



# Global Policy on Antitrust



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# Table of Contents

<a href="#">Guide For Compliance</a>	1
<a href="#">Policy Overview</a>	1
<a href="#">An Overview of U.S. Antitrust Laws</a>	2
<a href="#">Antitrust Law Violations</a>	3
<a href="#">Antitrust Potential Areas of Concern</a>	3
<a href="#">Conclusion</a>	5
<a href="#">Reporting Possible Violations</a>	6
<a href="#">Avient Ethics Hotline</a>	6
<a href="#">Protection from Retaliation</a>	6
<a href="#">Antitrust Checklist</a>	7
<a href="#">Quick Reference: Antitrust DO's and DON'Ts</a>	9

## Guide For Compliance

Avient is committed to promoting fair competition and free enterprise in the marketplace. For this reason, the Company has developed and adopted this Global Policy on Antitrust (“Antitrust Policy”) to prevent anticompetitive business practice, ensure compliance with applicable laws and to uphold our reputation. Avient is dedicated to conducting its business with honesty, integrity and the highest possible ethical standards and in compliance with all antitrust laws.

This Policy reinforces Avient’s position on the promotion of free and fair competition and the Company’s commitment to comply with all applicable laws and regulations. As a United States based company with global business operations, Avient is committed to observing the standards of conduct set forth in the U.S. Sherman Act, the U.S. Clayton Act, the U.S. Robinson-Patman Act and the U.S. Federal Trade Commission Act, as well as local competition laws of all countries in which the Company operates (collectively, the “Antitrust Laws”).

This Antitrust Policy supplements the Competition section of Avient’s Code of Conduct. Questions about the Policy or its applicability to particular circumstances should be directed to the Avient Legal Department.

## Policy Overview

Antitrust laws protect competition. These laws reflect the belief that competitive markets will provide consumers with the best products and services at the lowest prices. The importance of complying with federal, state, and foreign antitrust laws cannot be overstated. A violation of antitrust law can expose Avient and you personally to serious criminal and civil penalties. Wholly apart from avoiding legal penalties, compliance with antitrust laws is consistent with Avient’s commitment to ethical conduct.

This Antitrust Policy applies to everyone at Avient and its subsidiaries, divisions and joint ventures including all officers, employees and agents or other third parties acting on Avient’s behalf anywhere in the world. Every individual working for or on behalf of Avient has a personal responsibility and obligation for ensuring implementation of this Antitrust Policy and to conduct Avient’s business activities ethically and in compliance with the law. Engaging in anti-competitive practices is never acceptable

and can expose individuals and Avient to possible criminal prosecution, reputational harm or other serious consequences. The Company will take disciplinary action against any individual found to have engaged in anti-competitive practices, up to and including termination.

### Did You Know?

Violations can result in millions of dollars in fines and imprisonment for individuals. Because the antitrust laws are so important and the consequences of violation so severe, this Antitrust Policy must be strictly observed. No officer, employee, or agent of the Company may authorize, direct, or condone any conduct inconsistent with this Antitrust Policy or the antitrust laws.

The following summary of antitrust laws is on U.S. antitrust laws, but employees should be aware that there are state antitrust laws, and many foreign countries now have their own antitrust laws which also must be reviewed in connection with any international business activity. This summary is not intended to be all-inclusive. While it is not expected that you become an expert in the complexities of antitrust law, employees are expected to have a level of familiarity with this Antitrust Policy sufficient to recognize potential antitrust issues and to seek advice from the Avient Legal Department.



## An Overview of U.S. Antitrust Laws

U.S. antitrust laws have a broad reach, and the U.S. agencies that enforce them won't hesitate to apply the laws to anticompetitive activities abroad. In addition, most foreign countries have their own antitrust or competition laws. Sometimes these are broader than U.S. law.

In any event, anticompetitive business practices that could adversely affect U.S. domestic or foreign commerce may violate U.S. antitrust laws, regardless of where the activity occurs or the nationalities of the people involved.

