



2017 SUSTAINABILITY REPORT



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WOLFGANG DOERING,
CEO





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Thanks to the commitment of our Team of Professionals, to our management focused on our customers' needs, and to an efficient administration of the company's economic resources, ELIX Polymers has become a leading company in the manufacture of thermoplastics. As an independent ABS business, we've positioned ourselves in the market and have adapted our organisation to become a successful company that creates value for all its stakeholders.

We can describe this transformation through various key projects and important decisions that have made ELIX the solid company it is today. For this reason, I am pleased to present our second **Sustainability Report**, for the 2017 business year, produced in accordance with the GRI Standards (Global Reporting Initiative, the world's leading benchmark for producing this type of report). As a company in the chemical sector, this document reflects, through our specific actions and data, our commitment to sustainability and transparency and our responsibility towards the company's stakeholders.

We began 2017 with the internal implementation of a strategy alignment and an individual engagement project called **Management by Mission**, whose aim was to define a new corporate mission and then link this global mission to the individual commitment of each ELIX employee and also with the objectives of each company area.

This year we implemented the second phase, called **SHARED MISSIONS**. Each area of the company has now identified its own commitment regarding key stakeholders (Customers, Shareholders, People), in order to have a positive effect on the company's objectives during day-to-day work.

In fact, the men and women of our organisation are crucial for us to achieve our objectives. For this reason, I am proud to see how **our team grew by 5.9%** during the business

year, up to 288 employees, in a working environment that's stable -92.7% of our workforce is on a permanent contract- and safe: there was not a single accident with sick leave during the entire year.

We have a well-established team of professionals which helps us propose new objectives and challenges: we've managed to **increase our sales volume by 14%** in terms of tonnes, and our turnover is now approaching 220 million euros, thanks to the trust of our more than 300 customers distributed across over 40 countries. These positive figures have been achieved while remaining faithful to our values of transparency, integrity and responsibility. At the same time, we have strengthened our added value, thanks to a tailor-made service and the investments carried out to improve the quality of our products even further.

Our **commitment to sustainability** is strategic for our whole business. That's why we are still investing to protect the environment, an investment that exceeded 665,000 euros in 2017. We reduced our energy consumption by 11% and cut the waste generated in tonnes by 4.4% compared to the previous year. This approach has also resulted in the research and development of more sustainable products, for which we have increased our R&D&i spending by 10.72%.

Such effort has been rewarded with the company obtaining two prizes in the **II CSR Awards for the Chemical Sector** granted by FEIQU. In the *Exports* category, ELIX won the award for having received, in 2017, over 65% of its turnover from exports, specifically 92%. In the *Climate* category, ELIX was recognised for having recorded the largest reduction in greenhouse gas (GHG) emissions per tonne produced compared to 2015. Thanks to the optimisation of electricity and natural gas consumption, in 2017 we managed to cut emissions by 12%.

It's also important to highlight our role a **driver of the local economy**. In addition to creating direct jobs in our area, we are also committed to using local suppliers. That's why half our annual expenditure is concentrated in Tarragona and the rest of Catalonia.

We ended 2017 with a great piece of news: we have also been given the **2017 ESG EXCELLENCE AWARD** for environmental, social and governance, a prestigious distinction granted by our investment group Sun Capital Partners. Without doubt, this is a wonderful endorsement for our Corporate Social Responsibility strategy and for all our efforts to improve our responsible management, which resulted in the company joining the *Responsible Care* program and in the implementation of various projects related to sustainability.

I would like to invite our stakeholders to discover the rest of the data and initiatives carried out throughout 2017 by ELIX Polymers, all accurately reflected in this Sustainability Report.

We dedicate this Report to all those who help us grow sustainably, especially our customers, suppliers and distributors, our professional team and their families, and the confidence placed in us by our shareholders. **Together we can make a difference!**



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OUR COMPANY



10.2% CAGR*

SALES VOLUME GROWTH
FROM 2014 TO 2017



59.3% CAGR*

EBITDA GROWTH
FROM 2014 TO 2017



31.3%

INCREASE IN ECONOMIC VALUE
COMPARED TO 2016

*Compound Annual Growth Rate

OUR SUPPLIERS



675

SUPPLIERS



66%

PERCENTAGE OF EXPENDITURE PAID TO LOCAL
SUPPLIERS (CATALONIA)



56%

PERCENTAGE OF EXPENDITURE PAID TO
LOCAL SUPPLIERS (TARRAGONA)

OUR TAILORED SOLUTIONS



+300
CUSTOMERS



+300
COLOURS

+40
COUNTRIES

+40
GRADES



10.7%

GROWTH IN
R&D&i

RATE OF ACCUMULATED SUCCESSFUL SALES

98.8%

'PERFECT ORDER' RATE

92.8%

IMPROVEMENT OF THE OTIF RATE

95.1%

OUR TEAM



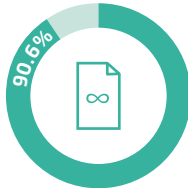
EMPLOYEES
(↑5.9% COMPARED
TO 2016)



EXTERNAL WORKERS
(↑3.9% COMPARED
TO 2016)



WOMEN IN THE
WORKFORCE
(↑5.9% COMPARED
TO 2016)



PERMANENT
CONTRACT
(↑3.1% COMPARED
TO 2016)



HOURS OF
TRAINING FOR
OUR EMPLOYEES



OCCUPATIONAL
ACCIDENTS
WITH SICK LEAVE

OUR BUSINESS RESPONSIBILITY



665.3 k€

INVESTMENT IN ENVIRONMENTAL
PROTECTION
(↓75% COMPARED TO 2016)



934.2%

ENERGY CONSUMPTION
(KWh/T PRODUCED)
(↓11.4% COMPARED TO 2016)



3.1%

WASTE GENERATION
(T/T PRODUCED)
(↓4.4% COMPARED TO 2016)



97.1%

EFFICIENT USE OF RAW MATERIALS
RATE
(↑0.83% COMPARED TO 2016)



0.24%

GREENHOUSE GAS EMISSIONS
DURING PRODUCTION
(T OF CO₂ eq / T ABS PLUS SALES)
(↑4.21 COMPARED TO 2016)



87.8%

RECOVERED WASTE
(↓1.6% COMPARED TO 2016)



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OUR COMPANY

We have been specializing in manufacturing ABS polymers for more than 40 years. Our business model is based on creating value for our key stakeholders through tailor-made solutions, together with a commitment to sustainability, in line with our corporate vision and values.





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3.1 AT THE FOREFRONT OF THE THERMOPLASTICS INDUSTRY

ELIX Polymers (hereafter, ELIX) is a company in the chemical sector specialised in the manufacture of *acrylonitrile-butadiene-styrene* resins (ABS) and derivatives with a production centre in the Southern Industrial Park of Tarragona, Spain. We share this strategic location with some of the world's most important chemical companies in their sectors to form part of ChemMed Tarragona, an industrial, logistical, academic and scientific chemical cluster -the most important one in southern Europe and the main petrochemical hub in Spain-.

Having manufactured ABS and derivatives for more than 40 years, at ELIX we have the resources, capacity and experience required to create value for our **CUSTOMERS**, thanks to the quality of our products and the design of tailor-made solutions.

To ensure we're present in key markets and to optimise the distribution of our products, we have a distribution hub in Germany and another in the USA, as well as an extensive sales network that allows us to attend to over 300 customers in 40 countries.

We provide a wide range of material solutions for different industries and applications, complying with the strictest requirements in each sector, such as automotive, healthcare and medical equipment, the production of domestic appliances and also electrical and electronic devices, among others.

We have a committed and growing **TEAM** of 288 people who are the key factor in the company's success. As a company we encourage the professional and personal development of our employees, offering a collaborative, safe and sustainable work environment.

After a positive transformation that has placed ELIX at the forefront of ABS manufacture in Europe, we are now generating sustainable growth with a solid return on investment for our **SHAREHOLDERS**, the private capital firm SUN CAPITAL Partners.



288
EMPLOYEES



300+
CUSTOMERS



40+
COUNTRIES



↑ **10.2%** CAGR*
SALES VOLUME GROWTH FROM
2014 TO 2017



300+
COLOURS
40+ GRADES

*Compound Annual Growth Rate



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2017 ESG EXCELLENCE AWARD

We've been given the "2017 ESG EXCELLENCE AWARD" by our investment group SUN CAPITAL Partners Inc., in recognition of our company for developing its own initiatives in the areas of Corporate Social Responsibility, Environmental Responsibility and Corporate Governance.

The Award was received by our company's CEO, Wolfgang Doering, and our CFO, Luis Alonso, during the Executive Conference of SUN CAPITAL Partners, which took place in Florida, USA.

From SUN CAPITAL, Scott Edwards, Managing Director and Head of Investor Relations and Communications, stated: "At Sun Capital, we believe you can do well by doing good, and encourage our portfolio companies to continuously improve their ESG programmes. Among our portfolio companies, ELIX's commitment to ESG is outstanding; they set a high bar for those companies looking to strengthen their Environmental, Social Responsibility & Governance efforts".

In the past five years we've strengthened our commitment as a sustainable enterprise, implementing improvements in different areas of the company. Our efforts have been recognised with the "2017 ESG EXCELLENCE AWARD" granted by our shareholders.

As part of our internationalisation strategy, we are strengthening our business in NAFTA (*North America Free Trade Area*, made up of Canada, the United States and Mexico) through our commercial branch in the US which was opened in 2017. We are also starting to expand in Asia through local distributors.

We're committed to **INNOVATION** as a support for our growth strategy, developing more sustainable solutions that tackle various challenges in our markets. All this, together with other corporate challenges, form part of new phases of growth which will be addressed in the Strategic Plan for 2018-2022.



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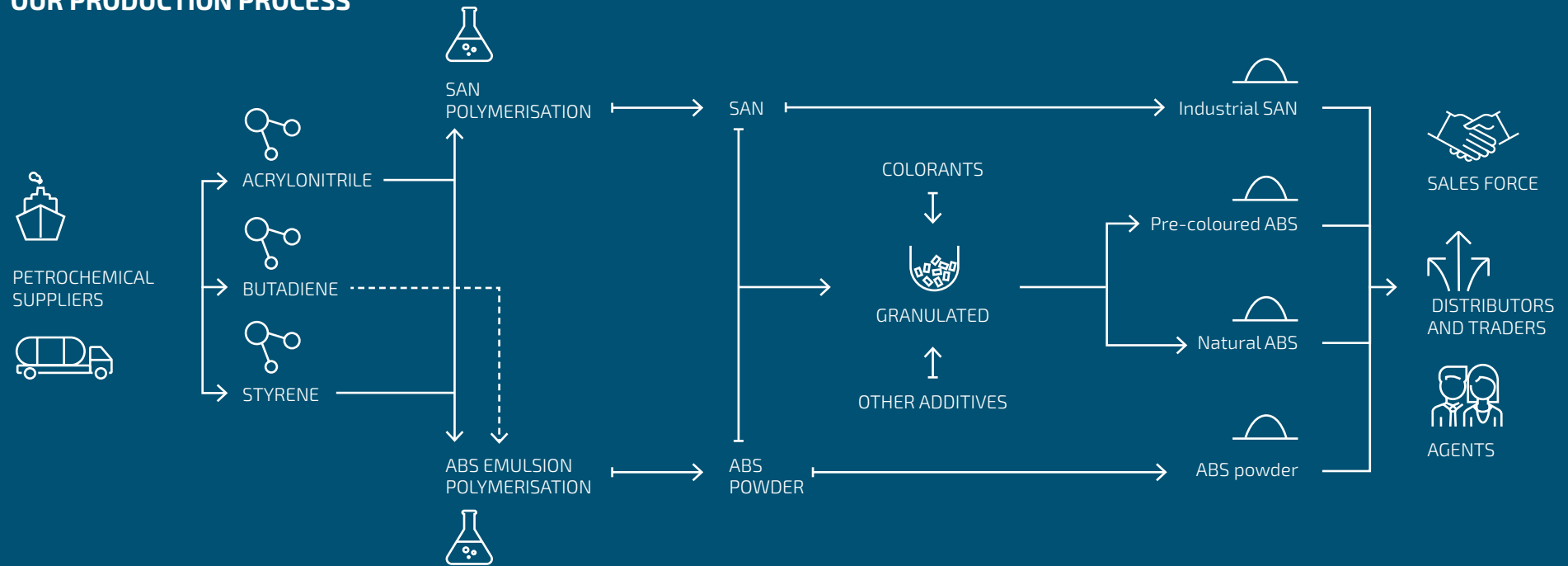
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OUR PRODUCTION PROCESS





OUR PRODUCT PORTFOLIO

ABS

Extensive portfolio of ABS thermoplastic products based on specialised resins (over 40 grades and 300 colours).

PC/ABS

Blends of PC/ABS for the most demanding needs of our customers.

POLYMER MODIFIERS

Permit the modification and improvement of the properties of polymer blends, as well as the materials based on PC, ABS, PVC, SMA, etc.

CADON

Brand for general purpose and for high impact needs (great resistance).

WE ENSURE THE COMPETITIVENESS OF OUR PRODUCTS THROUGH PRODUCTION TOOLS AND PROCESSES AND ALSO CONTROL MECHANISMS THAT ALLOW US TO ACHIEVE THE HIGHEST QUALITY STANDARDS. WE OFFER EFFECTIVE RESPONSES TO THE NEEDS OF OUR CUSTOMERS.



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MARKETS WHERE OUR PRODUCTS ARE PRESENT

STRATEGIC MARKETS 2017



AUTOMOTIVE

All our products comply with the strict requirements of the automotive industry and are approved by the main manufacturers of original equipment.

APPLICATIONS: Exterior and interior components, including metalized parts.



HEALTHCARE

We offer products for the medical sector, strictly complying with the regulations and guaranteeing product safety along with a global supply strategy.

APPLICATIONS: Intravenous injection systems, respiratory devices, self-injection devices.

OTHER MARKETS



CONSUMER GOODS

Our materials meet the evolving requirements of this sector, thanks to the development of new colours and finishes, UV and chemical resistance and better processability.

APPLICATIONS: Bath accessories, garden articles, toys, kitchen items.



APPLIANCES

ELIX offers tailor-made solutions to meet specific needs of the appliances market like new colours and finishes, as well as UV-resistance.

