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Third Party Code of Conduct



11/2017



Contents

1. Initial considerations	4
2. Key principles	5
3. Scope	7
4. Guidelines	8
4.1 On business integrity	8
4.2 On the relationship with the public and private sectors	9
4.3 On universal human rights	10
4.3.1 Harassment	10
4.3.2 Discrimination	10
4.4 On labor practices	10
4.4.1 Employment of forced and/or child labor, sexual exploitation of children and youth, and human trafficking	11
4.4.2 Work conditions	11
4.4.3 Political activities and free association	11
4.4.4 Wages and benefits	11
4.4.5 Reporting suspicions of irregularities	12
4.5 On health and safety	12
4.6 On the environment	13
4.7 On communication	13
4.8 On monitoring and evaluation	14

4.9 On violations	14
4.10 Gifts, presents, hospitality, meals, and entertainment	15
5. Awareness and acknowledgement	16
6. Glossary	17
Annex	21



Initial considerations

Braskem is guided by the values and principles expressed in its Public Commitment, based on its commitment to excellence in its practices and corporate governance through sustainable development, responsible management of its business, and the transparency of its actions.

In line with good corporate governance and integrity practices, **Braskem** expects the same values of ethical, fair and transparent conduct to guide the behavior of all customers, suppliers, business partners, service providers and all natural persons and legal entities with whom **Braskem** has established relationships (“Third Parties”).

Braskem has prepared this Third Party Code of Conduct (“Code of Conduct” or “Code”), based on its Corporate Policy and applicable legislation with the purpose of sharing its conduct and establishing, in a clear and precise manner, the standards of behavior that are expected from all Third Parties.

By receiving this Code of Conduct, Third Parties are made aware that they should conduct their activities in accordance with the guidelines set forth in this document. **Braskem** is committed to acting in an ethical, fair and transparent manner and counts on the support and cooperation of each of its Third Parties.



2

Key principles

In order to guarantee the image and reputation of **Braskem**, it is crucial that our ethical, fair and transparent conduct is also practiced by the Third Parties with which **Braskem** establishes relations. Our purpose is to improve people's lives by creating sustainable solutions in chemistry and plastics and the performance of business in an ethical, fair and transparent manner by our Members and throughout our value chain.

Braskem's effort to achieve this purpose alongside its customers and the market is based on the constant application of our six principles, namely:

- **CONFIDENCE IN PEOPLE** and their capacity and desire to improve;
- **RETURN TO SHAREHOLDERS** and appreciation in their equity;
- **SELF-DEVELOPMENT OF PEOPLE**, especially through education through work, ensuring the survival, growth and perpetuity of **Braskem**;
- **CUSTOMER SATISFACTION**, serving them with quality products and with economic, social and environmental responsibility;
- **PARTNERSHIP BETWEEN MEMBERS** involved in the planning and execution of **Braskem's** business, as well as the results they generate; and
- **REINVESTMENT IN THE RESULT** for the creation of new job opportunities and the development of communities.

Braskem understands that its Third Parties should be treated with the same respect with which it expects to be treated and that they may have other principles and values that guide

its activities. However, we believe that our principles and values do not conflict with the principles and values, if any, already adopted by our Third Parties.

This Code of Conduct aims to present, in a clear manner, the values and behaviors expected of each Third Party. It has been inspired by widely accepted documents ranging from the Universal Declaration of Human Rights to the procedures recommended by the International Labor Organization (ILO) and by the laws and regulations of the countries where we operate.





3

Scope

This Code of Conduct should guide the actions of all **Braskem** Third Parties. It is understood that the term “Third Parties” covers, any natural person or legal entity acting on behalf, in the interest of, or for the benefit of Braskem, providing services or supplying other goods, as well as business partners that provide services to the Company that are directly related to obtaining, retaining or facilitating business, or for the conduct of matters relating to Braskem, including, without limitation, any distributors, agents, brokers, handlers, intermediates, supply chain partners, consultants, resellers, contractors, and other professional service providers.

We expect our Third Parties to make every effort to ensure that the principles set forth in this Code are followed.



4

Guidelines

4.1. On business integrity

Braskem expects its Third Parties to conduct business in an honest and ethical manner, strictly complying with the applicable laws of each country or region where they operate, while demonstrating respect for human rights and the environment.

The image of **Braskem** is the result of the effort undertaken by each Member and by each Third Party and is of incalculable value to **Company**. **Braskem** is prohibited from performing any act that endangers its reputation. We expect that the Third Parties will also work to protect our image, adopting any necessary measures if they become aware of any practices that may compromise the name or interests of **Braskem**.

