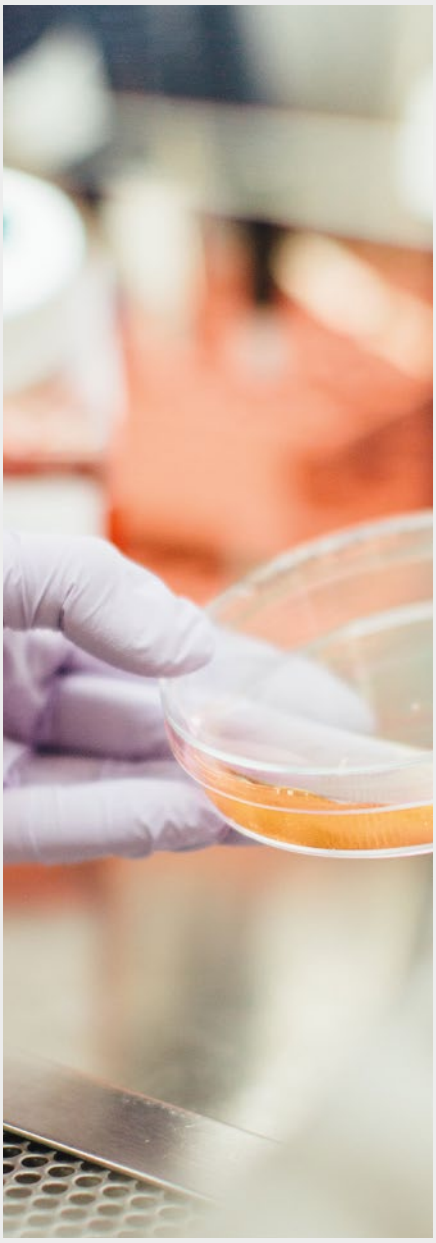
Synthomer plc
Sustainability Report 2019

BUILDING SUSTAINABLY



Our Environmental, Social and Governance approach

As a global leader in water-based polymer chemistry, our purpose is to continually innovate to meet the needs of our customers and society in a sustainable way. Today, our water-based products eliminate the use of over 500ktes of volatile organic compounds containing solvents, with our innovation KPI rapidly introducing state-of-the-art products with regulatory and environmental compliance.

Increasingly we focus on projects around alternative raw materials and lower energy intensive products and technologies. Our continuous improvement programmes in all our operations focus on driving efficiency and excellence to minimise the use of resources. We are resolutely focused on sustainability and environmental, social and governance (ESG) improvements, and we are committed to reporting under the Global Reporting Initiative (GRI) framework and measuring our progress against internationally recognised standards.

We pride ourselves on the progress that has been made and are determined to deliver on our targets and objectives, recognising that there is more to be done in this important area.

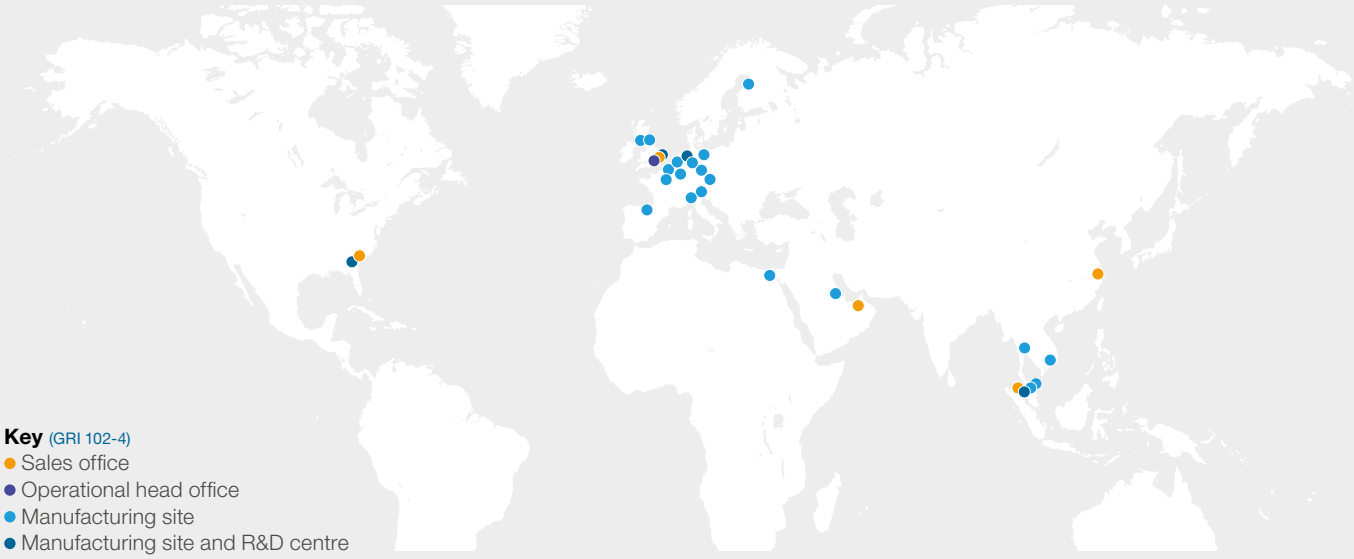
Read more This 2019 Sustainability Report meets the requirements of the Global Reporting Initiative (GRI). This Report has been prepared in accordance with the GRI Standards: Core option. GRI Disclosures references are indicated in blue type throughout the Report, and the GRI Content Index can be found in the Annex to this Report. (GRI 102-54)

Contents

Synthomer at a glance

Synthomer plc is a FTSE 250 company listed on the UK Stock Exchange and has its operational headquarters in London, UK, providing customer focused services from regional Innovation Centres in Harlow (UK); Marl (Germany); Kluang (Malaysia) and Roebuck (USA). (GRI 102-1, 102-3)

Read more The main shareholder structure is set out on page 103 of the 2019 Annual Report.
(GRI 102-5)



Key (GRI 102-4)
- Sales office
- Operational head office
- Manufacturing site
- Manufacturing site and R&D centre

Who we are (GRI 102-7)

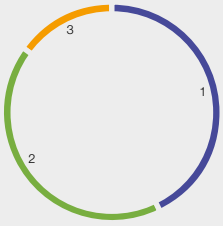
Synthomer is a speciality chemicals company and one of the world's leading suppliers of water-based polymers. With strong geographic and end market diversity combined with product differentiation, Synthomer holds leadership positions in a wide range of markets including coatings, construction, textiles, paper and healthcare.

Our purpose

As a global leader in water-based polymer chemistry, our purpose is to continually innovate to meet the needs of our customers and society in a sustainable way.

What we do

We operate through three global businesses:



Performance Elastomers (PE); Functional Solutions (FS); and Industrial Specialities (IS).

Revenue
- 43%
- 42%
- 15%

Performance Elastomers is focused on healthcare, carpet and paper markets through our Nitrile Butadiene Rubber latex (NBR) and Styrene Butadiene Rubber latex (SBR) water-based products. Functional Solutions is focused on coatings, construction, adhesives and technical textiles markets through our acrylic and vinylic water-based dispersions. Industrial Specialities is focused on our speciality chemical additives and non-water-based chemistry for a broad range of applications from polymer additives and monomers to emerging materials and technologies.

Our culture

Synthomer is fully committed to building a business where the people, purpose, culture and values of the Group are fully aligned. Synthomer is a diverse global company with an inclusive culture which embodies meritocracy, openness, fairness and transparency.

Our values

Synthomer has five core values. At the heart of our business is SHE (Safety, Health and Environmental) – we always have time to work safely. We are accountable – we deliver our promises. On innovation – we welcome change and new ideas. For teamwork – we recognise that we are stronger as one team. For integrity – we act with integrity and show respect.

Financial highlights (see page 154 of the Annual Report for definitions)

EBITDA	Underlying PBT	Underlying EPS	Free Cash Flow	Profit before tax	IFRS basic earnings per share
£177.9m	£116.2m	25.3p	£92.8m	£100.5m	21.5p
2018: £181.0m	2018: £135.1m	2018: 30.7p	2018: £27.8m	2018: £120.3m	2018: 27.4p

Underlying statement

The Group's management uses Underlying performance to plan for, control and assess the performance of the Group. Underlying performance differs from the statutory IFRS performance as it excludes the effect of Special Items, which are detailed in note 4 to the consolidated financial statements in the Annual Report. The Board's view is that Underlying performance provides additional clarity for the Group's investors and stakeholders and so it is the primary focus of the Group's narrative reporting. Where appropriate, IFRS performance inclusive of Special Items is also described. References to 'unit margin' and 'margin' are used in the commentary on Underlying performance. Unit margin (or margin) is calculated on selling price less variable raw material and logistics costs.

Synthomer at a glance continued

Innovative solutions that create and sustain value

(GRI 102-2, 102-6, 102-7)

c2,900
employees

18
countries

Over
4,000
customers

Over
1,000
products

25
production sites

4
technical centres

22%
of sales volume from products less than five years old

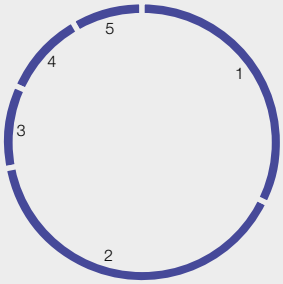
1,465
ktes volume

What we produce (Revenue)

- Performance Elastomers
- Functional Solutions
- Industrial Specialities

Performance Elastomers

Volume



1. Paper	32.4%
2. Health & Protection	39.6%
3. Carpet	9.9%
4. Compounds	9.8%
5. Foam	8.3%

Volumes
849.1ktes
2018: 859.5ktes

Revenue
£623.7m
2018: £704.5m

Underlying operating profit
£71.5m
2018: £87.2m

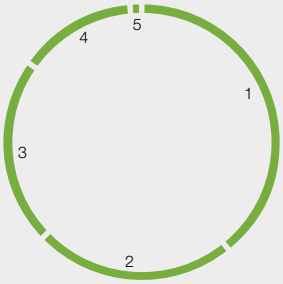
EBITDA
£96.3m
2018: £107.9m

IFRS operating profit
£71.2m
2018: £84.7m

Market position
No 2 producer globally in NBR latex.
No 1 producer in European SBR latex.
No 1 producer globally of High Solids SBR.

Functional Solutions

Volume



1. Coatings	39.4%
2. Textiles	23.4%
3. Construction	22.1%
4. Adhesives	13.8%
5. Other	1.2%

Volumes
487.4ktes
2018: 526.0ktes

Revenue
£612.8m
2018: £680.1m

Underlying operating profit
£52.3m
2018: £53.0m

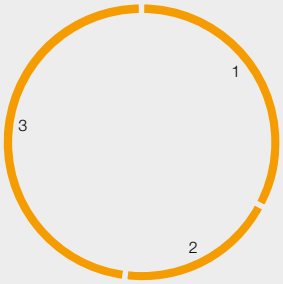
EBITDA
£69.9m
2018: £64.1m

IFRS operating profit
£48.0m
2018: £50.4m

Market position
Top five global water-based polymer producer, with leadership positions in dispersions in Europe, Middle East and Asia.

Industrial Specialities

Volume



1. Coatings	32.9%
2. Polymer Additives	19.1%
3. Monomers	48.0%

Volumes
129.2ktes
2018: 132.1ktes

Revenue
£222.6m
2018: £234.3m

Underlying operating profit
£16.0m
2018: £16.7m

EBITDA
£24.8m
2018: £23.5m

IFRS operating profit
£11.3m
2018: £12.1m

Market position
Leading positions in selected niche speciality chemical markets globally.

Environmental, Social and Governance (ESG)

ESG is an increasing priority for our stakeholders and the Group. Synthomer continues to make progress in this important area.

2019 ESG highlights

- 58% improvement in recordable injury rate on three-year rolling basis, now 0.20 per 100,000 hours worked
- Best ever process safety event rate, 0.11 per 100,000 hours
- Policies and practices implemented to comply in full with 2018 UK Governance Code
- Improved CDP rating of 'B-' classification – 'taking coordinated action on climate issues' (2018: D)
- Further strengthening of our employer brand
- Launch of 'Your Voice' initiative – employees engagement survey
- Restated our commitment to our 2021 target to reduce greenhouse gas emissions
- Aligned our reporting to GRI Standards
- Introduced a carbon footprint measure to PSP scheme 2020

Some of the ways in which we deliver on ESG

- We put safety, health and environmental performance as a core value of our business, delivering global top quartile performance in priority areas and becoming better through our commitment to continuous improvement.
- We are a world leading supplier of sustainable water-based polymers – our products and processes avoid the need to use in excess of 500ktes of solvents and volatile organic compounds (VOCs).
- Our strong global innovation drives the use of water-based technology – 22% of sales volume in 2019 came from products less than five years old delivering best in class, better performing products to global customers. Projects increasingly focus on sustainability compliance, alternative raw materials, lower energy intensive products and products with superior life cycle impact.
- We have a strategic focus on driving efficiency and excellence through our global operations to minimise the use of resources and maximise efficiency – debottlenecking our plants and driving better cycle times.
- We focus on the sustainability of our value chain in line with the requirements of our key stakeholders.
- We remain resolutely committed to our 2021 carbon target despite challenges in 2019 due to the weaker macroeconomic impact on volume and the unfavourable mix in our sales volumes.
- We remain committed to reporting to Global Reporting Initiative (GRI) Standards.
- Our 2019 Carbon Disclosure Project (CDP) assessment report rates us at 'B-' classification – 'management level – taking coordinated action on climate issues'.
- Our policies and practices fully comply with the 2018 UK Governance Code.
- We have strengthened our employer brand to attract and retain the best talent in the market.

2019 Highlights and achievements

Strategy – see page 8

- Introduced our purpose – As a global leader in water-based polymer chemistry, our purpose is to continually innovate to meet the needs of our customers and society in a sustainable way.
- Published first Synthomer Sustainability Report aligned to GRI Standards.
- Sustainability Committee expanded to coordinate global ESG sustainability activities, reporting to the Executive Committee.
- Increased focus on innovation of products with lower energy intensity and sustainable features and production processes.
- Improved Ecovadis and CDP scores, maintaining Silver level in Ecovadis and achieving B- level in CDP.

Governance and compliance – see page 12

- Completing face-to-face interactive and scenario-based training sessions to support the launch of the Group's new Code of Conduct.
- Significant progress made in rolling out the Group's GDPR compliance programme, including delivering face-to-face awareness sessions to relevant employees.
- Launching an enhanced competition law compliance programme, including improved online guidance and rolling out face-to-face training sessions to relevant employees.
- Introduction of a new third-party contracted software solution from AEB and Dow Jones which automatically undertakes weekly sanctions-checks of third-party data contained in our system to prevent conducting business in sanctioned countries.
- Creating a new Investigations Protocol to support the proper conduct of investigations, whether into matters arising through the new whistleblowing helpline or otherwise.