APPLICATIONS: White goods and other household appliances.



ELECTRICAL AND ELECTRONIC

We offer products for needs related to dimensional stability, heat-distortion temperature and electrical properties.

APPLICATIONS: Switches and sockets, electrical boards, power tool boxes, fans and ventilation systems, battery casings.



BUILDING AND CONSTRUCTION

ELIX offers a wide variety of solutions for this sector, which requires increasingly hard-wearing, aesthetic products that are easy to handle and high in performance.

APPLICATIONS: Furniture, sheet for thermoforming, pipes, accessories.



TOYS, SPORT AND LEISURE

At ELIX we meet the needs of the market in terms of surface hardness and quality. We have special grades that comply with regulations regarding food contact and can create tailor-made colours.

APPLICATIONS: Toys, toy bricks, skis and gym apparatus.



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WE ARE MEMBERS OF THE MAIN ASSOCIATIONS IN THE SECTOR



PLASTICS EUROPE

Plastics Europe is the leading business association for plastics polymer manufacturers in Europe. Its head office is in Brussels and it works with more than 100 companies from the sector, with representatives in the 28 member states of the European Union. Plastics Europe has developed a close relationship with sister organisations that represent the European chain of plastic manufacturing, which includes transformers, recyclers and also machinery manufacturers. Together, these organisations have over 60,000 companies as members, many of which are small and medium-sized enterprises, generating around 340,000 million euros for the European economy.

www.plasticseurope.es



SPANISH CHEMICAL INDUSTRY BUSINESS FEDERATION (FEIQUE)

The principal business representative of the chemical sector in Spain. Its mission is to foster the competitive expansion and development of an innovative chemical industry that contributes to the generation of wealth, employment and products which improve the well-being and quality of life of citizens, all in compliance with the principles of Sustainable Development.

www.feique.org



TARRAGONA CHEMICAL BUSINESS ASSOCIATION (AEQT)

As the organisation that represents the chemical industry in the Camp de Tarragona and Tierras del Ebro, its mission is to ensure the global competitiveness of chemical industry parks in the region, contributing to the sustainable development of the region. AEQT and related service companies directly assure over 10,000 well-qualified, stable jobs and 30,000 jobs indirectly.

www.aeqtonline.com



TARRAGONA CHAMBER OF COMMERCE

A public corporation whose aim is to promote activities to support the development of business and to carry out actions of general interest for the commercial and business community within its area. It particularly carries out work to promote the internationalisation of companies, training, entrepreneurship and actions to improve the necessary infrastructures to ensure a competitive economy.

www.cambratgn.com



EUROPEAN CHEMICAL INDUSTRY COUNCIL (CEPIC)

A forum for the European chemical industry and committed collaborator of EU decision-makers facilitating dialogue with the industry and sharing its ample expertise. Its head office is in Brussels and represents large, medium-sized and small chemical companies in Europe which directly generate 1.2 million jobs and account for 14.7% of the global production of chemicals. www.cefic.org



3.2 WE'VE REDEFINED OUR CORPORATE POLICY

With the successful transformation of ELIX and in response to market demands, we've started an internal project called **"Management by Mission"** to redefine our corporate policy.

The aim of this project is to link the company's mission to the objectives of each area, as well as to encourage the involvement of all employees in establishing a renewed culture that results in individual growth, shared commitment and the company's success.

Out of all the stakeholders we have relations with, we have chosen three priority groups to underpin this new policy of ELIX: Customers, Shareholders and People.

In the first stage, which began in 2016, the management team established the priorities of action for each group, defining the new corporate mission, as can be seen in the chart:

OUR MISSION, OUR COMMITMENTS

Customers

OFFER THE BEST HIGH QUALITY, TAILOR-MADE SOLUTIONS

PROVIDE OPTIMAL SERVICES AND DELIVERIES

Shareholders

GENERATE SUSTAINABLE GROWTH WITH A SOLID RETURN ON INVESTMENTS

People

FOSTER PERSONAL AND PROFESSIONAL DEVELOPMENT

CREATE A COLLABORATIVE, SAFE AND SUSTAINABLE WORK ENVIRONMENT



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Based on the company's global mission, in 2017 we developed the **SHARED MISSIONS**. Through team meetings, each corporate area identified its own missions regarding the priority stakeholders to ensure a positive impact on the company's objectives through their day-to-day work. The missions of each area have also been associated with specific targets and each area is responsible for achieving these.

At the end of 2017, the areas of Finance, Operations, Supply Chain, Sales, HR, Communication, Business Development and Technical Team presented their SHARED MISSIONS at an internal event, showing great teamwork, commitment and creativity.

A wide range of original resources were used by the different areas to pass on the importance of individual contributions to the global mission of ELIX: from videos produced by the employees themselves to drama productions, news bulletins, monologues and animated presentations.

Internal communication has also been improved in order to consolidate the shared objectives, renewing the KPI boards with corporate indicators based on criteria related to the three key stakeholder groups.

The implementation of this project has helped to improve the overall management of our organisation, promoting unity between areas and teams, joint effort, and shared objectives.

ELIX'S VISION

Our objective is to be a global leader in the market of specialised thermoplastics, as a customer-oriented company that offers a tailor-made service and a wide variety of products while keeping our commitment to environmental sustainability and fostering the professional development of our employees.

In a third phase of the Management by Mission project, our aim is to redefine our corporate vision and values to ensure they are in line with ELIX's proposals in this new stage of corporate consolidation.

OUR VALUES

- Safety, health and respect for the environment
- Customer-oriented
- Human capital, respect and teamwork
- Quality
- Innovation and continuous improvement
- Responsibility and integrity.



THE MANAGEMENT BY MISSION PROJECT HAS MARKED THE START OF A NEW STAGE IN OUR CORPORATE MANAGEMENT THAT HIGHLIGHTS THE IMPORTANCE OF INDIVIDUAL WORK TO CONTRIBUTE TO THE COMPANY'S GLOBAL MISSION, STRENGTHENING COLLABORATION BETWEEN AREAS.



3.2 CORPORATE GOVERNANCE

The Management Team of ELIX is responsible for implementing the strategic plans defined, based on business ethics, the company's sustainable growth and the professional development of its workforce.

With a long track record and ample experience in the thermoplastics market, our corporate governance is made up of six professionals, the CEO and five Area Directors, who, supported by department managers and the rest of the workforce, ensure that ELIX's values are preserved as we achieve our objectives.

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ELIX'S CODE OF ETHICS

In order to further consolidate our team's commitment to ethical, responsible behaviour, we're working on producing a Code of Ethics for ELIX, which we expect to publish in the near future.

Our aim is to provide a framework that allows us to more comprehensively manage our performance as a responsible company in line with the values of ethics, integrity and honesty.

ETHICS AND TRANSPARENCY

The regulatory framework for the company's relations and actions is the **ELIX Code of Conduct**, an internal document applicable to all levels of the organisation that guides how we act and our professional relations in our day-to-day work.

This document describes our commitment to **integrity, honesty and transparency** in all our business relations related to the **prevention of corruption and bribery**. Specifically, the Code includes areas such as the management of conflicts of interest and the acceptance of presents or gifts, regulatory compliance and our anti-corruption policy.

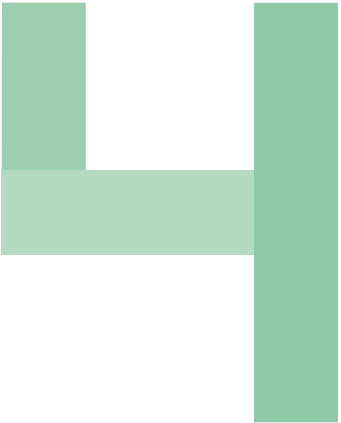
This forms the basis to act in accordance with the highest standards in terms of responsibility, integrity and trust in all our stakeholder relations. The Management Team and all area managers base the management of their teams on this Code and are responsible for monitoring the conduct in the work environment. All employees receive a copy of the Code when they join the company and this is covered in the training they subsequently receive.

Our Code of Conduct is also applied to our suppliers and co-laborating companies, with them signing a specific declaration. Moreover, we have communicated the anti-corruption rules to our external collaborators.

Thanks to our ethical conduct at all levels of our relationships, we have won the trust of our customers, shareholders, suppliers, distributors and employees, amongst others. This has been a key element for the sustainable growth of our company.



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OUR COMMITMENT TO OUR STAKEHOLDERS

ELIX is firmly committed to generating a positive impact on all our stakeholders, as well as contributing to the well-being of our nearest environment. We achieve this by integrating sustainability as a key aspect of our management strategy.



4.1 SUSTAINABILITY MANAGEMENT

Corporate sustainability forms part of our corporate strategy to generate solid growth for the company and, at the same time, increase the trust of stakeholders in ELIX. The fundamental pillars that underpin our sustainability policy are:



Safety of our production processes and of our employees.



Health, compliance with each sector's regulations in the manufacturing of our products.



Environment, protecting and reducing impact with more respectful products and processes.

In 2017 we set up the Area of Corporate Social Responsibility (CSR) whose goal is to promote corporate social responsibility throughout all levels of the organisation. This area is coordinated by the CSR Committee, represented by the different departments in ELIX (Suppliers, Marketing/Sales, Human Resources, Technical Development, Healthcare, Environment, Finance and Communication).

Together with the management team, the CSR area develops the strategic objectives related to sustainability. It also defines proposals for new initiatives, monitors action plans and resolves all kinds of issues related to CSR. This area is also responsible for publishing ELIX's Annual Sustainability Report, as well as publishing the annual report on the progress of the United Nations Global Compact programme.

We have established strategic lines of action for the new CSR Area that consolidate our company's commitment to the international *Responsible Care* programme. The CSR strategy establishes actions and obligations to reduce our impact in social, environmental and human rights terms, as well as to manage the company in an economically responsible way.

2018 ROADMAP OF SUSTAINABILITY IN ELIX

USERS AND CUSTOMERS

- Provide customers with sustainable solutions. Classify products from the ELIX Portfolio according to their level of sustainability.

LOCAL COMMUNITY AND SOCIETY

ETHICS AND VALUES

- Publication of our Code of Ethics.
- Compliance with anti-corruption policies.

RESPONSIBLE PURCHASING

- Include CSR criteria in supplier assessment.
- Increase our participation in charitable and local community actions.

EMPLOYEES

HUMAN RIGHTS

- Ensure compliance with the 10 Principles of the United Nations Global Compact.
- Guarantee a healthy work environment.
- Develop skills and encourage equality.

ENVIRONMENT

- Create a strategy to reduce our impact on the environment, particularly in terms of generating waste and resource consumption in the medium term.



IN 2017, WE CREATED THE CORPORATE SOCIAL RESPONSIBILITY AREA TO PROMOTE CSR AT ELIX



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PARTICIPANT IN BENCHMARK INITIATIVES

With the purpose of maintaining an advanced position in terms of sustainability and thereby contribute to the sector's economic, social and environmental performance, at ELIX we are committed to different initiatives that have the same purpose. Our membership endorses our commitment to sustainable and responsible management.

In 2017 we were given the highest possible rating by EcoVadis: the GOLD level. This platform bases its assessment on 21 criteria and four classifications, rating the company's achievements and development in terms of its performance regarding the environment, human rights, the value chain and good practices. This result places ELIX among to top 5% of companies in the sector.

WE'VE BEEN AWARDED
THE ECOVADIS
GOLD STANDARD IN
RECOGNITION FOR OUR
CORPORATE SOCIAL
RESPONSIBILITY,
GRANTED BY ECOVADIS



Since 2008, ELIX has been a member of the **RESPONSIBLE CARE** programme, a volunteer initiative of the chemical industry which commits companies to strive for continuous improvement in protecting the environment and in the health and safety of their operations as a fundamental contribution to sustainable development.

ELIX has the [RSE Responsible Company certification](#) granted by Responsible Care, which was renewed in March 2017 and will not expire until March 2019.



[EcoVadis](#) is an independent ratings agency specialising in sustainable development and performance monitoring. It operates the first collaborative platform providing Sustainability Ratings for global supply chains. Its aim is to improve companies' environmental and social practices by taking advantage of the influence of global supply chains. ELIX has been audited by EcoVadis. This assessment has highlighted the strong points and also weak points to be improved.



We also belong to the [Voluntary Commitment](#) programme promoted by the Catalan Office for Climate Change (OCCC in Spanish), undertaking to reduce our emissions of greenhouse gases (GHG).



Since December 2017, we have belonged to the United Nations Global Compact. This United Nations Global Compact is an international initiative that promotes the implementation of the Ten Principles universally accepted to promote sustainable development in the areas of Human Rights and Businesses, Labour, Environment and Anti-Corruption in the activities and business strategies of companies.



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Another initiative we have joined at ELIX as part of our commitment to sustainability is *Responsible Care*. In 2017, the score we obtained as a result of this initiative's assessment placed us above the average of Spanish companies.

We also have certified management systems that guarantee the complete implementation of our sustainability strategy as well as assuring the high quality of our products and services.



ISO 14001 (2015)
Environmental Management System Certificate



ISO 50001 (2011)
Energy Management System Certificate



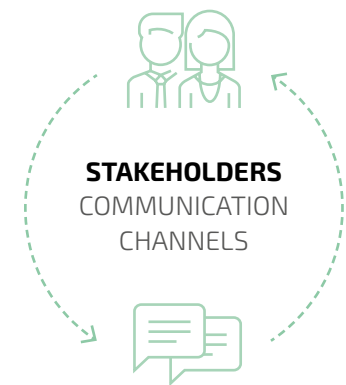
ISO 9001 (2015)
Quality Management System Certificate



THE ASSESSMENT
CARRIED OUT BY THE
RESPONSIBLE CARE
PROGRAMME PLACES US
ABOVE THE AVERAGE FOR
SPANISH COMPANIES

CERTIFIED MANAGEMENT
SYSTEMS GUARANTEE
THE HIGH QUALITY OF
OUR PRODUCTS AND
SUSTAINABILITY OF OUR
COMPANY

4.2 TRANSPARENCY AND DIALOGUE WITH OUR STAKEHOLDERS



Nowadays, stakeholders play a vital role in any company's business. That's why it's crucial to know their expectations and include these in the business strategy, thereby building strong and stable stakeholder relations. At ELIX, we are fully aware of this: our Communication Department strengthens our stakeholder relations through a range of communication channels that encourage an open, fluent dialogue with all of them, based on **honesty and transparency**.

