities in place before the June refinancing have generated €31 million in financial charges in 2024;
- Interests on the commercial papers amounted to €2 million.

- Interest on loans and short term deposits:

The decrease in 2024 is explained mainly by the interest income from the internal bank accounts in place with Solvay recorded in 2023 before the Partial Demerger and by the lower level of cash available in 2024, since the two drawdowns under the "bridge to bond" credit facilities were repaid. Additional details are included in the note F28 Net Indebtedness.

- The movement in Other gains and losses on net indebtedness is largely attributable in 2023 to the guarantee fees invoiced by Solvay to Syensqo.
- The cost of discounting provisions relates to post-employment benefits (net of the expected return on plan assets) and to environmental provisions and its increase is largely attributable to the evolution of the applicable discount rates (see also note F25 Employee Benefits and note F26 Provisions).

NOTE F6

INCOME TAXES IN THE INCOME STATEMENT AND THE STATEMENT OF FINANCIAL POSITION

Accounting policy

Current taxes

The current tax payable is based on taxable profit of the year. Taxable profit differs from profit as reported in the consolidated income statement because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxes

Deferred taxes are recognized for temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and their corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are generally recognized for all deductible temporary differences, to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are generally recognized for all taxable temporary differences.

No deferred tax liabilities are recognized following the initial recognition of goodwill. In addition, no deferred tax assets or liabilities are recognized with respect to the initial recognition of an asset or liability in a transaction, which is not a business combination and affects neither accounting profit nor taxable profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, joint ventures, and associates, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets other than tax loss carryforwards are analyzed on a case by case basis, taking into account all relevant facts and circumstances. For example, a zero taxable profit, after deducting the amounts paid to retirees under a defined benefit plan and for which a deductible temporary difference existed, can justify the recognition of the underlying deferred tax assets. Recognition of deferred tax assets for tax loss carryforwards requires a positive taxable profit during the year that enables the utilization of tax losses that originated in the past. Because of uncertainties inherent to predicting such positive taxable profit, recognition of deferred tax assets from tax loss carryforwards is based on a case by case analysis, which is usually based on five-year profit forecasts.

The corporate tax reporting team, which monitors the Group deferred tax positions, is involved in assessing deferred tax assets.

Further details are provided in note F6.C.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognized amounts and when the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred taxes for the period

Current and deferred taxes for the period are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognized outside profit or loss, or when they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in the accounting for the business combination.

F6.A. Income taxes

The income taxes (net expense) recognized in the consolidated income statement increased by €(165) million in 2024 compared to 2023. The income taxes (net expense) recognized in other comprehensive income increased by €(38) million in 2024 compared to 2023, mainly due to the movement in employee benefit liabilities (see note F25 Employee benefits) and in financial instruments (see note F27 Financial instruments and financial risk management).

In € million	2024	2023
Current taxes related to current year	-148	-266
Provisions for tax litigations	-5	0
Other current taxes related to prior years	1	12
Current taxes	**-151**	**-254**
Changes in deferred tax assets recognition (a)	-173	26
Deferred tax income on amortization of PPA step-ups	32	32
Deferred tax impact of changes in the nominal tax rates	1	0
Deferred taxes related to prior years	3	-7
Other deferred taxes (b)	-69	11
Deferred taxes	**-206**	**62**
Income taxes recognized in the consolidated income statement	-357	-192
Income taxes on items recognized in other comprehensive income	-10	28

The expense for current taxes decreased in 2024 compared to 2023 mainly due to the decrease of the results. The current taxes include €2 million of Top-Up Tax (see below).

(a) The changes in the deferred tax assets recognition mainly results from the valuation allowance on the disallowed interest in the United States (€(54) million) and from a revision of the forecasts of utilization of tax losses carried forward in the holding companies (€(111) million in 2024, €30 million in 2023).

(b) The other deferred taxes mainly include:

- the utilization of deferred taxes on environmental provisions in the United States (€(44) million) and the limited utilization of deferred taxes on tax losses and tax credits carried forward in the holding companies (€(15) million in 2024, (€(59) million in 2023);
- other net increases and reversals of other temporary differences.

U.S. Tax Matters Agreement

In connection with the Partial Demerger, Syensqo and Solvay entered into a U.S. Tax Matters Agreement (the "U.S. TMA") intended to (among other things) preserve the tax-free treatment of the Partial Demerger and of the separation of the U.S. Specialty Businesses and the U.S. Essential Businesses (the "U.S. Spin-Off") for U.S. federal income tax purposes.

Under the U.S. TMA, Syensqo and Solvay will generally be required to indemnify the other for any U.S. taxes and certain related losses resulting from (or relating to) the failure of the U.S. Spin-Off and the Partial Demerger (and certain associated transactions) to qualify for their intended U.S. tax treatment, where such taxes or losses are attributable to (1) untrue representations and breaches of covenants made in connection with the U.S. Spin-Off, the Partial Demerger or the U.S. TMA (including in the IRS ruling and tax opinion described above), (2) the application of certain provisions of U.S. federal income tax law to the U.S. Spin-Off or the Partial Demerger (for example, in connection with a change of control of either party) or (3) other actions or omissions within the party's control which give rise to U.S. taxes (or related losses) in connection with the U.S. Spin-Off and the Partial Demerger.

Under the U.S. TMA, Syensqo and Solvay are prohibited from taking actions that are reasonably expected to cause the Partial Demerger or U.S. Spin-Off (or certain associated transactions) to fail to qualify for their intended U.S. tax treatment, or that could jeopardize the conclusions of, or that are inconsistent with, the IRS ruling or the tax opinion discussed above.

Additionally, the parties are generally prohibited (subject to certain exceptions in the U.S. TMA), for the two-year period following completion of the Partial Demerger, from engaging in certain acquisitions, mergers, liquidations, sales, and redemption transactions with respect to their respective stock and assets that could jeopardize the tax-free status of the Partial Demerger or the U.S. Spin-Off for U.S. federal income tax purposes. Neither Solvay's nor Syensqo's obligations under the U.S. TMA are limited in amount or subject to any cap.

As of December 31, 2024, Syensqo was not aware of any breach or alleged breach by it of its obligations under the U.S. TMA, and had not received any notice from Solvay relating to a breach or alleged breach thereof.

Developments in International Taxation

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates, notably in Belgium where the ultimate parent entity is located. The legislation is effective for the Group's financial year beginning January 1, 2024.

Syensqo SA is closely monitoring the laws which the various jurisdictions are adopting following the Organization for Economic Co-operation and Development ('OECD') and EU-initiatives regarding the Pillar Two Global Minimum Tax of 15% and the potential impact thereof.

The Group has performed the 2024 Transitional CbCR Safe Harbour (TCSH) calculations based on 2024 figures and the Pillar two entity classification, under the reasonable assumption that the Group will benefit from the CbCR qualification ('Qualified CbCR') for eligibility under the Pillar 2 Safe Harbour.

Based on our assessment, Chile, United Arab Emirates and Luxembourg are the only jurisdictions that would fall out of scope for the TCSH. Based on the full Pillar two calculation that was performed, €2 million Top-Up Tax has been accrued for in the current taxes in 2024.

The exception to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two was applied.

The data for non-consolidated entities (including GloBE JVs) has not been captured in the analysis but the impacts are not expected to be material.

F6.B. Reconciliation of the income tax expense

The effective income tax expense has been reconciled with the theoretical tax expense obtained by applying to the pre-tax profit of each Group entity the nominal tax rate prevailing in the country in which it operates.

In € million	2024	2023
Profit/(Loss) for the year before taxes	352	389
Earnings from associates and joint ventures	21	25
Profit/(Loss) for the year before taxes excluding earnings from associates and joint ventures	**331**	**365**
Reconciliation of the tax income/(expense)		
Total tax income/(expense) of the Group entities computed on the basis of the respective local nominal rates	-102	-109
Weighted average nominal rate	31%	30%
Withholding taxes	-43	-31
Tax effect of changes in nominal tax rates	1	0
Changes in deferred tax assets recognition	-173	26
Tax effect of permanent differences	-27	-32
Gain and losses with no tax expense and income	-8	-23
Non-deductible impairment of goodwill	0	-15
US taxes disconnected from profit for the year before taxes	-1	-8
Provisions for tax litigations	-5	0
Other tax effect of current and deferred tax adjustments related to prior years	4	5
Tax effect on distribution of dividends	-4	-6
Effective tax income/(expense)	-357	-192
Effective tax rate	102%	49%

The change in the effective tax rate in 2024 compared to 2023 is mainly due to the changes in the recognition of deferred tax assets.

F6.C.Deferred taxes in the consolidated statement of financial position

2024 - In € million	Opening balance	Recognized in income statement	Recognized in other comprehensive income	Exchange rate effect	Other acquisition/ disposal	Closing balance
Temporary differences						
Employee benefits obligations	**36**	27	-1	0	0	**63**
Provisions	**149**	-33	0	5	0	**121**
Property, plant and equipment	**-139**	-33	0	-7	0	**-178**
Intangible assets	**-139**	24	0	-8	0	**-123**
Right-of-use assets	**-34**	6	0	-1	0	**-30**
Lease liabilities	**33**	-3	0	1	0	**32**
Goodwill	**46**	-16	0	3	0	**33**
Other temporary differences	**8**	-57	-10	0	1	**-59**
Tax losses	**260**	-118	0	1	0	**143**
Tax credits	**12**	-3	0	1	0	**9**
TOTAL (NET AMOUNT)	**233**	**-206**	**-10**	**-6**	**0**	**11**

2023 - In € million	Opening balance	Recognized in income statement	Recognized in other comprehensive income	Exchange rate effect	Other	Closing balance
Temporary differences						
Employee benefits obligations	46	-7	3	-2	-4	36
Provisions	105	51		-3	-3	149
Property, plant and equipment	-167	12		6	11	-139
Intangible assets	-188	52		6	-9	-139
Right-of-use assets	-35	-7		1	7	-34
Lease liabilities	35	8		-1	-9	33
Goodwill	58	-10		-2	0	46
Other temporary differences	-5	-11	25	-2	0	8
Tax losses	279	-24		-1	6	260
Tax credits	15	-2		0		12
TOTAL (NET AMOUNT)	**144**	**62**	**28**	**2**	**-2**	**233**

The significant components of the deferred tax assets and deferred tax liabilities at the end of 2024 and 2023 are as follows:

	2024				
In € million	Deferred tax assets	Deferred tax liabilities	Net deferred taxes before write-down	Write-down of deferred tax assets (unrecognized portion)	Net deferred taxes
Employee benefits obligations	97	-64	**33**	29	**63**
Provisions	122	-1	**121**	0	**121**
Property, plant and equipment	84	-193	**-109**	-69	**-178**
Intangible assets	255	-309	**-54**	-68	**-123**
Right-of-use assets	-1	-29	**-30**	1	**-30**
Lease liabilities	34	-1	**33**	-1	**32**
Goodwill	35		**35**	-1	**33**
Other	134	-137	**-3**	-56	**-59**
Temporary differences	**760**	**-736**	**25**	**-166**	**-141**
Operational losses	1,325		**1,325**	-1,197	**128**
Non-operational losses	226		**226**	-211	**15**
Tax losses	**1.551**		**1,551**	**-1,408**	**143**
Tax credits carried forward	78		**78**	-69	**9**
Netting deferred taxes	-355	355	**0**		**0**
Deferred taxes	**2,033**	**-381**	**1,653**	**-1,642**	**11**

	2023				
In € million	Deferred tax assets	Deferred tax liabilities	Net deferred taxes before write-down	Write-down of deferred tax assets (unrecognized portion)	Net deferred taxes
Employee benefits obligations	129	-93	36	0	36
Provisions	151	-1	150	-1	149
Property, plant and equipment	93	-197	-104	-35	-139
Intangible assets	259	-328	-68	-70	-139
Right-of-use assets	0	-34	-34	0	-34
Lease liabilities	34	0	34	0	34
Goodwill	46	0	46	0	46
Other	71	-64	7	0	7
Temporary differences	**783**	**-716**	**67**	**-107**	**-39**
Operational losses	1,260	0	1,260	-1,051	209
Non-operational losses	273	0	273	-222	51
Tax losses	**1,533**	**0**	**1,533**	**-1,273**	**260**
Tax credits carried forward	**66**	**0**	**66**	**-54**	**12**
Netting deferred taxes	-288	288	0	0	0
Deferred taxes	**2,095**	**-428**	**1,667**	**-1,433**	**233**

The evolution of the net deferred taxes between 2024 and 2023 mainly relates to the following items:

- deferred taxes on employee benefit obligations: €63million at year-end 2024, €36 million at year-end 2023. The increase is mainly explained by the reversal of the deferred tax liability on plan asset surplus, offset by the write-down on deferred taxes on capital allowances (Property, plant and equipment) in the United Kingdom for €32 million;
- deferred taxes on provisions: €121 million at year-end 2024, €149 million at year-end 2023. The decrease is mainly due to the reversal of the environmental provision related to the West Deptford, New Jersey site that was partially settled in early 2024 (see note F26 Provisions);
- deferred taxes on intangible assets: €(123) million at year-end 2024, €(139) million at year-end 2023. The evolution mainly reflects the tax impact of amortization of the step-up of intangible assets resulting from Purchase Price Allocation (€33 million) partially offset by exchange rate impacts;
- deferred taxes on tax amortization of Oil & Gas goodwill and intangibles in the United States;
- deferred taxes on other temporary differences: €(59) million at year-end 2024 (€8 million at year-end 2023). The decrease is mainly due to the valuation allowances on the disallowed interest in the United States (€(54) million);
- deferred taxes on operational and non-operational tax losses: €143 million at year-end 2024 (€260 million at year-end 2023).

Deferred tax liabilities on unremitted earnings were recognized in the Other Temporary differences for €(65) million at year-end 2024 (€(38) million at year-end 2023). The main increase relates to the one-time recognition of deferred tax liabilities on the unremitted earnings of Hindustan Gum & Chemicals Ltd. in 2024 (€(23) million). The amounts of deferred tax liabilities not recognized, provided that the Group controls the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future were: €12 million at year-end 2024 (€9 million at year-end 2023).

Recognized deferred taxes for which utilization depends on future taxable profits in excess of the profit arising from the reversal of existing taxable temporary differences within entities that have suffered a tax loss in either current or preceding years in the related tax jurisdiction, amount to €40 million at year-end 2024 (€71 million at year-end 2023). The decrease is mainly due to lower deferred taxes in 2024. This recognition is supported by favorable expectations of future taxable profits.

F6.D. Other information

For the majority of the Group's tax loss carryforwards, deferred tax assets were written down. The unrecognized tax losses are mainly located in countries where they can be carried forward indefinitely.

The tax losses carried forward generating deferred tax assets are given below by expiration date.

In € million	2024	2023
Within 1 year	10	0
Within 2 years	1	2
Within 3 years	0	5
Within 4 years	6	0
Within 5 or more years	86	29
No time limit	456	966
TOTAL OF LOSSES CARRIED FORWARD WHICH HAVE GENERATED RECOGNIZED DEFERRED TAX ASSETS	**559**	**1,002**
Tax losses carried forward for which deferred tax assets were written-down (unrecognized portion)	5,268	4,688
TOTAL OF TAX LOSSES CARRIED FORWARD	**5,827**	**5,690**

At the end of 2024, the tax losses carried forward of €559 million (€1,002 million in 2023) have generated deferred tax assets for €143 million (€260 million in 2023). The tax losses carried forward on which the deferred tax assets were written-down are largely due to the holding companies. The increase of tax losses carried forward for which deferred tax assets were written-down in 2024 compared to 2023 is due to reduced expected utilization of tax losses carried forward in the next five years in the holding companies.

F6.E Presentation of the tax effect relating to each item of other comprehensive income

Note: the below table presents the total other comprehensive income items for the aggregate of the shares of Syensqo and the non-controlling interests.

	2024		
In € million	Before-tax amount	Tax expense (-)/ income	Net of tax amount
Effective portion of gains and losses on hedging instruments in a cash flow hedge	*25*	*-2*	*23*
Recycling to the income statement	*15*		*15*
Gains and losses on hedging instruments in a cash flow hedge (see note F27)	40	-2	38
Currency translation differences arising during the year	211		211
Other movement of currency translation differences (NCI) relating to foreign operations	*2*		*2*
Currency translation differences - Subsidiaries	*213*		*213*
Share of other comprehensive income of associates and joint ventures	6		6
Recyclable components	**260**	**-2**	**257**
Gains and losses on equity instruments measured at fair value through other comprehensive income	-3	-7	-10
Remeasurements of the net defined benefit liability (see notes F6 & F25)	-78	-1	-79
Non-recyclable components	**-81**	**-8**	**-89**
Other comprehensive income/(loss)	**178**	**-10**	**168**

	2023		
In € million	Before-tax amount	Tax expense (-)/ income	Net of tax amount
Effective portion of gains and losses on hedging instruments in a cash flow hedge	*-14*	*17*	*3*
Recycling to the income statement	-36		*-36*
Gains and losses on hedging instruments in a cash flow hedge (see note F27)	-50	17	-33
Currency translation differences arising during the year	*-168*		-168
Other movement of currency translation differences (NCI) relating to foreign operations	*-2*		-2
Currency translation differences - Subsidiaries	-169		-169
Share of other comprehensive income of associates and joint ventures	-6		-6
Recyclable components	**-225**	**17**	**-28**
Gains and losses on equity instruments measured at fair value through other comprehensive income	-6	9	3
Remeasurements of the net defined benefit liability (see notes F6 & F25)	-35	2	-33
Non-recyclable components	**-41**	**11**	**-29**
Other comprehensive income/(loss)	**-266**	**28**	**-238**

F6.F Income taxes in the consolidated statement of cash flows

Income tax expense in 2024 amounts to €357 million (€192 million in 2023).

Income tax paid in 2024 amounts to €181 million (€288 million in 2023). The income tax paid has decreased compared to previous years due to decreased profits mainly in the United States and Italy and it includes €10 million of remaining taxes paid due to the Partial Demerger and the Legal Reorganization.

NOTE F7

EARNINGS PER SHARE

Accounting policy

The basic earnings per share are obtained by dividing profit for the year by the weighted average number of ordinary shares outstanding during the reporting period. The weighted average number of ordinary shares excludes the treasury shares held by the Group over the reporting period.

The diluted earnings per share are obtained by dividing profit for the year, adjusted for the effects of dilutive potential ordinary shares, by the weighted average number of ordinary shares, also adjusted by the number of dilutive potential ordinary shares attached to the issuance of share options.

The number of dilutive potential ordinary shares is calculated for the weighted average number of share options outstanding during the reporting period as the difference between the average market price of ordinary shares during the reporting period and the exercise price of the share option. Share options have a dilutive effect only when the average market price is above the exercise price (share options are "in the money").

Number of shares (in units)	2024	2023
Weighted average number of ordinary shares (basic)	104,769,297	105,834,886
Dilution effect	654,281	480,848
Weighted average number of ordinary shares (diluted)	105,423,578	106,315,734

	2024		2023	
	Basic	Diluted	Basic	Diluted
Profit/(loss) for the year (in € thousands)	-5,211	-5,211	193,341	193,341
Earnings per share (in €)	-0.05	-0.05	1.83	1.82

Full data per share, including dividend per share, can be found in the Business Review section.

The average market price during 2024 was €80.99 (€95.86 for 2023) per share.

For the purpose of calculating diluted earnings per share, there were no adjusting elements to the profit for the year (Syensqo share).

Share options that were out of the money, and therefore antidilutive for the period presented were excluded from the calculation of diluted earnings per share (see note F24 Share-based payments). In 2023, no share options were "out of the money" and therefore antidilutive.

In 2024, the following share options were out of the money, and therefore antidilutive for the period presented, but could potentially dilute basic earnings per share in the future.

Antidilutive share options per plan	Date granted	Exercise price (in €)	Number of share options granted	Number of share options outstanding
2017	February 23, 2017	92.09	65,107	61,198
2018	February 27, 2018	93.60	111,381	103,004
2022	September 28, 2022	84.34	271,500	271,500
TOTAL			**447,988**	**435,702**

Notes to the consolidated statement of comprehensive income

NOTE F8

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME CURRENCY TRANSLATION DIFFERENCES

Accounting policy

For the purpose of presenting consolidated financial statements at the end of each reporting period, the assets and liabilities of the Group's foreign operations are expressed in euros using closing rates. Income and expense items are translated at the average exchange rates for the period except when the impact of applying the average rate is materially different from applying the spot rate at the respective transactions' dates, in which case the latter is applied. Exchange differences arising, if any, are recognized in other comprehensive income as "currency translation differences".

In case of a capital decrease of a subsidiary without loss of control, or a capital decrease of an equity method investee or a joint operation without modification of the share of the equity interest held in that investee, then no accumulated exchange differences are reclassified from equity to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated into the Group's presentation currency at the closing rate.

In 2024, the total currency translation gain was €217 million, which compares to a loss of €173 million in 2023. This gain is primarily attributed to the revaluation of the US dollar compared to the Euro, which resulted in €242 million gain in 2024 compared to a loss of €125 million in 2023. Additionally, compared to the Euro, the devaluation of the Brazilian Real led to a loss of €14 million in 2024, and the Mexican Peso's devaluation resulted in a loss of €9 million in 2024.

The Group has assessed Argentina as a hyperinflationary economy in the context of IAS 29 *Financial Reporting in Hyperinflationary Economies* ("IAS 29"). Accordingly, the Group has reviewed the reporting from its affiliates in Argentina and where necessary restated them in line with IAS 29 using an index based on the IPC (Consumer Price Index) published by the National Institute of Statistics and Censuses (INDEC). The adjustments resulting from the application of IAS 29 do not have a significant impact on the Group's consolidated financial statements.

Notes to the consolidated statement of cash flows

NOTE F9

OTHER NON OPERATING AND NON CASH ITEMS

The other non-operating and non-cash items in 2024 (€7 million) mainly relate to long-term incentives and other non-cash gains. In 2023 (€(62) million) they mainly related to non-cash results of HSE indemnification assets (€51 million), PFAS insurance receivable (€32 million) and long-term incentives.

NOTE F10

CHANGES IN WORKING CAPITAL

In € million	2024	2023
Inventories	2	114
Trade receivables	-39	149
Trade payables	44	-81
Other receivables/payables	-130	-72
Changes in working capital	-123	108

In 2024 the changes in working capital ("Other receivables/payables") include the payment to the New Jersey Department of Environmental Protection (€(167) million) for the remediation agreement resolving certain PFAS related claims in the area near the Group's West Deptford site.

NOTE F11

CASH FLOWS FROM INVESTING ACTIVITIES – ACQUISITION/DISPOSAL OF ASSETS AND INVESTMENTS

2024 – In € million	Acquisitions	Disposals	Total
Investments	**-7**	**13**	**6**
Subsidiaries	-4	9	5
Other	-3	4	1
Property, plant and equipment/Intangible assets	**-624**	**9**	**-615**
TOTAL	**-631**	**22**	**-609**

2023 – In € million	Acquisitions	Disposals	Total
Investments	**-16**	**32**	**16**
Subsidiaries	-2	30	28
Other	-14	2	-12
Property, plant and equipment/Intangible assets	**-850**	**1**	**-849**
TOTAL	**-866**	**33**	**-833**

2024

The acquisition of property, plant and equipment and intangible assets (€(624) million) relates to the maintenance of production sites (Maintenance, Safety, HSE), R&I (lab equipment, pilot units, research costs capitalization) and capacity expansion projects, of which the main ones are:

- Specialty Polymers: Polyvinylidene Fluoride (PVDF) capacity increase in Tavaux (France)
- Novecare: IRIS solvents intermediate chemical production in Melle (France)
- O&G: Friction reducers' production capacity in West Texas (USA)

2023

The acquisition of property, plant and equipment and intangible assets (€(850) million) relates to the new headquarters of Syensqo in Brussels, maintenance of production sites (Maintenance, Safety, HSE), R&I (lab equipment, pilot units) and capacity expansion projects, of which the main ones are:

- Specialty Polymers: Polyvinylidene Fluoride (PVDF) capacity increase in Tavaux (France)
- Specialty Polymers: Dichlorodiphenyl sulfone (DCDPS) monomer capacity increase in Augusta (USA)
- Specialty Polymers: Udel polysulfone capacity increase in Marietta (USA)
- Specialty Polymers: Compounding capacity increase at Changshu (PRC)
- Specialty Polymers: Waste water treatment units at Tavaux (France) and Changshu (PRC)
- Novecare: internalization of IRIS' solvents intermediate chemical production in Melle (France)
- Aroma performance: internalization of natural vanillin fermentation (Portugal) and purification (France)
- Technology Solutions: Aldoxime capacity increase in Mount Pleasant (USA)
- O&G: Friction reducers' production capacity in West Texas (USA)

NOTE F12

DIVIDENDS PAID TO / RECEIVED FROM THE SOLVAY GROUP AND OTHER TRANSACTIONS WITH REMAINING SOLVAY GROUP

Prior to the Partial Demerger, Syensqo was not constituted as a Group under a unique holding company and Syensqo Dedicated and Mixed entities held investments in subsidiaries of the Remaining Solvay Group and vice-versa.

These investments in subsidiaries of the Remaining Solvay Group were eliminated against equity in the period prior to the Partial Demerger. As a result, the cash from dividends paid by Dedicated or Mixed Syensqo Entities to the Remaining Solvay Group or received by Syensqo from subsidiaries of the Remaining Solvay Group are presented in the line "Dividends paid to Solvay Group" and "Dividends received from Solvay Group", respectively, in the Consolidated Statements of Cash Flows. They are also included as "Transactions with Solvay Group" in the Consolidated Statement of Changes in Equity.

Cash flows associated with capital increases, capital reimbursements or transfers of those investments in subsidiaries of the Remaining Solvay Group are also presented in the "Other Transactions with Solvay Group" in the Consolidated Statements of Cash Flows and as part of the "Transactions with Solvay Group" in the Consolidated Statement of Changes in Equity.

Certain operating and investing transactions of Syensqo are presented on a "gross basis":

1. operating expenses and income are presented as operating cash flows;
2. acquisitions and sales of property, plant and equipment, intangible assets, subsidiaries and other investments are presented as investing cash flows and simultaneously, contributions from / distributions to the Remaining Solvay Group are presented in the cash flow from financing activities as "Other Transactions with Solvay Group", whenever those transactions do not ultimately result in movements of "Cash and cash equivalents" for Syensqo.

This happens for the carve-out of the above Syensqo transactions in Mixed Entities that became part of the Remaining Solvay Group as the "Cash and cash equivalents" of those entities is not included in the Consolidated Statements of Financial Position.

Current taxes from Syensqo's results in Mixed Entities of the Remaining Solvay Group, restructuring costs related to provisions settled by the Remaining Solvay Group, employee benefit charges for defined benefit obligations kept by the Remaining Solvay Group and charges for the usage of shared assets of Mixed Entities are additional examples of transactions considered to be immediately settled by the Remaining Solvay Group and grossed-up in the Consolidated Statement of Cash Flows.

The presentation on a "gross basis" is considered to better reflect the business performance in terms of cash flow generation.

Movements of cash and cash equivalents resulting from operating and investing cash flows of the businesses of the Remaining Solvay Group, which occurred in Mixed Entities that became part of Syensqo based on the Legal reorganization, are not included in the cash flows from operating and investing activities. Rather they are presented in the line "Other Transactions with the Solvay Group" in the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity as the related change in "Cash and cash equivalents" is included in the Consolidated Statements of Financial Position.

The "Other transaction with Solvay Group in the Statement of changes in equity" for the period ended December 31, 2023 include also:

- the 2025 Hybrid Bonds for the nominal amount of €500 million, as described in the Liability Management Section;
- the treasury shares contributed as part of the Partial Demerger and valued at their fair value on demerger date (€62 million);
- the other financial debt transferred upon the Partial Demerger, including: the 2027 Bonds (nominal value €500 million), the new financing for €600 million used primarily by the Solvay Group to refinance existing bonds, and all the loans and borrowings related to the internal bank accounts or structured financings outstanding between Syensqo and Solvay on the Partial Demerger date.

