

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Momentive Performance Materials group (Momentive) is one of the world's largest producers of silicones and silicone derivatives. With more than 80+ years of experience in research, development, and production of silicone materials, Momentive has a historical legacy of commercial first-ever silicone processes and products. Our vast product portfolio is comprised of many advanced silicone solutions, allowing us to serve several industries including automotive, aerospace, electronics, personal care, consumer products, building and construction, as well as specialized industries such as specialty fluids, silanes, and additives.

Headquartered in Waterford, New York, United States, Momentive is an indirect wholly-owned subsidiary of MOM Holding Company. On January 1, 2020, the quartz and specialty ceramics portion of our business was divested; this reporting period includes the silicones and silicone derivatives portfolio which is organized into three businesses: Performance Additives, Formulated Specialties, and Core Silicones & Intermediates. The company has 40+ locations in 20+ countries and more than 5000 employees. In 2020, the total revenue globally from our products and services was \$2.3 B.

Momentive is technology and innovation focused, with 3,400 patents serving high-growth applications. We collaborate with our customers to enable solutions that help solve their sustainability challenges, improve their operational efficiency or reduce greenhouse gas (GHG) emissions of end products, such as advanced materials that enable automotive e-mobility and fuel-efficiency, construction sealants and coatings that enable energy efficient buildings, and agricultural additives that enable more efficient food production.

As is typical in our industry, we consume resources in the form of raw materials, energy, and other feedstocks. These ingredients are mixed and reacted together, along with energy utilizing our proprietary processes and specialized equipment to produce intermediaries and finished products. Intermediaries may then be further processed or sold. Finished products are packaged and shipped to our customers around the world, where they are usually added as an ingredient into their products and/or formulations.

We use energy and raw materials responsibly, and our management system drives decisions based on these resources. Energy is a key component to the production of our products. When we mix feedstocks and ingredients to create our products, energy must either be added (by heating the ingredients) or removed (by cooling them). As an integral part of our manufacturing process, the energy we use is what produces most of our GHG emissions. Momentive actively manages our energy source selection and usage. This effort benefits both the business and the environment. The business impact from selecting a more cost-effective energy source, and only using what is required can be substantial, and less energy consumed translates to less environmental impact. We aim to limit energy consumption while improving energy efficiency. About two-thirds of the energy we consume is directly generated at our plants through combustion of natural gas to create steam, along with relatively small quantities of diesel, gasoline, and propane. The remaining one-third is consumed in the form of electricity generated by others. Direct and indirect GHG emissions are key points of focus for Momentive.

Momentive strives to become a stronger and more successful global silicone and specialties company by creating Solutions for a Sustainable World and is committed to our part to address climate change. In 2020, Momentive established 2025 Sustainability Goals that include innovating products that solve customers' sustainability challenges, and reducing our impact through operational excellence at both our sites and throughout our supply chain, with the following climate- and environment-related goals:

- Reduce greenhouse gas emissions, energy consumption, and solid waste and hazardous waste generation by 25% versus a 2019 baseline by 2025.
- Increase renewable electricity supply to 50% by 2025.
- Reduce net water consumption by 10% versus a 2019 baseline by 2025.
- Achieve platinum EcoVadis supply chain sustainability score by 2025.
- Drive innovation so that 75% of our new product sales deliver sustainability improvements to our customers or society by 2025.

In addition to the above goals, we have also set a goal to achieve a CDP score of A- by 2025.

In 2020, Momentive became a signatory of the UN Global Compact (UNGC). We are actively working on communicating on our progress in our activities and management systems in support of the UNGC principles.

Please note that while the information and data herein are being provided to the best of the company's knowledge, Momentive makes no express or implied warranties regarding the accuracy of this information and data. Momentive reserves the right to amend or update the information and data.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2020	December 31 2020	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

Belgium
Brazil
China
Germany
India
Italy
Japan
Netherlands
Thailand
United Kingdom of Great Britain and Northern Ireland
United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-CH0.7

(C-CH0.7) Which part of the chemicals value chain does your organization operate in?

Row 1

Bulk organic chemicals

Polymers

Bulk inorganic chemicals

Other chemicals

Specialty chemicals

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	Momentive's Board of Directors provides high level strategic direction and oversees the continued development and improvement of Momentive's Environmental, Social and Corporate Governance (ESG) performance. The Operations Committee of the Board of Directors reviews Momentive's ESG performance on a quarterly basis. The Compensation, Nominating & Governance Committee of the Board of Directors discusses and approves the incorporation of sustainability performance into our incentive structure.
Chief Executive Officer (CEO)	Our CEO is a member of the Board of Directors and has responsibility for climate-related issues. The CEO reviews energy, GHG, waste, water and renewable energy strategy, goals and performance for the entire company. The CEO has overall responsibility for execution of the annual operating plan that is approved by the Board of Directors, including capital expenditures for climate related functions and projects. For example, the CEO champions our 5-year company-wide strategic plan, which includes climate protection goals (energy, GHG, water and waste reduction goals; goals to increase the portion of renewable energy). These goals are for the period 2020-2025.
Other C-Suite Officer	Our Senior Vice President (SVP), Environmental, Health and Safety (EHS) & Operations Excellence, who reports to the CEO, is the liaison to the Operations Committee of the Board of Directors and reports to the Operations Committee on climate related issues, as well as other environmental, health, safety, quality and continuous improvement issues. This SVP enables climate related performance by leading the EHS, Quality, Continuous Improvement, Product Stewardship, Sustainability and Global Engineering functions and ensuring an overarching approach to Sustainability across manufacturing in the three businesses through leadership of the Operations Council. This SVP ensures that the capital investment process includes climate protection criteria and that capital budgets are set and protected. This SVP sponsors a cross-functional Sustainability Steering Committee and employs dedicated Corporate Sustainability staff. The Corporate Sustainability Team coordinates Momentive's sustainability programs and initiatives, provides periodic reports to the Executive Leadership Team and the Committee, and develops external reports, including the annual sustainability report, with the support of a cross-functional Project Management Office. For example, in 2020, this SVP championed the 2019 GRI sustainability report prepared by Momentive, which was our first GRI report. The report required collaboration from across the company, and featured disclosures on GHG emissions and climate protection.
President	Our business Presidents & General Managers (Performance Additives, Formulated Specialties, and Core Silicones & Intermediates) are responsible for delegating, managing and reporting on GHG performance, renewable energy, and steps being taken to reduce carbon emissions across their respective businesses, including manufacturing and technology. They work in concert with the activities and priorities set by the SVP, EHS & Operations Excellence and support the integration of sustainability thinking and continuous improvement within their respective businesses. They are responsible for business and site level budgeting for sustainability and climate related spending. They ensure that projects and initiatives to achieve reduction goals (such as carbon reduction goals) are included in budgets. For example, the businesses are focusing on products that reduce our emissions of greenhouse gases through greater efficiency, as well as increased use of renewable energy at our sites. We have two sites with 100% renewable energy, and our largest site is currently using 27% renewable energy.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	<ul style="list-style-type: none"> Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues 	<Not Applicable>	<p>Momentive's Operations Committee of the Board of Directors and Executive Leadership Team (ELT) review Momentive's ESG performance on a quarterly basis. The Operations Committee provides high level direction and oversees the continued development and improvement of Momentive's ESG performance, including progress against goals for addressing climate related issues, recommends the general budget for EHS & Sustainability capital spending, and oversees initiatives to improve operational efficiencies in manufacturing and integrated supply chain. Momentive's Compensation, Nominating & Governance Committee of the Board of Directors provides high level direction and oversees the design and implementation of the compensation policies, strategies, plans and programs for our key employees, including incentives tied to sustainability performance. Climate related issues are reviewed by the CEO and ELT monthly where energy, GHG, waste and water KPIs are presented by the SVP, EHS & Operations Excellence. Needed interventions at the business level are managed by the President & General Managers and briefed up to the ELT. Total company performance in energy, GHG, waste and water KPIs are managed by the entire ELT under the CEO's leadership, with regular meetings where Sustainability topics are addressed. The ELT discusses and sets goals for energy consumption, GHG emissions and renewable energy to reduce overall GHG emissions from energy use.</p>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Other C-Suite Officer, please specify (Sr. Vice President, EHS & Operations Excellence)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Other C-Suite Officer, please specify (Executive Leadership Team)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The CEO reports directly to the Board of Directors and is the top level of the organization management. The SVP, EHS & Operations Excellence, where Sustainability reports, is a direct report to the CEO. The Business Presidents & General Managers are also direct reports to the CEO. Each has responsibility for the manufacturing operations relating to his or her business and, accordingly, a role in addressing climate change issues and performance associated with the business. Functional leaders, such as Supply Chain and Technology, also report to the CEO and have responsibility for their organization's role in achieving the company's sustainability goals. The CEO's direct reports form the Executive Leadership Team (ELT). The ELT meets at least monthly to discuss key issues and management of the company, and to review company performance, including performance relating to sustainability.