People – see page 14

- Synthomer Talent Development Programme extended and second annual cohort selected and enrolled.
- Further investment in European Graduate Development Programme.
- Strengthened Asia and Europe Graduate Programme.
- Synthomer leadership attributes updated and launched globally.
- Multilingual Global Employee Engagement Survey with active participation from over 1,500 (62%) of Synthomer employees across seven largest countries where Synthomer employees are based.

Health and safety (occupational and process safety) – see page 20

- Completion of Group's Safety, Health and Environment Management System (SHEMS) review.
- Full roll-out of internal process safety training.
- ICCA process safety event rate reduced to 0.11 per 100,000 hours.
- 19% reduction of number of recordable Injuries compared with previous year.

Environment – see page 24

- Total waste generated reduced 1.6%.
- Waste to landfill decreased 23%.
- Water withdrawal reduced by 1.03%.
- Total Scope 1 and 2 CO_2 equivalent emissions 312,235 tonnes.
- VOC emissions reduced by 39.7% to 183 tonnes.
- Commitment to Scope 3 emissions evaluation in 2020.

Sustainable value chain – see page 31

- Strengthened sustainability assessment within procurement processes, and implemented revised supplier audit methodology.
- Initial assessment of active R&D projects against sustainability criteria.
- Extended supplier performance assessment criteria for supplier audits to cover wider aspects of sustainability.

Progress against 2019 targets and objectives (GRI 103-2)

	Target year	Progress
Strategy		
– Review approach to energy and greenhouse gas (GHG) emissions reporting, targeting and data validation	2019	
– Align sustainability reporting against GRI 'Core' Standards	2019	
– Achieve and sustain 'Gold' rating from Ecovadis	2020	
Governance and compliance		
– Comply with relevant sections of 2018 UK Corporate Governance Code	2019	
– Complete Code of Conduct training globally	2019	
– Introduce Code of Conduct, Anti-Bribery & Corruption, Competition Law, Criminal Finances Act and GDPR e-learning modules	2020	
– GDPR – complete initial data security audit and begin implementing resulting improvements	2020	
People – employment conditions/diversity and development		
– Implement the Employee Voice programme in accordance with the 2018 UK Corporate Governance Code	2019	
– Embed the Synthomer Leadership Development Programme	2019	
– Implement the Synthomer diversity and inclusion plans	2019	
– Implement the Executive Global Leadership Report	2019	
– Launch globally the market-aligned role and compensation framework	2019	
Health and safety		
– Recordable case rate of 0.21 incidents per 100,000 working hours	2019	
– Process safety event rate of 0.16 incidents per 100,000 working hours	2019	
Environment *Targets carried forward, based on 2017 revised baseline*		
– >50% site emissions calculated using location-based emissions factors (carried forward)	2019	
– 6% reduction in specific energy consumption (GJ/t production)	end 2021	
– 9% reduction in GHG emissions (tCO_2e/t production)	end 2021	
– 6% reduction in water consumption (m^3/t production)	end 2021	
– 7.5% reduction in waste to landfill (metric tonne/metric tonne production)	end 2021	
Sustainable value chain		
– Assessment of the consumer packaging value chain to identify opportunities for more sustainable systems	2019	
– Complete the EPDLA life cycle assessment for major product lines	2019	
– Undertake initial assessment of active R&D projects against sustainability criteria	2019	
– Build upon the good performance achieved on customer complaints in 2018	2019	
– Complete five key supplier audits for each procurement function (at least one per region)	2021	
– Complete desktop sustainability assessment of top ten key suppliers (in each region)	2022	

Chief Executive's Introduction

Calum MacLean
Chief Executive Officer

BUILDING SUSTAINABLY

Synthomer is a speciality chemical company and one of the world's leading suppliers of water-based polymers. With strong geographic and end market diversity combined with product differentiation, Synthomer holds leadership positions in a wide range of markets including coatings, construction, textiles, paper and healthcare.

As we continue to build the business through product innovation, organic growth and M&A activity, we remain focused on our responsibility and commitment to doing so in a responsible and sustainable manner. As a leading speciality chemical company, we have well established systems in place to help drive our Sustainability and Environmental, Social and Governance (ESG) activities. Our culture, values and purpose are aligned to deliver this commitment.

As a global leader in water-based polymer chemistry our products are responsible for avoiding the use of significant amounts of volatile organic compounds and solvents every year. Our product range and strong innovation pipeline deliver materials to meet current and future needs of society and do so in an increasingly sustainable way. Our innovative new products deliver benefits of lower energy intensity, removal of solvents and helping customers to meet more stringent regulatory standards. We recognise that there is much to do to meet the needs of society on carbon and climate change, and through our continuous innovation we are committed to addressing the economic, environmental and social aspects of sustainability.

Quantifying, improving and communicating the sustainability of all our activities continues to strengthen with the introduction in 2019 of our first ESG Report aligned with Global Reporting Initiative (GRI) Standards. With increased focus on ESG, our programme identifies key issues affecting our stakeholders, communicates the activities being undertaken and sets key Group performance targets for the future.

We strongly believe our sustainability activities build shareholder value and will drive a positive contribution to our business performance and values.

(GRI 102-14)

Calum MacLean
Chief Executive Officer

Corporate Development President's Introduction

Tim Hughes
President – Corporate Development

INTEGRATING ESG THE SYNTHOMER WAY

Environmental, Social and Governance (ESG)
ESG is an increasing priority for our stakeholders and the Group. I am pleased to say that Synthomer continues to make progress in this important area.

The focus on sustainability and the way in which companies improve their performance in Environmental, Social and Governance (ESG) aspects of corporate behaviour continues to increase.

Synthomer has responded to this challenge by integrating our ESG activities into the way we run our business and the broader reporting of our targets and achievements, as well as ensuring we have access to the data we require to direct our activity and maximise the impact of our work.

Synthomer is a specialised chemicals company. As a global leader in water-based polymer chemistry, our purpose is to continually innovate to meet the needs of customers and society in a sustainable way.

Synthomer is built on its reputation and the trust and confidence of each of its stakeholders – not only our shareholders and employees, but also our customers, suppliers and the wider community and environment in which we operate. At Synthomer, we hold the highest standards and work together to build an ethical and sustainable business, 'The Synthomer Way'.

We focus our sustainability work, through our Group Sustainability Committee, based around six pillars – strategy, governance and compliance, people, health and safety, environment, and sustainable value chain. In 2019 we broadened our sustainability activities to reach more widely across the Group and for the first time published our Sustainability Report to Global Reporting Initiative (GRI) Standards. This approach is built on solid foundations, including the gathering of stakeholder expectations and assessing materiality, building key performance indicators against which we can be judged, engaging our employees through our first global engagement survey and our community-based 'We Care' initiative and finally communicating our progress through our annual Sustainability Report.

We strongly believe our sustainability activities build shareholder value and will drive a positive contribution to our business performance and allow us to fulfil our purpose: delivering 'The Synthomer Way'.

(GRI 102-20)

Tim Hughes
President – Corporate Development

Management approach (GRI 103-1, 103-2, 103- 3)

Meeting our customer needs in a sustainable way

- Producing water-based products avoiding the use of hundreds of thousands of tonnes of VOC-containing solvents.
- Focusing on projects around alternative raw materials and lower energy intensive products and technologies to minimise the use of resources.
- Reducing the carbon footprint by investing in green electricity sourcing.
- Working closely with our suppliers and customers to fully understand the environmental impact of our raw materials, processes and products on the overall product life cycle.

Addressing Sustainability Risks and Opportunities (GRI 102-11, 102-15)

- Integrating the potential impact of corporate responsibility issues in the Group's risk management processes (pages 30 to 37 of our Annual Report).
- Making investment decisions taking into account potential consequences for employees, customers and suppliers as well as all stakeholders and the environment.

Demonstrating Sustainability Performance

- Included in the FTSE4Good Index since 2004. The FTSE4Good Index is operated by FTSE and highlights the performance of stock market listed companies against a range of ESG criteria.
- Sustainability performance reported through Ecovadis, CDP, ISS, Sustainalytics and MSCI amongst others.
- Sustainability annual report aligned with the internationally recognised GRI Standards.
- Committed to Responsible Care® initiative and to the principles of sustainable development set out by the UK Chemical Industries Association (CIA).

Integrating Sustainability across the Company (GRI 102-20)

- Launching 'We Care', a community engagement programme.
- Implementing a new Company Code of Conduct.
- Expanding the Sustainability Committee to coordinate activities across our business. The Committee is led by the President – Corporate Development who sits on and reports back to the Executive Committee.

Gaining knowledge to improve performance

- Recording, monitoring and making publicly available the potential impact of our activities. Synthomer's aim is to adopt business practices that are economically, socially and environmentally sustainable.
- Understanding Scope 3 carbon footprint allowing the definition of science-based targets and the alignment of targets in line with Paris Climate Agreement.

Growing in a Sustainable way (GRI 102-10)

- Recognising the impact that M&A activities can have on our overall sustainability profile and performance: Whilst there were no acquisitions or divestments completed in 2019, we announced the significant acquisition of OMNOVA – a highly synergistic US-based business in complementary chemistry which completed on 1 April 2020.

Sustainability Development Goals (GRI 102-12)

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) includes specific targets to be achieved by 2030. Achieving the SDGs requires the efforts of governments, the private sector, civil society, communities and individuals.

In 2019, we started to systematically examine the SDGs through an internal process developed to identify the most relevant SDGs for the Company. This selection process is based on the positive and negative impact Synthomer can have into the different SDGs through its direct operations and products but also takes into consideration the complete value chain. The process is also aligned with Synthomer's materiality assessment, goals and targets, internal values and external stakeholder requirements. Taking all the above into consideration, and although Synthomer could contribute directly or indirectly all the 17 goals, 7 SDGs were identified as the most relevant for the Company.

Health and Safety is at the heart of Synthomer Core Values. During recent years we have taken active measures to improve policies and procedures, and implemented improvement plans that have resulted in a significant reduction of Occupational and Process Safety related incidents. Different initiatives have also taken place to promote the Health and Well-being of employees. Some of our products are directly used for the manufacturing of medical gloves and other hygiene products and PPE which have a direct impact in meeting society's needs on health protection.

Water is a key component of Synthomer products. Our continuous improvement processes and innovation drive manufacturing practices that minimise water usage and improve efficiency in use; minimising release of hazardous chemicals and materials in our supply chain. We ensure all wastewater is adequately treated and are increasing the recycling of water as a measure to reduce the use of all resources and costs.

Effective energy management is core to ensuring long-term sustainability of our business. A key priority is to accelerate the use of emission free electricity across our network. We will seek to support the development of new capacities of emission free electricity in developing economies.

Synthomer is participating in projects to develop step changes in the performance and environmental friendliness of batteries to meet the needs of electric vehicles and has patented chemistry which focuses on superior life cycle performance versus existing products and alternative chemistries such as our SyNovus Nitrile product range in our Performance Elastomers business.

As of April 2020, Synthomer operates through 38 sites across 24 countries globally, and we employ over 4,500 people in highly skilled manufacturing, value added innovation and technical support to meet the needs of our customers and society in a sustainable way. Synthomer makes a contribution towards economic growth and offers safe work under decent conditions. Our Code of Conduct describes the labour and human rights standards to comply with throughout Synthomer's operations and the entire value chain.

Innovation is a Synthomer Core Value. We add value by implementing creative and innovative ideas and solutions. The proportion of a year's sales volumes attributed to new products launched in the past five years is a key differentiator for the Group and in 2019 reached 22%. Our innovative products are used in a diverse range of industrial and infrastructure applications from nitrile medical gloves for hygiene to waterproofing membranes for construction. Increasingly we focus on projects around alternative raw materials and lower energy intensive products and technologies.

Our continuous improvement programmes in all our operations focus on driving efficiency and excellence to minimise the use of resources. We focus on maximising the utilisation of our assets, identifying and delivering value enhancing debottlenecks and adding further capacity into our network supporting our long-term business development strategy, addressing our cost base and minimising our environmental intensity.

Our innovation activities increasingly focus on the sustainability of our methods to develop less energy intensive products and to ensure ease of recyclability for our supply chain.

Our water-based products eliminate the use of significant volumes of volatile organic compounds containing solvents which reduces the GHG emissions within the supply chain.

Stakeholder Engagement and Materiality Assessment

As documented in the 2018 Sustainability Report, identification of key stakeholder groups took place at the end of 2017 and fed into an initial assessment of how the Company engaged with those groups and what areas of sustainability were regarded as being materially significant as part of our work to align with the GRI Standards. Seven stakeholder groups were identified where there was direct influence and engagement. (GRI 102-40, 102-42)

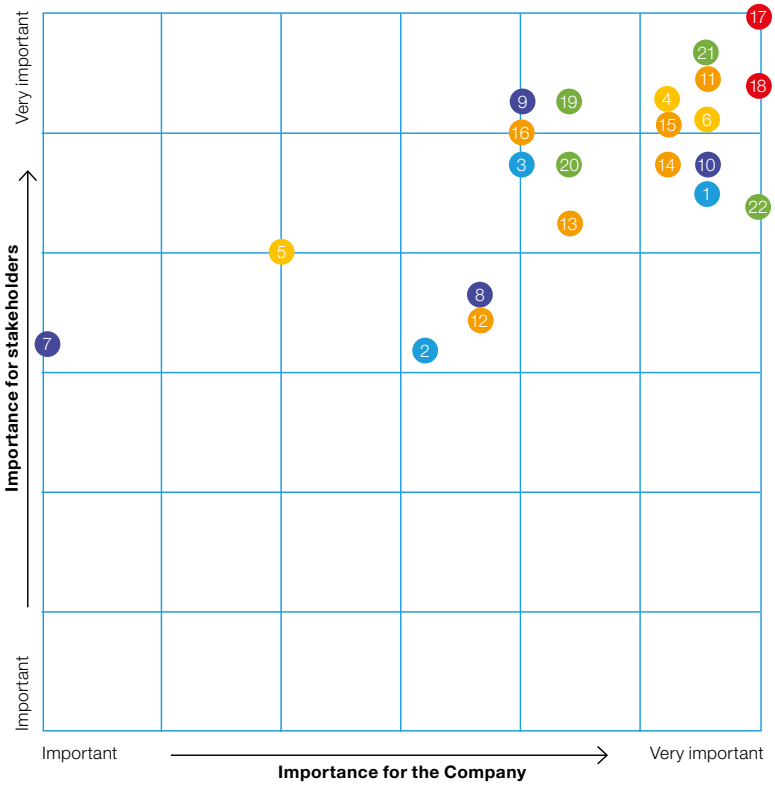
(GRI 102-43)

Customers
Employees
Suppliers
Shareholders
Legislators
Authorities
Local businesses and residents

synthomer

Materiality assessment

(GRI 102-44, 102-46, 102-47)



Key

Strategy
1 Ethics and integrity
2 Organic growth
3 Risk management

Governance and compliance
4 Responsible and involved management
5 Stakeholder involvement
6 Compliance

People
7 Communities support
8 Employee diversity and inclusion
9 Employment conditions
10 Employee development, training and education

Sustainable value chain
11 Product safety
12 Procurement
13 Manufacturing excellence
14 Research and development
15 Customer satisfaction
16 Quality

Health and safety
17 Process safety
18 Occupational H&S

Environment
19 Waste generation
20 Water consumption
21 Emissions to the air
22 Energy consumption

Following the initial high level assessment a project was undertaken in the second half of 2018 to develop further the materiality assessment through direct engagement with representatives from the stakeholder groups. This involved development of a web-based Stakeholder Sustainability Survey.