The amount of €542 million presented in the line "Other" in the table below mainly reflects the settlement of a Syensqo financial debt vis à vis the remaining Solvay Group realized via the transfer of shares of a Solvay Group subsidiary, held by a Syensqo Group subsidiary in France.

The details about the "Other transactions with Solvay Group" line and the reconciliation between the related amounts in the Consolidated Statements of Cash Flow and Consolidated Statements of Changes in Equity are presented in the table below. See also note F27 and F28.

€ million	2024	2023
Carve out of Mixed Entities	-	250
Capital increase / decrease, transfer of shares with remaining Solvay Group	-	216
Cash & cash equivalents transferred upon the Partial Demerger	-	1,210
Restructuring costs	-	9
Current Taxes	-	-28
TOTAL OTHER TRANSACTIONS WITH SOLVAY GROUP IN STATEMENTS OF CASH FLOW	**-**	**1,656**
Dividends paid to Solvay Group	-	-436
Dividends received from Solvay Group	-	1,305
Deferred taxes	-	-14
Hybrid bonds transferred upon demerger	-	494
Treasury shares	-	-62
Other financial debt transferred upon demerger	-	-794
Other	-	542
TOTAL TRANSACTIONS WITH SOLVAY GROUP IN STATEMENT OF CHANGES IN EQUITY	**-**	**2,692**

NOTE F13

OTHER CASH FLOWS FROM FINANCING ACTIVITIES

The other cash flows from financing activities €(9) million in 2023 mainly related to other financial expenses.

Notes to the consolidated statement of financial position

NOTE F14

INTANGIBLE ASSETS

Accounting policy

Intangible assets acquired or developed internally are initially measured at cost. The cost of an acquired intangible asset comprises its purchase price, import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and any directly attributable cost of preparing the asset for its intended use. Subsequent expenditure on intangible assets is capitalized only if it is probable that it will increase the future economic benefits associated with the specific asset. Other expenditure is expensed as incurred.

After initial recognition, intangible assets are measured at cost less accumulated amortization and impairment losses, if any.

Intangible assets are amortized on a straight-line basis over their estimated useful lives, which do not exceed the contractual period, if any. The estimated useful lives, residual values and amortization methods are reviewed at each year-end, and any changes in estimates are accounted for prospectively.

Patents and trademarks	2-20	years
Software	3-5	years
Development expenditures	2-5	years
Customer relationships	5-29	years
Other intangible assets - Technologies	5-20	years

Amortization expense is included in the consolidated income statement within cost of goods sold, administrative costs, research and development costs and other operating gains and losses.

The asset is tested for impairment if (a) there is a trigger for impairment, and (b) annually for projects under development (see note F19 Impairment).

Intangible assets are derecognized from the consolidated statement of financial position on disposal or when no future economic benefits are expected from their use or disposal. The gain or loss arising from the derecognition of an intangible asset is recognized in profit or loss at the moment of derecognition.

Research and development (R&D) costs

Research costs are expensed in the period in which they are incurred.

Development costs are capitalized if, and only if, all the following conditions are fulfilled:

- the cost of the asset can be reliably measured;
- the technical feasibility of the product has been demonstrated;
- the product or process will be placed on the market or used internally;
- the assets will generate future economic benefits (a potential market exists for the product or, where it is to be used internally, its future utility has been demonstrated);
- the technical, financial and other resources required to complete the project are available.

The Group distinguishes between the following phases of an R&D project, depending on whether it is a new product/ process or a customization for incremental innovation:

- Feasibility is the research phase during which the technical, industrial, market and business feasibility are assessed.
- Scale up followed by Industrialization are part of the development phase during which it is continuously assessed whether the criteria for capitalization are met.
- The last phase is Production and Commercialization. When this phase is reached, capitalization stops and amortization commences.

Development costs comprise employee expenses, the cost of materials and services directly attributable to the projects, and an appropriate share of directly attributable fixed costs including, and where applicable, borrowing costs. The intangible assets are amortized as from the moment they are available for use, i.e. When they are in the location and condition necessary for them to be capable of operating in the manner intended by management. Development costs, which do not satisfy the above conditions are expensed as incurred.

Patents, trademarks and customer relationships

Those intangible assets have mainly been acquired through business combinations. Customer relationships consist of customer lists.

Other intangible assets

Other intangible assets mainly include technology acquired separately or in a business combination.

In € million	Development costs	Patents and trademarks	Customer relationships	Other intangible assets	Total
Gross carrying amount					
December 31, 2022	**482**	**1,136**	**1,818**	**669**	**4,106**
Additions	62	3		22	88
Disposals and closures	-59	-69		-94	-221
Currency translation differences	-6	-31	-55	-20	-112
Other	4	32		7	44
December 31, 2023	**484**	**1,071**	**1,763**	**585**	**3,904**
Additions	82	1		32	115
Disposals and closures	-20	-1		-1	-22
Currency translation differences	14	52	99	31	196
Other	1	25		-20	5
DECEMBER 31, 2024	**562**	**1,148**	**1,862**	**627**	**4,199**
Accumulated amortization					
December 31, 2022	**-239**	**-674**	**-819**	**-557**	**-2,289**
Amortization	-48	-60	-91	-12	-210
Impairment	-7				-7
Disposals and closures	59	69		94	221
Currency translation differences	2	17	24	17	60
Other	2	-4		-19	-21
December 31, 2023	**-231**	**-652**	**-886**	**-477**	**-2,245**
Amortization	-47	-63	-91	-12	-213
Impairment				-11	-11
Disposals and closures	20	1		1	22
Currency translation differences	-5	-29	-49	-27	-111
Other	0		-25	22	-3
DECEMBER 31, 2024	**-263**	**-744**	**-1,050**	**-504**	**-2,560**
Net carrying amount					
December 31, 2022	**243**	**462**	**999**	**112**	**1,817**
December 31, 2023	**253**	**419**	**877**	**109**	**1,659**
DECEMBER 31, 2024	**299**	**404**	**812**	**124**	**1,639**

Intangibles mainly relate to the intangibles acquired through the acquisition of Cytec. The average remaining useful life of Cytec's assets is 8 years.

The impairment loss in 2024 relates to the intangible assets in CGU Oil and Gas. The impairment loss in 2023 relates to the intangible assets in CGU Aroma Performance (see note F19 Impairment).

The line "Other" in Gross carrying amount mainly includes reclassification of intangible assets under construction (reported as part of the Other intangible assets) to the appropriate categories when they are ready for intended use in 2024. In 2023, this mainly related to the change in scope following the Partial Demerger.

NOTE F15

GOODWILL

Accounting policy

Goodwill

Goodwill arising in a business combination is recognized as an asset at the date that control is obtained (the acquisition date). Goodwill is measured as the excess of the sum of:

(a) the consideration transferred;

(b) the amount of any non-controlling interests in the acquiree; and

(c) in a business combination achieved in stages, the acquisition date fair value of the previously held equity interest in the acquiree, over the share acquired by the Group in the fair value of the entity's identifiable net assets at the acquisition date.

Goodwill is not amortized but is tested for impairment on an annual basis, and more frequently if there are any impairment triggers identified.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) in accordance with IAS 36 *Impairment of Assets*.

These tests consist of comparing the carrying amount of the assets or (groups of) CGUs with their recoverable amount. The recoverable amount of an asset or a (group of) CGU(s) is the higher of its fair value less costs of disposal and its value in use. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized on goodwill shall not be reversed in a subsequent period.

Assets held for sale include their related goodwill.

On disposal of an operation within a CGU to which goodwill has been allocated, the goodwill associated with the operation disposed of is included in the determination of the profit or loss on disposal. It is measured on the basis of the relative values of the operation disposed of and the portion of the CGU retained, unless another method better reflects the goodwill associated with the operation disposed of.

Goodwill – overview

In € million	Total
December 31, 2022	**2,671**
Acquisitions	2
Impairment	-59
Currency translation differences	-54
December 31, 2023	**2,560**
Acquisitions	7
Impairment	-2
Currency translation differences	94
DECEMBER 31, 2024	**2,659**

In 2023, goodwill impairment relates to the CGU Aroma (see note F19 Impairment).

The currency translation differences in 2024 and 2023 mainly relate to the Cytec goodwill expressed in US dollars.

Goodwill by (groups of) CGU(s)

Goodwill acquired in a business combination is allocated to the CGUs or groups of CGUs that are expected to benefit from that business combination.

In € million	2024					
	At beginning of the period	Acquisitions	Impairment	Reclassification	Currency translation differences	At the end of the period
(Groups of) CGUs						
Composite Materials	646				39	684
Novecare	656	7	-2		8	668
Technology Solutions	803				46	848
Specialty Polymers	444				2	446
Energy Services	12					12
Total goodwill	**2,560**	**7**	**-2**		**94**	**2,659**

In the context of the Partial Demerger, management had reassessed the allocation of goodwill at the level of the segments.

At the time of the Rhodia acquisition, a portion of the goodwill related to synergies for corporate functions, was allocated at the higher level of the segment and tested as such instead of at the level of each individual CGU. Considering that goodwill is not amortized under IFRS, and the Syensqo segment goodwill is more than 10 years old, management had tested it at the lowest level (i.e. CGU). Consequently, the total segment goodwill of €540 million (€341 million for Materials, €199 million for Consumer & Resources) was reallocated to the different CGUs/groups of CGUs based on their relative value in use at December 31, 2023, as detailed in the table below.

The reallocation of the goodwill at segment level did not change the conclusions of the impairment tests at December 31, 2023.

In € million	2023					
	At beginning of the period	Acquisitions	Impairment	Reclassification	Currency translation differences	At the end of the period
Operating segments - Groups of CGUs						
Materials	341			-341		
Consumer & Resources	199			-199		
(Groups of) CGUs						
Composite Materials	591			76	-22	646
Novecare	565	2		94	-5	656
Technology Solutions	734			95	-26	803
Specialty Polymers	180			265	-1	444
Aroma Performance	49		-59	10		
Energy Services	12					12
Total goodwill	**2,671**	**2**	**-59**	**0**	**-54**	**2,560**

See note F19 Impairment.

NOTE F16

PROPERTY, PLANT AND EQUIPMENT

Accounting policy

Items of property, plant and equipment are initially measured at cost. The cost of an item of property, plant and equipment comprises its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. If applicable, the cost comprises borrowing costs during the construction period.

After initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any.

Items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The components of an item of property, plant and equipment with different useful lives are depreciated separately. Land is not depreciated. The estimated useful lives, residual values and depreciation methods are reviewed at each year end, also taking into account the potential impact of climate change including the execution of the One Planet Strategy (see Note Climate Change in the IFRS general accounting policies). Any changes in estimates are accounted for prospectively.

Buildings	30-40	years
Fixtures and equipment		
• IT equipment	3-5	years
• Machinery and equipment	10-20	years
• Transportation equipment	5-20	years

Depreciation expense is included in the consolidated income statement within cost of goods sold, administrative costs, and R&D costs.

The asset is tested for impairment if there is a trigger for impairment (see note F19 Impairment).

Items of property, plant and equipment are derecognized from the consolidated statement of financial position on disposal or when no future economic benefits are expected from their use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is recognized in profit or loss at the moment of derecognition.

Subsequent expenditure

Subsequent expenditure related to items of property, plant and equipment is capitalized only if it is probable that it will increase the future economic benefits associated with the specific asset. Other expenditure is expensed as incurred. Subsequent expenditure incurred for the replacement of a component of an item of property, plant and equipment is only recognized as an asset when it satisfies the recognition criteria mentioned above. The carrying amount of replaced items is derecognized.

Repair and maintenance costs are recognized in the consolidated income statement as incurred.

Regarding its industrial activity, Syensqo incurs expenditure for major repairs over several years for most of its sites. The purpose of this expenditure is to maintain the proper working order of certain installations without altering their useful life. This expenditure is considered as a specific component of the item of property, plant and equipment and is depreciated over the period during which the economic benefits are expected to be obtained, i.e. the major repairs' intervals.

Dismantling and restoration costs

Dismantling and restoration costs are included in the cost of an item of property, plant and equipment if the Group has a legal or constructive obligation to dismantle or restore. They are depreciated over the useful life of the items to which they pertain.

Generally, Syensqo's obligation to dismantle and/or restore its operating sites is only likely to arise upon the discontinuation of a site's activities. A provision for dismantling of discontinued sites or installations is recognized when there is a legal obligation (due to a request or injunction from the relevant authorities), or when there is no technical alternative than to dismantle, so as to ensure the safety compliance of the discontinued sites or installations.

In € million	Land and buildings	Fixtures and equipment	Other tangible assets	Property, plant and equipment under construction	Total
Gross carrying amount					
December 31, 2022	**1,412**	**5,225**	**169**	**676**	**7,481**
Additions	70	78	2	597	747
Disposals and closures	-11	-97	-12		-120
Increase through business combinations		1			1
Currency translation differences	-35	-121	-4	-13	-173
Other	92	432	32	-321	236
December 31, 2023	**1,528**	**5,518**	**186**	**939**	**8,172**
Additions	14	76	4	471	565
Disposals and closures	-3	-87	-8		-98
Currency translation differences	48	186	5	15	254
Other	63	382	25	-469	2
DECEMBER 31, 2024	**1,650**	**6,076**	**212**	**957**	**8,895**
Accumulated depreciation					
December 31, 2022	**-653**	**-3,542**	**-135**		**-4,329**
Depreciation	-46	-296	-11		-352
Impairment	-7	-45	-1		-53
Disposals and closures	7	97	12		116
Currency translation differences	15	79	3		97
Other	-17	-118	-22		-156
December 31, 2023	**-700**	**-3,825**	**-152**		**-4,678**
Depreciation	-50	-314	-17		-381
Impairment	-11	-47	0		-59
Reversal of impairment	1	5			7
Disposals and closures	3	87	8		98
Currency translation differences	-21	-124	-5		-150
Other	-1	0	-1		-3
DECEMBER 31, 2024	**-779**	**-4,220**	**-167**		**-5,166**
Net carrying amount					
December 31, 2022	**759**	**1,683**	**34**	**676**	**3,152**
December 31, 2023	**828**	**1,693**	**34**	**939**	**3,494**
DECEMBER 31, 2024	**871**	**1,856**	**45**	**957**	**3,729**

Cash flows related to major investments are disclosed in note F11 Cash flows from investing activities – acquisition/disposal of assets and investments.

The impairment loss in 2024 mainly relates to the tangible fixed assets in CGU Oil and Gas for €44 million.

The impairment loss in 2023 mainly relates to the tangible fixed assets in CGU Aroma Performance for €48 million (see note F19 Impairment).

The line "Other" in Gross carrying amount mainly includes reclassification of property, plant and equipment under construction to the appropriate categories when they are ready for intended use, and the consolidation of the tangible fixed assets of the Zhenjiang entity for €55 million in 2023.

NOTE F17

RIGHT-OF-USE ASSETS AND LEASE OBLIGATIONS

Accounting policy

Definition of a lease

At inception of a contract, which generally coincides with the date the contract is signed, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group's leased assets relate mainly to buildings, transportation equipment, and industrial equipment.

Lease term

The Group determines the lease term as the non-cancellable period of a lease, together with both:

- periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and
- periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

In its assessment, the Group considers the impact of the following factors (non-exhaustive):

- contractual terms and conditions for the optional periods, compared with market rates;
- significant leasehold improvements undertaken (or expected to be undertaken) over the term of the contract;
- costs relating to the termination of the lease, including relocation costs, costs of identifying another underlying asset suitable for the Group's needs, costs of integrating a new asset into the Group's operations, and termination penalties;
- the importance of that underlying asset to the Group's operations, including the availability of suitable alternatives;
- conditionality associated with exercising the option (i.e. When the option can be exercised only if one or more conditions are met), and the likelihood that those conditions will exist; and
- past practice.

Right-of-use asset and lease liability

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date, which is the date that the lessor makes the asset available for use by the Group except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. The right-of-use assets are presented separately in the consolidated statement of financial position, and the lease liabilities are presented as part of financial debt.

Right-of-use asset

The right-of-use asset is initially measured at cost, which comprises:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentive received; and
- any initial direct costs incurred by the Group.

After the commencement date, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses. Right-of-use assets are depreciated using the straight-line depreciation method, from the commencement date to (a) the end of the useful life of the underlying asset, in case the lease transfers ownership of the underlying asset to the Group by the end of the lease term, or the lease contains a purchase option that the Group is reasonably certain to exercise, or (b) the earlier of the end of the useful life and the end of the lease term, in all other cases.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entity's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for early terminating the lease, if the Group is reasonably certain to exercise an option to early terminate the lease.

Service components (e.g. Utilities, maintenance, insurance, …) are excluded from the measurement of the lease liability.

After the commencement date, the lease liability is measured by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect the impact from a revised index or rate.

In € million	Land and buildings	Transportation equipment	Industrial equipment	Other tangible assets	Total
Gross carrying amount					
December 31, 2022	**187**	**59**	**128**	**10**	**384**
Additions	15	15	15	4	49
Disposals and closures	-24	-6	-3	-2	-35
Currency translation differences	-4	-2	-3	0	-9
Other	2	19	-2	1	20
December 31, 2023	**176**	**85**	**134**	**13**	**407**
Additions	16	12	9	4	42
Disposals and closures	-9	-7	-3	-1	-20
Currency translation differences	5	2	6	1	14
Other	8	5	10	0	24
DECEMBER 31, 2024	**195**	**98**	**156**	**17**	**467**
Accumulated depreciation					
December 31, 2022	**-87**	**-39**	**-58**	**-5**	**-188**
Depreciation	-22	-16	-17	-2	-57
Impairment	0				0
Disposals and closures	15	6	3	2	26
Currency translation differences	2	1	2	0	5
Other	2	-7	1	-1	-5
December 31, 2023	**-89**	**-55**	**-68**	**-5**	**-219**
Depreciation	-33	-17	-19	-3	-72
Disposals and closures	9	7	3	1	20
Currency translation differences	-3	-2	-3		-9
Other	1				1
DECEMBER 31, 2024	**-117**	**-67**	**-88**	**-8**	**-279**
Net carrying amount					
December 31, 2022	**101**	**20**	**70**	**5**	**196**
December 31, 2023	**86**	**30**	**66**	**8**	**188**
DECEMBER 31, 2024	**79**	**31**	**69**	**9**	**188**

The Group primarily leases buildings that include office buildings, and warehouses. Those leases are generally long-term leases and may include extension options. The Group leases transportation equipment, which mainly relate to utility assets.

Lease contracts generally are negotiated by the local teams, and contain a wide range of different terms and conditions. Many lease contracts contain extension options and/or early termination options to provide the Group with operational flexibility. Such options are taken into account when determining the lease term and the lease liability when it is reasonably certain that they will be exercised.

If the Group exercised its extension options not currently included in the lease liability, the present value of additional payments would amount to €55 million at December 31, 2024 (€71 million at December 31, 2023).

There are no lease contracts signed but not yet commenced at December 31, 2024 and December 31, 2023.

Total cash outflows for leases amount to €74 million for 2024, of which €61 million related to payment of lease liabilities and €13 million of finance expenses. Information on the corresponding lease liabilities (€230 million) can be found in the note F28 Net indebtedness. Information on the finance expense related to lease liabilities can be found in note F5 Net financial charges.

NOTE F18

INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The list of associates and joint ventures is available in the note F36 List of companies included in the consolidation scope.

The associates and joint ventures not classified as held for sale/ discontinued operations are accounted for under the equity method of accounting.

	December 31, 2024			December 31, 2023		
In € million	Associates	Joint ventures	Total	Associates	Joint ventures	Total
Investments in associates and joint ventures	8	200	208	6	201	207
Earnings from associates and joint ventures	2	19	21		25	25

INVESTMENTS IN ASSOCIATES

The only associate of the Group in 2024 and 2023 is the consortium Exeltium in France.

In € million	2024	2023
January 1	**6**	**5**
Profit for the year	2	
Other		1
DECEMBER 31	**8**	**6**

In € million	December 31, 2024	December 31, 2023
Statement of financial position		
Non-current assets	568	658
Current assets	440	440
of which cash and cash equivalents	*207*	*185*
Non-current liabilities	724	830
of which non-current financial debt	*724*	*830*
Current liabilities	218	218
of which current financial debt	*0*	*0*
Investments in associates	8	6

In € million **Income statement**	2024	2023
Sales	689	449
Depreciation and amortization	0	0
Interest on loans and short term deposits	-42	-49
Profit for the year from continuing operations	17	9
Profit for the year	17	9
TOTAL COMPREHENSIVE INCOME	**17**	**9**
Dividends received	**0**	**0**

INVESTMENTS IN JOINT VENTURES

In € million	2024	2023
January 1	**201**	**199**
Capital increase / (decrease)	-7	-8
Profit for the year	19	25
Dividends received	-20	-6
Currency translation differences	8	-7
Other	0	-1
DECEMBER 31	**200**	**201**

In 2024 and 2023, the currency translation differences mainly relate to the evolution of the Indian rupee compared to the euro.

The joint ventures had no contingent liabilities or capital commitments as at December 31, 2024 and 2023.

The tables below present the summary of the statement of financial position and income statement of the material joint ventures.

December 31, 2024 In € million	**Hindustan Gum & Chemicals Ltd.**	**EECO Holding andsubsidiaries**	**Strata - Solvay Advanced Material JV LLC**	**Solvay Manyar, Gresik**
Ownership interest	50%	33%	50%	50%
Operating Segment	Consumer & Resources	Corporate & Business Services	Materials	Consumer & Resources
Statement of financial position				
Non-current assets	14	26	82	1
Current assets	291	21	14	12
Cash and cash equivalents	258	4	10	5
Non-current liabilities	8	0		1
Non-current financial debt		0		
Current liabilities	20	18		1
Current financial debt		17		
Investments in joint ventures	139	8	48	5
2024 income statement				
Sales	49		31	20
Depreciation and amortization	-1	-4	0	0
Cost of borrowings		-1		
Interest on loans and short-term deposits	19	1		0
Income taxes	-5	-1		0
Profit for the year from continuing operations	14	5	20	2
Profit for the year	14	5	20	1
Other comprehensive income			2	0
TOTAL COMPREHENSIVE INCOME	**14**	**6**	**22**	**1**
Dividends received	18	1		0

Other comprehensive income mainly comprises the currency translation differences.

December 31, 2023 In € million	Hindustan Gum & Chemicals Ltd.	EECO Holding andsubsidiaries	Strata - Solvay Advanced Material JV LLC	Solvay Manyar, Gresik
Ownership interest	50%	33%	50%	50%
Operating Segment	Consumer & Resources	Corporate & Business Services	Materials	Consumer & Resources
Statement of financial position				
Non-current assets	8	28	73	1
Current assets	304	31	14	12
Cash and cash equivalents	277	5	11	5
Non-current liabilities	10	9		1
Non-current financial debt		9		
Current liabilities	13	19	2	2
Current financial debt		20		
Investments in joint ventures	145	10	43	5
2023 income statement				
Sales	40		25	22
Depreciation and amortization	-1	-4	0	0
Cost of borrowings		-1		
Interest on loans and short-term deposits	20	1		0
Income taxes	-5	-1		0
Profit for the year from continuing operations	16	9	18	1
Profit for the year	16	9	18	1
Other comprehensive income			-1	0
TOTAL COMPREHENSIVE INCOME	**16**	**11**	**17**	**1**
Dividends received	4	1		1

Other comprehensive income mainly comprises the currency translation differences.

NOTE F19

IMPAIRMENT

Accounting policy

General

At the end of each reporting period, the Group reviews whether there is any indication that assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate. Future cash flows are adjusted for risks not incorporated into the discount rate.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss. An impairment loss recognized for goodwill shall not be reversed in a subsequent period.

Assets other than non-current assets held for sale

In accordance with IAS 36 *Impairment of Assets*, the recoverable amount of property, plant and equipment, intangible assets, right-of-use assets, CGUs or groups of CGUs, including goodwill, and equity method investees corresponds to the higher of their fair value less costs of disposal, and their value in use. The latter equals the present value of the future cash flows expected to be derived from each asset, CGU or group of CGUs, and equity method investees and is determined using the following inputs:

- business plan approved by management based on growth and profitability assumptions, taking into account past performances, forecast changes in the economic environment and expected market developments, including opportunity and risks resulting from climate change (taking into account the One Planet strategy - see note Climate change in the IFRS general accounting policies) and environmental regulations such as products phasing out. For further details, refer to the Risk Management Section. Such business plan generally covers five years, unless management is confident that projections over a longer period are reliable;
- consideration of a terminal value determined based on the cash flows obtained by extrapolating the cash flows of the last years of the business plan referred to above, affected by a long-term growth rate deemed appropriate for the activity and the location of the assets;
- discounting of expected cash flows at a rate determined using the weighted average cost of capital formula.

Discount rate

Weighted average cost of capital (WACC) for 2024 was computed considering a set of peers for the Syensqo Group and is based on the same methodology applied in 2023. Short term WACC, used to discount the expected cash flows of the initial four years, was computed based on prevailing discount rates and long term WACC, used to discount the expected cash flows of the fifth year and the Terminal Value, was based on a 2-year average of equity risk premiums, risk free interest rates and default spreads.

	2024	2023
Short term WACC	8.2%	9.4%
Long term WACC	8.5%	8.6%

Long-term growth rates

The long-term growth rates used for the impairment tests remain unchanged versus the prior period.

Based on the long-term growth prospects, the long-term growth rates were thus set for all the periods presented, at:

- 2% for the Specialty Polymers CGU and 3% for the Composite Materials CGU;
- 1% for the other CGUs in the segment Consumer & Resources (excluding Technology Solutions, for which 1.5% was used).

Other key assumptions are specific to each CGU (utility price, volumes, margin, etc.).

Impairment Test 2024

The impairment tests performed at CGU level at December 31, 2024, using value in use, were based on the budgets approved by the Syensqo Board and the Mid Term Plans. The tests resulted in an impairment loss recognized for the group of CGUs Oil & Gas (Consumer & Resources) following the subdued business performance in 2024 driven by continuous decline in the stimulation segment materialised in reduced volumes sold for friction reducers, together with increased competition and a customer shift toward more cost-effective products. This had a compounding effect on the terminal value even if the long term growth rate assumption for this business remains unchanged.

The impairment loss of €55 million was allocated to intangible fixed assets (€11 million) and tangible fixed assets (€44 million).

Regarding the Aroma Performance CGU, although the profitability has improved, the long-term prospects remain uncertain and the impairments recorded in 2023 were not reversed in 2024.

Impairment Test 2023

The impairment tests performed at CGU level at December 31, 2023, using value in use, were based on the budgets approved by the Syensqo Board and the Mid Term Plans. The tests resulted in an impairment loss recognized for the CGU Aroma Performance (Consumer & Resources) following the increase in the discount rate and continued lower demand for synthetic vanillin, customer destocking and strong competition in the food, flavor & fragrance markets, despite the expected improvements from actions taken on fixed costs.

The total impairment loss of €114 million was allocated to goodwill (€59 million), tangible fixed assets (€48 million) and intangible fixed assets (€7 million).

Sensitivity and break-even Analysis

Considering the impairment losses for Composite Materials and Technology Solutions recorded in 2020 and the consequently higher risk of impairment in case of changes in the Discount rate and Long-term growth assumptions used for their test, the following sensitivity analyses are reported for these two groups of CGUs.

For Technology Solutions, management developed multiple scenarios to address the uncertainty related to the business plan assumptions related to sales growth and operating margins under the current competitive environment and demand trends, in particular in the mining market. This led to a decrease in the headroom for this CGU compared to December 31, 2023: any reduction of more than 5% of the cash flow expected for the last year of the explicit period, basis for the terminal value, would lead to an impairment loss.