Examples of prohibited conduct include:

- Agreements to fix prices on products produced or sold
- Agreements to rig bids on projects
- Agreements to divide geographic regions
- Agreements to allocate customers
- Monopolistic practices such as predatory pricing, price gouging, or refusals to deal in the U.S. market.

U.S. federal antitrust laws include a series of statutes, principally the Sherman Act, the Clayton Act, the Robinson-Patman Act and the Federal Trade Commission Act. Each has a different approach and all comprise the cornerstone of the U.S. antitrust laws and the foundation for many global laws.

### 1. The Sherman Act:

- Prohibits agreements which unreasonably restrains trade (including price-fixing, restricting output, allocation of customers or territories between competitors, group boycotts and some distributional and licensing restrictions)
- Declares unlawful monopolies and attempts and conspiracies to monopolize (even if they do not succeed)

### 2. The Clayton Act prohibits:

- Some tying arrangements, exclusive dealing and requirements contracts
- Some mergers and acquisitions among competing firms which would unlawfully harm competition
- An individual serving as a director or officer of competing corporations

### 3. The Robinson-Patman Act prohibits:

- Price discrimination, and discrimination in the provision of promotional services and allowances, between competing customers if certain jurisdictional requirements are satisfied and none of the Act's defenses apply
- The inducement or knowing receipt of a discriminatory price

### 4. The Federal Trade Commission Act prohibits:

- Practices which violate the letter or the spirit of the other antitrust laws
- Practices which are unfair or deceptive to consumers, such as deceptive advertising or labeling, the failure to disclose product defects and unfair credit reporting practices.

Each state within the U.S., as well as over 100 countries outside of the U.S., have antitrust laws. This includes the European Union and most of its member states as well as Canada, China, Japan, and Australia. The antitrust issues discussed in this Policy apply broadly to most antitrust and competition related laws across the world. Whenever you anticipate engaging in antitrust-sensitive activities that may have an effect either within or outside of the U.S., you should consult in advance with the Avient Legal Department.

### Did You Know?

A **Boycott** occurs when one engages in refusals to deal with a group of suppliers or customers. This encompasses arrangements by which one competitor refuses to do business with a particular customer or supplier with the written or unwritten understanding that their competitor will do likewise.

A **Tying Agreement** is a practice that involves conditioning the sale of a product to customer's agreement to also purchase a different "tied" product.

## Antitrust Law Violations

Vigorous competition in the marketplace is good for both businesses and consumers. It sparks innovation, creates choice, and brings about higher-quality products and services at lower prices.

However, when competition is threatened by unethical or illegal business practices, antitrust laws come into play. Antitrust laws can be complex, and they're broadly written. Violations can happen without corrupt intent and can lead to serious consequences for both you and the Company.

For instance, price fixing is a felony punishable by prison time and huge fines—up to \$1 million for individuals and \$100 million or more for companies. Even the appearance of anti-competitive behavior can lead to allegations of antitrust violations for companies and individuals. Below are some key areas to be aware of.

### Did You Know?

**“Bid Rigging”** is when conspiring competitors agree in advance who will submit the winning bid on a contract while going through the competitive bidding process. In some schemes, a low bidder will agree to withdraw its bid in favor of the next low bidder in exchange for a lucrative subcontract that divides the illegally obtained higher price between them.

**“Bid Rotation”** means when all conspirators submit bids but take turns being the low bidder. For example, competitors may take turns on contracts according to the size of the contract, allocating equal amounts to each conspirator or allocating volumes that correspond to the size of each conspirator company. A strict bid rotation pattern defies the law of chance and suggests collusion is taking place.

**“Bid Suppression”** means when one or more competitors who otherwise would be expected to bid, or who have previously bid, agree to refrain from bidding or withdraw a previously submitted bid so that the designated winning competitor's bid will be accepted.

