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Risk management

1. Introduction

In a context of global economic and political uncertainty, evolving power balances, changing growth dynamics, shortening market cycles, rapid technological evolution, and increased sensitivity and expectations related to climate change and energy transition, Solvay believes that effectively monitoring and managing risks is key to achieving its strategic objectives.

2. Risk management process

The risk assessment process – endorsed by Solvay’s Board – helps the Group achieve its business objectives, both financial and extra-financial, while respecting laws, regulations, and the Solvay Code of Conduct.

Solvay’s Enterprise Risk Management (ERM) approach – a key mechanism for achieving short, medium, and long-term objectives

Solvay’s business is diverse, entrepreneurial, and international. Operations face a number of significant risks. Accordingly, Solvay has designed a dynamic process in which key players assess the risks in their area of responsibility and/or expertise.

All GBUs conduct risk assessment as an integral part of their annual strategic review process

Risk analysis
Solvay’s systematic risk management approach is integrated within its strategy, business decisions, and operations. It ensures that Group leaders proactively identify, assess, and manage all potentially significant risks. Risk assessment helps create value in the short, medium, and long term, and always takes sustainability into consideration. Two of the four main impact types used to assess risks reflect our growing sensitivity to extra-financial issues, namely impacts on people and on the environment. The other two – economic and reputational impacts – directly affect the Group’s operational and financial performance. In line with Solvay’s strategic objectives, risks are then categorized as follows: “main risks” (rated as the most critical), “emerging risks”, and “other risks”.

| Economic impact | Impact on people | Impact on the environment | Impact on reputation |

Deciding how to manage critical risks
Both day-to-day and strategic decision-making take all key risks and opportunities fully into account using financial and extra-financial criteria.

Implementation of risk management actions
Risk management is a key success factor for Solvay because it allows us to mitigate risks associated with the solutions we provide. Improvements to Solvay’s Enterprise Risk Management methodology are allowing individual GBUs and Functions – and the Group as a whole – to more effectively prioritize risks and focus their risk response. A dedicated dashboard is updated twice a year to reflect both progress on mitigating actions and new developments in the risk environment.

Monitoring of risk management actions
Critical risks for the Group are closely monitored by the Group Risk Committee – members of the Executive Committee are appointed as Risk Sponsors – to ensure that these risks are adequately addressed. Particular attention is paid to cross-checking the analysis with the materiality analysis performed by the Sustainable Development & Energy Function.
A sound risk management system embedded at all levels of the Group

GBUs and Function leaders are accountable for the identification, monitoring and management of the key risks in their domain. Risk management is therefore strongly embedded in the day-to-day running of each entity and operational managers can react rapidly in the event of changing circumstances. The risk management process is a valuable mechanism for GBU leaders and Functions to guide priorities and to raise the likelihood of achieving their business goals.

Group level risks are managed with contributions from the Leadership Council for identification, the Group Risk Committee for assessment, and the Executive Committee members for sponsorship for treatment and risk response. The Audit Committee meets once a year with the Chairman of the Executive Committee and the CEO and other members of the Board to discuss the major risks facing the Group. During the year, the Audit Committee benefits from Risk Owners’ presentations on Group risks, for example on industrial safety, security, cyber risk, ethics, and compliance.

Assessing major projects linked to Solvay’s transformation

An appropriate risk assessment methodology is applied to significant projects, such as acquisitions, major capital investments, or transversal projects.

Internal control is one aspect of risk management. Please refer to the Corporate Governance section of this Annual Report for a detailed description of Solvay’s risk management and internal control system.

Crisis preparedness operates a structured network within the Group. Assigned members perform tasks and implement programs to ensure the readiness of their business units and functions. These programs include crisis simulations, media training for potential spokespersons, maintenance of key databases, and analysis of relevant internal and external events. The risks identified through the Enterprise Risk Management approach influence the scenarios used in the simulations.
3. Solvay’s main risks

The Group Risk Committee has assessed the level of control of Group’s risks impact, using a four-level scale for each criterion.

