

Supplier Principles of Conduct



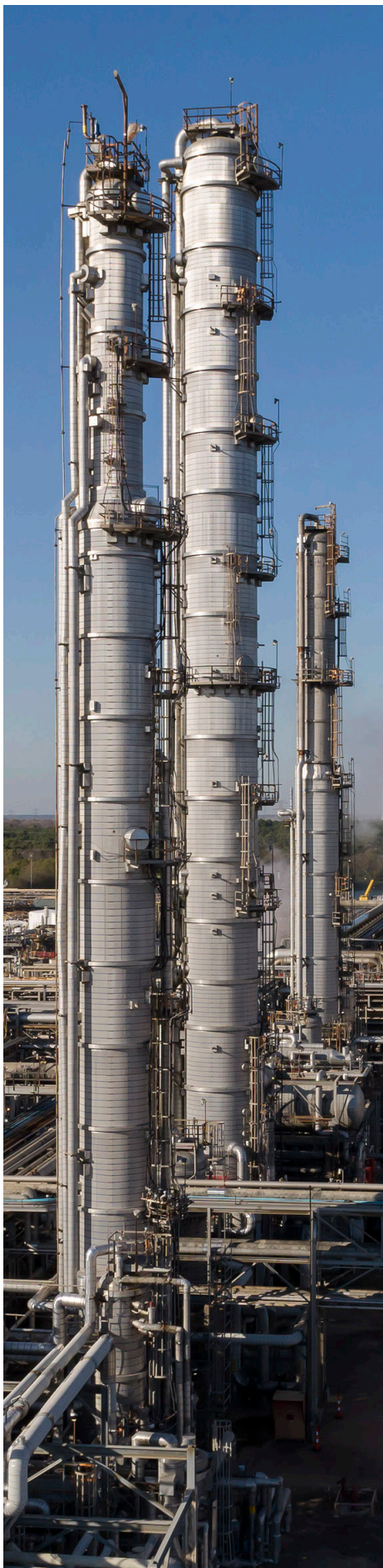
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**Chevron
Phillips
CHEMICAL**

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Letter from our CEO

Here at CPChem, we value the trusting relationships we have with our network of suppliers around the world and recognize the critical role they play in ensuring safe, reliable operations. They supply our plants with the raw materials needed to meet the needs of our global customer base, provide the equipment used in our manufacturing plants and administrative offices, and help ensure the safety of our employees by providing personal protective equipment. Simply put, we cannot do business without them. At the same time, we expect our suppliers to conduct their business with the same integrity, transparency and adherence to all ethical and legal requirements as we do ourselves.

Integrity is a core value for our company, and we conduct our business honestly. We expect our suppliers and business partners around the world to join us in maintaining the highest ethical standards. We seek to create long-term business relationships with suppliers and partners who understand and embrace our core values and who are willing to hold all parties in their own business relationships to the same high standards.

We communicate to all suppliers with the greatest possible transparency and work to create an operating environment of mutual trust and respect. We do this not only because we believe it is right, but also because it helps us to improve our own results by making our company more valuable to our customers and to everyone with whom we do business.

Together, we are working to achieve our vision to be the world's premier chemical company.

A handwritten signature in black ink that reads "Bruce Chinn".

Bruce Chinn
CEO





I. Introduction

Chevron Phillips Chemical and our wholly owned subsidiaries around the world (together “CPChem”) take our legal and ethical standing in the business community very seriously and in turn, we choose to work with partners who share the same values and commitment. The Supplier Principles of Conduct (SPOC) is not a contract; its purpose is to clearly set out CPChem’s values and basic expectations regarding the standards of business conduct and social responsibility of our suppliers, service providers and third-party labor providers. By acting consistently with the guidelines listed here, CPChem and our suppliers can each do our part to assure that we earn our reputation as companies that conduct our businesses with the utmost integrity.

At CPChem, we are committed to Performance by design, and Caring by choice.™ Our employees demonstrate these commitments consistently within every function of our operations and in every place where we live, work, and conduct our business globally.

We recognize the choices we make for our material and service providers must also reflect these values. The SPOC applies to all of our suppliers and business partners and we ask that they share in our commitment to socially responsible and sustainable operations and practices. The SPOC summarizes CPChem’s basic expectations for all suppliers in the areas of Labor and Human Rights; Environmental, Health and Safety; Ethics and Compliance, and Management Systems. This document aligns with the Guiding Principles of Responsible Care by the American Chemistry Council, of which CPChem is a member.

