

ARKEMA CODE OF CONDUCT AND BUSINESS ETHICS

Summary

INTRODUCTION

PRESIDENT'S COMMITMENT
OUR VALUES
ACTING WITH INTEGRITY MEANS
SPEAKING OUT...

1. INTEGRITY OF OUR WORK ENVIRONMENT P 4

- 1.1 • Commitment to safety, health and hygiene
- 1.2 • Respecting employees

2. INTEGRITY OF OUR BUSINESS P 6

- 2.1 • Protecting information of Arkema's partners
- 2.2 • Commitment to fair competition
- 2.3 • Business honesty and ethics
- 2.4 • Gifts and invitations
- 2.5 • Complying with export and import regulations
- 2.6 • Respecting the environment and sustainability
- 2.7 • External communication

3. INTEGRITY OF INDIVIDUAL CONDUCT P 12

- 3.1 • Protecting tools and information of Arkema
- 3.2 • Prohibiting insider trading
- 3.3 • Conflicts of interest

4. IMPLEMENTATION OF BUSINESS COMPLIANCE AND ETHICS PROGRAM OF ARKEMA P 14

- 4.1 • Compliance Committee
- 4.2 • Ethics Mediator



OUR COMMITMENT

In the complex environment in which we operate, it is necessary to present, as clearly and simply as possible, the values, principles and general rules for conduct established by Arkema, in order for each employee to implement, comply with and be inspired by them. This Code of Conduct thus satisfies this need. It sets out general requirements governing Arkema wherever it operates, including its shareholders and other stakeholders, as well as its clients or employees; it establishes the individual conduct principles and rules which you must comply with within Arkema.

The Ethics Mediator and Compliance Committee, whose duties are defined herein, are available to all employees of Arkema should you have any questions regarding the interpretation and implementation of this Code.

Our values are both specific, as they are chosen by us, and universal as they are inspired by principles derived from fundamental treaties including the Universal Declaration of Human Rights of 1948, the principles of the International Labor Organization, the Guidelines for multinational enterprises of the OECD and the principles of the United Nations World Pact. This not only makes them requirements but also adds to their potential. I know that I can count on each and every one of you to live them fully on a daily basis, and for the benefit of all.

I thank you in advance.

Thierry Le Hénaff
Chairman and Chief Executive Officer



OUR VALUES

Arkema is a global chemicals producer, operating in three diversified and coherent business areas:

- High performance materials,
- Industrial specialties,
- Coating solutions.

Present in more than forty countries, Arkema's development is based on common values:

- **solidarity:** in the decision-making process that commits the company, in the recognition of collective interests, in the position of the company in its environment, to be able to work together;
- **simplicity:** in the way of behaving, communicating, posing problems and solving them, building tools/methods/structures;

— **performance:** to act in order to improve something, in short, middle and long-term by anticipating the possible future results;

— **accountability:** to meet the demand of one's activities, in the management of one's role as a driver of change, in the consequences of one's actions as a principle of citizenship of the company.

These values are part of the fundamental texts and principles that govern us: human rights, laws and regulations that can be applied and especially the rules of free competition and rejection of every kind of bribery.

They are the basis of our development and one of the first conditions of our collective success.





ACTING WITH INTEGRITY MEANS

Asking the right questions...

Asking whether one's conduct complies with:

- *applicable rules and regulations*
- *the Code of Conduct of Arkema*

SPEAKING OUT...

If you witness any violation of this Code of Conduct, you must inform all relevant persons who are in a position to take any necessary decisions adapted to these situations, including, as the case may be:

- your supervisor,
- the Ethics Mediator,
- the Compliance Committee,
- Safety and Environment contact persons,
- HR contact persons,
- the Legal Department.

You will not be subject to retaliation in your employment or reproached for having reported any violation of the Code of Conduct.

1 INTEGRITY OF OUR WORK ENVIRONMENT

Arkema is a socially responsible company

1.1 COMMITMENT TO SAFETY, HEALTH AND HYGIENE

The safety and security of its sites and premises, and of its activities, as well as the health of people are priorities for Arkema.