These communication channels have been defined based on a prior analysis of the communication flows with each group, the access to and use of channels by receivers and, fundamentally, our communication objectives, which are redefined annually.

EMPLOYEES

ELIX Actualidad (monthly newsletter), Corporate communications; internal information panels at various locations in company buildings; corporate email; monthly KPI panels; audiovisual materials; internal events; area meetings; annual gathering for employees and their families.

CUSTOMERS

Corporate website; newsletters; social media; trade fairs and events; press releases, articles, advertisements; corporate catalogues; audiovisual materials; visits by technicians and sales representatives; visits to the Tarragona plant.

SHAREHOLDERS

Weekly, monthly and annual company reports; corporate events.

CONTRACTORS

(workforce at ELIX facilities)

Operational communications through email, meetings; internal information panels at various locations in company buildings; KPI panels; internal events.

SUPPLIERS

Newsletter; email; annual meetings.

INDUSTRY ASSOCIATIONS

Participation in committees and specific technical meetings; training; email.

LOCAL COMMUNITY (NGOS)

Sponsorship of charitable projects and sports; local press releases; meetings; events.

PUBLIC ADMINISTRATION

Regular contact through formal notifications and bulletins issued by the administration; face-to-face meetings to deal with specific matters; email.

EMPLOYEE FAMILIES

Annual magazine, ELIX Familiar; annual get-together for employees and their families.

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ELIX'S COMMUNICATION STRATEGY ENCOURAGES FLUENT, TRANSPARENT STAKEHOLDER RELATIONS.



In 2017, with the aim of raising the company's profile and improving its reputation, as well as to increase the loyalty of our target groups, we reinforced corporate communication by improving the presence of ELIX on **social media**. We are currently present on [LinkedIn](#), [Twitter](#) and [YouTube](#), where we publish information on the latest news, products and trends in the sector.

We have also carried out a project to produce **videos** under the slogan *#PeopleMakeELIX*, which helps to emphasise the importance of those professionals working at our company for its development and success.

Also in 2017, in order to strengthen our ties with existing and potential customers, we increased our involvement in international **trade fairs**, both in Europe and in the NAFTA region. We also developed **new communication materials** and our 3D Product Catalogue, and updated the Injection Mould Guide.

With the aim of increasing the loyalty of our commercial ties, we have implemented improvements in the company's **newsletters** for customers, suppliers and distributors. We have also developed a new positioning campaign for ELIX Americas via a newsletter with both technical and corporate information, to support the business's growth in this region.

Regarding **internal communication**, we have boosted our channels of communication with our employees, creating an effective flow of information which was rated positively in the 2017 Climate and Commitment Survey. We also ran internal communication campaigns with information on good environmental practices, promoting health, safety and social action.

In order to raise awareness of the activities and achievements of all areas and the company itself, we have improved the monthly internal newsletter (**ELIX Actualidad**) as well as the annual summary aimed at the relatives of our employees (**ELIX Familiar**). Moreover, we have created different opportunities for areas to integrate in order to strengthen professional and personal ties between colleagues and encourage a sense of belonging in the company.

Regarding communications aimed at ELIX's three key stakeholder groups (customers, shareholders, people), it should be noted that the objectives, strategies and channels of communication were defined as part of our **Annual Communication Plan** approved by the Management Team.

This plan forms part of the company's strategy defined for 2017 and was produced based on annual assessments, such as the Customer Satisfaction Survey, the Climate and Commitment Survey for workers, online assessment tools, etc. The information provided by these sources supports decisions to strengthen two-way communication in line with our stakeholders' interests and information requirements.





RELATIONSHIPS WITH OUR SUPPLIERS

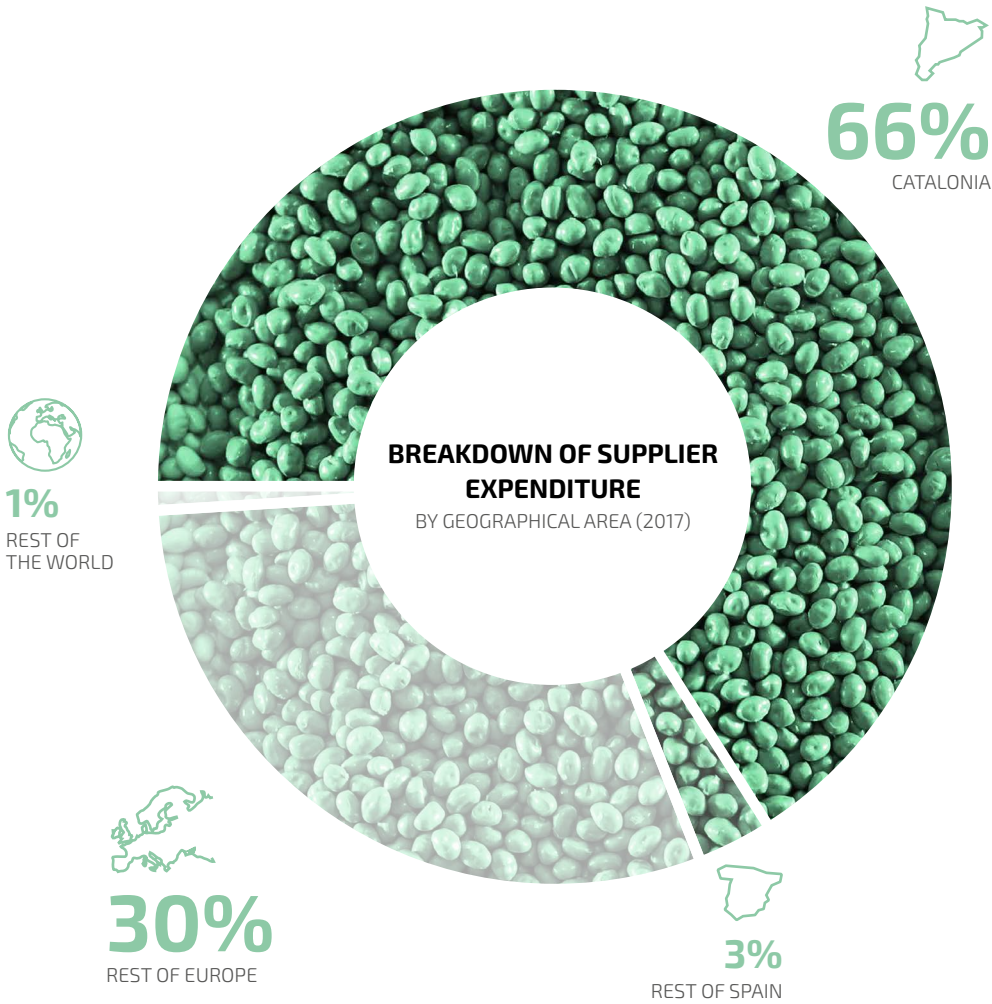
Our corporate social responsibility strategy places great importance on generating value for society. In line with this objective, our purchasing policy promotes the development of the local economy and the reduction of transport-related emissions, prioritising purchases close to our production centre.

Currently, 18.4% of our suppliers are located in the province of Tarragona and almost two-thirds (66%) in Catalonia.

WE CONTRIBUTE TO THE DEVELOPMENT OF THE LOCAL ECONOMY, SPENDING MORE THAN 56% OF OUR EXPENDITURE ON SUPPLIERS FROM THE PROVINCE OF TARRAGONA.

COMPOSITION OF SUPPLY CHAIN		
	2016	2017
CATALONIA	336	352
Province of Tarragona	122	125
Rest of Catalonia	214	227
REST OF SPAIN	136	134
REST OF EUROPE	175	178
REST OF THE WORLD	15	11
OVERALL TOTAL	662	675

NO. OF SUPPLIERS



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In the case of most of our suppliers, the underlying goal is to establish long-lasting, reliable relationships.

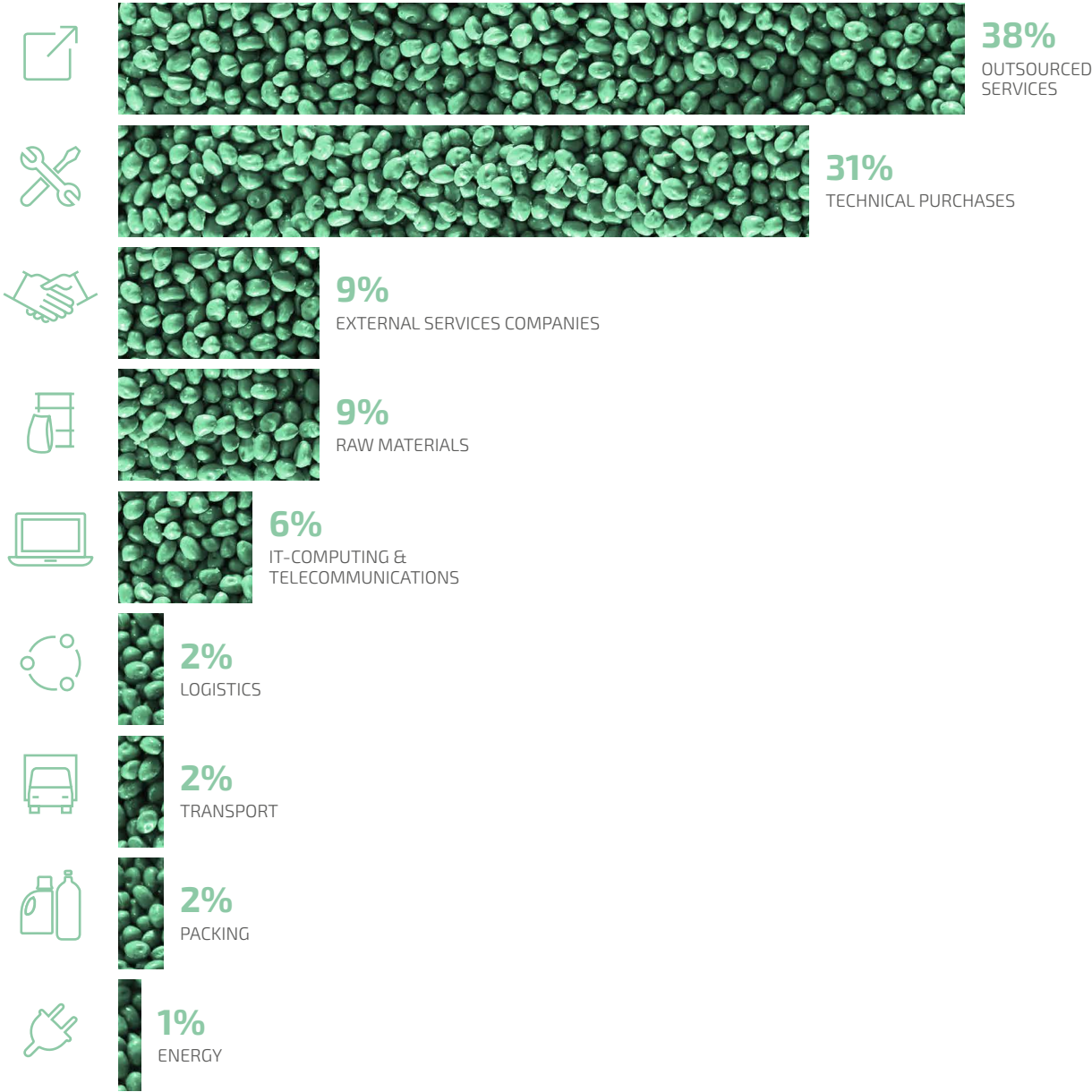
The quality we demand for our products, as well as our corporate approach, means that we must work with highly responsible suppliers of raw materials who also focus on continuous improvement so that we can advance together. We also look for subcontractors that work with a high degree of safety, complying with the requirements of ELIX and AEQT.

In the case of transport companies, we look for commitment and pro-activity in providing solutions that meet our delivery commitments with our customers, this being one of our key differentials. Achieving such objectives also helps our employees to grow.

The approval procedure currently applied by ELIX for suppliers of raw materials requires certification of management systems based on ISO standards. Responsible procurement is one of the important aspects of our CSR policy. For this reason, we aim to go even further and include, in our supplier assessment, new non-binding sustainability criteria which are currently being identified and defined.

We also comply with the **Long-Term Supplier Declaration Regulation** which regulates the use of raw materials from the European Union. In 2017, 100% of ELIX's chemical products complied with this European regulation. This is how we guarantee that we obtain materials resulting from efficient processes and from responsible suppliers, assuring the high quality of our products, greater control over the manufacturing process and compliance with European standards during this process.

TYPES OF SUPPLIER





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4.3 MATERIAL ASPECTS OF SUSTAINABILITY

At ELIX we like to know the areas and the ways in which our business has an impact on society and the environment in order to achieve our goal of continuous improvement.

In 2016 we carried out a **materiality analysis** to determine which aspects **are important for our performance, capacity to innovate and sustainability**, as well as any issues that are important for the institutions we deal with.

All the company's areas, as well as our stakeholders, collaborated in this analysis, which was produced in line with the AA1000 Stakeholder Engagement Standard of AccountAbility¹ and the standards of the Global Reporting Initiative (GRI).

In 2017, we reviewed the materiality of the previous year to ascertain whether there had been any changes in the aspects reported in the 2016 Sustainability Report. A meeting was held with the company's CSR Committee to study whether any aspect needed to be included in or removed from the 2017 Report as a result of our activity during the year. As ELIX's activity in 2017 did not differ significantly from its activity in 2016, the CSR Committee decided that it was not necessary to make any changes.

¹<https://www.accountability.org>



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We also contacted our more important stakeholders. Specifically, in-depth interviews were held with the public administration, Tarragona's chemical industry and the local community. The results of these interviews show that ELIX's potential impact on safety, health and the environment, aspects already identified as material in the previous report, was once again the main concern of these stakeholders. According to these stakeholders, the fact that our company works with chemicals means that there is a high potential impact on the environment, making us a focus of attention for society. That's why it is particularly important to clearly explain the actions and good practices carried out by our company to reduce such impact, stressing our professionalism and how we boost the local economy.

