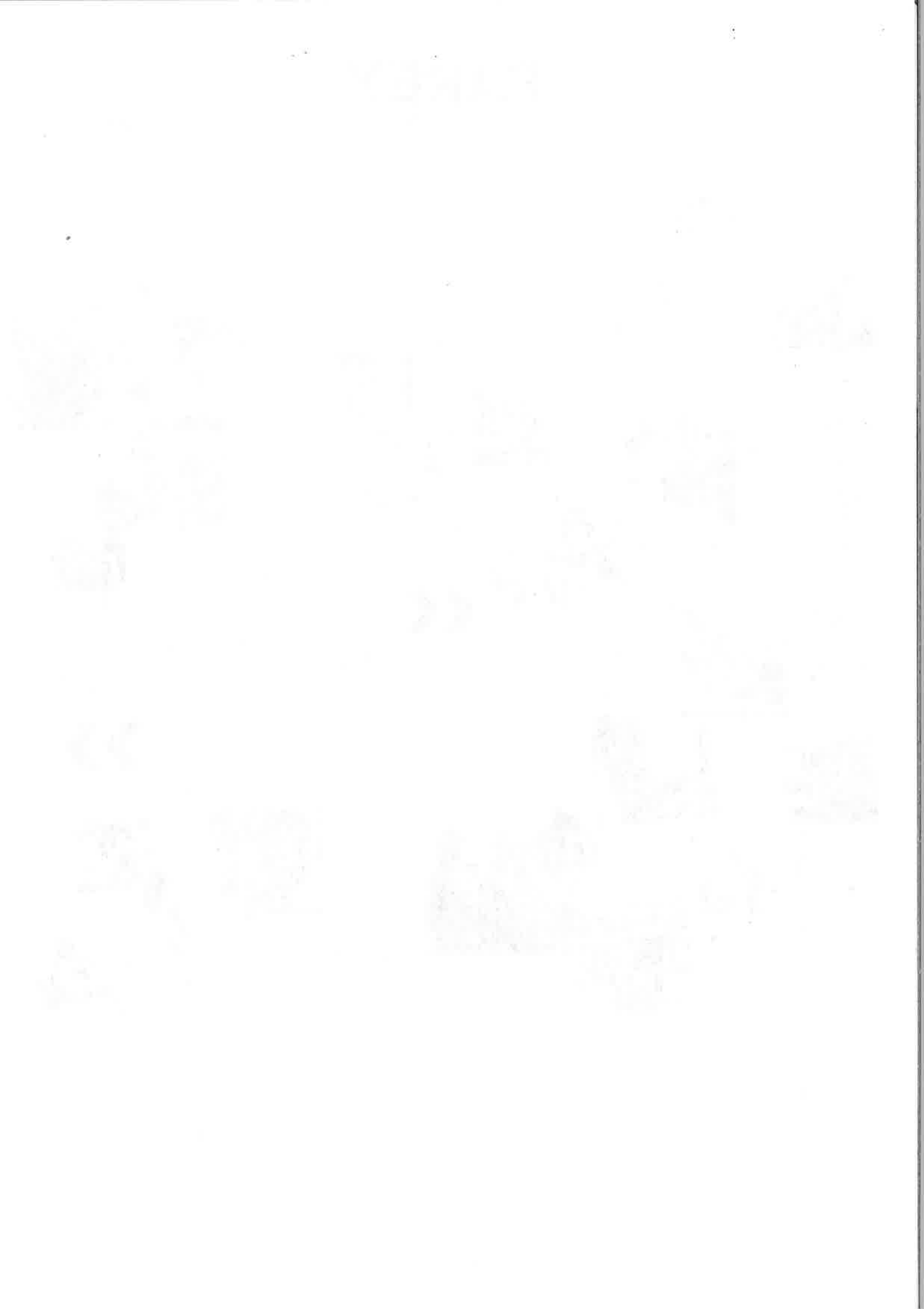


« « How WE DO BUSINESS » »



