

Consult all our information
about sustainable development on:



www.rhodia.com/fr/sustainability



www.rhodiascope.com



Reference Document,
chapter 3 (available from
www.rhodia.com/fr/sustainability)

Rhodia
Sustainable Development Department
110, Esplanade Charles-de-Gaulle
F- 92931 Paris la Défense Cedex
Tel.: +33 (0)1 53 56 64 50



Printed on X-PER paper manufactured by
the Fedrigoni paper factory, certified FSC
(Forest Stewardship Council) compliant,
guaranteeing paper derived from
sustainably managed forests.



Chemistry is our world, Responsibility is our way

Rhodia Way™

“The way we do business”



**OUR SUSTAINABLE
DEVELOPMENT
APPROACH**

2011

Rhodia is an international chemical company resolutely committed to sustainable development. As a leader in its businesses, the Group aims to improve its customers' performance through the pursuit of operational excellence and its ability to innovate. Rhodia is the partner of major players in the automotive, electronics, flavors and fragrances, health, personal and home care markets, consumer goods and industrial markets. Proud that its solutions help to ensure progress in other industrial sectors, Rhodia pursues its activities in a manner that respects its different stakeholders. This overarching commitment requires the Group to strive at all times to constantly improve its practices in the area of Sustainable Development.

RHODIA GROUP KEY FIGURES

Net sales

€5,226 m

Headcount

14,000

EBITDA

€905 m

Number of sites

65

Net income attributable to equity
holders of the parent

€259 m

R&D

5 platforms
dedicated to research
(US, Brazil, France, China)

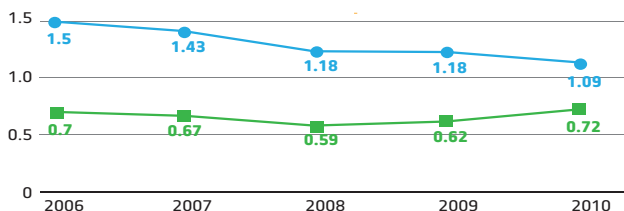
SUSTAINABLE DEVELOPMENT IN FIGURES

OUR CUSTOMERS generated with products meeting the sustainable development objectives of our customers.

32% of net sales

OUR EMPLOYEES

- Training: an average of 32 hours per employee in 2010, i.e. **+18 %** compared with 2009.
- Occupational safety for all Rhodia employees and subcontractors working on a site*:

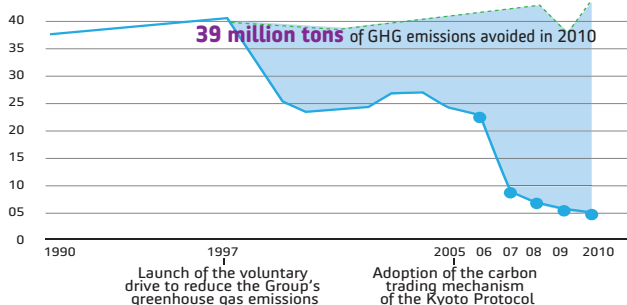


■ **TF1 Global** Number of lost-time accidents per million hours worked.
● **TF2 Global** Number of accidents, with lost time or not, per million hours worked.

*Ernst & Young research – February 2009 based on figures provided by the GBU's

OUR ENVIRONMENTAL FOOTPRINT

Greenhouse gas (GHG) emissions (in millions of tons) on an historical basis of consolidation



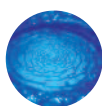
80% reduction in greenhouse gas emissions between 2005 and 2010

This fine result was achieved thanks to investments made in 2006 on Rhodia's different sites in South Korea, Brazil and, subsequently, in France. Since 2007, these facilities have enabled the Group to sell carbon credits (CERs) for approximately 13.5 million tons of CO₂ equivalent per year.



AIR
42%

reduction in emissions of gases responsible for the acidification of the air (SO_x+NO_x) between 2005 and 2010



WATER
+ than 800 million m³
of water recycled



SOIL
70%

of the waste incinerated by Rhodia in 2010 was used to generate heat.

VOLUNTARY COMMITMENTS

GIVING VOICE TO RHODIA'S AMBITION

As a responsible producer of chemicals, Rhodia supports the initiatives taken by the chemical industry and wider business community to develop responsible practices capable of reducing the impact of its activities.