The survey asked for views on 22 sustainability topics identified during the 2017 assessment, covering topics directly influenced by Synthomer operations as well as topics linked to the value chain downstream and upstream. All Synthomer operating facilities, labs and offices were taken into consideration. (GRI 102-21)

The survey was submitted to nearly 400 individuals, including representatives of all the stakeholder groups identified, across all the geographic regions where the Company operates. The stakeholders asked to participate in the survey were selected by Synthomer experts who are in close contact with the respective stakeholder groups. (GRI 102-43, 102-44)

All 22 aspects identified by the original assessment were confirmed as being relevant material aspects (scoring high or very high as regards internal and external importance) for continued focus going forward. The Sustainability Committee – representing different functional areas including SHE, HR, Procurement and Corporate Governance – reviewed the assessment and revised the allocation of some aspects across the six headline pillars that form the basis for our sustainability strategy going forward. The Targets and Objectives set out in this Report are aligned with the priority aspects.

During 2019 the Sustainability Committee reviewed the additional concerns and suggestions from the stakeholder survey to identify potential new focus areas for targeted action. These include increasing communities support, performing life cycle analysis, review of the UN Sustainable Development Goals and Scope 3 carbon data reporting. The 22 aspects previously identified and the six pillars they are grouped in have remained unchanged.

(GRI 102-46, 102-47)

Pillar	UNSDG	Topic/Aspect	Relevance
Strategy and Business		Organic growth	Very important
		Risk management	Very important
		Ethics and integrity	Very important
Governance and Compliance		Responsible and involved management	Very important
		Stakeholder involvement	Important
		Compliance	Very important
People		Employment conditions	Very important
		Employee diversity and inclusion	Important
		Employee development, training and education	Very important
		Communities support	Important
Health and Safety		Occupational H&S	Very important
		Process Safety	Very important
Environment		Energy consumption	Very important
		Water consumption	Very Important
		Emissions to the air	Very important
		Waste generation	Very Important
Sustainable Value Chain		Research and development	Very important
		Product Safety	Very important
		Quality	Very important
		Manufacturing Excellence	Important
		Procurement	Important
		Customer satisfaction	Very important

Material Topic Boundaries

Whilst we have not yet undertaken a detailed review of how we can influence the upstream and downstream supply chain and stakeholders for all the aspects identified above, there are clearly internal and external reporting boundaries to greater or lesser extent within each of the six pillars, and this is reflected and clarified as appropriate in the following sections of the Report.

Plan for 2020 and beyond

During 2020 the Group will review the materiality assessment, including seeking additional feedback from stakeholders. The OMNOVA business will be incorporated into the reporting of the enlarged Group.

The Group will continue working in the alignment of the sustainability aspects, pillars and targets and objectives with the UN Sustainable Development Goals.

In addition, we have continued to look at opportunities for improving the systems used for reporting and data gathering/analysis to provide greater confidence and provide more transparency and clarity around the identified key material risk areas.

One of our key priorities is to further reduce our carbon footprint. The Company will accelerate investment in the sourcing of green electricity, increasing the number of countries in which it purchases renewable electricity. The Company will also broaden its focus with the reporting of its Scope 3 carbon footprint allowing the definition of science-based targets and the alignment of targets in line with Paris Climate Agreement.

Governance and Compliance

Management Approach (GRI 103-1, 103-2, 103-3)

Ensuring and demonstrating a high standard of effective and compliant corporate governance is a key priority of the Group and expectation of our stakeholders, and fundamental to us being a trusted and long-term successful business.

The Company follows and complies with the UK Corporate Governance Code. Synthomer was in full compliance with the 2018 UK Corporate Governance Code throughout 2019, being the first year that it applied to the Company.

Read more Full details of Synthomer's Governance structures can be found on pages 66 to 73 of the 2019 Annual Report. (GRI 102-18)

The Synthomer Board responsibilities include policy setting for safety, health and environmental matters, business conduct, diversity and human rights, recruitment and employment, risk management and treasury.

The Board met 13 times during 2019, and sustainability aspects were discussed at several meetings, with those relating to safety and environmental performance and related initiatives reviewed at each meeting.

The Executive Committee meets monthly and is responsible for ensuring effective delivery of the agreed strategy and meeting the policy commitments.

Code of Conduct and Ethics Hotline

Our updated Code of Conduct was published in 2018 in 13 languages in interactive online and hard copy formats and was delivered to all of the Group's employees by e-mail and/or hard copy. In order to support the values contained in the Code of Conduct and promote the Group's open culture, an externally hosted whistleblowing helpline, which can be accessed by telephone and online, was put in place in conjunction with the launch of the Code of Conduct. The whistleblowing helpline offers all Group employees and stakeholders an anonymous platform (where legally able to do so) available at all times to report unlawful or unethical behaviour, workplace incidents or concerns and to raise any queries regarding the application of the Code of Conduct. (GRI 102-16, 102-17)

No material issues were reported during the year under the established whistleblowing procedure. (GRI 419-1)

During 2019, scenario-based workshops were held across the Group to reinforce the importance of applying the highest ethical standards as set out in the Code of Conduct. The workshops delivered very positive results, as evidenced by the outcome of the recent 'Your Voice' employee survey which demonstrated, amongst other things, that most employees understand the Code of Conduct and how it applies to their role, and that they know how to report suspected unethical and/or unlawful behaviour. In 2019, a new Investigations Protocol was also created to support the proper conduct of investigations, whether into matters arising through the whistleblowing helpline or otherwise. The Investigations Protocol is designed to reinforce the Group's commitment to encouraging employees to speak up about any concerns they may have about unethical and/or unlawful behaviour, through giving reassurance around the integrity of any investigation that ensues.

The updated Code of Conduct is available here: **www.synthomer.com/company/corporate-responsibility/group-policies/**

Bribery, Corruption and anti-competitive behaviour

Synthomer is committed to complying with the laws and regulations of all the countries in which it operates (including those covering corruption and anti-competitive behaviour). This applies whether Synthomer is acting directly in a country through employees, or indirectly through agents, distributors or other intermediaries.

The Group's anti-bribery, corruption and competition law policies are key aspects of the Group's new Code of Conduct. As such, these topics have featured heavily in the scenario-based workshops held across the Group in 2019 to support the launch of the updated Code of Conduct. In addition, during 2019, enhanced competition law training was given to employees more highly exposed to competition law risk, in addition to a new competition law toolkit being launched on the Group's intranet. This supplemented the existing e-learning training that had been provided. In 2019, significant work was also put into providing new e-learning content, with a view to re-launching improved and more engaging content covering key compliance topics during the course of 2020. In 2020, a new project will also be launched that takes a holistic look at the Group's Compliance Programme, and benchmarking this against best practice. This will include looking not only at the rules, procedures and training that the Group has in place, but also what else the Group can do to further embed a culture that promotes compliance with the highest ethical standards set out in the Code of Conduct. The aim is to produce a plan for improvement over the coming months and years.

In 2019 a new third-party contracted software solution from AEB and Dow Jones was introduced which automatically undertakes weekly sanctions-checks of third-party data contained in our system (e.g. customer and supplier data) supporting the existing Group policy on conducting business in sanctioned countries.

Human Rights
The Group is committed to promoting a culture that values diversity, meritocracy, openness, fairness and transparency, and which encourages a safe and trusting working environment. These are reinforced through the Group's Code of Conduct, and through the work undertaken in 2019 and being undertaken in 2020 in the context of diversity and inclusion. The Group is committed to ensuring that slavery and human trafficking are not taking place in any of its supply chains, as set out in our most recent Modern Slavery Statement available here: www.synthomer.com/company/corporateresponsibility/ group-policies/.

The Group uses standardised supplier on-boarding processes that require suppliers to provide copies of their Modern Slavery Statements or policy equivalents for the appropriate assessment of risk. Our purchase terms and conditions also have clear obligations on our suppliers to support and comply with the Modern Slavery Act. In 2020, the Group's global procurement team is looking to further strengthen its processes and approach to supplier risk for identifying and eliminating modern slavery in its supply chains.

Voluntary Commitments (GRI 102-12)
The Code of Conduct described above is our main focus point for ensuring responsible corporate governance.

In addition, Synthomer remains committed to both the global chemical industries' Responsible Care® (RC) initiative and to the principles of sustainable development (SD) as set out in the UK Chemical Industries Association (CIA) SD guiding principles, to which we have been a signatory since 2005.

This commitment was re-asserted in 2017 when the Group Chief Executive endorsed the updated UK CIA Responsible Care® Guiding Principles. These are shared across all operating locations and further endorsement by local site managers.

Read more www.synthomer.com/fileadmin/files/company/group_policies/English/Responsible_Care_Guiding_Principles_2017.pdf

Since last year our reporting also complies with the Global Reporting Initiative (GRI) Standards and we have for several years reported climate change and water performance to CDP (see Annex for more details).

Training (GRI 205-2)
In 2020 Synthomer is going to launch new e-learning content in conjunction with an improved e-learning platform. This relaunch will initially focus on the three main compliance areas – Anti-Bribery & Corruption Law, Competition Law and GDPR – which will be provided by SAI Global, a globally renowned e-learning content provider. The new content will enable Synthomer to tailor the training topics within each compliance area for each year and provide a more engaging format when delivering such crucial content. Synthomer has additionally worked on its own e-learning content on Financial Conduct which will also be launched in 2020.

Alongside new content Synthomer has revisited the format of allocating e-learning and has established a risk matrix which will form the basis of any future legal training. Employees will fall within risk categories which will determine how frequently legal training has to be undertaken and whether such training involves e-learning only or whether it is supplemented by face-to-face trainings to give employees the chance to raise questions and discuss concerns.

The Transparency International Corruption Perception Index is a fundamental part of the risk matrix as it places employees working, for instance, with agents in areas considered high risk by the Index (countries with scores higher than 55 in the Index) into the high risk category, triggering more frequent training than employees working with agents in areas considered medium risk by the Index. The frequency of training is determined as shown below.

Synthomer completed the launch of its new Code of Conduct by delivering the scenario-based workshops to all remaining sites in 2019. The new format of delivering training through scenarios discussed within groups was especially successful as the 'Your Voice' results have shown.

Training Unit	Target Group	Face-to-Face	e-learning
Anti-Bribery & Corruption	High Risk	Once every 2 years	Annually
	Medium Risk	Once every 3 years	Every other year
	Low Risk	None	None
Competition Law	High Risk	Once every 2 years	Annually
	Medium Risk	Once every 3 years	Every other year
	Low Risk	None	None
New Code of Conduct	High Risk	Once every 2 years	Annually
	Medium Risk	Once every 3 years	Every other year
	Low Risk	None	None

People: Our People and Communities

2,899
Employees

21%
Female

Nearly
100%
Full time employees

Nearly
100%
Under Permanent Contract

10.2%
Turnover

7.1%
New hires

67%
Under Collective Bargaining Agreements

934
Employees received a full written appraisal: 65% of the target population

(GRI 102-8, 102-41, 401-1, 404-3)

Management Approach (GRI 103-1, 103-2, 103-3)

Synthomer remains committed to developing our people to help them fulfil their potential, and to engaging with our communities in a positive manner.

Our People agenda has made further progress in 2019. With recently established mentoring, graduate recruitment, leadership and learning development programmes further established and developed. We have continued to develop our culture in a way that engages employees with significant work undertaken on employee engagement, Company values and leadership attributes.

The Global HR Director remains responsible for implementing programmes of work to deliver on the Group Strategy, including those linked to Leadership and Succession Management, supported by Divisional and Regional HR leads. He reports to the Executive through the President – Industrial Specialities, M&A and Global HR.

Our commitment to science and education

Robin Harrison, Global Innovation Director, continues to be a member of the Board of trustees as part of our extensive ongoing support for the Society of Chemical Industry (SCI).

Amongst various ways in which we support the SCI and its members, we were proud to continue our sponsorship of the Bright SCIdea Challenge in 2019. In March the SCI hosted the second annual final of the Challenge, bringing together some of the brightest business minds of the future to pitch their science-based innovation to a panel of expert judges and an invited audience. This initiative allows us to support UK and ROI students interested in commercialising their ideas and developing their business skills. The final included talks and training from judges and networking with industry professionals. The winning team and the runners-up were invited to our laboratories in Harlow. We will continue our sponsorship of this event in 2020.

We also continued to actively support the SCI 'mid careers workstream'. Senior leaders from both our Global Innovation and HR teams have supported committee meetings and development events in 2019.

Our CEO, Calum MacLean, continues to be an active member of Chemistry Council, a group comprising some of the most senior leaders in the UK chemical sector with a focus on understanding and advancing the strategic needs of the industry in the UK. Additionally, we support the Chemistry Council Innovation Committee and have contributed significantly to work putting together the Innovation Strategy and Sector Deal proposal.
This group has developed four innovation themes:

- Advanced Materials and Molecules
- Green Supply Chains
- Energy Storage and Distribution
- Digitisation and Big Data

Within these themes the Innovation Working Group has focused on identifying programmes for which there is a clear market opportunity and societal benefit, and where the chemical sector can have direct impact on delivering economic value to the UK.

We continue to work closely with a number of academic institutions and support academic study in the form of sponsorship of PhD and master's degree students in the UK and Malaysia. We have also supported one large European Union project, involving the Universities of Montpellier and Torino, looking at sustainable raw materials, that enabled students to spend time working in our labs.

Synthomer sponsored the 'Student of the Year Award' of the British Coatings Federation in 2019. This sponsorship continued for the third successive year.

In Malaysia we hosted more than 100 undergraduates from various universities for an industrial visit, enabling participants to gain valuable learning from visiting a chemical plant.

Several of our managers have been appointed as industry academic advisers for universities in Malaysia including UniKL-MICET for Bachelor of Chemical Engineering Technology (Hons) in Polymer, University of Malaya for Bachelor of Science (Hons) Chemistry, University of Technology, Malaysia for Bachelor of Science (Hons) Industrial Chemistry and University of Malaysia, Perlis for Material Engineering (Hons). Academic advisers evaluate and review the syllabus of the degree programme and contribute to the process of accreditation by the Malaysian Qualification Agency.

Product donations also continue to be a way of supporting science and education. During 2019 we donated disposable gloves to 13 different university laboratories and three Secondary Schools in Malaysia. We also donated to a university in Thailand.

Employees from our site in Roebuck (USA) had the opportunity to support local elementary students in 2019. Site representatives attended careers fairs and also were judges at school science fairs. This was linked to specifically supporting schools which focus on science, technology, engineering and maths.