Four main types of impact were considered: economic impact, impact on people, impact on the environment, and impact on reputation. The level of control was assessed by considering the following questions:

The criticality level is determined by combining the risk’s two ratings (impact and level of control) at the time of the assessment.

<table>
<thead>
<tr>
<th>Criticality</th>
<th>Risk</th>
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<th>Sustainable development high materiality aspects</th>
<th>Stakeholders</th>
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<tr>
<td><strong>High</strong></td>
<td>Security</td>
<td>➡️</td>
<td>Data security and customer privacy Critical incident risk management</td>
<td>Employees Local communities Customers</td>
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<td></td>
<td>Ethics and Compliance</td>
<td>➡️</td>
<td>Management of the legal, ethics &amp; regulatory framework</td>
<td>Suppliers Employees Planet Investors</td>
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<td></td>
<td>Industrial safety</td>
<td>➡️</td>
<td>Critical incident risk management Employee health and safety</td>
<td>Employees Local communities</td>
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<td></td>
<td>Transport accident</td>
<td>➡️</td>
<td>Critical incident risk management Waste and hazardous material</td>
<td>Suppliers Employees Local communities</td>
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<td></td>
<td>Climate transition risk*</td>
<td>➡️</td>
<td>Greenhouse gas emissions Energy management Sustainable business solutions Water and wastewater</td>
<td>Customers Local communities Employees Planet Investors</td>
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<td>Cyber-risk</td>
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<td>➡️</td>
<td>Waste and hazardous materials Sustainable business solutions</td>
<td>Employees Customers</td>
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</tbody>
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* emerging risk – newly developing or changing risk that may have, on the long term, a significant impact which will need to be assessed in the future.

The description of the risks relevant to Solvay and Group risk-reduction actions are listed below. The mitigation efforts described do not guarantee that risks will not materialize or impact the Group, but they show how Solvay proactively manages risk exposures.
Security

Risk description
A security event such as terrorism, crime, violence, vandalism, or theft which would impact employees, sites, assets, critical information, or intellectual property and could have negative consequences for the business.

Prevention and mitigation actions
- Solvay has a threat, risk, and compliance-based security approach to protecting sites, information, and people;
- A Group Security Director coordinates all security activities globally in order to ensure efficient security risk mitigation;
- Two governance bodies lead the security risk management effort:
  - a Security Board, chaired by an Executive Committee member;
  - a Security Coordination Working Group, chaired by the Group Security Director, which aims to run a continuous security threat monitoring program and an optimized security program for the Group.

2018 main actions
- Creation of the role of Security Champion in the GBU’s and Functions to facilitate a coordinated approach to managing security risks in the Group. These Champions are the voice of their entities within the Security Coordination Working Group. They ensure that governance is implemented in a manner consistent with business priorities;
- Launching a Data Protection Plan to protect the Group’s sensitive information;
- Completion of projects to improve the security of high-risk sites.

Ethics and compliance

Risk description
Risk arises from a potential failure to comply with:
- Solvay’s Code of Conduct and all supporting policies and procedures;
- Laws and regulations in the jurisdictions in which Solvay operates.

Examples:
- Failure to implement good governance in a joint venture;
- Direct or indirect involvement in human rights violations;
- Intentional misstatement of financial reporting, corruption and by-passing of internal controls.

Prevention and mitigation actions
Solvay’s Code of Conduct, policies, and procedures:
- It applies to employees, critical suppliers, and majority-owned joint venture partners;
- Solvay deployed several training courses and communication actions to address behavioral risks.

Special training courses to mitigate specific risks include:
- Anti-bribery and anti-corruption, Anti-competition, and the Gift & Entertainment Tracking System Policy;
- Human Rights in Business Policy: implementation, governance and training;
- Group-wide Speak Up program for reporting non-compliance, either directly to management or to third-party helpline.

