

Arkema expresses its solidarity commitment in response to the Covid-19 crisis

Faced with the unprecedented health, social and economic crisis caused by Covid-19, Arkema remains mobilized and has decided to step up its commitment to boost its solidarity effort.

Since the beginning of the crisis, Arkema's priority has been the health and safety of its employees and to support its customers and stakeholders, and it has organized itself to ensure the continuity of its activities and operations in order to provide those products that are essential to strategic sectors such as healthcare, energy, water treatment, and food.

Very early on, the Group set up an alcohol-based gel production line in the Rhône-Alpes region of France that produces 25,000 liters per week for hospitals. Arkema is also mobilized to ensure the manufacturing of certain products that are key in the fight against the Covid-19 virus such as Altuglas® (acrylic glass) for the protection of people in contact with the public (health facilities, authorized convenience stores, supermarkets, production sites, etc.), the molecular sieves needed to produce pure oxygen for patients with respiratory failure, as well as our high performance polymers used to manufacture protective masks.

Recognizing the gravity of the social and economic situation, and the fact that some sectors are more exposed than the chemical sector, Arkema specifies that it does not intend to use the exceptional liquidity support schemes made available by the French State and that it did not resort to the French partial unemployment arrangements.

The Group reaffirms its confidence in its ability to withstand the economic crisis linked to Covid-19 despite the significant drop in global demand expected in the 2nd quarter. It is adapting to short-term constraints by adjusting its costs and capital expenditure, and by strictly controlling its working capital. Furthermore, it benefits from the relative diversity of its end-markets as well as the strength of its balance sheet and its level of liquidity.

Nevertheless, in the spirit of solidarity and responsibility towards all stakeholders, Arkema's Board of Directors has decided to reduce the proposed dividend for the 2019 financial year as stated on 26 February 2020 to €2.20 per share, a 12% decline compared to last year's level, and a decline of around 20% compared to the amount announced originally. The Board has also signaled its intent, when a return to normality takes shape and the appropriate conditions are met, to reconstitute this difference to shareholders in a manner yet to be defined. The ex-dividend date (25 May 2020) and the payment date (from 27 May 2020) remain unchanged.

Eager to personally join in this solidarity effort, Mr Thierry Le Hénaff, Chairman and CEO, has also decided to donate 15% of his net fixed compensation received for the 2nd quarter 2020 to the *Fondation de France* as part of the "All United Against Coronavirus" alliance. The Executive Committee members have decided to join in this initiative and make a similar donation. The other senior managers in the Group who wish to do so are welcome to take part in this initiative. Meanwhile, the Group will contribute a sum equivalent to all these donations to the *Fondation de France*.

Finally, upon the renewal of the mandate of the Chairman and CEO to be submitted to the Annual General Meeting vote on 19 May 2020, Mr Thierry Le Hénaff and the Board of Directors have agreed that the fixed and variable annual compensation defined as part of his new term of office will only be effective as from 1 January 2021. The current prevailing compensation will therefore continue until that date.

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