



► Our commitment to embedding sustainability into key business decisions ◀

Leveraging sustainability as a driver of innovation and growth can create long-lasting solutions and enable resource efficiency, benefiting customers, society, and the environment.

As a company with a strong and well-established sustainable growth ambition, Syensqo embeds environment and social considerations into the Company's strategy, innovation pipeline, and product portfolio.

This policy outlines how Syensqo uses Sustainable Portfolio Management to create a positive impact, delivering value and sustainable growth and enabling circularity.

Our commitment

Across its global portfolio, operations, and value chain, Syensqo systematically integrates sustainability attributes in its business decision making processes. These attributes are analyzed in high detail in the Company's Sustainable Portfolio Management (SPM) Framework.

The SPM Framework helps guide decisions in strategy, research & innovation, investments, marketing, sales, and mergers & acquisitions, integrating information on impacts on the environment (water, effluents, emissions, biodiversity), climate, and society. Through this, the SPM Framework supports the Company in identifying and managing sustainability-related impacts, risks, and opportunities. Further information is available in the [SPM Guide](#).

The majority of Syensqo's portfolio is classified as sustainable solutions, as per the SPM Framework, and the Company aims to continuously increase this share. Using the SPM Framework, the Company is better able to secure immediate business objectives while creating long-term value, strengthening resilience and future-readiness, and managing risks.

Our approach

Syensqo's comprehensive approach to SPM is in line with the aims of the United Nations' Sustainable Development Goals (SDG 12 - "Ensure sustainable consumption and production patterns").¹ It is also recognized as consistent with the Product Sustainability Assessment (PSA) guidance of the World Business Council for Sustainable Development (WBCSD) and the ambition of the European Safe and Sustainable by Design initiative.^{2,3}

The SPM Framework is applied consistently, guiding the prioritization and allocation of company resources to provide sustainable solutions to customers and stakeholders.



SPM Framework implementation guidelines

1. Assessment of existing portfolio

- Identification of sustainability opportunities and risks in the product portfolio, through product life cycle analysis, market signals and regulatory shifts.
- Guide the business to develop robust action plans to drive the growth of the sustainable solutions portfolio and de-risk the challenges.
- Development of data and evidence using life cycle analysis and product performance metrics for sustainability claims (e.g. for climate impact, resource efficiency, circularity, naturalness, and safety).

2. Capital allocation

- Assess the impact of growth projects prioritizing investments and resources to projects aligned with both business and sustainability goals. This includes research & innovation, CapEx, and mergers & acquisitions.

3. External Reporting

- Provide the analysis and evidence base for value chain reporting that links sustainability and business performance.

4. Education and awareness

- Provide training and resources to employees on SPM Framework and foster an integrated culture of sustainability.

Strategic partnerships

SPM is the subject of one of Harvard Business Schools' educational [business cases](#).⁴

About Syensqo and implementation of this policy

Syensqo is a science company with more than 13,000 employees across 30 countries. Its solutions contribute to safer, cleaner, and more sustainable products found in homes, food and consumer goods, planes, cars, batteries, smart devices and health care applications.

Syensqo's Sustainable Portfolio Management Policy is applicable to all industrial sites under Syensqo's full or majority ownership.

The Sustainable Portfolio Management Policy is communicated to all employees and potentially affected stakeholders and is published on Syensqo's corporate website.

Syensqo's Board of Directors has approved the Company's Sustainable Growth strategy. The Executive Leadership Team has approved the Company's Sustainable Portfolio Management Policy, and the Chief Sustainability Officer is accountable for implementation.



References

1. United Nations. *The Sustainable Development Goals Report 2023*. United Nations, 2023, <https://unstats.un.org/sdgs/report/2023/>.
2. World Business Council for Sustainable Development (WBCSD). *Product Sustainability Assessment (PSA) Guidance*. WBCSD, 2021, www.wbcsd.org/PSA.
3. European Commission. *Safe and Sustainable by Design Initiative*. European Commission, 2021, ec.europa.eu/info/law/initiative/5cfa5a6d-4a6e-48f6-a9ec-62ef7c77c59e_en.
4. Serafeim, George, Vincent Dessain, and Mette Fuglsang Hjortshøj. "Sustainable Product Management at Solvay." *Harvard Business School Case*, vol. 120-081, Feb. 2020, revised Feb. 2022.