2018 main actions
- More than 80% of employees received training on Solvay’s Code of Conduct, and a large variety of languages was added to web-based training catalog for the Code of Conduct;
- A Global Human Rights Committee has been appointed to oversee implementation, compliance, and training on the Group Human Rights policy;
- More than 1,800 leaders and employees in sensitive positions attended Anti-Bribery and Anti-Corruption (ABAC) training.
Industrial safety

Risk description
A major accident such as a fire, explosion, or loss of containment resulting in possible fatalities, life-altering injuries, harm to the environment, or harm to local communities.

Any fatality or life-altering injury not related to a major accident

Prevention and mitigation actions
Solvay’s approach to occupational safety is evolving. While the group has seen a consistent reduction in the number of people who are injured in our facilities, it has have averaged one fatality per year during the past few years.

In 2018, Solvay focused on fostering an environment at our sites whereby all employees work together to ensure they go home safe at the end of each day.

Occupational safety:
Solvay’s Safety Excellence initiative focuses on employee engagement across the entire company and includes the following measures:

- Safety Days;
- Leadership safety visits;
- Behavior Based Safety Programs;
- Lessons Learned Bulletins (targeting all Medical Treatment Accidents (MTA), as well as Near Miss and First Aid incidents of interest);
- Best Practice Sharing;
- A personal safety objective for each employee.

In 2017, Solvay developed a “Safety Climate Assessment” tool based on the Dov Zohar methodology to determine the maturity level of individual sites’ safety culture. Several sites have started to use the tool. In 2018, the Group organized safety leadership and risk awareness workshops and different communication/presentation sessions in the GBUs and in sites.

Solvay introduced the Solvay Life Saving Rules (SLSR) in 2015. The SLSR cover those activities (e.g. Work at Heights, Line Breaking, etc.) that, when not performed safely, have resulted in either a fatality or a life-altering injury. This year, we initiated a collaborative process to further define the risks and which mitigation measures to apply. This collaborative effort produced minimum requirements for the SLSR. These minimum requirements will ensure that we have a shared understanding of the mitigation measures necessary to effectively manage the risks linked to activities in which the SLSR apply. We expect all sites to be compliant with the requirements by the end of 2019.

Safety results are reviewed monthly by GBUs and at the Executive Committee level.

Process safety management:
Solvay applies a preventive risk-based approach founded on systematic process safety risk analyses and management of change processes.

2018 main actions

Occupational safety:
- Minimum requirements for three highest priority Solvay Life Saving Rules (SLSR) implemented at all sites;
- Safety leadership and safety culture workshops in the GBUs and at the sites;
- Medical Treatment Accident Rate: 0.54.

Process Safety:
- 83% of all sites have had a process hazard assessment in line with Group requirements within the last five years (2020 target – 100%);
- No high-risk situations (Level 1 risk sheets) older than one year.
Transport accident

Risk description
An accident in connection with hazardous chemical transportation poses the risk of injury to neighbors or the public.

Prevention and mitigation actions
- Internal e-learning courses on transport safety;
- Global network of dangerous goods safety advisors;
- Global qualification process for dangerous goods carriers;
- Development of internal procedures and guidelines based on the transport safety recommendations of associations such as CEFIC (European Chemical Industry Council), EUROFLUOR (European Technical Committee for Fluorine), and HFPI (Hydrogen Fluorine Industry Practices Institute);
- Implementation of programs such as Responsible Care®;
- Follow up of transport accidents with development of corrective actions and learning lessons bulletins;
- Worldwide emergency response helpline (level 1, available 24 hours a day, 7 days a week) in the language of the caller.

2018 main actions
Continuing Solvay transport safety program to reinforce preventive actions.

Climate transition

Risk description
The Group strategy to address climate-related transition risks (as defined by TCFD*) could be ineffective and damage Solvay’s reputation, business losses, undervaluation, and difficulty attracting long-term investors. The Group has decided to include water-related risks in climate-related transition risks, rather than in physical risks.

Climate transition risks stem from various causes:
- Policies and legal context: regulations and actions to limit CO₂ emissions, for example increasing the price of greenhouse gas (GHG) emissions;
- Technology: unsuccessful investment in new, lower-emission technologies;
- Markets: failure to adapt to changing customer behavior;
- Reputation: negative stakeholder attitudes if their climate change concerns are not addressed effectively.