The opinions gathered during the interviews between the company and our stakeholders have been taken into account in drawing up this Report, which includes examples of good practices in preventing hazards, occupational safety and reducing environmental impact.

IDENTIFICATION OF ISSUES

In 2016 we produced a list of potentially material aspects for ELIX's activity based on the aspects contained in the GRI standards and other aspects considered to be significant for the organisation, identified by analysing the industry (sustainability initiatives) and other companies in the sector.

PRIORITISATION OF ASPECTS

Aspects were prioritised taking into account the perspective of stakeholders (external) and the corporate perspective (internal), assigning a score for the sustainability aspects identified depending on their importance for each group.

- For the internal analysis we carried out a workshop with the management team.
- For the external analysis we consulted each group of stakeholders by means of an anonymous *online* survey.

In 2017 we reviewed our stakeholder analysis by means of in-depth surveys carried out with the administration and chemical sector.

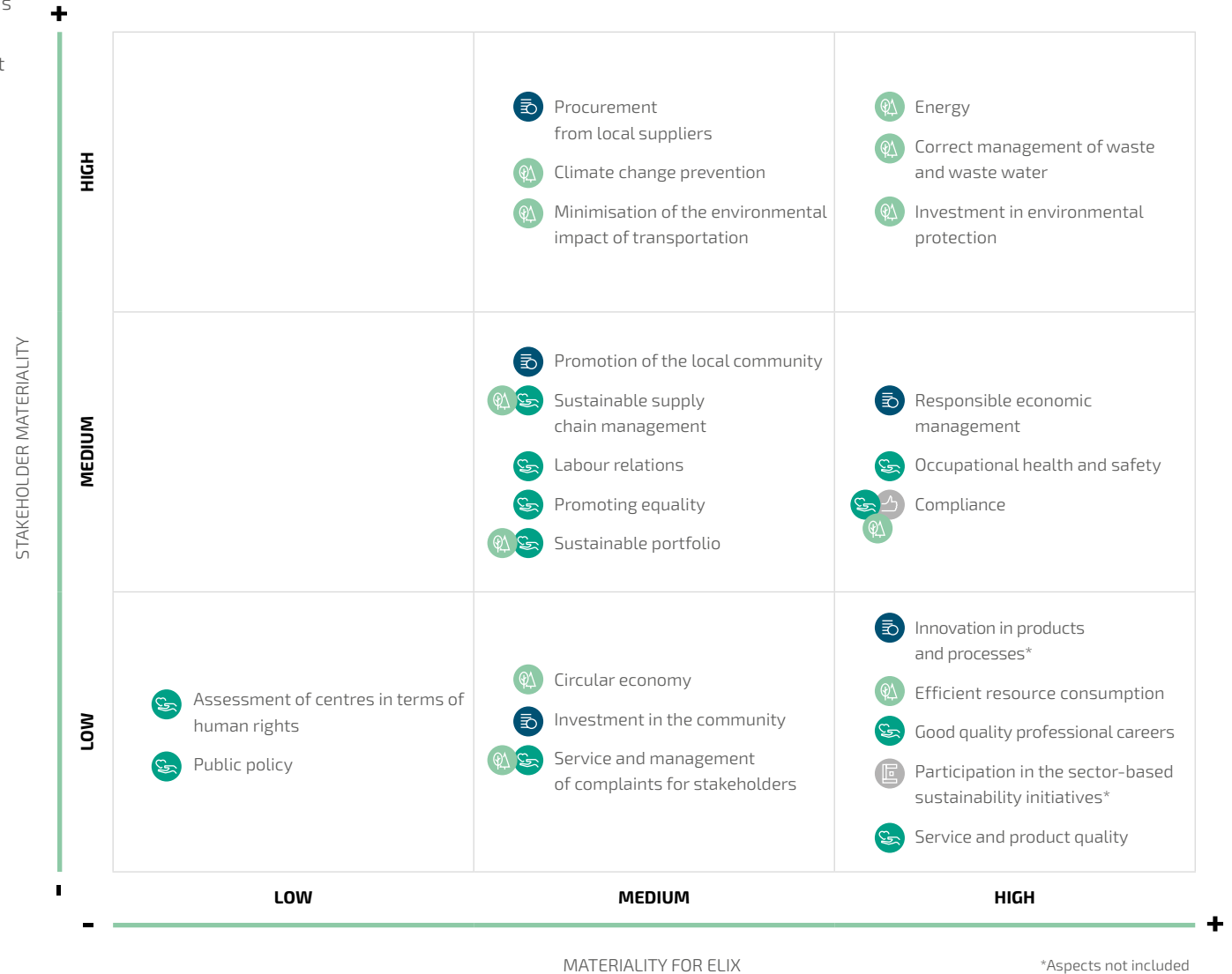


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RESULTS OF THE MATERIALITY ANALYSIS

The results obtained from the internal analysis, combined with the results from the external analysis, have enabled us to produce ELIX's materiality matrix. Aspects with medium and/or high priority in both areas were considered relevant (material) and were covered by the 2016 Report as part of the company's sustainability strategy. There were no changes in 2017.

- MATERIAL ASPECTS**
- ECONOMIC CATEGORY
 - SOCIAL CATEGORY
 - ENVIRONMENTAL CATEGORY
 - ORGANISATION'S PROFILE CATEGORY
 - GOOD GOVERNANCE CATEGORY



*Aspects not included in the GRI Standards



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REVIEW OF THE RESULTS

The results obtained were validated by our company's management team, considering the inclusion as material aspects those topics with a high priority for ELIX. These topics are: innovation in products and processes, efficient resource consumption, good quality professional careers, participation in sector-based sustainability initiatives, and the quality of the service and product.

The review carried out in 2017 has not led to any changes. Consequently, the aspects considered material for ELIX in 2016 are the ones that have been included in this sustainability report, continuing the organisation's sustainability strategy, started in 2016, over the coming years.

MATERIAL ASPECTS AND THEIR RELATION TO GRI ASPECTS

ECONOMY

MATERIAL ASPECTS	GRI ASPECTS	DESCRIPTION
RESPONSIBLE ECONOMIC MANAGEMENT	ECONOMIC PERFORMANCE	Correct economic management, economic value generated and its distribution.
PROMOTION OF THE LOCAL COMMUNITY	MARKET PRESENCE	Positive impact on the community through the payment of salaries higher than the local minimum wage.
PROCUREMENT FROM LOCAL SUPPLIERS	PROCUREMENT PRACTICES	Prioritisation of purchases from local suppliers to boost the local economy.
SUSTAINABLE SUPPLY CHAIN MANAGEMENT	ENVIRONMENTAL SCREENING OF SUPPLIERS	Supplier screening taking into consideration criteria relating to the environment, labour, respect for humans rights, and also their ethical and responsible behaviour.
	SOCIAL SCREENING OF SUPPLIERS	
INNOVATION IN PRODUCTS AND PROCESSES	*	Introduction of new/improved products and services onto the market.

ENVIRONMENT

MATERIAL ASPECTS	GRI ASPECTS	DESCRIPTION
EFFICIENT RESOURCE CONSUMPTION	MATERIALS	Management of the consumption and purchase of environmentally sustainable materials, and management of water consumption along with saving measures.
	WATER	
ENERGY	ENERGY	Management of energy consumption and energy-efficiency initiatives of the installations and the use of fuel from renewable sources.
CLIMATE CHANGE PREVENTION	EMISSIONS	Management of the emissions and initiatives by ELIX Polymers to mitigate climate change, including actions aimed at reducing emissions produced by its customers.
CORRECT MANAGEMENT OF WASTE AND WASTE WATER	EFFLUENT AND WASTE	Management and treatment of waste and waste water to minimise their impact.
MINIMISATION OF THE ENVIRONMENTAL IMPACT OF TRANSPORTATION	EMISSIONS	Impact of the transportation of goods and personnel.
INVESTMENT IN ENVIRONMENTAL PROTECTION	GENERAL	Investment in and expenditure on managing and improving environmental performance.



LABOUR PRACTICES

MATERIAL ASPECTS	GRI ASPECTS	DESCRIPTION
HEALTH AND SAFETY AT WORK	OCCUPATIONAL HEALTH AND SAFETY	Promoting health and safety at work.
GOOD QUALITY PROFESSIONAL CAREERS	LABOUR	Working conditions for good quality jobs - creating jobs and promoting training and professional development.
	TRAINING AND EDUCATION	
LABOUR RELATIONS	LABOUR/ MANAGEMENT RELATIONS	Establishment of mechanisms to ensure good relations between employees and management, as well as freedom of association and collective bargaining.
	FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	
PROMOTING EQUALITY	DIVERSITY AND EQUAL OPPORTUNITY	Promoting equality between men and women and mechanisms to detect and remediate cases of discrimination.
	NON-DISCRIMINATION	

SOCIETY

MATERIAL ASPECTS	GRI ASPECTS	DESCRIPTION
COMPLIANCE	ANTI-CORRUPTION	Mechanisms to guarantee no corruption and to prevent unfair competition practices, as well as to ensure compliance with applicable regulations (including sector-specific and product regulations) including those relating to the environment.
	ANTI-COMPETITIVE BEHAVIOUR	
	REGULATORY COMPLIANCE	
	ENVIRONMENTAL COMPLIANCE	
PARTICIPATION IN SECTOR-BASED SUSTAINABILITY INITIATIVES	*	Collaboration with sustainability initiatives in the sector.

PRODUCT AND SERVICE RESPONSIBILITY

MATERIAL ASPECTS	GRI ASPECTS	DESCRIPTION
SERVICE AND PRODUCT QUALITY	CUSTOMER HEALTH AND SAFETY	Policies and practices that guarantee product quality and safety: correct labelling, customer satisfaction and good (after-sales) service.
	PRODUCT AND SERVICE LABELLING	
	CUSTOMER MANAGEMENT (POST-SALE SERVICE)*	
SUSTAINABLE PORTFOLIO	PRODUCTS AND SERVICES	Promotion of products and services with low environmental impact (including life-cycle assessment), and control of the overall sustainability of the product portfolio to apply improvements.
	LIFE-CYCLE ASSESSMENT (ENVIRONMENTAL AND SOCIAL) OF THE PRODUCTS*	
	MONITORING PRODUCT PORTFOLIO SUSTAINABILITY (ENVIRONMENT AND HEALTH)*	

*Not a GRI aspect



VALUE CHAIN AND RELEVANT TOPICS

RAW MATERIALS



SUPPLIERS



FORMULATION



POLYMERISATION



COMPOUNDING



QUALITY CONTROL
AND PACKAGING



SALES



DISTRIBUTION

PRODUCTION, QUALITY CONTROL AND PACKAGING

FINAL PRODUCT

SUPPLIERS

Procurement of local suppliers
Sustainable supply chain management
Energy
Minimising the environmental impact of transportation
Compliance
Service and product quality
Labour relations (relationship with contractors)

ELIX

FORMULATION, POLYMERISATION AND COMPOUNDING

Responsible economic management
Innovation in products and processes
Correct management of waste and waste water
Energy
Investment in environmental protection
Occupational health and safety
Good quality professional careers
Promoting equality
Compliance
Participation in sector-based sustainability initiatives
Service and product quality
Sustainable portfolio

QUALITY CONTROL AND PACKAGING

Responsible economic management
Correct management of waste and waste water
Efficient resources consumption
Energy
Occupational health and safety
Labour relations (relationship with contractors)
Compliance
Service and product quality

SALES

Responsible economic management
Promoting the local community
Good quality professional careers
Compliance
Service and product quality
Sustainable portfolio

DISTRIBUTION

Responsible economic management
Efficient resources consumption
Climate change prevention
Minimising the environmental impact of transportation
Compliance

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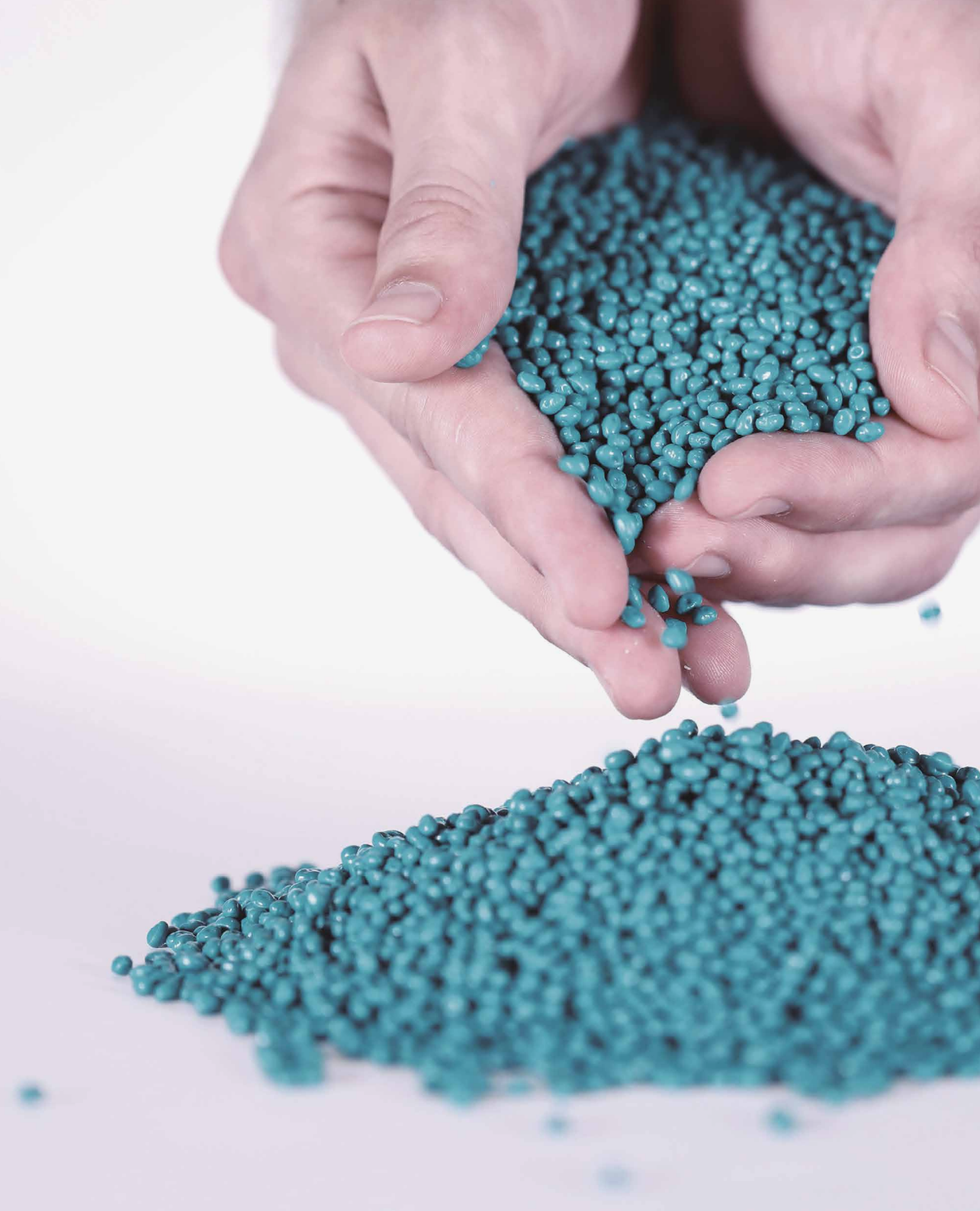
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INNOVATION AND TAILOR-MADE SOLUTIONS FOR OUR CUSTOMERS

We establish excellence in tailor-made services and high-quality products for our customers as differentiating values that make us stand out in the market as a trustworthy and flexible company in such a demanding market as plastics.



