

iberchem
GROUP

Code of Conduct



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“This Code of Conduct describes how to fulfill the company's goals and how to put them into practice”



CEO'S STATEMENT

Since its foundation in 1985, Iberchem's business model and growth opportunities are based on ethical values inherent to our daily activities.

In each of the 120 countries where we operate, we are committed to ensuring high standards of integrity, trust and, most of all, respect.

Such values have led Iberchem to provide exemplary ethics and integrity.

This is why our Code of Conduct invites us all to adhere and transmit these values, and put them into practice on a daily basis. We must make sure that our business principles, partners and employees are respected all over the world.

Our values define who we are, shape our identity and establish what we stand for.

I believe it is our role and our objective to ensure that all of Iberchem's activities are undertaken in a compliant manner, which, in turn, maintains our reputation and future success.

For our Compliance program to be efficient and bear fruit, each one of us should also, act as its standard bearer and impart its benefits to others.



Ramón Fernández
CEO



GOALS OF THE CODE OF CONDUCT

This Code of Conduct – along with the whole Iberchem Compliance programme - sets an integrity and equity culture in the group and promotes the appropriation, by every employees and partners of Iberchem, of the absolute necessity of preventing corruption and unlawful business practices. As it is impossible to describe all the commercial or administrative practices and principles underlying ethical conduct and honesty, this Code includes a number of particularly important guidelines to assist with the adoption of an appropriate approach to business when carrying out any transactions with third parties, therefore reflecting merely a part of our commitment.

THE CODE OF CONDUCT

- Is a common reference framework document for all our managers and employees, setting the tone of Iberchem’s culture of integrity.
- States Iberchem’s zero tolerance policy towards unlawful business practices.
- Helps Iberchem’s employees understand and identify types of behaviour which could lead to a breach.
- Describes the behaviour expected from Iberchem employees.
- Guarantees that any third party contractors, agents or consultants of Iberchem are aware of this Code and the rules it settles when dealing with Iberchem.
- Provides guidance should concerns be raised.

“... the absolute necessity of preventing corruption and unlawful business practices.”

PERIMETER OF THE CODE

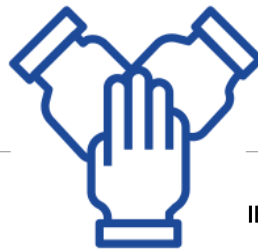
This code applies to all employees located in Spain and abroad and to all temporary staff (interns, short-term contracts...). In addition, all third parties which may deal with Iberchem must acknowledge the Code of Conduct and agree to abide by its principles.

IBERCHEM MANAGEMENT

- Abide by the Code of Conduct.
- Encourage the company's employees to comply with both the spirit and the letter of this Code.
- Ensure exemplarity by embodying Compliance best practices.
- Support any Iberchem employee in case of need.
- Create an open climate within their companies.
- Participate in the diffusion of the Code of conduct and Iberchem's Compliance programme to Business Partners.
- Deploy Iberchem's integrity standards outside the Company.

"Compliance implies teamwork. It requires strict discipline from all of Iberchem's employees, yet also from its business partners. Compliance goes hand-in-hand with our strategy for a sustainable business"

