

# CODE OF CONDUCT

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Dear Colleague,

In Perstorp we have three core values, Focused Innovation, Reliability and Responsibility. I think they very well capture who we are and strive to be, and they certainly cover the aspects of our Code of Conduct. For all of us in Perstorp and our partners to act and behave in a Reliable and Responsible way will safe guard that we also behave aligned with what is described in our Code of Conduct. In other words, you should see this document as one aspect of our core values.

Acting in a reliable, responsible way and maintaining high integrity has always been part of my own business principles. I have personal experience from coming into an organization where this had not been the case. Having to deal with the consequences and lead the organization through the complete transformation required was somewhat of a trauma for the people involved and had severe financial impact. This experience further strengthened me in how important and essential it is to maintain high integrity and standards at any time. It must never only be nice slides and lip service, we must walk the talk and it starts with me and my colleagues in the ELT. I also think it is only fair to point out that you are never expected to breach any rules or regulations to obtain an advantage for our company – and if you were to do so – you will not be supported by Perstorp.

Let's not make it more complicated than what it actually is. Yes there is an increasing amount of laws and regulations being introduced in this field and we have to be on top of them. However, I still maintain that common sense and asking yourself the question, "could I stand up and credibly defend my behavior in public?", will get you a long way in knowing what is right and wrong.

I trust you will have a clear understanding of our Code of Conduct after having read this pamphlet and please don't hesitate to raise any questions, we always welcome that!

Yours sincerely,



*Malmö, September 15, 2016  
Jan Secher, President and CEO*



## How we apply the Code of Conduct

Perstorp's Code of Conduct has been developed to underline the principles that direct the company's relations with employees, business partners and other parties. It applies to all companies within Perstorp, for the company's board, Executive Leadership Team and all employees. Perstorp also expects its suppliers, distributors and other business partners with which it has close relations, to act according to these principles.

Managers must act as role models and every employee shall be given a briefing on the Code of Conduct by their immediate manager. All employees within Perstorp must know and fully understand the content of the Code of Conduct. The Code of Conduct shall be considered as a tool and support in everyday work, and to help us to live up to our three core values: Focused Innovation, Reliability and Responsibility.

The Code is mandatory and failing to follow the principles set out in the Code may lead to disciplinary measures, including dismissal. Further, violation of law can seriously harm Perstorp, our reputation and give rise to considerable damage. Perstorp does not accept

infringements and will not protect those responsible for sanctions imposed by authorities. If you become aware of any breach, raise them in a timely manner with the individual, your manager or use whistle-blowing, see further guidance in the end of the Code.

The Code of Conduct covers the areas of Perstorp's business principles, products & sustainability, working conditions and human rights.

Perstorp's Code of Conduct is based on the company's three core values and has been developed in accordance with the OECD's guidelines for multinational enterprises, the chemical industry's Responsible Care program and the guidelines outlined in the International Labour Organization (ILO) convention. Perstorp supports the UN's Global Compact and its ten principles as well as the 17 Sustainable Development Goals.

The Code of Conduct was adopted by the Perstorp Group's Board on May 5, 2009 and revised and updated by the Executive Leadership Team and approved by the President & CEO on 20 April 2016.





Perstorp cares about its employees,  
customers, society & the environment

## Perstorp's unique success molecule

Perstorp's unique success molecule consists of the Group's three most important strengths, its core values: Focused Innovation, Reliability and Responsibility. These core values in various combinations pervade our working methods and solutions, and always create Winning Formulas.

### FOCUSED INNOVATION

Focused innovation means that Perstorp places value on developing working methods, responsibility and processes for the mutual benefit of customers and the company. This does not mean innovation for its own sake, but innovation with an aim to find the best value-creating solution. In the area of chemicals, Perstorp focuses on niches in which the company has the prerequisites to be a world leader and drive development based on well-defined customer and sustainability-related needs.

### RELIABILITY

Perstorp places great importance on keeping its promises to customers. This entails continuously ensuring that performance and processes live up to customers' expectations. To deliver what you have promised, both as an individual and as a group, is decisive for Perstorp's success and building confidence and loyalty among its customers and other business partners.