Braskem also expects all matters of the Company, without exception, to be treated by its Third Parties with confidentiality and protection of our Company's intellectual property rights. Access to **Braskem** proprietary information should be limited to those persons who need to know the information. It should only be used for the specific purpose of providing or delivering the service. Third Parties are prohibited from publicly disclosing information that is confidential or proprietary to **Braskem**.

4.2. On the relationship with the public and private sectors

Braskem expects its Third Parties to operate in an ethical, fair and transparent manner in the course of its relationship with Public Officials, Politically Exposed Persons, and Third Parties that interface on **Braskem's** behalf with Public Authorities.

Braskem will not participate in any acts of Corruption, Bribery, Extortion, Fraud, or any other unlawful acts, in particular those set forth in Brazilian Act 12,846/2013, the U.S. Foreign Corrupt Practices Act¹, the Mexican National Anticorruption System² and any other law applicable to Braskem interactions. Accordingly, Third Parties are prohibited from offering, promising, granting, authorizing or receiving any unlawful or improper payments or Undue Advantage, or granting benefits to **Braskem** Members, Public Officials or equivalent, or any individual, either directly or through other Third Parties, in order to exert undue influence on any act or decision for the purpose of promoting **Braskem's** interests or any unethical purpose.

Braskem also does not take part in the practice of making small payments with the aim of expediting the implementation of activities under the responsibility of Public Officials or Third Parties that interface on **Braskem's** behalf with Public Officials, also known as Facilitation Payments. Facilitation Payments should not be confused with any official or legally permitted urgency rates or charges.

It should be noted that the Third Parties are responsible for the selection of their trading partners and suppliers and are expected to act in accordance with all applicable laws, in particular the Anticorruption Legislation applicable to **Braskem** and in accordance with this Code. In the event that these commercial partners and/or suppliers also act on behalf or for the benefit of **Braskem**, the Third Parties are encouraged to submit a copy of this Code, notwithstanding the existence of any internal document of the Third Parties which is similar to this Code.

In addition, Third Parties shall guarantee the contracting of trading partners and suppliers that share the ethical principles and values presented in this Code. Accordingly, **Braskem** suggests that due diligence procedures be performed by the Third Parties of their trading partners and suppliers in order to identify their history and any possible irregular conduct that they have committed before deciding to maintain any business relationship.

1) In force since 1977, with mechanisms for the fight against corruption with a transnational scope.

2) The National Anticorruption System, entered into force on July 19, 2017, is the entity that will coordinate all Mexican competent authorities (local, state and federal) to prevent, detect and sanction administrative offenses and acts of corruption.

The performance of due diligence procedures is intended to assist **Braskem** and each Third Party in preventing acts that are harmful to the image of both parties and avoid losses, as the Third Parties are responsible for the actions practiced by its trading partners and suppliers.

Braskem also advises its Third Parties to know and act in accordance with international agreements, treaties and conventions, such as the United Nations Universal Declaration of Human Rights and International Labor Organization (ILO) documents.

4.3. On universal human rights

Braskem values the relationship between its Members and Third Parties when conducted in an ethical, honest and trustworthy manner, irrespective of the job classification or organizational position, guided by respect, communication, and cooperation.

4.3.1. Harassment

Third Parties are expected to treat all persons with whom it interacts with respect and dignity. No worker shall be subjected to corporal punishment, abuse of power, threats, violence, intimidation, or harassment of any kind.

4.3.2. Discrimination

Third Parties may not engage in discrimination based on **race, color, biological sex, nationality, religion, any type of disability or physical characteristics, marital status, sexual orientation, gender identity, social class, age, union membership, political belief or political party membership** during the performance of their activities, particularly during their hiring, remuneration, training access, promotion, dismissal, or retirement processes.

4.4. On labor practices

Braskem respects and promotes human rights in its activities along its production chain and expects that the Third Parties with whom it maintains commercial relations also respect human rights and share our labor principles, as listed below:

4.4.1. Employment of Forced and/or Child Labor, Sexual Exploitation of Children and Youth, and Human Trafficking

Third Parties may not tolerate, allow or take part in the employment of forced and/or child labor, sexual exploitation of children and youth, and human trafficking.

Braskem will not enter into and/or maintain commercial relationships with Third Parties that use irregular and/or illegal work practices involving children and adolescents and practices similar to forced labor, sexual exploitation of children, and human trafficking.