José Balibrea
Iberchem CFO



IBERCHEM EMPLOYEES

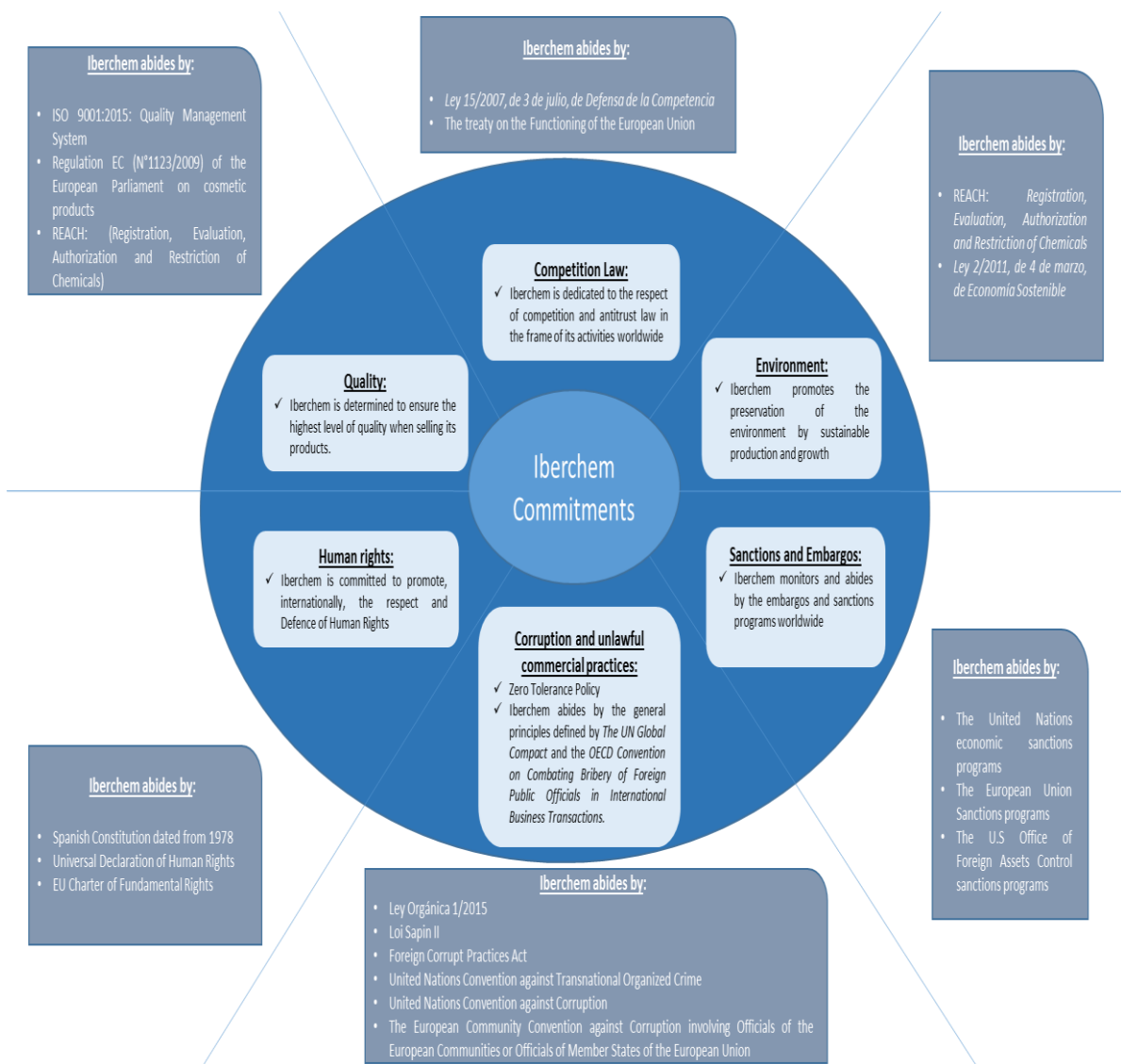
- Must be aware of, understand and respect this Code of Conduct.
- Evolve in appropriate working conditions.
- Ensure that they carry out their daily activities as per the Compliance programme.
- Are dedicated to respecting Iberchem's integrity standards in terms of environment, health and safety.
- May raise an issue, should they face a situation that does not correspond to Iberchem's integrity standards.
- Will be recognized when displaying exemplary conduct to enforce Iberchem's integrity standards.

IBERCHEM BUSINESS PARTNERS

- Have to be notified of the Code of Conduct and have acknowledge of Iberchem's Compliance programme.
- Cannot offer or receive unreasonable gifts or invitations to/from Iberchem's employees.
- Are committed to respecting Iberchem's Compliance programme when dealing with the group.
- Are selected through a thorough compliance process performed by Iberchem.