## Antitrust Potential Areas of Concern

- 1. Horizontal agreements.** The most serious offenses are horizontal agreements between competitors to restrain competition. Examples of such agreements include the following:
  - **Price Fixing**—An agreement with a competitor to set or otherwise affect prices, bids, terms or conditions of sale offered to customers. It should be remembered that customers and suppliers of Avient also may be competitors of Avient.
  - **Production Restrictions**—Agreements with competitors to limit or restrict production to keep supplies limited and prices high.
  - **Quality Restrictions**—Agreements with competitors to limit competition based on product quality.
  - **Market Division**—An agreement with a competitor to divide markets through allocation of sales territories, product lines or by some division or allocation of customers or suppliers.
  - **Refusals to Deal**—Agreement with a competitor to boycott or not deal with a third company.
- 2. Contacts with competitors.** In the normal course of business, you may come in contact with competitors. In some instances, your customers may also be your competitors. You must exercise great caution when having contact with competitors. Not only must you never agree with any competitor to do anything that would lessen competition, you must avoid even the appearance of having had communications with competitors about prices, discounts, bids, levels of output, terms or condition of sale, or allocation of customers or markets. **You can be convicted based on appearances—what the prosecutor or a jury thinks you did—even if you are innocent.** For this reason, avoid unnecessary contact with competitors.



**The following three related points deserve special attention and emphasis:**

First, it does not take a formal written agreement to violate the law. You risk conviction based on a “gentlemen’s agreement” or a conversation in an informal setting followed by parallel action supporting the existence of a meeting of the minds to accomplish an anti-competitive objective.

Second, while trade associations and standard setting organizations have legitimate benefits, they, by their nature, involve meetings and discussions with competitors. There should be no membership or attendance in a trade association or standards setting organization unless there is a defined legitimate benefit. At the beginning of each meeting, there should also be a reminder about the purposes of the meeting. Further, if you do join such an organization or association, you must exercise caution not only in formal meetings, but in any informal gathering.

Third, whatever the setting, never discuss prices, terms of sale, output levels, or allocating customers or markets with any competitor. If you find yourself present when a competitor raises any of these topics, leave the room immediately. Contact Avient’s Legal Department at your first opportunity and document the incident, including answers to the following:

- Who was present at the meeting?
- When and where the meeting occurred?
- What happened at the meeting?

Avient’s legal department will help you protect yourself and the Company should questions later arise.

3. **Vertical restraints.** Vertical restraints involve any practice that restricts or limits a customer’s or distributor’s freedom of action regarding where, or from or to whom, they may buy or resell products, and the prices for resale of products. Types of vertical restraints, include:

- Resale Price—An agreement with a customer to fix or otherwise affect prices, terms, or conditions of resale.
- Exclusive Dealing—An agreement that prohibits a customer from dealing in a competitor’s products.

- Tying Products—Conditioning the sale of one product or service upon the purchase of another product or service.
- Full-Line Requirements or Bundling—Requiring that the customer purchase a full line or bundle of products to be entitled to purchase an individual product within that line.
- Reciprocal Dealing—Any agreement with a customer that says, “I will buy from you provided that you buy from me.”
- Territorial and Customer Restrictions—Limiting a distributor’s freedom to resell outside of an assigned territory or to certain customers or categories of customers.

Provided that the restraints are set independently (not as a part of an agreement with competitors), such vertical restraints will not automatically violate antitrust laws. Indeed, the law recognizes that such restraints may promote interbrand competition and be perfectly lawful. Because it can be difficult to distinguish unlawful conduct of this type from lawful conduct, you should consult the Avient Legal Department before putting any of these types of restraints in place.