4.4.2. Work Conditions

We expect our Third Parties to provide their Employees with appropriate working conditions regarding workload, health and safety – always in compliance with labor laws and as may be set in any collective bargaining agreements.

4.4.3. Political Activities and Free Association

Braskem is a nonpartisan institution respects the individual right of Members, outsourced workers and Third Parties regarding their political and union involvement and their political convictions. Thus, **Braskem** expects its Third Parties to acknowledge the freedom of association of its Employees and respect the laws and collective normative instruments that safeguard such rights.

To resolve possible collective conflicts of work, the following principles should apply:

- Recognition of labor unions as entities that represent their employees at the legal level;
- Dialogue and understanding should be the preferred way of resolving possible conflicts;
- The Principles and Values defined in this Code of Conduct will not be negotiated; and
- The physical integrity of Braskem's staff and assets should be preserved.

4.4.4. Wages and Benefits

Third Parties must remunerate their Employees in accordance with applicable labor and employment laws.

Third Parties should also ensure the selection trading partners that operate in accordance with the labor and employment laws of the places where they operate and with ethical standards consistent with this Third Party Code of Conduct.

4.4.5. Reporting Suspicions of Irregularities

Third Parties are expected to provide their Employees with a channel for the reporting of suspicious conduct or illegal activities in the workplace and which provides appropriate reporting structures such as confidentiality and non-retaliation. Third Parties are also expected to investigate the reports and, where necessary, take corrective measures.

Braskem encourages its Third Parties to implement processes for the prevention and reporting of Fraud and Corruption and requires them to report to **Braskem** all instances of Corruption, Bribery, Extortion, Fraud and any other acts that are harmful to the Public Authority (suspected, under investigation, or proven) involving **Braskem's** business, regardless of materiality, as provided in section 4.9 of this Code.

4.5. On health and safety

Braskem considers security an essential value that should guide the attitudes, behaviors and decisions in everyday life. People are the main link that keeps **Braskem** on the path to business excellence. Therefore, caring for safety and well-being will always be fundamental.

Thus, **Braskem** expects all Third Parties to do the following:

- Providing their Employees with a working environment with adequate health and safety conditions for the performance of their activities;
- Conducting evaluations and assessments to identify risks associated with operations or activities and implementing controls to eliminate or mitigate these risks;
- Complying with procedures, mandatory requirements, and mitigation controls, demonstrating zero tolerance in cases of non-compliance;
- Complying with all laws applicable to the activity and place of operation;
- Complying with the mandatory health and safety requirements of "SEMPRE" for contractors and being in line with **Braskem's** Health and Safety Policy, when provided;
- Maintaining its own health and safety management system applicable to its business;
- Reporting immediately to Braskem and investigating all incidents;
- Ensuring that its Employees are effectively trained and qualified on health and safety issues;

- While they are performing work at any of **Braskem** facilities, being aware of and practicing **Braskem's** health and safety commitments.

4.6. On the environment

The environment and the conservation of nature at industrial facilities and offices and throughout the value chain are of paramount importance to **Braskem**. Therefore, **Braskem** actively participates in the protection of the ecosystems where its industrial facilities are located and supports public and private projects related to the preservation of the environment.

This participation is carried out through the zeal and care in the manufacture, handling and transportation of its products, assistance in the preservation of forest reserves, prevention of the waste of natural resources, and promotion of preservation campaigns to raise awareness among the communities where it operates.

Therefore, it is important that Third Parties consider initiatives that involve the ecologically sustainable development of the regions where they operate, continuously seeking to reduce the environmental impact of their inputs, operations, products, and services.

Besides the expectations above, when working at its facilities, Braskem expects all Third Parties to do the following:

- Comply with the mandatory environmental requirements of SEMPRES, when defined for contractors and being in line with Braskem's Health and Safety Policy;
- Report to the responsible authorities in accordance with the regulatory requirements on irregularities involving the environmental issue;
- While they are performing work at any of **Braskem's** units, being aware of and practicing **Braskem's** environmental commitments;
- Implement mitigation measures to minimize environmental impacts and risks resulting from activities.

4.7. On communication

It is the responsibility of each Third Party to communicate this Code and disseminate the values of its provisions to its Employees, business partners, and other suppliers that support **Braskem**, ensuring that the ethical principles and values mentioned herein are effectively practiced across the company and its value chain.

Third Parties should periodically train their Employees, business partners and suppliers to ensure that the ethical principles and values provided in this Code have been properly understood and are being duly met in the daily work of professionals who work for **Braskem**. If deemed necessary, **Braskem** may conduct specific training on this Third Party Code of Conduct for its representatives.