To ensure compliance with such priorities, Arkema requires that its employees:

- comply with all applicable laws and regulations, wherever it operates business;
- comply with all applicable risk prevention policies, involving any means and intervention plans intended to deal with any accident;
- participate responsibly in accident prevention, and in the protection of health of people and of hygiene.

Arkema expects its employees to act in an exemplary way, and foster openness and dialogue in undertaking all necessary actions regarding safety, health and hygiene in order to preserve the work environment.



**Safety
always
in mind**

safety in action

What do we mean by “safety always in mind”?

It means keeping vigilant at all times with regard to the safety of all employees, visitors and contractors. It means being responsible with regard to one's own safety and attentive to that of others. It means undertaking, both individually and collectively, to comply with all rules of action established by Arkema, and to do so without compromise.

1.2 RESPECTING EMPLOYEES

Arkema undertakes to:

- encourage diversity which is an asset for its global activities. Thus, Arkema rejects all forms of discrimination based on personal characteristics such as origin, sex, skin color, religion, nationality, sexual orientation, social origin, family situation, age, political or union opinions, or any other form of discrimination. Arkema only recruits its employees based on its needs and their abilities;
- respect the fundamental liberties of the employees, such as the right of association and expression;
- protect the confidentiality of the personal information of its employees;
- respect the private life of its employees;
- respect Human Rights and, in particular, prohibit any form of forced labor which would entail forcing a person to work against his or her will or freedom;
- prohibit the use of child labor in all countries in which Arkema operates.

To ensure compliance with these priorities, each employee of Arkema must endeavor to:

- protect the work environment fostering solidarity between the employees;
- maintain a dialogue, active listening and a relationship of trust;
- act in an exemplary manner.

Thus:

- no employee must feel threatened or intimidated by any inappropriate conduct;
- no form of violence or harassment in the workplace will be tolerated.



2 INTEGRITY OF OUR BUSINESS

Arkema considers integrity and transparency in the management of its business to be a priority.

2.1 PROTECTING INFORMATION OF ARKEMA'S PARTNERS

Arkema protects the confidential information of its partners with the same diligence as its own information.

Arkema requires that its employees undertake to:

- refrain from disclosing orally, in writing or electronically any business information which is confidential, without express authorization. Each employee must take all necessary measures to protect the confidentiality of information in their possession as a result of their work activities. Any confidential information concerning the partners of Arkema is to be treated with the same diligence employed by Arkema for the protection of its own confidential information;
- respect all intellectual and industrial property rights of third parties.



2.2 COMMITMENT TO FAIR COMPETITION

Arkema requires its employees to scrupulously comply with all applicable rules relating to competition law in all countries where Arkema operates.

2.2.1 PROHIBITION AGAINST AGREEMENTS RESTRICTING COMPETITION

Arkema has established a totally independent and autonomous commercial strategy and action plan.

I. Relations with competitors

In all contact with competitors of Arkema, each employee must exercise great prudence.

It is strictly prohibited, by any contract or informal means, to come to an agreement with one or several of Arkema's competitors with regard to:

- fixing sale prices,
- limiting or controlling their production, opportunities, technical development or investments,
- misrepresenting a call for tenders procedure, or
- sharing contracts, territories or clients.

An agreement may notably result from an exchange of sensitive information; for example, exchanges concerning sale prices and volumes.

The situations in which Arkema may enter into an agreement with a competitor are strictly governed by competition law rules.

Consequently, if any employee seeks to enter into a proposed agreement with a competitor, he or she must:

- contact the Legal Department beforehand in order to determine if this agreement is possible from a competition law point of view;
- request that lawyers participate in discussions with competitors where sensitive issues may be addressed;
- avoid any exchange with the future partner until the Legal Department has provided its analysis on the compatibility of this proposal with competition law.

II. Relations with suppliers and distributors

With respect to its relations with suppliers and distributors, it is prohibited to restrict the freedom of a purchaser or distributor in the establishment of its resale prices.