Prevention and mitigation actions
- Solvay’s strategy focuses on businesses with higher added value and less environmental exposure;
- Every year, the Sustainable Portfolio Management (SPM) tool assesses the environmental exposure of our sales and our innovation projects portfolio. SPM includes climate-related criteria aligned on 2°C scenarios;
- Solvay has a GHG emissions reduction plan.

2018 main actions
Solvay updated in September 2018 its greenhouse gas emissions approach. Solvay commits to reducing greenhouse gas emissions by 1 million tons by 2025, by improving its energy efficiency and energy mix and by investing in clean technologies. Climate risks and opportunities will be reviewed in 2019.

(*): TCFD – Task Force on Climate-related Financial Disclosures
Cyber risk

**Risk description**

Cyber risk includes the inability to ensure service continuity or to protect confidential, critical, or sensitive information.

**Prevention and mitigation actions**

**Cyber security program:**

The two Governance bodies leading the security risk management effort also take care of the supervision of the Cyber security program.

- Independent assessments, including penetration tests are conducted by external experts;
- Solvay Business Services (SBS) has renewed its ISO 9001: 2015 quality management program for all its activities, and obtained its ISO 27001: 2013 certification – which encompasses cybersecurity for the majority of its information systems activities;
- Training on information systems security policies and best practices has been completed for all SBS information systems professionals;
- End-user security training remains mandatory for all employees. Cybersecurity tips are published regularly to increase employee awareness.

A significant cyber-attack could negatively impact the company's operations and results. Therefore the Company will continue to solidify its cyber defenses to manage the evolving cyber threat landscape.

**Insurance**

Solvay is insured against the potential financial impact of a cyber event with respect to assets, business interruptions, and cases of fraud.

**2018 main actions**

Solvay continues to enhance its overarching cyber security strategy and governance, develop the corporate information security program, and explore other functions/capabilities to enrich the company's security posture and ability to respond to a cyber-related threat.

Chemical product usage

**Risk description**

- Solvay’s exposure stems from the possibility of third parties being injured, suffering an adverse health impact, or experiencing property damage caused by the use of a Solvay product, as well as from the resulting litigation;
- Inappropriate use of one of Solvay products in a customer's plant, or use in applications or markets for which the product is not designed (inappropriate use), or use by the customer that is not endorsed by Solvay;
- The possible consequences of a faulty product, including exposure to liability for injury, health impairment and damage, or product recalls. Product liability risk is generally higher for products used in healthcare and food & feed applications;
- The possibility of an authorization for the use of a marketed product being refused because it is a substance of very high concern (SVHC).

**Prevention and mitigations actions**

- Solvay Safety Data Sheets (SDS) ensure harmonized content by implementing a common worldwide SAP system for the Group. This SAP system is, however, not yet implemented for Composite Materials; the go-live for this GBU is planned for mid-2019;
- In particular for SVHC, all GBU perform annually an inventory of those substances in their products sold. The objective is by 2020 to have 100% risk assessment and analysis of any available safer alternatives;
- SDS are constantly maintained and distributed worldwide for all products to all customers in the appropriate languages. Global Business Units ensure that SDS are revised at least every three years, for all products they put on the market;
- Recall procedures are developed and deployed as prescribed by the product stewardship programs;
- Insurance reduces the financial impact of a product liability risk, including for first-party and third-party product recalls.

**2018 main actions**

The Solvay “Product Safety Management Process” (PSMP) identifies risks relating to products marketed by Solvay. It has been updated to integrate new regulatory requirements and additional potential risk causes (legal, supply chain, etc.). All GBUs are currently implementing this process with a specific focus on prioritizing the required risk assessments in the products portfolio and on regularly deploying risk assessments for the most sensitive product applications.
4. Other risks

Market and growth – strategic risk

Description
Pertains to Solvay’s exposure to developments in its markets or its competitive environment, and the risk of making erroneous strategic decisions.

