

# BUSINESS CONDUCT AND ETHICS CODE OF ARKEMA



**ARKEMA**  
INNOVATIVE CHEMISTRY

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## 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 of conduct established by Arkema, in order for each employee to implement them, comply with them and be inspired by them. The Business Conduct & Ethics Code of Arkema (the "Code of Conduct") thus satisfies this need. It sets out general requirements governing Arkema wherever it operates, vis-à-vis its shareholders and other stakeholders, as well as vis-à-vis its clients or employees; it establishes the principles and rules of conduct which you must comply with within Arkema.*

*The Compliance Committee, whose duties are defined herein, is available to answer any questions from Arkema employees regarding the interpretation and implementation of this Code of Conduct.*

*Our values are both specific, as they have been chosen by us, and universal as they are inspired by principles derived from fundamental rights treaties including the Universal Declaration of Human Rights of 1948, the principles of the International Labour Organisation, 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, 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 manufacturer, operating in three diversified and consistent business segments:

- > High Performance Materials,
- > Industrial Specialties,
- > Coating Solutions.

Present in about fifty countries, Arkema's development is based on a common set of values:

- > **solidarity:** showing solidarity towards one another, in the decisions taken by the group, in the acknowledgment of our collective interests, in the positioning of the group with regard to its environment, and in the capacity to work as a team;
- > **simplicity:** in the way one behaves, communicates, defines problems and brings pragmatic solutions to solve them;



- > **performance:** acting for the development of the group and knowing how to measure one's short and long-term contributions;

- > **accountability:** meeting the requirements of one's activities, in the management of one's duties and in the consequences of chosen actions, all based on the principle of corporate citizenship.

These values form the basis of Arkema's development and one of the key conditions for its success.



## ACTING WITH INTEGRITY MEANS

Asking the right questions...

And namely, asking whether one's conduct complies with:

- > applicable laws and regulations;
- > this Code of Conduct.



## SPEAKING OUT...

If you witness any violation of this Code of Conduct, you must inform the persons who are in a position to take the necessary and appropriate decisions for these situations. These can be:

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

An employee shall never be reproached for having reported any violation of this Code of Conduct.

# 1 INTEGRITY OF OUR WORK ENVIRONMENT

*Arkema is a socially responsible group.*

## 1.1 GUARANTEEING SAFETY, HEALTH AND HYGIENE

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

To meet those priorities, Arkema requires that its employees:

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

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



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

- > It means requiring that all of Arkema's employees, visitors and contractors stay vigilant at all times as regard to safety.
- > It means being responsible for 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 criteria such as origin, sex, skin colour, 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 their abilities and depending on its needs;
- > respect the fundamental liberties of employees, such as the right of association and expression;
- > protect the personal data of its employees;
- > respect the private life of its employees;
- > respect Human Rights and, in particular, prohibit any form of forced labour which would entail forcing a person to work against his or her will or freedom;
- > prohibit the use of child labour in all countries in which Arkema operates.

To meet these priorities, each Arkema employee must endeavour to:

- > protect the work environment and foster solidarity between 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 is tolerated.

# 2 INTEGRITY OF OUR BUSINESS

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



## 2.1 PROTECTING ARKEMA'S PARTNERS' INFORMATION

**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 authorisation. Employees 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 Arkema's partners 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 GUARANTEEING FAIR COMPETITION

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

### 2.2.1 PROHIBITION OF AGREEMENTS AND PRACTICES RESTRICTING COMPETITION

Arkema defines its commercial strategy and action plan in a completely independent and autonomous manner.

#### > I. With Arkema's competitors

Employees must deal with Arkema's competitors with the utmost caution.

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

- fixe sale prices,
- limit or control the production, opportunities, technical development or investments,
- misrepresent a call for tenders procedure, or
- share markets, territories or clients.

An agreement may result from a simple exchange of sensitive information (sale prices or volumes for example).

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

Consequently, if an employee seeks to enter into an 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 the discussions with this competitor 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 project with competition law.

#### > II. With Arkema's clients 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 an abuse:

- > establishing extremely low prices, even predatory prices, 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 laws or regulations in case of breach of competition law rules?*

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

- > annulment of signed agreements;
- > significant fines, which may reach 10% of Arkema's annual worldwide turnover.

The following additional sanctions may be applied:

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



## 2.3 HONESTY AND ETHICS IN BUSINESS

Arkema's policy is to conduct its business with integrity. Arkema complies with all international conventions and applicable laws with regard to the fight against corruption and influence peddling in the countries where it operates. Beyond these conventions and laws, Arkema condemns and sets out to prevent and detect fraud, corruption and influence peddling in all their forms in the commercial transactions with its partners.