4. **Monopolization**—Abuse of market power. Many Antitrust laws, including the Sherman Act, prohibit unlawful monopolization and conspiracies to monopolize the market for any product or service. Mere possession of market power is not in itself a violation of the law; some element of willful acquisition or maintenance of that power, even through actions otherwise lawful in themselves, is required. Even without market power, it may be unlawful to take actions to dominate a market, control market prices, or exclude other firms from the market with specific intent to try to obtain a monopoly. For example, where the company has a substantial market position, it would be unlawful to attempt to cut off a competitor’s distribution channels or sources of supply for the purpose of driving the competitor out of business. Pricing below cost is evidence of predatory conduct and can also be actionable under specific state laws. The existence of the required intent to injure or eliminate a competitor is usually proven through circumstantial evidence. If it can be shown that there was no business justification for an action other than to

injure a competitor, the intent may be assumed. In order to avoid such allegations, you should never engage in competitive conduct which cannot be justified by sound business considerations.

Avient employees should be aware of whether they are working in a market where Avient has monopoly power (the ability to unilaterally raise prices or exclude competitors) or a market share indicative of monopoly power (a market share above 40%). In such markets, you should be particularly vigilant about consulting Avient's Legal Department before instituting any of the vertical restraints described above. Conduct which would be "reasonable" and "lawful" for a company with less market power may have significant antitrust risk if done by a competitor with monopoly power.

In addition, you should consult the Avient Legal Department before pricing products at or below variable cost. This is a particular concern if there is monopoly power or a high market share in the relevant product market.

Monopolization refers to the possession of market power, often due to a dominant market share, and conduct to maintain or enhance that power. Market power is generally the power to control prices or to exclude others from the market.

**5. Price discrimination.** Another category of antitrust offenses (under the Robinson-Patman Act) involves discrimination in prices or terms of sale. Violations can occur both in selling to customers or in purchasing from suppliers. If a competitor's ability to compete is harmed, it does not matter under the law whether the selling price or terms were reasonable or unreasonable. Therefore, the Avient Legal Department must be consulted before publishing any price lists that contain quantity discounts; and before offering any discriminatory prices or sale terms that could harm a customer.

Avient's Legal Department should also be consulted if you are working with any of the following high risk situations:

- Price Discrimination—Charging competing customers different prices for the same product.

- Special Allowances—Offering any special services, discounts, payments, or other assistance to one customer which are not offered on a proportionately equal basis to that customer's competitors.
- Buyer's Liability—Any transaction where the Company knowingly receives, or knowingly tries to receive, discriminatory prices or sale terms from a supplier.

## What is Price Discrimination?

Unlawful price discrimination can occur when a seller charges one customer one price for a product, but requires another customer who competes with the first to pay a higher price for the same product. It would not be unlawful, however, for a seller to charge an end-use customer a higher price than the seller charges a distributor, because these two purchasers are on different levels of the distribution chain. In other words, they are in functionally different customer classes, and are not in competition with each other. Unlawful discrimination can also occur where there are differences in terms of payment, delivery or other conditions of sale which place some competing purchasers at a disadvantage. The Robinson-Patman Act also requires that promotional allowances and services be proportionally available to competing customers. It is equally unlawful under the Robinson-Patman Act for a buyer to knowingly induce by words, actions or representations, or receive an unlawful discriminatory price from a seller.

## Conclusion

This Antitrust Policy is intended to make you more aware of antitrust danger areas. You are not expected to become an expert on antitrust law. You should be familiar enough to seek guidance from the Avient Legal Department when you encounter a situation that may violate antitrust laws. You should also consult the attached checklist for further guidance. Finally, you must appreciate the severity of the penalties in this area, and that Avient will not condone any deviation from the terms of this Antitrust Policy or the letter of the law.

## Reporting Possible Violations

Any employee who has reason to believe that a violation of this Policy has occurred, or may occur, must promptly report their concern to any or all of the below resources so that a thorough investigation can be conducted.

- Your supervisor or any Avient manager
- The Corporate Ethics Officer via email at [ethics.officer@avient.com](mailto:ethics.officer@avient.com)
- Avient's General Counsel via email at [legal.officer@avient.com](mailto:legal.officer@avient.com)
- Any member of the Legal department
- The Avient Ethics Hotline

## Avient Ethics Hotline

The Ethics Hotline is available globally in over 20 languages, 24 hours a day, 7 days a week, by phone and through a website. An independent company receives all website and phone reports received by 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 website can be found on [avient.ethicspoint.com](http://avient.ethicspoint.com). You can make an inquiry or a complaint from this website, or by calling the third-party hotline at any of the country specific telephone numbers listed on the website.