# MESSAGE FROM THE CEO

Message from the CEO ..... 02

PAREX values ..... 03

## RESPONSIBLE ENTERPRISE

▶ Human responsibility ..... 04

-Health and safety ..... 04

-Labor and Social Standards ..... 05

▶ Environmental responsibility ..... 06

## BUSINESS INTEGRITY

▶ Compliance with the law and Internal Rules ..... 07

▶ Fair competition ..... 07

▶ International trade control ..... 07

▶ Anti-bribery ..... 08

▶ Gifts and hospitality ..... 09

▶ Money laundering ..... 10

▶ Conflict of interest ..... 10

▶ Confidential business Information ..... 10

Implementation ..... 11

Speaking out ..... 12

Assessment and follow-up ..... 13

## ➤ MESSAGE FROM THE CEO

**As a leading producer of construction chemicals, a specialist in dry-mix solutions, our vision at PAREX is to be the preferred partner and provider of solutions and services to local building communities.**

Our success relies not only on our products and strategy but most of all on our people and the way we do business, whether internally or with partners such as clients, suppliers or public authorities. The latter are more and more demanding about compliance to regulations.

In the last fifteen years, we have grown into an international company, present in more than 20 countries. Moreover, we have become independent and we are striving to build a world-class industrial group. This leads us to reaffirm the values which are at the core of our decentralized business model: human and environmental responsibility, safety for all, empowerment, team spirit and creativity, as well as integrity and trust.

Our long-term credit with all the stakeholders will not be based on good intentions but on real compliance with these principles.

This is why PAREX has created the following Code of Conduct: to explain our most essential principles and to describe the behavior expected from each of us in our daily work or in special circumstances. These guidelines apply to every employee, officer, director and member of our Board of Directors in every location where PAREX operates.

The rollout of this Code is a priority for the PAREX Executive Committee and for all local managers. We will regularly assess its implementation throughout the Group.

I expect each of us to carefully read this Code of Conduct and to put it into practice. Should you have any doubt or need further clarification about it or about a special situation you face, you are more than welcome to ask.

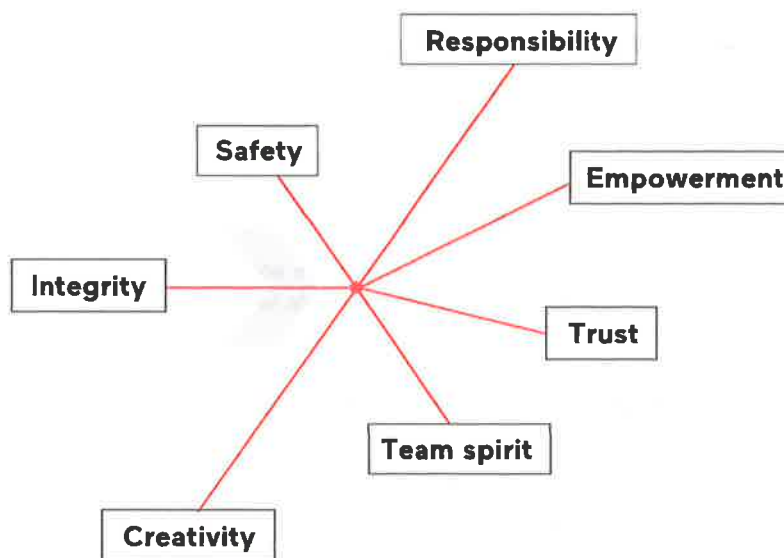
Thank you for your commitment.

**Eric Bergé**

## ➤ OUR VALUES and their implementation in the current Code of Conduct

**Conducting our business in accordance with our values has always been a priority for PAREX.**

In 2015, these values were revisited in conjunction with the evolution of PAREX, the development of our business and in continuity with our history:



Due to our ongoing expansion, it has become necessary to provide a comprehensive document that is binding for all our employees worldwide, specifying the standards expected from PAREX when doing business.