2.2.2 PROHIBITION OF ABUSE OF DOMINANT POSITION

Abuse of dominant position practices are prohibited. The following may constitute abuse:

- establishing extremely low prices, even predatory practices, i.e. which lead to losses or the waiving of profits in view of ousting competitors;
- excessively increasing prices where the company is in a dominant position on a given market.

What sanctions are provided by law or regulations in the event of any breach of the applicable rules regarding competition law?

Any violation of competition law is severely sanctioned by the competition authorities:

- > by the annulment of concluded agreements;
- > by significant fines, which may be in the order of 10 % of the annual world sales of Arkema.

The following additional sanctions may be ordered:

- > compensatory actions for victims of these practices before the civil courts;
- > imprisonment or fines which may be ordered by the criminal courts against any persons having actively participated in such practices and agreements;
- > internal disciplinary measures.



2.3 BUSINESS HONESTY AND ETHICS

The policy of Arkema consists in conducting one's business with integrity. Arkema complies with all international agreements and applicable laws with regard to the fight against corruption in those countries where Arkema operates. Arkema prevents and sanctions all forms of fraud and corruption in commercial transactions with its partners.

Employees may not offer, provide or accept, directly or indirectly, any unfair advantage, be it pecuniary or otherwise, and whose purpose is to secure business relations or any other business advantage. The specific partners concerned are:

- a person in a position of public authority such as a representative of the State or any other public servant or foreign official,
- an agent or employee of a client,
- a financial or banking body,
- a political party.

Arkema does its utmost to choose reliable commercial partners by implementing a specific procedure to verify all transactions with commercial intermediaries.

Any form of collusion with a client or supplier is prohibited. Employees who fail to comply with these principles are subject to criminal sanctions or any other sanction provided by applicable law, in addition to disciplinary measures.

2.4 GIFTS AND INVITATIONS

Goodwill gestures like gifts and invitations must be strictly limited. In fact, if a gesture of goodwill is considered to be excessive, it may be seen as fraudulent, or even corrupt. Arkema requires its employees to be vigilant with regard to such gestures of goodwill.

Employees must determine if a gift or invitation offered by the commercial partners of Arkema is likely to affect business relations. In any case, it is recommended that supervisors be consulted in order to guarantee the reasonable nature of the proposed gesture of goodwill.

2.5 COMPLYING WITH EXPORTING AND IMPORTING REGULATIONS

Arkema is a company with an international reputation. Arkema has business relations with commercial partners throughout the world. All employees must comply with the international commercial rules applicable to the business activities and products of Arkema.

The nature of the products sold by Arkema require strict compliance with the specific authorization rules, licenses and permits relating to exporting and importing, and governing these products. Prior to any exporting or importing, the concerned employee must ensure that he or she has received the necessary authorizations for the relevant products, the country of origin and destination and their final use.

The employees of Arkema must strictly comply with the rules of commercial restrictions concerning importing and exporting. A commercial restriction may concern a country, a commercial partner or a product. It is important for each employee to comply with these rules in choosing a commercial partner. Furthermore, he or she must therefore provide full and accurate information on the product.

Any breach of these various rules would expose Arkema and all employees involved to sanctions which could have harmful consequences on the image and business activities of Arkema.

What do we mean by commercial restrictions concerning importing and exporting?

This refers to national or international rules likely to establish commercial restrictions, for example such as embargos, boycotts or all other measures which must be complied with to ensure the proper operations of the business activities of Arkema.

These restrictions may concern a specific partner, country or product. Due to the nature of the products sold by Arkema, they are subject to specific commercial restrictions. It is imperative to comply with them insofar as the production, use or sale of chemical products may be illegally diverted from their intended use, such as for example, for chemical weapons, drugs, dual-use products, or explosive products.

2.6 RESPECTING THE ENVIRONMENT AND SUSTAINABILITY

Arkema endorses Responsible Care®, a voluntary initiative centred on business and product stewardship, and based on a process of continuous progress, which is launched by the International Council of Chemical Association (ICCA) on the world level and by the European Chemical Industry Council (CEPIC) on the European level.