Global Compact

When it became a signatory to the United Nations' Global Compact in 2003, Rhodia undertook to promote, and ensure the application of, ten major principles governing human rights, labor law, environmental protection, and the fight against corruption.

Did you know?

The Global compact was first launched in 1999 by Kofi Annan, the then General Secretary of the United Nations Organization. By signing up to the Global Compact, companies confirm their adherence to the conviction that commercial practices founded on a certain number of universally recognized principles will help lead to the emergence of a more stable, equitable and open world market and the development of prosperous and dynamic societies.

www.unglobalcompact.org

Did you know?

Responsible Care® is an initiative taken by the worldwide chemical industry aimed at achieving continuous improvement in the safe handling of chemical substances from their initial development to their final use. First launched in 1987, Responsible Care® is now implemented in 53 different countries and goes far beyond the bare legal requirements in the majority of these countries. In 2006, a Responsible Care® Global Charter was adopted to reinforce this program with more stringent requirements in terms of product life-cycle management and information provided to stakeholders.



Responsible Care

When it became a signatory to Responsible Care® as early as 1987, Rhodia undertook to improve its performance in terms of health, safety and environmental protection through compliance with the principles of the Global Charter.

www.icca-chem.org



ICEM

In 2005, Rhodia signed a global social and environmental responsibility agreement with the international federation of chemical industry workers (ICEM). This agreement, the only one of its kind in the chemical industry, gives tangible expression to Rhodia's determination to ensure that basic labor rights and the Group's social standards in the areas of health, safety and environmental protection are respected on all its sites all over the world. This agreement applies to all Rhodia employees in the 80 countries in which the Group pursues its activities.

Did you know?

Every year, an assessment is carried out on a Rhodia site chosen by ICEM to verify the correct application at a grassroots level of the commitments made by the Group. These assessments have already been completed in China, Brazil, the USA and South Korea, and an annual review has been presented to an extra-national body representing the Group's employees (European Works Council). This agreement – which was renewed in 2008 and again in February 2011 for a period of 5 years – has been reinforced on each occasion. As a result, Rhodia and ICEM, which both make employee safety one of their central priorities, have set up a new joint "Global Safety Panel" in order to widen the scope of the management/employee dialogue to include the Group's safety policy worldwide.

www.rhodia.com/en/sustainability
www.icem.org



The rationale underlying this agreement is the open, ongoing dialogue that it creates."

Jean-Pierre CLAMADIEU,
Chairman & CEO of Rhodia



The fact that Rhodia is the only chemical group to have signed a global agreement with us demonstrates its commitment and openness."

Manfred Warda,
General Secretary of ICEM

RHODIA IS COMMITTED TO A SUSTAINABLE CHEMICAL INDUSTRY



Rhodia is a key player in the Axelera international competitiveness cluster that makes Chemistry go hand-in hand with Environmental Protection.
www.axelera.org