Prevention and mitigation actions
- Systematic and formal analysis of markets and marketing challenges with respect to investments and innovation project ramp-ups;
- Development of GDP+ growth markets: Automotive & Aerospace, Resources & Environment, Electrical & Electronics, and Agro, Feed & Food;
- Development of customized, mission-critical solutions with Solvay key accounts;
- Adaptation of operations to new energy and CO2 markets;
- Stronger focus on cash conversion and generation;
- Disposals of businesses which were under the cyclical radar screen.

Supply chain and manufacturing reliability risk

Description
Risks related to raw materials, energy, suppliers, production, storage units, and inbound/outbound transportation.

Prevention and mitigation actions
For manufacturing reliability:
- Geographic distribution of production units around the world;
- Maintenance;
- Group property loss prevention program focusing on the prevention and mitigation of damage to assets and loss of profit due to fire, explosion, accidental chemical release, and other adverse events.

For supply chain:
Third-party CSR assessment and adherence to the Solvay Supplier Code, ownership of mines and quarries of trona, limestone, and salt, and programs to reduce energy consumption.

Project selection and management

Description
- Allocation of resources to projects (capital expenditure, mergers and acquisitions) could be misaligned with Solvay’s growth strategy;
- Major project facing difficulties with the risk of not reaching its objectives.

Prevention and mitigation actions
- The Investment Committee provides the Executive Committee with an analytical view of capex allocation efficiency and capex plan;
- Capex Excellence methodology is used for the project portfolio on smaller projects;
- Investment decisions (capital expenditure above € 10 million and acquisitions) made by the Executive Committee or the Board of Directors include a sustainability challenge that encompasses an exhaustive SPM analysis of the potential investment;
- A performance analysis is conducted after implementation.

The combination of these actions has led to much better control over EBITDA conversion into cash and a conversion level comparable to similar companies in the industry.

Regulatory, political, and legal risk

Description
- Changes in legislation and regulations;
- Solvay’s exposure to circumstances where the normal exercise of public authority is disrupted;
- Exposure to actual and potential judicial and administrative proceedings. (Important Litigation section);
- A no-deal Brexit would create many uncertainties regarding the laws and regulations applicable to business; Only a limited part of Solvay’s activities may be actually impacted (as an indication, the trade flow between the EU and the United Kingdom represents roughly 3% of net sales and 2% of invested capital of the Group).

Prevention and mitigation actions
- Balanced global presence to reduce the impact of adverse regulatory and political developments;
- A Government and Public Affairs department working continuously with public officials at a national level, including but not limited to European authorities, as well as through the local Belgian embassy;
- Financial provisions are made based on Solvay’s awareness of legal risk;
- A Brexit task force has been established with the participation of impacted GBUs and the relevant; functions. The GBUs have identified the main risks and work on mitigation actions under the assumption of a worst case scenario (“no-deal”), aiming to minimize any disruption to our customers.
Financial risk

Description

- Liquidity risk (see note F35 Financial instruments and financial risk management to the consolidated financial statements);
- Foreign exchange risk (see note F35 Financial instruments and financial risk management to the consolidated financial statements);
- Interest-rate risk (see note F35 Financial instruments and financial risk management to the consolidated financial statements);
- Counterparty risk (see note F35 Financial instruments and financial risk management to the consolidated financial statements);
- Pension obligation risk (see note F35 Financial instruments and financial risk management to the consolidated financial statements);
- Tax litigation risk (see note F35 Financial instruments and financial risk management to the consolidated financial statements).

Prevention and mitigation actions

A prudent financial profile and conservative financial discipline:

- Investment Grade status: the Group is rated Baa2/P2 (stable outlook) by Moody's and BBB/A2 (stable outlook) by Standard & Poor's as of 2018;
- Solvay promotes transparent and regular discussions with leading rating agencies.

Strong liquidity reserves:

- As of the end of 2018, the Group has € 1.1 billion in cash and equivalents (namely, other current financial instruments), as well as € 3.0 billion of committed credit facilities (a multilateral revolving credit facility of € 2.0 billion, and an additional € 1.0 billion from bilateral revolving credit facilities with key international banking partners);
- The Group has access to a Belgian Treasury Bill program for € 1.5 billion and, alternatively, to a US commercial paper program for US$500 million.