### RESPONSIBILITY

Perstorp employees are well trained and qualified for their work, and they are prepared to take responsibility and solve issues that arise when required. Perstorp is an organization that cares about its stakeholders, society and the environment.

## Business principles

### BUSINESS ETHICS

Perstorp follows the laws and regulations in the countries where the company is active and requires that suppliers and business partners also comply. Perstorp's relations with business partners shall be characterized by honesty and openness.

Perstorp encourages continuous communication with the company's various interested parties. All communication shall follow applicable legislation, regulations and norms. Communication shall be characterized by proactivity, timeliness, openness and reliability.

Only appointed spokespersons have a mandate to make official statements on behalf of Perstorp and/or its subsidiaries within individually defined areas. The spokespeople on group level are specified in the Communication Policy.

### ACCOUNTING & REPORTING

All business transactions are recorded in accordance with the company's accounting principles and local legislation, and accounting shall in no way be misleading. Perstorp's financial accounting shall be open, truthful, relevant and understandable.

### CUSTOMER RELATIONS

Perstorp shall always handle questions and any complaints from our customers in a fast, efficient and correct way.

### SUPPLIERS

The principles in this document shall apply in the assessment of current and potential suppliers.

### COMMUNITY COMMITMENT

Perstorp shall be a good, responsible and appreciated member of the community in the societies where we do business.



### CONFLICTS OF INTEREST

All employees are expected to avoid situations in which their personal, financial or other interests can come into conflict, or can be considered to come into conflict, with the company's interests. Should such a conflict arise, it must be reported at once to the immediate manager.

### COMPETITION & CARTELS

Perstorp competes in a fair and honest way. All functions and employees must be aware of, and observe, all laws that concern competition and not participate in any illegal anti-competitive cooperation or behaviour. For detailed instructions, see Perstorp Group Competition policy.

### CONFIDENTIAL INFORMATION

We always take good care of company property and use it in a safe and appropriate manner, including but not limited to confidential information and business secrets. Employees are not allowed to use their knowledge of the company, its products or business transactions in contexts other than for the good of the company. Every employee must follow the regulations on confidentiality of information, which is owned by the

company and our business partners, and is regulated by our Security policy.

### GIFTS & BRIBES

Perstorp shall not offer customers, potential customers, authorities or other business partners any form of remuneration or reward that contravenes laws or good business practice. Small gifts can however sometimes be a part of business culture. Perstorp does not allow bribes in any form.

Perstorp employees shall not accept payment, gifts or any other type of remuneration from third parties that in any way can influence, or be considered to influence, their objectivity in business decisions. For detailed instructions, see Perstorp Group Anti-bribery policy.

### POLITICAL AFFILIATIONS

Perstorp takes a neutral position in terms of party politics and political opinions, candidates. The Perstorp brand is not to be used to support political parties or candidates. Consequently, we neither contribute to political parties or organizations, or to individual politicians.

## Products & Sustainability

### RESOURCE MANAGEMENT

At Perstorp, we shall always strive at reducing the environmental impact in everything we do. Perstorp's products and production processes are designed so that energy and raw materials are used in a resource-efficient way and that waste and residual products are minimized throughout their life-cycles.

### NEW PRODUCTS & PROCESSES

Environmental, health and safety aspects must always be considered during the development of new products and processes. Perstorp shall always provide updated information on products' possible effects on health and the environment.

### SUSTAINABLE DEVELOPMENT

It is Perstorp's responsibility to supply customers/ business partners with relevant information on how products may/should be used and how, and for what, they should not be used. Perstorp's products shall comply with and live up to legal norms, and be labelled with health warnings and product safety and information markings.

### SUSTAINABILITY REPORTING

We know that actions we take to today in every aspect of our business affect future generations. Perstorp therefore regularly examines, follows up and reports environmental impact. Perstorp works constantly to reduce negative effects on the environment in accordance with the company's commitment to continually improving the sustainability of our business.

## Working conditions

### WORKING ENVIRONMENT

It is Perstorp's responsibility to offer safe and physically and psychologically healthy working conditions for all employees, and to forbid and take action against all types of harassment.

### NON-DISCRIMINATION & DIVERSITY

Perstorp recruits and treats its employees in such a way that no one is discriminated against on grounds of gender, race, religion, age, disability, sexual orientation, nationality, political opinion or social or ethnic origin. Equality and diversity in the workplace and in new recruitment are encouraged within Perstorp.