The General Managers of the various PAREX entities are responsible for the enforcement of this Code of Conduct within the organization they manage; a coordination committee at corporate level will be responsible for follow-up under the supervision of the Comex.



## ➤ RESPONSIBLE ENTERPRISE

**PAREX is committed to Sustainable Development through a Responsible Enterprise plan based on 4 key axes:**

- Innovate to foster sustainable development;
- Reduce the environmental footprint throughout our products' lifecycle;
- Act for and with our employees;
- Anchor our facilities in local communities.

### ➤ Human Responsibility:

#### **HEALTH AND SAFETY**

The safety of people is one of PAREX's key values.

Fully integrated into the management of the company, it is built around three

axes: **Respect by all of 5 essential rules:**

- Wearing personal protective equipment;
- Compliance with traffic rules on sites;
- Safe practices for lifting heavy weights;
- A place for everything and everything in place;
- Implementation of logout/tagout procedure before working on equipment.

Each manager has the duty to train, supervise and support his/her teams in living up to this responsibility, playing a hands-on role in safety.

#### **Reporting, analysis and prevention of accidents:**

Each accident, with or without lost time, involving permanent staff, temporary staff or contractors must be notified within 24 hours by the local General Manager to the CEO and the Safety Director.

For each accident, a root cause analysis is set up in order to implement corrective and preventive actions.

To strengthen accident prevention, PAREX has developed reporting and analysis for near misses and first aid situations.

PAREX strongly encourages its employees to report any accident or incident. To set up corrective actions, neglected, delayed or incomplete reports are not in the company's interest.

**Sharing good practices:**

The PAREX Safety Coordinators Community, led by the Safety Director, brings together the heads of Safety of each country and is responsible for:

- Sharing Safety culture at all levels;
- Sharing best practices among the Group.

The international team of internal safety auditors, Auditors+, regularly evaluates Safety practices through cross-audits between countries and sites.

**LABOR AND SOCIAL STANDARDS:****Human rights:**

PAREX is committed to supporting fundamental and worldwide recognized human rights as it conducts its operations throughout the world.

We respect and support the dignity, well-being and rights of our employees, their families and the communities in which they live.

We are particularly committed to the abolition of all forms of child or forced labor.

**Diversity and equality:**

One of PAREX's strength is the diversity of its workforce between genders, nationalities and backgrounds working together and sharing common objectives.

Thus we prohibit any discrimination based on one's race, religion, gender, nationality, disability or age or any other characteristic protected by local or international law.

We support fair employment practices and offer equal opportunities in the hiring and career development of our employees.

**Harassment:**

Fostering a harassment-free working environment requires mutual respect. We expect all our employees to treat each other and any third parties such as customers, vendors or visitors in a professional, respectful, trustworthy manner and to foster individual dignity.

**Trade union and personnel representatives:**

PAREX strives to build fair, transparent and constructive relationships with its employees and their representatives.

We do not tolerate any discrimination or harassment against employees based on their membership or lack of membership to a trade union. We do respect the rights of our employees to freely decide to join trade unions or not and enter into collective bargaining agreements.

## › Environmental responsibility:

Respecting the Environment is one pillar of PAREX's culture and the Company has set up an environmental policy based on 3 commitments:

- Optimize the use of natural resources;
- Limit environmental impacts related to the Group's activities;
- Reinforce the environmental management system.

Within PAREX, each country and its local operations is responsible for implementing its own environmental management respecting the Group's standards, as follows:

- Ensuring compliance with relevant environmental laws and regulations;
- Taking into account environmental issues at each stage of a product's life cycle;
- Identifying risks to the environment on each site, preventing and remedying any harmful effects of its activities.



## › BUSINESS INTEGRITY

### › Compliance with the law and Internal Rules

PAREX policy is to comply with applicable legislation and regulations both in our domestic countries and when we operate internationally.