The CEO sets direction - mission and vision - for the company. His or her vision and foresight in seeing the importance of climate change to our company's performance, to our customers success, and to our employees well-being is where our sustainability program starts. The CEO sets direction on GHGs/energy/water/waste performance and is accountable for achieving company sustainability goals. The CEO, with input from the ELT, provides the ultimate integration of sustainability (and climate performance) into everything we do at Momentive, including financial performance. The CEO and ELT are actively engaged in Sustainability issues and review plans, statements, strategies, goals and performance in detail. The CEO is a passionate spokesman for sustainability initiatives internal and external to Momentive.

The SVP, EHS & Operations Excellence provides for and facilitates the cross-functional interactions and collective action needed to succeed in reducing carbon, energy, water consumption, and waste across the business. This SVP ensures goal alignment and an overarching approach to Sustainability across manufacturing in the three businesses through leadership of the Operations Council. By providing forums where climate issues can be discussed and integrated into actual operations, the CEO's message can be heard, understood and acted upon. Best practices can be identified and elevated for wider adoption, and representatives of many different functions, sites and levels are exposed through these forums. For example, this SVP leads Momentive's EHS (and Sustainability) Learning & Improvement Review, a monthly company-wide best practice sharing forum attended by the CEO and ELT, all manufacturing sites, and many other workers.

The three business Presidents & General Managers, in turn, take the CEO message and the sustainability performance objectives created and discussed at the CEO level and translate that into goals for action deeper into the organization. These Presidents also provide the first line of performance reporting and management interventions as metrics and KPIs flow up from the site level, before being reported to the CEO. Budgets are reviewed and approved to weave execution of climate/sustainability objectives with other business activities.

Reporting to the CEO, Business Presidents & General Managers, SVP EHS & Operations Excellence, and other members of the ELT are the respective VPs and Sr. Directors who take the vision from above and implement it. Data, reporting and performance likewise are rolled up through this level where it is aggregated for upward reporting to the ELT.

Safety & Sustainability is a Core Value for Momentive and is integrated throughout our management systems and governance structures. Momentive makes specific efforts to weave sustainability thinking, management, reporting, budgeting and behaviors into our day-to-day business processes to ensure long-term integration into how we conduct business. Reporting on climate change is included in our monthly Safety & Sustainability metrics reporting to the same management structure described above to ensure visibility to and accountability of our most senior leaders and executives. In this way, Momentive attempts to make sustainability part of the company's DNA.

Sustainability performance monitoring starts at the site level, where cost and consumption data are captured for Sustainability KPIs - energy consumption (primary and secondary), waste generation (solid and hazardous waste), water consumption and discharge, and greenhouse gas emissions (Scope 1, Scope 2 and some Scope 3). Data are entered into a dedicated corporate sustainability data management system. The system rolls up the data from the site level to the business level, and to the corporate level. At each level, data are analysed, trends identified, and measures implemented to reduce negative trends, or advance positive trends. The data management system allows Momentive to assess costs, absolute and relative performance, and assess environmental impact.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	During 2020 we incorporated sustainability performance into our incentive structure for the 2021 plan year. Please see details below.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
All employees	Monetary reward	Behavior change related indicator Supply chain engagement Company performance against a climate-related sustainability index	Safety & Sustainability comprises 10% of Momentive's 2021 annual incentive plan for employees worldwide in an incentive-eligible position. Sustainability was added in 2021 to ensure that we are rewarding actions central to Momentive's long term viability and growth. An industry-trusted standard was chosen due to its importance to our customers and includes the management of climate-related issues for Momentive and our supply chain.
All employees	Non-monetary reward	Behavior change related indicator	We have an established company wide recognition program ("Inspire" program) with monetary and non-monetary rewards as well as a specific Safety & Sustainability award program. All employees and project teams are eligible for consideration. Some sites recognize a "Sustainability Employee of the Month" and reward them with a parking space, lunch and a celebration.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	1	From current time to 1 year is considered short term.
Medium-term	1	5	From 1 to 5 years is considered medium term.
Long-term	5	25	Long term is further out than 5 years.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

In determining the potential impact of any candidate event or impact, we evaluate the following for both positive and negative outcomes, the magnitude of potential impact, likelihood of occurrence, and controls in place:

- How much of our business will be affected?

Momentive has large, medium and small customers around the world. In deciding how much of our business will be potentially impacted by an event, we consider the size of the customer and the types and quantities of products that they purchase order to evaluate how much of the total business will be affected.

- How big will the impact be on our businesses?

Momentive has large, medium and small sites around the world. In deciding potential impact, the size of the site and the locations potentially impacted are considered in order to evaluate how much of the total business will be affected.

- How important is the impacted organization to the rest of the business

In considering potential impact to an organization, scale of the impact as well as importance to the overall enterprise of the impacted organization is assessed. Assigning and quantifying tangible and intangible values can assist in determining how important an event may be to the individual organization but also beyond that to the whole enterprise.