Fundamental to conforming to this set of principles is the understanding that all activities of business must

operate in full compliance with the laws, rules and regulations of the locations in which they occur. Suppliers must maintain compliance systems and be able to demonstrate a satisfactory record of compliance with laws and regulations in conducting their business.



Compliance with the SPOC is essential for any vendor of materials or services to CPChem, anywhere in the world. Our suppliers are also expected to hold their subcontractors and their supply chain accountable to the same set of principles, and to communicate these requirements to their employees, suppliers, contracted workers and agencies. CPChem will monitor its suppliers’ conformance to these principles at its discretion, which may include requests for self-audits, formal audits through corporate or on site at the supplier’s manufacturing locations, or request for specific data regarding performance of any element. If CPChem becomes aware of non-conformance to the SPOC, CPChem will work with the supplier to remedy the situation. We would expect the supplier to develop a corrective action plan to bring its operations into code conformance so that our companies can maintain a business relationship.



II. Labor and Human Rights

Fair employment practices do not just keep CPCChem and our suppliers in compliance with the law, they also contribute to our culture of mutual respect, inclusion, cooperation, and accountability. We must all be committed to providing a workplace free of discrimination or harassment. This means we will act professionally without regard to race, color, religion, gender (including pregnancy), sexual orientation, gender identity, age, national origin, disability, veteran status, genetic information, and family medical history, or any other basis prohibited by law.

CPCChem is also committed to complying with all applicable laws including those pertaining to freedom of association, privacy, collective bargaining, immigration, wages and hours, as well as those prohibiting forced, compulsory, indentured or bonded labor, involuntary prison labor or child labor. This includes laws pertaining to transportation, harboring, recruitment, transfer, or receipt of persons by means of threat, force, coercion, abduction, fraud, or payments to any person having control over another person for the purpose

of exploitation. CPCChem expects suppliers with whom we do business to uphold the same standards of compliance and fair practices.

Human Rights and Anti-human Trafficking

CPCChem is committed to human rights and anti-human trafficking efforts and ensuring that its supply chains reflect CPCChem's values and respect for human rights. CPCChem is also committed to ensuring responsible and ethical business practices and instituting anti-human trafficking measures. In our business award decisions, we consider the

added value of suppliers who consistently demonstrate respect for basic human rights.

Working Conditions

CPCChem expects suppliers to commit to a workplace free of unacceptable worker treatment such as harassment, discrimination, physical or mental punishment, any other form of abuse or coercion, or unreasonable restrictions on entering or exiting company-provided facilities. Suppliers should also provide workers with clean facilities for basic hygiene needs, access to potable water and sanitary food preparation



Labor and Human Rights

and storage facilities. Dormitories or other housing provided by a supplier directly or through an agency should be clean, safe, of adequate size per person, and equipped with emergency egress, heat and ventilation and reasonable entry and exit privileges.

Wage and Hour Practices

CPChem expects suppliers to comply with all applicable wage and hour laws, rules and regulations, including minimum wage, overtime and maximum hours per work period,

along with all legally mandated benefits. This applies to all types of workers, including but not limited to full-time, part-time, temporary, apprentice, student, contracted, seasonal and migratory workers.

Diversity and Inclusion

CPChem encourages suppliers to demonstrate evidence of their commitment to advancing diversity and inclusion within their organizations, including policy and practice sharing regarding plans to actively improve in these areas.

Such efforts may include reporting of demographic data for workforce composition and relevant metrics which are influenced by internal efforts to promote these principles.

Subcontractor Compliance

Suppliers are expected to ensure that any workers supplied by subcontractors in the supplier's facilities will be treated in a manner consistent with the labor and human rights principles set forth herein as well.





III. Environmental

In addition to full compliance with all applicable environmental laws, CPChem expects suppliers to integrate environmentally responsible and sustainable practices into their operations. Suppliers should endeavor to minimize adverse impacts on the community, environment and natural resources and ensure the protection of the health and safety of all workers, contractors and subcontractors, and residents of the communities in which we operate. Suppliers are asked to identify and act on opportunities to reduce their environmental impacts in a meaningful way, and to share those results with us when requested.