People: Our People and Communities continued

Our commitment to our people

Attraction and retention
In 2019 we were able to almost double our followers on LinkedIn from approximately 7,000 to over 13,000. A series of testimonial videos recorded with members of our talent programmes were part of our initiative to provide insights to what it's like to work at Synthomer.

We drew more applications for our Synthomer Graduate Programmes in Europe and Asia. Our Asian Programme saw a 93% increase in applications compared with 2018, with over 3,000 applications received.

Listening to our employees
In 2019 we ran our first multilingual global engagement survey. Through participation in the 'Your Voice' survey, over 1,500 of our employees from all levels of our organisation across the globe were able to share their views on working for Synthomer.

63%
Response rate

92%
'Synthomer is committed to employee safety'

90%
'I understand Synthomer's Code of Conduct and how it applies to my role'

85%
'I can describe the main priorities for my team'

84%
'I have the authority I need to do my job'

81%
'I know how to report suspected unlawful or unethical behaviour'

80%
'Safety risks are quickly corrected at Synthomer'

77%
'I'm treated with respect at work'

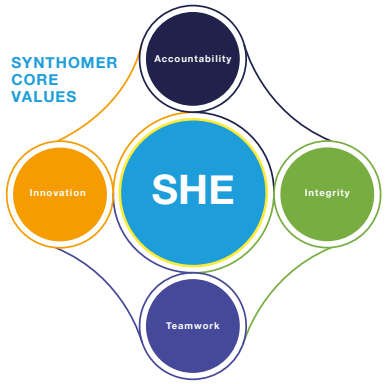
76%
'From what I see, Synthomer employees follow Synthomer's Code of Conduct in carrying out their work'

70%
'I have the resources I need to do my job'

68%
'I am proud to work for Synthomer'

To increase the connection between our Board and our employees and to comply with the UK's Financial Reporting Council's updated Corporate Governance Code, Alex Catto was appointed as the Non-Executive Director with responsibility for 'Employee Voice'.
In addition to being closely involved in the 'Your Voice' survey, Alex met with groups of employees at our sites in Marl (Germany) and Harlow (UK) to listen to their views on working for Synthomer. During 2019 our Board also met with members of our Graduate and European Talent Development Programmes.

We reviewed and updated our Core Values in 2019. As part of this exercise we held a number of focus groups across the business and also obtained input via a survey from over 200 of our employees. Our new values will underpin the way we work for the coming years.



Leadership development and training

The new Synthomer Leadership Attributes were launched in January 2019, harmonising several different regional sets of attributes and competency models into one global framework; these leadership attributes have been incorporated into people processes like performance management, interview guidelines and 360 degree processes. Various engagement sessions have been held on the new leadership attributes framework.

(GRI 404-1)

We continued to recruit graduates into our structured development programme in Europe and Asia, recruiting a further cohort in both regions. We currently have graduates working in our Manufacturing, Engineering, Finance, R&D, HR, Procurement and Commercial functions in locations across Asia, Europe and the USA. We have continued to invest time and resources in our graduate programmes and all of our executive leadership have had personal involvement in our programmes.

In Europe we have extended the Synthomer Talent Development Programme and run a second programme: this scheme provides a 12-month structured development programme aimed at providing existing employees at an early stage of their management career with an accelerated development experience that includes workshops, virtual learning events, 360 degree feedback and an opportunity to work with a mentor drawn from our senior leadership team. A further 15 employees participated in this programme in 2019.

In Asia we ran our Leaders in Transition programme; this is a 12-month structured development initiative targeted at employees who have been identified as having potential to develop into management roles. Participants are supported with training modules, continuous improvement projects and mentoring.

In addition all employees receive as a minimum relevant safety and environmental related training, including regular training on our SHE Rules and Principles, standards and procedures.

The following is an estimate of overall general training hours for our employees.

64,671
Training hours in 2019
(55,562 in 2018)

23.33
Training hours per employee in 2019
(19.8 in 2018)

Although we have improved the tracking and monitoring of training hours, with online training record systems now established in a number of locations, we still don't have a comprehensive centralised system in place.

Diversity and inclusion (GRI 405-1)

We remained focused on increasing diversity within the Group. We continue to attract and retain employees from a wide variety of national and cultural backgrounds.

Whilst in many respects Synthomer is very diverse we recognise that gender diversity, in particular, in senior roles in our organisation is behind where we would like it to be. We are addressing this and are guided by publications such as the UK's Hampton Alexander FTSE Women Leaders Report.

Whilst Synthomer operates in a typically male dominated industry 21% of our employees are female and the rate at which we are attracting female talent continues to increase. In many of our scientific roles we have achieved a gender balance, and new recruits to our European Graduate Scheme and participants in our Synthomer Talent Development Programme comprised approximately an equal proportion of female and male employees.

	Board	Senior Management	Other employees
Male	7	41	2,241
Female	2	4	611
Total	9	45	2,852

Synthomer has complied with UK Gender Pay Gap legislation and has a Diversity and Inclusion action plan in place. 2019 maintained the median pay gap at 10.8% and we expect to see further reduction as we improve our HR practices and the development of our employees. Copies of the Pay Gap Report can be downloaded from the Synthomer website via: www.synthomer.com/fileadmin/files/company/group_policies/English/Synthomer_UK_Gender_Pay_Gap_Report_2019.pdf

In 2019 the Board and our Executive team undertook training to further support our Diversity and Inclusion agenda.

People: Our People and Communities continued

Diversity and human rights
Our equal opportunities, diversity and human rights policy includes our responsibility to follow all applicable laws and regulations as well as a complete prohibition of forced, compulsory and child labour.

In 2020 we will take the following actions:

- We will launch a new Diversity and Inclusion Steering Group to give Executive Committee sponsorship, senior leader focus and structure to our efforts to improve our diversity and inclusion delivery.
- We will create a network for women in Synthomer – using the best practices that have been established by organisations across many different industry sectors.
- We will relaunch and improve our family friendly policies in the UK – increasing our support for new fathers via our paternity leave policy and for employees who are adopting a child by bringing the financial support provided via our adoption policy to the same level as the enhanced support we already offer via our maternity leave policy.
- We will conduct a full global review of parental leave policies.
- We will continue to deploy our new manager recruitment skills programme globally, with all workshops including specific sections on unconscious bias in recruitment.

Reflecting on 2019, positive elements of our diversity journey include the following:

- The rate at which women are joining our organisation continues to increase.
- The current participants on our European Talent Development Programme and European and Asian Graduate Programmes are approximately 50% male and 50% female and in addition represent more than ten different European, African and Asian nationalities.
- Malaysia saw particular progress in 2019 in gender diversity, with female employees constituting 22% of our Malaysian workforce and 31% of managerial level roles. 52% of high-potentials between junior executive and senior manager level are female, up from 45% in the prior year. There was an equal representation of hiring of female and male employees in Malaysia in 2019.
- We have two female Non-Executive Directors in Holly Van Deursen and Caroline Johnstone.
- Our Board and Executive Committee participated in a diversity and inclusion workshop in 2019 and our new Global Recruitment skills training programme, including training on recruitment bias, was piloted in the UK and attended by over 50 managers.

Read more Details of this policy, along with our Modern Slavery Act Statement, are available on our website: www.synthomer.com

Corporate responsibility policies
Our global Code of Conduct is governed by a wide range of policies which we adopt to ensure our daily business is conducted in a professional and responsible manner. These policies play a key role in maintaining our reputation with our internal and external stakeholders. They also set out the standards to which we hold ourselves, our employees and our business partners accountable.

Our commitment to our corporate responsibility

‘We Care’

Synthomer engages with its employees and communities in various ways on sites around the world. In order to heighten awareness, visibility and promotion of these activities, the Group launched its ‘We Care’ initiative. CSR and sustainability ambassadors rolled out the campaign on a number of our sites, aimed at creating engagement, inspiring opportunities and empowering Synthomer employees who are passionate about making a difference to those around them to reach out and champion work in this area with Group support.

In 2019 we published our first ‘We Care’ newsletter, which going forwards will be issued twice a year to highlight activities across the Group.

In 2020 ‘We Care’ will be expanded to cover more of our wider global network to drive our community engagement as a core part of our sustainability activity.

During 2019 over 40% of operating sites reported active positive engagement with their local communities.
(GRI 413-1)

Synthomer employees across the globe continue to engage in a variety of events and projects in support of local communities, for example:

People from the Ribécourt (France) site joined a national téléthon in the streets of Compiègne in December to raise money for national research on rare genetic illnesses.

In June, employees from Harlow (UK) took part in the annual St Clare Hospice Business Football Tournament in their hometown. In the charity event, six local businesses went head to head at Harlow Town FC Arena to raise money for the hospice.

During the Christmas season, several of Synthomer's European sites decided to support charity organisations and underprivileged members of society. The charity projects were only made possible through the work of the many motivated employees who volunteered to establish contacts with local organisations. Ultimately, 11 sites across the Czech Republic, France, Germany, Italy and UK participated in these coordinated efforts.

Employees from the Marl office (Germany) participated in a 'Broom Day' in Marl on 5 April 2019. This is an annual event in the city of Marl with the goal to clean up the neighbourhood. It is part of the 'Let's Clean Up Europe' campaign, an initiative active throughout all European countries.

In Marl (Germany), volunteers from Synthomer dedicated their time and skills to help install new flooring for the Children and Youth Centre Hillerheide in Recklinghausen in July. The floor laminates used were materials from the Synthomer booth at the European Coatings Show.

Following closure of the dispensary at the Kluang site in Malaysia, Synthomer donated a surplus of medical supplies and equipment to the Mint Hope Care Society.

Health and Safety

Ensuring Safe Work Practices and Operations

Health and Safety Management (GRI 103-1, 103-2, 103-3)
Management of Safety, Health and Environment (SHE) is the most mature aspect of the Group's sustainability activities and remains a critical aspect for both internal and external stakeholders. Having safe plants is a basic expectation of sites' licence to operate, in line with the Synthomer philosophy: we always have time to work safely.

In line with our SHE policy, the Board, Chief Executive and Executive Committee are fully committed to improving SHE performance and engaging and involving employees at all levels in all locations in our SHE programmes. Effective SHE leadership to deliver SHE performance is a primary duty and expectation of management at all levels in the Group, aligned to our three long-term goals:

1. To have no accidents or incidents;
2. To have no adverse impact on the health of those who work in or live near our operations, nor on the health of those who use our products; and
3. To minimise any environmental burden created by our activities.

The President – Operations has Executive Committee responsibility for internal SHE performance and management. He is supported by a Global SHE Director who leads a small corporate team, as well as a SHE Network incorporating Heads of SHE for the three new business divisions who support the site leadership teams and local SHE management.

Occupational Safety (GRI 403-9)
Recordable injury case rate (RCR)

Improved 13% to 0.20 per 100,000 hours worked

Second best RCR since tracking started

2019 Target: 0.21

Occupational Health (GRI 403-10)

No cases of ill health or disease in 2019

Process Safety
Process Safety Event rate

Improved 21% to 0.11 per 100,000 hours worked

Best ICCA Process Safety Event rate since tracking started

2019 Target: 0.16

Health and Safety Systems, Practices and Programmes

SHE Management System (SHEMS) (GRI 403-1, 403-8)	Reporting and Communication (GRI 403-2)	Safety Committees (GRI 403-4)	Training and Competence (GRI 403-5)	Group SHE Audits (GRI 103-3, 403-2)	SHE Routines	Process Safety – Strengthening our Barriers (GRI 403-2)
Covering full Company Integrating Sustainable Development and Responsible Care® goals Aligned with recognised standards	Leading and Lagging indicators collected, analysed and presented Accident and Incident Management System database to record all incidents and accidents Lessons learnt shared across the Group	Established on all sites Quarterly meetings involving management and workforce representatives to discuss safety issues and share information	H&S Training provided to all employees Ongoing site manager and site engineer competence assurance assessments	Internal auditing of compliance against SHE Standards over a three-year cycle Sites ranked against an internal banding system based on both compliance with the Standards and practices Four sites certified to OHSAS 18001	Monthly and quarterly routines defined to formally monitor progress at site level	Process Hazard Assessment (PHA) revalidation Focus on High rated actions New KPIs defined

The table below highlights some of the health and safety management practices and activities undertaken in 2019 and planned for 2020. Key measures, SHE performance indicators and SHE audit results are reported to the Board, the Executive Committee and to the regional management meetings on a monthly basis.

	Key SHE programmes	2019 SHE key actions	2020 SHE key focus
(GRI 403-1)	**Group's Safety, Health and Environment Management System (SHEMS) standards and policies**	Completion of Group's SHEMS review including the generation of 'Statements of Essential Requirements' – setting out in more detail what good compliance looks like	Statement of Essential Requirement SAQ Guidance Supporting sites in reviewing the Group's SHEMS standards and policies to align with the new requirements
(GRI 403-2)	**Group SHE audits**	New cycle of auditing completed with continued focus in Process Safety, Permit to Work and Management of Change Development of additional auditing materials: Self-Assessment Questionnaires (SAQs) to support in understanding requirements Started networking and cross-site auditing to share best practices	Continuing audit activities Continuing and extending our networking and cross-site auditing
(GRI 403-2)	**Accident and incident management and sharing**	Effective use of lessons learnt and increased focus on high potential incidents 'Black Book' Lessons Learnt reviews undertaken on anniversaries of most significant internal process safety incidents from the past two decades	 Introducing a 'Yellow Book' collection of lessons learnt from the most frequent types of occupational injury across the Group
(GRI 403-5)	**SHE training, communication and support**	Full roll-out of internal Process Safety Training, linked to bow-tie and barrier analysis of sites' own identified significant hazards	Cascading of training through organisational levels
(GRI 403-2)	**Process Hazard Assessment (PHA)**	Completion of High Priority PHA actions	Prioritisation of Medium Priority PHA actions, extension of PHA review process to other sites
	Sharing good practice	Initiated process of compiling, classifying and creating a library for sharing good practices	Continuing building and sharing the good practices library
	SHE routines	Following implementation of our Permit to Work (PTW) and Management of Change (MOC) improvement programme, 2019 continued the focus on tracking and learning from 'Fundamental Issues' identified during PTW monitoring New indicators were defined to increase focus in PTW High Hazard activities	Developing and rolling out of Process Confirmation routines to improve monitoring and reviewing of other critical activities such as monomer offloading, shift handover and batch monitoring Add to 2020 SHE key focus under Accidents and incident management and sharing: 'Expand the Black Book to include the most significant industry Process Safety Events'

Health and Safety continued

Performance

Synthomer continues to make strong progress on health and safety performance. Our best ever process safety event rate and a 58% improvement in recordable injury rate over three years were highlights in 2019.