5.1 RESPONSIBLE INNOVATION, OUR INNOVATION FRAMEWORK

After more than 40 years of experience in manufacturing ABS and working together with our customers to respond to all their needs, we continue to innovate and improve our portfolio. This allows us to offer a wide range of specialised thermoplastic products with high added value that meet the requirements of our markets.

Our **innovation strategy** includes extending resources for the thermoplastics market at the same time as developing new lines of business and products that respect both the environment and people. In this way, we have incorporated sustainability as a strategy to innovate and develop a differentiated product portfolio.

At ELIX we use the concept of **Responsible Innovation** as our framework for innovation, both in products and also corporate development. Thanks to this framework, we encourage a positive net contribution to sustainability through more environmentally-friendly production processes, research, the optimisation of services offered to our customers, and technical support.

At ELIX, responsible innovation is about generating added value by designing new products based on the needs of our customers who ask us for specific, tailor-made solutions. However, any product development must include the priorities established in our innovation policy, made up of three areas of focus:

- Environmentally-friendly production
- Larger portfolio of sustainable products
- Raising awareness of impacts on health

WE SEE RESPONSIBLE
INNOVATION AS A
SUSTAINABLE WAY TO
CREATE ADDED VALUE



RESPONSIBLE
INNOVATION



COMPETITIVENESS



SUSTAINABILITY

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To achieve the levels of innovation we require from ourselves, we have a network of collaborators made up of clusters and technology centres through which we encourage collaborative innovation.

We've established an internal system to systematically assess our achievements regarding responsible innovation. We use the **Value Sensitive Design** (VSD) methodology, adapted to our specific situation, which is based on a verification protocol that analyses different items methodically.

The VSD methodology identifies and evaluates different aspects of sustainability, in terms of the environment, society and economics, which must be included in the design stage of new product development. Aspects evaluated included the impact on the environment and health, as well as moral and ethical aspects. These help us to compare and select processes that are more sustainable for the environment and society.

The result is that we develop products and businesses based on responsible innovation criteria. This means incorporating, right from the design stage, our moral and innovation values via technology, taking into account the aspects most highly valued by our customers and users.

Moreover, in 2017 we went a step further and extended the responsible innovation approach to our whole value chain. We now carry out life cycle and carbon footprint studies for our products, as well as analysing customer applications from the point of view of sustainability and technical support. This includes analysing the recyclability of parts made by our customers.



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CREATION OF SUSTAINABLE VALUE THROUGH OUR PRODUCTS

At ELIX we create value by developing new lines of business and innovative materials. We focus on detecting opportunities for improvement and on adding diversity, quality and sustainability to the thermoplastics market. Thanks to our state-of-the-art technology and our responsible innovation approach, we can develop **more sustainable products** that help to optimise our customers' processes and make them more competitive.

As continual investment in R&D&i is one of the strategic commitments undertaken by ELIX, we increase the financial resources allocated to such projects by 10.42% per year.

MORE SUSTAINABLE PRODUCTS

Responsible innovation helps us to replace some outmoded products with new products with more respect for both the environment and people. The innovation carried out at ELIX therefore generates positive effects throughout the value chain, focusing on reducing the impact of our products while they are in use.

One of the lines of responsible innovation we continue to focus on is the perfection of our "High Heat" (HH) products (resistant to high temperatures), looking for more environmentally-friendly solutions and adding value to the thermoplastics market.

We are now able to provide high-quality HH products with low emissions. These are replacing the old HH products which have been removed from our catalogue. These new products are more popular than expected in the market, their sales having doubled between 2016 and 2017.

In 2017 we have focused particularly on developing business in our more strategic segments, such as the Automotive and Healthcare. Thanks to our commitment to product innovation, our results have been much better than predicted, with a 23% rise in sales in the automotive industry and 20% in healthcare products.




SALES OF THE NEW 'HIGH HEAT' GRADES INCREASED BY 123% IN 2017.



OBJECTIVES FOR RESPONSIBLE INNOVATION

NEW PRODUCT DEVELOPMENT (PERCENTAGE OF SALES VOLUME) 10.0%	STRENGTH OF INVESTMENT IN R&D&i (PERCENTAGE OF TURNOVER) 1.10%	DEVELOPMENT OF A MORE SUSTAINABLE PORTFOLIO (PERCENTAGE OF SALES VOLUME) 30.3%
---	---	---

PERFORMANCE

2017	 6.93%	 0.89%	 29.32 %
2018	NA* --	1.10%	30.3%

*The 'New product development' objective has been removed for 2018 as this was difficult to measure and therefore not a suitable indicator for business performance.



During 2016–2017 we also embarked on several Research & Development projects lasting two or three years, which are therefore currently underway and should produce the first results in 2018.

In collaboration with BSH Electrodomésticos España, we have identified synergies to transfer the knowledge of both companies to the market and spread this to other applications and materials. To date, the results have been very positive: by extending aesthetic laser marking to a greater number of plastic parts in household appliances, we have reduced the need for subsequent painting or screen-printing stages, saving on post-treatment costs and reducing the environmental impact of the treatments.

OTHER ON-GOING PROJECTS INCLUDE:

- Technological developments for new automotive components with advanced functional finishes.
- Development of industrial applications based on graphene and carbon-based nanostructures.
- Development of a new production system for ABS *plating* using technologies free from hexavalent chromium.
- Development of a new generation of ABS polymers for 3D printing applications.
- Development of ABS with antimicrobial properties for applications in contact with the skin, for consumer or medical applications.
- Development of ultra-high flow ABS for applications where the amount of plastic in the part and injection times can be reduced.

BY MEANS OF RESPONSIBLE INNOVATION AND CONTINUED IMPROVEMENT WE ARE CREATING NEW MATERIALS FOR INNOVATIVE APPLICATIONS SUCH AS 3D PRINTING

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		ENVIRONMENTAL IMPACT						
PORTFOLIO TO DATE			ABS STANDARD & SPECIALTIES		ABS-PC			
NEW PRODUCTS	ECO-ABS	REINFORCED ABS	ABS STANDARD & SPECIALTIES	NEW HIGH HEAT ABS	NEW ABS-PC	PC/ABS		
	BIO-ABS							
OLD PRODUCTS			ABS STANDARD & SPECIALTIES	OLD HIGH HEAT ABS BASED ON AMS		OLD HIGH HEAT ABS-PC BASED ON AMS	PA/ABS	ABS FLAME RETARDANT





 **Global Company**
& World Class Service



Our goal: the best service

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CREATION OF SUSTAINABLE VALUE THROUGH OUR SERVICES

As part of our responsible innovation approach and in line with our shared missions -'ensure speed and efficiency in addressing our customers needs and proactively propose optimal solutions based on flexibility and reliability'-, at ELIX we provide a service adapted to the specific requirements of our customers.

We see service as a **COMMITMENT** and **VALUE** that makes us stand out in the market and earns us a reputation as a reliable, flexible company. To achieve this, we look after the service we provide, proactively encouraging a closer relationship with customers, greater flexibility and collaborative, tailor-made product design. At the same time we also offer the appropriate technical support.

In 2017, following our responsible innovation strategy, we incorporated sustainability into our service and customer applications. At the request of our customers, we took part in joint projects to find more sustainable solutions. This collaborative approach to customer service has helped to boost loyalty and improve our knowledge of each other to make progress in developing new products.

**WE PROVIDE OUR
CUSTOMERS WITH
SOLUTIONS TO THEIR
SUSTAINABILITY
CONCERNS.**

Two projects in particular, both carried out in 2017, exemplify this customer-ELIX collaboration:

REPLACEMENT OF PVC WITH ABS IN CREDIT CARDS

In this project, our customer wanted to compare the environmental sustainability of PVC and ABS. The study showed that, although ABS has a larger carbon footprint than PVC, in life cycle terms ABS is 10 times better than PVC.

REPLACEMENT OF PC-ABS WITH ABS HH4115HI FOR EXTERNAL APPLICATIONS

In this project, the customer wanted to know which product was more sustainable from an environmental point of view: standard PC-ABS or the PC-modified ABS. The application of these methodologies showed that ELIX ABS HH4115HI is much more sustainable than PC-ABS.

In both cases, the projects resulted from an explicit request by the customers who wanted to compare the environmental sustainability of different products. During our research, we applied the VSD methodology, as well as carbon footprint analysis and product life-cycle assessment.



PROXIMITY TO CUSTOMERS

IN PRODUCTS:

- Better logistic partners
- Distribution warehouse close to customers

IN CUSTOMER SERVICE:

- Dedicated agent
- *e-commerce* solutions

IN TECHNICAL ASSISTANCE:

- Support and problem solving
- Commitment of technical support

GLOBAL PRESENCE

- Customer services in a wide range of languages
- Safety and privacy guaranteed
- Four decades of experience with a global presence

TAILOR-MADE SERVICES

- New colours and product development
- Development of tailor-made solutions
- Technical collaboration

FLEXIBILITY

- Adaptability to changes in demand and market requirements
- Multidisciplinary team
- Evaluation and review of our lead times.

PROACTIVITY

- Analysis of demand trends to provide better solutions
- Promotion of positive synergies in *win-win* relationship

OBJECTIVES WE HAVE ACHIEVED IN 2017



98.81%

RATE OF SUCCESSFUL SALES ORDERS
ACCUMULATIVE JULY 2017



78% 2012
95.10% 2017

IMPROVEMENT OF THE OTIF RATE



96%

DELIVERIES ON TIME



92.8%

PERFECT ORDER RATE



5.2 IMPROVING TECHNICAL SERVICE AND ORDER MANAGEMENT

Our aim is to provide our customers with the best possible experience from the initial stage of their projects, including product development, order management, consumption and technical support for our materials, up to when the next order is placed.

Work to achieve the goal of having a service level agreement (SLA) is still underway and will continue into 2018. The aim of an SLA is to provide a differentiated service that is totally adapted and appropriate for the customer according to their requirements. As a manufacturer of ABS and derivatives, at ELIX we prioritise process safety, high product quality and a smart, segmented service for our customers, helping us, at their side, to successfully accomplish the goals of the business. This aim is in line with our corporate mission, as expressed in the shared missions of the Area of Business Development and Technical Team.

OUR AIM IS TO TRANSFORM THE NEEDS OF OUR CUSTOMERS INTO PRACTICAL SOLUTIONS AND IDENTIFY, DEVELOP AND VALIDATE NEW OPPORTUNITIES.

Our technical service is made up of a multidisciplinary team of professionals with the capacity and resources to support our customers while they are using our products. The work carried out by our technical service includes:

- Developing new colours and products
- Technical support and problem solving
- Product administration, intellectual copyright management and technological vigilance
- Specialised support for each market segment

OBJECTIVES	INTRODUCE A NEW INDICATOR, FIRST CALL RESOLUTION , TO ALLOW US TO RESOLVE THE PROBLEM ON THE FIRST CONTACT WITH THE CUSTOMER		HAVE A SERVICE LEVEL AGREEMENT (SLA) TO ALLOW US TO SEGMENT CUSTOMER SERVICES DEPENDING ON THE TYPE OF USER	
	PERFORMANCE			
2017				
2018	NA* --		CONTINUED	

*The development of the First Call Resolution indicator was not deemed relevant compared to other, more urgent indicators, and is therefore unlikely to continue in 2018.

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5.3 CUSTOMER SATISFACTION

WE HAVE IMPROVED CUSTOMER SATISFACTION. RATINGS PLACE US ABOVE THE AVERAGE FOR THE MARKET.

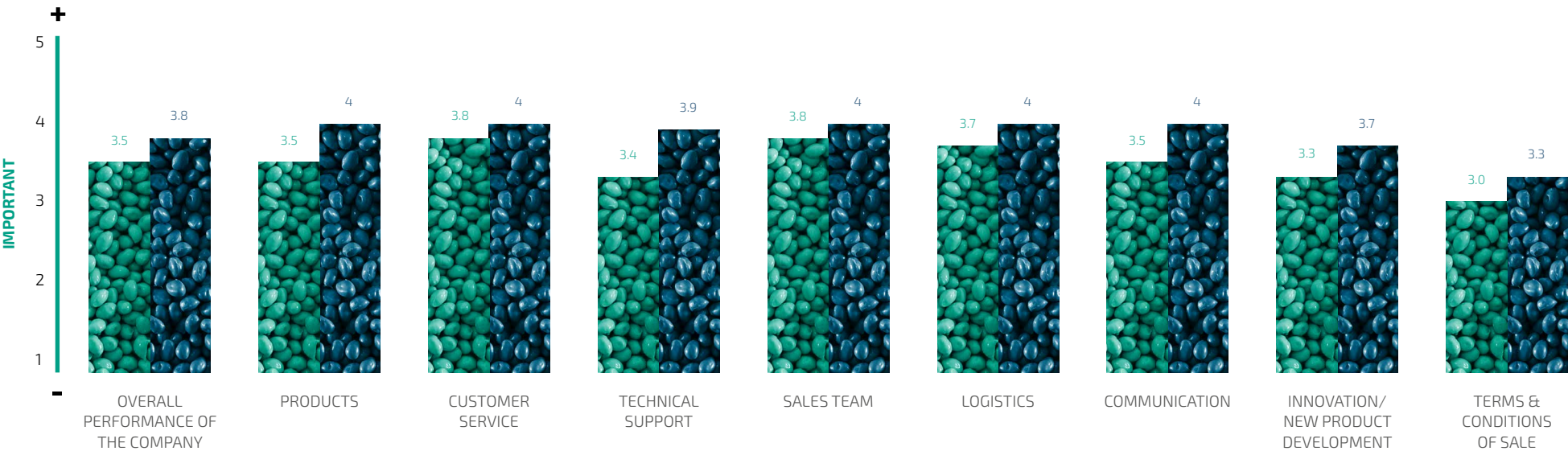
Every year, we carry out a satisfaction survey of our customers that provides us with very valuable information on the service provided by ELIX and other relevant aspects in customers decisions to buy.