In order to respond to the needs of each of its stakeholders, Arkema considers the protection of the environment to be a top priority. Arkema's goal is to scrupulously comply with all laws and regulations relating to the protection of the environment in those places where it operates. Furthermore, Arkema has implemented a HSEQ (hygiene, safety, environment and quality) policy and, in this regard, has undertaken to:

- responsibly manage its products,
- prevent risks which may occur as a result of its activities or products,
- use technologies that protect the environment,
- conduct regular reporting of its operations,
- efficiently and durably use resources,
- reduce greenhouse gas emissions,
- manage waste,
- engage responsible industrial and commercial partners who adhere to Arkema's policy regarding safety, health, the environment and quality,
- communicate information relevant to its stakeholders in terms of the preservation of the environment and the promotion of sustainability.

2.7 EXTERNAL COMMUNICATION

Arkema is a listed company which operates in numerous countries. For these reasons, Arkema must continuously provide accurate information to all of its stakeholders directly or by means of the media.

Only the following are authorized to publicly provide information on behalf of Arkema:

- the Chairman and Chief Executive Officer of Arkema or members of the Executive Committee,
- the External Communications Department,
- the Financial Communications Department,
- the Corporate Public Affairs Director,

As well as for their respective jurisdiction:

- the Site Managers,
- the General Managers of the local subsidiaries,
- the Managing Directors of the Business Units, and
- the Vice-Presidents of the Central Support Functions.

3 INTEGRITY OF INDIVIDUAL CONDUCT

Arkema acts in compliance with the values described in the introduction of this Code of Conduct.

3.1 PROTECTING TOOLS AND INFORMATION OF ARKEMA

Arkema owns property used by each employee on a daily basis in the exercise of his or her duties. This property may be tangible such as the premises and industrial facilities where the employees of Arkema work, the computer or telephone networks, or the office supplies used by them.

Each employee must use the property for the sole purpose of conducting the business operations of Arkema. No employee may appropriate, lend to third parties or use this property for unlawful purposes. Mobile phones, or internet access and any other means of communication lent by Arkema must be used in an ethical and lawful manner. No employee may use it to access inappropriate or illegal publications. The private use of this property must be reasonable, and not interfere with professional obligations. Any misappropriation of the property of Arkema for personal use is prohibited.

Arkema also owns intangible property such as:

- know-how, concepts, and inventions developed by employees,
- lists of suppliers, clients, information relating to orders, and more generally to various contracts,
- results, forecasts or any other financial data,
- technical and product information, and
- any other confidential information.

Employees who, in performing their duties, use **confidential information** must strictly and under all circumstances comply with all confidentiality obligations. They must obey all rules concerning access to this information brought to their knowledge. They may under no circumstances provide confidential information to non-concerned third parties, even to colleagues. They may only disclose confidential information in accordance with a pre-determined legal framework. Each employee must carefully and securely process, use and disclose such information, and assumes all liability for any failure to comply with these rules. All confidentiality obligations continue in full force and effect after the departure of the employee.



3.2 PROHIBITING INSIDER TRADING

Arkema is a listed company subject to specific rules governing the disclosure of certain information to the public and prohibiting insider trading. This information is privileged and must remain within the company.

Certain employees may have access to privileged information which may affect the market prices of the shares of Arkema. The disclosure of privileged information to third parties, or to the public, such as, for example, forecasts of results or proposed changes of the scope of the business activities of Arkema are prohibited by law.

Employees with access to such information may not purchase or sell shares, even by means of an intermediary, as long as the information has not been disclosed to the public.

Employees with access to such information must comply with all confidentiality obligations and are prohibited from disclosing such information to any person whatsoever, even his or her colleagues, family members or friends. Indeed, any person purchasing or selling shares based on such privileged information may be found to have committed insider trading.

3.3 CONFLICTS OF INTEREST

Employees may be faced with situations in which their personal interests, or those of individuals or corporations to which they are close, may contradict those of Arkema. Employees of Arkema must never compromise their objectivity or fairness vis-à-vis Arkema.

Any employee having a personal interest in a company which has engaged in commercial relations with Arkema must report it to his or her superior.

Employees must refrain from:

- acquiring any interest in any competitor, supplier or client, and any other partner, unless prior written authorization has been obtained from their superior;
- engaging in any professional activities outside Arkema, unless prior written authorization has been obtained from their superior.