Occupational Safety Performance (GRI 403-9)

Recordable injury case rate (RCR) of
0.20 per 100,000 hours worked

>3 day lost time injury rate of
0.14 per 100,000 hours worked

No accidents resulting in fatality or permanent disabling, limited number with potential for disabling injury

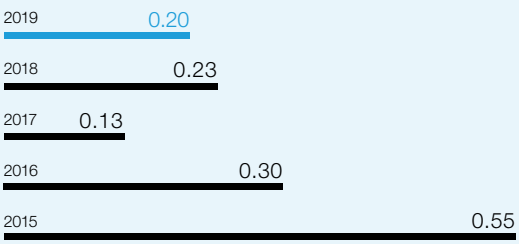
Whilst they are lagging indicators, injury rates remain a key comparative measure of companies' safety performance. Since 2015 we have used the 'recordable injury case' rate (or RCR) as our key metric, aligned with the widely reported US OSHA Standard. Recordable injuries are taken as any requiring more than first aid treatment. For historical reasons linked to UK HSE reporting metrics, measures are per 100,000 working hours, rather than the OSHA standard of 200,000 hours.

The Group's main lagging indicator of SHE injury performance is the recordable injury rate for injuries involving more than first aid treatment. 2019 saw a reduction in the number of recordable injuries, down to 13, three fewer than in 2018 but above the record low of nine in 2017. The associated frequency rate of 0.20 per 100,000 hours worked was the second best rate in the Group's history. Our objective is to have no accidents or injuries on our sites.

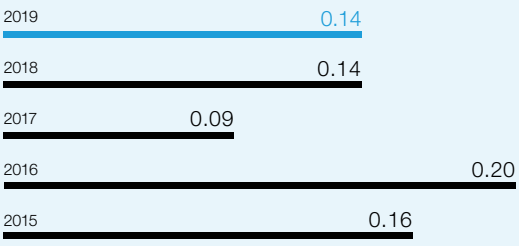
Since 2016 we have also collected data on days away for employee lost time injuries. In 2016 a total of 139 employee days were lost (2.9 days lost per 100,000 working hours). This dropped to 54 days in 2017 (1.1 days lost per 100,000 working hours) but rose significantly in 2018 to 292 days. In 2019 it rose again to 390 days. This increase related to one injury: a motorcycle fall during security surveillance.

Analysis of the injuries reported found a significant number related to 'line of fire' incidents involving contractors. In 2020 we will continue looking to improve our contractor management, including our line of fire and high hazard work guidance.

Frequency rate – all recordable accidents
Injuries per 100,000 hours



>3 days LTI Rate



Occupational Health and Wellness (GRI 403-6)
During 2019 we have reviewed and updated the Occupational Health and Wellness SHE Standard and supplied sites with a Self-Assessment Questionnaire which is to be completed annually. This will help to establish and assess the standards we expect all sites to meet to achieve an effective occupational health and wellness management system. The main components of the system are occupational health surveillance, health monitoring and assessment, and employee wellness.

Synthomer sites and regions are active in promoting and supporting employees in improving their mental and physical health. The following are a few examples of the activities that ran during 2019.

In Italy, our site at Filago has continued with its Work Health Promotion Network established in 2012. During 2019 it renewed preferential rates for employees with a local gym and a swimming pool, established a new deal with a nursery, guaranteed two fresh fruit deliveries a week for all the employees, organised safe-driving courses and held sessions with a nutritionist to help understand food labelling. This year the site also established an employee welfare support platform.

RETE WHP BERGAMO SALUTE, BENESSERE, IMPRESA

In June we promoted International Men's Health Week globally. It is organised to increase awareness about the specific health needs and issues of men, boys and their families. It was used to bring awareness to health issues that affect men disproportionately and focus on getting men to become aware of problems they may have or could develop and gain the courage to do something about it.

In Spain, a number of employees from the Asua site participated in the second Bilbao Business Race. This year the race had a special significance in supporting a colleague and his family going through a difficult personal situation. It was a day of fitness, fun and friendship.

We are pleased to report that there have been no cases of ill health or disease attributed to occupational factors reported since 2015. (GRI 403-10)

Process Safety Performance

Best ICCA Process Safety Event rate since tracking started of
0.11 per 100,000 hours

No incidents resulting in serious injury or damage

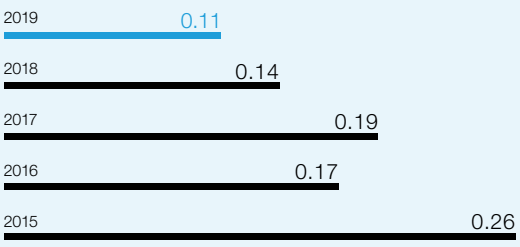
Ensuring the safety of our operations is of paramount importance to the Group. Since 2015 we have recorded, rated and tracked process safety events (PSE) using a four-tier scoring system where tier 1 and 2 incidents (tier 1 being more severe) meet the definition for a 'Reportable PSE' from the International Council of Chemical Associations (ICCA).

There was a 30% reduction in the number of PSE incidents, with seven incidents reported compared with ten in 2018. Ongoing focus on improving engineering and maintenance standards and addressing human factors issues will help us continue to drive this rate lower.

All the incidents fell into the lowest severity banding defined in ICCA guidance. Against our internal tier ratings one of the seven incidents were rated Tier 1 owing to the material loss being more than ten times the reportable threshold.

Appropriate corrective action was identified for all the incidents noted above with ongoing focus on improving engineering standards and assessing our safety critical tasks using human factors analysis techniques.

Recordable process safety event rate
Events per 100,000 hours



Environment

Managing our environmental responsibilities (GRI 103-1, 103-2, 103-3)

The Group is committed to minimising the environmental burden of our operations, targeting reductions year-on-year by managing and monitoring our performance, and reporting on the environment impacts that we measure. We believe in exceeding our statutory obligations where possible and in working with local regulators to achieve that goal.

Environmental Management forms part of our overall Safety, Health and Environment (SHE) management strategy, as described in the Health and Safety section of this Report, and is managed through our SHE Management System (SHEMS).

Environmental work programmes are focused on ensuring both legal compliance and driving continual improvement.

All operating sites have ISO 14001 Environmental Management System Certification, and the Austrian site in Pischelsdorf will be incorporated into the Group's matrix ISO 14001 certification during the next certification cycle. Our sites in the UK, Germany and the Czech Republic have also obtained ISO 50001 Energy Management System certification.

Site, regional and Group performance is monitored on a periodic basis by operational management and reported quarterly to the Synthomer Group Board.

Achieving Sustainable Improvement
2019 was a challenging year with regard to meeting our environmental performance targets. The figures reported below reflect the full year impact (compared with 11 months in 2018) of the ex-BASF latex site in Austria.

Achieving the 2021 targets set last year remains our objective, with continued focus on the 'Tier 1' sites contributing most to the overall figures. 2017 Energy and CO_2 emissions baselines have been slightly modified since last year.

Some corrections have also been made to 2018 electricity and gas consumption and CO_2 emission values. All changes are noted in the following sections. These changes have a limited impact in total energy consumption or emissions. (GRI 102-49)

2020 will see the integration of Omnova Solutions Inc. into the Synthomer Group. This major acquisition will materially impact our overall environmental footprint.

A detailed picture of the Omnova sites' contribution to our energy, emissions, water and waste figures will only be known by Q3 2020, and we will then undertake a review of our targets, objectives and programmes for the combined Group.

Energy (GRI 103-1, 103-3)

Metered energy consumption is reported and monitored on a monthly basis through our Manufacturing Excellence portal, and benchmarking across plants with common technologies is being used to identify potential gaps and improvement opportunities.

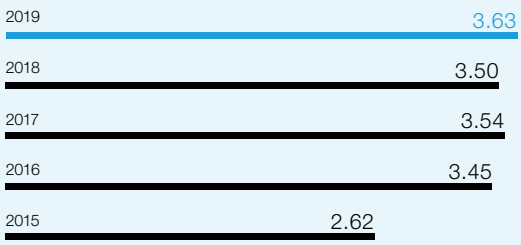
2019 Performance (GRI 302-1, 302-2, 302-4)

Overall primary energy consumption increased 1.5% to
5,601,840 GJ

Specific energy consumption increased 3.7% to
3.63 GJ per production tonne

2021 Target:
3.33 GJ/tonne

Total primary energy use
GJ per production tonne



2018 gas consumption values were corrected (leading to a 2.6% reduction) due to some mistakes detected in data collection.

2018 electricity consumption was corrected also due to some mistakes detected in data collection. In this case the change was lower than 0.1% and is not regarded as material.

The increase in both absolute and specific energy consumption is related mainly to the changes in the production mix coming from an increased production of high energy demand products. More stringent cleaning requirements also lead to an increase in associated energy consumption.

Energy costs increased 3.5% compared with the previous year on a straight comparison basis. The costs increase was lower than previous years that showed costs raised between 13 and 15%.

Electricity costs (direct and for imported services) accounted for ~51% of the Group's total energy bill.

Reduction Opportunities
Several projects that have both energy and emissions improvement benefits are in the pipeline and will improve performance, but realisation in 2019 was behind target. The 2020 implementation of some is likely to be impacted by the Covid-19 pandemic, with restrictions imposed to limit non-essential contractor time on site, as well as

short-term restrictions on capital availability. Those projects are targeted around the six sites with the largest energy and carbon footprint.

The most important of these involves the proposed replacement of our coal burning power station on the Sokolov site in the Czech Republic. Scoping work is underway to install a new, more efficient Combined Heat and Power (CHP) system utilising natural gas as the fuel – it is estimated that this should lead to significant gains against our primary energy reduction target as well as achieving most of our 2021 emissions reduction target. It is intended that this project should be fully implemented in 2021.

Greenhouse gas emissions and climate change (GRI 103-1, 103-3)

The need to reduce GHG releases is underlined by international commitments to the Paris Climate Agreement, and the evidence from the recent IPCC Report of the potential impact that even a 1.5°C increase in global average temperatures by the end of the 21st Century could have.

Synthomer recognises the need for, and remains committed to, effective control and reduction of GHG emissions, both morally and through its legal duty to contribute to emissions reductions in the territories in which it operates.

Reporting parameters and 2019 calculation methods (GRI 305-1, 305-2)
The scope of our reporting and methodology used to determine our emissions has been described on pages 61 and 62 of our 2019 Annual Report. The following summarises the approach.

The 2019 financial year reporting includes all manufacturing operations, all office locations co-located with manufacturing and those listed as contact locations in the Annual Report or on the Company's website. It does not include some very small locations such as home offices. These locations will have no material effect on the Group's overall GHG emissions, being estimated at considerably less than the 0.1% of the Group total.

All known emissions from the manufacturing process have been included. Specifically, this covers direct energy usage and the indirect energy costs of heating, cooling and other site services where these are provided by a third party. They include estimates for the effects of the release of VOCs and refrigerant gases.

The Group continues to report Scope 1 and 2 emissions. An initial estimation of 2019 Scope 3 emissions is taking place with the assistance of specialist consultants. The results are still not available owing to the complexity of the Group's supply chain. The expectation is to have the results ready by the beginning of quarter 3. The Group continues to use emissions per production tonne as its intensity ratio.

Scope 2 emissions have been calculated using three different approaches:

- Market-Based: using market-based emissions factors for electricity from suppliers of standard grid fuel mix tariffs. Where suppliers' emissions factors were not available, the residual mix was used for the EU sites and Location-Based approach for non EU sites.
- Location-Based: emissions factors from DEFRA (dataset published in June 2019) were used for UK grid electricity, and for overseas grid electricity factors from the relevant IEA (International Energy Agency) 'World CO_2 Emissions from Fuel Combustion' databases. In accordance with UK Government guidance, factors used for 2019 reporting are based on 2017 validated data.
- Hybrid Approach: using Location-Based info except for sites within the Group that purchase certified 'green' electricity. Electricity for these locations has been given a CO_2e emissions factor of zero in calculating energy related emissions totals. These include the sites in the Netherlands, Spain, Marl (Germany) and all sites in the UK. The Hybrid Approach is the approach used in previous years to establish the baseline and the targets. In order to be able to compare historical performance year-on-year, the Total Emissions (Scope 1 and 2) have been calculated using the Hybrid Approach.

2019 Performance (GRI 305-4, 305-5)

Total CO_2 equivalent emissions (Hybrid Approach) increased 0.5% to
312,235 tonnes

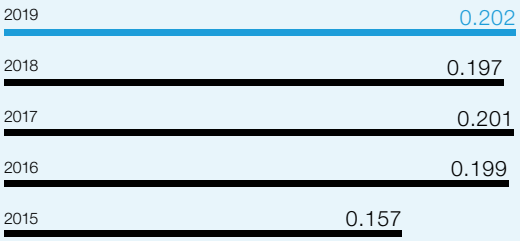
Emissions per tonne sales production (Hybrid Approach) increased 2.5% to
0.202 tonnes per tonne

2021 Target:
0.183 tonnes/tonne

VOC emissions dropped 39.7% to
183 tonnes

Reduction of 18.7% in reported refrigerant losses to 1,916 tonnes/equivalent CO_2 associated losses reduced to
7,320 tonnes

Global warming burden
Tonnes CO_2 equivalent released per production tonne (includes CO_2 from energy generation/use)



Environment continued

2017 and 2018 Scope 2 emissions were modified taking into consideration the mentioned changes in 2018 energy consumption and the use of more accurate emission factors for 2017 and 2018 electricity supplied from a waste incinerator to one site in the UK.

2018 VOC emissions were corrected from 141 tonnes to 303 tonnes.

The absolute increase in emissions was largely due to increased production of higher energy demand products and additional cleaning requirements as noted earlier. This higher absolute total also meant that the intensity of our emissions in terms of releases per tonne increased due to lower overall Group production sales volume. The highest absolute increases are related to emissions from two sites: the plant in the Czech Republic that uses brown coal, and one plant in Malaysia where we had full year impact of a capacity expansion project realised during 2018. The Group is reviewing options relating to the fuel balance in the Czech Republic.

The reduction in reported VOC emissions related to completion of several small projects in 2019. The purchase of 'green' grid electricity for some additional countries also limited the overall emissions increase.

The Group has no control over changes in the emissions factors in different countries, which can have a significant impact on emissions. For 2019 reporting the emissions factors for some countries showed an improvement, reflecting work done at national level to improve the renewables proportion of the grid supplies.

Scope 1 and 2 Location-Based and Market-Based 2019 emissions have been verified by a third party.

Year-on-year we are currently behind target and are reviewing the planned projects required to help achieve the 2021 goals.

Future Activities

The strategy for achieving our internal emissions reduction targets are focused on:

- Implementation of key energy and emissions reduction related capital projects that provide the most significant sustainable benefit in terms of both improvement and cost effectiveness for the Group – these are focused on "Tier 1" energy user/GHG emitters.
- Accelerating investment in sourcing green electricity, increasing the number of countries purchasing renewable electricity. Initial focus will be within Europe, but other countries will also be taken into consideration. This move towards green electricity will significantly decrease the Group's Scope 2 emissions and will be an important factor in meeting our proposed 2021 Greenhouse Gas (GHG) targets. Most of the agreements are already finalised in order to receive renewable certificates for our electricity supply in Europe. Also an agreement is signed on purchase positions agreements to investigate possible opportunities to generate renewable energy on our sites locally.
- Identification and determination of key Scope 3 emissions.

