

INNOVATION POLICY

Innovation is a cornerstone of Arkema's strategy focused on Specialty Materials and a major driver of its growth, resilience and contribution to sustainable development.

Innovation enables Arkema to accompany its customers in their evolution, by constantly developing differentiated high-performance products and solutions that meet their needs. By anticipating changing market trends through close relationships with market players, in particular through commercial excellence, Arkema is already developing an offering that combines performance and sustainability to meet the needs of the coming years.

Innovation plays an active part in the Group's industrial and commercial performance, as well as in improving its environmental footprint through the introduction of new, more efficient and less energy - and material-intensive technologies and industrial processes. In line with its corporate responsibility strategy, this approach allows Arkema to pursue its safe and competitive manufacturing operations. Innovation is expressed in all its forms, both incremental and disruptive, to create sustainable solutions in terms of production, uses, products and services for all of the Group's stakeholders.

Accordingly, all employees, with their diversity and skills, from all regions of the globe and job functions, contribute to Arkema's innovation.

The structuring spheres of Innovation as a pillar of Arkema's strategy are:

→ **An R&D project portfolio geared towards growth markets driven by major economic and societal trends, including sustainable development. Priority is given to five innovation platforms:**

- lightweight materials and design,
- electronics solutions,
- new energies,
- living comfort and home efficiency,
- natural resources management.

These projects are managed by the business lines in liaison with their customers and markets to deliver the value and differentiation of the solutions being developed. Together they structure the offering of new and sustainable solutions for the Group's three strategic segments (Advanced Materials, Adhesive Solutions, Coating Solutions). A number of projects, fuelled by shared technology platforms, aim for both incremental and breakthrough "process" innovations to improve the economic and environmental performance of our operations. The creation and monitoring of every project also involve appraisals in terms of sustainable development (in the broad sense as described in the United Nations' Sustainable Development Goals).

→ **A forward-thinking approach to strategic issues at Group level.** This is based on a portfolio of Group R&D programs to proactively explore market or technological opportunities for the future by rallying round all of Arkema's assets, complemented by an in-house incubator. The latter is designed to ensure the development of products or solutions, from disruptive projects through to the initial commercial phases.

→ **Strategic intellectual property management to effectively protect the Group's product and production technology inventions.** This contributes to a sustainable differentiation of our solutions and to the enhancement of the Group's products and brands with its customers, as well as to its recognition as a champion and dedicated partner in the world of innovation. Arkema's patent and brand portfolio is an asset that is essential for conducting and developing its business.

→ **Dynamic and collective management of talent, skills and technical facilities at Group level, conducted within three regional platforms and at global level, in liaison with all functions.** One priority is the training and development of women and men, the primary drivers of innovation, coupled with a cultural promotion of innovation that also values initiative-taking, collaboration, diversity and inclusion.

→ **Innovation open to the outside world, through a dynamic enhancement of a collaborative and diverse ecosystem. This is based in particular on:**

- Joint developments with existing customers or suppliers (for more efficient and rapid innovation), but also with new players in other value chains or markets.
- Mutually beneficial collaborations with start-ups or innovative companies, which can be boosted by equity investments or technology acquisitions. The Start-Up Connect program ensures continuous exposure to new potential partners.
- Long-term links with academic research, for access to fundamental knowledge and technological trends. These links are based on diverse partnerships (industrial chairs, joint laboratories with recognized research bodies, research collaborations) and a network of world-renowned scientific advisors.

→ **The ongoing development of digital in terms of expertise, technology and culture.** This includes data management and digitization, digital modeling, software and associated computing power, the use of algorithms and artificial intelligence. The aim is to accelerate innovation in terms of internal processes, industrial and operational performance, as well as the development of new offerings (products, formulations, materials, services).

→ **A suitable global organization enables the involvement and contribution of all stakeholders to achieve the priorities set out above.** Business line directors are in charge of innovation within their global remit, with the help of their R&D managers. At Group level, the coordination of actions and resources is overseen by an R&D division which runs:

- An R&D committee that meets frequently, comprising representatives from the strategic business segments' R&D divisions and the regional platform coordinators.
- Coordination of R&D centers within three regional platforms (Americas, Asia, Europe).
- A scientific committee including the Sustainable Development, Process, Intellectual Property divisions, the business lines' global R&D divisions, the scientific divisions, and those of the main R&D centers.



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