Currency hedging policy:

- Solvay monitors the foreign exchange market closely and takes hedging measures, principally for terms shorter than one year and generally not exceeding 18 months.

Interest rate hedging policy:

- The Group locks in the majority of its net indebtedness at fixed interest rates. Solvay monitors the interest rate market closely and enters into interest rate swaps whenever they are deemed appropriate.

Energy hedging policy:

Solvay is hedging energy prices, and those transactions go beyond 9 months, they go up to 3 years.

Monitoring of Group counterparties' ratings:

- For its treasury activities, Solvay works with banking institutions of the highest creditworthiness (selection based on major rating systems) and minimizes the concentration of risk by limiting its exposure to each of these banks to a certain threshold;
- For its commercial activities, Solvay's external customer risk and cash collection are monitored by a strong network of credit managers and cash collectors located in the Group's various operating regions and countries. Their controls are supported by a set of detailed procedures and managed through Corporate and GBU Credit Committees. These loss mitigation measures have led, over the past few years, to a record low rate of customer defaults.

Pension governance and pension plan optimization:

- Pension governance: Solvay has set guidelines for maximizing its influence over local pension fund decisions within the limits provided by domestic laws;
- Pension plan optimization: reducing the Group's exposure to defined-benefit plans by either converting existing plans into pension plans with a lower risk profile for future services or closing them to new entrants;
- A global ALM (Asset Liability Management) analysis of the Group's pension plans, representing about 90% of the Group's gross or net pension obligations, is performed every three years to identify and manage corresponding risks on a global basis.

Control processes for tax regulation compliance and transfer pricing policies:

- Control processes for tax regulation compliance include monitoring procedures and systems, thorough internal reviews, and audits performed by reputable external consultants;
- Transfer pricing policies, procedures and controls are aimed at meeting the requirements of the authorities;
- Solvay's Tax department pays close attention to the correct interpretation and application of new tax rules to avoid future litigation.
2018 main actions:

- Issuance of a € 300 million perpetual hybrid bond (first call date in March 2024) to be used for general corporate purposes, including the possibility of refinancing the existing €700 million hybrid bond whose first call date is in May 2019;
- Maturity extension till March 2020 of two bilateral revolving credit facilities for a total amount of €500 million;
- A new cash contribution plan has been agreed with Rhodia Pension Trust Ltd (UK): £ 25 million p.a. until end 2027 (increasing 3.25% yearly). For this purpose, Solvay SA has granted a guarantee to Rhodia UK Ltd, the sponsor of the pension scheme (initial amount of £ 550 million to be amortized monthly until end 2030). This guarantee replaces a similar one, previously issued by Solvay France;
- Deployment of a bank account management tool group-wide allowing for a comprehensive inventory of banking structure across entities, enhancing visibility and control as well as facilitating appropriate management.

Environmental risk

Description
Managing or remediating historical soil contamination at a number of sites and complying with future changes in environmental legislation

Prevention and mitigation actions

- Careful monitoring and management of sites with a history of soil contamination;
- Rolling out a risk characterization approach at every affected site when relevant;
- Local regulatory monitoring;
- Strong governance through a dedicated Environmental Board composed of two Comex members, Industrial Function, Legal and Finance, to lead the environmental risk management effort.

IT risk

Description
Inability to ensure continuity of services or to provide information services adapted to the needs of the business.

Prevention and mitigation actions

Dedicated data network and regional internet gateways managed by trusted service providers, Annual IT audit program to ensure compliance with the information system security policies.

Occupational diseases and pandemic risk

Description
Work-related diseases recognized as resulting from exposure to occupational hazards, with generally repeated exposure.