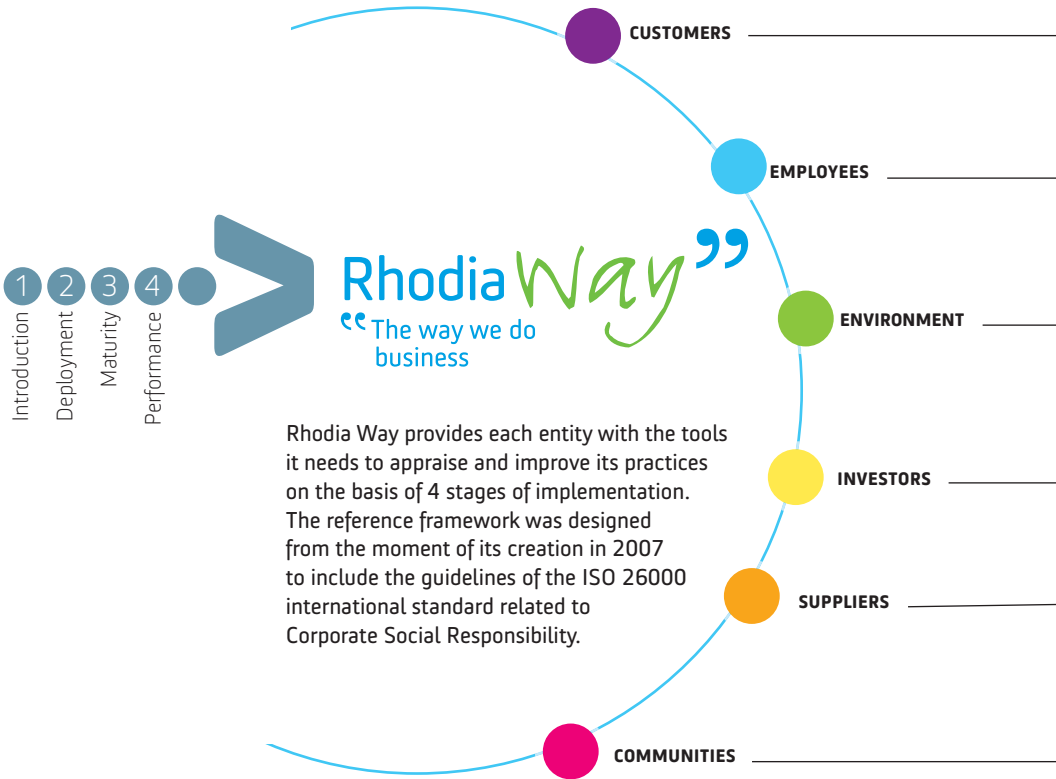


Rhodia is a member of this European technological platform dedicated to sustainable chemistry.
www.suschem.org



Rhodia is one of the founding members of this association created to develop plant chemistry in Europe.
www.chimieduvegetal.com

RHODIA WAY, A REFERENCE FRAMEWORK OF PRACTICES TO DEFINE OUR RESPONSIBILITIES



6 stakeholders

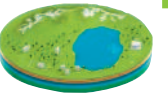
21 commitments divided up into **44** good practices.



Express our CSR commitments in our relationships with customers
Integrate CSR in our innovations
Manage the risks relating to our products



Guarantee the health and safety of employees
Develop employability
Ensure a high-quality, well-balanced social dialogue
Foster diversity in the workplace



Promote environmental management
Preserve natural resources
Limit our impact on the environment, preserve biodiversity



Generate value in a responsible way
Manage risks in a global manner
Ensure the dissemination of and compliance with best practice in corporate governance
Communicate transparently



Define CSR pre-requisites and integrate them in the supplier selection process
Assess buyers' performance in terms of CSR
Manage and assess suppliers, optimize relations



Control risks related to the presence of entities on their territories
Ensure that entities are well integrated in their territories (region, country)
Control risks in the logistics chain

Sustainable development, a shared value

Rhodia's organizational structure, designed to allow the Global Business Units to enjoy greater autonomy, made it possible to complete a new stage in our sustainable development approach in 2011 by including the responsibility policy as a factor of motivation in the Group's remuneration policy.

As a result, 10% of the bonus awarded to the Group's 3,000 executives is tied to the social and environmental responsibility targets defined by their entities. Its identity as a responsible chemical company now represents a decisive feature of Rhodia's corporate personality, shared by all the people working for the Group.

Guidance provided by a network of experts

The supervision of Rhodia Way is based on a worldwide network of 120 'champion' and 'correspondent' employees who ensure the approach is implemented correctly within the GBU or Function. The Sustainable Development Department, attentive to the needs of the different stakeholders and responsible for supervising the approach on behalf of the Group, coordinates the work of this network and reports directly to the Chairman & CEO of Rhodia.

1 annual assessment per entity

AN APPROACH INTEGRATED INTO THE GROUP'S KEY PROCESSES

The Rhodia Way approach makes our determination to reduce, at every level, the impact and environmental footprint of our activities and, more generally, our social and environmental responsibility an integral part of our managerial processes.