Composite Materials (Materials)

In € billion		December 31, 2024		December 31, 2023	
		Assumptions:		Assumptions:	
		Discount rate =	8.5%		Discount rate = 8.6%
			Long term growth rate = 3%		Long term growth rate = 3%
Sensitivity to:		Impact on recoverable amount	Revised headroom	Impact on recoverable amount	Revised headroom
Discount rate	-1%	0.6	0.9	0.6	0.8
Discount rate	+1%	-0.4	-0.2	-0.4	-0.3
Long term growth rate	-1%	-0.3	-0.1	-0.3	-0.1
Long term growth rate	+1%	0.5	0.7	0.5	0.6

	Discount rate		Long term growth rate	
	Base rate	Break-even rate	Base rate	Break-even rate
DECEMBER 31, 2024	**8.5%**	**8.9%**	**3.0%**	**2.4%**
December 31, 2023	8.6%	8.9%	3.0%	2.5%

Technology Solutions (Consumer & Resources)

In € billion		December 31, 2024		December 31, 2023	
		Assumptions:		Assumptions:	
		Discount rate =	8.5%		Discount rate = 8.6%
			Long term growth rate = 1.5%		Long term growth rate = 1.5%
Sensitivity to:		Impact on recoverable amount	Revised headroom	Impact on recoverable amount	Revised headroom
Discount rate	-1%	0.3	0.4	0.3	0.5
Discount rate	+1%	-0.2	-0.2	-0.3	-0.1
Long term growth rate	-1%	-0.2	-0.1	-0.2	0.0
Long term growth rate	+1%	0.2	0.3	0.2	0.4

	Discount rate		Long term growth rate	
	Base rate	Break-even rate	Base rate	Break-even rate
DECEMBER 31, 2024	**8.5%**	**8.8%**	**1.5%**	**1.1%**
December 31, 2023	8.6%	9.3%	1.5%	0.5%

NOTE F20

INVENTORIES

Accounting policy

Cost of inventories includes the purchase, conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories is determined by using the weighted average cost method.

Inventories are measured at the lower of purchasing cost (raw materials and merchandise) or production cost (work in progress and finished goods) and net realizable value. Net realizable value represents the estimated selling price, less all estimated costs of completion and the estimated costs necessary to make the sale.

CO_2 emission rights

With respect to the mechanism set up by the European Union to encourage manufacturers to reduce their greenhouse gas emissions, carbon dioxide (CO_2) emission rights are granted to the Group at no charge. The Group is also involved in Clean Development Mechanism (CDM) under the Kyoto protocol. Under these projects, the Group has deployed facilities in order to reduce greenhouse gas emissions at the relevant sites in return for Certified Emission Reductions (CER).

In the absence of any IFRS regulating the accounting treatment of CO_2 emission rights, the Group applies the Trade/Production model, according to which CO_2 emission rights are presented as inventories if they will be consumed in the production process within the next 12 months, or as derivatives if they are held for trading.

In light of its centralized CO_2 emission rights' portfolio management, for emission rights that are substitutable between subsidiaries, the Group's financial statements reflect the Group's net position. If this net position is negative, a provision is recognized, measured based on the market price of the CO_2 emission rights at the reporting date.

Energy savings certificates (ESCs)

Energy savings certificates are presented as inventory items in Finished goods. They are measured at weighted average cost. As their cost is not separately identifiable, and as they are a by-product, they are measured at their net realizable value upon initial recognition.

In € million	December 31, 2024	December 31, 2023
Finished goods	900	880
Raw materials and supplies	441	440
Work in progress	13	11
TOTAL	**1,354**	**1,331**
Write-downs	-81	-88
NET TOTAL	**1,273**	**1,244**

Inventory write-downs are included in the cost of goods sold in the consolidated income statement.

NOTE F21

OTHER RECEIVABLES (CURRENT)

In € million	December 31, 2024	December 31, 2023
VAT and other taxes	189	174
Advances to suppliers	21	44
Financial instruments – operational	14	25
Insurance premiums	21	43
Loan receivables	4	3
Other	47	95
Other current receivables	**297**	**385**

Financial instruments – operational includes held for trading and cash flow hedge derivatives (see note F27.A. Overview of financial instruments).

NOTE F22

EQUITY

Accounting policy

Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issuance of new share capital are directly recognized in equity as a deduction, net of tax, from the equity issuance proceeds.

Reserves

The reserves include:

- treasury shares;
- perpetual hybrid bonds that qualify as equity absent any unavoidable contractual obligation to repay the principal and interest of the perpetual hybrid bonds (no maturity, interest is payable annually but can be deferred indefinitely at the issuer's discretion);
- retained earnings;
- currency translation differences from the consolidation process relating to the translation of the financial statements of foreign operations prepared in a non-euro functional currency to the euro presentation currency;
- the impacts of the fair value remeasurement of equity instruments measured at fair value through other comprehensive income;
- the impacts of the fair value remeasurement of financial instruments documented as hedging instruments in cash flow hedges;
- actuarial gains and losses related to defined benefit plans.

Non-controlling interests

Those represent the share of non-controlling interests in the net assets and comprehensive income of subsidiaries of the Group, and correspond to the interests in subsidiaries that are not held by the Company or its subsidiaries.

NUMBER OF SHARES (IN UNITS)

	December 31, 2024	December 31, 2023
Shares issued and fully paid	105,032,929	105,876,417
Treasury shares held	1,579,830	655,072

As of December 31, 2024, the capital of the Company amounted to €1,352 million, represented by 105,032,929 ordinary shares with no designated par value, fully paid up. Share premium of €1,022 million resulted from a percentage allocation of the total share premium that existed in the Solvay Group prior to the Partial Demerger. The percentage applied (85.10%) was based on the fiscal percentage dictated by the Belgian law for partial demergers ("scission partielle").

In 2024 the Group launched two share buyback programs:

1. The first share buyback program launched on June 25, 2024 and completed on October 23, 2024 to cover current and future obligations under Syensqo's current Long Term Incentive Plans for its employees. The Group repurchased 983,000 shares for a total of €74 million.
2. The second share buyback program commenced on November 5, 2024 to return up to €300 million to shareholders to further enhance Syensqo's capital structure and efficiency by cancelling all shares bought back under the program. The Group repurchased 843,488 Syensqo shares for a total of €64 million. All the acquired shares were canceled.

Refer to Main Events for further details on the share buyback programs.

All treasury shares have been deducted from consolidated shareholder's equity.

Perpetual hybrid bonds

At the effective date of the Partial Demerger, Syensqo was substituted as issuer of (i) the €500,000,000 Undated Deeply Subordinated Fixed to Reset Rate Perp-NC5.5 Bonds with first call date on December 2, 2025 (ISIN: BE6324000858) (the "2025 Hybrid Bonds").

In € million	Issuance date	Nominal value	%	Annual coupon	First call / reset date
Hybrid bond NC5.5*	September 2, 2020	500	2.500%	13	December 2, 2025 / March 2, 2026

All perpetual hybrid bonds are classified as equity absent any unavoidable contractual obligation to repay the principal and interest of the perpetual hybrid bonds, specifically:

- No maturity, yet the issuer has a call option at every reset date to redeem the instrument;
- At the option of the issuer, interest payments can be deferred indefinitely.

The coupons related to the perpetual hybrid bonds are recognized as equity transactions and are deducted from equity upon declaration (see consolidated statement of changes in equity).

Should Syensqo have elected not to pay any interest to the perpetual hybrid bondholders, then any payment of dividends to the ordinary shareholders or repayment of ordinary shares would trigger a contractual obligation to pay previously unpaid interests to the perpetual hybrid bondholders.

Tax impacts related to the perpetual hybrid bonds are recognized in profit or loss.

NOTE F23

NON-CONTROLLING INTERESTS

The amounts disclosed below are fully consolidated amounts and do not reflect the impacts from elimination of intragroup transactions.

At the end of 2024, the following subsidiaries have non-controlling interests totaling €50 million.

In € million	Solvay (Zhenjiang) Chemicals	Solvay Hengchang Zhangjiagang Special Chem	Solvay Nicca	Cogeneration Tavaux	Synorb Battery Materials
Non-controlling ownership interest	9%	30%	40%	67%	49%
Statement of financial position					
Non-current assets	137	21	0	17	23
Current assets	211	79	3	4	4
Non-current liabilities	1	1			
Current liabilities	68	65	0	10	2
Income statement					
Sales	231	98	10		
Profit for the year	26	3	0	3	-7
Other comprehensive income	8	1	0		0
Total comprehensive income	34	4	0	3	-6
Dividends paid to non-controlling interests	1	1	0		
Share of non-controlling interest in the profit for the year	2	1	0	0	-3
Accumulated non-controlling interests	21	10	1	6	12

In € million	Solvay (Zhenjiang) Chemicals	Solvay Hengchang Zhangjiagang Special Chem	Solvay Nicca	Cogeneration Tavaux	Synorb Battery Materials
Non-controlling ownership interest	9%	30%	40%	67%	49%
Cash flow from operating activities	58	12	1	11	-7
Cash flow from investing activities	-32	-29	_	-3	-15
Cash flow from financing activities	-27	17	0	-6	18

At the end of 2023, the following subsidiaries have non-controlling interests totaling €42 million.

In € million	Solvay (Zhenjiang) Chemicals	Solvay Hengchang Zhangjiagang Special Chem	Solvay Nicca	Cogeneration Tavaux	Synorb Battery Materials
Non-controlling ownership interest	9%	30%	40%	67%	49%
Statement of financial position					
Non-current assets	129	20	0	18	6
Current assets	201	55	3	6	7
Non-current liabilities	1	1			
Current liabilities	61	40	0	16	
Income statement					
Sales	249	88	12		
Profit for the year	30	2	0	2	
Other comprehensive income	-10	-1	0		0
Total comprehensive income	21	1	0	2	0
Dividends paid to non-controlling interests		6	0	2	
Share of non-controlling interest in the profit for the year	1	1		1	
Accumulated non-controlling interests	19	10	1	6	6

In € million	Solvay (Zhenjiang) Chemicals	Solvay Hengchang Zhangjiagang Special Chem	Solvay Nicca	Cogeneration Tavaux	Synorb Battery Materials
Non-controlling ownership interest	9%	30%	40%	67%	49%
Cash flow from operating activities	-103	-4	1	6	-
Cash flow from investing activities	6	12	-	-6	-6
Cash flow from financing activities	-42	-8	0	-3	13

NOTE F24

SHARE-BASED PAYMENTS

Accounting policy

Syensqo has set up compensation plans, including equity-settled and cash-settled share-based compensation plans.

In its equity-settled plans, the Group receives services as consideration for its own equity instruments (namely through the issuance of share options). The fair value of services rendered by employees in consideration for the granting of equity-instruments represents an expense. This expense is recognized on a straight-line basis in the consolidated income statement over the vesting periods relating to these equity-instruments with the recognition of a corresponding adjustment in equity. The fair value of services rendered is measured based on the fair value of the equity-instruments on the grant date. It is not subsequently remeasured. At each reporting date, the Group re-estimates the number of share options likely to vest. The impact of the revised estimates is recognized in profit or loss against a corresponding adjustment in equity.

In its cash-settled plans, the Group acquires services by incurring a liability to transfer to its employees rendering those services amounts that are based on the price (or value) of equity instruments (including shares or share options) of the Group (namely through the issuance of performance share units). The fair value of services rendered by employees in consideration for the granting of share-based payments represents an expense. This expense is recognized on a straight-line basis in the consolidated income statement over the vesting periods relating to these share-based payments with the recognition of a corresponding adjustment in liabilities. At each reporting date, the Group re-estimates the number of options likely to vest, with the impact of the revised estimates recognized in profit or loss. The Group measures the services acquired and the liability incurred at the fair value of the liability. Until the liability is settled, the Group remeasures the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognized in profit or loss for the period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions. No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (further details are given in Note F7 Earnings per share).

Awards on shares of the Solvay Group

The awards granted on shares of the Solvay Group are not in scope of IFRS 2 Share based payment plans. Management has established the below accounting policy for these awards.

For the awards granted on Solvay Group shares, a liability is recognized and measured based on the fair value of the Solvay Group awards at each reporting date. On initial recognition of the liability at the Partial Demerger date, a corresponding entry is recognized in equity for the vesting period that has passed to date and the remaining amount is recognized as Other Receivables. This asset represents the services that have yet to be rendered by the beneficiaries. The asset will be amortized to the consolidated income statement over the remaining vesting period of the plans.

The costs of the awards related to the Solvay Group are presented within operational (Administrative) expenses. The fair value fluctuation on the liability will be presented in Financial Results together with the fair value fluctuation on the hedging options/shares, which will partially hedge the impact.

The liability will be remeasured to its fair value at each reporting date. This applies equally to vested plans so long as there remains outstanding (unexercised) options.

The liabilities related to the fully vested plans are disclosed as current given that the beneficiaries may exercise their awards at any time. The liabilities related to the unvested plans are disclosed as non-current.

Effects of the Partial Demerger – amendments to the plans

As part of the Partial Demerger, amendments were made to the existing long term incentive plans. The long term incentive plans were modified by the Board, based on either of the two following approaches:

1. Shareholder approach – Existing awards were adjusted to entitle beneficiaries to receive one share of the Solvay Group and one share of the Syensqo Group.
2. Employer approach – Existing awards were adjusted to entitle beneficiaries to receive a certain number of awards of their future employer (i.e. either the Syensqo Group or the Solvay Group).

Stock option plans (Shareholder approach)

All outstanding stock options were converted into options on both the Solvay Group and Syensqo Group shares. The options can be exercised individually on each Group's shares with the exception of the 2022 SOP, which is a basket option i.e. the option is exercised on both Group's shares simultaneously.

The 2022 SOP is no longer classified as an equity settled plan due to the basket option feature. This plan is treated similarly to the awards on Solvay Group shares. At the date of the Partial Demerger, the fair value of the 2022 SOP was recalculated using the Monte Carlo model and the plan was reclassified. A liability of €8 million was recognized, with corresponding entries to equity (€3 million) and Other Receivables (€5 million).

The exercise prices of all the stock options (excluding the 2022 SOP) were reset at the Partial Demerger date taking into consideration the Solvay Group and Syensqo Group closing share prices at December 11, 2023. As per Belgian law requirements, the sum of new exercise prices of the Solvay and Syensqo options equal the original exercise price of the plans.

2022 PSU plan (Shareholder approach)

The performance metrics were measured for the full year 2022 and 2023. The PSUs were converted to RSUs by applying an extrapolation method to the third performance year (2024). The vesting period remains unchanged. The RSUs vested at the end of December 2024 and the shares of the Solvay Group and the Syensqo Group will be delivered to the beneficiaries in Q1 2025.

2023 PSU and RSU (Employer approach)

The performance metrics were measured for the full year 2023. For the performance years 2024 and 2025, new KPIs were set and approved by the Syensqo Board in Q1 2024. The vesting period remains unchanged. The PSUs and RSUs will vest at the end of December 2025 and the Syensqo Group shares will be delivered to the beneficiaries in Q1 2026.

To ensure the beneficiaries were not disadvantaged by the amendments to the plan, the number of PSUs and RSUs per beneficiary was adjusted taking into account the 30 day post-demerger average share price of the Solvay and Syensqo Groups.

2022 ESPP (Employer approach)

To ensure the beneficiaries were not disadvantaged by the amendments to the plan, the number of free and matching shares per beneficiary was adjusted taking into account the 30 days post-demerger average share price of the Solvay and Syensqo Groups. The vesting period remains unchanged. The ESPP free and matching shares vested at the end of September 2024 and were delivered to the participants in October 2024.

Awards on Solvay Group shares

For the awards granted on Solvay Group shares, a liability was recognized at the Partial Demerger date based on the fair value of the Solvay Group awards at that date (€14 million). A corresponding entry was recognized in equity (€7 million) for the vesting period that had passed to date and the remaining amount was recognized as Other Receivables (€7 million). This asset represents the services that have yet to be rendered by the beneficiaries. The asset will be amortized to operational (Administrative) expenses in the consolidated income statement over the remaining vesting period of the plans.

The costs of the awards related to the Solvay Group (€5 million) (€1 million in 2023) are presented within operational (administrative) expenses in the IFRS EBIT/EBITDA. The fair value fluctuation on the liability (€6 million) is presented in Financial Results together with the fair value fluctuation on the hedging options/shares (€11 million). The carrying amount of the liability at December 31, 2024 is €16million (2023: €22 million).

Modification accounting

In accordance with the requirements of IFRS 2 modification accounting, the Group obtained updated fair values using Black-Scholes models of all the share based payment plans at the date of the Partial Demerger based on (i) the original terms but updated to the Partial Demerger date, and (ii) the modified terms. The fair values were compared and where there was an increase in fair value under the modified terms, the Group will recognize this additional cost over the remaining vesting period for the unvested plans. The additional cost related to vested plans was recognized in full in Administrative Expenses for the year ended December 31, 2023. The impact of the incremental fair value for both unvested and vested plans was not material to the Group.

Stock Option Plan

Prior to the Partial Demerger, all the stock option plans were equity settled. Following the Partial Demerger, the Group also has to account for awards granted on the Solvay Group shares. There were no stock option plans granted in 2023 and 2024.

Syensqo - Stock Option Plan

For 2024:

Share option plans - Syensqo	2021	2020	2019	2018	2017
Number of share options granted and still outstanding at December 31, 2023	152,978	214,381	106,390	103,004	61,198
Granted share options					
Forfeitures of rights and expiries					
Share options exercised		-27,578	-8,441		
Number of share options at December 31, 2024	152,978	186,803	97,949	103,004	61,198
Share options exercisable at December 31, 2024		**186,803**	**97,949**	**103,004**	**61,198**
Exercise price of Syensqo options (in €)	79.09	79.28	80.31	93.60	92.08
Fair value of options (in €) at modification date	20.55	19.77	18.39	11.61	9.36

	2024	
	Number of share options	Weighted average exercise price
January 1	**637,951**	**82.95**
Granted during the year		
Forfeitures of rights and expiries during the year		
Exercised during the year	-36,019	79.52
December 31	**601,932**	**83.15**
EXERCISABLE AT DECEMBER 31	**448,954**	

For 2023:

Share option plans - Syensqo	2021	2020	2019	2018	2017	2016
Number of share options granted and still outstanding at December 31, 2022	152,978	214,381	119,052	111,381	65,107	7,469
Granted share options						
Forfeitures of rights and expiries						
Share options exercised			-12,662	-8,377	-3,909	-7,469
Number of share options at December 31, 2023	152,978	214,381	106,390	103,004	61,198	
Share options exercisable at December 31, 2023			**106,390**	**103,004**	**61,198**	
Exercise price of Syensqo options (in €)	79.09	79.28	80.31	93.60	92.08	62.87
Fair value of options (in €) at modification date	20.55	19.77	18.39	11.61	9.36	26.96

	2023	
	Number of share options	Weighted average exercise price
January 1	**670,368**	**82.86**
Granted during the year		
Forfeitures of rights and expiries during the year		
Exercised during the year	-32,417	81.15
December 31	**637,951**	**82.95**
EXERCISABLE AT DECEMBER 31	**270,592**	

Solvay - Stock Option Plan

For 2024:

Share option plans - Solvay	2021	2020	2019	2018	2017
Number of share options granted and still outstanding at December 31, 2023	152,978	214,381	119,052	103,004	60,895
Granted share options					
Forfeitures of rights and expiries					
Share options exercised		-141,437	-54,618	-74,841	-54,107
Number of share options at December 31, 2024	152,978	72,944	64,434	28,163	6,788
Share options exercisable at December 31, 2024		**72,944**	**64,434**	**28,163**	**6,788**
Exercise price of Solvay options (in €)	16.49	16.52	16.74	19.51	19.19
Fair value of options (in €) **at December 31, 2024**	**13.11**	**13.27**	**13.33**	**11.23**	**11.88**

	2024	
	Number of share options	Weighted average exercise price
January 1	**650,310**	**17.28**
Granted during the year		
Forfeitures of rights and expiries during the year		
Exercised during the year	-325,003	17.69
December 31	**325,307**	**16.86**
EXERCISABLE AT DECEMBER 31	**172,329**	

For 2023:

Share option plans - Solvay	2021	2020	2019	2018	2017	2016
Number of share options granted and still outstanding at December 31, 2022	152,978	214,381	119,052	111,381	65,107	7,469
Granted share options						
Forfeitures of rights and expiries						
Share options exercised				-8,377	-4,212	-7,469
Number of share options at December 31, 2023	152,978	214,381	119,052	103,004	60,895	
Share options exercisable at December 31, 2023			**119,052**	**103,004**	**60,895**	
Exercise price of Solvay options (in €)	16.49	16.52	16.74	19.51	19.19	13.11
Fair value of options (in €) **at December 31, 2023**	**9.94**	**10.06**	**10.07**	**8.21**	**8.41**	**14.54**

	2023	
	Number of share options	Weighted average exercise price
January 1	**670,368**	**17.27**
Granted during the year		
Forfeitures of rights and expiries during the year		
Exercised during the year	-20,058	17.06
December 31	**650,310**	**17.28**
EXERCISABLE AT DECEMBER 31	**282,951**	

Basket option - Stock Option Plan

For 2024:

Share option plans – Basket options	2022
Number of share options granted and still outstanding at December 31, 2023	271,500
Granted share options	
Forfeitures of rights and expiries	
Share options exercised	
Number of share options at December 31, 2024	271,500
Share options exercisable at December 31, 2024	
Exercise price of options (in €)	84.34
Fair value of options (in €) **at December 31, 2024**	**22.77**

	2024	
	Number of share options	Weighted average exercise price
January 1	**271,500**	**84.34**
Granted during the year		
Forfeitures of rights and expiries during the year		
Exercised during the year		
December 31	271,500	84.34
EXERCISABLE AT DECEMBER 31		

For 2023:

Share option plans – Basket options	2022
Number of share options granted and still outstanding at December 31, 2022	271,500
Granted share options	
Forfeitures of rights and expiries	
Share options exercised	
Number of share options at December 31, 2023	271,500
Share options exercisable at December 31, 2023	
Exercise price of options (in €)	84.34
Fair value of options (in €) **at December 31, 2023**	**38.47**

	2023	
	Number of share options	Weighted average exercise price
January 1	**271,500**	**84.34**
Granted during the year		
Forfeitures of rights and expiries during the year		
Exercised during the year		
December 31	**271,500**	**84.34**
EXERCISABLE AT DECEMBER 31		

In 2024, the share options resulted in a total income of €3 million (2023: €1 million of expense) recognized in the consolidated income statement as the net of, an expense of €3 million, as part of administrative costs and a net financial income related to the remeasurement of the liability for €6 million. The carrying amount of the liability for stock options on Solvay Group shares at December 31, 2024 is €10 million (2023: €17 million).

Weighted average remaining contractual life of the share option plans:

In years	2024	2023
2017	0.2	1.2
2018	1.2	2.2
2019	2.2	3.2
2020	3.2	4.2
2021	4.1	5.1
2022	3.0	4.0

Performance Share Units Plan (PSU)

In 2024, the Board of Directors offered to executive staff a Performance Share Unit Plan, with the objective of promoting long-term success and to increase the focus on sustainable performance for the benefit of the Syensqo Group and its stakeholders. All the managers involved subscribed to the PSU offered to them in 2024 with a grant date fair value of €82.97 representing the average Syensqo Group stock market price of the share for the 30 days prior to the offer. The PSU plan 2024 is an equity-settled share-based plan with a 3-year vesting period, after which shares will be issued, if vesting conditions are met.

The table below includes information on the PSU plans.

Performance share units	Plan 2024	Plan 2023
Number of PSUs	169,772	171,998
Grant date	27/03/2024	07/03/2023
Vesting date	01/01/2027	01/01/2026
Vesting period	01/01/2024 to 31/12/2026	01/01/2023 to 31/12/2025
Performance conditions	40% of the initial granted PSUs are subject to the achievement of Year over Year Underlying EBITDA growth target for each of the 3 (2024, 2025, 2026) performance years ending on December 31, 2026	40% of the initial granted PSUs are subject to the achievement of Year over Year Underlying EBITDA growth target for each of the 3 (2023, 2024, 2025) performance years ending on December 31, 2025
	40% of the initial granted PSUs are subject to the sustained and/or improved ROCE % of the Company for each of the 3 (2024, 2025, 2026) performance years	40% of the initial granted PSUs are subject to the sustained and/or improved ROCE % of the Company for each of the 3 (2023, 2024, 2025) performance years
	20% of the initial granted PSUs are subject to the reduction of GHG absolute emissions during the same 3 years (2024, 2025, 2026)	20% of the initial granted PSUs are subject to the reduction of GHG absolute emissions during the same 3 years (2023, 2024, 2025)
	Achievement of the plan is measured for each separate performance year. The score achieved for each individual year is acquired definitively, whatever the achievement of the other years	Achievement of the plan is measured for each separate performance year. The score achieved for each individual year is acquired definitively, whatever the achievement of the other years
Validation of performance conditions	By the Board of Directors	By the Board of Directors

In 2024, the impact on the consolidated income statement regarding PSUs amounts to a cost of €11 million. Included in the 2024 PSU cost is €5 million related to the new PSU 2024 equity-settled plan and €6 million related to the 2023 PSU plan.

In 2023, the impact on the consolidated income statement regarding PSUs amounts to a cost of €15 million. Included in the 2023 PSU cost is €5 million related to the PSU 2023 equity-settled plan and €5 million related to the 2022 PSU prior to its conversion to RSUs.

At December 31, 2024, there were 306,763 PSUs outstanding of which, 154,369 PSUs are related to the 2024 equity-settled plan.

At December 31, 2023, there were 172,135 PSUs outstanding for the 2023 equity-settled plan and 104,488 for the 2021 cash-settled plan (paid in 2024), respectively.

Restricted Share Units (RSU)

In 2024, the Board of Directors offered to executive staff two Restricted Share Unit Plans, with the objective of encouraging beneficiaries to remain employed by the Group by allowing them to become shareholders of the Group. All the managers involved subscribed to the RSUs offered to them in 2024 with a grant date fair value of €82.97 representing the average Syensqo Group stock market price of the share for the 30 days prior to the offer.

The Restricted Share Units are equity-settled share-based plans with a vesting date of December 31, 2026, after which shares will be issued, if vesting conditions are met.

In 2024, the impact on the consolidated income statement of the RSUs amounts to a cost of €15 million (2023: €6 million) and includes the cost of the converted 2022 PSU plan post the Partial Demerger.

The carrying amount of the liability for the 2022 RSU plan on awards on Solvay Group shares amounts to €2 million at the end of 2024 (2023: €2 million).

The carrying amount of the liability for the 2022 PSU plan on awards on Solvay Group shares amounts (converted into RSUs) to €4 million at the end of 2024 (2023: €3 million).

At December 31, 2024, there were 70,463 RSUs, 88,615 RSUs (97,962 RSUs in 2023) and 168,348 RSUs (172,703 RSUs in 2023) outstanding for the 2024, 2023 and 2022 equity settled plan, respectively on Syensqo Group shares.

At December 31, 2024, there were 168,348 RSUs (172,703 RSUs in 2023) outstanding on Solvay Group shares.

Employee Stock Purchase Plan (ESPP)

In September 2022, Solvay launched its first employee share purchase plan. By participating in the plan, employees had the opportunity to purchase Solvay Group shares on preferential terms. 27.7% of employees subscribed to the plan offered to them in 2022 with a grant date fair value of €82.85 representing the average stock market price of the share for the 30 days prior to the offer. In accordance with IFRS 2 requirements, the fair value of the ESPP had been updated to €64.55, being the initial grant date fair value adjusted by the weighted average closing price of both Groups for the 30 days post the Partial Demerger (78% of the initial grant date fair value allocated to Syensqo).

These employees received one free Syensqo Group share for joining the plan as well as one matching share for every two shares purchased. The ESPP is an equity-settled share-based plan with a vesting date of September 30, 2024, after which the free and matching shares were issued, if vesting conditions were met.

At December 31, 2024, 54,542 free and matching shares were granted to the employees. The total impact on the consolidated income statement of the ESPP amounted to a cost of €1 million in 2024 (2023: €2 million).

NOTE F25

EMPLOYEE BENEFITS

Accounting policy

General

The Group's employees are offered various post-employment benefits, other long-term employee benefits, and termination benefits as a result of legislation applicable in certain countries, and contractual agreements entered into by the Group with its employees or constructive obligations.

The post-employment benefits are classified as defined contribution or defined benefit plans.

Defined contribution plans

Defined contribution plans involve the payment of fixed contributions to a separate entity, and release the employer from any subsequent obligation, as this separate entity is solely responsible for paying the amounts due to the employee. The expense is recognized when an employee has rendered services to the Group during the period.

Defined benefit plans

Defined benefit plans concern all plans other than defined contribution plans, and include:

- Post-employment benefits: pension plans, other post-employment obligations and supplemental benefits such as post-employment medical plans.