Prevention and mitigation actions

- A strong worldwide program for monitoring occupational disease, including a comprehensive assessment of compliance with occupational hygiene standards;
- Definition of conservative exposure limits, with a specific focus on nano-materials, SVHCs, and the health-related applications of Solvay products;
- Advanced risk-based medical surveillance;
- Global pandemic preparedness plan covering all plants and businesses.
Important litigation

With its variety of activities and its geographic distribution, the Solvay Group is exposed to legal risks, particularly in the areas of product liability, contractual relations, antitrust laws, patent disputes, tax assessments, and HSE matters. In this context, litigation cannot be avoided and is sometimes necessary so as to defend the rights and interests of the Group.

The outcome of proceedings cannot be predicted with certainty. It is therefore possible that adverse final court decisions or arbitration awards could lead to liabilities (and expenses) that are not covered or not fully covered by provisions or insurance, and that could have a material impact on the revenues and earnings of the Group.

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

The fact that litigation proceedings are reported below is unrelated to the merits of the cases. In all the cases cited below, Solvay is defending itself vigorously and believes in the merits of its defenses.

For certain cases, Solvay has created reserves/provisions in accordance with the accounting rules to cover financial risk and defense costs (see “Provisions for litigation to the consolidated financial statements” of the present document).

Antitrust proceedings

In 2006, the European Commission imposed fines against Solvay (including Ausimont SpA, acquired by Solvay in 2002) for alleged breaches of competition rules in the peroxycarboxylic acid market for which Solvay was fined.

Joint civil lawsuits were filed before the Court of Dortmund (Germany) in 2009 against Solvay and other manufacturers based on an alleged antitrust violation, claiming damages from the manufacturers on a joint and several basis. The value of the claims reduced after several settlements is worth €63 million (excluding interest) after settlements were reached between the plaintiff and most of the defendants. Several questions on the jurisdiction of the Court of Dortmund have been submitted to the European Court of Justice, and proceedings before the Court of Dortmund are pending.

In Brazil, CADE (the Brazilian antitrust authority) issued fines against Solvay and others in May 2012 relating to the hydrogen peroxide activity and in February 2016 relating to the perborate activity (Solvay's shares of these fines amount to €29.6 million and €3.99 million respectively). Solvay has filed a claim with the Brazilian Federal Court contesting these administrative fines.

HSE-related proceedings

In October 2009, the public prosecutor of the Criminal Court of Alessandria (Italy) charged several individuals (including employees and former employees of Solvay and Ausimont SpA, now Solvay Specialty Polymers Italy - SSPI) in relation to alleged criminal violations of environmental laws and public health legislation. The provisional claims of civil parties admitted to the trial amounted to about €105 million.

In December 2015 the Assize Court of Alessandria sentenced three local Solvay/SSPI managers to imprisonment and awarded civil damages of around €400,000.

An appeal was lodged by all parties with the Assize Court of Appeal of Turin which rendered its decision in June 2018 confirming: 1) acquittal of two of the SSPI managers; 2) sentence of the three Solvay/SSPI managers reduced to a suspended sentence of 20 months imprisonment; 3) damages for civil parties were maintained at €400,000, but other civil claims were rejected; 4) the charge of sanitation failure was dropped; 5) SSPI not liable for damages to Alessandria Municipality. The term for lodging a further appeal before the Court of Cassation is still pending.

As of the end of 2016, seventeen civil proceedings were brought before the Civil Court of Livorno (Italy) by former workers and relatives of deceased workers at the Rosignano site seeking damages (provisionally quantified at €9 million) in relation to diseases allegedly caused by exposure to asbestos. Three of the seventeen proceedings have been dismissed so far.

Pharmaceutical activities (discontinued)

In the context of the sale of the pharmaceutical activities in February 2010, the contractual arrangements have defined terms and conditions for the allocation and sharing of liability arising out of the activities before the sale.

Subject to limited exceptions, Solvay's exposure for indemnifications to Abbott for liabilities arising out of sold activities is limited to an aggregate amount representing €500 million and is limited in duration.

This includes indemnification against certain potential liabilities under the testosteronereplacement therapy (TRT) litigation focusing on the drug ANDROGEL®. These claims are proceeding at varying rates of resolution.