Employees must not offer, provide, promise, request or accept, directly or indirectly, any undue advantage, be it pecuniary or otherwise, in order to secure business relations or any other business advantage. The persons who may be concerned are notably:

- > a person holding a public office 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 institution,
- > a political party.

Arkema does its utmost to choose reliable commercial intermediaries by means of a specific procedure dedicated to the monitoring of 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 laws, in addition to disciplinary measures.

## 2.4 GIFTS AND INVITATIONS

Goodwill gestures such as gifts and invitations must be strictly limited. Indeed, if a gesture of goodwill is considered to be disproportionate, it may be seen as fraudulent, or even as an act of corruption or influence peddling.

Arkema requires that its employees be vigilant with regard to such gestures of goodwill.

Employees must determine if a gift or invitation received from or offered to Arkema's commercial partners is likely to affect business relations. In any case, employees must comply with the Anti-Corruption Policy appended to this Code of Conduct and the rules applicable in respect of gifts and invitations.

## 2.5 COMPLYING WITH EXPORT AND IMPORT REGULATIONS

Arkema is a world-renowned group. Arkema has business relations with commercial partners throughout the world. Employees must comply with all international trade rules applicable to Arkema's business activities and products.

The nature of the products sold by Arkema requires strict compliance with export and import authorisation rules, licenses and permits to which these products are subject to. Prior to any exporting or importing, an employee must ensure that he or she has received the necessary authorisations for the relevant transaction (with respect to the products, their country of origin and of destination, and their final use).

Arkema employees must also strictly comply with export and import commercial restrictions. A commercial restriction may concern a country, a commercial partner, as well as a product.

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

### *What do we mean by import and export commercial restrictions?*

This refers to national or international laws and regulations likely to establish commercial restrictions on a specific partner, country or product, such as for example embargos, boycotts or all other measures which must be complied with to ensure the proper operations of Arkema's business activities.

Due to the nature of the products sold by Arkema, these are subject to specific commercial restrictions. It is imperative to comply with them insofar as chemical products may be illegally diverted from their intended use, such as for example, to manufacture chemical weapons, drugs, or explosive products.

## 2.6 RESPECTING THE ENVIRONMENT AND SUSTAINABILITY

Arkema is engaged in the Responsible Care®, a voluntary initiative developed by the chemical industry for the improvement of safety, and the protection of health and environment, under the auspices of the International Council of Chemical Association (ICCA), on a worldwide level, and of the European Chemical Industry Council (CEFIC), 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 aims at scrupulously complying with all laws and regulations relating to the protection of the environment in countries 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 environmental friendly technologies,
- > conduct regular reporting of its operations,
- > use resources efficiently and sustainably,
- > reduce greenhouse gas emissions,
- > manage waste,
- > favour responsible industrial and commercial partners who adhere to Arkema's policy regarding safety, health, environment and quality,
- > communicate information to its stakeholders on the protection 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 through the media.

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

- > the Chairman and Chief Executive Officer of Arkema or the other members of the Executive Committee,
- > the External Communication Department,
- > the Financial Communication Department,
- > the Institutional Relations Vice-President,

As well as for their respective perimeter:

- > the Site Managers,
- > the General Managers of foreign subsidiaries,
- > the Business Unit Managers,
- > the Functional Managers.

# 3 INTEGRITY OF OUR INDIVIDUAL CONDUCT

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

## 3.1 PROTECTING ARKEMA'S TOOLS AND INFORMATION

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

Each employee must use such property for the sole purpose of conducting Arkema's business operations. No employee may appropriate, lend to third parties or use such property for unlawful purposes. Mobile phones, internet access and any other means of communication lent by Arkema must be used in an ethical and lawful manner. No employee can 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 Arkema's property 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 or trade secret.

Employees who, in performing their duties, use confidential information must strictly and under all circumstances comply with all confidentiality obligations.

They must comply with all rules concerning access to this information brought to their knowledge.

They must under no circumstances provide confidential information to non-concerned third parties, including to colleagues. They can 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 privileged information to the public and prohibiting insider trading.

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

Employees with access to such information may not purchase or sell shares, including through an intermediary, for as long as the information has not been made public.

Employees with access to such information must comply with all confidentiality obligations and are prohibited from disclosing such information to any person whatsoever, including their 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 face situations in which their personal interests, or those of individuals or corporations to which they are close, may contradict those of Arkema. Arkema employees must never compromise their objectivity nor their loyalty 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 supervisor.

Employees must refrain from:

- acquiring any interest in any competitor, supplier or client, and any other partner, unless prior written authorisation has been granted by their supervisor;
- engaging in any professional activities outside Arkema, unless prior written authorisation has been granted by their supervisor.