Customers

Responsibility assumed from the initial project stage

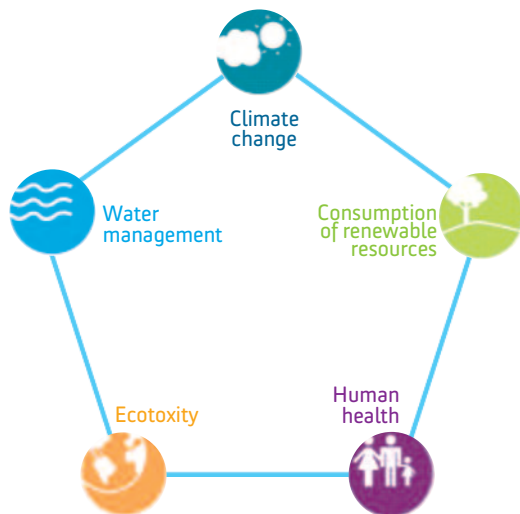
The analysis of the economic, environmental or carbon footprint life cycle consists in determining, from the moment the innovation is first conceived, the impact and economic and environmental repercussions of that innovation once it has been adopted by the Group's factories or by Rhodia's customers. If the analysis reveals a negative environmental and human impact, the project is discontinued.

Number of CMR substances commercially available

2010: **7***
or **65%**
fewer than in **2004**

* Replacement and risk controls studies were performed for all the substances

Rhodia puts the protection of human health and the environment at the very heart of its innovation projects and processes.



Did you know?

A determined worldwide drive to limit CMR substances

The Group has drawn up in-house procedures* for its CMR substances (CMR: carcinogens, mutagens and substances toxic to reproduction). The scope of these procedures is wider than those provided for in the European REACH regulations.

As of 2004, the Group drew up an exhaustive global inventory of the CMR substances it sold before launching, in 2006, a systematic search for substitutes and implementing the management of risks inherent in these products.

* All products commercially available on the market, CMR levels 1 and 2 in the European Union and Groups 1 and 2A according to the IARC (International Center for Cancer Research).



Suppliers

Forging responsible, long-term relationships with our suppliers

Rhodia forges long-term responsible relationships with its suppliers through information-sharing sessions, discussions, training, appraisals and innovations... in line with the principles of social and environmental responsibility as defined by Rhodia Way. When the Group publishes a call for tender, identical methods are used in every geographical region worldwide to assess and select the offers submitted by suppliers. This approach makes it possible to attribute an RSE grade based on 5 criteria: competitiveness, quality & safety, product risks & services, innovation, and strategic relationship.

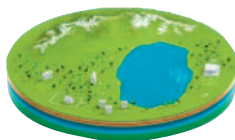
Charter for

 inter-enterprise relations

Rhodia is one of the first group of 22 companies to sign the "Charter of Good Practices" on February 11, 2010 in Bercy (Paris) under the aegis of Christine Lagarde, former Minister of the Economy, Industry and Employment in the French government. This charter represents a voluntary commitment to promote long-term, responsible relationships with suppliers in an approach designed to ensure constant progress in this area.

Environment

A management system not far from excellent



Rhodia has adopted a policy of continuous progress as far as industrial hygiene, the safety of individuals and property, environmental protection, transport, security and product safety are concerned, based on a management system that has been rolled out all over the world. This management system specific to Rhodia has been certified* compliant with the OHSAS 18001 personal safety standard and, with regard to the environment, with the ISO 14001 international standard.

* by the DP2i certification agency in 2005.

97%
 of the sites audited using the industrial hygiene, safety and environmental management reference system in 2010

A VECTOR FOR RESPONSIBLE GROWTH



Sustainable development is the meeting place between a set of necessary requirements and a vast range of market opportunities.

The marriage between responsibility and high performance make sustainable development a key to long-term, manageable growth.

Today, almost one third of our sales are already generated with products satisfying the needs of sustainable development, and this proportion is increasing from one year to the next.”

Jacques Khélif, Group Vice-President, Sustainable Development

21%

of our net sales generated with products developed over the past 5 years

Solvents go green!

Launch of Augeo™

The Group expanded its range of bio-sourced, biodegradable Augeo™ solvents in 2010 to meet the respective needs of the coatings and industrial cleaning markets.

The Augeo™ range is made from glycerin, a renewable raw material derived from the production of biodiesel. Its qualities allow it to replace less friendly traditional solvents.

The Rhodapex® ESB NAT surfactant derived from sugar cane offers cleaning properties equivalent to similar products but comes with a more favorable carbon footprint.