The Third Parties are also responsible for informing **Braskem** about the occurrence of any violation of this Code of Conduct during the performance of its activities, as provided in section 4.9 of this document.

4.8. On monitoring and evaluation

Braskem monitors the performance of Third Parties during the supply of goods and delivery of services, with the purpose of supporting the improvement of management and strengthening the relationship of partnership between the parties.

Thus, all third parties are expected to communicate with their contact person at **Braskem**, providing information and facilitating discussions with **Braskem** from time to time as agreed between the parties.

4.9. On violations

All **Braskem** Third Parties are expected to comply with the guidelines of this Code. If proven that the Third Party or any person who represents it, directly or indirectly, has failed to comply with any aspect of this Code, **Braskem** reserves the right to take appropriate measures including contract termination.

In cases where the Third Party becomes aware or suspects of any violation of any aspect of this Code by any person, **Braskem** expects that this situation be reported to their contact person at **Braskem** or Braskem's Compliance Department.

In cases where the Third Party wishes to remain anonymous to report a violation of this Code of Conduct, it may use the Ethics Line to communicate with Braskem's Compliance Department, relying on the support of tools such as email and a toll-free phone line³, as detailed below.

³ Available twenty-four (24) hours a day, seven (7) days a week. The system provides information on how the possible conduct deviation should be reported through the contact phones provided.



Brazil

0800 377 8021

www.linhadeeticabraskem.com

Netherlands

0800 022 1787

www.ethieklinebraskem.com

Germany

0800 183 0763

www.lineethikbraskem.com

Mexico

01 800 681 6940

www.lineadeeticabraskemidesa.com

United States

1 800 950 9280

www.ethicslinebraskem.com

All reports are analyzed and treated in confidence, ensuring the anonymity of the reporting person. No retaliation will be allowed and tolerated against a Third Party who, in good faith, reports a possible illegal conduct or conduct that is not compliant with the guidelines established in this Code of Conduct.

4.10. Gifts, presents, hospitality, meals, and entertainment

All Third Parties are expected to act in the best interest of **Braskem**, when acting on its behalf, avoiding activities that may create a real or perceived conflict of interest or regarded as an improper act for business relations.

Third Parties should not offer, promise, give or receive Gifts, Presents, Hospitality, Meals or Entertainment to exert an undue influence on decisions that affect business related to **Braskem**, for the personal gain of the individual or to create or appear to create any type of conflict of interest, latent obligation or expectation regarding any person.

Thus, it is expected that Gifts, Presents, Hospitality, Meals, and Entertainment – offered or received – should be reasonable in relation to value and frequency and to be in accordance with applicable laws and manners of the receiver.



5

Awareness and acknowledgement

All Third Parties shall receive and acknowledge this Code of Conduct, either at the time of registration, their contracting or at their contractual updating or even during the contractual relationship, by signing an Awareness and Acknowledgement Agreement (Annex I) or similar.

As of the publication of this Code of Conduct, it will be the responsibility of the Contract Managers to share this Third Party Code of Conduct, newly hired or otherwise, with Third Parties to obtain their acknowledgement.

The Compliance area is available to support training of Third Parties for adherence to the rules established herein.



6

Glossary

In order to standardize the terms and expressions used in this procedure, the following capitalized words shall have the following meanings:

“Braskem” or **“Company”**: Braskem S.A., its wholly-owned and controlled subsidiaries in Brazil and abroad.

“Bribery”: the act of offering, giving, requesting, authorizing or receiving money, gifts, valuables, Undue Advantage, or any type of offer made as a way to encourage the practice of any act, omission, influence or undue advantage, wrongful or illegal act, or a breach of confidence in the performance of an individual’s duties.

“Close Relative” or **“Close Relatives”**: any son, daughter, stepson, stepdaughter, father, mother, stepfather, stepmother, spouse, brother, sister, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, and any person living in the same household, except tenants and housekeepers.

“Corruption”: Abuse of power or procedure for personal or dishonest benefit. Corruption may present itself in many forms, such as bribery, graft, conflict of interest, collusion (manipulation of proposals, cartels, and price fixing), patronage, provision of illegal information, use of insider information, price combination, tax evasion, etc.

“Employee” or “Employees”: all persons working at Third Parties, whether they are Board members, directors, professionals of any nature, interns, and apprentices.

“Entertainment”: any cultural or social event that is not directly connected to Braskem’s commercial activities, such as tickets for performances, theater, exhibitions, concerts, sporting events, or other similar types of events open to the general public.