THE GUIDING PRINCIPLES

Iberchem's Compliance programme is based on the respect of the requirements of the international conventions and the national regulations that apply to the group regarding integrity and ethics.



OUR BUSINESS PRINCIPLES

1. Iberchem and all its employees reject corruption, influence peddling and any business practice that does not comply with integrity standards.

2. Iberchem and all its employees ensure full compliance with international sanctions and embargo policies.

3. Iberchem and all its employees adhere to fair trade practices.

4. Iberchem and all its employees ensure to conduct their activities in a sustainable way.

5. Iberchem and all its employees are dedicated to respecting and promoting human rights standards.



'Iberchem and its employees are dedicated to conducting their activities in respecting business principles that are inherent to the group's values. As such, any illegal, unlawful or illegitimate commercial activity is prohibited. Likewise, any behaviour that would be harmful to the environment or contrary to human rights principles will not be tolerated'

Ramón Fernández
Iberchem CEO

Corruption.

Can be defined as offering, promising or giving any undue pecuniary or other advantage, whether directly or through intermediaries, to a third party, in order that said third party will act or refrain from acting in relation to the carrying out of official duties, as to obtain or retain business or other improper advantage in the conduct of business. Corruption can be operated directly or indirectly via the intervention or the complicity of a third party.

Influence Peddling.

Can be defined as offering, promising or proposing any undue, pecuniary or other advantage to a third party as to for him to abuse of his influence so as to obtain any favour or a favourable decision on the part of a public authority.

EX:

A member of the parliament uses their own networks to help a company to be granted the award of a public tender, after the same company gave them a monetary or other form of undue advantage.

IT IS IMPORTANT TO DISTINGUISH BETWEEN:

- ▶ Active corruption: is characterized by the action of offering or promising an undue advantage.
- ▶ Passive corruption: is characterized by the solicitation or the acceptance of any undue advantage.
- ▶ Public corruption: consists in diverting an official position or any public power to illegitimately benefit from it.
Ex: To corrupt an employee of a Ministry so as to be awarded a public tender.
- ▶ Private corruption: consists in abusing from a private power in the frame of a commercial relation.
Ex: A supplier A corrupts a company B while seeking to renew a contract.

Corruption covers several practices.

BRIBES:

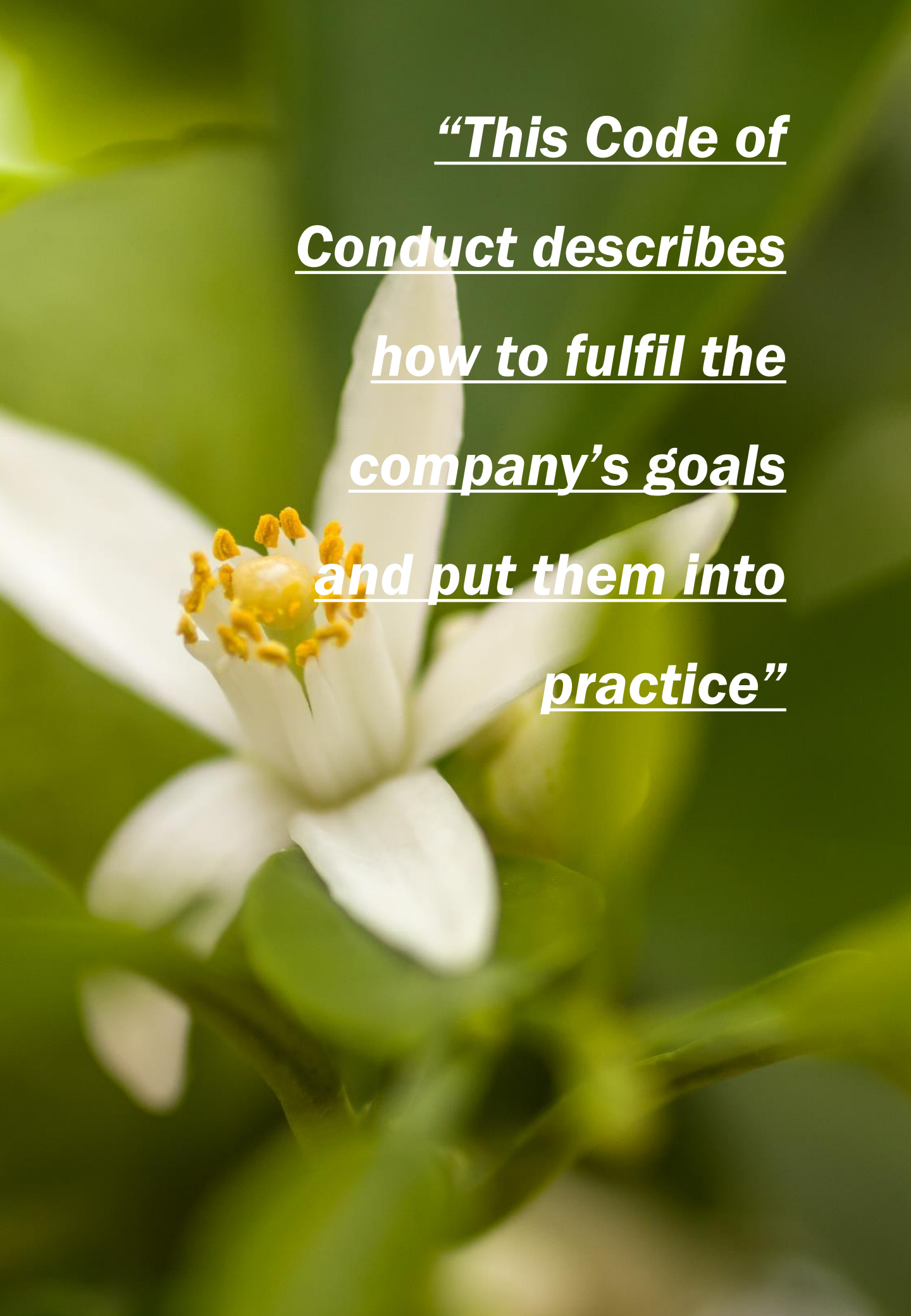
The giving of cash, gifts, hospitality, job offers, in exchange of a favor or a favorable decision.

FACILITATION PAYMENTS:

Small unofficial sums given to secure/accelerate an ordinary action from a public official.

EXTORTION:

Use of intimidation and/or violent physical or material threats to receive an illegitimate advantage.



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Situations involving risks



GIFTS AND HOSPITALITY:

These can alter the impartiality in the decision when dealing with a third party. It is advisable then to refer to the Gifts and Hospitalities procedure with a view to assessing the professional aspect and the validity of a gift or an invitation.



DEALING WITH THIRD PARTIES:

It is mandatory to follow the guidelines provided in the third party procedure to ensure tackling corruption when dealing with a third party. On the same note, it is the responsibility of every employee to set forth the conditions that would allow Iberchem's integrity standards to be widely spread within the third parties the group works with.



CONFLICT OF INTERESTS:

A situation of conflict of interests arises when an employee of Iberchem has a personal interest that can influence or seem to influence their professional activities. This personal interest may be direct or indirect and might concern them directly or their relatives. Such interest can be of different natures (economic, financial, politic, professional, religious, etc.). Once detected, it is mandatory to report such situation to management.



FACILITATION PAYMENTS:

In some cases, these might facilitate or expedite an administrative procedure. Nevertheless, if requested, every employee of Iberchem must refuse to pay immediately and inform management.



SPONSORSHIP AND CHARITIES:

When the group participates to any sponsoring or charity activities, it is mandatory to ensure that the envisaged third party embody Iberchem's value and the group's expectations in terms of integrity. It is then appropriate to launch a Due Diligence process on the concerned third party whenever entering such activities, which are subject to a prior approval from the Compliance function and/or tsenior management.