Automobiles and the environment make a happy marriage

Rhodia's engineering plastics

First launched in 2010, the Fuel'In by Technyl® range opens up new prospects in the area of fuel storage and transportation. Its use makes it possible to reduce the weight of finished components by up to 30% without making any compromise as far as their safety performance is concerned.

Offering carmakers sustainable mobility solutions is a priority for Rhodia. In this market, 100% of the Group's developments are devoted to this challenge with, in particular, the objective of reducing fuel consumption and cutting CO₂ emissions.

Rhodia invests in photovoltaic technology



The Eight19 start-up company

By investing in hi-tech start-up companies, Rhodia wants to expand its innovation potential and gain access to cutting-edge expertise. Eight19 is developing organic photovoltaic technology based on printed solar cells. This future-oriented technology promises to be a new growth driver in the photovoltaic market, a segment destined to enjoy extremely rapid growth. This start-up company was founded by Sir Richard Friend, winner of the Rhodia Pierre-Gilles De Gennes Award in 2008.

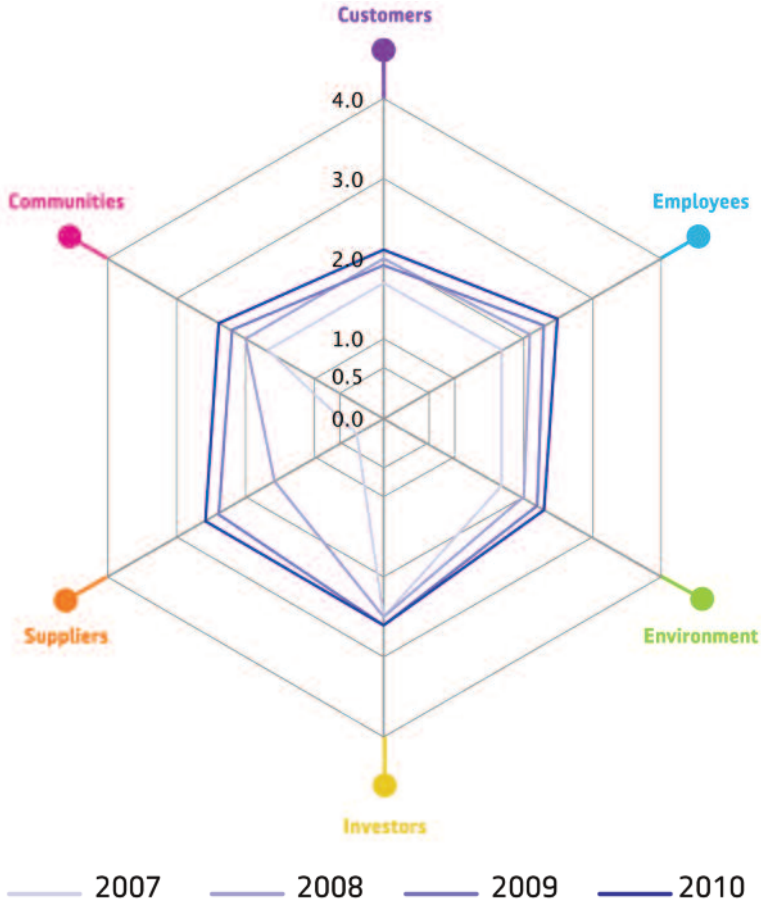


Chemistry innovation prize in favor of sustainable development

Rhodia was awarded the 2011 **Pierre Potier Prize** for Eolys Powerflex™. A catalytic additive for particulate filters first launched in December 2009, **this new product helps carmakers to reduce the environmental impact of their vehicles.** When added to the diesel (or biodiesel) fuel, it enables the particulate filter to function effectively and reliably. This technology, which is already used to equip 1.5 million diesel-driven vehicles in Europe, makes it possible to eliminate more than 99% of the carbon soot released by these vehicles. The production process used also makes it possible to reduce energy consumption by 35% and to recycle all the different co-products. Used in conjunction with a detergent, the engine's efficiency is maintained throughout the life of the vehicle and the CO₂ emissions produced during the regeneration of the filter are reduced by a factor of 4%.

2010 ASSESSMENT

Progression of the Sustainable Development approach



For the fourth consecutive year, the entities in the Group have evaluated their practices in accordance with the Rhodia Way® framework.