Taking into account projected final salaries on an individual basis, post-employment benefits are measured by applying a method (projected unit credit method) using assumptions involving discount rate, life expectancy, turnover, wages, annuity revaluation and medical cost inflation. The assumptions specific to each plan take into account the local economic and demographic contexts.

The discount rates are interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation.

The amount recognized under post-employment obligations corresponds to the difference between the present value of future obligations and the fair value of the plan assets funding the plan, if any. If this calculation gives rise to a deficit, an obligation is recognized in liabilities. Otherwise, a net asset limited to the lower of the surplus in the defined benefit plan and the present value of any future plan refunds or any reduction in future contributions to the plan is recognized. Therefore the amount at which such an asset is recognized in the statement of financial position may be subject to a ceiling.

The defined benefit cost consists of service cost and net interest expense (based on discount rate) on the net liability or asset, both recognized in profit or loss, and remeasurements of the net liability or asset, recognized in other comprehensive income.

Service cost consists of current service cost, past service cost resulting from plan amendments or curtailments and settlement gains or losses.

The interest expenses arising from the reverse discounting of the benefit obligations, the financial income on plan assets (determined by multiplying the fair value of the plan assets by the discount rate) as well as interest on the effect of the asset ceiling are recognized on a net basis in the net financial charges (cost of discounting of provisions).

Remeasurements of the net liability or asset consist of:

- actuarial gains and losses on the benefit obligations arising from experience adjustments and/or changes in actuarial assumptions (including the effect of changes in the discount rate) recognized in other comprehensive income;
- changes as a consequence of plan amendments, recognized in profit or loss;
- the return on plan assets (excluding amounts in net interest) and changes in the limitation of the net asset recognized.

Other long-term employee and termination benefits

- Other long-term employee benefits related to long service benefits granted to employees according to their seniority in the Group. Termination benefits include early pension plans. Other long-term employee and termination benefits are accounted for in the same way as post-employment benefits but remeasurements are fully recognized in the net financial charges during the period in which they occur.
- The actuarial calculations of the main post-employment obligations and other long-term benefits are performed by independent actuaries.

LIABILITY BY TYPE OF BENEFITS

In € million	December 31, 2024	December 31, 2023
Post-employment benefits	291	281
Other long-term benefits	103	92
Termination benefits	1	1
TOTAL EMPLOYEE BENEFITS	**395**	**373**

Post-employment benefits

A. Defined contribution plans

For defined contribution plans, the Group pays contributions to publicly or privately administered pension funds or insurance companies.

B. Defined benefit plans

Defined benefit plans can be either funded via outside pension funds or insurance companies ("funded plans") or financed within the Group ("unfunded plans"). Unfunded plans have no plan assets dedicated to them.

The net liability results from the net of the provisions and the asset plan surplus.

In € million	December 31, 2024	December 31, 2023
Provisions	291	281
Asset plan surplus	-44	-91
Net liability	246	189
	2024	2023
Operational expense	-6	24
Finance expense	9	11

The operating expense includes the impact of the group annuity contract and current service cost for €18 million (€19 million in 2023) (see also B.3.).

B.1. Management of risks

Over recent years, the Group has reduced its exposure to defined benefit plan obligations stemming from future services by converting existing plans into pension plans with a lower risk profile (hybrid plans, cash balance plans and defined contribution plans) or by closing them to new entrants.

The Group continuously monitors its risk exposure, focusing on the following risks:

Asset volatility

Equity instruments, even though expected to outperform corporate bonds in the long-term, create volatility and risk in the short-term. To mitigate this risk, the allocation to equity instruments is monitored using Assets and Liabilities Management techniques, to ensure it remains appropriate given the respective schemes' and Group's long term objectives.

Changes in bond yields

A decrease in corporate bond yields will increase the carrying amount of the plans' liabilities. For funded schemes this impact will be partially offset by an increase in the fair value of the plan assets. Corporate bond yields are highly dependent on global and local market situations, the decisions of central banks and the political situation.

The main events that are currently impacting the financial markets are:

- the perspective of slow growth in the world with a fragmentation by geographic zones;
- wide global wave of government debt supply, in particular across the US and Europe;
- persistent inflation and recent volatility in some geographies erodes fixed income returns and increases investors' demand for higher yields;
- stubborn inflation may prevent central banks cutting rates significantly, particularly in the US where growth is robust;
- concerns on US administration's policies and decisions on tariffs;
- continuing political instability due to the war in Gaza, Ukraine and tension with China.

Inflation risk

The defined benefit obligations are linked to inflation, and as a result, higher inflation may lead to an increase in the benefit obligation (although, in most cases, caps on the level of inflationary increases are in place to protect against extreme inflation). A limited part of the assets are either unaffected by or only partially correlated with inflation, meaning that an increase in inflation will also increase the plans' net liabilities.

The inflation rate in each country is based on the Global Economic Consensus Forecast (GCF) with the exception of the UK, where the information is derived from the Bank of England. Long-term inflation assumptions have decreased slightly in the Eurozone in comparison to 2023. In the UK, the outlook for the retail price index and consumer price index increased slightly compared to 2023. (See Actuarial assumptions used in determining the liability).

Life expectancy

The majority of the schemes' obligations are to provide benefits for the life of the member. Increases in life expectancy will therefore increase the plans' liabilities.

Regulatory risk

Especially with respect to funded plans, the Group is exposed to the risk of external funding following regulatory constraints. This should not impact the defined benefit obligation but could expose the Group to a potential significant cash outlay.

B.2. Description of obligations

The provisions have been set up to cover post-employment benefits granted by most Group companies in line, either with local rules and /or with established practices, which generate constructive obligations.

The largest post-employment plans in 2024 and 2023 are in the United Kingdom, the United States and France.

These three countries represent 93% of the total defined benefit obligations and represent 95% of the total recognized plan assets.

	December 31, 2024				
In € million	Defined benefit obligations	Recognized plan assets	Net liability/(asset)	Ratio plan assets on defined benefit obligations	of which asset surplus recognized in the balance sheet
United Kingdom	936	891	45	95%	0
United States	383	321	62	84%	37
France	107	20	87	19%	0
Belgium	81	79	2	98%	1
Other countries	70	19	51	27%	6
TOTAL	**1,576**	**1,330**	**246**	**84%**	**44**

	December 31, 2023				
In € million	Defined benefit obligations	Recognized plan assets	Net liability/(asset)	Ratio plan assets on defined benefit obligations	of which asset surplus recognized in the balance sheet
United Kingdom	943	964	-21	102%	61
United States	829	764	65	92%	23
France	118	22	96	19%	0
Belgium	70	70	1	99%	3
Other countries	82	33	49	41%	5
TOTAL	**2,042**	**1,853**	**189**	**91%**	**91**

United Kingdom

The Group sponsors a few defined benefit plans in the United Kingdom; the largest one is the Rhodia Pension Fund (the Fund). This is a final salary funded pension plan, with entitlement to accrue a percentage of salary per year of service. It was closed to new entrants in 2003 and replaced by a defined contribution plan.

Broadly, at year-end 2024, about 9% of the defined benefit obligations are attributable to current employees, 26% to former employees and 65% to current pensioners.

The Fund functions and complies with UK legislation under a large regulatory framework. The Pensions Regulator has a risk-based approach to regulation and a code of practice, which provides practical guidance to trustees and employers of defined benefit schemes on how to comply with the scheme funding requirements. In accordance with UK legislation, the Fund is subject to Scheme Specific Funding, which requires that pension plans are funded prudently.

The Fund is governed by a Board of Trustees. They manage the Fund with prudent and fair judgment. The Trustees determine the liabilities used for Statutory Funding Objectives based on prudent actuarial and economic assumptions. Any shortfall or deficit once these liabilities have been deducted from the Fund's assets must be reduced by additional contributions and in a time frame determined in accordance with the employer's ability to pay and the strength of covenant or contingent security being offered by the employer.

The Fund is subject to a triennial valuation cycle for funding purposes. This valuation is performed by the scheme actuary in line with UK regulations and is discussed between the Trustees and the sponsoring employer to agree the valuation assumptions and a funding plan. The last completed valuation was as of July 1, 2021, which established a fixed contribution rate of pensionable pay for active members plus a deficit recovery plan, which aims to fully fund the scheme's technical provisions over a period of time. Recovery contributions were increased so that the plan is expected to be fully funded by the end of 2027 in accordance with local regulations.

The guarantee provided by the Group (£161 million €191 million) is based on local regulations and exceeds the recognized liability – See note F31 Contingent assets, liabilities and financial guarantees for more information.

In June 2023, the High Court handed down a decision (Virgin Media Limited v NTL Pension Trustees II Limited and others) which potentially has implications for the validity of amendments made by pension schemes, including Syensqo's UK defined benefit plans, which were contracted-out on a salary-related basis between April 6, 1997 and the abolition of contracting-out in 2016. In July 2024 the Court of Appeal upheld the original decision, although there remains significant areas of uncertainty that it is expected will need further legal clarification. The position may also be impacted if the Department for Work and Pensions brings forward changes in legislation.

The pension plan Trustees and advisers have completed a review of the plan amendments to check whether any may fall into the scope of the ruling. Based on this investigation, the Group believes that amendments made to the plans in the relevant period are not in the scope of the UK High Court Ruling and therefore the Ruling does not expose the Group's UK defined benefit plans to any new risks that would have a significant impact on the consolidated financial statements as at December 31, 2024.

The Group will continue to monitor developments to decide whether any further actions are required.

France

The group sponsors several defined benefit plans in France. The largest plans are the French compulsory retirement indemnity plan and four closed top hat plans. More than 95% of the liabilities for the top hat plans are attributable to current pensioners. Three of the top hat plans are partially funded.

In accordance with French legislation, adequate guarantees have been provided.

United States

The Group sponsors four defined benefit pension plans in the United States: one qualified plan following the merger of two qualified plans in 2023 and three non-qualified plans. A qualified plan is an employer-sponsored retirement plan that qualifies for special tax treatment under Section 401(a) of the Internal Revenue Code. At this moment all defined benefit plans are closed to new entrants where newly hired employees are eligible to participate in a defined contribution plan. Note that the qualified defined benefit pension plan is funded while the three non-qualified defined benefit pension plans are unfunded. The qualified plans make up the vast majority of the pension liabilities as of December 31, 2024.

The Group's plans are in compliance with local laws regarding audited financial statements, governmental filings, and Pension Benefit Guaranty Corporation insurance premiums where applicable. The plans are reviewed and monitored locally by fiduciary committees for purposes of plan investments and administrative matters.

For the US qualified plans, the Group's contributions take into account minimum (tax-deductible) funding requirements as well as maximum tax deductible contributions, both regulated by the tax authorities.

Certain eligible participants may elect to receive their pension in a single lump sum payment instead of a monthly payment.

On September 17, 2024, the Group announced a significant step in its ongoing commitment to the financial stability of its retirees in the US and Canada by reducing its pension obligations through the purchase of group annuity contracts. This strategic move was designed to reduce the Group's gross pension obligations and associated volatility risk, while enhancing the long term security of pension benefits for its retirees.

Syensqo has, in August 2024, entered into agreements with Pacific Life Insurance Company ("Pacific Life") and RBC Insurance ("RBC"), to transfer some of its legal and constructive pension obligations with no change to the benefits for its retirees. The transfer resulted in a settlement of its US$485 million gross pension obligation. Considering that the plans were fully funded, it did not result in any additional cash funding requirement.

RBC will begin paying and administering the retirement benefits of affected retirees and beneficiaries in Canada from December 2024 and Pacific Life will similarly do the same for US retirees and beneficiaries from January 2025.

The US and Canada defined benefit obligations have decreased by US$470 million and CAD $20 million respectively, while US$450 million and CAD$20 million of plan assets have been derecognized as a result of the transfer. As a result a settlement gain of €18 million was recognized in 2024 (See Net Expense details below).

Broadly, at year-end 2024, about 61% of the defined benefit obligations are attributable to current employees, 28% to former employees for whom benefit payments have not yet commenced and 11% to current pensioners. These percentages are after reflecting the group annuity contract that was completed in August 2024 (See section "Main Events" for further details).

In 2024, in the United States, the Group contributed to two multiemployer pension plans under collective bargaining agreements that cover certain of its union-represented employees. Each of the multiemployer plans is a defined benefit pension plan, both of which were in green zone status for 2024. Neither of the multiemployer plans provide an allocation of its assets, liabilities, or costs among contributing employers. Neither of the multiemployer plans provides sufficient information to permit Syensqo, or other contributing employers, to account for the multiemployer plan as a defined benefit plan. Accordingly, the company accounts for its participation in each of the multiemployer plans as if it were a defined contribution plan. For 2023 and 2024, the annual contributions paid for each multiemployer plan were less than €0.3 million and represented less than 5% of total plan contributions. Multiemployer plan contributions for 2025 are also expected to be €0.3 million.

An asset surplus is recognized in the consolidated statement of financial position for the United -States.

Belgium

The Group sponsors two defined benefit plans in Belgium. These are funded pension plans. The plan for executives has been closed since the end of 2006, and the plan for the White and Blue collars has been closed since 2004. The past service benefits provided under these plans continue to be adapted each year considering annual salary increase and inflation ("dynamic management"). In accordance with market practice in Belgium, because of favorable retirement lump sum taxation, most benefits are paid as lump sum.

Furthermore, the Group sponsors two open defined contribution plans, classified as defined benefit plans for accounting purposes due to the minimum guarantees explained hereafter. These are funded pension plans, which are open since the beginning of 2007 for the one in favor of the executives and since the beginning of 2005 for the one in favor of the White and Blue collars. Participants may choose to invest their contributions amongst four different investment funds (from "Prudent" to "Dynamic"). However, regardless of their choices, the Belgian law foresees that the employer must guarantee a return on employer contribution and on personal contribution, creating that way a potential liability for the Group. Since 2016 the return is a variable rate defined by legislation and reviewed annually, within a range (1.75% and 3.75%). This rate was set at 1.75% between 2016 and 2024, and from January 1, 2025 increased to 2.5%. To value the Group liabilities of those plans, an estimated average return over the duration of the plans is used. Since the increase of the minimum guaranteed return was anticipated last year, there is no significant change in the average return and Group liabilities due to the new rate. At the end of 2024, the net liability recognized in the consolidated statement of financial position concerning these plans is not material.

The Group's plans are setup through a multiemployer pension fund with assets and pension liabilities held in a section separated from other sponsoring companies. The fund operates in compliance with local laws regarding minimum funding, investments principles, audited financial statements, governmental filings, and governance principles. The fund is managed through a General Assembly and a Board of Directors delegating day-to-day activities to an operational committee.

Other Plans

The majority of the obligations relate to pension plans. In some countries (mainly the United States), there are also post-employment medical plans, which represent 5% (4% in 2023) of the total defined benefit obligation.

B.3. Financial impacts

Changes in net liability

In € million	2024	2023
Net amount recognized at beginning of period	189	238
Net expense recognized in P&L - Defined benefit plans	3	35
Actual employer contributions / direct actual benefits paid	-27	-113
Acquisitions and disposals	0	0
Remeasurements before impact of asset ceiling	77	39
Change in the effect of the asset ceiling limit on remeasurements	0	-4
Reclassifications	1	-3
Currency translation differences	3	-3
NET AMOUNT RECOGNIZED AT END OF PERIOD	**246**	**189**

Remeasurements before the impact of asset ceiling of €77 million comprise:

- the unfavorable investment return on plan assets (excluding interests reported in the consolidated income statement) for €100 million;
- the increase in discount rates €(134) million mainly in the United States, United Kingdom and Eurozone;
- the increase in inflation rate €19 million for Eurozone;
- the change in demographic assumptions for €37 million;
- other remeasurements due to changes in the other financial assumptions, demographic and experience effects for €54 million.

Net expense

In € million	2024	2023
Current service costs	18	19
Past service costs (including curtailments and settlements)	-27	3
Service costs	**-9**	**21**
Interest cost	84	97
Interest income	-75	-86
Net interest	**9**	**11**
Administrative expenses paid	3	3
Net expense recognized in P&L - Defined benefit plans	**3**	**35**
Remeasurements recognized in other comprehensive income	77	-35

The service costs and administrative expenses of these benefit plans are recognized within cost of sales, administrative costs, research & development costs or operating gains and losses and results from legacy remediation, and the net interest is recognized as a finance expense.

In 2024 the Group's current service costs amounted to €18 million (€19 million in 2023), of which €13 million (€13 million in 2023) related to funded plans and €5 million (€6 million in 2023) related to unfunded plans. Past service costs include mainly favorable impacts reflecting the group annuity contract that was completed in August 2024 (€(18) million) mainly in the United States and a curtailment effect (€(10) million) mainly in France, in Belgium and in the United States (See section "Main Events" for further details).

Net liability

In € million	December 31, 2024	December 31, 2023
Defined benefit obligations - Funded plans	1,367	1,811
Fair value of plan assets at end of period	-1,330	-1,853
Deficit for funded plans	**38**	**-41**
Defined benefit obligations - Unfunded plans	209	231
Deficit / surplus (-)	**246**	**190**
Amounts not recognized as asset due to asset ceiling (recognized in other comprehensive income)	0	0
Net liability (asset)	**246**	**189**
Provision recognized	291	281
Asset recognized	-44	-91

Changes in defined benefit obligations

In € million	2024	2023
Defined benefit obligation at beginning of period	**2,042**	**2,119**
Current service costs	18	19
Past service costs (including curtailments)	-8	3
Interest cost	84	97
Employee contributions	2	2
Settlements	-448	0
Acquisitions and disposals (-)	0	0
Remeasurements in other comprehensive income	-23	59
Actuarial gains and losses due to changes in demographic assumptions	37	1
Actuarial gains and losses due to changes in financial assumptions	-89	16
Actuarial gains and losses due to experience	28	41
Actual benefits paid	–156	-156
Currency translation differences	75	-13
Reclassification and other movements	-10	-86
Defined benefit obligation at end of period	**1,576**	**2,042**
Defined benefit obligations - Funded plans	1,367	1,811
Defined benefit obligations - Unfunded plans	209	231

The settlement reflects the group annuity contract that was completed in August 2024 (See section “Main Events” for further details).

Changes in the fair value of plan assets

In € million	2024	2023
Fair value of plan assets at beginning of period	**1,853**	**1883**
Interest income	75	86
Remeasurements in other comprehensive income	-100	20
Return on plan assets (excluding amounts in net interests including on asset surplus)	-100	20
Employer contributions	27	113
Employee contributions	2	2
Administrative expenses paid	-3	-3
Acquisitions / Disposals (-)	0	0
Settlements	-429	0
Actual benefits paid	-155	-156
Currency translation differences	72	-10
Reclassification and other movements	-10	-82
Fair value of plan assets at end of period	**1,330**	**1,853**
Actual return on plan assets (including on asset surplus)	-25	106

In 2024, the total return on plan assets, i.e. including interest income, is a loss of €(25) million against a profit of €106 million in 2023.

In 2024, the Group's cash contributions amounted to €27 million (€113 million in 2023) of mandatory contributions to funds and direct benefits payments. No voluntary cash contributions were made in 2024 (€86 million were made in 2023 to improve the funding level of the UK pension plans and increase de-risking with the additional plan assets).

The settlement reflects the group annuity contract that was completed in August 2024 (See section "Main Events" for further details).

Future benefits paid

The Group's benefit payments from the defined benefit plan in the future years are expected to be approximately as follows (in € million):

Period	Total	Eurozone	United Kingdom	United States	Other
2025	118	10	65	39	4
2026	137	15	66	53	3
2027 - 2029	403	49	207	135	12

Categories of plan assets

	December 31, 2024	December 31, 2023
Equities	31%	23%
Bonds	59%	70%
Properties and infrastructures	4%	3%
Cash and cash equivalents	4%	3%
Derivatives	0%	0%
Others	2%	1%
TOTAL	**100%**	**100%**

With respect to the invested assets, it should be noted that these assets do not contain any direct investment in the Group shares or in property or other assets occupied or used by the Group. This does not exclude the Group shares being included in mutual investment fund type investments.

Changes in asset ceiling

In € million	2024	2023
Effect of the asset ceiling limit at beginning of period	0	4
Change in the effect of the asset ceiling limit on remeasurements	0	-4
Effect of the asset ceiling limit at end of period	0	0

Actuarial assumptions used in determining the liability

Some of the retirement plans that the Group has in place provide annuity payments that are adjusted on a regular basis to mitigate the effects for cost of living increases.

The salary growth assumption is used to determine what will be the salary at the end of the career of the individuals, as the defined benefit plans take into account the last salary of the individuals. This assumption includes impacts of both inflation and merit increases.

The pension growth assumption defines the expected future adjustments for these annuity payments. The plan defines how these annuity payments will be adjusted, and might be linked to inflation. Pension growth assumptions mainly apply for the defined benefit retirement plans in the United Kingdom and France.

The long term inflation assumption is presented separately as salary growth and pension growth assumptions encompass more variables than inflation.

	Eurozone		UK		USA	
	2024	2023	2024	2023	2024	2023
Discount rates	3.40%	3.25%	5.50%	4.50%	5.50%	4.75%
Expected rates of future salary increases	1.80%-4.58%	2.00%-4.00%	2.60%	2.25%	4.30%	3.75%
Inflation	1.80%-2.00%	2.00%-2.25%	3.00%	2.75%	2.20%	2.25%
Expected rates of pension growth	0.00%-2.00%	0.00%-2.25%	2.90%	2.55%	NA	NA

Actuarial assumptions used in determining the annual cost

	Eurozone		UK		USA	
	2024	2023	2024	2023	2024	2023
Discount rates	3.25%	3.75%	4.50%	4.75%	4.75%	5.00%
Expected rates of future salary increases	2.00%-4.58%	2.00% - 4.25%	2.25%	2.50%	4.30%	3.75%
Inflation	2.00%-2.25%	2.00% - 2.50%	2.75%	3.00%	2.25%	2.50%
Expected rates of pension growth	0.00%-2.25%	0.00% - 2.50%	2.65%	2.80%	NA	NA

Actuarial assumptions regarding future mortality are based on recent country specific mortality tables. These assumptions translate at January 1, 2024 into an average remaining life expectancy in years for a pensioner retiring at age 65:

In years	Belgium	France	United Kingdom	United States
Retiring at the end of the reporting period				
Male	19	25	21	21
Female	22	29	24	23
Retiring 20 years after the end of the reporting period				
Male	20	28	22	22
Female	24	32	25	24

For most countries the mortality assumptions reflect actual scheme experience and/or the Group's expectations in terms of future mortality improvements.

The actuarial assumptions used in determining the employee benefits obligation at December 31, 2024 are based on the following employee benefits liabilities durations:

	Eurozone	United Kingdom	United States
Duration in years	11.2	11.6	8.7

Sensitivities on the defined benefits obligation for the post-employment benefits

Each sensitivity amount is calculated assuming that all other assumptions are held constant. The economic factors and conditions often affect multiple assumptions simultaneously.

Sensitivity to a change of percentage in the discount rates:

In € million	0.25% increase	0.25% decrease
Eurozone	-5	5
United Kingdom	-25	26
United States	-7	7
Others	-1	1
TOTAL	**-38**	**39**

Sensitivity to a change of percentage in the inflation rates:

In € million	0.25% increase	0.25% decrease
Eurozone	5	-4
United Kingdom	20	-20
United States	0	0
Others	0	0
TOTAL	**25**	**-24**

Sensitivity to a change of percentage in salary growth rates:

In € million	0.25% increase	0.25% decrease
Eurozone	2	-2
United Kingdom	1	-1
United States	0	0
Others	0	0
TOTAL	**3**	**-3**

Sensitivity to a change of one year on mortality tables – The table shows impacts when the age of all beneficiaries increases or decreases by one year:

In € million	Age correction +1 year	Age correction -1 year
Eurozone	-5	5
United Kingdom	-40	40
United States	-4	4
Others	-1	1
TOTAL	**-50**	**50**

NOTE F26

PROVISIONS

Accounting policy

General

Provisions are recognized when (a) the Group has a present obligation (legal or constructive) as a result of a past event, (b) it is probable that the Group will be required to settle the obligation, and (c) a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount is the present value of expenditures required to settle the obligation. Impacts of changes in discount rates are generally recognized in the financial result.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received when the Group settles the obligation.

Restructurings

A restructuring provision is recognized when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

Environmental remediation costs

Environmental liabilities are mainly related to non-ongoing activities (shut-down sites, discontinued activities or divested activities where Syensqo maintains certain commitments) and, to a lower extent, to ongoing activities (see comments below).

An environmental provision is recognized, in accordance with IAS 37, when there is a current legal or constructive obligation resulting from past events which will result in a probable outflow of resources (expenses/cash outs) to settle it and for which a reliable estimate of such outflows and timing can be made.

The environmental expenses encompass, but are not limited to, the following key matters

- Sampling and analytical costs for soil and ground water monitoring
- Cost related to dismantling when required to meet a remediation or permit obligation
- Asbestos removal when obligated by regulation
- Environmental investigations and studies (Risk Assessments, Phase I and II soil and groundwater)

The closing amount of the environmental provisions is based on the net present value of the future cash flows needed, for current and future years, to settle remediation obligations. Forecast expenditures are based on external consultant estimates, where appropriate and possible. Future expenditures are forecast and revised biannually and validated quarterly by Syensqo finance and suitably qualified industrial experts led by the Group Health, Safety and Environment ("HSE") Director and benefit from inputs of legal department staff for the evolution of Environmental Regulations.

In the absence of probable obligations, a contingent liability may be disclosed to represent the future possible liability. In some cases, contingent liabilities cannot be quantified. See Note F31 Contingent assets, liabilities and financial guarantees.

In € million	Restructuring	Environment	Litigation	Other	Total
December 31, 2023	**48**	**500**	**36**	**118**	**702**
Additions	104	18	0	30	152
Reversals of unused amounts	0	-33	-4	-33	-70
Uses	-49	-47	0	-15	-110
Increase/decrease through discounting	0	1	0	0	1
Currency translation differences	1	20	2	1	23
Acquisitions and changes in consolidation scope	0	0	0	1	1
Other	0	-167	0	0	-166
DECEMBER 31, 2024	**104**	**292**	**34**	**103**	**533**
Of which current provisions	72	63	33	51	219

Management expects provisions to be used (cash outlays) as follows:

In € million	up to 5 years	between 5 and 10 years	beyond 10 years	Total
Total provisions for environment	162	42	88	292
Total provisions for litigation	34			34
Total provisions for restructuring and other	208			208
DECEMBER 31, 2024	**404**	**42**	**88**	**533**

Restructuring provisions

In 2024, these provisions amount to €104 million, compared with €48 million at the end of 2023. The increase is mainly due to the new restructuring initiatives that were launched in 2024 to adapt the organization to better meet the evolving needs of its customers and focus on projects that will accelerate growth.

Environmental provisions

These provisions amount to €292 million at the end of 2024, compared with €500 million at the end of 2023.

The environmental provisions in 2024 relate mainly to remedial activities pertaining to the per- and polyfluoroalkyl substances (PFAS) related to the West Deptford, New Jersey site (€126 million). On June 28, 2023, Solvay Specialty Polymers USA, LLC ("Solvay Specialty Polymers"), a subsidiary of Syensqo SA, and the New Jersey Department of Environmental Protection (NJDEP) announced an agreement resolving certain PFAS related claims in New Jersey.

The agreement, which is not an admission of liability, was structured as a Judicial Consent Order and it was presented to the US Court for review and approval following a public comment period. The Court Approval was obtained on March 1, 2024 and became final and binding.

Under the terms of the agreement, Solvay Specialty Polymers paid US$75 million to NJDEP for Natural Resource Damages (NRDs) and US$100 million to fund NJDEP PFAS remediation projects in areas of New Jersey near the Reporting Entity's West Deptford site. The settlement includes commitments for Solvay Specialty Polymers to complete remediation activities that began in 2013, including testing water and soil near the West Deptford site. Solvay Specialty Polymers established a remedial funding source in the initial amount of US$214 million to fund those activities. As a result of this settlement, Solvay Specialty Polymers had increased its current provision by around US$ 250 million (€229 million) in 2023.