Longer-term strategic activity options are under review by the Sustainability Committee, influenced in part by analysis of potential areas for improvement linked to our performance under CDP. These include:

- Assessing the viability and resource requirements to undertake life cycle analysis for key products – considering at least cradle to gate footprint.
- Defining Science-Based Targets.
- Consideration of incorporating carbon pricing within our capital planning processes.

From a life cycle perspective it is estimated that over 75% of emissions associated with our products are linked to upstream bulk raw material production processes (such as monomer production) where we currently have limited ability to significantly influence emissions reduction, but we are conscious of increasing stakeholder awareness and requirements in this area.

Water (GRI 103-1, 103-3)

As a producer primarily of water-based polymer emulsions, Synthomer is conscious of the need to effectively manage our overall net consumption such that water usage beyond that needed for our products is minimised. Additional water is primarily required for cooling, steam generation and cleaning.

We have participated voluntarily in submitting data to CDP's Water Questionnaire since 2016 and the process of data collection and review of site issues is helping identify potential risk areas and build better understanding of broader aspects of water management.

2019 Performance (GRI 303-3, 303-5)

Water withdrawal reduced 1.03% to
6.10 million m^3

Specific water withdrawal rose 1.1% to
3.95 m^3 per tonne

2021 Target:
3.56 m^3/tonne

Total water withdrawal
m^3 per production tonne

During 2019 we began collecting information to enable more accurate reporting of Group 'Water Consumption' aligned with the GRI definitions. 2019 water consumption values will be used as a new reference for future improvement targets. Water consumption in 2019 was 1.73 million m^3. Specific water consumption was 1,123 m^3 per tonne.

The absolute reduction in 2019 water withdrawal was driven by production reduction in some sites and by plant improvements and repairs that reduced losses associated with leaks.

Read more A breakdown of water withdrawal by source is included in the Performance Summary Table on page 29.

Future Activities
Variance is expected year-on-year since the majority of our products are water-based dispersions with some changes down to product mix and volumes. As with energy, opportunities to improve water efficiency will be built in to sites' manufacturing strategies and environmental targets on a prioritised basis in order to bring us back on track with the longer-term targets.

Our quoted improvement target is to reduce water withdrawal but the final target is to reduce water consumption. As such we intend to review the baseline levels and potentially revise this target once we have a better idea of sites' water balances.

Some sites face potentially significant water constraints – although currently none are regarded as particularly high risk or as being in high water stress areas, although this remains under review. We have several projects being assessed looking to use on-site water capture not only to avoid production problems but as an environmentally preferable way of obtaining the water we use.

Where practical we also look at where closed circuit cooling can reduce the demand for high levels of water extraction.

Improving data accuracy in our water balance modelling and water consumption reporting is another key target to enabling opportunities for improvement to be more clearly identified and assessed.

Waste

Resource efficiency and process efficiency are important economic as well as sustainability drivers for the Company.

Operating site manufacturing strategies are focused on improving performance and efficiency, including taking actions to improve product quality and processing to minimise waste and effluents linked to cleaning and out of specification material.

2019 Performance (GRI 306-2)

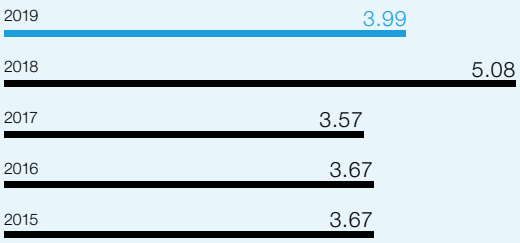
Total waste generated fell 1.6% to 33,648 tonnes and waste to landfill decreased 23% to
6,166 tonnes

Specific waste generation was unchanged at
0.022 tonnes per production tonne

Specific waste to landfill decreased 21% to
0.004 tonnes per tonne

2021 Target:
0.0033 tonnes per tonne

Waste disposal to landfill
Kg waste per production tonne



Read more A detailed breakdown of waste generation and disposal by type is included in the Performance Summary Table on page 30. 'Hazardous waste' totals are based on the relevant local legal definitions.

Waste disposal routes are those defined by sites as per relevant legislation and confirmed by the relevant waste disposal contractor.

2019 waste included significant one-off waste quantities, in particular associated with a major capital project in France that required the removal of legacy contaminated soil.

Environment continued

The reduction in total waste was influenced by lower production levels at some sites whose processes typically yield more waste, but was mainly driven by the implementation of several improvement projects, including some that led to a reduction in sludge levels produced in waste water treatment plants in various sites, the reuse as raw materials of products previously considered waste and the processes optimisation to reduce the generated waste.

Future Activities
The primary focus is on waste minimisation to reduce total waste, but we will continue to look at options for recycling and reusing waste streams to help divert away from landfill.

There has been success in previous years in diverting waste streams for use as composting material, but we also face challenges where some waste streams are defined as 'hazardous waste' owing to the definitions set by waste directives in some jurisdictions where we operate. In some cases, this has meant having to return to sending such waste to landfill as no other viable alternative exists – where we feel a strong argument can be made against this approach we will challenge it with the relevant authorities.

Other environmental metrics

In addition to the four main KPIs, we monitor a number of other emissions and effluent metrics internally. Significant improvement has been made in all of these since 2000 and we continue to show good performance in most metrics. Whilst locally some metrics still require reporting to comply with local environmental permits, at a Group level the overall improvements seen are such that we have not regarded these as material aspects.

Atmospheric acidification (GRI 305-7)
2019 saw a 29% reduction in absolute reported emissions, linked to variations in operating and climate conditions compared to 2017 at the Sokolov site that accounts for 95% of the reported total.

The project to install a natural gas CHP unit on the site noted earlier will also significantly reduce our SO_2 emissions going forward.

Effluent – Eutrophication and Ecotoxicity
Phosphate, nitrate and Chemical Oxygen Demand (COD) releases are estimated or measured (dependent on local site requirements) to provide a combined eutrophication environmental burden factor. Reported phosphate equivalent levels remained stable compared with the previous year: 0.052 kg/tonne production.

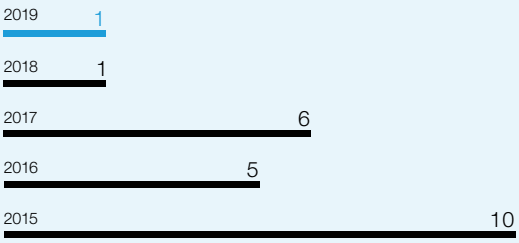
Ecotoxicity levels in terms of metals (copper equivalent) raised to 0.1 grams/tonne production. Although 49% higher than the previous year, the levels remain low.

Environmental incidents and legal compliance
(GRI 306-3, 307-1)
The Group monitors and reports environmental non-compliance based on either 'reportable incidents to external authorities' or 'notifiable breaches of discharge consent'. 2019 saw just one such incident, maintaining the significant improvement seen in 2018. This related to a spill of non-hazardous product at a Malaysian site (with no actual environmental impact) – a full root cause analysis was undertaken, and corrective action implemented to prevent recurrence.

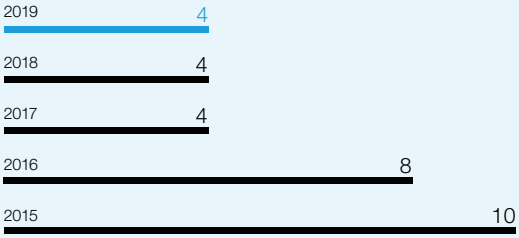
Environmental and Safety legal compliance is closely tracked and formally reported to the Group Executive and Board every six months, with any identified gaps or issues prioritised and monitored to ensure timely resolution.

During 2019 operating sites reported four minor notices regarding environmental and safety compliance, none of which resulted in prosecutions or fines, and all of which have been addressed.

Environmental Non-compliance Incidents



Environmental and Safety Legal Notices



Environmental Performance Summary (GRI 103-2)

		2019	2018[8,9]	2017[9]	% change 2017–19[6]	% change 2018–19[6]
(GRI 302-1)	**Energy consumption[1,7]**					
	GJ	**5,601,840**	5,520,570	5,352,562	4.7%	**1.5%**
	Gas	**1,525,851**	1,519,649	1,459,411		
	Light oil	**21,599**	22,625	24,990		
	Heavy oil	**6,657**	5,533	4,651		
	Steam (metered)	**763,100**	751,545	756,890		
	Electricity (primary basis)	**2,663,373**	2,634,611	2,523,661		
(GRI 302-3)	**GJ/tonne production**	**3.627**	3.499	3.541	2.4%	**3.7%**
(GRI 302-4)	**Emissions to Air[2]**					
	Carbon Dioxide (CO_2) equiv. from Energy (tonnes)[3,8]	**302,906**	299,693	297,804	1.7%	**1.1%**
	Tonnes CO_2 equivalent/tonne production	**0.196**	0.190	0.197	-0.4%	**3.2%**
	Sulphur Dioxide (SO_2) (tonnes)	**100.7**	142.5	158.3	-36.4%	**-29.4%**
	Kilos SO_2/tonne production	**0.065**	0.090	0.105	-37.8%	**-27.8%**
	Nitrogen Oxides (NOx) (tonnes)[4]	**150.78**	129.97	121.33	24.3%	**16.0%**
	Kilos NOx/tonne production	**0.098**	0.082	0.080	21.6%	**18.5%**
	Volatile Organic Compounds (VOC) (tonnes)	**183**	303	164	11.1%	**-39.7%**
	Kilos VOC/tonne production	**0.118**	0.192	0.109	8.8%	**-38.4%**
	Refrigerant Releases (HCFC and others) (kg)	**1,916**	2,355	1,773	8.1%	**-18.7%**
	Tonnes CO_2 equivalent	**7,320**	7,627	4,485	63.2%	**-4.0%**
	Kilos Refrigerant/tonne production	**0.0012**	0.0015	0.0012	5.8%	**-16.9%**
(GRI 305-1)	Total Scope 1 CO_2 equiv. emissions (tonnes)	**151,386**	147,192	139,285	8.7%	**2,8%**
(GRI 305-2)	Total Scope 2 emissions – Hybrid approach (tonnes)	**160,849**	163,457	164,811	-2.4%	**-1.6%**
	Total Scope 2 emissions – Market-Based (tonnes)	**176,971**				
	Total Scope 2 emissions – Location-Based (tonnes)	**173,132**				
(GRI 305-4)	**Total Carbon Dioxide (CO_2) equiv. (tonnes)[5]**	**312,235**	310,650	304,095	2.7%	**0.5%**
(GRI 305-5)	**Tonnes CO_2 equivalent/tonne production**	**0.202**	0.197	0.201	0.5%	**2.7%**
(GRI 303-3)	**Water Usage – Withdrawal Volumes**					
	Cubic Metres (m^3)	**6,096,199**	6,159,664	5,733,785	6.3%	**-1.03%**
	Public potable supply	**1,275,116**	1,169,277	1,064,372		
	Raw water from river	**2,810,402**	2,921,661	2,778,739		
	Raw water from borehole	**782,101**	780,757	556,970		
	Raw water from canal	**65,012**	67,853	80,420		
	Raw water from other	**1,163,569**	1,220,116	1,253,285		
	m^3/tonne production	**3.947**	3.904	3.793	4.1%	**1.10%**

Environment continued

		2019	2018[8,9]	2017[9]	% change 2017–19[6]	% change 2018–19[6]
(GRI 306-2)	**Waste Management**					
	Hazardous waste (tonnes)	**18,863**	20,963	16,959	11.2%	**-10.02%**
	Recycled – energy recovery	**1,277**	1,203	1,267		
	Recycled – separated – reprocessed	**5,872**	6,697	6,009		
	Incinerated – no energy recovery	**1,942**	1,507	870		
	Disposed by landfill	**462**	1,347	505		
	Other	**9,310**	10,210	8,308		
	Hazardous waste (kg/tonne production)	**12.21**	13.29	10.84	12.7%	**-8.08%**
	Non-hazardous waste (tonnes)	**14,785**	13,227	11,236	31.6%	**11.77%**
	Recycled – energy recovery	**5,157**	1,912	1,757		
	Recycled – separated, reprocessed	**2,010**	1,690	2,436		
	Incinerated – no energy recovery	**169**	500	150		
	Disposed by landfill	**5,704**	6,672	4,890		
	Other – municipality	**1,745**	2,454	2,003		
	Non-hazardous waste (kg/tonne production)	**9.57**	8.38	7.43	28.8%	**14.18%**
	Total waste (kg/tonne production)	**21.79**	21.67	18.65	16.8%	**0.53%**
	Production (tonnes)	**1,544,515**	1,577,781	1,511,666	2.2%	**-2.1%**

The Group reports environmental KPIs in the format recommended by the UK Department for Environment, Food and Rural Affairs (DEFRA). DEFRA first published guidelines for reporting environmental key performance indicators in 2006. The key measures suggested were energy use, emissions to air, waste disposal and water consumption, on an absolute and a per tonne basis. Synthomer has reported on these indicators for a number of years, and to aid transparency in environmental reporting we adopted DEFRA's preferred format in 2008 for the annual report on our SD performance.

The above table presents 2017-19 KPIs and reports on all the emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 (as already published in the Annual Report) and other key metrics for water and waste. It is based on the corporate structure through the year.

Notes

1. Data relates to site usage of all fuels, excluding transport of goods to and from site and the movement of these vehicles on site. Internal transport on site is included.
2. Emissions to air have been calculated from the usage of all fuels, excluding transport fuel. They therefore include both direct emissions and indirect emissions related to bought-in electricity, steam, compressed air, cooling water etc., with the exception of transmission and distribution losses for electricity (these losses are in Scope 3, whereas this report is for Scope 1 and 2).
3. CO_2 equivalent emissions include contributions from CH_4 and N_2O associated with combustion.
4. NOx emissions are predominantly those from combustion processes. The CO_2 equivalent Global Warming Potential contribution from these releases is already included in the CO_2 from energy figure above.
5. The total CO_2e figure is the total of the CO_2 equivalent from energy + the VOC contribution (assuming an average factor of 11 kg CO_2e per kg VOC) + the refrigerant contribution.
6. Percentage changes are calculated from the base data and may differ slightly from changes calculated from the data in the tables because of rounding.
7. Minor changes to reported energy consumption (gas) have been made following corrections to reported conversion factors for two sites.
8. Energy consumption and associated emissions reported for 2018 have been modified to address some mistakes in data collection.
9. 2017 and 2018 Scope 2 emissions have been modified taking into consideration the use of more accurate emission factors for electricity supplied from a waste incinerator to one site in the UK.

Sustainable Value Chain

Sustainable Value Chain (GRI 103-1, 103-2, 103-3, 102-9)
This pillar of our Sustainability programme has been identified as an area requiring more focus in order to ensure that we have the systems in place to meet the expectations of our stakeholders (internal and external) against the identified material aspects, and to enable us to effectively monitor and report performance and identify areas for improvement.

Our Procurement, R&D, Quality and Manufacturing Excellence functions are central to driving activity in this area.