From industrial sites and business units to research centers and functional departments related to purchasing, finance, legal and public affairs, all of the Group's entities evaluated their practices in 2010 in relation to social and environmental responsibility. The objective of this approach was for each entity to define itself in relation to Rhodia Way® objectives, and then create a progress plan.

RHODIA WAY AWARDS, TROPHIES DEDICATED TO SUSTAINABLE DEVELOPMENT

Created in 2008, the Rhodia Way Awards set out to highlight the best practices developed at a grassroots level corresponding to the commitments enshrined in Rhodia Way.

The prizes

Stakeholders	Prize-winning projects and achievements
Customers	<p>Bio-sourced ethylene oxide for SLES Rhodia provides its customers with ethylene oxide obtained from a plant-based raw material – sugar cane – used as a substitute for petroleum.</p>
Employees	<p>Continuous improvement method On the Chalampé site (France), the continuous improvement method involves all the personnel in concrete, grassroots actions (safety, working conditions, consumption, etc.).</p>
Environment	<p>Reduction of acetone losses The personnel on the Serpukhov site (Russia) successfully launched a program to reduce the amount of acetone lost into the atmosphere.</p>
Investors	<p>Carbon footprint of the French production sites Environmental footprint appraisals were carried out on all the French sites to optimize their direct and indirect emissions.</p>
Suppliers	<p>CSR assessment of suppliers in Asia The Purchasing Department organized a training program for its Asian suppliers focusing on sustainable development issues.</p>
Communities	<p>Insertion of disabled workers For the past 2 years, the HR Department in Brazil has been running a professional insertion program for disabled workers given factory jobs.</p>

2010 results

240
projects submitted

2,000
employees
involved

107
projects
shortlisted

6
prize-winning
projects

ACKNOWLEDGED RESULTS IN TERMS OF SUSTAINABLE DEVELOPMENT

Eager to demonstrate the rigor of its efforts in the area of sustainable development, Rhodia wanted to have the relevance of its approach confirmed by third-party institutions. Since the launch of Rhodia Way in 2007, Rhodia has completed the questionnaires submitted to it by extra-financial ratings agencies. These bodies appraise listed companies according to their social and environmental responsibility results, and rank the best performers within a stock-market index for the benefit of institutional investors.



For the 3rd year in succession, Rhodia has been listed by the Dow Jones Sustainability Index (DJSI World) as one of the most effective chemical companies worldwide in the area of social and environmental responsibility.

The Dow Jones Sustainability Index is the leading extra-financial global index that appraises every year the sustainable development performance of the world's **2,500 most highly capitalized companies**. Only the **250 most highly effective companies** become members of the index. Out of the **90 chemical companies** covered by the assessment, only nine – including Rhodia – were selected for inclusion.

By deciding very early on to place responsibility at the heart of its management processes, Rhodia has managed over the years to actively engage all its employees in a drive for improvement that has gradually embraced all the different aspects of sustainable development. A veritable reference that informs our everyday behavior, this striving for more sustainable development is also considered by the Group's management as a source of innovation for our business activities and as a key part of our growth strategy.

Ethibel Sustainability Index Excellence



Rhodia is listed on the Ethibel Excellence Index®. This stock-market index is comprised of approximately **280 listed companies in Europe**, North America and the Asia-Pacific region. These companies boast above-average results in the area of social and environmental responsibility on the basis of VIGEO ratings, while respecting a set of ethical criteria drawn up by the independent Forum Ethibel organization.



RHODIA S.A. is also listed on the ASPI EUROZONE® index comprised of the top **120 listed Eurozone companies** in terms of their social and environmental performance. The companies are chosen on the basis of VIGEO ratings.



In 2010, Rhodia invested
61.7 million d'euros

50%
for safety and industrial hygiene

50%
for the environment

Carbon Disclosure Project (CDP)

CARBON
DISCLOSURE
PROJECT

A non-profit, independent organization, the aim of the CDP is to forge relationships between investors and business organizations. Through analyses and publications, it focuses attention on global groups that take account of the effects of climate change in their management styles. Every year, Rhodia presents them with the report of its activities including the consideration of climate change in its management methods.