It is our collective and individual responsibility to know and apply the laws, regulations and requirements relating to our job. It is our collective and individual responsibility to strive to never expose PAREX in any unlawful activities.

We also have internal policies and guidelines at global and local levels, and employees are also expected to comply with these. In the event of ambiguity, the strictest rules must be applied.

### › Fair competition

PAREX relies on the quality of its products and services to sustain its expansion. Our success is closely linked to our way of doing business, which excludes all types of unfair competition and discriminatory practices.

Our policy is to promote fair competition. Therefore, all employees are required to rigorously adhere to applicable laws and regulations concerning antitrust, competition and fair trade in each country and region PAREX conducts business.

Although these regulations may vary from one country to another, PAREX excludes, as a general rule, any agreements or business relations with third parties that fix prices, divide markets, limit production or undertake any concerted practice with its customers or competitors, or abuse a dominant position.

### › International trade control

PAREX is committed to complying with international trade control ("ITC") laws when engaging in international trade.

Employees responsible for export or import operations of goods and services must follow the guidelines provided in the PAREX ITC handbook. They must take the necessary precautions to prevent prohibited transactions with countries, entities or individuals under sanctions.

## › Anti-bribery

PAREX's policy is to refuse all forms of corruption under any circumstances.

Corruption consists for anybody to **propose, whether directly or indirectly through a third party** (agent, consultant, sub-contractor etc), to someone in the **public or private sector** any money, services, donations, gifts or benefits, for the person himself/herself or for another person, in order for the recipient to accomplish or refrain from accomplishing an act falling within his/her duties. Furthermore, **accepting** any benefit under the same conditions as those described above also constitutes an act of corruption.

Laws also punish influence peddling /trading in influence which aims to obtain from someone that he/she abuses his/her influence to obtain a favorable decision, usually in return for a payment. Finally, attempts to corrupt and facilitation payments are also punished by laws.

Nothing can justify the above described practices in business relationships with any private partner or public authorities to obtain – or give- an improper advantage or influence a decision.

Employees are requested to turn down any such practices and in case of any problem to alert immediately their manager, who will take the necessary actions.

Employees are asked to be cautious about gifts, meals and/or entertainment received or made within the context of business relationships, and to strictly comply with local laws and internal policies.

Employees are also requested to be cautious when selecting third parties (agents, brokers, consultants etc) and to ensure that an effective service is provided in return for a proportionate remuneration.

Finally, employees must ensure with their business partners that no such practices are undertaken by a third party (agent, distributor, broker, consultant, sub-contractor etc) in the name of or to the benefit of PAREX, since this may trigger the liability of PAREX.

## › Gifts and hospitality

Gifts and hospitality are part of business life. However, they should meet international and local legal requirements as well as internal policies.

In particular, close attention should be paid to the context in which gifts and invitations are made, for instance during a public or private bid offer, but also to the multiplication of gifts and invitations, in order to avoid creating situations that could be interpreted as a bribery intention or corruption.

PAREX entities should implement, publish and enforce rules in writing to further specify what is acceptable under this Code of Conduct, taking into account (i) the customary business environment of the local entity and (ii) the following principles that must be respected by all PAREX entities:

### **GIFTS**

PAREX employees are allowed to accept gifts of low value for specific occasions such as the New Year or an opening ceremony. It is recommended to have such presents made to the company and not to an individual.

Business partners may be offered gifts when the value of the gift remains within the limit of lawful local practice.

Gifts must be made in an open manner so everybody can witness the normality of the practice (for instance, a present should be delivered to a business address and handed over openly, never home delivered).

### **HOSPITALITY**

PAREX may handle travel, meal or entertainment expenses.

These should always be lawful, closely related to a business activity and appropriate to the purpose they are serving.

Expenses related to gifts and hospitality should be accounted for using explicit wording, on the basis of invoices and accounting documentation reflecting amounts paid.

## › Money laundering

Money laundering is the use of business transactions to conceal the origin of illegal funds. It makes funds appear as legitimate, whereas they actually originate from unlawful activity.