In case of doubt as to a situation of conflict of interest, employees should address the matter to their supervisor or to the Compliance Committee.



# 4 IMPLEMENTATION OF THE BUSINESS COMPLIANCE AND ETHICS PROGRAM OF ARKEMA

*The Business Compliance and Ethics Program of Arkema includes this Code of Conduct, as well as all rules and procedures relating to ethics and compliance applicable within Arkema.*

*This program is implemented by the Compliance Committee who is responsible for its application to all Arkema employees.*

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

*In order to strengthen the implementation of its Business Compliance and Ethics Program, Arkema has put in place a whistleblowing mechanism allowing any employee of the group (or assimilated) or external and occasional partner thereof (subcontractor, intermediary, supplier, customer) to report any malfunctions, in connection with the group, that he/she may be aware of. These concerns are gathered and processed by the Whistleblowing Committee.*

## 4.1 COMPLIANCE COMMITTEE

### 4.1.1 APPOINTMENT AND DISMISSAL

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

The members of the Compliance Committee are:

- > a representative from the Legal 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 /Tax Department;
- > an Executive Vice-President.

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 in charge of compliance matters as well as developing and applying the Business Compliance & Ethics Program of Arkema. It aims at ensuring:

- > the compliance with competition law,
- > the monitoring of commercial intermediaries,
- > the prevention of fraud,
- > the integrity of commercial practices and business,
- > the integrity of the work environment,
- > the respect for the environment.

The Compliance Committee also ensures that all regulatory changes have been well disseminated within Arkema.

The Compliance Committee provides an answer to all the questions that may be asked by Arkema employees on ethics and compliance. These questions must be addressed to the secretariat of the Compliance Committee which is ensured by the Legal Department.

The Compliance Committee provides Arkema's Executive Committee with the minutes of each of its meetings, in which it may issue an opinion or make recommendations. It also draws up an annual compliance report addressed to Arkema's Executive Committee.

The Compliance Committee may recommend sanctions in the event of any failure by an employee to comply with the Business Compliance and Ethics Program of Arkema. In this case, it must inform the employee's supervisor and the Human Resources Department which may decide on the sanctions to be applied.

## 4.1.3 SECRETARIAT OF THE COMMITTEE

The secretariat of the Compliance Committee is ensured by the Legal Department. It is in charge of preparing the meeting agendas and drafting the minutes, as well as centralising the opinions, recommendations and reports prepared by the Compliance Committee. It is also in charge of processing the questions that may be asked by Arkema employees to the Compliance Committee relating to ethics and compliance.

## 4.1.4 ETHICS CONTACT PERSONS

In the regions where Arkema operates, the Regional Vice-Presidents are appointed as correspondents of the Compliance Committee. Employees may either contact them directly or the local Human Resources representatives for all matters relating to ethics.

## **4.2 WHISTLEBLOWING MECHANISM AND WHISTLEBLOWING COMMITTEE**

### **4.2.1 WHISTLEBLOWING MECHANISM**

The whistleblowing mechanism of the Arkema group is open to any employee of the group or external and occasional partner thereof, who wishes to report facts relating to:

- the existence of conducts or situations contrary to the Business Conduct & Ethics Code of Arkema (including the Anti-Corruption Policy appended to it) or to the Code of Conduct for Arkema Suppliers, and which concern acts of corruption or influence peddling;
- a crime or an offence;
- a serious and flagrant breach of an international commitment duly ratified or approved by France, or of an unilateral act of an international organisation taken on the basis of such a commitment;
- a serious and flagrant violation of a law or regulation;
- a threat or serious harm to the public interest.

Any person who wishes to disclose a concern can do so via the following secure email address, dedicated to the whistleblowing mechanism:

**alert@arkema.com**

The procedure governing the use of this mechanism can be found on the Internet and Intranet sites of Arkema.

### **4.2.2 APPOINTMENT AND DISMISSAL OF THE WHISTLEBLOWING COMMITTEE**

The Chairman and Chief Executive Officer of Arkema appoints the members of the Whistleblowing Committee. The composition of the Whistleblowing Committee can be found on the Intranet site of Arkema.

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

### **4.2.3 DUTIES OF THE WHISTLEBLOWING COMMITTEE**

The Whistleblowing Committee is in charge of processing the concerns raised via the whistleblowing mechanism of Arkema.

The members of the Whistleblowing Committee, as well as the third parties to this committee who may be involved in the verification process of a concern, have individually and contractually undertaken to guarantee the confidentiality of the data collected and processed within the framework of the whistleblowing mechanism.

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