According to the latest surveys, product quality and technological know-how are the most highly rated criteria by our customers in terms of products. In terms of service, the most important aspect for customers is reliability of supply.

MAIN RESULTS

- According to the survey results, ELIX's strengths are reliability of supply and its customer and technical services.
- 78% of the respondents expect a stable or growing market for ABS.
- ELIX customers tend to recommend us.
- ELIX is above the average in the sector and has improved in all criteria compared to the previous year.
- The areas for improvement identified are related to price stability, faster response and better order management.

COMPARISON SATISFACTION RESULTS





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OUR PROFESSIONAL TEAM AS A KEY FACTOR

At ELIX we ensure the necessary conditions are in place for our employees to enjoy job satisfaction. We promote their personal and professional development through personalised attention that is approachable and fair, with an atmosphere of trust. We also prioritise their well-being in a safe and sustainable work environment.





6.1 PROFESSIONAL GROWTH AND PERSONAL DEVELOPMENT

The consolidation of our team, always involved in our organisation and committed to ELIX's values, has been essential in positioning us as a leading company in the thermoplastics market and in achieving the goals of the business. That's why one of our key missions is to promote satisfactory personal and professional development, as well as create a good work environment and improve the well-being of our employees.

At ELIX we work hard to:

- Foster equal opportunities in recruiting men and women.
- Encourage activities that enhance interpersonal relations between our employees.
- Ensure the fair and responsible application in our company of human resources standards.
- Strengthen our employees' identification with the company through different social, charitable and sports activities.

To achieve this, we invest in our team's continued training, in strengthening internal communication, in encouraging teamwork and supporting initiatives with a positive impact on the local community.

The Human Resources Department (HR) is in charge of attending to and supporting the men and women who work at ELIX, ensuring the right conditions for their professional and personal development. We pay particular attention to empowering our people to ensure the work they do has meaning and value, as well as encouraging a work-life balance.

The HR Department provides tailor-made attention, within an atmosphere of trust, that is friendly and fair in order to improve the overall well-being of everyone at our organisation. As part of the Management by Mission Project, we have prioritised the creation of opportunities to integrate and work as a team through different events held internally. And we've also supported different sports and charitable activities in the local community involving our employees.

Regarding professional development, in 2017 we focused particularly on giving skills training to help workers fulfil their functions and roles, as well as the technical training required for their jobs.

We also encouraged internal promotion, offering any vacancies first to our employees and their local communities; as well as giving workers and students on work experience the chance to join the ELIX workforce.

We also carried out improvements to our internal work-life balance policies, offering men the change to make use of their paternity leave entitlement and adapting to the needs of those requesting such leave.



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According to the data published recently in the [Guide to Business Excellence in Tarragona](#), published by DIARI DE TARRAGONA, **ELIX is one of the 15 most highly rated companies** to work for in the region. A recent report by the **Bros Group** on attracting talent in the counties in the south of Catalonia also placed several chemical companies at the top of its ranking for the most highly rated companies, all of them present in the Tarragona petrochemical cluster.

Our company's growth is due mainly to men and women of medium age between 30 and 50.

↑ **6%**
INCREASE
IN WORKFORCE
IN 2017.

ELIX POLYMERS HAS REMAINED AMONG THE 15 MOST HIGHLY RATED COMPANIES TO WORK FOR IN THE PROVINCE OF TARRAGONA².

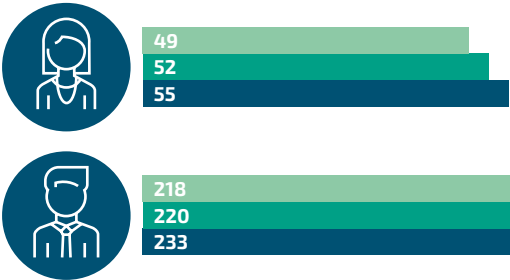
² The ranking of companies with the most attractive jobs is from a study produced by the Bros Group based on a survey carried out by CERES

WORKFORCE (31/12/2017) ³	2015	2016	2017
TOTAL EMPLOYEES	267	272	288
EXTERNAL WORKERS ⁴	75	76	79

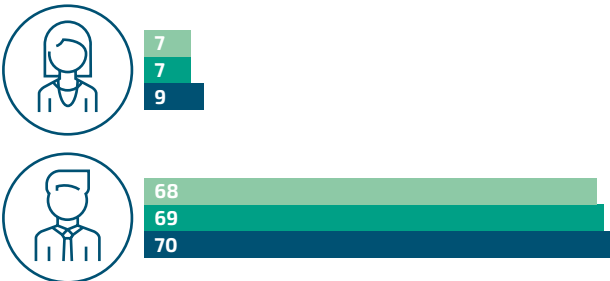
³ The data shown in this section refer to the workforce located at the Tarragona site (Spain), the company's only site. Employees on partial retirement are included within the total; in the rest of the tables in this section, these employees have not been included as, although they are still under contract to ELIX, their work time is not the same.

⁴ With the exception of this table, the rest of the indicators shown in this section do not include external employees because we do not directly manage them.

↑ **5.9%**
EMPLOYEES
COMPARED
TO 2016



↑ **3.9%**
EXTERNAL
WORKERS
COMPARED
TO 2016





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BY WORK DAY

(31/12/2017)

	2015	2016	2017	↓↑
% OF THE WORKFORCE WORKING FULL-TIME	96.4%	96.5%	95.7%	
FULL-TIME	216	220	243	10.5%
MEN	175	177	194	9.6%
WOMEN	41	43	49	14.0%
PART-TIME	8	8	11	-
MEN	0	0	0	-
WOMEN	8	8	11	-

NOTE: employees on partial retirement not included

BY CONTRACT TYPE

(31/12/2017)

	2015	2016	2017	↓↑
% WORKFORCE ON A PERMANENT CONTRACT	86.2%	89.9%	90.6%	
PERMANENT	193	205	230	12.2%
MEN	161	165	178	7.9%
WOMEN	32	40	52	30.0%
TEMPORARY	31	23	24	-30.4%
MEN	14	12	16	33.3%
WOMEN	17	11	8	-27.3%

Note: employees on partial retirement not included

9.4%
WORKFORCE ON A
TEMPORARY CONTRACT

WE FOSTER
JOB STABILITY
90.6%
WORKFORCE ON A PERMANENT
CONTRACT



NEW RECRUITMENTS



BY AGE

5 UNDER 30 YEARS OLD	1 UNDER 30 YEARS OLD	3 UNDER 30 YEARS OLD
28 BETWEEN 30 AND 50 YEARS OLD	30 BETWEEN 30 AND 50 YEARS OLD	23 BETWEEN 30 AND 50 YEARS OLD

BY GENDER

19 MEN	18 MEN	22 MEN
14 WOMEN	13 WOMEN	4 WOMEN

TURNOVER RATE BY AGE

	2015	2016	2017
UNDER 30 YEARS OLD	0%	0%	0%
BETWEEN 30 AND 50 YEARS OLD	1%	1%	1%
OVER 50 YEARS OLD	0%	0%	0%

TURNOVER RATE BY GENDER

	2015	2016	2017
MEN	0%	0%	0%
WOMEN	1%	1%	1%

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The relationship between employees and the company is carried out via their representation on various ELIX committees:



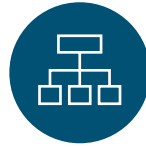
NEGOTIATION COMMITTEE

Its aim is to negotiate a new complementary agreement when establishing a new general agreement (about every 3 years).



PERMANENT COMMITTEE

A complementary committee that supervises the work of the Negotiation Committee.



EMPLOYMENT AND JOB CLASSIFICATION COMMITTEE

Addresses employment-related issues, such as promotion procedures, the professional categories applied and type of contracts offered.



EQUALITY COMMITTEE

Studies work-life balance issues and possible cases of harassment, ensuring equal opportunities in our work environment.



TRAINING COMMITTEE

Analyses our company's training strategy, indicating the needs detected and improving the Training Plan.



HEALTH AND SAFETY COMMITTEE

Deals with issues related to risk prevention, incidents and safety procedures.



SOCIAL AFFAIRS COMMITTEE

Manages allowances for our employees who want to prolong their studies, scholarships for employees' children and apartments that can be used by our staff, among other benefits.

THE ENCOURAGEMENT OF COHESION AND THE INVOLVEMENT OF THE TEAM

The work environment has a direct effect on people's well-being, motivation and, ultimately, their performance and involvement with the company. That's why, at ELIX, we encourage the organisation of social activities, internal communication and training as tools to foster good relations between employees, improve teamwork and encourage our staff to get involved.

To strengthen internal communication, we have the 'ELIX Actualidad' newsletter, published every month, which informs all workers of the most important activities and achievements related to the company. We also publish the 'ELIX Familiar' newsletter, an annual summary of the company's most important achievements and activities, aimed at our employees' families.

In 2017 we also carried out 47 internal communication campaigns related to environmental, social and health issues in order to raise awareness among our staff of important sustainability topics. Some covered ELIX's membership of international campaigns, such as World Cancer Day, the campaign to reduce CO₂ and the campaign for the environment. Other campaigns explained initiatives promoted internally, such as the collection of old mobile phones and computers for donations, or provided information on results and internal improvement projects, such as the Psychosocial Assessment Action Plan, among others.



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SHARED MISSIONS

Perhaps the ELIX's team most important action in 2017 was to define the SHARED MISSIONS, using the Management by Mission methodology. This initiative entailed a lot of work by the different areas, and has had a positive impact on the employees' interpersonal relationships and cohesion.

This project, which we launched in 2016, aims to harmonise ELIX's overall objectives with the individual participation of everyone who makes up our organisation. To this end, the different areas of the company work hard with their whole team to identify their specific contribution to our company's mission. This has helped us to strengthen the unity between the different areas and teams and to improve consistency in our communication. Leadership driven by a 'sense of mission' was also promoted, reinforcing the feeling of belonging within ELIX and helping to achieve the company's objectives through individual contributions.

In September we started our training seminars on the LEAN principles which help to develop problem-solving skills, both at an individual and also team level.

In 2017 we organised several social activities to encourage a collaborative climate at work, mainly through sports, social and charitable events.

Some notable examples of this kind of social activity held in 2017 are as follows:

- Seminar on preventing breast cancer
- Celebrating "1 year without accidents in the company"
- Participation in various sports events, such as paddle tennis tournaments, football leagues, cycling competitions, etc.
- Some members of our team took part in the Green Volunteer initiative as part of the European Clean-up Day, an activity to collect rubbish in order to raise awareness of the need to prevent waste that cannot be recycled or recovered.





SOCIAL BENEFITS FOR EMPLOYEES

Our entire workforce is covered by the Chemical Industry General Agreement and our own Collective Agreement. Employees are linked to the ELIX Polymers Complementary Agreement, which improves the conditions of the state collective agreement. The Complementary Agreement contains stipulations regarding allowances for our staff, particularly:

- Company Pension Plan
- Group health insurance
- Life assurance
- Social canteen
- Day-care allowances
- School allowances for children aged 3 to 16
- Achievement in Studies Prize for employees' children who have achieved good marks
- Allowance for employees who want to prolong their studies, related to their job performance
- Loans for house purchases
- Allowances for people with physical or mental disabilities
- Length of service bonus
- Christmas hamper
- Holiday apartments

Should the collective agreements change, all efforts are made to inform committee members as soon as possible.

100%
**OF OUR WORKFORCE
IS COVERED BY
THE COLLECTIVE
BARGAINING
AGREEMENT**

**WE PRIORITISE THE WELL-BEING OF OUR
EMPLOYEES AND THEIR FAMILIES BY
PROVIDING DIFFERENT ALLOWANCES.**



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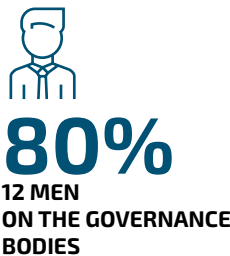
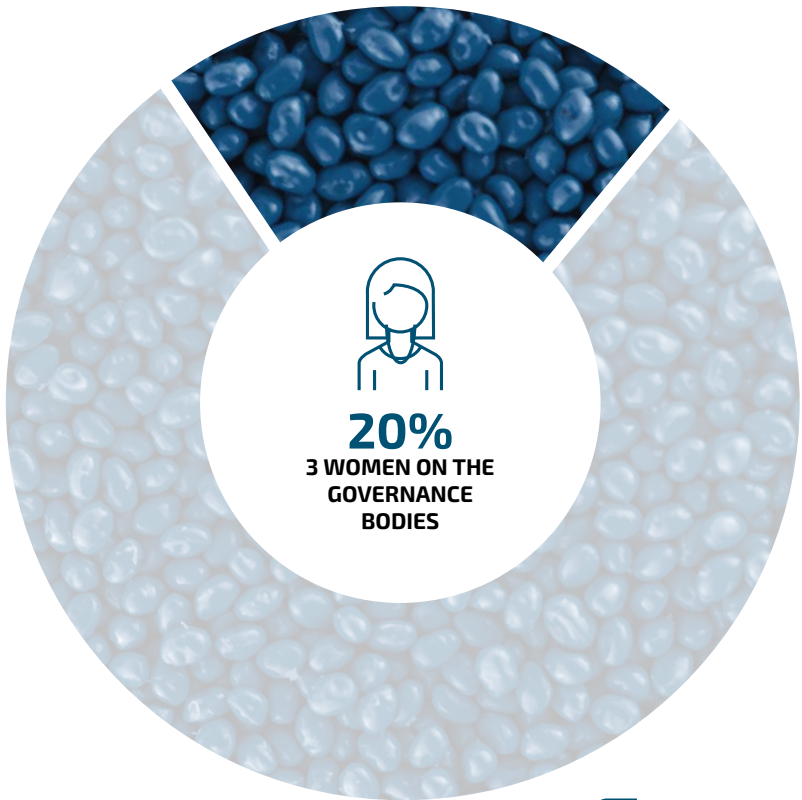
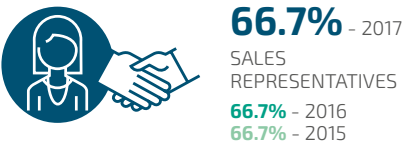
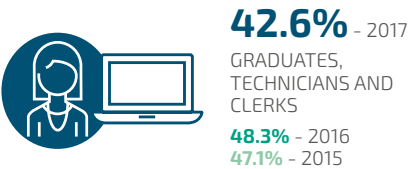
6.2 DIVERSITY AND EQUAL OPPORTUNITIES

Historically, our sector, the chemical industry, has been dominated by men. We're aware of this fact and are therefore committed to equality for everyone in the organisation and to promoting and encouraging measures to achieve true equality in our company and our sector. This represents a pillar of our corporate policy and applies to all areas where we do business.

