ARKEMA

PRESS RELEASE

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ARKEMA REINFORCES ITS COMMITMENT TO THE CLIMATE

In line with the expectations of the Paris Agreement to contain global warming to 1.5°C above pre-industrial levels by the end of the century, Arkema has set itself an ambitious target, based on an SBT (Science Based Target) approach, to reduce its scope 1 and 2 greenhouse gas (GHG) emissions and its scope 3 emissions by 46% by 2030 relative to 2019. Thus, the Group is raising its level of commitment from well below 2°C to 1.5°C, and now also includes all scope 3 emissions.

This decarbonization target is based on energy efficiency and the evolution of the energy mix of Arkema's industrial activities for scopes 1 and 2. Regarding scope 3, it includes the reduction of the most emissive activities, innovation contributing to a reduction in greenhouse gas emissions and suppliers' commitment upstream of the value chain.

It will be supported by an increase in investments contributing to decarbonization, which could reach €400 million by 2030 and which will be included in the Group's recurring capital expenditure envelope.

"*As a responsible manufacturer, Arkema is strongly mobilized to address the major societal challenge of decarbonization. With this new ambitious climate plan, the Group is taking a new step forward in its action for the fight against global warming. In particular, our cutting-edge expertise and innovation benefit our partners and customers in their own quest for sustainable performance, and we act on a daily basis to limit our carbon footprint*" highlights Luc Benoit-Cattin, Executive Vice President Industry and CSR.

EFFICIENCY AND EVOLUTION OF THE ENERGY MIX AS MAIN DECARBONIZATION DRIVERS OF ARKEMA'S INDUSTRIAL OPERATIONS

After reducing by more than half its greenhouse gas emissions (1) over the past ten years, the Group is determined to step up its efforts and continue cutting down its absolute emissions, in an expected context of sustained growth in activity.

In line with its commitment to a 1.5°C SBT trajectory, Arkema aims to limit its scope 1 and 2 emissions to 2 million tons of CO_2 equivalent in 2030, a 46% reduction compared to the 3.7 million tons emitted in 2019 (2).

To achieve this objective, the Group will rely in particular on its energy consumption reduction program implemented since 2012. The energy efficiency of its industrial activities has already improved by 15% compared to 2012, and the Group is looking to further raise this gain to 25% by 2030.

Arkema will also focus on accelerating the decarbonization of its energy sources through long-term commitments to renewable energy procurement, like recently at the Clear Lake site in the United States, and by working with its partners to reduce the carbon footprint of purchased steam. For its own steam production, Arkema will turn to alternative fuels or the electrification of its boilers at some of its sites. These initiatives are based on assumptions of low-carbon energy availability at a cost that safeguards the competitiveness of the Group's activities in the various countries it operates in that have expressed their commitment to carbon neutrality.

(1) The greenhouse gas emissions under consideration cover direct scope 1 emissions and those of ozone-depleting substances, as well as indirect scope 2 emissions

(2) The scope covered by this commitment covers the Group's activities as of the date of this press release. Thus, 2019 emissions have been restated to reflect business scope changes

This reduction in GHG emissions is also based on a shift towards less emissive manufacturing processes and product ranges, as well as on the enhancement of emission capturing and treatment.

Finally, the Group is taking greater account of the climate in its investments, by setting its internal carbon price at €100 per ton of CO_2.

INNOVATION AND SUPPLIERS' COMMITMENT, DRIVERS OF DECARBONIZATION OF THE VALUE CHAIN

With this new commitment to a 1.5°C trajectory on its whole value chain, Arkema also intends to reduce its scope 3 [(3)] emissions by 46% and achieve 85 million tons of CO_2 equivalent in 2030 compared to the 158 million tons emitted in 2019. These emissions take into account all scope 3 categories.

In order to achieve this target, Arkema is taking action in the most emissive categories both upstream and downstream.

Upstream, the carbon footprint of purchased raw materials is the most significant category. Arkema is engaged in a pro-climate dialog with its suppliers, and encourages them to define before 2025 SBT targets for their scopes 1 and 2.

Downstream, a reduction in activities in the most emissive fluorogas applications targeted by the Kyoto Protocol and the development of new generation fluorogases (HFOs) for high value added activities are major drivers for reducing scope 3.
The Group also leverages the strength of its innovation for sustainable development, and in particular its "Lightweight materials and design" innovation platform, to shift its product and service offering towards solutions that contribute to the reduction in greenhouse gas emissions.

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(3) Scope 3 emissions corresponding to the use and end of life of emissive fluorogases are calculated from the global warming potential inherent in these products, without taking account of recovery and treatment factors in the various uses. This calculation method maximizes these emissions in the absence of stable and reliable international data.