- Potential for stakeholder or customer concern or reaction or reputational harm

Momentive has an active "Customer Love" program and approach that attempts to assess stakeholder and customers concerns in advance of an event, map out potential response or concern scenarios, and plan for potential concerns or reactions.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

Annually

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Using a multi-disciplinary, cross functional risk assessment team, sites, facilities and operations are periodically assessed for exposure to all the "normal" potential losses, along with "acute" losses driven by climate related events, such as flooding, excessive storm strength, and "chronic" events like sea level change, and changing temperatures. Potential events are catalogued (scenario planning). Most likely impacts and worst-case scenarios evaluated against site resilience, ability to respond, and community and regional preparedness. Potential damage to assets, harm to employees and impairment of business are evaluated; risk to brand and reputation are assessed. Climate, environmental and water risk is assessed. Appropriate response plans and capabilities are set up as to be able to respond best to a "most likely" event while developing cross-region responses to more "worst case" events.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

Annually

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Potential suppliers are assessed prior to being granted work, including for EHS and sustainability risks. Supplier quality, EHS and legal compliance, conformance to Momentive supplier code of conduct (updated in 2019 and includes environmental protection and sustainability guidance for suppliers) and financial health (among other factors) are assessed once a supplier has been identified as a candidate supplier but before any work is contracted to the supplier. This gives assurance that a supplier will be able to perform during the life span of the underlying Momentive product, potentially a long term (decades) need. Suppliers must be capable of supplying the needed materials, and complying with applicable laws. Our supplier code of conduct has also been incorporated into our standard purchase order terms and conditions in 2020. Active suppliers are periodically assessed during run-of-contract for risks to our supply chain, including EHS and sustainability. Loss protection and security of supply are assessed, where feasible, and the supply chain is diversified to reduce risk and provide multiple pathways to secure our production. We have developed and are deploying a supplier ESG assessment questionnaire that will assess more detail around sustainability related topics, including climate related risks. Active suppliers who do not materially comply with our supplier standards, supplier code of conduct requirements, and applicable worker health and safety performance requirements, or do not comply with applicable environmental, health, safety and human rights laws will be given notice and may be terminated if conditions are not corrected. For example, a sample of current suppliers is assessed in depth each year, and any corrective actions identified are tracked for correction. On site contractors are considered part of the EHS risk management program at the site at which they are working. Contractors must adhere to health and safety requirements that are applicable to analogous activities conducted by employees and receive communications and training regarding risks and hazards at our sites, and are expected to conserve resources and care for the environment, as described in the supplier code of conduct. The behaviors of contractors that pose an unacceptable risk to human health, safety, or the environment are not tolerated, and incidents on Momentive grounds are treated as Momentive incidents, with full investigations, root cause analysis and corrective measure implementation.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

Annually

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Product Stewardship addresses risk in the product use life cycle phase. Working within each business segment, product stewardship teams lead cross-functional Risk Reviews, including product stewards, toxicologists, sustainability leader, business leaders, technology leaders, product managers, and customer support, meet to comprehensively review regulatory, health, environmental and sustainability risks and opportunities within each product family. At the product level, going product by product, compliance requirements (such as REACH), toxicological data, hazardous materials transport, customs and import risk, brand risk, reputation risk and a host of other risks are cataloged discussed and prioritized for analysis and, where appropriate, action. For example, some of our customers are requesting ISO 16128 Natural Index calculations for our products. Additionally, more of our customers are asking Momentive to complete a customer specific carbon assessment where each product we provide has with a calculated carbon emission factor by product (kg carbon per kg product).

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Current regulations are considered so that our operations and activities are in compliance with applicable legal requirements. Momentive has internal resources and external consultants to identify and comply with legal requirements, and also participates in industry associations to ensure the company is aware of, and complies with, applicable legal requirements and also understands the potential climate-related impacts of such requirements. An example is understanding the refrigerants used in our chillers to adhere to hydrofluorocarbon (HFC) regulations.
Emerging regulation	Relevant, always included	Emerging regulations that are predicted to have impact on our facilities, operations and/or products are considered. Momentive has a Global Director, Government & Industry Relations who leads a global internal network consisting of regional leaders and product stewardship & regulatory affairs resources to stay abreast of developing regulations, and to work with regulatory bodies and industry groups to monitor and inform future regulations. An example for Momentive is emerging regulations in Europe on cyclics in cosmetics and other consumer and professional uses. Momentive assesses the business risk of such regulatory changes to understand the potential impact not only on our customers and product sales but also on our operations. Momentive also participates in silicones industry assessments to understand the carbon balance related to silicones over their life cycle, including GHG benefits resulting from the use of silicone products in addition to the GHG emissions related to production, use and end-of-life, to inform how silicones contribute to the circular economy and inform future policies.
Technology	Relevant, sometimes included	Technology that will impact our facilities and/or products is considered. These include risks associated with moving to a lower carbon, energy-efficient system, or technologies that improves our ability to meet customer needs, or to meet their needs in a more efficient manner. An example for Momentive is the use of bio-based raw materials in our products. Bio-based materials may have quite different GHG emissions from the incumbent materials what they replace, and they may require different technology may be required to incorporate them such materials into our products and processes. Additionally, a significant opportunity exists for Momentive to provide new-to-the-market formulations and products that will leverage other technologies to reduce climate impacts. Electrification of transportation and solar energy are both areas where our improved heat sink compounds allow greater power density and electrical efficiency.
Legal	Relevant, sometimes included	As a global company, we monitor legal risks in all relevant world areas. Legal issues that are climate related and could impact our products or facilities are included.
Market	Relevant, always included	Climate related shifts in supply/demand are assessed as we look to put long term contracts in place. Decisions are made based upon previous history with customers and suppliers and any climate related problems they have had in the past. As an example, many of our customers have stated supply chain goals for GHG emissions that will affect our emissions in order to continue to do business with those customers.
Reputation	Relevant, always included	Risks to our company reputation (climate related or not) are assessed. Stakeholder and community perception is very important to us. Momentive sites around the world organize community days and Family Safety Days where employees, their families and the local community is invited. An example for Momentive is in our sustainability report, where we report on our ESG performance in a source that is accessible to communities around our plants and employment candidates who wish to work for a responsible company with a good reputation.
Acute physical	Relevant, always included	We have had facilities impacted by acute event driven risks such as hurricanes and floods. These types of risks are evaluated for each facility and mitigation is put in place to minimize the impact. An example is our Waterford, NY (USA) site, which has increased flood risks due to increased frequency of very high rainstorm events that are strengthened by climate change related factors, and the mitigation plans in place for the site. Another example of acute risk relates to our supply chain. The climate change is generating more and more extreme weather events (recent freezing in South of US or Hurricanes/Tornados/Heavy Rains, etc.) that can become disruptive for the entire Supply Chain.
Chronic physical	Relevant, sometimes included	Long term shifts in climate patterns are included when trying to plan longer term. Using our Waterford site as an example again (it is our largest plant and location of our corporate headquarters), we consider whether our site could begin to experience flooding due to sea level rise. Such factors are considered as part of our facility risk assessment and mitigation plans.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Mandates on and regulation of existing products and services
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Primary potential financial impact

Increased capital expenditures

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Emerging regulations on cyclics (cyclic silicones also known as D4, D5, D6) could force higher levels of purity, requiring more energy and investment in equipment.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Estimated impact to invest in process improvements and additional energy burn to achieve regulatory requirements.