It is the responsibility of each employee to question the source of payment if there is supposition that the funds stem from illegal activity.

Where suspicious financial transactions involving transfers of cash or cash equivalents are requested, prior review by and approval from the finance department is required to detect and prevent any irregularities. If necessary, a process of due diligence to check the integrity of the doubtful payments can be carried out.

## › Conflict of interest

PAREX employees must prevent situations involving potential conflicts of interests.

PAREX employees must inform their manager of any existing or potential conflict of interest. The manager will then decide what appropriate steps should be taken.

For example, doing business with a company, association or organization in which a relative or friend is employed is likely to create a conflict of interest because it may affect the objectivity of the decisions made by the PAREX employee and thus be detrimental to the Group's interest.

## › Confidential business information

PAREX employees have access to sensitive information pertinent to PAREX, and whose disclosure may hurt PAREX interests.

This may be financial information, a marketing plan, an organization chart, a strategic plan, customer lists, information regarding technology and know-how, etc.

Employees are required to keep such information confidential, and not to communicate information outside of the company unless prior written approval has been obtained from the line of management and/or a confidentiality agreement has been entered into with the party receiving confidential information.

Similarly, information from our business partners that is identified as confidential should be dealt with in the same manner.

## ➤ IMPLEMENTATION

Under the local General Manager's supervision and with the support of the local management, effective implementation of the present Code of Conduct should be a priority for every PAREX employee.

All managers are expected to lead by example and to demonstrate adherence to the Code of Conduct at all times. They should promote the PAREX ethical standards and effectively communicate them to all those who report to them.

Every employee must read and understand the Code of Conduct and apply it to his or her day-to-day activity. We also expect our business partners to observe the relevant legislation and the present Code of Conduct.

Guidelines covering specific items may be issued at Group level (such as International Trade Control) and some entities may issue local guidelines to adapt to the local background. In case of any discrepancy with the present Code of Conduct, the strictest rule will apply.

Information meetings will be organized on a regular basis by the local HR departments.

Effective implementation of this Code of Conduct entails not only following these principles word for word, but also in spirit. For example, it would be misconduct to use a third party to apply any practice that is prohibited by the Code of Conduct.

A person who does not comply with this Code of Conduct would be exposed to sanctions as per local applicable laws and/or internal regulations effective in his/her country.

## ➤ SPEAKING OUT

In some aspects of business life, where situations are less clear-cut than they are in guidelines, behavior according to the Code of Conduct may be difficult; it is not possible to anticipate every situation and to provide answers to all possible questions.

When facing such a situation, every PAREX employee is requested to behave in an honest and open manner.

If you have any questions or are unsure about a particular compliance issue, you should contact your manager, your local HR or the Group Legal Department (if there is no local lawyer) for support. Similarly, if you are aware of a breach of this Code of Conduct, you are encouraged to speak up and turn to your manager or your local HR. You may also use the email address [compliance.fr@parex-group.com](mailto:compliance.fr@parex-group.com) after having identified yourself.

There will be no retaliation against any person who has made a good faith alert.

## ➤ ASSESSMENT AND FOLLOW-UP

The Code of Conduct is designed to meet the needs of PAREX's business and support its business environment.

It is a regularly updated tool for PAREX employees to achieve their business objectives in compliance with the legal rules.

An assessment will be carried out by the internal control department to measure its efficiency and to propose corrective steps to address possible gaps.

PAREX will make every effort to ensure that this Code of Conduct is considered a standard for the business conduct of all parties with whom PAREX has a business relationship, such as clients, suppliers, agents, experts, local authorities etc.



## 3 ASSESSMENT AND FOLLOW-UP

19 place de la Résistance - CS 50053  
92 445 Issy-les-Moulineaux Cedex - France  
Tél : +33 (0) 1 41 17 20 00  
[www.parex-group.com](http://www.parex-group.com)

**PAREX**  
Building expertise, together