## Protection from 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. Associates who violate this Policy will be subject to disciplinary action, up to and including termination.

### **Ethics Hotline:**

<https://www.Avient.com/company/policies-and-governance/ethics-hotline>

### **Telephone Ethics Hotline Number:**

**1-877-228-5410**



## Antitrust Checklist

1. **Do** compete vigorously and independently at all times. Act at all times in a manner that will demonstrate to everyone that you are competing vigorously. Avoid unnecessary contact with competitors.
2. **Do not** enter into any kind of informal or formal agreement, “gentlemen’s understanding”, “handshake agreement” or even any discussion with any competitor with respect to topics such as prices, profits, costs, terms or conditions of sale, bids, production, marketing territories or customers. Avoid even the appearance of any such agreement and avoid circumstances where such agreements could occur.
3. **Do not** communicate with competitors on any aspects of a bid. Do not otherwise obtain information (particularly price information) directly from competitors.
4. **Do not** otherwise exchange competitively sensitive information with your competitors. Record and document in your files the source of your information about competitors (if it is not already clear from the context). Also, document the basis for any independent business decision that in the future may be subject to suspicion so that the record is clear that it was not reached pursuant to an agreement with a competitor.
5. **Do not** get involved in circumstances that may provide or suggest the appearance of an agreement with a competitor. Do nothing that you would feel uncomfortable seeing reported on the front page of a trade paper or a newspaper. Act at all times in a manner that will evidence to everyone that you are competing vigorously.
6. **Do not** attend meetings with competitors (including trade association gatherings) at which prices or any of the foregoing subjects are discussed.
7. **Do** immediately remove yourself from any meeting with competitors at which prices or any of the foregoing subjects are discussed and make your departure from the meeting or discussion sufficiently obvious so that those who are present will be likely to recall the departure. (In other words, do not just “slip out the back door.”) Document the incident, including answers to the following: who was present at the meeting, when and where the meeting occurred, and what happened at the meeting.
8. **Do** advise the Avient Legal Department immediately after you attend any meeting where any of those subjects are discussed.
9. **Respect your customer’s independence**; never impose price, territorial, customer or end-use restrictions on your customer’s ability to resell Avient’s products without the prior approval of the Avient Legal Department.
10. **Do not** enter into any agreement, understanding or discussion with any customer concerning Avient’s selection or termination of other customers or the terms on which Avient deals or might deal with any other customer, including what products to sell, to whom, at what prices and in what territories or markets.
11. **Do** consult with the Avient Legal Department before terminating any agent, dealer or distributor.
12. Unless you have the prior approval of the Avient Legal Department to do so, **do not** attempt to obtain an agreement from a customer that it will buy all of its requirements of a particular product solely from Avient, that it will deal exclusively with Avient or that it will not purchase or otherwise handle competitive products. Also, do not require a customer to buy one product or service as a condition of your selling the customer another product or service without the prior approval of the Avient Legal Department.
13. **Avoid tactics** that could be construed as being designed to exclude all or a significant percentage of Avient’s competitors in any line of business from the marketplace or that might be construed as an effort to anti-competitively destroy a particular competitor or control prices. Consult with the Avient Legal Department if you have any questions.
14. Unless you have the prior approval of the Avient Legal Department to do so, **do not** offer different independent distributors or customers at the same level of distribution different prices, discounts, rebates or other terms of sale for the same or similar products, unless it is necessary to do so to meet documented similar prices or terms of sale that are being offered to that distributor by a competitor, or there is a demonstrably lower cost to serving the customer offered the lower price (e.g., lower shipping cost because of the proximity of the customer). Even in the

first instance, make every effort to verify and document the competing price prior to offering a distributor a lower price intended to meet that competitive price; do not, however, attempt to verify the competing price by contacting the competitor directly. In such a case, you may “meet” the competitive price but may not “beat” it.