Cost of response to risk

0

Description of response and explanation of cost calculation

Existing production systems must be evaluated for ability to produce product in compliance with regulatory standards, and changes engineered. Direct cost of addressing this issue is currently unknown.

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods
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Primary potential financial impact

Decreased revenues due to reduced production capacity

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Momentive evaluates on a site level the impact for property damage due to physical weather events. Recommendations from our insurance carrier on how to reduce/mitigate the impact are developed into projects. Extreme weather conditions can cause our plants to be temporarily shut down due to damage, or from disruptions from raw material supply. Impacts to production have the potential to impact our ability to supply customers.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Financial impact is an estimate of the cost of asset damage, business interruption and the cost of finding alternative supplier and supply chains

Cost of response to risk

0

Description of response and explanation of cost calculation

Existing sites are assessed for climate related storm damage, and feasible projects are budgeted for and implemented. The direct cost of managing this risk is currently unknown.

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods
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Primary potential financial impact

Decreased revenues due to reduced production capacity

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Momentive evaluates on a site level the impact for property damage due to physical weather events. An adverse event at one of our sites due to a weather event could have negative impact on the surrounding community which could result in negative publicity and /or loss of sales. Property damage can cause loss of production capacity.

Time horizon

Long-term

Likelihood

More likely than not

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Financial impact is an estimate of the cost of lost business.

Cost of response to risk

0

Description of response and explanation of cost calculation

Adaption and mitigation projects are developed and a "dashboard" is used to keep our Executive Leadership Team updated on the status of each one. A formal review of all projects occurs every 6 months. The direct cost of managing this is currently unknown.

Comment

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods
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Primary potential financial impact

Other, please specify (Disruption to our supply chain)

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

The climate change is generating more and more extreme weather events (recent freezing in South of US or Hurricanes/Tornados/Heavy Rains, etc.) that can become disruptive for the entire Supply Chain.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

We are currently in the process of estimating this figure.

Cost of response to risk

Description of response and explanation of cost calculation

Comment

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Development of new products or services through R&D and innovation

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

We collaborate with customers on new products and upgrades to existing products in order to provide them with products that reduce their carbon footprint. In many uses of our products, fewer processing steps are needed thus less energy consumption resulting in a reduced carbon footprint for our customer.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

New-to-market specialty chemicals

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

R&D scientists' partner with customers to develop new products that have the desired properties. Green Chemistry principles are used to guide new product development activities along greener, more sustainable, and less risky pathways.

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Markets

Primary climate-related opportunity driver

Access to new markets

Primary potential financial impact

Increased revenues through access to new and emerging markets

Company-specific description

Products that have specific climate related attributes are being developed. Such products will allow us to enter new markets. We currently make waterproof silicone sealants and roof coatings; developing such products allow us to enable solutions for buildings that are less susceptible to climate related hazards while simultaneously opening new markets.

Time horizon

Long-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

This is an estimate of the initial revenue from developing new products in a new market. Actual numbers would need to be determined.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

Collaboration with customers in the building industry to develop and test new products.

Comment

The additional cost is due to benchmarking and potential capital investment.

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Reduced water usage and consumption

Primary potential financial impact

Reduced direct costs

Company-specific description

We have plants that are located in areas where water is becoming scarce. We are actively seeking options to reduce our use of water and to reuse water. By increasing site water efficiency, we can add additional capacity at a site without increasing the overall water usage.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Estimates of cost savings from increased efficiency and reduced waste.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

Momentive has set company wide, strategic goals for reducing GHG emissions, energy, water and waste. Incorporating these goals will drive efficiency and productivity improvements that will have a positive benefit to the business and reduce our environmental footprint.

Comment

Identifier

Opp4

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Shift in consumer preferences

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Customer demand is shifting toward greener and more natural products in some markets. As customer demand changes, we will need to develop products that meet our customers' needs. As consumers and employees become more environmentally aware, and regulations grow, the demands from our customers to formulate products that have no or less volatile organic compounds (VOCs) is increasing.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Estimate of the amount of revenue from lower VOC and natural products.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

R&D is actively working on projects to provide lower VOC products to our customers. We are evaluating each product family to determine the feasibility. Naturally derived products are also being developed and tested with our customers, especially within the personal care market.

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Is your organization's low-carbon transition plan a scheduled resolution item at Annual General Meetings (AGMs)?

	Is your low-carbon transition plan a scheduled resolution item at AGMs?	Comment
Row 1	No, we do not hold AGMs	We are not a publicly traded company