The line "Other" in the table above is explained by the approval of the Judicial Consent Order by the US Court. As a consequence of the approval, an amount of US$180 million (EUR 167 million) was reclassified from "Other (current) provisions" to "Other (current) liabilities" as of March 31, 2024 and that amount was paid in April 2024 (in the Statement of Cash flows, it is included in the Changes in working capital). The balance of the provision will be spent over a 30-year period and is included in Other non-current provisions.

The environmental provision recorded is based on the net present value of the cash flow forecast needed, for current and future years, to settle the remediation obligations. This provision represents the estimated cash out and does not reflect expected recoveries from third-party contributors nor does it reflect the potential insurance proceeds, the combination of which could significantly reduce the resultant costs.

The Group submitted certain claims from its environmental liability insurance and received and recognized €32 million as a preliminary settlement of these insurance policy claims in February 2024. Other unrecognized insurance proceeds and recovery from third-party contributors are still under discussion.

The variation of Environmental provisions was also impacted by

- the reversal of unused amounts for €(33) million mainly due to the downward revision of future remediation expenses (€(28) million) and the transfer to Solvay of two sites in the United Kingdom (€(6) million);
- the impact of currency translation and the revised assumptions of discount rates increasing the present value of the overall liability by €21 million. The estimated amounts are discounted based on the probable date of settlement, and are periodically adjusted to reflect the passage of time.

The breakdown of the environmental provisions and related uses for the main Countries/Regions is reported here below:

In € million	December 31, 2024			December 31, 2023		
	Provisions	In %	Use of provisions	Provisions	In %	Use of provisions
Italy	28	10%	-4	36	7%	-6
Rest of Europe	7	2%	-2	14	3%	-7
North America	254	87%	-41	447	89%	-19
Rest of the world	3	1%	0	3	1%	0
TOTAL	**292**	**100%**	**-47**	**500**	**100%**	**-32**

HSE cross-indemnities

The Separation Agreement signed in 2023 contains provisions allocated to the Syensqo Group for certain operating costs, closed or divested sites, including sites for which provisions have been established in the Solvay Group's consolidated financial statements, and cross-indemnity obligations applicable where a party incurs claims, liabilities or expenses for sites allocated to the other party in the Separation Agreement.

The cross-indemnity provision within the Separation Agreement defines the nature of the environmental liabilities and costs that are indemnified. Such costs include management of environmental claims, remediation obligations and related actions. The Separation Agreement also provides additional provisions such as submitting claims and protections aimed at avoiding double recoveries.

At the end of 2024, the cross-indemnity provision amounted to €47 million (€51 million in 2023) and the related indemnification assets have been recognized in Other non-current assets and Other Receivables.

Provisions for litigation

Provisions for litigation refer to indirect tax and legal exposures. They amount to €34 million in 2024 (€36 million in 2023).

Other provisions

Other provisions amount to €103 million in 2024 (€118 million in 2023).

The Syensqo Group and the Solvay Group have entered into a transition services agreement (the "TSA"), effective from the date of the Partial Demerger for a non-renewable term of 24 months, whereby the Syensqo Group and the Solvay Group will, to the extent that certain business functions and corporate functions have not been separated prior to the Partial Demerger date, each provide to the other various services and support on an interim transitional basis. In particular, given that the Syensqo Group will not have certain internal corporate functions fully in place at the date of the Partial Demerger (such as finance, legal, tax, human resources, payroll, IT and other support services), the Solvay Group will provide support with such matters under the terms of the TSA. Upon termination of the TSA, the Syensqo Group will bear wind-down charges covering certain restructuring costs incurred by the Solvay Group.

The cross-indemnity provisions for €21 million and the wind-down charges covering certain restructuring costs that will be incurred by Solvay Group upon termination of the transition services agreement for €51 million that were added in 2023, were revised in 2024 and amount respectively to €24 million and €39 million at the end of 2024.

NOTE F27

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Accounting policy

General

Financial assets and liabilities are recognized when, and only when the Group becomes a party to the contractual provisions of the instrument.

Financial assets

Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price, which is the case for substantially all trade receivables.

A financial asset is classified as current when the cash flows expected to flow from the instrument mature within one year.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments). The Group does not have any debt instruments measured at fair value through OCI.
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortized cost includes trade receivables, loans and other marketable securities.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Group elected to classify irrevocably its non-listed equity investments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised as other income in the statement of profit or loss when the right of payment has been established.

Equity investments in partnerships of investment funds are measured in the consolidated statement of financial position at fair value with gains and losses recognized in profit or loss. Based on the analysis of the characteristics of these funds the Group determined that they were not eligible for the FVTOCI option and therefore are accounted for at FVTPL.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

For instruments quoted in an active market, the fair value corresponds to a market price (level 1). For instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3). However, in limited circumstances, cost of equity instruments may be an appropriate estimate of their fair value. That may be the case if insufficient more recent information is available to measure fair value, or if there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

Impairment of financial assets

The impairment loss of a financial asset measured at amortized cost is calculated based on the expected loss model, representing the weighted average of credit losses with the respective risks of a default occurring as the weights. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables that do not contain a significant financing component (i.e. substantially all trade receivables), the loss allowance is measured at an amount equal to lifetime expected credit losses. Those are the expected credit losses that result from all possible default events over the expected life of those trade receivables, using a provision matrix that takes into account historical information on defaults adjusted for the forward-looking information per customer. The Group considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is fully impaired when there is no reasonable expectation of recovering the contractual cash flows.

Impairment losses are recognized in the consolidated income statement.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

The Group classifies financial liabilities that arise from supplier finance arrangements within Trade and other payables in the statement of financial position if they have a similar nature and function to trade payables. This is the case if the supplier finance arrangement is part of the working capital used in the Group's normal operating cycle, the level of security provided is similar to trade payables and the terms of the liabilities that are part of the supply chain finance arrangement are not substantially different from the terms of trade payables that are not part of the arrangement. Cash flows related to liabilities arising from supplier finance arrangements that are classified in Trade and other payables in the consolidated statement of financial position are included in operating activities in the consolidated statement of cash flows.

For the purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss

  This category includes financial guarantee contracts and derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. The Group has not designated any financial liability as at fair value through profit or loss.

- Financial liabilities at amortized cost (loans and borrowings)

  This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

Derivative financial instruments

The Group enters into a variety of derivative financial instruments (forward, future, option, collars and swap contracts) to manage its exposure to interest rate risk, foreign exchange rate risk, and commodity risk (mainly utility and CO_2 emission rights price risks).

As explained above, derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in income or expense, unless the derivative is designated and effective as a hedging instrument. The Group designates certain derivatives as hedging instruments of the exposure to variability in cash flows with respect to a recognized asset or liability or a highly probable forecast transaction that could affect profit or loss (cash flow hedges).

A derivative with a positive fair value is recognized as a financial asset whereas a derivative with a negative fair value is recognized as a financial liability. Derivative instruments (or portions of them) are presented as non-current assets or non-current liabilities if the remaining maturity of the underlying settlements is more than twelve months after the reporting period. Other derivative instruments (or portions of them) are presented as current assets or current liabilities.

Hedge accounting

The Group designates certain derivatives and embedded derivatives, in respect of interest rate risk, foreign exchange rate risk, Syensqo share price risk, and commodity risk (mainly utility and CO_2 emission rights price risks), as hedging instruments in a cash flow hedge relationship.

At the inception of the hedge relationship, there is a formal designation and documentation of the hedging relationship and the Group's risk management objective and strategy for undertaking the hedge. So to apply hedge accounting: (a) there is an economic relationship between the hedged item and the hedging instrument, (b) the effect of credit risk does not dominate the value changes that result from that economic relationship, and (c) the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

The requirement under (a) above that an economic relationship exists means that there is an expectation that the value of the hedging instrument and the value of the hedged item will systematically change in the opposite direction in response to movements in either the same underlying (or underlyings that are economically related in such a way that they respond in a similar way to the risk that is being hedged).

Cash flow hedges

The effective portion of changes in the fair value of hedging instruments that are designated in a cash flow hedge is recognized in other comprehensive income.

The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

The cash flow hedge reserve is adjusted to the lower of the following (in absolute amounts):

(a) the cumulative gain or loss on the hedging instrument from inception of the hedge; and

(b) the cumulative change in fair value (present value) of the hedged item (i.e. The present value of the cumulative change in the hedged expected future cash flows) from inception of the hedge.

The amount that has been accumulated in the cash flow hedge reserve is accounted for as follows:

(a) if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the Group removes that amount from the cash flow hedge reserve and includes it directly in the initial cost or other carrying amount of the asset or the liability. This is not a reclassification adjustment and hence it does not affect other comprehensive income;

(b) for cash flow hedges other than those covered by i), that amount is reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss (for example, in the periods that interest income or interest expense is recognized or when a forecast sale occurs);

(c) however, if that amount is a loss and the Group expects that all or a portion of that loss will not be recovered in one or more future periods, it immediately reclassifies the amount that is not expected to be recovered into profit or loss as a reclassification adjustment.

Most hedged items are transaction related. The time value of options, forward elements of forward contracts, and foreign currency basis spreads of financial instruments that are hedging the items affect profit or loss at the same time as those hedged items.

Hedge accounting is discontinued prospectively when the hedging relationship (or a part of a hedging relationship) ceases to meet the qualifying criteria (after taking into account any rebalancing of the hedging relationship, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised.

When the Group discontinues hedge accounting for a cash flow hedge it accounts for the amount that has been accumulated in the cash flow hedge reserve as follows:

- if the hedged future cash flows are still expected to occur, that amount remains in the cash flow hedge reserve until the future cash flows occur. However, if that amount is a loss and the Group expects that all or a portion of that loss will not be recovered in one or more future periods, it immediately reclassifies the amount that is not expected to be recovered into profit or loss as a reclassification adjustment;
- if the hedged future cash flows are no longer expected to occur, that amount is immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment. A hedged future cash flow that is no longer highly probable to occur may still be expected to occur.

F27.A. Overview of financial instruments

The following table presents the financial assets and liabilities according to their classification under IFRS 9.

		December 31, 2024	December 31, 2023
In € million	Classification	Carrying amount	Carrying amount
Non-current assets - Financial instruments		**209**	**228**
Equity instruments measured at fair value through other comprehensive income	Financial assets measured at fair value through other comprehensive income	31	26
Equity instruments measured at fair value through profit or loss	Financial assets measured at fair value through profit or loss	55	68
Loans and other non-current assets (excluding pension fund surpluses)	Financial assets measured at amortized cost	122	133
Financial instruments - Operational		**1**	**2**
Derivative financial instruments designated in a cash flow hedge relationship	Cash-flow hedge	1	2
Current assets - Financial instruments		**1,691**	**2,134**
Trade receivables	Financial assets measured at amortized cost	948	907
Loans short term portion	Financial assets measured at amortized cost	4	3
Other financial instruments		67	48
Other marketable securities >3 months	Financial assets measured at amortized cost	58	30
Currency swaps	Held for trading	1	3
Other current financial assets	Financial assets measured at amortized cost	8	16

In € million	Classification	December 31, 2024 Carrying amount	December 31, 2023 Carrying amount
Financial instruments - Operational		**14**	**25**
Held for trading	Held for trading	5	9
Derivative financial instruments designated in a cash flow hedge relationship	Cash-flow hedge	9	16
Cash and cash equivalents	Financial assets measured at amortized cost	659	1,150
Total assets - Financial instruments		**1,899**	**2,362**
Non-current liabilities - Financial instruments		**1,865**	**2,229**
Financial debt		1,822	2,159
Bonds/Senior notes	Financial liabilities measured at amortized cost	1,647	645
Other non-current debts	Financial liabilities measured at amortized cost	7	1,348
Lease liabilities IFRS 16 - Non-current portion	Lease liabilities measured at amortized cost	168	166
Other liabilities	Financial liabilities measured at amortized cost	43	68
Financial instruments - Operational		0	2
Derivative financial instruments designated in a cash flow hedge relationship	Cash-flow hedge	0	2
Current liabilities - Financial instruments		**1,312**	**1,090**
Financial debt		**293**	**154**
Short-term financial debt	Financial liabilities measured at amortized cost	230	71
Currency swaps	Held for trading	1	1
Derivative financial instruments designated in a cash flow hedge relationship	Cash-flow hedge	0	29
Lease liabilities IFRS 16 - Current portion	Lease liabilities measured at amortized cost	62	53
Trade payables	**Financial liabilities measured at amortized cost**	**1,001**	**918**
Financial instruments - Operational		19	19
Held for trading	Held for trading	4	1
Derivative financial instruments designated in a cash flow hedge relationship	Cash-flow hedge	15	18
Total liabilities - Financial instruments		**3,177**	**3,320**

The category "Held for trading" contains derivative financial instruments that are used for management of foreign currency risk. Contracts which have been documented as hedging instruments (hedge accounting under IFRS 9 *Financial Instruments*) or which meet the exemption criteria for own use are not included in the category "Held for trading". Equity instruments measured at fair value through OCI and through profit or loss pertain to the Group's New Business Development (NBD) activity: the Group has built a Corporate Venturing portfolio, which consists of direct investments in start-up companies and of investments in venture capital funds. If the Group does not have significant influence or joint control, the investments are measured at fair value according to the valuation guidelines published by the European Private Equity and Venture Capital Association. The impacts of the direct investments are recognized in other comprehensive income while the venture capital funds are generally recognized through profit and loss.

Equity instruments measured at fair value through profit or loss also include the Solvay shares (amounting to €12 million as of December 31, 2024, and €19 million as of December 31, 2023) contributed upon the Partial Demerger for the Long Term Incentive Plans for which the beneficiaries will receive Solvay shares.

F27.B. Fair value of financial instruments

Valuation techniques and assumptions used for measuring fair value.

Accounting policy

Quoted market prices are available for financial assets and financial liabilities with standard terms and conditions that are traded on active markets. The fair values of derivative financial instruments are equal to their quoted prices, if available. In case such quoted prices are not available, the fair value of the financial instruments is determined based on a discounted cash flow analysis using the applicable yield curve derived from quoted interest rates matching maturities of the contracts for non-optional derivatives. Optional derivatives are fair valued based on option pricing models, taking into account the present value of probability weighted expected future payoffs, using market reference formulas.

The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Fair value of financial instruments measured at amortized cost (excluding IFRS 16 lease liabilities)

	December 31, 2024		December 31, 2023	
In € million	Carrying amount	Fair value	Carrying amount	Fair value
Non-current assets - Financial instruments	**122**	**122**	**133**	**133**
Loans and other non-current assets (except pension fund surpluses and ong-term inventory balance)	122	122	133	133
Non-current liabilities - Financial instruments	**-1,697**	**-1,723**	**-2,061**	**-2,053**
Bonds/Senior notes	-1,647	-1,673	-645	-637
Other non-current debts	-7	-7	-1,348	-1,348
Other liabilities	-43	-43	-68	-68

The carrying amounts of financial assets and liabilities are estimated to reasonably approximate their fair values, due to the short term to maturity.

Financial instruments measured at fair value in the consolidated statement of financial position

The table "Financial instruments measured at fair value in the consolidated statement of financial position" provides an analysis of financial instruments that, subsequent to their initial recognition, are measured at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable. Financial instruments, classified as held for trading and as hedging instruments in cash flow hedges are mainly grouped into Levels 1 and 2. They are fair valued based on forward pricing and swap models using present value calculations. The models incorporate various inputs including foreign exchange spot and interest rates of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity. The equity instruments measured at fair value through OCI and through profit and loss are presented within Level 1 and 3. The fair value of the instruments presented under Level 3 is measured based on the guidelines recommended by The International Private Equity and Venture Capital Valuation (IPEV).

In accordance with the Group internal rules, the responsibility for measuring the fair value level resides with (a) the Treasury department for the non-utility derivative financial instruments, and the non-derivative financial liabilities, (b) the Sustainable Development and Energy department for the utility derivative financial instruments and (c) the Finance department for non-derivative financial assets.

The Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. During the year, no such transfers have occurred.

Financial instruments measured at fair value in the consolidated statement of financial position

	December 31, 2024			
In € million	Level 1	Level 2	Level 3	Total
Held for trading		**6**		**6**
Foreign currency risk		1		1
Syensqo share price		3		3
Index		1		1
Equity instruments measured at fair value through profit or loss	**12**		**43**	**55**
Solvay Group Shares	12			12
New Business Development			43	43
Cash flow hedges		**10**		**10**
Foreign currency risk		3		3
Utility risk		7		7
Equity instruments measured at fair value through other comprehensive income			**31**	**31**
New Business Development			31	31
Total assets	**12**	**15**	**74**	**101**
Held for trading		**-4**		**-4**
Foreign currency risk		-3		-3
Index		-1		-1
Cash flow hedges		**-15**		**-15**
Foreign currency risk		-13		-13
CO_2 risk		-3		-3
TOTAL LIABILITIES		**-20**		**-20**

	December 31, 2023			
In € million	Level 1	Level 2	Level 3	Total
Held for trading		**12**		**12**
Foreign currency risk		4		4
Syensqo share price		8		8
Equity instruments measured at fair value through profit or loss	**19**		**49**	**68**
Solvay Group Shares	19			19
New Business Development			49	49
Cash flow hedges		**17**		**17**
Foreign currency risk		9		9
Utility risk		6		6
CO_2 risk		3		3
Equity instruments measured at fair value through other comprehensive income			**26**	**26**
New Business Development			26	26
Total assets	**19**	**29**	**75**	**122**
Held for trading		**-2**		**-2**
Foreign currency risk		-2		-2
Cash flow hedges		**-49**		**-49**
Foreign currency risk		-3		-3
Interest rate risk		-29		-29
Utility risk		-17		-17
TOTAL LIABILITIES		**-51**		**-51**

Movements of the period

Reconciliation of level 3 fair value measurements of financial assets and liabilities.

	2024		
	At fair value through profit or loss	At fair value through other comprehensive income	Total
In € million	Equity instruments	Equity instruments	
January 1	**49**	**26**	**75**
Total gains or losses			
- Recognized in profit or loss	-7		-7
- Recognized in other comprehensive income		-3	-3
Acquisitions	0	2	2
Capital increases	1	5	6
Transfers out of level 3			
DECEMBER 31	**43**	**31**	**74**

	2023		
	At fair value through profit or loss	At fair value through other comprehensive income	Total
In € million	Equity instruments	Equity instruments	
January 1	**46**	**24**	**70**
Total gains or losses			
- Recognized in profit or loss	5		5
- Recognized in other comprehensive income		-5	-5
Acquisitions	0	9	9
Capital decreases	-2	-2	-4
Transfers out of level 3			
DECEMBER 31	**49**	**26**	**75**

Income and expenses of financial instruments recognized in other comprehensive income

Income and expenses on financial instruments recognized in other comprehensive income include the following:

	Cash flow hedges							
	Foreign currency risk		Commodity risk		Interest rate risk		Total	
In € million	2024	2023	2024	2023	2024	2023	2024	2023
January 1	**6**	**6**	**-19**	**-1**	**-29**		**-42**	**5**
Recycling from other comprehensive income of derivative financial instruments designated in a cash flow hedge relationship	1	-13	15	-1	0		15	-14
Effective portion of changes in fair value of cash flow hedge	-16	13	5	-17	36	-29	25	-33
DECEMBER 31	**-9**	**6**	**1**	**-19**	**7**	**-29**	**-1**	**-42**

Conventionally, (+) indicates an increase and (-) a reduction in equity.
Foreign Currency and Commodity risks recycling is recognized in the group income statement above gross profit.
Interest rate risk recycling is recognized in the group income statement in the charge of net debt.

F27.C. Capital management

See 2 Capital, shares and shareholders in respect of capital in the Corporate Governance statement chapter of this annual report.

The Group manages its funding structure with the objective of safeguarding its ability to continue as a going concern, optimizing the return for shareholders, maintaining an investment-grade rating, and minimizing the cost of debt.

The capital structure of the Group consists of equity (see note F22 Equity) and of net debt (see note F28 Net indebtedness). The Perpetual hybrid bonds are nevertheless considered as debt in the Group's Underlying metrics.

Besides the statutory minimum equity funding requirements that apply to the Company's subsidiaries in the different countries, Syensqo is not subject to any additional legal capital requirements.

The Treasury department reviews the capital structure on an ongoing basis under the authority and the supervision of the Chief Financial Officer. As appropriate, the Legal department is involved to ensure compliance with legal and contractual requirements.

F27.D. Financial risk management

The Group is exposed to movements of different market risks of which mainly:

- liquidity risk
- foreign exchange
- interest-rate risk
- counterparty risk
- pension obligation risk
- tax litigation risk
- utility & CO_2 price risk

The Group's senior management oversees the management of these risks and is supported by the Treasury department (non-commodity risks), Sustainable Development and Procurement department that advise on financial risks and the appropriate financial risk governance framework for the Group. Those departments provide assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives.

The Group maintains a prudent financial profile and pursues a conservative financial discipline, with strong liquidity reserves. It regularly monitors the Group's counterparties' ratings (banking institutions with high credit worthiness with exposure thresholds, customers risk and cash collection control procedures, etc...). The Group also uses derivative financial instruments to hedge clearly identified foreign exchange, interest rate, index, utility price and CO_2 emission rights price risks (hedging instruments). All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. However, the required criteria to apply hedge accounting are not met in all cases.

In addition, Syensqo has defined a clear pension governance and pension plan optimization review (see examples in Note F25) and also performs strict control processes for tax regulation compliance and transfer pricing policies.

Foreign currency risks

The Group is a multi-specialty chemical company with operations worldwide, and hence undertakes transactions denominated in foreign currencies. Consequently, the Group is exposed to exchange rate fluctuations. In 2024, the Group was mainly exposed to US dollar, Chinese yuan, Mexican peso, Brazilian Real and Japanese yen.

To mitigate its foreign currency risk, the Group has defined a hedging policy that is essentially based on the principles of financing its activities in local currency and hedges the transactional exchange risk at the time of invoicing (risk which is certain). The Group constantly monitors its activities in foreign currencies and hedges, where appropriate, the exchange rate exposures on expected cash flows (risk which is highly probable).

Exchange rate exposures are managed within approved policy parameters utilizing forward foreign exchange contracts or, when appropriate, other derivatives like currency options.

In the course of 2024, the €/US$ exchange rate moved from 1.1052 at the start of January to 1.0394 at the end of December.

A fluctuation of (0.10) to the US$/€ exchange rate, would generate in 2024 about €100 million (€100 million in 2023) variation to the EBITDA. 60% of this variation is at conversion level and 40% at transaction level, the latter being mostly hedged. EBITDA is the key non-IFRS metric for operational performance as defined in the glossary.

At the end of 2024, a strengthening of the US dollar vs euro would increase the net debt by approximately €138 million (€80 million in 2023) per 0.10 US$/€ fluctuation. Conversely, a weakening of the US dollar vs euro would decrease the net debt by approximately €113 million (€66 million in 2023) per 0.10 US$/€ fluctuation.

The Group's currency risk can be split into two categories: translation and transactional risk.

Translation risk

The translation exchange risk is the risk affecting the Group's consolidated financial statements related to investees operating in a currency other than the EUR (the Group's presentation currency).

During 2024 and 2023, the Group did not hedge the translation exchange risk of foreign operations.

Transactional risk

The transactional risk is the exchange risk linked to a specific transaction, such as a Group entity buying or selling in a currency other than its functional currency.

To the largest extent possible, the Group manages the transactional risk on receivables and borrowings centrally and locally when centralization is not possible.

The choice of borrowing currency depends mainly on the opportunities offered by the various markets. This means that the selected currency is not necessarily that of the country in which the funds will be invested. Nonetheless, operating entities are financed essentially in their functional currencies.

In emerging countries, it is not always possible to borrow in local currency, either because funds are not available in local financial markets, or because the financial conditions are too onerous. In such a situation, the Group has to borrow in a different currency. Nonetheless, the Group considers opportunities to refinance its borrowings in emerging countries with local currency debt.

Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are classified into the two categories described below:

Held for trading

The transactional risk is managed either by spot or forward contracts. Unless documented as hedging instruments (see above), derivative financial instruments are classified as held for trading.

In 2024, the notional amounts transacted to manage the transactional risk are:

- a short position of €(382) million (compared to €(586) million in 2023);
- a long position of €150 million (compared to €233 million in 2023).

The following table details the notional amounts of the Group's derivatives contracts outstanding at the end of the period:

In € million	Notional amount[1]		Fair value assets		Fair value liabilities	
December 31	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Held for trading long position	150	233	0	1	0	-1
Held for trading short position	-382	-586	1	3	-3	-1
TOTAL	**-232**	**-353**	**1**	**4**	**-3**	**-2**

(1) Long/(short) positions (if the foreign exchange transaction does not involve the functional currency, both notional amounts are considered).

Cash flow hedge

The Group uses derivatives to hedge identified foreign exchange rate risks. It documents those as hedging instruments unless it hedges a recognized financial asset or liability when generally no cash flow hedge relationship is documented. Most hedges are transaction related.

At the end of 2024, the Group had mainly hedged highly probable sales in foreign currencies (short position) in a nominal amount of US$244 million (€235 million) and JP¥ 6,916 million (€42 million). Most of the hedge contracts that exist at the end of December 2024 will be settled within the next 12 months, and will impact profit or loss during that period with the exception of the long-term hedges.

The following table details the notional amounts of Syensqo's derivatives contracts outstanding at the end of the period. The Group hedges its net currency exposure.

NOTIONAL AMOUNTS

	December 31, 2024						
In € million	Notional amount of the instrument[(1)]	Notional amount of the risk exposure[(1)]	Percentage of exposure hedged	Average hedge exchange rate per risk category	Cash flow hedge reserve – Equity	Fair value of the hedging instrument – Assets	Liabilities
Cash flow hedges - Forecasted sales and purchases[(3)]							
JPY/EUR	-26	-97	27%[(2)]	161.76	0	0	0
JPY/USD	-16	-60	27%[(2)]	146.13	1	1	0
Total JPY	-42	-157			1	1	0
USD/CAD	-16	-47	35%[(2)]	1.37	-1	0	-1
USD/CNY	-34	-92	36%[(2)]	6.94	-1	0	-1
USD/EUR	-161	-537	30%[(2)]	1.10	-7	0	-7
USD/MXN	-38	-123	30%[(2)]	19.63	-3	0	-3
USD/KRW	13	56	24%[(2)]	1,327.05	1	1	0
Total USD	-235	-768			-11	1	-12
TOTAL	**-277**	**-924**			**-10**	**3**	**-13**

(1) Long/(short) positions.
(2) In compliance with Group Treasury Policy the percentage of hedged exposure will reach the progressive minimum compliance level of 60% in 2025.
(3) The Hedging instruments are located in the line item: "Other Receivables" and "Other Liabilities" in the statement of financial position.

Hedge relationships are seldom perfect. Therefore, ineffectiveness could arise with the result that changes in the fair value or cash flows of the hedged item that are attributable to a hedged risk and the hedging instrument do not offset within a period. The sources of hedge ineffectiveness that could potentially affect the hedging relationship during its term are listed below:

- A reduction in the amount of the forecast sales resulting in quantity or notional amount differences – the hedged item and hedging instrument are based on different quantities or notional amounts.
- A significant change in the credit risk of parties.
- Timing differences – the hedged item and hedging instrument occur or are settled at different dates.

In 2024, no hedge ineffectiveness was recognized in the consolidated income statement.

In € million	December 31, 2023						
	Notional amount of the instrument[1]	Notional amount of the risk exposure[1]	Percentage of exposure hedged	Average hedge exchange rate per risk category	Cash flow hedge reserve	Fair value of the hedging instrument	
					Equity	Assets	Liabilities
Cash flow hedges - Forecasted sales and purchases[3]							
JPY/EUR	-52	-150	35%[2]	148.25	2	2	0
JPY/USD	-30	-87	35%[2]	132.07	0	1	-1
Total JPY	-82	-237			2	3	-1
USD/BRL	0	-70	0%[2]	4.60	0	0	0
USD/CNY	-63	-157	40%[2]	6.89	-1	0	-1
USD/EUR	-242	-503	48%[2]	1.11	2	3	-1
USD/MXN	-43	-109	39%[2]	18.42	3	3	0
USD/THB	-6	-23	28%[2]	33.68	0	0	0
Total USD	-354	-861			4	6	-2
TOTAL	**-436**	**-1,098**			**6**	**9**	**-3**

(1) Long/(short) positions.
(2) In compliance with Group Treasury Policy the percentage of hedged exposure will reach the progressive minimum compliance level of 60% in 2024.
(3) The Hedging instruments are located in the line item: "Other Receivables" and "Other Liabilities" in the statement of financial position.

