Global Policy on Anti-Bribery and Anti-Corruption
OUR GLOBAL POLICY ON ANTI-BRIBERY AND ANTI-CORRUPTION

PolyOne is committed to the prevention, deterrence and detection of fraud, bribery and all other corrupt business practices. PolyOne is dedicated to conducting its business with honesty, integrity and the highest possible ethical standards and in compliance with all anti-bribery laws and regulations.

This Policy reinforces PolyOne’s position on the prohibition of bribery, corruption and other corrupt business practices and the Company’s commitment to comply with all applicable laws and regulations. As a United States based company with business operations in the United Kingdom, PolyOne is committed to observing the standards of conduct set forth in the U.S. Foreign Corrupt Practices Act (the “FCPA”), the UK Bribery Act (“UKBA”) and related legislation, as well as local anti-bribery laws of all countries in which the Company operates (collectively, the “Anti-Bribery Laws”).

This Policy supplements the Bribery and Kickbacks section of PolyOne’s Code of Conduct. Questions about the Policy or its applicability to particular circumstances should be directed to the PolyOne Legal Department.

POLICY OVERVIEW

PolyOne strictly prohibits fraud, bribery and other corrupt business practices in all of our business operations. This prohibition applies to all business activities, anywhere in the world, whether they involve government officials or private sector employees.

This Policy applies to everyone at PolyOne and its subsidiaries, including all officers, employees and agents or other third parties acting on PolyOne’s behalf anywhere in the world. Every individual working for or on behalf of PolyOne has a personal responsibility and obligation for ensuring implementation of the Policy and to conduct PolyOne’s business activities ethically and in compliance with the law. Engaging in fraud, bribery or corruption is never acceptable and can expose individuals and PolyOne to possible criminal prosecution, reputational harm or other serious consequences. The company will take disciplinary action against any individual found to have engaged in bribery or corruption, up to and including termination. Employees involved in international operations should consult with Legal Department to ensure that they are aware of, and are complying with, applicable laws.

Did You know?

Corrupt business activities prohibited by this policy include, but are not limited to:

- bribes
- kickbacks
- inappropriate or excessive gifts or entertainment, or
- anything else of value made or offered to obtain an undue business advantage

These types of corrupt business activities apply not only to bribery of foreign officials, but also commercial bribery, which is bribery to anyone we do or would like to do business with. Offering anything of value should not be confused with reasonable and limited, lawful expenditures for gifts, business entertainment and other legitimate activities directly related to the conduct of PolyOne’s business.

Please refer to the Gifts and Hospitality section of the PolyOne Code of Conduct to determine if your proposed expenditure is permitted. If you have any further questions, please contact the Corporate Ethics Officer before making the expenditure.

The penalties for violating these laws are severe. For a company, potential sanctions range from multi-million dollar fines and disgorgement of any business profits from an improper payment to loss of export privileges or eligibility to compete for certain government contracts. These sanctions are in addition to potential reputational damage and investigation and defense costs, which may arise even without a formal government prosecution. The penalties for individuals can be even more severe, including substantial fines and imprisonment.

PolyOne has developed a comprehensive program for implementing this Policy, through appropriate guidance, training, investigation and oversight. The Corporate Ethics Officer, in coordination with the Legal Department, is responsible for giving advice on the interpretation and application of this Policy, supporting training and education, and responding to reported concerns.
AN OVERVIEW OF GLOBAL ANTI-BRIBERY LAWS

No matter where in the world we operate, there is an anti-bribery law or regulation that applies to our business. These laws and regulations prohibit bribery by their citizens and companies, which can include local subsidiaries and affiliates of a foreign-based company.

PolyOne requires all employees and agents to comply in all respects with applicable laws and regulations. The laws that apply to particular international business activities include those of the country in which the activities occur, as well as others that (like the FCPA and UKBA) govern the international operations of national companies and citizens.

Global anti-bribery laws make it illegal to engage in any form of corruption and bribery. The laws of some countries, including the FCPA, focus exclusively on the bribery of government officials (sometimes known as “foreign officials” or “public officials”), while other laws, such as the UKBA, prohibit both the bribery of government officials and commercial bribery (i.e., the bribery of “private officials” in non-governmental organizations). Global anti-corruption laws also require companies to keep books, records and accounts in reasonable detail, which accurately and fairly reflect their foreign and domestic transactions.

The importance of complying with anti-bribery laws is highlighted in those countries where the risk of bribery and corruption is high. That list of countries includes those in which:

- Government and private sector officials are frequently engaged in commercial and financial activities,
- Corruption and related problems are common, and
- Legal standards and enforcement policies are developing, but are often unclear and inconsistently applied.

The global anti-bribery laws make it unlawful to offer, promise, pay or authorize the payment of anything of value to any government official and/or private sector employees to help the company obtain or keep business or secure some other improper business advantage. This prohibition applies whether the offer or payment is made directly or through another person.