1. Research and development
Under central leadership, our four research and development 'centres of excellence' work to both develop products that meet our customers' needs and to improve the efficiency of their manufacture.

2. Consumers
We monitor mega-trends and market developments to ensure our formulations meet the requirements not only of our customers but also the end users of their products.

3. Technical services
Our technical service teams work with our customers to ensure we provide the right formulation for their needs.

4. Formulations
Our formulations are designed for use in customer specific products.

5. Sourcing raw materials
We work closely with our suppliers to obtain competitive prices, correct specification and to improve supply chain resilience.

6. Production
Experienced operations teams continue to optimise the production process to be most efficient by using complex production techniques and removing bottlenecks.

7. Quality control
Our quality control procedures and laboratories ensure that we manufacture and store finished products in a manner that assures quality.

8. Logistics
Our specialist logistics teams work on ensuring safe and timely deliveries of excellent products in more than 140 countries.

Sustainable Procurement
The Procurement function has a key role to play in ensuring that Synthomer manages its wider supply chain in a way that supports our sustainability principles and goals.

Synthomer requires any individual or entity acting on its behalf, whether as a consultant, representative, agent or distributor, to know, understand and abide by the laws and regulations applicable in the country or countries in which they act for Synthomer.

The requirements are covered in detail within the business policies in our Code of Conduct.

Before a vendor is on-boarded and approved as a trading partner, Synthomer employs standardised assessment processes. A periodic review of key suppliers is carried out to assess the performance of the supplier against criteria covering technical support, commercial performance, reputation including REACH and local regulatory compliance. We also carry out periodic supply chain risk reviews and develop programmes to understand and manage business and supply chain risk in order to drive sustainable business performance.

In 2019 the new audit process and questionnaires were fully rolled out, extending the criteria focused on sustainability. There were seven full critical supplier audits (that included Sustainability criteria) undertaken that included visits to the suppliers' premises. In addition, five desktop sustainability audits were also completed with no issues reported. The full supplier audit criteria were developed in consultation with our SHE and Sustainability teams and comprehensively cover all risk areas. (GRI 308-1, 414-2)

The suppliers audited in 2019 covered areas such as logistics, packaging and waste management in addition to our raw materials.

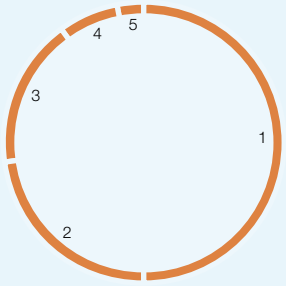
Suppliers chosen for audit are selected by the Procurement team based on their risk and performance, for example, where there have been quality concerns in the past and also where we want to develop a strategic relationship due to a supplier's importance. It recognised that we need to develop a more systematic method to identify suppliers for these audits based on the alignment to our own sustainability goals and risk. It is also planned to consider the use of third-party auditors and their reporting in the future to make our scope of risk assessment broader and more efficient.

During 2019, our Procurement Policy was fully reviewed and now includes our Conflict Mineral Policy Statement. It is also planned to develop our Sustainable Procurement Policy and strategy during 2020.

During 2019, we continued to implement a more standardised and transparent sourcing process using an online platform with structured templates and also include sustainability criteria in our contract award assessments.

Sustainable Value Chain continued

Projects by sustainability criteria



1. Air quality	50%
2. Energy or material efficiency	23%
3. Less harmful materials	17%
4. Recyclability	7%
5. Renewable or lower impact RM	3%

Air Quality
Results in an improvement of indoor or outdoor air quality through the reduction of airborne pollutants.

Energy or Material Efficiency
Results in a measurable reduction of energy and/or the total amount of material required to solve the value chain problem.

Less Harmful Material
Uses a demonstrably less harmful material than the materials being replaced to resolve the value chain impact.

Recyclability
Results in an improved recyclability or end of life management to reduce overall environmental impact.

Renewable or Lower Impact Raw Materials
Uses raw materials from a renewable source or one that has a demonstrably lower carbon footprint than the materials being replaced to help resolve any impact within the value chain.

R&D and new product development
Synthomer prides itself on its innovative product development. Sustainability is a core part of our innovation mindset, with a multistrand approach to reducing environmental impact and improving human health taking into consideration the complete product value chain. During 2019, an initial assessment of active R&D projects against sustainability criteria was undertaken: 30 projects relating to improved sustainability were ongoing in 2019, with the three biggest drivers clear in the chart above. These projects are spread across all of our technology platforms and core application areas.

As outlined in our Annual Report, Synthomer is committed to having a strong new product pipeline, focused on meeting customer needs, monitoring mega-trends and market developments to address end user requirements, for example, with regard to having more sustainable and environmentally friendly products.

All the products below are aligned with the developed sustainability criteria:

Less Harmful Materials and Energy Efficiency ⟶
Synthomer's Synovus® technology for medical gloves has been commercialised to provide a patent pending sulphur-free curing system to produce gloves on state-of-the-art dipping lines that meet all stringent European and North American performance and regulatory requirements. The novel curing system leads to the elimination of chemical accelerators known to cause type IV allergic reactions. The technology also allows glove producers to significantly reduce the line curing temperature, decreasing overall energy usage by up to 20%.

To validate the environmental credentials of Synovus®, Synthomer has worked with a leading global glove producer and during 2019 a third-party specialist prepared a full life cycle analysis in accordance with ISO 14040 and ISO 14044 standards. This study assumed incineration at end-of-life, which is standard for medical gloves. This data indicated that Synovus® has a 15–20% lower CO_2 impact than conventional NBR glove technology and has an impact up to 30% lower compared to other non-NBR latex technologies.

Less Harmful Material and Air Quality ⟶
In 2019 we successfully launched Revacryl UltraGreen™ a low VOC binder that does not require the use of biocide for high pH biocide-free premium interior wall paints.

Air Quality, Less Harmful Materials and Energy Efficiency ⟶
One popular solution to effectively waterproof felt roof buildings is to use a polymer bitumen membrane system, which contains a polyester nonwoven fabric impregnated with a water-based polymer. The polymer impregnation is a key component to prevent crack formation in the roof caused by daily and seasonal temperature variations. To deliver the required performance, these polymers often contain cross-linking systems that release formaldehyde, a material classified as hazardous, during the coating process.

In order to eliminate the evolution of formaldehyde during the coating process, Synthomer has launched Litex SkyShield™ 4685 SBR for polyester roofing felt coating that meets end-use industry performance standards using a patent pending formaldehyde-free formulation. The new SBR additionally provides customers with substantial energy cost savings due to the lower drying temperatures possible as part of the polyester coating process.

Air Quality ⟶
Plextol Prime™ is a novel emulsion-based pressure sensitive adhesive (PSA) for use in high-performance tape applications. Speciality applications such as construction and automotive tapes require particularly high adhesion and cohesion, often under extreme temperature conditions, after contact with chemicals or in high-humidity or water rich environments. Generally this level of PSA performance is achieved using solvent-based and/or radiation curable technologies. Our patent pending Plextol Prime™ technology delivers the required levels of adhesive performance using a waterborne emulsion system that can be applied to a wide range of tape substrates. This shift from solvent to water-based systems provides a significant reduction in the emission of volatile organic compounds to the environment.

Synthomer is also participating in several projects related to the development of lithium-ion batteries for the automotive sector. With the drive to electrification in transportation, there is a need to deliver increased performance and manufacturability of lithium-ion battery cells. This can be achieved through improved active materials for the cell and through formulation of the battery electrode material. Synthomer has a number of activities in this area to develop performance enhancing additives, new binder technology for the next generation of high energy density anodes and to deliver formulation efficiency to cell manufacturers.

Synthomer has committed to participate with the European Polymer Dispersion and Latex Association (EPDLA) to create high quality, cradle-to-grave life cycle inventories of our key emulsion polymer families. Preliminary evaluation has started, and the study will be completed in mid-2020.

Product Safety (GRI 417-1 to 417-3, 416-1 to 416-2)
The majority of Group products are water-based emulsions that are not deemed to be hazardous chemicals.

However, for those that are hazardous, Synthomer is committed to providing its customers with comprehensive and legally compliant safety data sheets in all the markets we serve, setting out the hazards and controls required to ensure they are managed, handled and disposed of safely. We further provide appropriate technical data regarding all our products to enable customers to handle them safely.

Our central Regulatory Affairs Department also manages our ongoing REACH compliance activities through our supply chain and has been active in preparing for the potential impact of Brexit on chemicals registered within and transported to the UK, as well as managing REACH-like schemes being introduced globally.

Read more We are fully compliant with the requirements of the European REACH Regulation – our current statement can be found on the Synthomer website at www.synthomer.com/uploads/tx_reach/REACH_Statement_2018.pdf.

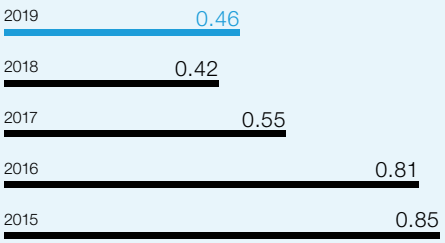
All legal requirements regarding provision of safety information have been complied with, and we have had no reported incidents of non-compliance regarding product safety information, labelling or marketing.

Quality and Customer Satisfaction
Synthomer recognises that operating with Quality contributes to improving the sustainability performance creating lean operations, reducing waste, consuming resources responsibly and improving efficiency, among others.

In 2019, the Group multi-sites ISO 9001:2015 certification was maintained. The first surveyance audits took place at our headquarters and at some of our operating sites, and ended with no reported incidents of non-conformance relating to the quality management system.

We have reached a plateau in 2019 concerning our customer complaint rate (the number of customer complaints per 1,000 deliveries). Nevertheless, we do consider complaints management as an essential component of customer service and business success. Thus, with the continual objective to enhance customer satisfaction, Business Leaders, Customer Services members and Complaint Coordinators were refreshed on all complaint resolution aspects. New actions have been defined for 2020 in all our production sites in order to improve product quality consistency.

Customer complaints per 1,000 deliveries



Efficient manufacturing is also measured by our ability to consistently make products that meet our customers' requirements. The Right First Time rate represents the percentage of products manufactured correctly and to spec the first time through the process. Improvement actions have been defined for 2020 in all our production sites in order to increase our efficiency.

Right first time
%

Overview of Targets and Objectives for 2020 onwards

The following summarises the main objectives set out in this Report, all geared around improving sustainability awareness, systems and performance across the Group.

	Target Year
Strategy	
Consider the alignment of the sustainability aspects, pillars and targets and objectives with the UN Sustainable Development Goals	2020
Integrate Omnova into the Sustainability reporting of Synthomer and consider the impact on targets for the enlarged Group	2020
Improve Ecovadis rating	2020
Governance and Compliance	
Introduce Code of Conduct e-learning module	2020
GDPR – complete initial data security audit and begin implementing resulting improvements	2020
Our People – Employment Conditions/Diversity and Development	
Communicate the 2019 'Your Voice' Employee Engagement Survey results and build and deliver an improvement action plan	2020
Review and expand the Board Employee Voice strategy	2020
Communicate and embed the new Synthomer Values	2020
Implement the Synthomer Diversity and Inclusion plans	2020
Conduct a comprehensive review of Organisational Effectiveness as part of Manufacturing Excellence Framework deployment	2020
Sustainable Value Chain	
Complete 5 key supplier audits for each procurement function (at least 1 per region)	2021
Complete desktop sustainability assessment of top 10 key suppliers (in each region)	2022
Develop and implement a Group Policy on Conflict Minerals	2020
Develop and implement a Group Policy on Sustainable Procurement	2020
Complete the EPDLA life cycle assessment for major product lines	2020
Launch at least 3 new products with improved sustainability impact	2020
Health and Safety	
0.21 Recordable Case Rate (incidents per 100,000 working hours)	2020
0.16 Process Safety Event Rate (incidents per 100,000 working hours)	2020
Environment	
Targets carried forward, based on 2017 revised baseline	
6% reduction in specific energy consumption (GJ/t production)	end 2021
9% reduction in Greenhouse Gas emissions (tCO_2e/t production)	end 2021
6% reduction in water consumption (m^3/t production)	end 2021
7.5% reduction in waste to land (metric tonne/metric tonne production)	end 2021
Scope 3 emissions calculation	2020
Scope 1 and 2 emissions verification	2020

Annex

This Report

This is the ninth report Synthomer has published covering CSR (Corporate Social Responsibility) and Sustainability, covering the 2019 fiscal year (1 January to 31 December 2019), except where otherwise indicated, and complements the information included in the Annual Report. (GRI 102-50, 102-51)

This Synthomer Sustainability Report meets the requirements of the Global Reporting Initiative (GRI). It has been prepared in compliance with the GRI Standards in accordance with the 'core' option. The correspondence with the different GRI Disclosures is detailed in the Annex included at the end and by the Disclosure numbers indicated in blue type throughout the Report. (GRI 102-54, 102-55)

Scope of Reporting, Assurance and Company Contact

Unless otherwise stated, this Report covers all Synthomer Group companies included within the scope of the consolidated Group financial statements of Synthomer plc covering fiscal year 2019 (1 January 2019 to 31 December 2019), prepared in accordance with International Financial Reporting Standards (IFRSs) and detailed in the 2019 Synthomer Annual Report. (GRI 102-50)

This Report covers the full Company including all the manufacturing sites, offices, labs and technical centres owned by Synthomer. Environmental performance data covers all manufacturing operations and major office/technical centres – it excludes all non-trading and office/sales related subsidiaries and joint ventures listed on pages 152 and 153 of the 2019 Annual Report. (GRI 102-45, 102-46)

Some restatement of environmental data has taken place following identification of errors and omissions relating to 2018 – these are detailed in the Notes to the Environmental Performance Summary table on page 30. (GRI 102-48, 102-49)

The sustainability topics covered are the ones identified by the Company and by the stakeholders as the most material. As detailed in the section on Strategy and Business these material topics are grouped into six areas (or Sustainability Pillars) around which the structure of this Report is based. (GRI 102-47)

Our most recent CSR Report corresponding with the fiscal year 2018 was published in July 2019. The next Sustainability Report will be published in 2021 and will cover the 2020 fiscal year. (GRI 102-51, 102-52)

The financial information contained in the Annual Report has been externally audited by PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors. Some aspects of our sustainability reporting have been reviewed within the scope of the external audit, but there has been no formal external party verification of the non-financial aspects of this Report. (GRI 102-56)

Should you have any questions regarding our Sustainability Report or its contents then please do not hesitate to contact our Sustainability Committee, via Amaia Menéndez (GRI 102-53)

amaia.menendez@synthomer.com

External Certification and Accreditation

Certification (GRI 102-12)
We are committed to external certification of our management systems to ensure that we deliver on our policy commitments and we continue to make significant progress particularly with ISO 14001 and the expansion of certification of sites to ISO 50001.

All operating sites are either covered by the Group's matrix certification for ISO 14001 or have site specific certification in place.