Environmental Permits and Reporting

All required environmental permits, approvals and registrations must be obtained and maintained. Operating limits and reporting requirements should be adhered to as stipulated by the appropriate authorities in the prevailing jurisdictions.

Hazardous Materials & Waste Management

Chemicals and other materials (including waste) posing a hazard to humans or the environment should be identified, labeled and managed to ensure their safe handling, movement, storage, use, recycling or reuse and

disposal. Suppliers will provide the Safety Data Sheet (SDS) for all products supplied when applicable and should have documents procedures and practices to identify, manage, and responsibly dispose of or recycle solid (non-hazardous) waste.

Transportation

Suppliers must comply with applicable laws governing the transportation of goods and materials. If handling Hazardous Materials, suppliers are expected to be registered with the appropriate local authorities as a Hazardous Materials shipper and are expected to be trained, tested and certified.

All suppliers are encouraged to take steps to improve their transportation environmental footprint, and to share those improvements.

Materials Restrictions

Suppliers are to adhere to all applicable laws, regulations and CPChem requirements regarding prohibition or restriction of specific substances in products and manufacturing, including labeling for recycling and disposal. At CPChem's request, suppliers are expected to provide data regarding substances in any materials supplied to CPChem that may require



Environmental

disclosure to governmental bodies, business partners or customers. If materials supplied to CPCChem contain any Conflict Minerals (tantalum, tin, tungsten or gold), suppliers are asked to disclose the presence of these minerals along with their policies and practices for management of the supply chain for these materials.

Energy Consumption and Greenhouse Gas (“GHG”) Emissions

Suppliers are encouraged to carry out initiatives to increase energy efficiency and reduce GHG emissions.

Significant energy consumption and GHG emissions should be tracked and documented at the appropriate facility or company level. Supplier data should be provided to CPCChem upon request.

Emissions and Pollution Prevention

Emissions and discharges of pollutants in any form (air, water, or otherwise) and generation of waste should be monitored, minimized or eliminated at the source or by practices such as adding pollution control equipment; modifying production, maintenance and

facility processes; or by other means. Service providers such as railroads, trucking companies, packagers, warehouses, ports and ocean carriers and other parties handling polyethylene or other plastics in pellet form are also encouraged to formally commit to the principles of Operation Clean Sweep® or Operation Clean Sweep® Blue. The use of natural resources in any form should be conserved, and conservation efforts should be documented and shared when requested.





IV. Health and Safety

Suppliers must fully comply with all applicable health and safety laws and are expected to have defined methods and documented results regarding the reduction of injury, death and illness in the workplace. Suppliers should be committed to the health and safety of all workers in their facilities and ensure that required training has been completed prior to beginning any work activity.

Emergency Preparedness

Suppliers are expected to have emergency plans and response procedures conforming to applicable laws and regulations, including preparedness measures, reporting/notification, evacuation procedures, training for new and established workers/contractors/subcontractors, hazard detection and mitigations systems, and adequate means of egress from supplier's site. The suppliers should document their preparedness for emergencies and implement plans for reducing/eliminating damage potential to people, equipment, facilities, and the community.

Occupational Safety

Worker exposures to safety hazards, including but not limited to chemical, biological, stored energy, combustion, rotating equipment, vehicular collision, excessive noise, and walking/working surface hazards, should be identified, evaluated and mitigated, wherever

possible, by design and engineering methods, administrative controls and safe work practices. Rotating equipment should be guarded at all potential points of contact.

Personal protective equipment should only be deployed when higher level controls are not deemed workable. Written procedures and methods should be adequate to identify, report and reduce occupational injury and illness, including the encouragement of worker reporting, incident investigation and corrective action tracking, and facilitation of worker's return to work.

Drug and Alcohol Policies

Suppliers are expected to have documented procedures and methods to ensure that employees do not work while under the influence of alcohol, illegal drugs, or misused medications, whether prescription or non-prescription. Suppliers should prohibit employees

from possessing, transferring or selling illegal drugs, alcohol or improperly-held medication, prescription or otherwise, while in the supplier's facilities or while working.