### WORKING HOURS & OVERTIME

Local laws and agreements relating to working hours, overtime and overtime remuneration shall apply. Salaries shall be paid regularly and follow the local laws and market situation. All employees have at least the minimum right to locally legislated time off.

### TRAINING & FURTHER EDUCATION

Perstorp shall strive to develop and enhance employees' expertise so that they can, in the best

way possible, support the company's current and future business activities.

### PREVENTIVE HEALTH CARE

Perstorp supports the health of individual employees through preventive health care and various fitness programs.

### ZERO TOLERANCE FOR ACCIDENTS

Safety first everywhere and in everything we do. Perstorp shall maintain and develop an optimal health and safety standard at all locations where the company is active and thereby minimize possible risks. Wherever at work, Perstorp employees must follow the safety rules and procedures to minimize injuries and increase safety performance. Within Perstorp, zero tolerance applies regarding workplace accidents and all other types of accident.

### USE OF ALCOHOL OR DRUGS

Perstorp expects that all employees carry out their work without being under the influence of alcohol or drugs. Any use of alcohol or drugs during working hours is forbidden.

## Human rights

### HUMAN RIGHTS

Perstorp respects the individual and stands for justice, honesty, openness and trust, as well as encouraging networking, participation and the use of personal initiative.

### CHILD LABOUR

Perstorp does not tolerate any form of child labour. The minimum age of employment within Perstorp is regulated by the legislation of the respective country.

### FORCED OR SLAVE LABOUR

Perstorp does not tolerate any form of forced labour or slave labour, or work carried out by political prisoners or illegal workers.

### UNION ACTIVITIES

The freedom of association and the right to belong to a union, like the right to collective bargaining and agreements, are respected within all parts of Perstorp.

Perstorp respects the individual and stands for justice, honesty, openness and trust.

## Living the Code

Responsibility shall pervade all the activities and decisions that the company and its employees implement in both the short and long-term perspective. Perstorp's managers are expected to be role models and have the responsibility for communicating and checking observance of the Code of Conduct. Every employee must know the principles and essence of the Code of Conduct and act in accordance with it.

## Violations of the Code of Conduct

Perstorp's managers shall also encourage employees to correct, or report, matters that contravene the principles of the code. The fundamental approach is that local managers shall handle any problems or suspected violations that arise. Perstorp's managers shall ensure that the Code of Conduct is observed and they shall create such an open atmosphere and working environment that all types of problems can be discussed openly and without censure. If for some reason it is not possible to report a violation locally, the alternative is to use the whistle-blowing principle.

## Whistle-blowing

Reporting an action that contravenes the Code of Conduct can be done anonymously and confidentially, a response universally known as "whistle-blowing". Employees who in good faith have reported violations of the Code of Conduct will not, of course, be punished for this. Whistleblowing shall only be used as a last resort. Reporting is made to the heads of the Group functions Human Resources and Legal. Employees are requested to refer to Perstorp's Code of Conduct when making contact.

### **How to report:**

Enter the Perstorp internal portal Compass under the section Code of Conduct.

You can also send a letter.

### **CONTACT INFORMATION**

Head of Human Resources: phone +46 435 380 00

Head of Legal: phone +46 435 380 00

### **Address:**

Perstorp's Code of Conduct  
Head of Human Resources  
Perstorp Holding AB  
Box 597, SE-201 25 Malmö, Sweden  
[www.perstorp.com](http://www.perstorp.com)





# Discover Your Winning Formula

Perstorp believes in improving everyday life – making it safer, more convenient, more fun and more environmentally sound for millions of people all over the world. As a trusted world industrial leader, our innovations provide essential properties for products used every day at home and work. You'll find us everywhere from your car and mobile phone to towering wind turbines and the local dairy farm. Simply put, we work to make good products even better.

Perstorp's focused innovation builds on more than 135 years of experience, representing a complete chain of solutions in organic chemistry, process technology and application development. Manufacturing is based in Asia, Europe and North America, with sales and support in all major markets. Perstorp Group is owned by the European private equity company PAI Partners.