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative and quantitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
Other, please specify (Multiple scenarios considered in planning strategy 2020-2025)	In 2019, Momentive began planning our 2020-2025 sustainability strategy, including goals for water, waste, energy, GHGs and renewable energy content across our business. As part of goal setting for the strategy, we used elements of 2 deg C Scenario (2DS), IEA 450, International Renewable Energy Agency (IRENA) and Greenpeace scenarios to align our future GHG emissions with a 2.0°C or below scenario for our whole company. These scenarios were selected due to the prominence of renewable energy in achieving reductions. Since it will be difficult for us to eliminate energy use entirely, replacing fossil energy with renewable energy is currently the most viable way for us to reduce GHG emissions. GHG emissions are a material priority for Momentive. We assess our own emissions, establish KPIs, set goals and build company wide GHG emission reduction goals into our 2020-2025 sustainability strategy. As a result of our scenario analysis, we identified Momentive sites where renewables and low-carbon energy is currently being used as well as current fuels so we could target reductions, either in quantities (efficiency) or emissions (carbon content). We developed strategies, such as deploying more energy efficient equipment, transition to lower-carbon fuels (replacing coal or oil with natural gas) and no-carbon fuels (hydro power, solar and wind power). We also assessed our peers and competitors and their climate strategies and objectives and learn from them. As a result of our scenario based planning, Momentive has set a companywide 50% renewable energy goal for 2025, with the intention of creating subsequent goals to further decarbonize our energy supply over time to match scenario timelines and objectives. We have already achieved about 27% renewable energy in our energy mix, with two sites using 100% renewable energy.
Other, please specify (Customer scenario planning adds to Momentive scenario analysis)	Several of our customers are CDP rated A level. As part of our customer-supplier relationship, these CDP flagship companies pass down the results of their own scenario planning to Momentive. As a result, we incorporate the analysis done by these customer companies into our scenario planning. Some customers express their climate goals as a "condition of engagement." In such cases, we assess the business opportunity associated with meeting customer expectations for climate performance versus not doing so. We always seek to optimize revenues and profitability while also achieving GHG reductions. For example, a CDP A-level rated customer is following their own scenario planning to establish carbon reduction goals, both within their company and in their supply chain, which includes Momentive. In accordance, Momentive has aligned our goals and objectives with those of the customer – an example would be our goal to achieve a 25% reduction in carbon emissions by 2025.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Both risks and opportunities related to growing business and consumer demand for innovative products and technologies that can facilitate better performance and decreased emissions of carbon have changed how we approach our product portfolio. Generally, our silicones drive better performance when they are incorporated into our customers products. Our silicones help to reduce use-phase energy consumption (such as by reducing the rolling resistance of tires) or by facilitating better use of energy (by enabling electric cars, cell phones, etc) or improving performance (improved wetting for an agricultural chemical). Our overall product strategy is shifting to include a specific portion (with goals) of our product portfolio to be green/sustainable over time. The time frame for these changes is 1-10 years. We see many opportunities related to the growing demand from customers for increasing the natural content and sustainability focus from our high performance products. This has influenced our strategy in 3 ways; we focus on delivering new products for opportunities linked to sustainability (Electric Cars, Low VOC Solutions, Energy Efficient Buildings); we optimize our processes to reduce impact while providing the same performance and benefit to society; and use green chemistry and naturally derived approaches to increase "green content" of our products. This portion of our strategy is currently under way, with a time frame of 1-4 years. Tire silanes are a great example. We are developing silanes that will incorporate increased amounts of a naturally derived ingredient, may allow our customers an increased capability to incorporate natural rubber into their tires, and may help further reduce the amount of fuel consumed by rolling resistance over the life time of the tire. The tire is also expected to last longer. The time frame for this project is 0-5 years. Momentive is committed to producing products that not only meet customer needs but also help solve societal challenges and deliver environmental benefits.
Supply chain and/or value chain	Yes	Our supply chain is international in scope with many risks and opportunities embedded. In assessing climate risks and opportunities in our supply chain, we've taken a look at extraction and refining our silicon metal (our basic ingredient), transport distances and modes, and packaging materials. Risk and opportunities assessments are affecting where we procure silicon metal from (biodiversity impacts, extraction impacts, transport distances) and how it's refined (hydro power vs. fossil energy). Once we create a product, it must be packaged and transported to our customers, which is another area for risk and opportunities assessments. Our overall supply chain strategy is changing as a result. Our Logistics function is transitioning from truck to rail transportation where feasible, and the packaging we use is increasingly recycled. The time frame for these changes is 0-3 years. One example is from the risks and opportunities identified in packaging. Some of our customers have set targets for recycled or reusable packaging, which gives us the opportunity to partner with them. Instead of new containers (drums or totes), we are shifting to recycled or recycled content containers, and closing the packaging loop by pooling our containers with companies that have presence at both ends of the logistics chain, meaning that we procure containers from the same company that our customer will return them to, avoiding waste and reducing climate risks. The time frame for this project is now, with further deployments to other customers in the next 1-3 years. In another case, transport leg carbon emissions were reduced by 50% as a direct result of risk and opportunities assessment, and strategic adjustments to how we transport materials from Italy to Belgium. This effort will expand in the time frame 2020-2025.
Investment in R&D	Yes	Climate-related risks and opportunities have begun to influence our R&D investment strategy by driving greater emphasis on new products with specific green and sustainable properties. Many of our existing products amplify and leverage carbon reductions in our customers products, and our investment in R&D is turning to emphasize the green portion of our own product portfolio. Our strategy includes greater emphasis on Green Chemistry, creating new-to-market materials that meet unmet market needs for energy efficiency, materials reduction, and carbon elimination. We're also investing in existing process improvements to lower our own impact while providing improved products to our customers. For example, our strategy includes training 100% of our technologists in Green Chemistry principles in the time frame 2020-2021, and modifying our new product development cycle to measure green innovation in the timeframe 2020-2022. As mentioned above, the tire silane example is also applicable here from an R&D perspective. The new silane will contain natural ingredients, will help our customers increase the use of natural components, and may lower life-cycle/use phase energy consumption.
Operations	Yes	Risk and opportunity assessments are driving strategic decisions in company production operations. Costs to emit carbon and other wastes cannot be ignored, and energy is a significant expense that is certain to rise. Operations has begun placing greater emphasis on operational efficiency with attention paid to energy, waste, water and GHG emission. Momentive has set Sustainability goals for each of these areas that will run in the time frame 2020-2025. For example, at our Waterford site, our energy portfolio strategy is shifting to accommodate a greater percentage of renewable energy. The renewable energy portion of our portfolio has grown to 28%, and 62% of energy consumed is low-carbon or non-fossil fuel. Our goal is to increase the company-wide percentage of renewable energy to 50% in the time frame 2020-2025.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Capital expenditures	As a result of assessing our climate related risks and opportunities, the way we plan for capital expenditures is changing. Energy use, GHG emission, water, waste and other sustainability related KPIs are being incorporated to internalize and more accurately account for environmental costs that may previously been externalized. We plan to embed sustainability, including carbon protection considerations, into our capital investment process as part of our 2020-2025 strategy. For example, while climate related opportunities and risks were considered previously using qualitative measures, we have begun pricing the costs of inputs and outputs that previously were not reflected in our capital planning. With costs included, capital expenditures decisions can factor in the total cost of operations with respect to environmental and climate impacts. For instance, a candidate Combined Heat and Power (CHP) installation had been considered as having too low a return on investment (ROI) to proceed, until brand, reputation and cost risks from climate related issues were costed and included; the CHP is now more attractive to the company and has moved closer to reality as a result. There are several CH&P plants under consideration in the time frame 2020-2025.

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

Momentive has developed a new 5 year strategy, and "Sustainability" including climate risk is a key element. Our company core values have been updated to include "Safety and Sustainability". We have adopted carbon reduction goals, including a renewable energy goal congruent with Science Based Targets. Already, two of our sites are powered by 100% renewable energy, and our largest site is powered by 27% renewable energy.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2020

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (location-based)

Base year

2019

Covered emissions in base year (metric tons CO2e)

424391

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2025

Targeted reduction from base year (%)

25

Covered emissions in target year (metric tons CO2e) [auto-calculated]

318293.25

Covered emissions in reporting year (metric tons CO2e)

422514

% of target achieved [auto-calculated]

1.7691232848953

Target status in reporting year

Underway

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Target ambition

<Not Applicable>

Please explain (including target coverage)

Momentive has set formal GHG emission reduction goals for the period 2020-2025. Momentive has also set goals for renewable energy in our electricity mix.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Target(s) to increase low-carbon energy consumption or production

Other climate-related target(s)

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number

Low 1

Year target was set

2019

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

Target type: energy carrier

Electricity

Target type: activity

Consumption

Target type: energy source

Renewable energy source(s) only

Metric (target numerator if reporting an intensity target)

Percentage

Target denominator (intensity targets only)

<Not Applicable>

Base year

2019

Figure or percentage in base year

11.08

Target year

2025

Figure or percentage in target year

50

Figure or percentage in reporting year

11.34

% of target achieved [auto-calculated]

0.66803699897225

Target status in reporting year

Underway

Is this target part of an emissions target?

Yes. Momentive is targeting GHG reductions of 25% by 2025. Increasing renewable energy in our electricity mix will be one way of reducing our overall GHG emissions to achieve our target.

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain (including target coverage)

Momentive is targeting renewable and low-carbon energy goals for the period 2020-2025. Target covers all electricity consumed at our plants. We have not yet signed up to RE100 or Science Based Target initiative (SBTi) but are considering it.