Health and Safety Communication

Suppliers are expected to provide workers with appropriate workplace health and safety information and training in a language the worker can understand, for all identified workplace hazards to which workers might be exposed. Health and safety related information should be clearly posted in the facility, visibly posted in a location identifiable and accessible by workers. Training should be provided to all workers prior to the beginning of work and regularly thereafter. Workers should be encouraged to raise safety concerns, and documented methods are expected to be in place to capture and address all concerns brought forward.



v. Ethics and Compliance

As the global business landscape constantly evolves, the CPChem Ethics & Compliance (E&C) Office seeks to continuously improve CPChem's policies, practices, and training to adapt to the ever-changing regulatory and compliance environment. The E&C program extends through the entire organization across all geographic locations and facilitates and aides in the identification and resolution of compliance issues and matters of concern. Each part of our E&C program was created with the goal of laying a foundation of uncompromising honesty and integrity.

Anticorruption Compliance

CPChem is committed to full compliance with global anticorruption laws, including but not limited to the U.S. Foreign Corrupt Practices Act. Accordingly, third parties doing work on CPChem's behalf are expected to uphold the highest standards of honesty and integrity. Suppliers should conduct appropriate risk-based diligence prior to engaging service providers or other suppliers to ensure that all parties comply with the CPChem SPOC and all anti-corruption laws. Under no circumstances will CPChem tolerate the payment of bribes or corrupt practices of any nature. Suppliers are expected not to engage in any form of bribery, kickbacks, corruption, extortion, money laundering or embezzlement. Bribes or other incentives for the purpose of obtaining undue or improper advantage are not to be given or accepted, promised, offered, or authorized, whether directly or through any third party. Social or charitable contributions are not to be made or solicited on behalf of CPChem without preapproval from CPChem's E&C Office and the CPChem Manager of Public Affairs.

Controls

Suppliers are expected to have adequate controls regarding accounting and corporate assets. Invoices and other documentation submitted to CPChem by suppliers should reflect the true nature and amount of the transaction. Payments received from CPChem may not be used to make or reimburse improper payments, and suppliers should not use their own funds to make payments prohibited by the SPOC in connection with CPChem's business.

Records Accuracy

All business dealings should be transparently performed and accurately reflected on supplier's books and records, and supplier may not alter records to conceal or misrepresent the relevant transaction. All records in all formats should fully and accurately represent the appropriate transaction or event. Archives of records are expected to be retained in accordance with a defined supplier standard and in compliance with all applicable laws and regulations.

Global Trade and Regulatory Compliance

Suppliers are encouraged to ensure supply chain security, comply fully with global trade regulations and import/export laws regarding goods, services, software and technology. In addition, suppliers are expected to be aware of and abide by global sanctions, embargoes, and screen business partners and transactions against restricted and denied parties. Governments around the world maintain lists of restricted persons, groups, and entities. Sanctions may pertain to domestic and/or international business. CPChem and its suppliers shall share a mutual commitment to supply chain security that demonstrates incorporation of guidelines from programs establishing secure global trade. Examples of these programs include WCO SAFE Framework of Standards, the U.S. Customs-Trade Partnership Against Terrorism, the European Authorized Economic Operator programs, and Singapore's Secure Trade Partner. CPChem follows such guidelines globally to protect the international supply chain from terrorism, illegal contraband, and to promote collaboration and cooperation in fair and legitimate trade.

Ethics and Compliance

Ethical Treatment of Suppliers

As important business partners and contributors to our own successful, sustainable operations, relationships with our suppliers should all be transparent, fair, and built on the concept of growing mutual trust. Suppliers are evaluated competitively and using objective criteria, based on value potential and Total Cost of Ownership, with consideration for all elements of quality, cost, service and safety. Terms and conditions defining our relationship with suppliers are communicated early in the supplier selection process and agreements to such terms and conditions, or any mutually accepted changes to them, are expected to be in place before commencing work on any contracted service or materials. These terms and conditions address CPChem's expectations regarding commercial and legal items such as payment

terms, confidentiality, intellectual property, risk management, and others, as well as the points set forth in the SPOC.

Conflicts of Interest

Suppliers should not allow any interaction with CPChem employees, our agents or other suppliers that could create an actual or perceived conflict of interest. This is to be avoided in any setting where the interests or relationships could exert or appear to exert an inappropriate influence on decisions made by CPChem employees. The perception of a conflict of interest between a CPChem employee and a supplier could adversely affect the business interests and reputations of one or both parties.