Interest rate risks

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates.

Interest rate risk is managed at Group level by maintaining an appropriate mix between fixed and floating rate borrowings, which so far are mainly fixed (directly or after the execution of interest rate swaps whenever they are deemed appropriate).

Interest rate exposure by currency is summarized below:

In € million	December 31, 2024			December 31, 2023		
Currency	**Fixed rate**	**Floating rate**	**Total**	**Fixed rate**	**Floating rate**	**Total**
Financial debt						
EUR	-646	-13	-659	-586	-625	-1,210
USD	-1,429	-5	-1,435	-273	-779	-1,052
Other	-18	-4	-21	-38	-11	-51
TOTAL	**-2,093**	**-22**	**-2,115**	**-897**	**-1,415**	**-2,313**
Cash and cash equivalents						
EUR		304	304		656	656
USD		143	143		251	251
THB		13	13		15	15
CNY		76	76		44	44
JPY		26	26		90	90
Other		98	98		94	94
TOTAL		**659**	**659**		**1,150**	**1,150**
Other financial instruments						
EUR		36	36		41	41
CNY		58	58		30	30
Other		3	3		8	8
TOTAL		**97**	**97**		**78**	**78**
TOTAL	**-2,093**	**734**	**-1,359**	**-897**	**-186**	**-1,084**

Throughout 2024, the group successfully refinanced by converting floating rate debt (Bridge to Bond) into fixed rate debt (Senior Bonds).

At the end of 2024, approximately €2,093 million of the Group's gross debt was at fixed-rate, and is largely comprised of:

- Senior EUR Bonds for a total of €500 million maturing in 2027 (carrying amount of €498 million);
- Remaining portion (US$163 million) of the US$ senior bonds 2025 of US$250 million (carrying amount of €157 million);
- Senior US$notes 2029 $600 million (carrying amount of €576 million);
- Senior US$notes 2034 $600 million (carrying amount of €574 million);
- Commercial Paper of €50 million;
- IFRS 16 lease liabilities of €230 million.

The impact of interest rate volatility at the end of 2024 compared to 2023 is the following:

	Sensitivity to a + 100bp movement in EUR market interest rates		Sensitivity to a - 100bp movement in EUR market interest rates	
In € million	2024	2023	2024	2023
Profit or loss	0	-2	0	4

	Sensitivity to a + 100bp movement in USD market interest rates		Sensitivity to a - 100bp movement in USD market interest rates	
In € million	2024	2023	2024	2023
Profit or loss	0	-2	0	7

The sensitivity to interest rate volatility on the floating gross financial debt remains insignificant at the end of 2024 compared to 2023 due to the group refinancing during 2024 where the Group exchanged debt at floating rate to fixed rate.

Interest rate risk hedged by instrument accounted for as held for trading

In 2024 and 2023, there are no outstanding interest rate instruments accounted for as held for trading.

Interest rate risk hedged by instrument accounted for as a hedging instrument in a cash flow hedge

In 2024, there are no outstanding interest rate instruments accounted for under cash flow hedges. In 2023, in the context of the execution of liability management prior to the Partial Demerger, Syensqo had decided to hedge EUR and USD drawdowns executed in 2023 (€1.3 billion) and also future long-term refinancing that has been executed in June 2024 with the issuance of US$1.2 billion senior notes by Solvay Finance America LLC:

	December 31, 2023						
	Notional amount of the instrument[1]	Notional amount of the risk exposure	Percentage of exposure hedged	Hedge interest rate per risk category	Cash flow hedge reserve	Fair value of the instrument - Asset	Fair value of the instrument - Liability
Cash flow hedge	In € million (except where indicated)						
Cash Flow hedge Zero Cost Collar $800M	724	738	98%	4.45%			
Cash Flow hedge Zero Cost Collar €600M	600	600	100%	3.31%			
Cash Flow hedge - T-Lock 10y - $400m	362	362	100%	4.395% + Fixed Margin	-18		-18
Cash Flow hedge - T-Lock 5y $400m	362	362	100%	4.327% + Fixed Margin	-11		-11
TOTAL	**2,048**	**2,066**			**-29**		**-29**

(1) The hedging instruments are located in the line item"Other current financial debt" in the consolidated statement of financial position.

Other market risks

Utility and CO_2 price risks

The Group purchases a large portion of its gas and electricity needs in Europe and the United States based on fluctuating liquid market indices.

In order to reduce the cost volatility, the Group has developed a policy for exchanging variable price against fixed price through derivative financial instruments. Most of these hedging instruments can be documented as hedging instruments of the underlying purchase contracts.

Similarly, the Group's exposure to the CO_2 price is partially hedged by forward purchases of European Union Allowances (EUA). Forward purchases with physical delivery for use in the Group's operations are qualified as own use contracts (not derivatives). Cash flow hedge accounting is applied for contracts that do not meet the "own use" criteria.

Finally, some exposure to gas and electricity prices may arise from the production of electricity on sites (mostly from cogeneration units in Europe), which can be hedged by means of forward purchases and forward sales or optional schemes. In this case, cash flow hedge accounting is applied.

Financial hedging of utility and CO_2 emission rights price risks is managed centrally by Rhodia GhG on behalf of the Group entities.

The following tables detail the notional principal amounts and fair values of utility and CO_2 derivative financial instruments outstanding at the end of the reporting period:

The amounts presented in the tables hereafter include hedging needs of the GBUs of the Group that are sourced through Rhodia GHG, and not the full Group utility hedging needs.

	December 31, 2024											
	Notional amount of the instrument[1]	**Notional amount of the instrument** (in units)		**Notional amount of the risk exposure**	**Notional amount of the risk exposure** (in units)		**Percentage of exposure hedged**	**Average hedge price per risk category**		**Cash flow hedge reserve**	**Fair value of the instrument - Asset**	**Fair value of the instrument - Liability**
Cash flow hedge	In € million (except where indicated)											
Standard Quality Gas	48.33	2,065,157	MWh	186.75	7,748,763	MWh	27%	23.4	EUR/MWh	-7	7	0
CO_2	46.85	609,000	Tons	198.97	2,640,532	Tons	23%	76.93	EUR/Ton	3	0	-3
TOTAL										**-4**	**7**	**-3**

(1) The hedging instruments are located in the line item: "Other Receivables" and "Other Liabilities" in the consolidated statement of financial position.

	December 31, 2023											
	Notional amount of the instrument[1]	**Notional amount of the instrument** (in units)		**Notional amount of the risk exposure**	**Notional amount of the risk exposure** (in units)		**Percentage of exposure hedged**	**Average hedge price per risk category**		**Cash flow hedge reserve**	**Fair value of the instrument - Asset**	**Fair value of the instrument - Liability**
Cash flow hedge	In € million (except where indicated)											
Power	8.84	76,440	MWh	8.27	93,912	MWh	81%	116	EUR/MWh	-2	2	
Standard Quality Gas	64.08	2,562,706	MWh	129.67	5,801,143	MWh	44%	25	EUR/MWh	13	4	-17
CO_2	41.27	552,000	Tons	292.19	3,396,346	Tons	16%	75	EUR/Ton	-3	3	
TOTAL										**8**	**9**	**-17**

(1) The hedging instruments are located in the line item: "Other Receivables" and "Other Liabilities" in the consolidated statement of financial position.

Hedge relationships are seldom perfect. Therefore, ineffectiveness could arise with the result that changes in the fair value or cash flows of the hedged item that are attributable to a hedged risk and the hedging instrument do not offset within a period. The sources of hedge ineffectiveness that could potentially affect the hedging relationship during its term are listed below:

- A reduction in the amount of the forecast consumption resulting in quantity or notional amount differences – the hedged item and hedging instrument are based on different quantities or notional amounts.
- A significant change in the credit risk of parties.

In 2024, no hedge ineffectiveness was recognized in the consolidated income statement. By comparison between 2024 and 2023 Gas exposure increased due to the fact the Group is hedging one additional year. Conversely, CO_2 exposure is reduced since the hedge volumes are considered for one year less.

The sensitivities of commodity derivative financial instruments as of December 31, 2024 are presented below.

The sensitivities were defined based on the price levels and volatility levels of each commodity. These assumptions do not constitute an estimation of future market prices and the sensitivities presented are not representative of future changes in the Group's equity and results.

	December 31, 2024		
In € million	**Price change**	**Other comprehensive income**	**Profit or loss**
Natural gas	+10€/MWh	21	
Natural gas	-10€/MWh	-21	
CO_2 Emission rights	+5€/T	3	
CO_2 Emission rights	-5€/T	-3	

Credit risk

The Group continuously monitors the credit risk of important business partners.

The Group engages in transactions only with financial institutions of high creditworthiness (investment grade, selected based on major rating systems). The Group monitors and manages exposures to financial institutions within approved counterparty credit limits and credit risk parameters in order to mitigate the risk of default. For financial guarantees, see note F31 Contingent assets, liabilities and financial guarantees.

For the commercial transactions, external customer risk and cash collection is also monitored by a professional network of credit managers and cash collectors located in the Group's various operating regions and countries. Their controls are supported by a set of detailed procedures and managed through Corporate and GBU Credit Committees.

The Group recognizes expected credit losses on all of its trade receivables.

The Group classifies the customers and their related receivables in various rating classes, based on the risks' grading attributed to the customers and on the aging balance of receivables. As such, for all receivables overdue below six months, the Group considers percentages within a range between 0.005% and 4.031%, depending on the rating class. For all receivables overdue in excess of six months, the Group considers a rate of 50% or of 100%, depending on the rating class. The customer's grading is reviewed annually for customers assessed as low risk profile, and every six months for customers assessed as higher risk profile.

There is no significant concentration of credit risk at Group level because the receivables' credit risk is spread over a large number of customers and markets.

The ageing of trade receivables, financial instruments - operational, loans and other non-current assets is as follows:

December 31, 2024			With expected loss allowance, not credit-impaired				
In € million	Total	Credit-impaired	not past due	less than 30 days past due	between 30 and 60 days past due	between 60 and 90 days past due	more than 90 days past due
Trade receivables	962	10	904	37	5	1	5
Trade receivables - allowance	-15	-10	-2	0			-3
Trade receivables - net	948	0	903	37	5	1	2
Financial instruments - operational	15		15				
Loans and other non-current assets	173	7	166	0			
Loans and other non-current assets - allowance	-7	-7					
Loans and other non-current assets - net	166	0	166	0	0	0	0
TOTAL	**1,129**	**0**	**1,084**	**37**	**5**	**1**	**2**

December 31, 2023			With expected loss allowance, not credit-impaired				
In € million	Total	Credit-impaired	not past due	less than 30 days past due	between 30 and 60 days past due	between 60 and 90 days past due	more than 90 days past due
Trade receivables	923	10	871	34	1	1	5
Trade receivables - allowance	-15	-10	-1	0			-3
Trade receivables - net	907	0	870	34	1	1	2
Financial instruments - operational	28		28				
Loans and other non-current assets	230	6	224				
Loans and other non-current assets - allowance	-6	-6					
Loans and other non-current assets - net	224		224				
TOTAL	**1,159**	**0**	**1,121**	**34**	**1**	**1**	**2**

The table below presents the allowances on trade receivables:

In € million	2024	2023
January 1	**-15**	**-12**
Additions	-3	-9
Uses	0	2
Reversal	4	4
Currency translation differences	0	0
DECEMBER 31	**-15**	**-15**

Liquidity risk

Liquidity risk relates to the Group's ability to service and refinance its debt (including notes issued) and to fund its operations.

This depends on its ability to generate cash from operations and not to overpay for acquisitions.

The Finance Committee gives its opinion on the appropriate liquidity risk management for the Group's short, medium and long term funding and liquidity management requirements.

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecasts and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Group staggers the maturities of its financing sources over time in order to limit amounts to be refinanced each year.

The following tables detail the Group's remaining contractual maturity for its financial liabilities with contractual repayment periods.

The following tables present undiscounted amounts (nominal value):

In € million	December 31, 2024				
Outflows of cash	**Total**	**Within one year**	**In year two**	**In years three to five**	**Beyond five years**
Trade payables	1,001	1,001			
Financial instruments - operational	19	19			
Other non-current liabilities	43		10	22	11
Financial debt	1,891	231	3	1,080	577
Leasing debt	230	62	42	63	63
Total	3,184	1,313	56	1,165	651
Interests on financial debt and lease liabilities	584	95	90	215	184
TOTAL OUTFLOWS OF CASH	**3,768**	**1,408**	**145**	**1,381**	**834**

€ million	December 31, 2023				
Outflows of cash	**Total**	**Within one year**	**In year two**	**In years three to five**	**Beyond five years**
Trade payables	918	918			
Dividends payables					
Financial instruments - operational	21	19	2		
Other non-current liabilities	68		23	34	12
Financial debt	2,097	1,439	151	506	0
Leasing debt	219	53	38	69	59
TOTAL	**3,323**	**2,429**	**214**	**609**	**71**
Interests on financial debt and lease liabilities	122	31	26	47	18
TOTAL OUTFLOWS OF CASH	**3,444**	**2,460**	**240**	**656**	**89**

Financial debt in 2023 includes €1,338 million of the credit facility recorded in the consolidated statement of financial position as non-current debt, which has been fully repaid in June 2024.

Trade payables include €56 million (2023: €45 million) due to suppliers that have signed up for a supply chain financing program, under which the suppliers can elect to receive a discounted early payment from the partner bank rather than being paid in line with the agreed payment terms. If the option is taken, the Group's liability is assigned by the supplier to the partner bank. The group's payable to these suppliers have neither been extinguished nor have these liabilities been significantly modified by these arrangements, the value of the Group's liability remains unchanged. The value of the Group's liability remains unchanged. The Group assesses each arrangement against indicators to determine if the liabilities which suppliers have sold to the partner bank under the supplier financing scheme continue to meet the definition of trade payables or should be classified as financial debt. On December 31, 2024 and 2023, the liabilities met the criteria of Trade Payables.

In € million	December 31, 2024
Carrying amount of trade payables that are subject to supplier finance arrangements	70
Of which suppliers have received payment	56

Weighted average payment term (days)	**Suppliers part of supplier financing arrangements**	**Suppliers not part of supplier financing arrangements**
Raw materials and packaging	98	61
Logistics	98	59
Technical goods, Energy and other	110	49

The Group performed a detailed assessment of the payment ranges of suppliers who are not part of the supplier financing arrangements by segregating the suppliers according to industry. The assessment indicated that there are numerous key suppliers that provide the Group with payment terms that are similar to those that the Group receives under the supplier financing arrangements. The suppliers of technical goods, energy and other purchases, part of suppliers financing arrangements, are not representative (less 1% of the total spend). Over 90% of the supplier chain financing arrangements were entered in the sector of raw materials, packaging and logistics.

Changes in liabilities that are subject to supplier finance arrangements are primarily attributable to additions resulting from purchases of goods and services and subsequent cash settlements. There were no material non-cash changes in these liabilities.

The group does not face a significant liquidity risk as a result of its supplier finance arrangements given the limited amount of liabilities subject to supplier finance arrangements and the group's access to other sources of finance on similar terms.

Syensqo's liquidity amounts to €2.4 billion including €0.7 billion of cash and cash equivalents and €1.7 billion undrawn revolving credit facilities (€1.4 billion syndicated and €0.3 billion bilateral, all are multi-year).

In addition, Syensqo has access to a Belgian Treasury Bill program for €1.0 billion (€50 million outstanding balance on December 31, 2024; no outstanding balance on December 31, 2023).

NOTE F28

NET INDEBTEDNESS

The Group's net indebtedness is the balance between its financial debts and other financial instruments, and cash and cash equivalents.

In € million	December 31, 2024	December 31, 2023
Financial debt	2,115	2,313
Cash and cash equivalents	-659	-1,151
Other financial instruments	-97	-78
Net indebtedness	1,359	1,084

The financial debt at the end of 2024 is composed by:

- the senior EUR bonds 2027 (€500 million nominal), senior US$ Cytec bonds 2025 (US$163 million nominal), senior US$ 144A notes 2029 (US$600 million nominal) and senior US$ 144A notes 2034 (US$600 million nominal),
- the IFRS 16 lease liabilities (€230 million),
- commercial paper (€50 million nominal),
- other financial debt (€30 million, excluding lease debt) mainly short term.

Syensqo is Investment Grade rating Baa1/P2 (stable outlook) by Moody's and BBB+/A2 (stable outlook) by Standard & Poor's as of the 2024 closing.

Financial debt: main borrowings

In € million (except where indicated)	December 31, 2024						December 31, 2023	
	Nominal amount	Coupon	Maturity	Secured	Amount at amortized cost	Fair value	Amount at amortized cost	Fair value
Senior EUR bonds Syensqo SA (issuance €500m)	**500**	**2.75%**	**2027**	**No**	**498**	**501**	**498**	**492**
Senior US$ senior notes Cytec Industries Inc. (issuance US$250 million)	157	3.95%	2025	No	157	157	147	145
Senior US$ notes (144A;US$600 million)	577	5.65%	2029	No	576	586		
Senior US$ notes (144A;US$600 million)	577	5.85%	2034	No	574	586		
Total senior US$ senior notes	**1,311**				**1,307**	**1,329**	**147**	**145**
Credit facility (€600 million)*		Floating Rate	2024	No			600	600
Credit facility (US$816 million)*		Floating Rate	2024	No			738	738
Total Credit facility (as above)							**1,338**	**1,338**
Commercial Paper	50	2.89%	2025	No	50	50		
Other borrowings from third parties					30	30	111	111
Lease debt					230	230	219	219
TOTAL					**2,115**	**2,140**	**2,313**	**2,305**

* *Fully repaid in June 2024.*

There are no instances of default on the above-mentioned financial debts. There are no financial covenants, neither on Syensqo SA, nor on any of the Group's holding companies.

Solvay SA remains the guarantor of the Cytec 2025 senior notes (effective since the date of the Partial Demerger). Syensqo provides a counter-guarantee to Solvay for any payments to be made under the Cytec 2025 senior notes. There is no accounting impact of the counter-guarantee in the Syensqo consolidated financial statements.

In December, 2024, the Group announced that it had delivered a notice of early redemption in full to holders of the Cytec 2025 senior notes. The redemption was implemented in accordance with the terms and conditions of the bonds. The bonds were redeemed on February 1, 2025 at a price of 100% of the principal amount (US$163 million €157 million), plus accrued and unpaid interest thereon to, but not including, the redemption date (being US$2 million €2 million).

Other financial instruments

In € million	December 31, 2024	December 31, 2023
Non-current other financial instruments	30	30
Current other financial instruments	67	48
Currency swaps	1	3
Other marketable securities > 3 months	60	37
Other current financial assets	6	9
Other financial instruments	97	78

The other marketable securities > 3 months include the bank drafts position.

The other current financial assets mainly relate to current accounts with related parties.

Cash and cash equivalents

In € million	December 31, 2024	December 31, 2023
Cash	476	628
Term deposits	182	523
Cash and cash equivalents	659	1,151

By their nature, the carrying amount of cash and cash equivalents is equal to, or a very good proxy of, its fair value.

Changes in financial debt and in other financial instruments arising from financing activities

	2023	2024							
In € million	Total	Cash flows from increase of borrowings	Cash flows from repayment of borrowings	Changes in foreign exchange rates	Changes in other current financial assets	Transfer from non-current to current	Payment of lease liabilities	Other	Total
Bonds/Senior notes	645	1,104		49		-151			1,647
Other non-current debts	1,348			16		-1,357			7
Long term leasing debt	166			5		-70		67	168
Non-current financial debt	**2,159**	**1,104**		**70**		**-1,578**		**67**	**1,822**
Current financial debt	**154**	**211**	**-1,566**	**8**		**1,578**	**-62**	**-30**	**293**
Total financial debt	**2,313**	**1,315**	**-1,566**	**78**			**-62**	**37**	**2,115**
Other non-current financial instruments	-30								-30
Currency swaps	-3							2	-1
Other marketable securities > 3 months	-37			-1	-22				-60
Other current financial assets	-9							3	-6
Other financial instruments	**-79**			**-1**	**-22**			**5**	**-97**
TOTAL	**2,234**	**1,315**	**-1,566**	**77**	**-22**		**-62**	**42**	**2,018**

The financial debt decreased from €2,313 million at the end of 2023 to €2,115 million at the end of 2024.

The Other non-current financial instruments remained unchanged.

The other financial instruments increased from €(79) million at the end of 2023 to €(97) million at the end of 2024.

The above variations are explained by:

- Cash flows from increase of borrowings €1,315 million is mainly explained by the issuance of US$1,200 million of Senior Debt and the issuance of €150 million commercial paper of which €50 million have been extended until June 2025. This extension was reflected as an increase and decrease in the cash flow from borrowings;
- Cash flows from repayment of borrowings €(1,566) million is mainly explained by the repayment of the bridge-to-bond facilities €(1,355) million, repayment of the commercial paper €(100) million and reduction in working capital facilities in Brazil, India and Peru €(28) million;
- Impact due to conversion of instruments denominated in currencies different from the EURO of €77 million, which includes €78 million in the Financial debt and €(1) million in other financial instruments;
- Changes in other current financial assets represented €(22) million mainly explained by the increase of Chinese bank drafts in €(22) million;
- In 2024 a total amount of €(1,578) million was transferred from non-current to current:
  - Bridge-to-bond facility: two drawdowns (€(600) million and US$(816) million);
  - Senior note of Cytec for US$(163) million;
  - Leases €(70) million;
- Payment of lease liabilities (€62 million);
- Other changes in financial debt for a total of €42 million were mainly due to the increase of the lease obligations (€67 million), partially compensated by settlement of the interest rate hedging instrument (Treasury Lock, valued at €(29) million at 31 December 2023) and €3 million are related to accrued interest receivables.

NOTE F29

OTHER LIABILITIES (CURRENT)

In € million	December 31, 2024	December 31, 2023
Wages and benefits debts	185	183
VAT and other taxes	62	66
Social security	31	26
Financial instruments - operational	19	19
Insurance premiums	14	39
Advances from customers	29	37
Other	53	37
Other current liabilities	**392**	**407**

Financial instruments – operational include held for trading and cash flow hedge derivatives (see note F27.A. Overview of financial instruments).

Other Required Disclosures

NOTE F30

COMMITMENTS TO ACQUIRE PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

In € million	December 31, 2024	December 31, 2023
Commitments to acquire property, plant and equipment and intangible assets	243	326

At December 31, 2024 and 2023, the amount mainly relates to commitments for the acquisition of property, plant and equipment, including the Tavaux plant capacity increase.

NOTE F31

CONTINGENT ASSETS, LIABILITIES AND FINANCIAL GUARANTEES

In € million	December 31, 2024	December 31, 2023
Contingent assets	**0**	**0**
Guarantees for pensions	154	205
Environmental contingent liabilities	5	5
Contingent liabilities	**159**	**210**

Contingent Liabilities

Contingent liabilities of €5 million above relate to environmental remediation matters that can be estimated with sufficient reliability.

Guarantees

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

In order to avoid double counting, only guarantees in excess of liabilities recognized or disclosures made elsewhere in the Group's consolidated financial statements are disclosed in this note. Regarding financial guarantees, all financial guarantees of the Group are presented in this note.

Guarantees for pensions

The guarantees for pensions are related to the main UK Pension Funds (£128 million €154 million) – See note F25.B.2. Description of obligations. This guarantee applies to the pension liability measured based on a local UK regulatory basis (prudential basis) plus an allocation for market risk, which is higher when compared to the IAS 19 methodology. The probability of the guarantees being called is considered to be highly remote.

Litigation

As a result of the diverse nature of its activities, and the geographic footprint of its operations, Syensqo is exposed to legal risks, particularly in the areas of product liability, contractual relations, antitrust laws, patent disputes, tax assessments and HSE matters. In this context, litigation is a normal recurring feature of Syensqo's operating business, both to protect against claims, some of which we believe to be without merit, and to defend the rights and interests of the Group.

Ongoing legal proceedings involving the Syensqo Group that are currently considered to potentially involve significant risks are outlined below. The legal proceedings described below do not constitute an exhaustive list.

The proceedings summarized below represent the material matters pending against Syensqo regardless of the merits of the claims and the strengths of Syensqo's defenses. There can be no assurance regarding the outcome of any proceeding described below; Syensqo will continue to vigorously defend itself based on the merits of its defenses while opportunistically seeking consensual resolution in appropriate cases.

For certain cases, we have created reserves or provisions in accordance with appropriate accounting governing rules and policies, to cover financial risk and defense costs (see the section "Provisions for litigation to the consolidated financial statements" in this report). We do not ordinarily disclose the extent to which provisions are made in relation to individual proceedings, because this would be prejudicial to our interests. In addition, we maximize all available insurance coverage. Adverse outcomes of material contested matters, individually or in the aggregate, could exceed the amounts of applicable provisions or insurance coverage and could have a material adverse effect on the revenues and earnings of the Group.

HSE-related proceedings

- PFAS: Our settlement with the New Jersey Department of Environmental Protection (NJDEP), in the lawsuit seeking natural resource damages and environmental cleanup of PFAS pollution allegedly caused by an operating facility of the subsidiary in New Jersey, is memorialized in a Judicial Consent Order (JCO) that took effect in March 2024. As of December 31, 2024, a Syensqo subsidiary in the US, Solvay Specialty Polymers USA LLC ("SSP"), was a defendant in 37 separate lawsuits relating to its use of per- and polyfluoroalkyl substances (PFAS). Of these, 11 have reached material resolution and are expected to be dismissed in 2025.
- Overall, the number of these cases in the US remains low in comparison to other industry participants. The company continues to dispute the merits of these claims and defend itself accordingly. In all of these cases, the plaintiffs have the burden of proof against all defendants.
- Spinetta site, Italy: The Public Prosecutor's Office requested a trial for alleged culpable environmental disaster (directed against two managers and Solvay Specialty Polymers Italy SpA). Civil parties have joined the procedure. The case is pending before the Judge of the Preliminary Hearing who will decide whether the case will be taken to trial.
- Spinetta site, Italy: The Piedmont Regional Administrative Court rendered a favorable decision concerning aspects connected with the site's Integrated Environmental Authorisation ("AIA"), in particular to manufacture and use cC6O4. The court confirmed the validity of the decision of the Province of Alessandria to extend the production/use of cC6O4 (dated February 2021).
- Bussi site, Italy: Administrative cases are pending in relation to the identification of the alleged polluter of the Bussi industrial site (which Solvay sold in 2016) and of the Tirino River. Edison was recognized by the competent administrative authorities as the "sole and exclusive polluter" of both the site and the river. Solvay Specialty Polymers Italia S.p.A., a Syensqo subsidiary in Italy, was joined to these proceedings.

NOTE F32

RELATED PARTIES

Balances and transactions between Syensqo SA and its subsidiaries have been eliminated in consolidation and are not disclosed in this note.

In 2024 related parties are deemed to be associated companies and joint ventures of Syensqo.

For 2023, related parties are deemed to be associated companies, joint ventures of Syensqo and associated companies, joint ventures, joint operations and subsidiaries of the Solvay Group, since the Syensqo Group was controlled by Solvay SA until the Partial Demerger date (December 8, 2023).

The Syensqo Group and the Solvay Group ceased to be related parties after the Partial Demerger date, therefore the Syensqo Group does not disclose any balances outstanding with the Solvay Group at December 31, 2023 nor at December 31, 2024 in this note.

For 2023, within the Solvay Group, intercompany transactions have occurred historically with entities over which Solvay SA exercised control, or significant influence, or with joint ventures. Transactions with entities over which Solvay SA exercised control were customarily accounted for as intragroup transactions, which were eliminated as part of the consolidation procedures applied for the purposes of preparing the Solvay Group Consolidated Financial Statements.

Transactions that were previously eliminated in the Solvay Group had to be reinstated and disclosed under IAS 24 *Related Party Disclosures* in these consolidated financial statements for the prior period, to the extent they are between Syensqo entities and entities in the Remaining Solvay Group.