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number

Please select

Year target was set

2020

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Renewable fuel consumption	Percentage of total fuel consumption that is from renewable sources
----------------------------	---

Target denominator (intensity targets only)

<Not Applicable>

Base year

2019

Figure or percentage in base year

23

Target year

2025

Figure or percentage in target year

50

Figure or percentage in reporting year

29

% of target achieved [auto-calculated]

22.22222222222222

Target status in reporting year

Underway

Is this target part of an emissions target?

Our 2025 goal is to reduce our absolute GHG emission by 25%. Incorporating renewable electricity is one way for us to achieve our GHG emission reduction goal. The goals stated above related to procuring renewable electricity.

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain (including target coverage)

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation		
To be implemented*	3	
Implementation commenced*	8	
Implemented*		
Not to be implemented		

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings	Lighting
--------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

Payback period

Please select

Estimated lifetime of the initiative

Please select

Comment

We are upgrading our lighting throughout our operating plants using energy efficient LED lights and well as installing motion sensors to operate the lights wherever practical.

Initiative category & Initiative type

Please select

Estimated annual CO2e savings (metric tonnes CO2e)

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

Payback period

Please select

Estimated lifetime of the initiative

Please select

Comment

We have numerous projects to improve energy efficiency and reduce our GHG emission to meet our 2025 Sustainability goals. The information in C4.3a is only a partial list from select manufacturing sites. We are currently estimating GHG and financial savings from all our projects and will be reported in subsequent CDP reporting. The energy efficiency projects being implemented includes installing energy efficient screw compressor, new chiller with VSD and air condensation and installing high performance motors.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	Part of our annual capital investment budget is dedicated to projects driven by mandatory regulations or standards.
Dedicated budget for energy efficiency	Our annual capital investment budget includes funds for energy efficiency projects.
Employee engagement	We have a Sustainability Project Management Office (PMO) and also a "volunteer" sustainability team. The PMO drives the reporting and processes and is led by a full-time Sustainability Leader and consists of part-time members across numerous functions and businesses. The "volunteer" team is open to anyone in the company that has an idea on how to reduce emissions. Both teams meet monthly and projects are reviewed.
Internal incentives/recognition programs	Momentive has a recognition program called "Inspire" where employees are recognized by peers, managers or others at various monetary and non-monetary levels for their work. Sustainability projects have been recognized as part of this program.
Compliance with regulatory requirements/standards	ISO 50000 - Energy Management Systems - are being implemented at several sites around the company.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Company-wide

Description of product/Group of products

Many products created by Momentive create value for our customers through high performance, solving a challenge, and by reducing energy use, improving energy efficiency, or enabling less energy consumption by society. We make sealants, roofing membranes, gasket materials, and polyurethane foam additives that in turn make buildings - a source for 28% of the world's carbon emission - tighter, more energy efficient, and better insulated. We make ingredients for personal care products, substituting petrochemicals with small quantities of silicone compounds and, increasingly, derived natural ingredients that have vastly superior performance, sensory and appearance characteristics, these products result in less energy consumption, less waste and reduce the transportation costs of our customers. We create elastomers, insulators, coatings and thermal management materials that are key enablers to the "electrification" of autos, which reduces fossil fuel consumption. In addition, our hardcoats, polyurethane foam additives, and many other solutions enable lighter weight, more fuel efficient vehicles. As mentioned above, our new tire silane incorporates increased amounts of a naturally derived ingredient, allows our customer an increased capability to incorporate additional concentrations of natural rubber, and reduces the amount of fuel consumed over the lifetime of the tire. Our coatings, paints, adhesives, and specialty additives enable longevity, increased weather resistance and lower VOC thus reducing the negative environmental impact associated with the replacement or recoating of less durable materials. Our agricultural adjuvants vastly improve the spreading of liquids on plants, thus reducing the amount of spray-applied materials needed. This results in a reduced consumption of water, pesticides and herbicides while improving the yield from agricultural crops.

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product and avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify (Not classified by these taxonomies)

% revenue from low carbon product(s) in the reporting year

100

% of total portfolio value

<Not Applicable>

Asset classes/ product types

<Not Applicable>

Comment

We are implementing a Portfolio Sustainability Assessment (PSA) tool, using a methodology developed by the World Business Council for Sustainable Development (WBCSD) for the chemicals industry, to assess our portfolio's sustainability alignment. We have committed to innovating products that solve sustainability challenges for our customers and society. We have set a target of 75% of new product sales to deliver sustainability improvements by 2025. The % revenue from low carbon products in 2020 is being evaluated.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

January 1 2019

Base year end

December 31 2019

Base year emissions (metric tons CO2e)

218954

Comment

Our base year emissions are from 2019 and we have been recording more data each year after.

Scope 2 (location-based)

Base year start

January 1 2019

Base year end

December 31 2019

Base year emissions (metric tons CO2e)

205437

Comment

Our base year emissions are from 2019 and we have been recording more data each year after.

Scope 2 (market-based)

Base year start

January 1 2019

Base year end

December 31 2019

Base year emissions (metric tons CO2e)

0

Comment

We have not calculated market based emissions for the baseline year.

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Climate Registry: General Reporting Protocol

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

222750

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

Scope 1 emissions for 2020

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We have operations where we are able to access electricity supplier emission factors or residual emissions factors, but are unable to report a Scope 2, market-based figure

Comment

We have been calculating and reporting location based emissions. We plan to add market based reporting for scope 2 in 2021 reporting year.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

199764

Scope 2, market-based (if applicable)

<Not Applicable>

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

Since 2012 we have made a concerted effort to continue to reduce Greenhouse Gas Intensity each year. This is a result of our focus on process efficiency and energy reduction projects.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We have not yet started to track these Scope 3 emissions.

Capital goods

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We have not yet started to track these Scope 3 emissions.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We have not yet started to track these Scope 3 emissions.

Upstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We have not yet started to track these Scope 3 emissions.

Waste generated in operations

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We have not yet started to track these Scope 3 emissions.

Business travel

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We have not yet started to track these Scope 3 emissions.

Employee commuting

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We have not yet started to track these Scope 3 emissions.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We do not have any upstream leased assets.

Downstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We have not yet started to track these Scope 3 emissions.

Processing of sold products

Evaluation status

Relevant, not yet calculated

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We have not yet started to track these Scope 3 emissions.

Use of sold products

Evaluation status

Relevant, not yet calculated

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We have not yet started to track these Scope 3 emissions.

End of life treatment of sold products

Evaluation status

Relevant, not yet calculated

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We have not yet started to track these Scope 3 emissions.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We do not have any downstream leased assets.

Franchises

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We do not have any franchises.

Investments

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We have a JV and based upon the size of the plant we estimate that it would not be material relative to our overall footprint.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

No others upstream.

Other (downstream)

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

No others downstream.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.47

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

422514

Metric denominator

metric ton of product

Metric denominator: Unit total

881514

Scope 2 figure used

Location-based

% change from previous year

9

Direction of change

Increased

Reason for change

This increase was caused by a decrease in production.

