



SANOFEX Group Climate Change Position Statement

The science of climate change and the need for action

SANOFEX recognises that climate change is occurring and is largely caused by human activities. It poses significant risks for, and in many cases is already affecting, a broad range of human and natural systems. There is a need for large reductions in global greenhouse gas emissions to reduce the extent of future climate change and avoid the most severe of the risks. However some further climate change is now inevitable, requiring adaptation to its effects.

The scale of the necessary emissions reductions and the need for adaptation, coupled with the world's increasing requirements for secure, affordable energy, create large challenges which require worldwide attention. We support a coordinated global approach to reduce emissions. Until that is in place, as well as after, we recognise that it will be necessary for individual jurisdictions to take actions. Such actions should contribute to efficient and equitable emissions reductions across jurisdictions and sectors, minimising distortions to international economic activity. We continue to support market mechanisms as the best way of achieving emissions reductions at least cost.

Our role

Climate change will create risks and opportunities for SANOFEX's businesses that will affect shareholder value. It will lead to significant changes in the physical environments in which our businesses operate. Over the longer term, climate change threatens the stability of natural, social, economic and political systems, which risks significantly damaging the prospects for our businesses.

We have a role to play in addressing climate change because:

- we will be adversely affected by climate change;
- our operations are energy intensive;
- we produce materials that are essential to building a low carbon economy and adapting to climate change; and
- we have an understanding of climate change, energy use, and relevant technologies, with a capacity to innovate, together with an understanding of related policies, and experience of operating in international markets.

We will take action to address climate change, consistent with SANOFEX's objective of creating long-term shareholder value.

Our actions to address climate change

We are working to reduce our emissions intensity

By reducing where practicable:

- the energy intensity of our operations;
- the emissions intensity of our energy use, including through the use of renewable energy;
- the intensity of emissions arising from the chemical processes used at our operations; and
- emissions from other sources, including from land holdings.

We are seeking a substantial decarbonisation of the business by 2050.

Research, development and deployment of new technologies and better practices will be crucial to achieve this, although we recognise that constraints imposed from process chemistry and technology costs may remain.

We are adapting to climate change

By making our businesses and projects resilient to a changing climate and having plans to adapt to the impacts before they arise, especially in the design of new projects with long lifetimes.

We recognise the value of action on climate change.

We factor into our planning and decision making, including our choice of investments, the costs and associated risks of emissions and business disruption, as well as the costs and benefits of mitigation and adaptation, and the opportunities created for our business by the move to a low carbon economy. We include carbon prices in our investment decision-making.

We work with others

Engaging with:

- our customers and suppliers to reduce supply chain emissions, and make best use of our products to build a low carbon economy;
- our host communities by listening to and working with them on energy, emissions and
- climate issues that are important to them;
- governments and other stakeholders to advocate constructively for policies that are environmentally effective, economically efficient and equitable; and
- investors and the broader community by reporting publicly our emissions and performance, and integrating our climate related activities into our broader sustainable development programme.

We engage in policy debates

Seeking policies that:

- avoid damage to the competitiveness of trade exposed industries and displacement of emissions with no reduction in the global total;
- make use of market mechanisms, both within and across jurisdictions, to promote innovation and cost effective outcomes;
- use revenue raised from any carbon pricing to facilitate the transition to a low carbon economy, including through the development of new technology; and are broadly based and predictable.