To comply with anti-bribery laws, no individual should ever offer, directly or indirectly, any form of gift, entertainment or anything of value to anyone to:

- Obtain or retain business
- Influence business decisions
- Secure an unfair advantage
Anti-bribery laws and regulations are wide reaching and can be interpreted very broadly. A violation can occur:

- Even if there is no corrupt intent.
- An improper payment, gift or hospitality is only offered or promised and not actually made.
- It is made but fails to achieve the desired result.
- The result benefits someone other than the giver (for example, directing business to a third party).
- If the individual may have suggested or demanded the bribe.
- The company feels that it is already entitled to the action or benefit.
- When an individual “should have known” that bribery was occurring.

WHO IS A GOVERNMENT OFFICIAL?

A “government official” can be essentially anyone exercises government authority or who works for or is an agent of a government- owned or government-controlled entity. For purposes of anti-bribery laws, government officials include:

- Officers and employees of a government (federal, state or local), department, agency, or instrumentality.
- Any person acting in an official capability for or on behalf of any government; department, agency, or instrumentality.
- Political parties, political party officials, and candidates for public office.
- Officers and employees of government-owned or government-controlled commercial enterprises—which is common where state-ownership of commercial businesses are prevalent. This includes partially government-owned entities.
- Officers and employees of public international organizations, such as the United Nations.

Government official status often will be apparent, but not always. In some instances, individuals may not consider themselves officials or be treated as such by their own governments but nevertheless exercise authority that would make them a government official for purposes of these laws. Personnel engaged in international activities are responsible under this Policy for inquiring whether a proposed activity could involve a government official or an entity owned or controlled by a foreign government, and should consult with the PolyOne Legal Department when questions about status arise.

COMMERCIAL BRIBERY

In addition to prohibiting bribery of government officials, PolyOne also prohibits bribery and corruption in our commercial dealings. Employees should never offer or accept anything of value to existing or potential customers, suppliers or other third parties in order to improperly obtain business or an unfair advantage for the Company. Our reputation for integrity is more important than the potential gains to be made in dealing inappropriately with other individuals and organizations.

What Is A Bribe?

A “bribe” is an offer or promise to give, or the giving of, or authorizing to give, anything of value or another advantage to improperly influence the actions of a third party, public or private. Bribes may include:

- Cash and cash equivalents (gift cards or gift certificates)
- Gifts, entertainment and hospitality
- Payment of travel expenses—especially when there is not a clear business purpose for the trip
- Paying a government official to ignore an applicable customs requirement or to accelerate a tax refund
- Vacations
- Offers of employment or other benefits to a family member or friend of the individual
- Political party and candidate contributions
- Charitable donations and sponsorships

Other less obvious items provided to a government official can also be a violation. Examples include in-kind contributions, investment opportunities, positions in joint ventures, and favorable or steered subcontracts. The prohibition applies whether an item would benefit the official directly or another person, such as a family member, friend or business associate.
WORKING WITH AGENTS AND OTHER THIRD PARTIES

PolyOne from time to time may engage the services of an agent, distributor, consultant or other intermediary to support its business activities, or may participate with business partners in a joint venture or other business structure. These relationships are important to PolyOne and provide valuable contributions in many areas of business, but can also pose compliance challenges and thus require appropriate measures to prevent bribery.

Most laws apply whether a bribe is made directly or through an agent, consultant or other intermediary. Under most laws, PolyOne and individual officers and employees may be held liable for improper payments by an agent or other intermediary if there is actual knowledge or reason to know that a bribe will be paid. Willful ignorance—which includes not making reasonable inquiry when there are suspicious circumstances—is not a defense, and it also does not matter whether the intermediary is itself subject to any related anti-bribery law.

For that reason, it is important to conduct due diligence on agents and other third-parties both prior to engagement and during the relationship. PolyOne must not disregard or ignore facts or red-flags that indicate a likelihood that a third-party may be improperly providing anything of value or otherwise acting improperly on the Company's behalf. In order to minimize this risk, certain factors must be considered before entering into any third-party relationship and all third-parties must meet the following standards prior to the Company entering into a relationship with the third-party:

- Reputable—requisite experience and expertise
- Credible—obtain business references
- Financially stable—adequate resources to fulfill commitments
- Commitment to comply with all applicable laws and to not make improper payments, and
- Acknowledgment—Execute an acknowledgement of, and an agreement to comply with this Policy.

PolyOne can be held liable under anti-bribery laws not only for the actions of our employees, but also those of our agents and other third parties, including joint venture partners. If you have a reasonable suspicion that an agent or other third party might pay a bribe, but fail to take the appropriate steps to attempt to prevent such payment, we may be seen as implicitly authorizing the bribe.

RED FLAGS TO WATCH OUT FOR WHEN WORKING WITH THIRD PARTIES

Personnel working with agents and other third parties should pay particular attention to unusual or suspicious circumstances that may indicate possible legal or ethics concerns, commonly referred to as “red flags.”