Intensity figure

0.000183702

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

422514

Metric denominator

unit total revenue

Metric denominator: Unit total

2300000000

Scope 2 figure used

Location-based

% change from previous year

0

Direction of change

No change

Reason for change

Our operations did not see any noticeable change in our emission compared to last year.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

No

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Americas	184476
Asia, Australasia	34043
Europe, Middle East and Africa (EMEA)	21032.275

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Silicones	222750

C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4

(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

	Gross Scope 1 emissions, metric tons CO2e	Net Scope 1 emissions , metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	222750	<Not Applicable>	All of our scope 1 emissions come from chemical production activities.
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Electric utility activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (midstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (downstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
Americas	102665	0	178059	39882
Asia, Australasia	61459	0	124361	0
Europe, Middle East and Africa (EMEA)	38021	0	99758	0

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Silicones	199764	0

C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7

(C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7) Break down your organization's total gross global Scope 2 emissions by sector production activity in metric tons CO2e.

	Scope 2, location-based, metric tons CO2e	Scope 2, market-based (if applicable), metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	199764	0	All of our scope 2 emissions come from chemical production activities.
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (midstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (downstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

C-CH7.8

(C-CH7.8) Disclose the percentage of your organization's Scope 3, Category 1 emissions by purchased chemical feedstock.

Purchased feedstock	Percentage of Scope 3, Category 1 tCO2e from purchased feedstock	Explain calculation methodology
---------------------	--	---------------------------------

C-CH7.8a

(C-CH7.8a) Disclose sales of products that are greenhouse gases.

	Sales, metric tons	Comment
Carbon dioxide (CO2)	0	We do not sell products that are greenhouse gases.
Methane (CH4)	0	We do not sell products that are greenhouse gases.
Nitrous oxide (N2O)	0	We do not sell products that are greenhouse gases.
Hydrofluorocarbons (HFC)	0	We do not sell products that are greenhouse gases.
Perfluorocarbons (PFC)	0	We do not sell products that are greenhouse gases.
Sulphur hexafluoride (SF6)	0	We do not sell products that are greenhouse gases.
Nitrogen trifluoride (NF3)	0	We do not sell products that are greenhouse gases.

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	N/A in 2020
Other emissions reduction activities	0	No change	0	N/A in 2020
Divestment	0	No change	0	N/A in 2020
Acquisitions	0	No change	0	N/A in 2020
Mergers	0	No change	0	N/A in 2020
Change in output	1876	Decreased	100	Our output decreased in 2020, which likely contributed to a decrease in emissions
Change in methodology	0	No change	0	N/A in 2020
Change in boundary	0	No change	0	N/A in 2020
Change in physical operating conditions	0	No change	0	N/A in 2020
Unidentified	0	No change	0	N/A in 2020
Other	0	No change	0	N/A in 2020

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 15% but less than or equal to 20%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	1226471	1226471
Consumption of purchased or acquired electricity	<Not Applicable>	39882	311641	351523
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>		86016	86016
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	39882	1624127	1664009

C-CH8.2a

(C-CH8.2a) Report your organization's energy consumption totals (excluding feedstocks) for chemical production activities in MWh.

	Heating value	Total MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	1226471
Consumption of purchased or acquired electricity	<Not Applicable>	351523
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	86016
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	1664009

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	Yes
Consumption of fuel for the generation of cooling	Yes
Consumption of fuel for co-generation or tri-generation	Yes

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Natural Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

1220032

MWh fuel consumed for self-generation of electricity

1220032

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

0

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0.002

Unit

metric tons CO2e per liter

Emissions factor source

Emission factors calculated using SoFi (emissions calculation program)

Comment

None

Fuels (excluding feedstocks)

Diesel

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

6282

MWh fuel consumed for self-generation of electricity

6282

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

0

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0.003

Unit

metric tons CO2e per liter

Emissions factor source

Emission factors calculated using SoFi (emissions calculation program)

Comment

None

Fuels (excluding feedstocks)

Propane Liquid

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

157

MWh fuel consumed for self-generation of electricity

157

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

0

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0.005

Unit

metric tons CO2e per liter

Emissions factor source

Emission factors calculated using SoFi (emissions calculation program)

Comment

None

C-CH8.3

(C-CH8.3) Does your organization consume fuels as feedstocks for chemical production activities?

No

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description

Waste

Metric value

0.03

Metric numerator

Waste (t)

Metric denominator (intensity metric only)

Production (t)

% change from previous year

89

Direction of change

Decreased

Please explain

We changed our methodology for calculating Production data, thus increasing the denominator of this metric by a substantial factor.

Description

Energy usage

Metric value

1.89

Metric numerator

Energy Consumed (MWh)

Metric denominator (intensity metric only)

Production (t)

% change from previous year

66

Direction of change

Decreased

Please explain

We changed our methodology for calculating Production data, thus increasing the denominator of this metric by a substantial factor.

C-CH9.3a

(C-CH9.3a) Provide details on your organization's chemical products.

Output product

Specialty chemicals

Production (metric tons)

881514

Capacity (metric tons)

Direct emissions intensity (metric tons CO2e per metric ton of product)

0.22

Electricity intensity (MWh per metric ton of product)

0.39

Steam intensity (MWh per metric ton of product)

0.09

Steam/ heat recovered (MWh per metric ton of product)

0

Comment

No comments.

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	Yes	We are actively investing in the development of low carbon products, while increasing the utilization of green chemistries and naturally derived ingredients in our products. We are simultaneously developing a multitude of products that enable more sustainable end applications (Electric Vehicles, Sustainable Construction, Low VOC paints, Highly insulating polyurethane insulation, Lightweighting of Automobiles, Advanced Healthcare solutions such as Biopharmaceuticals, etc).

C-CH9.6a

(C-CH9.6a) Provide details of your organization's investments in low-carbon R&D for chemical production activities over the last three years.

Technology area	Stage of development in the reporting year	Average % of total R&D investment over the last 3 years	R&D investment figure in the reporting year (optional)	Comment
Waste heat recovery	Large scale commercial deployment	81 - 100%	3350000	Our energy management strategy promotes efficient utility use at all sites. Most recently we have completed construction and startup of a major cogeneration project at our site in Termoli, Italy. We have also converted to LED lighting at several of our sites.
Product redesign	Small scale commercial deployment	≤20%	2500000	Using Green Chemistry principles, products are continuously evaluated and advancements in technology or technique are applied to improve existing processes.
Radical process redesign	Large scale commercial deployment	≤20%	10000000	Bio based materials are replacing fossil or non-renewable components of our formulations.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	No emissions data provided

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Moderate assurance

Attach the statement

2021_07_26_Momentive Assurance statement.pdf

Page/ section reference

The entire assurance letter is attached.

Relevant standard

AA1000AS

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Moderate assurance

Attach the statement

2021_07_26_Momentive Assurance statement.pdf

Page/ section reference

The entire assurance letter is attached.