In the event of any doubt as to a conflict of interest, employees should address the matter to their superior, the Ethics Mediator or Compliance Committee.



4 IMPLEMENTATION OF BUSINESS COMPLIANCE AND ETHICS PROGRAM OF ARKEMA

The Business Compliance and Ethics Program of Arkema is a mechanism that includes this Code of Conduct, as well as all rules and procedures applicable within Arkema.

This mechanism is implemented by the Compliance Committee and the Ethics Mediator who are responsible for its application to all employees of Arkema.

All employees are subject to the Business Compliance and Ethics Program of Arkema.

4.1 COMPLIANCE COMMITTEE

4.1.1 APPOINTMENT

The Chairman and Chief Executive Officer of Arkema appoints the members of the Compliance Committee.

The members of the Compliance Committee are:

- a representative of the Law Department,
- the Internal Audit and Internal Control Vice-President,
- the Safety and Environment Vice-President,
- the Sustainable Development Vice-President,
- a representative from the Human Resources Department,
- a representative from the Financing/Treasury Department.

The members of the Compliance Committee may only be dismissed by a decision of the Chairman and Chief Executive Officer of Arkema.

4.1.2 DUTIES

The Compliance Committee is responsible for handling compliance matters within Arkema. The concerned areas are the following:

- competition law,
- commercial intermediaries,
- fraud,
- commercial practices and business integrity,
- integrity of work environment,
- respecting the environment.

The Compliance Committee further ensures that all regulatory changes are circulated within Arkema.

The Compliance Committee provides the Executive Committee of Arkema with a report for each of its meetings, in which it may issue an opinion or make recommendations. The Compliance Committee establishes an annual compliance report addressed to the Executive Committee of Arkema.

Sanctions in event of failure to apply the Program:

The Compliance Committee may recommend sanctions in the event of any failure by an employee to comply with the Business Compliance and Ethics Program. In this case, it must inform the superior of the employee and the Human Resources Department which may determine any sanctions to be ordered.

4.1.3 SECRETARIAT OF COMMITTEE

The secretariat of the Compliance Committee is ensured by the Law Department. It is responsible for preparing daily agendas, minutes and the centralization of opinions, recommendations and reports prepared by the Compliance Committee.



4.2 ETHICS MEDIATOR

4.2.1 APPOINTMENT AND DISMISSAL

The Chairman and Chief Executive Officer of Arkema appoints the Ethics Mediator.

The Ethics Mediator is a Group employee who has broad experience of the Group's businesses and disciplines, and holds a position that guarantees the necessary independence and freedom of judgment.

The Ethics Mediator may only be revoked by a decision of the Chairman and Chief Executive Officer of Arkema.

4.2.2 DUTIES

The Ethics Mediator, together with the Compliance Committee, is responsible for the application of the Business Compliance and Ethics Program of Arkema, and notably:

- Recommends procedures, or at his discretion responds to any issues that Arkema employees may have on ethics matters ;
- Is required, generally and at all times, to observe the strictest confidentiality toward third parties about the identity of the authors of the questions, and to keep secret any information that could lead to their identification; this obligation may, however, be amended with regard only to those individuals who need to be informed, as far as is strictly required to respond to or deal with the matter raised, these individuals being also subject to the same obligation of confidentiality.;
- with regard to the performance of its duties, has the right to visit any site or subsidiary of Arkema;
- works together with the Compliance Committee with which it maintains constant contact;
- together with the Compliance Committee, provides a joint annual report to the Executive Committee of Arkema

4.2.3 ETHICS CONTACT PERSONS

In areas where Arkema operates, the Regional Directors are appointed as correspondents of the Ethics Mediator. Regarding any ethics matter, employees may either consult them directly or the local directors of Human Resources.



ARKEMA
INNOVATIVE CHEMISTRY

420, rue d'Estienne d'Orves
92705 Colombes Cedex – France
Tel.: 33 (0)1 49 00 80 80
Fax: 33 (0)1 49 00 83 96
arkema.com