15. **Do not** furnish technical services, advertising, promotional material or allowances for advertising or promotional services to one independent distributor unless you make those services, material or allowances available to all competing distributors on a proportionally equal basis. Any such program should be reviewed by the Avient Legal Department before it is implemented.
16. **Avoid any marketing or other program that could be characterized as unfair or deceptive.** Always adhere to the principles of honesty, frankness and forthrightness in the sale of the Company’s products, including the advertising and promotion of those products.
17. **Do not** join a trade or standards association without appropriate approval. In general, it is Avient’s policy to belong to trade and standards associations only when such groups contribute significant benefits to justify the time and cost of membership or support.
18. Avient personnel should **always consider foreign legislation and regulations in the antitrust area.** Divisions or subsidiaries operating outside of the United States must be cognizant of and adhere to applicable foreign laws, rules, regulations, etc. in conducting business abroad in addition to adhering to the Company’s antitrust guidelines.
19. **Do not** do indirectly what you are prohibited from doing directly. Examine your motives for engaging in any particular course of conduct. If it is to achieve some prohibited result by some ostensibly legal means, do not do it.
  - a. Assume that everything you do or say will become public. The more potentially damaging an action or statement is, the more likely it is that somebody else will write it down or remember it. If you cannot – or would not like to—explain publicly what you said or did or why, do not say or do it at all.
  - b. Be especially careful that any documents (including internal memoranda and electronic mail) that you prepare are not subject to possible misinterpretation. Say precisely what you mean in careful, accurate language that leaves no room for sinister interpretations. Do not speculate about a competitor’s future actions so as to create the misimpression that you are communicating with the competitor. Assume that company documents will end up in the hands of the government or other adverse parties in the event of litigation. Remember that notes written in the margin of a document and other informal written communications can be misconstrued and, therefore, even more damaging than formal documents.
- c. In your writings, avoid “guilt” words or phrases such as “please destroy after reading.” Avoid using power words that emphasize “market” share, for example, or that might suggest any desire to “dominate,” “run them out of business” or “eliminate the competition.” Talk instead about “out competing,” “better serving customers,” “Avient’s value proposition,” and “attracting customers”.
20. Contact the Avient Legal Department if you have any questions about the propriety of any action you are contemplating.

## Quick Reference: Antitrust DO's and DON'Ts

### DO

- ✓ Immediately report to the Avient Legal Department, in writing, contacts by competitors requesting or communicating pricing or other competitively sensitive information.
- ✓ Immediately break off any conversations in which a competitor brings up pricing matters, or other prohibited topics, and report the attempted conversation to the Avient Legal Department in writing.
- ✓ Document the source and date of receipt of all competitors' price lists and other competitive data contained in your files.
- ✓ Immediately leave any meetings where competitors discuss prices or customers. Immediately upon leaving, write a note concerning the time, place and parties involved in the discussion, sign and date the note and give it to the Avient Legal Department.
- ✓ Consult with the Avient Legal Department before transacting business with a competitor

### DON'T

- × Discuss prices (past, present, future), pricing strategies, bids or quotes, terms or conditions of sales, customers, or the like with competitors.
- × Exchange prices or other competitive information, either directly or through an agreed upon intermediary, with competitors.
- × Ask competitors for pricing or other competitive information or communicate the Company's present or prospective prices to competitors upon request or otherwise.
- × Discuss with any competitor the customers to whom the Company does not intend to sell, or the suppliers from whom the Company does not intend to buy.
- × Agree to divide territories, products or customers with competitors.
- × Agree with, urge or tell anyone not to deal with someone else.
- × Discuss specific strategic planning or marketing information, including current capacity/utilization, facility development, future product or market plans or other sensitive competitive information.

**If you find yourself present when a competitor raises any of these topics, leave the room immediately. Contact Avient's Legal Department at your first opportunity and document the incident.**



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