“Extortion”: the of a serious and imminent threat to the physical integrity of an individual or an asset, used in order to obtain money or other valuables.

“Facilitation Payment”: payments made to any individual, acting as a Public Official or otherwise, even if through Third Parties, in order to accelerate or guarantee the execution of acts under their responsibility. This definition does not include payments effected by official means and permitted by law, provided that they are in not conflict with applicable anticorruption laws.

“Fraud”: an intentional act to obtain for oneself or for others Undue Advantage, at the financial or non-financial level, using exclusive or illegal methods, inducing or keeping someone in error. Also, the false representation of a material fact to induce someone to part with a valuable item or a legal right.

“Promotional Gifts”: any item with a modest or non-commercial value that is to be distributed in promotional campaigns, in order to serve the strategic functions of brand remembrance and/or acknowledgment, such as pens, notebooks, calendars, or appointment books and which have the Braskem logo or brand.

“Hospitality”: food, receptions, lodging, travel expenses, tickets or transportation of any kind, among others, which may be necessary to enable, for example, presentation of the products or visits to the Company’s premises or invitations to attend events and corporate parties promoted by Braskem.

“Meals”: meals such as lunch or dinner provided or received in connection with decision making, negotiation, or fraternization. It includes expenses for drinks, alcoholic or otherwise and coffee.

“Member” or “Members”: all persons working at Braskem, whether they are Board Members, Directors, professionals of any nature, interns, and apprentices.

“Politically Exposed Persons” (“PEPs”): persons who exercise or have exercised any relevant public office or function, as well as their Close Relatives, within a period defined in the applicable legislation.

“Present” or “Presents”: any tangible or intangible item with a monetary value. A Present may also include meals, beverages, training, transportation, or promotional items.

“Public Authority”: any agency, department or entity of the direct or indirect administration of any of the Executive, Judiciary and Legislative Branches, corporation or entity created by a government or in which the government owns more than 50% of the equity or receives more than 50% of the annual revenue, as well as legal entities directly or indirectly controlled by the government of a foreign country or international public organizations.

“Public Official”: any individual:

(i) acting as agent, authority, employee, servant or representative of a governmental entity or a public body, department, agency, or office, including any entities of the Executive, Legislative and Judicial Branches, entities of direct or indirect public administration, entities controlled or owned by government and public domestic or foreign foundations;

(ii) performing, even if temporarily and without remuneration, a position, role or employment in an entity of a sovereign State and its instrumentalities, including entities that provide services or serve a public function;

(iii) occupying the position of director, Board member, Member or representative of a public international organization;

(iv) occupying the position of president, vice president, Board member or political party official, as well as candidates running for elective or political public offices in Brazil or abroad;

(v) who is a member of a royal family, including persons who do not have a formal authority but who may influence business interests; and

(vi) who is a spouse or another close relative of a Public Official.

“Third Party” or “Third Parties”: any natural person or legal entity acting on behalf, in the interest of, or for the benefit of Braskem, providing services or supplying other goods, as well as business partners that provide services to the Company that are directly related to obtaining, retaining or facilitating business, or for the conduct of matters relating to Braskem, including, without limitation, any distributors, agents, brokers, handlers, intermediates, supply chain partners, consultants, resellers, contractors, and other professional service providers.

“Undue Advantage”: any advantage, payment or private benefit, direct or indirect, tangible or intangible, to which a person is not entitled.



Annex I

Awareness and acknowledgement agreement

By this Awareness and Acknowledgement Agreement, I, _____
_____, representative of the company _____
_____, registered under no. _____, in its capacity as
Third Party of **Braskem**, hereby declare that I am aware of the terms of the Third Party Code of
Conduct, undertaking to adopt the practices indicated therein in the execution of my activities,
as well as maintaining the confidentiality of any and all information received for the development
of activities related to Braskem, including after the termination of my contractual relationship
with this Company.

Additionally, regarding issues of Corruption, Fraud, and Bribery, I hereby declare that I am in
compliance with the guidelines set out in this Code, delivered at the time of [signing/renewal]
of the agreement, and I understand that I am prohibited from offering, promising, granting,
authorizing or receiving any illegal or undue payments or carrying out Fraud of any nature.

I further declare that our company complies with applicable anticorruption laws and that we
disseminate and expect the same conduct from our Employees, suppliers, business partners,
outsourced workers, and representatives.

Date _____, _____, 20_____.

[Name of the Third-Party Representative]

[Name of the Third-Party Company]







Braskem 

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