All UK and German sites have accreditation to the ISO 50001 Energy Management System standard and the learning from structured approach to energy management will be applied across other sites.

Several sites in the combined Group have OHSAS 18001 certification to meet legal requirements, including both Italian sites, Oulu site in Finland and the Sokolov site in the Czech Republic.

As we undertake extensive internal auditing of our systems, with ISO 9001 and 14001 audits covering a number of areas common to OHSAS 18001/ISO 45001, there is no current Group objective to seek certification at Group level to the new ISO 45001 Standard.

Accreditation and External Benchmarking (GRI 102-13)
In addition to our Standards certification we also seek to benchmark ourselves against our peer companies and demonstrate our commitment to sustainability through participation and membership of the following:

- FTSE4Good: Synthomer plc has been a member of FTSE4Good for a number of years and is committed to maintaining membership of that index and improving its overall rating as the business grows.
- CDP: We have reported on climate change performance to the Carbon Disclosure Project (CDP) since 2013. In 2019 we achieved a 'B-' score at the Disclosure level, a significant increase from our performance in previous years. We also chose to voluntarily submit information to CDP's water assessment as a means of helping us better understand potential risk areas.

  At present we do not believe there are any materially significant risks associated with climate change and water, but we continue to review and include both climate change and water risks within our business risk assessment process.
- Ecovadis: At Group level we are committed to annually submitting data to the Ecovadis CSR platform and using the assessment to identify areas for improvement. Data is shared with many of our customers as an efficient means of streamlining communication on CSR performance. In 2019 (results published beginning of 2020) we maintained our Silver rating for the fifth year running, increasing our score from 57 to 58. The main focus during 2020 will be to improve our score in the Sustainable Procurement section.

GRI Content Index (GRI 102-55)

GRI Standard	Disclosure	Reference Sustainability Report (Annual Report)	Page (A/R Page)	Comment on Non-Disclosure
General Disclosures				
	Organisational profile			
GRI 102-1	Name of the organisation	Synthomer at a glance	1	
GRI 102-2	Activities, brands, products, and services	Synthomer at a glance	2	
GRI 102-3	Location of headquarters	Synthomer at a glance (Report of the Directors)	1 (103)	
GRI 102-4	Location of operations	Synthomer at a glance	1	
GRI 102-5	Ownership and legal form	Synthomer at a glance (Report of the Directors)	1 (103)	
GRI 102-6	Markets served	Synthomer at a glance	2	
GRI 102-7	Scale of the organisation	Synthomer at a glance (Synthomer at a Glance, Strategy in Action)	2 (2-3, 18-29)	
GRI 102-8	Information on employees and other workers	People	14	
GRI 102-9	Supply chain	Sustainable Value Chain	31	
GRI 102-10	Significant changes to the organisation and its supply chain	Strategy and Business: Management approach (Synthomer at a Glance, Strategy in Action)	8 (2-3, 18-29)	
GRI 102-11	Precautionary Principle or approach	Strategy and Business: Management Approach (Managing Risks)	8 (30-37)	
GRI 102-12	External initiatives	Strategy and Business: Sustainability Development Goals; Governance and Compliance: Voluntary Commitments; Annex	9, 13, 36	
GRI 102-13	Membership of associations	Annex	36	
	Strategy			
GRI 102-14	Statement from senior decision-maker	Sustainability Overview: Chief Executive's Introduction	6	
	Ethics and integrity			
GRI 102-16	Values, principles, standards, and norms of behaviour	Governance and Compliance: Code of Conduct and Ethics hotline	12	
	Governance			
GRI 102-18	Governance structure	Governance and Compliance: Management Approach (Governance: Corporate Governance)	12 (66-72)	

GRI Content Index continued

General Disclosures continued

GRI Standard	Disclosure	Reference Sustainability Report (Annual Report)	Page (A/R Page)	Comment on Non-Disclosure
	Stakeholder engagement			
GRI 102-40	List of stakeholder groups	Strategy and Business: Stakeholder Engagement and Materiality Assessment	10	
GRI 102-41	Collective bargaining agreements	People	14	
GRI 102-42	Identifying and selecting stakeholders	Strategy and Business: Stakeholder Engagement and Materiality Assessment	10	
GRI 102-43	Approach to stakeholder engagement	Strategy and Business: Stakeholder Engagement and Materiality Assessment	10	
GRI 102-44	Key topics and concerns raised	Strategy and Business: Stakeholder Engagement and Materiality Assessment	10	
	Reporting practice			
GRI 102-45	Entities included in the consolidated financial statements	Annex	35	
GRI 102-46	Defining Report content and topic Boundaries	Strategy and Business: Stakeholder Engagement and Materiality Assessment; Annex	10, 11, 35	
GRI 102-47	List of material topics	Strategy and Business: Stakeholder Engagement and Materiality Assessment; Annex	10, 11, 35	
GRI 102-48	Restatements of information	Annex	35	
GRI 102-49	Changes in reporting	Environment; Annex	24, 35	
GRI 102-50	Reporting period	Annex	35	
GRI 102-51	Date of most recent report	Annex	35	
GRI 102-52	Reporting cycle	Annex	35	
GRI 102-53	Contact point for questions regarding the Report	Annex	35	
GRI 102-54	Claims of reporting in accordance with the GRI Standards	Our Environmental, Social and Governance approach; Annex	0, 35	
GRI 102-55	GRI content index	Annex; GRI Index	35, 37	
GRI 102-56	External assurance	Annex	35	PwC as Company appointed auditors validate a selection of data, but no full assurance assessment against GRI done for this first new format report

Specific Disclosures

GRI Standard	Disclosure	Reference Sustainability Report (Annual Report)	Page (A/R Page)	Comment on Non-Disclosure
	Strategy and Business			
GRI 103-1	Explanation of the material topic and its Boundary	Strategy and Business: Management Approach	8	
GRI 103-2	The management approach and its components	Strategy and Business: Management Approach	8	
GRI 103-3	Evaluation of the management approach	Strategy and Business: Management Approach	8	
	Risk Management			
GRI 102-15	Key impacts, risks and opportunities	Strategy and Business: Management Approach (Managing Risks)	8 (30-37)	Main detail in the Annual Report
	Governance and Compliance			
GRI 103-1	Explanation of the material topic and its Boundary	Governance and Compliance: Management Approach	12	
GRI 103-2	The management approach and its components	Governance and Compliance: Management Approach	12	
GRI 103-3	Evaluation of the management approach	Governance and Compliance: Management Approach	12	
	Responsible and involved management			
GRI 102-20	Executive-level responsibility for economic, environmental and social topics	Sustainability Overview: Corporate Development President's Introduction; Strategy and Business: Management Approach	7, 8	
	Stakeholder involvement			
GRI 102-21	Consulting stakeholders on economic, environmental and social topics	Strategy and Business: Stakeholder Engagement and Materiality Assessment	10	
	Compliance			
GRI 205-2	Communication and training about anti-corruption policies and procedures	Governance and Compliance: Training	13	
GRI 307-1	Non-compliance with environmental laws and regulations	Environment: Environmental incidents and legal compliance	28	
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	Governance and Compliance: Code of Conduct and Ethics Hotline	12	
	Ethics and Integrity			
GRI 102-17	Mechanisms for advice and concerns about ethics	Governance and Compliance: Code of Conduct and Ethics Hotline	12	
	People			
GRI 103-1	Explanation of the material topic and its Boundary	People: Management Approach	14	
GRI 103-2	The management approach and its components	People: Management Approach	14	
GRI 103-3	Evaluation of the management approach	People: Management Approach	14	

GRI Content Index continued

Specific Disclosures continued

GRI Standard	Disclosure	Reference Sustainability Report (Annual Report)	Page (A/R Page)	Comment on Non-Disclosure
	Employment conditions			
GRI 401-1	New employee hires and employee turnover	People	14	
	Employees' diversity and inclusion			
GRI 405-1	Diversity of governance bodies and employees	People: Diversity and inclusion	17	
	Employees' development, training and education			
GRI 404-1	Average hours of training per year per employee	People: Leadership development and training	17	
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	People	14	
	Communities support			
GRI 413-1	Operations with local community engagement, impact assessments, and development programmes	People: 'We Care'	18	
	Health and Safety			
GRI 103-1	Explanation of the material topic and its Boundary	Health and Safety: Ensuring Safe Work Practices and Operations	20	
GRI 103-2	The management approach and its components	Sustainability Overview: Progress against 2019 targets and objectives; Health and Safety: Ensuring Safe Work Practices and Operations	5, 20	
GRI 103-3	Evaluation of the management approach	Health and Safety: Ensuring Safe Work Practices and Operations; SHE audit programme	20	
	Occupational Health and Safety			
GRI 403-1	Occupational health and safety management system	Health and Safety: Health and Safety Systems, Practices and Programmes	21	
GRI 403-2	Hazard identification, risk assessment and incident investigation	Health and Safety: Health and Safety Systems, Practices and Programmes	21	
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	Health and Safety: Health and Safety Systems, Practices and Programmes	21	
GRI 403-5	Worker training on occupational health and safety	Health and Safety: Health and Safety Systems, Practices and Programmes	21	
GRI 403-6	Promotion of worker health	Health and Safety: Occupational Health and Wellness	23	
GRI 403-8	Workers covered by an occupational health and safety management system	Health and Safety: Health and Safety Systems, Practices and Programmes	21	

GRI Standard	Disclosure	Reference Sustainability Report (Annual Report)	Page (A/R Page)	Comment on Non-Disclosure
GRI 403-9	Work-related injuries	Health and Safety: Health and Safety Management; Safety: Occupational Safety Performance	20, 22	Injury rate data reported based on 100,000 working hours aligned to historical UK metrics for lost time accident reporting
GRI 403-10	Work-related ill health	Health and Safety: Health and Safety Management; Safety: Occupational Health and Wellness	20, 23	Work-related ill health information in this Report relates to employees only
	Environment			
GRI 103-1	Explanation of the material topic and its Boundary	Environment: Managing our environmental responsibilities; Energy; GHG emissions and climate change; Water	24, 25, 26	
GRI 103-2	The management approach and its components	Environment: Managing our Environmental Responsibilities; Environmental Performance	24, 29	
GRI 103-3	Evaluation of the management approach	Environment: Managing our environmental responsibilities; Energy; GHG emissions and climate change; Water	24, 25, 26	
	Energy			
GRI 302-1	Energy consumption within the organisation	Environment: Energy; Environmental Performance	24, 29	
GRI 302-3	Energy intensity	Environment: Energy; Environmental Performance	24, 29	
GRI 302-4	Reduction of energy consumption	Environment: Energy; Environmental Performance	24, 29	
	Water			
GRI 303-3	Water withdrawal	Environment: Water; Environmental Performance	26, 29	
GRI 303-5	Water consumption	Environment: Water	26	
	Emissions			
GRI 305-1	Direct (Scope 1) GHG emissions	Environment: GHG Emissions and climate change; Environmental Performance	25, 29	Methodology outlined on p25, performance on p29
GRI 305-2	Energy indirect (Scope 2) GHG emissions	Environment: GHG Emissions and climate change; Environmental Performance	25, 29	Methodology outlined on p25, performance on p29
GRI 305-4	GHG emissions intensity	Environment: GHG Emissions and climate change; Environmental Performance	25, 29	
GRI 305-5	Reduction of GHG emissions	Environment: GHG Emissions and climate change; Environmental Performance	25, 29	
GRI 305-7	Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions	Environment: Other environmental metrics, Environmental Performance	28, 29	
	Waste			
GRI 306-2	Waste by type and disposal method	Environment: Waste; Environmental Performance	27, 30	
GRI 306-3	Significant spills	Environment: Other environmental metrics	28	

GRI Content Index continued

Specific Disclosures continued

GRI Standard	Disclosure	Reference Sustainability Report (Annual Report)	Page (A/R Page)	Comment on Non-Disclosure
	Sustainable Value Chain			
GRI 103-1	Explanation of the material topic and its Boundary	Sustainable Value Chain	31	
GRI 103-2	The management approach and its components	Sustainable Value Chain	31	
GRI 103-3	Evaluation of the management approach	Sustainable Value Chain	31	
	Procurement			
GRI 308-1	New suppliers that were screened using environmental criteria	Sustainable Value Chain: Sustainable Procurement	31	
GRI 414-2	Negative social impacts in the supply chain and actions taken	Sustainable Value Chain: Sustainable Procurement	31	
	Product Safety			
GRI 416-1	Assessment of the health and safety impacts of product and service categories	Sustainable Value Chain: Product Safety	33	
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Sustainable Value Chain: Product Safety	33	
GRI 417-1	Requirements for product and service information and labelling	Sustainable Value Chain: Product Safety	33	
GRI 417-2	Incidents of non-compliance concerning product and service information and labelling	Sustainable Value Chain: Product Safety	33	
GRI 417-3	Incidents of non-compliance concerning marketing communications	Sustainable Value Chain: Product Safety	33	

Glossary

CDP	CDP, formerly the Carbon Disclosure Project, is a not-for-profit organisation that runs a global disclosure system that enables companies, cities, states and regions to measure and manage their environmental impacts – focused on GHG emissions/climate change, water and forestry. It has built and operates the most comprehensive collection of self-reported environmental data in the world
CH_4	Methane
CHP	Combined Heat and Power
CIA	Chemical Industries Association
COD	Chemical Oxygen Demand
CO_2	Carbon Dioxide
CO_2e	Carbon Dioxide equivalent
CSR	Corporate Social Responsibility
DEFRA	Department of Environment, Food and Rural Affairs
EBITDA	EBITDA is calculated as operating profit before depreciation, amortisation and Special Items
EPDLA	European Polymer Dispersion and Latex Association
ESG	Environmental, Social and Governance
FTSE	Financial Times Stock Exchange
GDPR	General Data Protection Regulation
GHGs	Greenhouse Gases
GJ	Gigajoule
GRI	Global Reporting Initiative
GWP	Global Warming Potential
HCFC	Hydrochlorofluorocarbon
HR	Human Resources
ICCA	International Council of Chemical Associations
IEA	International Energy Agency
IFRS	International Financial Reporting Standards
KPIs	Key Performance Indicators
ktes	Kilotonne or 1,000 tonnes (metric)
LTA	Lost Time Accident
M&A	Mergers and Acquisitions
m^3	Cubic metres
MOC	Management of Change
NBR	Nitrile Butadiene Rubber
NOx	Nitrogen Oxides
N_2O	Nitrous Oxide
PHA	Process Hazard Assessment
PPE	Personal Protective Equipment
PSE	Process Safety Event
PTW	Permit to Work
R&D	Research and Development
RCR	Recordable Case Rate
REACH	EU Registration, Evaluation, Authorisation and Restriction of Chemicals Directive
SAQ	Self-Assessment Questionnaire
SBR	Styrene Butadiene Rubber
SCI	Society of Chemical Industry
SDG	Sustainable Development Goals
SHE	Safety, Health and Environment
SHEMS	Safety, Health and Environment Management System
VOCs	Volatile Organic Compounds

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