Transactions between a Syensqo entity and entities in the Remaining Solvay Group mainly comprise structured borrowings and loans as well as intercompany bank accounts between Syensqo and the Remaining Solvay Group, for the prior period presented, which were eliminated as part of the consolidation procedures applied for the Solvay Group Consolidated Financial Statements, and which were reinstated in the Syensqo consolidated financial statements.

For the balances resulting from transactions between Mixed Entities prior to the partial demerger, the following carve-out approach has been followed:

1. The balance is classified as an intragroup transaction and eliminated in the consolidated financial statements if such a transaction is between two entities that are both part of Syensqo.
2. The balance is classified as a transaction with related parties in the consolidated financial statements if such transaction after the Partial Demerger, is a transaction between an entity that is part of Syensqo and an entity that is part of the Remaining Solvay Group.

Related parties are deemed to be associated companies, joint ventures of Syensqo and associated companies, joint ventures, joint operations and subsidiaries of the Solvay Group, since the Syensqo Group was controlled by Solvay SA until the Partial Demerger date (December 8, 2023). The Syensqo Group and the Solvay Group ceased to be related parties after the Partial Demerger date, therefore the Syensqo Group does not disclose any balances outstanding with the Solvay Group at December 31, 2023 nor at December 31, 2024 in this note.

Transactions between the Syensqo Group and the Solvay Group until the Partial Demerger date have been disclosed in this note. Sales and purchase transactions with related parties were mainly consisting of sales and purchases of utilities. Other transactions with the Solvay Group related to services provided by Solvay SA and other companies of the Solvay Group, such as, but not limited to tax, legal, accounting, IT, personnel-related services and treasury.

The costs of such services, as historically charged to Syensqo Businesses and included in the Consolidated Income Statement based on their historical amounts, were about €360 million for the year ended December 31, 2023.

The main transactions with related parties are described in detail herein and the related amounts are presented in the tables below.

Sale and purchase transactions

	Sale of goods		Purchase of utilities and good	
In € million	2024	2023	2024	2023
Associates			-37	-34
Joint ventures	9	5	-17	-16
Other related parties	9	8	-5	-3
Solvay Group		7	–	-22
TOTAL	**18**	**20**	**-59**	**-75**

In € million	Amounts owed by related parties		Amounts owed to related parties	
December 31	2024	2023	2024	2023
Associates	4	4	4	4
Joint ventures				
Other related parties	4	2	9	10
Solvay Group				
TOTAL	**8**	**6**	**12**	**14**

Compensation of key management personnel

Key management personnel is composed of all members of the Board of Directors and members of the Executive Leadership Team.

In accordance with IAS 24, the key management personnel are those having the authority and responsibility for planning, directing and controlling activities of Syensqo businesses directly or indirectly.

Amounts due in respect of the year (compensation) and obligations existing at the end of the year in the consolidated statement of financial position:

In € million	December 31, 2024	December 31, 2023
Wages, charges and short-term benefits	3	4
Long-term benefits		10
Cash-settled share-based payments liability	0	11
TOTAL	**3**	**25**

Expenses of the year:

In € million	2024	2023
Wages, charges and short-term benefits	9	4
Termination benefit	1	
Long-term benefits		10
Share-based payments expenses	9	6
TOTAL	**19**	**20**

Excluding employer social charges and taxes.

Please refer to the Compensation Report for further details.

NOTE F33

DIVIDENDS PROPOSED FOR DISTRIBUTION

The Board of Directors will propose to the "General Shareholders' Meeting" a gross dividend of €1.62 per share.

The dividends proposed for distribution, but not yet recognized as a distribution to equity holders amount to €168 million.

NOTE F34

EVENTS AFTER THE REPORTING PERIOD

Accounting policy

Events after the reporting period which provide evidence of conditions that existed at the end of the reporting period (adjusting events) are recognized in the consolidated financial statements. Events indicative of conditions that arose after the reporting period are non-adjusting events and are disclosed in the notes if material.

Share buyback program

In accordance with Article 8:4 of the Royal Decree of 29 April 2019 executing the Belgian Code of Companies and Associations, Syensqo discloses on its website, information related to the execution of its share buyback program, announced on December 4, 2024.

Cytec 2025 bonds

On February 1, 2025, the Group redeemed the 3.95% Senior Notes due 2025 issued by Cytec Industries Inc. (CUSIP: 232820 AK6) (the "Cytec 2025 Bonds"). The redemption was implemented in accordance with the terms and conditions of the bonds. The bonds were redeemed at a price of 100% of the principal amount (US$163 million), plus accrued and unpaid interest thereon to, but not including, the redemption date (being US$2 million).

Edison

The International Court of Arbitration of the International Chamber of Commerce (ICC), Geneva, Switzerland ordered in January 2025, that Edison S.p.A. has to pay approximately €90 million for losses, damages and costs incurred by Solvay Specialty Polymers Italy S.p.A. (SSPI). The outcome follows many years of arbitration proceedings in relation to claims of breaches of representations and warranties by Edison when it sold the Italian company Ausimont to Solvay in 2002.

This decision comes after SSPI received a favorable decision on the merits in 2023 and award of compensation (€92 million) from Edison related to costs, losses and damages suffered up to the end of 2016. The 2025 award, based on the same merits, relates to additional costs, losses and damages suffered from January 2017 onwards.

US Trade tariffs

In response to the recent announcements regarding the US imposition of trade tariffs, Syensqo is implementing strategic measures to address the potential impacts on its global operations and supply chains. As a multinational company with a global footprint, Syensqo is assessing the potential ramifications of these tariffs and any reciprocal actions taken by other countries or regions. To ensure operational continuity, the company is conducting a comprehensive review of its value chains and sourcing strategies. Additionally, Syensqo is evaluating shorter-term mitigation options, including the introduction of a temporary surcharge to offset the increased costs associated with the tariffs. The Company believes that these measures are essential to maintaining its ability to supply the high value solutions that its customers need.

NOTE F35

SERVICES PROVIDED BY THE STATUTORY AUDITOR AND RELATED PERSONS

For the year ending December 31, 2024 audit and other professional services were performed by EY Réviseurs d'Entreprises and its network.

The yearly 2024 audit fees for Syensqo SA were set at €1.39 million for the audit of the statutory and consolidated accounts and at €0.59 million for the limited review engagement required by the Corporate Sustainability Reporting Directive. Additional audit fees for Syensqo affiliates in 2024 amount to €2.34 million. Supplementary non-audit fees for €2.65 million were engaged in 2024 by Syensqo SA and affiliates.

NOTE F36

LIST OF COMPANIES INCLUDED IN THE CONSOLIDATION SCOPE

The Group consists of Syensqo SA and a total of 134 investees.

Of these 134 investees, 86 are fully consolidated, 6 are accounted for under the equity method, whilst the other 42 do not meet the criteria of significance.

In accordance with the concept of materiality, certain companies (Other Investments), which are insignificant, have not been included in the consolidation scope. They are measured at cost and tested for impairment on an annual basis, which is considered a good proxy of their fair value. For more information, refer to Principles of consolidation.

	December 31,2023		December 31,2024
ARGENTINA			
Solvay Quimica SA	100		100
AUSTRALIA			
Cytec Asia Pacific Holdings Pty Ltd.	100		100
Cytec Australia Holdings Pty Ltd.	100		100
BELGIUM			
Solvay Participations Belgique S.A.	100		100
Syensqo S.A	100		100
Syensqo Stock Option Management S.A	100		100
Solvay Specialty Polymers Belgium S.A. / NV	100		100
BRAZIL			
Quimicos E Solucoes Sustentaveis Do Brasil S.A	100		100
CANADA			
Cytec Canada Inc	100		100
CHINA			
Cytec Engineered Materials (Shanghai) Co. Ltd.	100		100
Cytec Industries (Shanghai) Co. Ltd.	100		100
Syensqo Hong Kong, Ltd.	100	(a)	100
Syensqo (Shanghai) international trading Co., Ltd.	100	(a)	100
Syensqo (Zhangjiagang) Specialty Chemicals Co. Ltd.	100	(a)	100
Solvay (Zhenjiang) Chemicals Co., Ltd.	90.65		90,65
Syensqo China Co., Ltd.	100	(a)	100
Solvay-Hengchang (Zhangjiagang) Specialty Chemical Co., Ltd.	70		70
Solvay Specialty Polymers (Changshu) Co., Ltd.	100		100
Zhuhai Syensqo Specialty Chemicals Co., Ltd.	100	(a)	100
CHILE			
Cytec Chile Ltd.a	100		100

	December 31,2023		December 31,2024
FRANCE			
Cogénération Tavaux SAS	33,3		33,3
Rhodia Energy GHG S.A.S.	100		100
Rhodia Laboratoire du Futur S.A.S.	100		100
Specialty Operations France S.A.S.	100		100
Rhodia Participations S.N.C.	100		100
Rhodianyl S.A.S.	100		100
Solvay Energie France S.A.S.	100		100
Solvay France S.A.	100		100
GERMANY			
Cytec Engineered Materials GmbH	100		100
European Carbon Fiber GmbH	100		100
Syensqo Specialty Polymers Germany GmbH	100	(a)	100
INDIA			
Solvay Specialities India Private Limited	100		100
INDONESIA			
PT. Cytec Indonesia	100		100
IRELAND			
Solvay Finance Ireland Unlimited	100	(c)	-
ITALY			
Solvay Solutions Italia S.p.A.	100		100
Solvay Specialty Polymers Italy S.p.A.	100		100
JAPAN			
Solvay Japan KK	100		100
Solvay Nicca Ltd.	60		60
Solvay Specialty Polymers Japan KK	100		100
LUXEMBOURG			
Cytec Luxembourg International Holdings Sarl	100		100
Solvay Finance (Luxembourg) SA	100		100
Solvay Hortensia S.A	100		100
Solvay Luxembourg S.a.r.l	100		100
MEXICO			
Cytec de Mexico S.A. de C.V.	100		100

	December 31,2023		December 31,2024
NETHERLANDS			
Cytec Industries B.V.	100		100
Solvay Solutions Nederland B.V.	100		100
NEW ZEALAND			
Solvay New Zealand Ltd.	100		100
PERU			
Cytec Peru S.A.C.	100		100
PORTUGAL			
Solvay Biotecnologia Portugal, Unipessoal,Lda	100		100
Slv Specialties Portugal, Unipessoal, Lda	100		100
SINGAPORE			
Rhodia Amines Chemicals Pte Ltd.	100		100
Solvay Specialty Chemicals Asia Pacific Pte. Ltd..	100		100
SOUTH KOREA			
Solvay Specialty Polymers Korea Company Ltd.	100		100
Jinyoung Bio Co Ltd.	-	(b)	100
SPAIN			
Solvay Servicios S.L.	100		100
SWITZERLAND			
Spepro Speciality Products Ag	100		100
THAILAND			
Solvay Bangpoo Specialty Chemicals Ltd.	100		100
Solvay (Thailand) Ltd.	100		100
TURKEY			
Solvay Istanbul Kimya Ticaret Ve Sanayi Ltd.. STI.	100		100
UNITED ARAB EMIRATES			
Cytec Nibras llc	100		100
UNITED KINGDOM			
Advanced Composites Group Investments Ltd.	100		100
Cytec Engineered Materials Ltd.	100		100
Cytec Industrial Materials (Derby) Ltd.	100		100
Cytec Industrial Materials (Manchester) Ltd.	100		100
Cytec Industries UK Holdings Ltd.	100		100
McIntyre Group Ltd.	100	(c)	-

	December 31,2023		December 31,2024
Oldbury Energy Solutions UK Ltd.	100		100
Rhodia Holdings Ltd.	100		100
Rhodia International Holdings Ltd.	100		100
Rhodia Organique Fine Ltd.	100	(c)	-
Rhodia Overseas Ltd.	100	(c)	-
Rhodia Pharma Solutions Holdings Ltd.	100	(c)	-
Rhodia Pharma Solutions Ltd.	100		100
Rhodia Reorganisation Ltd.	100	(c)	-
Solvay Solutions UK Ltd.	100		100
Umeco Composites Ltd.	100	(c)	-
Umeco Ltd.	100		100
UNITED STATES			
Ausimont Industries, Inc.	100		100
CEM Defense Materials Llc	100		100
Cytec Engineered Materials Inc.	100		100
Cytec Global Holdings Inc.	100		100
Cytec Industrial Materials (ok) Inc.	100		100
Cytec Industries Inc.	100		100
Cytec Korea Inc.	100		100
Cytec Technology Corp.	100		100
Energy Solutions US Llc	100		100
Garret Mountain Insurance Co.	100		100
Solvay America Llc	100		100
Solvay Holding Inc.	100		100
Solvay India Holding Inc.	100		100
Solvay Specialty Polymers USA, Llc	100		100
Solvay USA Llc	100		100
Solvay Finance (America) Llc	100		100
Synorb Battery Materials Llc	51		51

(a) Companies that changed their name in 2024.
(b) Companies that entered the scope in 2024.
(c) Companies that exited the scope in 2024.

List of companies accounted for by applying the equity method of accounting

Indicating the percentage holding.

Joint ventures

BELGIUM	
EECO Holding	33,33
INDIA	
Hindustan Gum & Chemicals Ltd.	50
INDONESIA	
PT. Solvay Manyar	50
ITALY	
Cogeneration Spinetta S.r.l.	33,33
UNITED ARAB EMIRATES	
Strata - Solvay Advanced Materials Joint-Venture Llc	50

Associates

FRANCE	
Exeltium S.A.S.	11,5

6.4 Summary financial statements of Syensqo SA

The annual financial statements of Syensqo SA are presented in summary format below. In accordance with the Belgian Companies Code, the annual financial statements of Syensqo SA, the management report and the statutory auditor's report will be filed with the National Bank of Belgium.

These documents are also available free of charge on the internet or upon request sent to:

Syensqo SA
Rue de la Fusée 98
B– 1130 Brussels

The balance sheet of Syensqo SA at the end of the year 2024 presented below is based on a dividend distribution of € 1.62 per share.

At the end of 2024, Syensqo SA still has one Branch, Solvay S.A. Italia (Viale Lombardia 20, 20021 Bollate, Italy).

The accounts of Syensqo SA are prepared in accordance with Belgian generally accepted accounting principles.

The main activities of Syensqo SA consist of holding and managing a number of investments in Group companies, providing various services to Group companies and financing the Group's activities from the bank and bond markets. Syensqo SA also has a Group internal factoring activity without recourse. As a result, Syensqo SA owns and manages Group's trade receivables from customers based in Europe and in Asia. It manages the research center in Brussels and a very limited number of commercial activities not undertaken through subsidiaries.

The activity of this company results from the partial demerger of Solvay SA on December 8, 2023. This partial demerger operation was carried out with retroactive accounting effect to July 1, 2023. Therefore, when comparing with the year 2024, it is important to consider the 2023 financial data only covers six months of activity.

BALANCE SHEET OF SYENSQO SA (SUMMARY)

In € million	December 31, 2024	December 31, 2023
Assets		
Fixed assets	**9,201**	**8,458**
Start-up expenses and intangible assets	45	36
Tangible assets	86	73
Financial assets	9,070	8,349
Current assets	**1,493**	**3,216**
Inventories		
Trade receivables	509	539
Other receivables	561	1,859
Short-term investments and cash equivalents	403	804
Accrued income and deferred charges	20	13
Total assets	**10,693**	**11,673**
Shareholders' equity and liabilities		
Shareholders' equity	**7,581**	**8,031**
Capital	1,352	1,352
Share premiums	1,022	1,022
Reserves	1,802	1,866
Net income carried forward	3,406	3,792
Provisions and deferred taxes	**120**	**91**
Financial debt	**1,052**	**1,612**
- due in more than one year	1,001	1,601
- due within one year	51	11
Trade payables	**112**	**70**
Other liabilities	**1,817**	**1,859**
Accrued charges and deferred income	**11**	**11**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**10,693**	**11,673**

At the end of December 2024, total assets amount to €10,693 million. They consist of:

- Fixed assets for €9,201 million, mainly for the Financial assets (€9,070 million) transferred from Solvay SA upon the Partial Demerger.
- Current assets for €1,493 million, including: Trade receivables (€509 million), Other receivables (€561 million) for current accounts and amounts due from subsidiaries and Cash at bank and in hand (€403 million).

The Shareholders equity of € 7,581 million results mainly from the previous year's equity for €8,031, the loss of the year of €(215) million, the retirement of shares €(64) million and the dividend proposed for distribution in 2025 of €(170) million.

The financial debt totals €1,052 million and it is mainly related to the 2027 Senior Bonds (€500 million) and the Hybrid Bonds (€500 million) and other drawn credit facilities (€50 million).

Other liabilities of €1,817 million are mainly related to current accounts payable to subsidiaries (€1,540 million), the payable for the dividend (€170 million) and taxes, payroll and social security debts (€102 million).

INCOME STATEMENT OF SYENSQO SA (SUMMARY)

In € million	2024	2023
Sales		
Other operating income	780	239
Operating expenses	-771	-389
Operating profit / (loss)	**9**	**-150**
Financial income and expenses	-213	-148
Profit / (loss) for the year before taxes	**-204**	**-298**
Income taxes	-11	-1
Profit / (loss) for the year	**-215**	**-300**
Profit / (loss) for the year available for distribution	**-215**	**-300**

For 2024, the net result of Syensqo SA is a loss amounting to €(215) million.

This result includes:

- The operating profit of €9 million.
- Financial gains and losses of €(213) million, resulting from the impairment of investments of €(348) million.
- The income taxes of €(11) million.

PROFIT AVAILABLE FOR DISTRIBUTION

In € million	2024	2023
Profit / (loss) for the year available for distribution	-215	-300
Carried forward	3,792	4,263
Total available to the General Shareholders' Meeting	3,576	3,963
Appropriation		
Gross dividend	170	172
Carried forward	3,406	3,792
TOTAL	**3,576**	**3,963**

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Shape the future
with confidence

Independent auditor's report to the general meeting of Syensqo SA for the year ended 31 December 2024

In the context of the statutory audit of the Consolidated Financial Statements of Syensqo SA (the "Company") and its subsidiaries (together the "Group"), we report to you as statutory auditor. This report includes our opinion on the consolidated statement of financial position as at 31 December 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31 December 2024 and the disclosures including material accounting policy information (all elements together the "Consolidated Financial Statements") as well as our report on other legal and regulatory requirements. These two reports are considered one report and are inseparable.

We have been appointed as statutory auditor by the founders of the Company on 27 February 2023, being the date of incorporation. Our mandate expires at the shareholders' meeting that will deliberate on the Consolidated Financial Statements for the year ending 31 December 2025. We performed the audit of the Consolidated Financial Statements of the Group during 2 consecutive years.

Report on the audit of the Consolidated Financial Statements

Unqualified opinion

We have audited the Consolidated Financial Statements of Syensqo SA, that comprise of the consolidated statement of financial position on 31 December 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the year and the disclosures including, material accounting policy information, which show a consolidated balance sheet total of € 12.373 million and of which the consolidated income statement shows a loss for the year of € 5 million.

In our opinion, the Consolidated Financial Statements give a true and fair view of the consolidated net equity and financial position as at 31 December 2024, and of its consolidated results for the year then ended, prepared in accordance with the IFRS Accounting Standards as adopted by the European Union and with applicable legal and regulatory requirements in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA's") applicable in Belgium. In addition, we have applied the ISA's approved by the International Auditing and Assurance Standards Board ("IAASB") that apply at the current year-end date and have not yet been approved at national level. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the Consolidated Financial Statements" section of our report.

We have complied with all ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Belgium, including those with respect to independence.

We have obtained from the Board of Directors and the officials of the Company the explanations and information necessary for the performance of our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current reporting period.

These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon, and consequently we do not provide a separate opinion on these matters.

Defined benefit obligations

Description of the key audit matter

The net defined benefit obligations mainly relate to post-employment pension plans and amount to € 246 million as at 31 December 2024, and are disclosed in note F25 of the Consolidated Financial Statements. It consists of gross defined benefit obligations (€ 1.576 million) offset partially by plan assets (€ 1.330 million). The largest plans in 2024 are in the United Kingdom, the United States, France and Belgium and represents 96% of the total defined benefit obligations of the Group. This area is important to our audit because of the magnitude of the amounts, management's judgment involved in determining actuarial assumptions (more in particular discount rates and inflation rates) and plan assets' fair values and the technical expertise required to evaluate these obligations and properly reflect the impacts in the Consolidated Financial Statements in accordance with IAS 19 "Employee Benefits".

Summary of the procedures performed

- We obtained an understanding of the Group estimation process to evaluate the defined-benefit obligations and plan assets as well as the related management review controls;
- We assessed the design of the internal controls established by the Group to manage the underlying participant data and to ensure that the amendments to the plans are properly and timely reflected in the Consolidated Financial Statements;
- We reconciled, on a sample basis, the fair value of the plan assets to external confirmations;
- We assessed the expertise, independence and integrity of the external actuaries engaged by the Group;
- With the assistance of our internal actuarial specialists, we assessed the actuarial report prepared by the external actuaries engaged by the Group to ensure that the main changes to the plans were properly considered in the actuarial calculations;
- We compared, on a sample basis, the input data used for the calculation of the provisions by the external actuary (such as population, age, years of service, wage,...) with source information of the human resources department of the Group;
- We assessed the appropriateness of the key actuarial assumptions (discount rates and inflation rates) with the assistance of our internal actuarial specialists;
- We validated that the actuarial calculations are properly recorded in the Consolidated Financial Statements in accordance with IAS19;
- We assessed the roll-forward of the provisions to understand the changes in the valuation of the provisions compared to last year;
- We assessed the adequacy and completeness of the disclosures presented in the note F25 of the Consolidated Financial Statement based on the requirements of IAS19.

Impairment of goodwill and other non-current assets of the CGU's Technology Solutions, Composite Materials and Oil & Gas

Description of the key audit matter

Following the Group's past acquisitions, significant goodwill has arisen, amounting to € 2.659 million as at 31 December 2024, which represents 21% of the consolidated total assets. As described in notes F15 (Goodwill and business combinations) and F19 (Impairment), the Company reviews the carrying amounts of its cash generating units ("CGU's") annually or more frequently if impairment indicators are present. Based on the headroom that exists per CGU as well as sensitivity analyses performed on the valuation and assumptions used in the impairment assessment, we have determined the impairment of goodwill and other non-current assets to be a focus area of our audit of the following CGU's: Technology Solutions, Composite Materials and Oil & Gas. The impairment assessment involves a comparison of the estimated value in use of the CGU to its carrying amount. The assessment is a judgmental process which requires estimates concerning the projected future cash flows associated with the CGU, the weighted average cost of capital ("WACC") and the growth rate of revenue and costs to be applied in determining the value in use. This area is important to our audit because of the magnitude of the amounts, the judgments, and the technical expertise required to perform the impairment testing of long-term assets.

Summary of the procedures performed

- We obtained an understanding of the Group impairment testing and processes;
- We evaluated and challenged management determination of CGU's and allocation of goodwill to those CGU's for the purpose of impairment testing;
- We evaluated the discount rate by comparison to (i) peer-group information, (ii) the Group's cost of capital and (iii) relevant risk factors; and the long term growth rate by comparing with shadow computation performed by our valuation experts;
- We assessed the mathematical accuracy and conformity with IAS 36 of the valuation model used by the Group;
- We tested the reasonableness of projected cash flows considering the Group's historic forecasting accuracy and compared these projections with the budget approved by the Board of Directors and the mid-term plan, including with respect to the impact of climate change and the alignment with the Syensqo One Planet objectives;
- We included our internal valuation specialist on our team to analyze and test the valuation model and the abovementioned critical assumptions used in the valuation model as well as the reasonableness of impairment loss booked during the period;
- We analyzed and tested the sensitivity analysis prepared by management, to understand the impact of reasonable changes in the key assumptions on the available headroom for the three CGU's;
- We assessed the Group reconciliation of the value in use derived from the impairment tests to the market capitalization;
- We considered additional impairment or reversal of impairment indicators and triggers by reading minutes of the board of directors' meetings, and we held regular discussions with the management and the audit committee;
- We assessed the appropriateness and completeness of the disclosures in the Notes to the Consolidated Financial Statements in accordance with IAS 36.

Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the Consolidated Financial Statements that give a true and fair view in accordance with the IFRS Accounting Standards and with applicable legal and regulatory requirements in Belgium and for such internal controls relevant to the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of Consolidated Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern, The Board of Directors should prepare the financial statements using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Company or to cease business operations, or has no realistic alternative but to do so.

Our responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, and to express an opinion on these Consolidated Financial Statements based on our audit. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the ISA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

In performing our audit, we comply with the legal, regulatory and normative framework that applies to the audit of the Consolidated Financial Statements in Belgium. However, a statutory audit does not provide assurance about the future viability of the Company and the Group, nor about the efficiency or effectiveness with which the board of directors has taken or will undertake the Company's and the Group's business operations. Our responsibilities with regards to the going concern assumption used by the board of directors are described below.

As part of an audit in accordance with ISA's, we exercise professional judgment and we maintain professional skepticism throughout the audit. We also perform the following tasks:

- identification and assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements resulting from fraud is higher than when such misstatements result from errors, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining insight in the system of internal controls that are relevant for the audit and with the objective to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given by the Board of Directors;
- conclude on the appropriateness of the Board of Directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, whether or not a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going-concern;
- evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and evaluating whether the Consolidated Financial Statements reflect a true and fair view of the underlying transactions and events.

We communicate with the Audit Committee within the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the audits of the subsidiaries. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities.

We provide the Audit Committee within the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee within the Board of Directors, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our report, unless the law or regulations prohibit this.

Report on other legal and regulatory requirements

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and the content of the Board of Directors' report on the Consolidated Financial Statements, and other information included in the annual report.

Responsibilities of the auditor

In the context of our mandate and in accordance with the additional standard to the ISA's applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Directors' report on the Consolidated Financial Statements, and other information included in the annual report, as well as to report on these matters.

Aspects relating to Board of Directors' report

The Board of Directors' report on the Consolidated Financial Statements contains the consolidated sustainability information that is subject to our separate reasonable and limited assurance reports. This section does not cover the assurance on the consolidated sustainability information included in the annual report.

In our opinion, after carrying out specific procedures on the Board of Directors' report, the Board of Directors' report is consistent with the Consolidated Financial Statements and has been prepared in accordance with article 3:32 of the Code of companies and associations.

In the context of our audit of the Consolidated Financial Statements, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Board of Directors' report and other information included in the annual report, being:

- Strategy

contain any material inconsistencies or contains information that is inaccurate or otherwise misleading. In light of the work performed, there are no material inconsistencies to be reported.

Independence matters

Our audit firm and our network have not performed any services that are not compatible with the audit of the Consolidated Financial Statements and have remained independent of the Company during the course of our mandate.

The fees related to additional services which are compatible with the audit of the Consolidated Financial Statements as referred to in article 3:65 of the Code of companies and associations were duly itemized and valued in the notes to the Consolidated Financial Statements.

European single electronic format ("ESEF")

In accordance with the standard on the audit of the conformity of the financial statements with the European single electronic format (hereinafter "ESEF"), we have carried out the audit of the compliance of the ESEF format with the regulatory technical standards set by the European Delegated Regulation No 2019/815 of 17 December 2018 (hereinafter: "Delegated Regulation").

The board of directors is responsible for the preparation, in accordance with the ESEF requirements, of the consolidated financial statements in the form of an electronic file in ESEF format (hereinafter 'the digital consolidated financial statements') included in the annual financial report available on the portal of the FSMA (https://www.fsma.be/en/stori).

It is our responsibility to obtain sufficient and appropriate supporting evidence to conclude that the format and markup language of the digital consolidated financial statements comply in all material respects with the ESEF requirements under the Delegated Regulation.

Based on the work performed by us, we conclude that the format and tagging of information in the digital consolidated financial statements of Syensqo SA per 31 December 2024 included in the annual financial report available on the portal of the FSMA (https://www.fsma.be/en/stori) are, in all material respects, in accordance with the ESEF requirements under the Delegated Regulation.

Other communications.

- This report is consistent with our supplementary declaration to the Audit Committee as specified in article 11 of the regulation (EU) nr. 537/2014.