The presence of red flags in a relationship or transaction requires greater scrutiny and implementation of safeguards to prevent and detect improper conduct and should be discussed with PolyOne’s Legal Department. Some red flags to watch out for include:

- Third-party is located or doing business in a country with high levels of corruption
- Objections to representations regarding compliance with anti-corruption laws
- Lacks experience with product, field or industry or qualified staff
- Disproportionate commission/fees/cash payments onshore vs. offshore
- Fees linked to a percentage of the project cost or value
- Request for money to be paid into a personal or offshore bank account
- Services detailed to be provided are vague
- Third-party is a relative or close associate of a present or former official
- Previously convicted of, or is alleged to have been involved in illegal conduct
- Rising expenses for goods and services
- Increasing purchases from one vendor
- No division of duties between new vendor approval and authorization for purchasing
- Contracts written to limit competition
- Same vendor wins contracts by small margins
- Contract always goes to the bid received last
- Splitting one purchase into multiples to avoid the approval process
- Paying above-market prices for goods or services
DUE DILIGENCE IN BUSINESS TRANSACTIONS

Business transactions (such as mergers, acquisitions, and joint ventures) involving entities that engage in business in foreign nations may expose PolyOne to compliance challenges. PolyOne can be held responsible for the acts of an acquired entity, even if the acts occurred before the transaction. Accordingly, PolyOne must take reasonable measures to perform anti-corruption specific due diligence commensurate with the risks associated with the proposed business transaction.

ACCOUNTING AND RECORD KEEPING REQUIREMENTS

Under most anti-bribery laws, PolyOne and its affiliates must keep accurate and detailed books and records of the transactions in which they engage and to maintain a system of internal controls that, among other things, can prevent “slush funds” and “off-the-books” accounts that might be used to facilitate or conceal questionable foreign payments. These requirements apply to all of our business activities and are implemented through PolyOne’s standard accounting rules and procedures, which all personnel are required to follow without exception.

Special care must be exercised when transactions may involve payments to government officials. Off-the-books accounts should never be used. Any payments to government officials should be promptly reported and properly recorded, with respect to purpose, amount and other relevant factors. Requests for false invoices or payment of expenses that are unusual, excessive or inadequately described must be rejected and promptly reported. Misleading, incomplete or false entries in PolyOne's books and records are never acceptable.

IN CONCLUSION

All officers, employees and agents are responsible for understanding and complying with the Policy, as it relates to their jobs. Every employee has an obligation to:

• Be familiar with applicable aspects of the Policy and communicate them to subordinates
• Ask questions if the Policy or action required to be taken in a particular situation is unclear
• Properly manage and monitor business activities conducted through third-parties;
• Be alert to indications or evidence of possible wrongdoing, and
• Promptly report violations or suspected violations through appropriate channels

REPORTING POSSIBLE VIOLATIONS

Any employee who has reason to believe that a violation of this Policy has occurred, or may occur, must promptly report this information to one of the below resources. Any report made in relation to this policy should be reported up to Corporate Investigations or Legal so that a thorough and proper investigation can be conducted into the concern.

• Your supervisor or any PolyOne manager
• The Corporate Ethics Officer via email at Ethics.Officer@polyone.com
• PolyOne’s General Counsel via email at Legal.Officer@polyone.com
• Any member of the Legal department
• The PolyOne Ethics Hotline
THE POLYONE ETHICS HOTLINE

The Ethics Hotline is available globally in 14 languages 24 hours a day, 7 days a week. An independent company receives all Web and phone reports on the Ethics Hotline and reports the information to the Corporate Ethics Officer. All reports will be kept confidential to the extent possible. The Ethics Hotline can be found at http://www.polyone.com/company/policies-and-governance/ethics-hotline. From this website, you can either make a complaint through the internet or alternatively by calling the third party hotline at any of the country specific telephone numbers listed on the website. When reporting any such payment, please include the following information (to the extent you are aware of these details):

- The amount and purpose of the payment
- The identification and the line of business of the person making the payment
- The circumstances under which the payment was made
- The manner in which the payment was made, including the character of the accounting entries made in connection with the payment, and
- The identity of any person who knows of the payment

COMMITMENT TO NO RETALIATION

Retaliation in any form against an employee who has, in good faith, reported a violation or possible violation of this Policy is strictly prohibited. Employees who violate this Policy will be subject to disciplinary action, up to and including termination. Violations can also result in prosecution by law enforcement authorities and serious criminal and civil penalties.
ACKNOWLEDGMENT OF COMPLIANCE WITH POLYONE’S ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

Instructions:

Please read, sign and return this document to Human Resources. If you have any questions, contact your Human Resources manager.

Acknowledgment of Compliance:

I have read, understood, and agree to comply with PolyOne’s Global Policy on Anti-Bribery and Anti-Corruption. I also acknowledge that I have completed the ethics training program on this subject.

I understand and acknowledge that it is my responsibility to seek guidance and/or clarification on any section of the Global Anti-Bribery and Anti-Corruption Policy that is unclear to me.

Employee Name (Please print) __________________________

Signature __________________________ Date ____________

Work Location __________________________