Iberchem and all its employees ensure full compliance with international sanctions and embargo policies.



Iberchem operates in countries that may be subject to specific national and international sanctions regulations, such as embargos. These are enforced to restrict the freedom of foreign trade activities concerning certain countries. As Iberchem is a group that is active globally, it complies with export and customs regulations. All its activities comply with export control regulations. Then, specific procedures such as prior Due Diligence are expected when dealing with sanctioned countries, to ensure that Iberchem action strictly enters the regulatory framework regarding sanctions and embargos. In case of doubt, employees are encouraged to refer to the sanctions mapping released by the European Union (www.sanctionsmap.eu) and inform their manager should concerns arise.



Iberchem and all its employees undertake fair trade practices.

Competition laws are designed to protect fair trade and honest economic competition. Thus, they prohibit business behaviour that can prevent, restrict or distort competition (cartel, price fixing, insider trading, abuse of dominant position, etc.). Iberchem backs all efforts to foster and protect fair competition and employees are expected to understand the basic principles of competition law and the importance of complying with such laws. Iberchem's integrity is at stake, since penalties for infringing competition laws are severe. Likewise, any employee breaching competition law is liable to corporate sanctions. Should an employee have any doubt or query regarding this topic, they may consult their Manager or the relevant Standard.



Iberchem and all its employees ensure the conduct of their activities in a sustainable way.

Iberchem is committed, in its commercial expansion, to respecting the Earth and to continuously diminishing the effects of its activity on the environment.

As such, the employees of the group are expected to use resources as efficiently as possible and make strident efforts to support the development and use of eco-friendly technologies and practices.



Iberchem and all its employees are dedicated to respecting and promoting human rights standards.

Iberchem is determined to the promotion of Human Rights standards globally and within its activities, in Spain and abroad. The group is committed to respecting Human Rights standards on an international level within its operations based on the guidelines provided by the following:

- The Universal Declaration of the Human Rights.
- The United Nations Guiding Principles on business and Human Rights as endorsed by the UN Human Rights Council in 2011.
- The guidelines provided by the International Labour Organisation.

NON-COMPLIANCE: WHAT RISKS ARE IBERCHEM AND ITS EMPLOYEES EXPOSED TO?

The different regulations Iberchem abides by in terms of business integrity compel its employees to embody the group's Compliance programme. In case of breach of the programme, the group is exposed to:



JUDICIARY PROCEEDINGS:

External stakeholders – as NGO, competitors etc. – may sue Iberchem in case of potential breach of national or international regulations.



FINES AND FINANCIAL PENALTIES:

The anticorruption regulations and in particular Common Law systems impose important fines to companies that have committed violation of their laws, even for an operation that did not take place in the United Kingdom or in the US.



RESTRICTED ACCESS TO NATIONAL AND INTERNATIONAL MARKETS:

A company that has been found liable may be added to disqualified supplier lists, excluded from public tenders, from World Bank related markets, etc.



REPUTATION:

In case of an involvement in a corruption scheme, a company face reputational damages that can lead to a decrease of its commercial activities and can affect the perception it benefits from the rating agencies.



IMPRISONMENT:

In France and in the United Kingdom, prison sentences up to ten years can be delivered against the Principal of a company in case of corruption.



INTERNAL SANCTIONS:

In the case of any breach of this Code of Conduct, Iberchem's employees are subject to disciplinary sanctions, ranging from a reprimand to a dismissal from the group.

SPEAK UP



Every employee of Iberchem has to consult, without hesitation, their superior, should they have any doubt or queries regarding the company's Compliance programme.

Within the framework of the latter, the group has set up an ethical hotline as a means to gather every query/alert from an Iberchem employee regarding compliance matters.

This line ensures anonymous treatment of the information given by the collaborator, without risk of reprisal from the hierarchy.

Nevertheless, such tool is to be requested only for actual breach of Iberchem's compliance programme and an abusive use of the same may lead to internal sanctions.



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