In fact, already in 2012, the Equality Committee, made up of representatives from ELIX management and the trade unions CC.OO. and UGT, worked to produce the Equality Plan, seen as a tool to improve the framework of labour relations based on equal opportunities for men and women. All this within a context of non-discrimination and respect for diversity in a safe, healthy environment. An Equality Agent was also set up, with specific training in equal opportunities, to whom employees can turn for questions related to these issues.



PRESENCE OF WOMEN BY OCCUPATIONAL CATEGORY





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As part of the Equality Plan, we have the Harassment at Work Protocol, established as an instrument to ensure harmful conduct is prevented that could affect the respect and due dignity of any person at ELIX.

The Equality Committee has also promoted the following actions:

- Regular meetings to assess the actions contained in the current Plan, carrying out corrective measures when required.
- Communicating actions related to equal opportunities and any relevant information to encourage the participation and collaboration of our organisation in this commitment.
- Review of non-sexist language in publishing vacancies.
- Active encouragement of equal access to training.
- Raising awareness and training in equality.

At ELIX we see equality as going beyond simple issues of gender. For this reason, we collaborate with two Special Employment Centres and help to find jobs for people with some kind of functional diversity.

COMPARISON OF THE ELIX AVERAGE SALARY* WITH THE AVERAGE INTER-PROFESSIONAL SALARY



*Calculated as the average for the total payroll for our company

AGE DISTRIBUTION BY OCCUPATIONAL CATEGORY



MANAGERS

Between 30 and 50 years old	Over 50 years old
71.4%	28.6%
60.0%	40.0%
60.0%	40.0%



GRADUATES, TECHNICIANS AND CLERKS

Under 30 years old	Between 30 and 50 years old	Over 50 years old
11.8%	60.0%	28.2%
11.2%	59.6%	29.2%
13.0%	60.2%	26.9%



OFFICERS

Under 30 years old	Between 30 and 50 years old	Over 50 years old
6.6%	69.7%	23.8%
6.6%	69.4%	24.0%
6.3%	69.5%	24.2%



SALES REPRESENTATIVES

Between 30 and 50 years old
100.0%
100.0%
100.0%



6.3 PROFESSIONAL GROWTH



Employees training guarantees our ability to improve, using the talent of our professionals whose knowledge and skills ensure the strong growth of the company. Continued training therefore forms part of the ELIX's strategy for growth and development.

IN 2017 WE INCREASED THE TOTAL HOURS OF TRAINING FOR OUR EMPLOYEES BY 20%

In 2017 we carried out 4,812 hours of training in total, covering different areas related to personal skills, health and safety and technical matters.

The training promoted by the Human Resources Department includes training that is generic or of general interest and also specialised training for specific groups.

In 2017 we also increased the teaching hours, understood as the total hours of classroom training, going from 10,640 in 2016 to 15,622 in 2017.

AVERAGE HOURS OF TRAINING				
	2016	2017	2016	2017
MANAGERS	6.8	40.9	14.7	80.3
GRADUATES, TECHNICIANS AND CLERKS	25.2	22.8	16.2	27.2
OFFICERS	16.4	10.2	18.7	9.0
SALES REPRESENTATIVES	0	22	16.0	31.5

■ 2016 ■ 2017

4,000 h
2016

4,812 h
2017



TOTAL EMPLOYEE HOURS OF TRAINING

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The aim in 2017 was to implement a Transversal Training Plan to carry out training based on objective data, in line with our employees' skills and according to their needs. To achieve this, we held meetings with the different area heads and analysed the job description and skills of each member of their team. After carrying out the corresponding evaluations, we produced a specific **training plan** for each employee, which will be implemented during 2018.

Beyond training our employees, we also establish partnership agreements with institutes in Tarragona, such as the Pere Martell Institute and the Comte de Rius Institute, and the Rovira i Virgili University to take on students via internships and also PhD and pre-doctorate graduates.

These internships tend to take place during the summer. In addition to giving students the chance to put their knowledge into practice, this also helps them to become familiar with the profession *in situ*, seeing real cases and problems that can arise. In general, internships are carried out in the areas of chemical plant, mechanical maintenance and electrical engineering.

INVESTMENT IN TRAINING

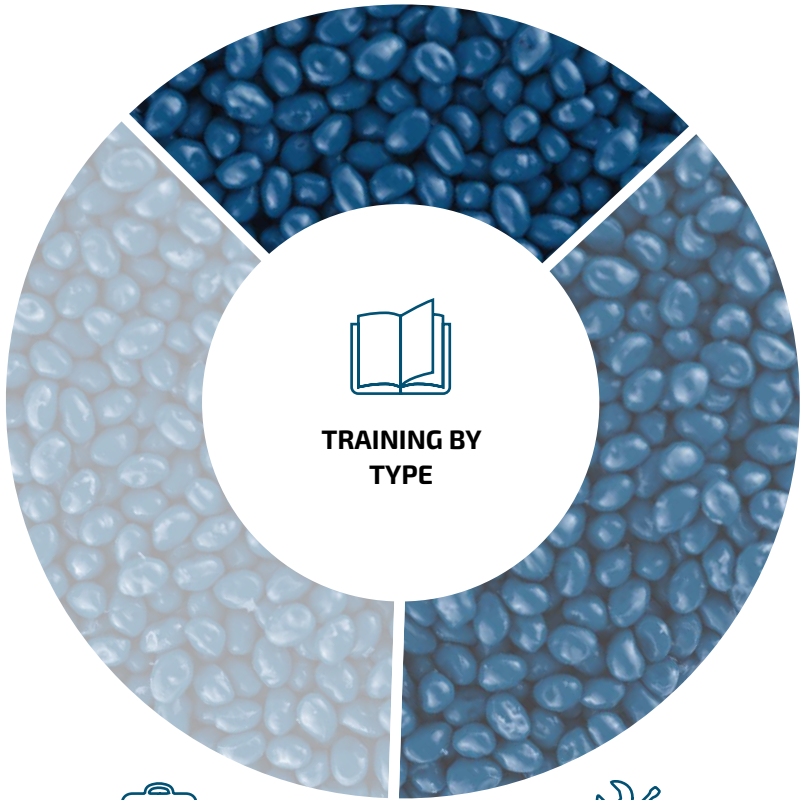


2015 2016 2017



25.7%

1,237 HOURS
ABILITY & SKILLS



37.4%

1,798 HOURS
HEALTH AND SAFETY



36.9%

1,777 HOURS
TECHNICAL



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OUR OPERATIONS: RESPONSIBLE BUSINESS

We guarantee the integrity of our processes by establishing objectives related to safety, health and the environment. This last aspect is crucial to our business, which is why we have promoted improvements in energy efficiency and waste management, as well as rationalising and more efficiently using our resources.





At ELIX, we believe we have a corporate responsibility is to carry out our business in line with our commitment to sustainability.

This commitment is based on three main pillars that govern our day-to-day work:

SAFETY of our production processes and of our employees.

HEALTH, complying with each sector's regulations in the manufacturing of products.

ENVIRONMENT, protecting and reducing impact with more environmentally-friendly products and processes.

7.1 SAFE WORK ENVIRONMENT

Both ELIX's corporate strategy and our mission establish the safety of our production processes and our employees as a priority area of focus. Our responsibility and thoroughness in health and safety issues for workers and the environment is even greater, as these are highly sensitive aspects in the chemical industry in general, as shown by the interviews held with our main stakeholders.

We have a management system that defines the responsibilities, objectives and actions related to health and safety at work. Year after year, **we regularly monitor compliance with the annual targets** through the use of specific indicators. Our objective is to have zero accidents and incidents and to continuously improve working conditions. That's why the targets set for 2018 are aimed at continuing to improve health and safety training and leadership style related to safety.

OBJECTIVES FOR THE PROMOTION OF HEALTH AND SAFETY 2017		PERFORMANCE	2018
TRIPLE ZERO			
LABOUR ACCIDENT RATE		0 ACCIDENTS WITH SICK LEAVE IN 2017	THE OBJECTIVES REMAIN THE SAME
PROCESS SAFETY INCIDENTS		IN 2017 THERE WERE TWO PROCESS INCIDENTS RECORDED ⁵	
ENVIRONMENTAL INCIDENTS		0 ENVIRONMENTAL INCIDENTS IN 2017	
CONTINUOUS IMPROVEMENT IN WORKING CONDITIONS		IMPLEMENTATION OF TRAINING ON SAFETY IN THE WORKPLACE, MAINTENANCE AND PRODUCTION	THE OBJECTIVE REMAINS THE SAME

⁵ Indicator in line with the standards of the Feique Responsible Care committee



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The basis for guaranteeing safe working conditions both for our employees and our environment revolves around strict compliance with current legislation on health and safety for industry and processes. However, to go that much further and be able to create an excellent health and safety culture that reduces the accident rate to zero, the following initiatives have been implemented:

- **FORM PART OF THE CHANGE IN THE HEALTH AND SAFETY CULTURE:** we want to convey and demonstrate safety as a priority aspect, promoting correct behaviour and values in our daily operations. The internal project *Plan E*, a program for Organisation-Based Safety, has been in place since 2017. For this project, we have provided to everyone different initiatives so they can participate, identify problems and find solutions together. Those initiatives are: Improvement workgroups, internal social network CONECTA-T, mobile app for knowledge management and an extensive communication campaign.
- **PARTICIPATION** of workers in designing and improving tasks and jobs to enhance the tools for participation in detecting risks and adopting preventative measures (Near miss, improvement workgroups, SMED projects, LEAN, etc.).
- **TRAINING** in health and safety in the workplace for maintenance and production, as well as regular preventative health and safety inspections with different levels of participation, including the company's management team.

PLAN E, A COMPLETE HEALTH AND SAFETY PLAN

Plan E for Organisation-Based Safety, known internally as Plan E, has a holistic, systemic view of all the elements within our organisation, from the staff to the operational procedures, leadership styles, communication and business strategy, among other aspects.

The aim of Plan E is to design a **process to change behaviour towards complete safety by changing individual attitudes and acquiring positive group values to ensure well-being at work.**

The plan is therefore to start working with the people at ELIX so that they can propagate and extend this change to the rest of the organisation. In health and safety, leadership involves behaviours that motivate and inspire workers to adopt the organisation's safety objectives as their own, promoting a change in values and attitudes among workers towards those that are useful for safety.

In short, this project represents an opportunity for all members of the Operations Area to communicate, participate, identify improvements and find solutions to make their workplace **a safer and more comfortable place.**

Within this project, we will implement the LEAD methodology which enhances 'soft' as opposed to 'hard' skills promoted by conventional health and safety measures.





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For 2018, our aim is to maintain our commitment to a positive safety culture. We will implement the program to develop safety leadership skills in our team. Specifically, regarding management systems, we want to implement the SHE Alerts system and participative campaigns.

In line with our strategy to become an accredited healthy company, we are now focusing on the mental as well as the physical well-being of our workers. In this respect, in 2017 we concluded the psychosocial risk assessment in line with Spain's Health and Safety Act (*Ley de Prevención de Riesgos Laborables*). The assessment was participative and aimed at identifying the strong points and areas for improvement with a detailed analysis by groups. Several training sessions were carried out for all employees, as well as a quantitative evaluation using the PSQCAT21 survey and a qualitative evaluation based on group dynamics, which included aspects related to the perception of psychosocial factors and health. 85.6% of the workers took part in this process (207 people). In total, we held 24 workshops (200 people, 62 hours) and 20 focus groups and interviews (35 people, 20 hours) to analyse the results and establish the proposed action plan.

WE PROMOTE OUR SAFETY STANDARDS WITH EXTERNAL COMPANIES AND WORKERS WHO CARRY OUT FUNCTIONS AT OUR FACILITIES.

The psychosocial action plan, for which actions (including those for specific groups and areas) have been defined, has been approved by ELIX's management team and is currently being implemented. Finally, we also held informative sessions for all the groups involved in the analysis to present the results and the plan drawn up.

We also extend our standards for health, safety and the environment to external companies that work with us. Compliance with these standards and with policies related to safety and protecting the environment are mandatory for those external companies, who must commit to complying with our internal standards.

We have produced a document that establishes the organisation's safety standards and policies, as well as regulations related to protecting the environment. However, the coordination of health and safety activities goes much further, so we extend our safety and environmental standards by jointly evaluating and supervising the work carried out. We make regular audits and provide a document management platform that ensures regulatory compliance. We also provide health and safety training for external workers related to the specific functions they carry out for our company.