Relevant standard

AA1000AS

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

No, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, but we anticipate being regulated in the next three years

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

Our strategy is to understand the systems as they develop, and take actions consistent with good management practices for our industry. We have measuring systems in place now that are tracking data in a way that is suitable for use in a CTS. For instance, our carbon tracking system contains specific libraries for tracking carbon credits, and the system was tested. As the specific program requirements develop, we can simply plug the factors in to the existing system.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price

Change internal behavior
Drive energy efficiency
Drive low-carbon investment
Identify and seize low-carbon opportunities

GHG Scope

Scope 1
Scope 2

Application

Internal price on carbon is assumed during capital project planning. All energy related capital projects need to have an ROI (return on investment) of less than 3 years. By reviewing the energy savings and funding capital projects with the specified ROI, we are driving behavior change.

Actual price(s) used (Currency /metric ton)

6

Variance of price(s) used

None

Type of internal carbon price

Implicit price

Impact & implication

By placing an implied interim price, we drive our desired objectives without having to wait for a fully developed internal system of fleshed out carbon pricing.

Objective for implementing an internal carbon price

Change internal behavior
Drive energy efficiency
Drive low-carbon investment
Identify and seize low-carbon opportunities

GHG Scope

Scope 1
Scope 2

Application

Fleet purchases, maintenance and upgrades; lighting projects, HVAC maintenance, repair, upgrade.

Actual price(s) used (Currency /metric ton)

6

Variance of price(s) used

None

Type of internal carbon price

Implicit price

Impact & implication

Setting a price and forcing the enterprise to respond elevates the conversation to include carbon emissions in capital project allocations. Since emissions carry an associated cost, business leaders are more likely to respond and improve emissions.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers
Yes, our customers

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Compliance & onboarding

Details of engagement

Code of conduct featuring climate change KPIs

% of suppliers by number

100

% total procurement spend (direct and indirect)

100

% of supplier-related Scope 3 emissions as reported in C6.5

0

Rationale for the coverage of your engagement

We would like to influence and engage our suppliers, one of our key stakeholder, in alignment with our sustainability priorities. In turn, we expect to better understand our supplier's priorities so that we can continually improve our own actions. Through this iterative process of engagement, reflection and realignment, we aim to improve the performance of the company while minimizing our impact on the planet. During the on-boarding of our new suppliers we provide copy of the supplier code of conduct and it is also referenced in our purchases order terms and conditions.

Impact of engagement, including measures of success

Percent of commodity managers trained worldwide on sustainable procurement principles and practices by 2021.

Comment

Our goal is to achieve 100% trained commodity managers worldwide on sustainable procurement principles and practices by 2021. In 2020 we trained 95% of our commodity managers worldwide.

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Education/information sharing

Details of engagement

Share information about your products and relevant certification schemes (i.e. Energy STAR)

% of customers by number

0

% of customer - related Scope 3 emissions as reported in C6.5

0

Portfolio coverage (total or outstanding)

<Not Applicable>

Please explain the rationale for selecting this group of customers and scope of engagement

Our customers with higher perceived exposure to consumer demand for engagement are prioritized, as are those customer companies with well-defined and well-established sustainability programs.

Impact of engagement, including measures of success

Limited. Program is in early stages.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Trade associations

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

American Chemistry Council

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

ACC actively works to promote the safe use of chemicals by industry. They have recently released a set of industry-wide Sustainability Principles that articulate the chemical industry's commitments to sustainability, including advancing safe, innovative, effective chemical products, materials and technologies that help address climate change, hunger, clean water, energy needs and global standards of living.

How have you influenced, or are you attempting to influence their position?

We review and provide input to ACC documents that are relevant to our industry (Silicones) in order to influence their position.

Trade association

Global Silicone Council (GSC)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

GSC's objective is to promote the safe and sustainable use and stewardship of silicones products globally.

How have you influenced, or are you attempting to influence their position?

Momentive has teamed up with GSC to fund various research and studies on how Silicones contribute to the sustainability of our stakeholders.

Trade association

European Chemical Industry Council (CEFIC)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Cefic is a not-for-profit organization that is devoted to promoting a thriving chemical industry that is broadly recognized to provide sustainable, safe and resource efficient solutions, foster prosperity, growth and investments in Europe and provide safe and resource efficient solutions to meet the challenges for future generations.

How have you influenced, or are you attempting to influence their position?

We review and provide input to CEFIC that is relevant to our industry (Silicones) in order to inform and influence their position.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Momentive is committed to creating value by working with our customers to deliver innovative solutions and by caring for our people, our communities, and our planet. In line with expectations of our stakeholders and consistent with our Core Values and Safety and Sustainability Policy, Momentive is committed to implementing business practices that improve not only financial results, but environmental, social and corporate governance performance. To this end, Momentive has developed several policies, standards and procedures related to corporate social responsibility that together constitute our ESG Management System.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports

Status

Complete

Attach the document

Page/Section reference

Entire document

Content elements

Governance

Strategy

Emission targets

Other metrics

Comment

The purpose of this document is to aid stakeholders and third parties in understanding Momentive's ESG programs, practices and procedures.

Publication

In mainstream reports

Status

Underway – previous year attached

Attach the document

Page/Section reference

Entire document

Content elements

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Other metrics

Comment

This report reflects the Company's sustainability performance for the calendar year ending December 31, 2019

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

Please note that while the information and data herein are being provided to the best of the company's knowledge, Momentive makes no express or implied warranties regarding the accuracy of this information and data. Momentive reserves the right to amend or update the information and data.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Member of the Board, President & Chief Executive Officer	Chief Executive Officer (CEO)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

See intro section

SC0.1

(SC0.1) What is your company’s annual revenue for the stated reporting period?

	Annual Revenue
Row 1	2300000000

SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?

No

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

Requesting member

Please select

Scope of emissions

Please select

Allocation level

Please select

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

Uncertainty (±%)

Major sources of emissions

Verified

Please select

Allocation method

Please select

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We do not have this information at this time

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Customer base is too large and diverse to accurately track emissions to the customer level	We must develop systems that will allow us to allocate consumed resources to produced product, and then aggregate across products, customers and sites to be able to allocate total impacts.
Diversity of product lines makes accurately accounting for each product/product line cost ineffective	A single customer may take several different products from several different plants and locations at various times and differing schedules over a given period of time. Allocating all the variables across complex customers is very difficult.
Managing the different emission factors of diverse and numerous geographies makes calculating total footprint difficult	We have manufacturing and R&D locations in many countries and regions.

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

Yes

SC1.4a

(SC1.4a) Describe how you plan to develop your capabilities.

We're improving our materials planning processes which will improve our ability to assess input quantities per unit of production; we're improving our KPI capture for emissions, energy, waste and water which will improve our knowledge of outputs. We plan to tie this together in a sustainability data management platform that will improve our ability to allocate inputs, outputs and products created. We are also in the process of estimating detailed Scope 3 emission as well as performing life cycle assessment for select products and customers.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

Yes

SC2.2a

(SC2.2a) Specify the requesting member(s) that have driven organizational-level emissions reduction initiatives, and provide information on the initiatives.

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

No, I am not providing data

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission	Are you ready to submit the additional Supply Chain questions?
I am submitting my response	Customers	Public	<Not Applicable>

Please confirm below

I have read and accept the applicable Terms