Gifts, Entertainment and Travel

Suppliers are asked to not offer any gift, entertainment or travel

provisions to a CPChem employee that might influence, or appear to influence, a CPChem employee's decision in relation to the supplier. Gifts, including meals or entertainment, may be offered to a CPChem employee infrequently and accepted only if they are approved in accordance with policy. Cash or cash equivalents may never be offered or accepted. CPChem employees must never solicit gifts of any kind from a vendor or supplier.

Responsible Sourcing of Agricultural Materials

Suppliers are expected to provide evidence that any agricultural/plant-based materials, or extracts or derivatives of those materials incorporated into supplier's goods or consumed within supplier's operations, are responsibly and legally sourced, harvested and exported from their country of



Ethics and Compliance

origin. Materials of this type should be obtained by methods which minimize environmental impacts and using fair labor practices, consistent with the supplier's commitment to protect basic human rights.

Privacy

Suppliers are expected to protect the personal information of everyone they do business with, including business partners and other suppliers, customers, employees

and other workers. Suppliers must comply with privacy and information security laws and regulations in all situations where personally identifiable information is captured, stored or shared.

Quality

Suppliers will be diligent in their efforts to provide services and materials that fulfill all CPChem expectations and quality specifications. Quality standards and procedures should be implemented

to ensure that all standards are met, to find and intercept defective goods, to perform root cause analysis on the defects and to implement corrective and preventive actions. Suppliers are encouraged to utilize appropriate methods and processes to detect counterfeit components/materials, to reduce the risk of introducing counterfeit items into finished goods, and to prevent resale of counterfeit components/materials to any customer, including CPChem.



 **Reporting Concerns**

Suppliers concerned about the ethical behavior of a CPChem employee are invited to contact the E&C Office by emailing ethics@cpchem.com or calling, or submitting through, the Hotline (which is managed by an independent third party, 24 hours a day, 7 days a week, in over 100 languages) at **1-800-356-2590** (U.S.) or + **1 503-619-1804** (toll free) (Outside of U.S.) or www.cpchem.ethicspoint.com.

VI. Management Systems

Suppliers are encouraged to implement an effective management system to comply with the principles set forth in this document. At a high-level, an effective management system should ensure:

Compliance with customer specifications and requirements

Compliance with laws and regulations applicable to the supplier's business, operations, products and services

Conformance to the Supplier Principles of Conduct (SPOC)

Identification, investigation and mitigation of risks and exposures related to fulfilling all of the foregoing

Components of an effective Management System may include:

Company Commitment and Management Responsibility

Suppliers should have sustainability, social and environmental policies which illustrate their commitments in each area, endorsed by executive management and shared appropriately within the supplier's organization. For example, suppliers should consider identifying appropriate company representatives accountable for operation and maintenance of management systems and may conduct and document periodic management reviews.

Risk Assessment and Risk Management

Processes should be implemented to identify the risks associated with supplier's ongoing and proposed operations. For example, these processes should likely include evaluation of the relative risk level and implementation of appropriate controls to ensure safe, reliable operations that deliver to customer expectations and remain in full regulatory compliance.

Training

Programs should be in place for training new employees and workers and for ongoing training of all levels of workers to effectively implement supplier's policies, procedures and improvement objectives, and to comply fully with legal and regulatory requirements and with the SPOC.

Communication

Suppliers are encouraged to develop a documented process for communicating information through all levels of the supplier's organization regarding policies, practices, and expectations.

Audits and Corrective Actions

Periodic evaluations are expected to be conducted, using internal or external resources, to assess conformance to legal and regulatory requirements and to the SPOC. CPChem may request to conduct periodic announced audits with suppliers to evaluate performance to any stated product or service requirements, and/or to the elements addressed in the SPOC.

A process should be in place to ensure effective correction of deficiencies identified by internal or external assessments, inspections, investigations and reviews.

Documentation and Records

Processes and controls should be documented by suppliers to ensure accuracy of records in all forms, along with effectiveness in the development and maintenance of records to ensure legal and regulatory compliance, conformance to company and customer requirements, along with appropriate confidentiality to protect privacy.

Supplier Responsibility

Suppliers are encouraged to develop a process to communicate the CPChem SPOC requirements through all parts of the supply chain and to likewise set forth expectations that their suppliers will adopt management systems and practices for compliance with these same principles.





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Questions?

Please visit our website at www.cpchem.com or send an email to sustainability@cpchem.com.