Diegem, 20 March 2025

EY Bedrijfsrevisoren BV
Statutory auditor
Represented by

Marie Kaisin *
Partner
*Acting on behalf of a BV/SRL

25MK0019

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Statutory Auditor's limited assurance report on Syensqo SA's consolidated Sustainability statements

At the attention of the general meeting of the shareholders.

As part of the limited assurance engagement on the consolidated sustainability statements of Syensqo SA (the "Company" or the "Group"), we are providing you with our report on this engagement.

We were appointed by the General Meeting of 23 May 2024, in accordance with the proposal of the Board of Directors and issued on the nomination by the Works Council of Syensqo SA, to carry out a limited assurance engagement on the Company's consolidated sustainability information, included in sustainability statement of the Annual Integrated Report as of and for the year ended 31 December 2024 (the "sustainability statement").

Our mandate expires on the date of the general meeting deliberating on the annual financial statements closed as at December 31, 2025. We have carried out our assurance engagement on the sustainability statement of Syensqo for 1 consecutive year.

Limited assurance conclusion

We have conducted a limited assurance engagement on the sustainability statement of Syensqo SA.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the sustainability statement, in all material respects:

- Is not prepared in accordance with the requirements referred to in Article 3:32/2 of the Belgian Code of Companies and Associations, including compliance with applicable European sustainability information standards (the European Sustainability Reporting Standards ("ESRSs"));
- Is not compliant with the process carried out by the Company ("the Process") to identify the information included in the sustainability statement in accordance with the ESRS's as set out in section 5.1.4 Double Materiality (ESRS 2 IRO-1); and
- Is not compliant with the requirements of Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation") as disclosed in subsection 5.2.2.3 EU Taxonomy within the environmental section of the sustainability statement.

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance engagements other than audits or reviews of historical financial information* ("ISAE 3000 (Revised)"), applicable in Belgium and issued by the International Auditing and Assurance Standards Board.

Our responsibilities under this standard are further described in the Statutory Auditor's responsibilities section of our report related to our limited assurance engagement under the section "Statutory Auditor's responsibilities".

We have complied with all ethical requirements relevant to the assurance of sustainability engagement in Belgium, including those relating to independence.

The firm applies International Standard on Quality Management 1 ("ISQM 1"), which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have obtained from the Company's Board of Directors and its appointees the explanations and information necessary for our limited assurance engagement.

Besloten vennootschap
Société à responsabilité limitée
RPR Brussel - RPM Bruxelles - BTW-TVA BE0446.334.711-IBAN N° BE71 2100 9059 0069
*handelend in naam van een vennootschap:/agissant au nom d'une société

A member firm of Ernst & Young Global Limited

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matters

The scope of our work is only restricted to the limited assurance engagement on the Company's sustainability statement with respect to the current reporting period. Our limited assurance engagement does not extend to information relating to the comparative figures.

Responsibilities of the Board of Directors in relation to the preparation of sustainability information

The Board of Directors of the Company is responsible for designing and implementing a process to identify the information reported in the sustainability statement in accordance with the ESRS and for disclosing this Process in the section 5.1.4 Double Materiality (ESRS 2 IRO-1) of the sustainability statement. This responsibility includes:

- understanding the context in which the Company's activities and business relationships take place and developing an understanding of its affected stakeholders.
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the entity's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

The board of directors of the Company is further responsible for the preparation of the sustainability statement, which contains the sustainability information as determined in the Process:

- in accordance with the requirements referred to in Article 3:32/2 of the Belgian Code of Companies and Associations, including compliance with applicable ESRS's;
- in compliance with the requirement provided by Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation") as described in the disclosures in subsection 5.2.2.3 EU Taxonomy within the environmental section of the sustainability statement.

This responsibility includes:

- designing, implementing and maintaining such internal control that the Board of Directors determines is necessary to enable the preparation of the Sustainability statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

The Board of Directors are responsible for overseeing the Company's sustainability reporting process.

Inherent limitations in preparing the sustainability statement

In reporting forward-looking information in accordance with ESRS, the board of directors of the Company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Company. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected. Actual results are likely to differ from projections because the future events will not generally occur as expected, and such differences could be material.

Statutory Auditor's responsibilities relating the limited assurance engagement on the sustainability information

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the sustainability statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the sustainability statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), as applicable in Belgium, we exercise professional judgment and maintain professional skepticism throughout the engagement. The work performed in an engagement with a view to obtaining limited assurance is less extensive than in the case of an engagement with a view to obtaining reasonable assurance. The procedures performed in a limited assurance engagement for which we refer to the 'Summary of work carried out' section which differ in nature and timing are less extensive compared to a reasonable assurance engagement. We therefore do not express a reasonable audit opinion in the frame of this engagement.

As the forward-looking information included in the Sustainability Information, and the assumptions on which it is based, relate to the future, they may be affected by events that may occur and/or by actions taken by the Company. Actual results are likely to differ from the assumptions made, as the events assumed will not necessarily occur as expected, and such differences could be material. Accordingly, our conclusion does not guarantee that the actual results reported will correspond to those contained in the forward-looking sustainability information.

Our responsibilities in respect of the Sustainability statement, in relation to the Process, include:

- understanding the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process; and
- Designing and performing procedures to evaluate whether the Process is consistent with the Company's description of its Process, as disclosed in section 5.1.4 Double Materiality (ESRS 2 IRO-1).

Our other responsibilities in respect of the Sustainability statement include:

- To understand the Company's control environment and the processes and information systems relevant to the preparation of sustainable information, but without evaluating the design of specific control activities, obtaining substantive information on their implementation or testing the effectiveness of the internal control measures in place;
- Identify areas where material misstatements of sustainability information are likely to occur, whether due to fraud or error; and
- Designing and performing procedures responsive to where material misstatements are likely to arise in the sustainability statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability statement. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Sustainability statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process through:
    - Requesting information to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents), as well as assessing the Company's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Syensqo was consistent with the description of the Process set out in section 5.1.4 Double Materiality (ESRS 2 IRO-1).

In conducting our limited assurance engagement, with respect to the sustainability statement, we:

- Obtained an understanding of the Company's reporting processes relevant to the preparation of its sustainability statement by:
  - interviewing management and relevant staff responsible for consolidating and implementing internal control measures related to sustainability information;
  - when deemed appropriate, obtaining supporting documentation for the relevant reporting processes.
- Evaluated whether the information identified by the Process is included in the sustainability statement;
- Evaluated the compliance of the structure and the preparation of sustainability information with ESRS standards;
- Performed inquires of relevant personnel and analytical procedures on selected information in the sustainability statement;
- Performed substantive assurance procedures, based on a sample, on selected information in the sustainability statement;
- For the following locations contributing to the quantitative information included in the sustainability information, we have carried out on site limited detailed testing of the data collection and calculation processes, as well as validation procedures related to the quantitative information in question, based on professional judgement and on a sample basis: Spinetta, Atequiza Jalsic, Augusta, GA, Orange, TX, Vernon, TX, Marietta, OH, Zhenjiang Songl, Zhangjiagang Fe, Tavaux, St-Fons Sp, Wrexham and Haren;
- Evaluated assurance information on the methods for developing estimates and forward-looking information; evaluated as described in the section 'responsibilities of the statutory auditor regarding the assurance engagement with limited assurance regarding sustainability information;
- Obtained an understanding of the Company's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability statement;
- Reconciled inputs to revenue, capital expenditure, and operating expenses, with underlying financial information of the Company.

Statements regarding independence

Our audit firm and our network have not performed any engagements that are incompatible with the limited assurance engagement, and our audit firm has remained independent of the company during our term of office.

Diegem, 20 March 2025

EY Réviseurs d'Entreprises SRL
Statutory Auditor
represented by

Marie Kaisin*
Partner
* Acting on behalf of an SRL

25MK0020

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Independent accountant's assurance report

TO THE GENERAL SHAREHOLDERS' MEETING OF THE COMPANY SYENSQO SA

Scope

We have been engaged by Syensqo SA (the "Company") to perform a "reasonable assurance engagement in accordance with the International Standard on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ("ISAE 3000 revised"), hereafter referred to as "the Engagement", on Syensqo SA's sustainability indicators listed in Appendix (the "Subject Matter") of the accompanying annual report 2024 (the "Report") for the period from 1 January 2024 to 31 December 2024.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform reasonable assurance procedures on the remaining information included in the Report, and accordingly, we do not express an opinion on this information.

Criteria applied by Syensqo SA

In preparing the Subject Matter, Syensqo SA applied the Greenhouse Gas Protocol (GHG Protocol) Corporate Standard (the "Criteria").

Syensqo SA's responsibilities

Syensqo's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a reasonable assurance opinion on the Subject Matter based on the evidence we have obtained.

We conducted our reasonable assurance engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000'), and the terms of reference for this engagement as agreed with Syensqo on 2 December 2024. ISAE 3000 revised requires that we plan and perform our engagement to express an opinion on whether we are aware of any material modifications that need to be made to the Subject Matter for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements. This standard requires us to design, implement, and manage a quality management system, including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a reasonable assurance engagement vary in nature and timing from and are more in extent than for a limited assurance engagement. Consequently, the level of assurance obtained in a reasonable assurance engagement is substantially higher than the assurance that would have been obtained had a limited assurance engagement been performed.

A reasonable assurance engagement consists of conducting substantive analytics and test of details, including performing walkthroughs.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

Our procedures included amongst other:

- Obtaining an understanding of the reporting processes for the Subject Matter;
- Evaluating the consistent application of the Criteria;
- Interviewing relevant staff at local level responsible for data collection, reporting and calculation of the Subject Matter;
- Interviewing management and relevant staff at corporate level responsible for consolidating and carrying out internal control procedures on the Subject Matter;
- Interviewing relevant staff responsible for reporting the Subject Matter in the Report;
- Determining the nature and extent of the assurance procedures for each of the locations contributing to the Subject Matter. Based on our scoping assessment, 8 sites (Spinetta, Augusta, Vernon, Marietta, Zhenjiang Songl, Zhangjiagang Fe, Tavaux and Wrexham) were visited to visually inspect operations, to validate the data and evaluate the design and implementation of data collection and calculation processes as well as inspecting of documents on a sample basis. For the remaining locations contributing to the sustainability indicators

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  listed in Appendix, procedures were carried out centrally to review the reasonableness of the data collection, data calculation, and data validation procedures;
- Obtaining information that the Subject Matter reconciles with underlying records of the Company;
- Evaluating, on a test basis, and reconciling the Subject Matter to relevant internal and external supporting documentation;
- Performing an analytical review of the data and trends in the Subject Matter for consolidation at corporate level and the data reported by the sites;
- Evaluating the overall presentation of the Subject Matter in the Report.

We also performed such other procedures as we considered necessary in the circumstances.

Opinion

In our opinion, the Syensqo SA sustainability indicators listed in Appendix for the period from 1 January 2024 to 31 December 2024 are presented, in all material respects, in accordance with the Criteria.

Diegem, March 20, 2025

EY Réviseurs d'Entreprises SRL
Represented by

Marie Kaisin*
Partner
* Acting on behalf of an SRL

25MK0021

Appendix

Topic	KPI	Result
GHG emissions	Gross scope 1 GHG emissions	1.2 Million tCO2eq
GHG emissions	Gross market-based scope 2 GHG emissions	0.3 Million tCO2eq
GHG emissions	Gross location-based scope 2 GHG emissions	0.7 Million tCO2eq
GHG emissions	Gross scope 1 & 2 market-based GHG emissions	1.5 Million tCO2eq

DECLARATION BY THE PERSONS RESPONSIBLE

The Board of Directors hereby declares that, to the best of its knowledge:

- The financial statements, prepared in accordance with International Financial Reporting Standards ("IFRS"), give a true and fair view of the assets, liabilities, financial position and earnings of the issuer and of the entities included in the consolidation;
- The sustainability statement has been prepared in accordance with the European Sustainability Reporting Standards as required by article 3:32/2 of the Belgian Code of Companies and Associations as well as with Article 8 of EU Regulation 2020/852.;
- The management report includes an accurate review of the business developments, earnings, and financial position of the issuer and of the entities included in the consolidation, as well as a description of the main risks and uncertainties that these entities face.

Rosemary Thorne

Chair of the Board of Directors

Ilham Kadri

Chair of the Executive Leadership Team and Chief Executive Officer

GLOSSARY

Additional voluntary contributions related to employee benefits plan

Contributions to plan assets in excess of mandatory contributions to employee benefits plans. These payments are discretionary and are driven by the objective of value creation. These voluntary contributions are excluded from free cash flow as they are deleveraging in nature as a reimbursement of debt.

Adjustments

Each of these adjustments made to the IFRS results is considered to be significant in nature and/or value. Excluding these items from the profit metrics provides readers with relevant additional information on the Group's underlying performance over time because it is consistent with how the business' performance is reported to the Board of Directors and the Executive Committee. These adjustments consist of:

- Results from portfolio management and major restructurings;
- Results from legacy remediation and major litigations;
- Amortization of intangible assets resulting from Purchase Price Allocation (PPA) and inventory step-up in gross margin;
- Net financial results related to changes in discount rates, coupons of hybrid bonds deducted from equity under IFRS and debt management impacts (mainly including gains/(losses) related to the early repayment of debt;
- Adjustments of equity earnings for impairment gains or losses and unrealized foreign exchange gains or losses on debt;
- Results from equity instruments measured at fair value;
- Gains and losses, related to the management of the CO_2 hedges not accounted for as Cash Flow Hedge, deferred in adjustments until the maturity of the economic hedge;
- Remeasurement of the long-term incentive plans related to Solvay Group shares and of the related hedging instruments;
- Tax effects related to the items listed above and tax expense or income of prior years;
- All adjustments listed above apply to both continuing and discontinuing operations, and include the impacts on non-controlling interests.

Basic earnings per share

Net income (Syensqo's share) divided by the weighted average number of shares, after deducting own shares purchased to cover stock option programs.

Capital expenditure (capex)

Cash paid for the acquisition of tangible and intangible assets presented in cash flows from investing activities, and cash paid on the lease liabilities (excluding interests paid), presented in cash flows from financing activities. This indicator is used to manage capital employed in the Group.

CARECHEM

Carechem 24 is a multilingual telephone advice service providing access to a team of trained responders 24 hours a day, 365 days a year. Carechem 24 provides companies all over the world with emergency product support during a hazardous materials incident.

Cash conversion

A ratio used to measure the conversion of EBITDA into cash according to the formula ((Underlying EBITDA +/- Changes in working capital - Sustenance Capex) / (Underlying EBITDA). Sustenance capital expenditure includes capital expenditures for maintenance, for the implementation of the One Planet strategy and for Digital Transformation initiatives, as well as payment of lease liabilities

CGU

Cash-generating unit.

Code of conduct

Syensqo is committed to responsible behavior and integrity, taking into account the sustainable growth of its business and its good reputation in the communities in which it operates.

CTA

Currency Translation Adjustment.

Diluted earnings per share

Net income (Syensqo's share) divided by the weighted average number of shares adjusted for effects of dilution.

Discontinued operations

Component of the Group which the Group has disposed of or which is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations;
- Is a subsidiary acquired exclusively with a view to resale.

Dividend yield (gross)

Gross dividend divided by the closing share price on December 31.

Dividend yield (net)

Net dividend divided by the closing share price on December 31.

DJ EURO STOXX

Dow Jones Euro Stoxx is a pan-European stock index which includes the 326 most important shares of the general Dow Jones index, belonging to eleven countries of the Eurozone.

DJ STOXX

Dow Jones Stoxx is a European stock index composed of the 665 most important European shares.

EBIT

Earnings before interest and taxes. Performance indicator that is a measure of the Group's operating profitability irrespective of the funding's structure.

EBITDA

Earnings before interest and taxes, depreciation and amortization. The Group has included EBITDA as an alternative performance indicator because management believes that the measure provides useful information to assess the Group's operating profitability as well as the Group's ability to generate operating cash flows.

Eco-profile

A description of the magnitude and significance of the environmentally relevant inputs and outputs (including, as appropriate, raw materials, intermediate products, emissions and waste) associated with a product throughout its lifecycle.

Environmental protection agency

The U.S. Environmental Protection Agency (EPA or USEPA) is an agency of the United States federal government which was created for the purpose of protecting human health and the environment by writing and enforcing regulations based on laws passed by Congress.

Equity per share

Equity (Syensqo share) divided by the number of outstanding shares at year end (issued shares - treasury shares).

EURONEXT

Global operator of financial markets and provider of trading technologies.

Free cash flow

Cash flows from operating activities (excluding cash flows linked to acquisitions or disposals of subsidiaries, cash outflows of Voluntary Pension Contributions, as they are deleveraging in nature as a reimbursement of debt and cash flows related to internal management of portfolio such as one-off external costs of internal carve-out and related taxes…), cash flows from investing activities (excluding cash flows from or related to the acquisitions and disposals of subsidiaries), and other investments, and excluding loans to associates and non-consolidated investments, and recognition of factored receivables), payment of lease liabilities, and increase/decrease of borrowings related to environmental remediation. Prior to the adoption of IFRS 16, operating lease payments were included within free cash flow. Following the application of IFRS 16, because leases are generally considered to be operating in nature, free cash flow incorporates the payment of the lease liability (excluding the interest expense). Excluding this item in the free cash flow would result in a significant improvement of free cash flow compared to prior periods, whereas the operations themselves have not been affected by the implementation of IFRS 16. It is a measure of cash generation, working capital efficiency and capital discipline of the Group.

Free cash flow conversion

Calculated as the ratio between the free cash flow to Syensqo shareholders of the last rolling 12 months (before netting of dividends paid to noncontrolling interest) and underlying EBITDA of the last rolling 12 months.

Free cash flow to Syensqo shareholders

Free cash flow after payment of net interests, coupons of perpetual hybrid bonds, dividends to non-controlling interests and capital injections and capital reimbursements from/to non-controlling interests. This represents the cash flow available to Syensqo shareholders, to pay their dividend and/or to reduce the net financial debt.

FTSEUROFIRST 300

The FTSEurofirst 300 Index tracks the equity performance across the region of the 300 largest companies ranked by market capitalization in the FTSE Developed Europe Index.

GBU

Global business unit.

Gearing ratio

A measure of capital structure and is defined as Underlying net debt / (underlying net debt + Equity - Hybrid bonds in equity)

GRI

GRI (Global Reporting Initiative) is the independent, international organization that helps businesses and other organizations take responsibility for their impacts, by providing them with the global common language to communicate those impacts. GRI provides the world's most widely used standards for sustainability reporting – the GRI Standards.

IBA

Internal bank accounts.

ICCA

International Council of Chemistry Associations.

IFRS

International Financial Reporting Standards.

Integrated reporting

This is a process founded on integrated thinking, which results in a periodic integrated report by an organization about value creation over time and related communications regarding aspects of value creation.

ISO 9001

The ISO 9001 standard defines a set of requirements for the establishment of a system of quality management in an organization, whatever its size and activity.

ISO 14001

The ISO 14001 family addresses various aspects of environmental management. It provides practical tools for companies and organizations looking to identify and control their environmental impact and constantly improve their environmental performance.

ISO 14040

The ISO 14040 standard covers life cycle assessment (LCA) studies and life cycle inventory (LCI) studies.

ISO 26 000

The ISO 26000 is a global standard which provides guidelines for organizations that wish to operate in a socially responsible manner. The standard was published in 2010 after five years of negotiations among a large number of stakeholders worldwide. Representatives of governments, NGOs, industry, consumer groups, and the world of work were involved in its development. It therefore represents an international consensus.

LCA

Life Cycle Assessment.

Leverage ratio

Net debt / underlying EBITDA of the last 12 months. Underlying leverage ratio = underlying net debt / underlying EBITDA of the last 12 months.

Loss prevention process

Loss prevention aims at maintaining production flow and profitability of the plants by providing risk mitigation. It also contributes to increasing the protection of people and the environment.

LTII

Lost Time Injury or Illness: A Work Related Injury or Illness that results in a work interruption of one or more days, not including the day of the accident.

LTIIR

Lost Time Injury and Illness Rate: number of Lost Time Injury and Illnesses resulting from accident per 200,000 work hours.

Mandatory contributions to employee benefits plans

For funded plans, contributions to plan assets corresponding to amounts required to be paid during the respective period, in accordance with agreements with trustees or regulation, as well as, for unfunded plans, benefits paid to beneficiaries.

Materiality

Organizations are faced with a wide range of sustainability matters on which they could report. The relevant topics pertain to the undertaking's material actual or potential, positive or negative impacts on people or the environment over the short-, medium- and long-term., or if it generates risks or opportunities that affect (or could reasonably be expected to affect) the undertaking's financial position, financial performance, cash flows, access to finance or cost of capital over the short, medium or long term. Sustainability matters relevant from one or both dimensions merit inclusion in the annual report. Materiality is the threshold at which aspects become sufficiently important that they should be reported.

Natural currency hedge

A natural currency hedge is an investment that reduces the undesired risk by matching cash in and outflows.

Near miss

Accident or collision narrowly avoided.

Net cost of borrowings

Cost of borrowings netted with interest on loans and short-term deposits, as well as other gains (losses) on net indebtedness.

Net financial charges

Net cost of borrowings, and costs of discounting provisions (namely, related to post-employment benefits and Health Safety and Environmental liabilities).

Net financial debt (IFRS)

(IFRS) net debt = Non-current financial debt + current financial debt – cash & cash equivalents – other financial instruments (current and non-current).

Underlying net debt reclassifies as debt 100% of the hybrid perpetual bonds, considered as equity under IFRS. It is a key measure of the strength of the Group's financial position and is widely used by credit rating agencies.

Net pricing

The difference between the change in sales prices versus the change in variable costs.

Net sales

Sales of goods and value added services corresponding to Syensqo's know-how and core business. Net sales exclude Revenue from non- core activities.

Net working capital

Includes inventories, trade receivables and other current receivables, netted with trade payables and other current liabilities.

Occupational accident

Accident which occurred during the execution of a work contract with Syensqo. Accidents on the way to/from home are not considered as work related except if at the time of the accident, the worker was traveling for Syensqo.

OCI

Other Comprehensive Income.

OECD

Organisation for Economic Co-operation and Development.

OHSAS 18001

OHSAS 18001 is an international occupational health and safety management system specification.

Open innovation

Innovation that is enriched with outside expertise, through partnerships with the academic world and by shareholdings in start-ups, either directly or via investment funds.

Operational deleveraging

Reduction of liabilities (net debt or provisions) through operational performance only, i.e. excluding impacts from acquisitions and divestitures, as well as remeasurement impacts (changes of foreign exchange, inflation, mortality and discount rates).

Organic growth

Growth of Net sales or underlying EBITDA excluding scope changes (related to small M&A not leading to restatements) and forex conversion effects.

The calculation is made by rebasing the prior period at the business scope and forex conversion rate of the current period.

OSHA

United States Occupational Safety and Health Administration.

PP

Unit of percentage points, used to express the evolution of ratios.

PPA

Purchase Price Allocation (PPA) accounting impacts related to acquisitions, primarily for Rhodia and Cytec.

Pricing power

The ability to create positive net pricing.

Product stewardship

A responsible approach in managing risks throughout the entire life cycle of a product, from the design stage to the end of life.

PSM

Process safety management.

PSU

Performance Share Unit.

REACH

REACH is the European Community Regulation on chemicals and their safe use (EC 1907/2006). It deals with the registration, evaluation, authorization, and restriction of chemical substances. The law entered into force on June 1, 2007.

Research & innovation

Research & development costs recognized in the income statement and as capital expenditure before deduction of related subsidies, royalties and depreciation and amortization expense. It measures the total cash effort in research & innovation, regardless of whether the costs were expensed or capitalized.

Research & innovation intensity

Ratio of research & innovation / net sales.

Responsible care®

Responsible Care® is the global chemical industry's unique initiative to improve health, environmental performance, enhance security, and to communicate with stakeholders about products and processes.

Result from legacy remediation and major litigations

It includes:

- The remediation costs not generated by on-going production facilities (shut-down of sites, discontinued productions, previous years' pollution), and
- The impact of significant litigations.

Results from portfolio management and major restructuring

It includes:

- Gains and losses on the sale of subsidiaries, joint operations, joint ventures, and associates that do not qualify as discontinued operations;
- Acquisition costs of new businesses;
- One-off operating costs related to internal management of portfolio (carve-out of major lines of businesses);
- Gains and losses on the sale of real estate not directly linked to an operating activity;
- Restructuring charges driven by portfolio management and by major reorganization of business activities, including impairment losses resulting from the shutdown of an activity or a plant;
- Impairment losses resulting from testing of Cash Generating Units (CGUs).

It excludes non-cash accounting impact from amortization and depreciation resulting from the purchase price allocation (PPA) from acquisitions.

Revenue from non-core activities

Revenues primarily comprising commodity and utility trading transactions and other revenue, considered to not correspond to Syensqo's know-how and core business.

RII

Reportable Injury & Illness: work-related injury or illness resulting from an accident with severity above first aid, according to US OSHA 29 CFR 1904.

RIIR

Reportable Injury & Illness rate: number of reportable injury or illness per 200,000 work hours.

ROCE

Return on Capital Employed, calculated as the ratio between underlying EBIT (before adjustment for the amortization of PPA) and capital employed.

Capital employed consists of net working capital, tangible and intangible assets, goodwill, rights-of-use assets, investments in associates & joint ventures and other investments, and is taken as the average of the situation at the end of the last 4 quarters.

ROE

Return on equity.

SAELs

Syensqo Acceptable Exposure Limits.

Safety data sheets

Safety Data Sheets are the main tool for ensuring that manufacturers and importers communicate enough information along the supply chain to allow safe use of their substances and mixtures.

SBTi

Science Based target initiative.

SDG

United Nations Sustainable Development Goals.

Seveso regulations

The Control of Major Accident Hazards Involving Dangerous Substances Regulations. These regulations (often referred to as "COMAH Regulations" or "Seveso Regulations") give effect to European Directive 96/82/EC. They apply only to locations where significant quantities of dangerous substances are stored.

SOCRATES

Global tool for industrial hygiene management.

SOP

Stock Option Plan.

SPM

The Sustainable Portfolio Management is a fact-based tool that evaluates the risk & opportunities of our portfolio. It considers the social & environmental impact of our operations and the sustainability market signals, even weak ones, to anticipate their impact and develop the right answers in a timely way.

It is designed to guide business decisions and priorities for value creation.

SVHC

Substance of Very High Concern (SVHC) is a chemical substance, the utilization of which within the European Union has been proposed to become subject to legal authorization under the REACH regulation.

TCFD

Task Force on Climate-related Financial Disclosure.

Underlying

Underlying results are deemed to provide a more comparable indication of Syensqo's fundamental performance over the reference periods. They are defined as the IFRS figures adjusted for the "Adjustments" as defined above. They provide readers with additional information on the Group's underlying performance over time as well as the financial position and they are consistent with how the business' performance and financial position are reported to the Board of Directors and the Executive Committee.

Underlying net debt

Underlying net debt reclassifies as debt 100% of the perpetual hybrid bonds, considered as equity under IFRS.

Underlying tax rate

Income taxes / (Result before taxes – Earnings from associates & joint ventures) – all determined on an Underlying basis. The adjustment of the denominator regarding associates and joint ventures is made as these contributions are already net of income taxes. This provides an indication of the tax rate across the Group.

Velocity

Total number of shares traded during the year divided by the total number of listed shares, using the Euronext definition.

Velocity adjusted by free float

Velocity adjusted as a function of the percentage of the listed shares held by the public, using the Euronext definition.

Voluntary pension contributions

Contributions to plan assets in excess of Mandatory Contributions to employee benefits plans. These payments are discretionary and are driven by the objective of value creation. These voluntary contributions are excluded from free cash flow as they are deleveraging in nature as a reimbursement of debt.

WACC

Weighted Average Cost of Capital.

WBCSD

World Business Council for Sustainable Development.

SHAREHOLDERS' DIARY

MAY 6, 2025

Ordinary General Shareholders' Meeting

MAY 15, 2025

First quarter 2025 earnings

MAY 19, 2025

Proposed dividend payment date

JULY 31, 2025

First half year 2025 earnings

NOVEMBER 6, 2025

First nine months 2025 earnings

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