As part of Safety Week 2017, ELIX Polymers awarded the company Bilfinger Industrial Services Spain the "ELIX Safety Prize". This services company obtained the best KPI Performance score for safety, endorsing its implementation of good health and safety practices.

The safety-related training carried out in 2017 and contained within the annual programme of activities was as follows:

- **Ergonomic assessment by task** for jobs at the polymerisation plant. 151 tasks were identified. Based on the priorities established, specific evaluations have been planned for tasks to be carried out in the period 2018-2020.
- **263 health and safety inspections** of tasks associated with production, in-house maintenance personnel and service companies.
- **351 housekeeping rounds**, with the participation of middle management from production and maintenance, as well as 10 rounds with the participation of the company's management team.
- **Six simulations:** 5 exercises related to Operations and 1 simulation in which all the organisation's personnel were involved.
- **1,850 cumulative hours of training** in health and safety for company staff, as per the Framework Health and Safety Plan and agreed planning. Some of the aspects covered were the assessment of psychosocial risks, safe driving and awareness of accidents travelling to and from work, emergency exercises, accident inquiries and Corporate Social Responsibility topics.
- **Integration of the First Aid Assistance and Health Monitoring Services**, which always guarantees the presence of a doctor specialized in Occupational Medicine at the site.



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SAFETY WEEK 2017, PART OF THE WORLD WEEK FOR SAFETY AND HEALTH AT WORK

For the first time in 2017, at ELIX we held a "Safety Week" and organized several internal events related to safety.

The main aim of "Safety Week" is to strengthen the company's health and safety culture, highlighting ELIX's commitment to people by creating a safe and sustainable work environment.

A successful health and safety culture can only be achieved through everyone's efforts. We therefore organised various events during the week of April 24-28, all highly participative and intended to grab the attention and encourage the involvement of all employees and external workers.

One of the most popular activities was a guided tour, called TOUR ELIX, to show employees the work carried out in the different areas and thereby increase empathy and team spirit.

We also held activities to promote healthy habits, workshops on active breaks in work and "laugh therapy," a debate on empowerment, and "active dama" sessions on Occupational Health and Safety. In addition, we launched a photographic competition called "Sharing Sport" on the physical activities carried out by our employees in their free time; this was very highly rated as an example of good practices.

One new aspect in these Health Monitoring Protocols is an emotional health test, DASS42, which helps to evaluate the most important and frequent issues that might affect any healthy adult, including those within the work environment: depression, anxiety and stress. The results of the health examinations are incorporated within the annual epidemiological study. This quantitative evaluation helps ELIX's Health and Safety Service to define corporate health and safety strategies related to psychosocial factors and activities to promote health.

We have also carried out activities to promote health, coordinated together with the others members of the chemical park where our facilities are located and in collaboration with an external health and safety services.

Campaigns covering the following subject area were carried out during the year:

- Prevention of cancer of the colon
- Promoting a healthy diet
- Preventing heat stroke
- Skin care campaigns
- Detecting and acting in the case of a stroke
- Preventing breast cancer
- Flu vaccinations
- Early detection of diabetes

We have established a new platform to manage external companies' legal requirements that are mandatory for working with ELIX. This change has permitted a complete review of the criteria used to classify and validate companies. In 2017 we increased the control of activities by 70% compared to the previous year, including logistics companies.





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Every year, we analyse our accident rate to check the effectiveness of the improvements implemented related to health and safety and to improve working conditions. In 2017, we reduced the number of accidents and incidents **and had no accident with sick leave at ELIX**. This is a notable achievement for our company which we have accomplished thanks to the hard work and responsibility of all our team.

The results of the accident analysis indicate that causes relating to personal factors have decreased compared to previous years and incorrect habits are the main causes of unsafe behaviours leading to physical injury. We also observed, in the cumulative figures for the past 5 years, that 80% of the causes are related to incorrect habits and the psychological demands (lack of time) and physical demands (ergonomic conditions) of the tasks.

HEALTH AND SAFETY INDICATORS

	2015	2016	2017
NO. OF ACCIDENTS WITH SICK LEAVE	2	2	0
NO. OF ACCIDENTS WITHOUT SICK LEAVE	2	6	4
FREQUENCY RATE	5.09	5.29	0
SEVERITY RATE*	0.16	0.17	0
ABSENTEEISM RATE**	2.69	3.58	2.0

As a consequence of our policies and the strategies we have implemented to promote health and safety and prevent occupational hazards, as well as the work carried out to improve the attention and support provided for the people on our workforce, in 2017 we achieved our lowest absenteeism rate in four years.

* Calculated as the Frequency Rate (FR): no. accidents / no. hours worked x 10⁶
** Calculated as the Severity Rate (SR): no. of days lost / no. hours worked x 10³



ONE YEAR WITHOUT ACCIDENTS.



WE HAVE ACHIEVED OUR LOWEST ABSENTEEISM RATE IN THE PAST 4 YEARS.



0.00
FREQUENCY RATE
ELIX
5.09 - 2015
5.29 - 2016

no. accidents / no. hours worked x 10⁶



0.00
SEVERITY INDEX
AG ELIX
0.16 - 2015
0.17 - 2016

no. of days lost / no. of days hours worked x 10³



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7.2 HEALTH AND SAFETY GUARANTEES IN OUR PRODUCTS

As a consequence of our commitment to safety, health and environment, at ELIX we evaluate and manage the potential risks of our products throughout their life cycle.

Our work is based on the concept of product stewardship. We focus on responsible and ethical management right from the initial stage of product development, helping us to improve the sector's sustainability. In order to anticipate and adapt our products to new situations, the product's steward regularly takes part in sector forums to keep up-to-date with any changes, new trends and initiatives.

We also have a management system, certified under the ISO 9001 standard, which guarantees our products comply with the **highest quality standards** when they are marketed.

AT ELIX WE MAKE SURE OUR PRODUCTS COMPLY WITH HEALTH AND SAFETY LEGISLATION FOR ABS MATERIALS.

All our **products comply with the strictest national and international regulations** in terms of health and safety. These regulations can be consulted on our [website](#), in the section "Sustainability", under "Directives".

To guarantee maximum safety, we also make sure our products comply with the specific directives and standards for all the sectors we operate in. In this sense, two areas of particular importance are products that come into contact with food and those used for medical instruments.

We have a **post-sales service** which can provide our customers with advice and information regarding the correct handling and proper use of our products. This is tailor-made advice based on a specific analysis of each customer's needs.

WE OFFER OUR CUSTOMERS ADVICE ON THE CORRECT HANDLING AND PROPER USE OF OUR PRODUCTS.

This post-sales service is supported by **Material Safety Data Sheets** (MSDS) issued via our corporate website. These are documents containing detailed data on chemical compounds, the use, storage, handling and emergency procedures and potential effects on health related to a hazardous material. We thereby comply with the REACH Legislation that requires an MSDS to be issued in the event that a substance or preparation provided to any user from the European Union contains a chemical product classified as a hazardous substance. Users who download these data sheets receive notification when there are updates regarding the products purchased.

WE MEET THE FOLLOWING SECTOR STANDARDS

We guarantee compliance with the requirements established in the specific regulations and standards for all the sectors we operate in:



European Food Safety Authority

EUROPEAN FOOD SAFETY AUTHORITY (EFSA)

Regulation 1935/2004
Regulation (EU) no. 10/2011



US FOOD AND DRUG ADMINISTRATION (FDA)

US FDA 21 Code of Federal
Regulations Section 181.32
CLP Regulation (EC) no. 1272/2008
CONEG legislation on packaging
and its waste – 94/62/CE and
amendments
Montreal Protocol (substances
that deplete the ozone layer) –
1005/2009/EC



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7.3 COMMITMENT TO THE ENVIRONMENT

A fundamental part of our mission is to ensure that safety and respect for the environment are integrated within our processes. This clearly indicates that our organisation is committed to the environment. Our **strategy to protect the environment** sets a double commitment that underpins our daily work: establishing environmentally-friendly manufacturing processes and producing products and providing services that are top of high quality and sustainability.

Our Health, Safety and Environment Department, is responsible for implementing our environmental policies. It ensures that the management systems implemented are effective and monitors any environmental actions and corrective measures that must be carried out at our facilities. It is also responsible for regularly reporting on any advances in the environmental area to the Management Team, which is actively involved in this key aspect of our organisation.

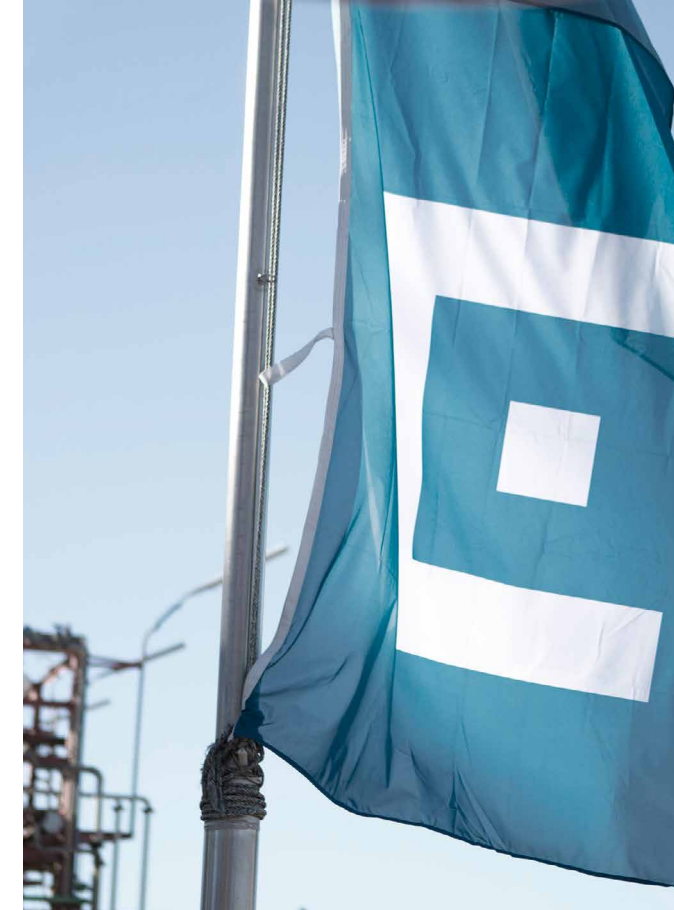
At ELIX we have an **environment and sustainability policy** which addresses prevention and efficiency in resource consumption by the production processes for our products; we also have an **energy policy** to continuously improve energy performance at our facilities and in our activities.

Our respect for the environment, embodied in these policies and forming an integral part of our management philosophy, is attested by the important and internationally renowned environmental certificates and distinctions we have obtained, such as the **ISO 14001** standard (environmental management) and the **ISO 50001** standard (efficient energy management). As in previous years, we renewed our certification in accordance with these standards, which involve all our areas of business.

We also have various programmes to reduce emissions and solid waste, to calculate the **carbon footprint** and to carry out **life-cycle assessments of our products**, and to improve internal communication as a means of raising environmental awareness.

It's important to measure our environmental performance to be able to improve it. For this reason, we've designed a **tracking indicators system** related to environmental aspects identified as significant for our activity, which enables us to assess the degree of attainment of our environmental objectives

In parallel to the management and continued improvement systems implemented at ELIX, we also invest continuously in products to develop a more sustainable portfolio based both on non-renewable but more sustainable raw materials as well as raw materials from renewable sources (such as natural fibres and bioplastics).



100%
OF OUR FACILITIES
AND ACTIVITIES ARE
CERTIFIED UNDER THE
STANDARDS ISO 14001
AND ISO 50001.



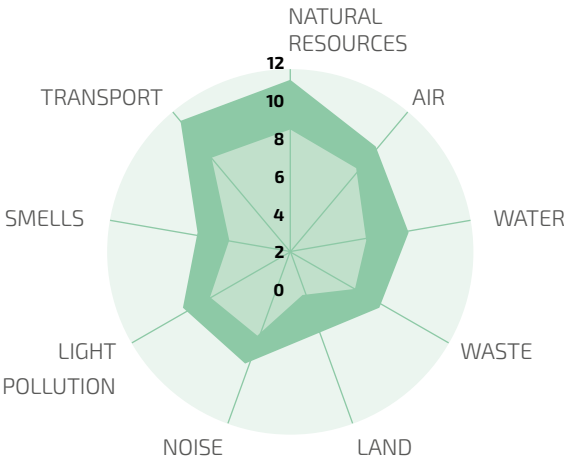
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We apply the precautionary and prevention principle in our day-to-day work, as demonstrated by some of the projects carried out in 2017: the reuse of filter cakes waste, which we expect to produce results next year; certification of compliance with the "Voluntary Agreements" programme to reduce CO₂ emissions promoted by the Catalan government; measurement of fugitive emissions at the plants; and membership of the "Marine Litter" programme. Internally, we carried out a 'good environmental practices' campaign to separate waste and use resources responsibly.

In 2017 we updated the **analysis of environmental risks** to assess the impact of the preventative measures implemented. The result obtained shows that the risk has decreased in all the aspects reevaluated, as can be seen in the following graph:

RISK CLASSIFICATION



2017 OBJECTIVES	PERFORMANCE	2018 OBJECTIVES
GLOBAL REDUCTION IN ENERGY COSTS BY 1.2%	 -7.46%	1.5%
COMMITMENT TO A CIRCULAR ECONOMY BY CARRYING OUT A PILOT TEST FOR THE REUSE OF FILTER CAKE WASTE AS A RAW MATERIAL FOR INDUSTRIAL USE	UNDERWAY	REMAINS THE SAME
		VSD DEVELOPMENT AND IMPLEMENTATION
		PROJECT TO IMPLEMENT THE OPERATION CLEAN SWEEP® (OCS) PROGRAM
		PROGRAMME TO MINIMISE HAZARDOUS WASTE /WASTE THAT CAN'T BE REUSED



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INVESTMENT IN ENVIRONMENTAL PROTECTION

Our commitment to sustainability is permanent, although investment to protect the environment was significantly lower in 2017 than in 2016. In 2016, we made a large and important investment in renewing a whole production line, which entailed significant expenditure. In 2017 there was no large investment in our facilities although actions were carried out in specific areas. Consequently, during the year we implemented other kinds of projects which were smaller and less expensive.

€2,630,00

2016



€1,261.00

2015

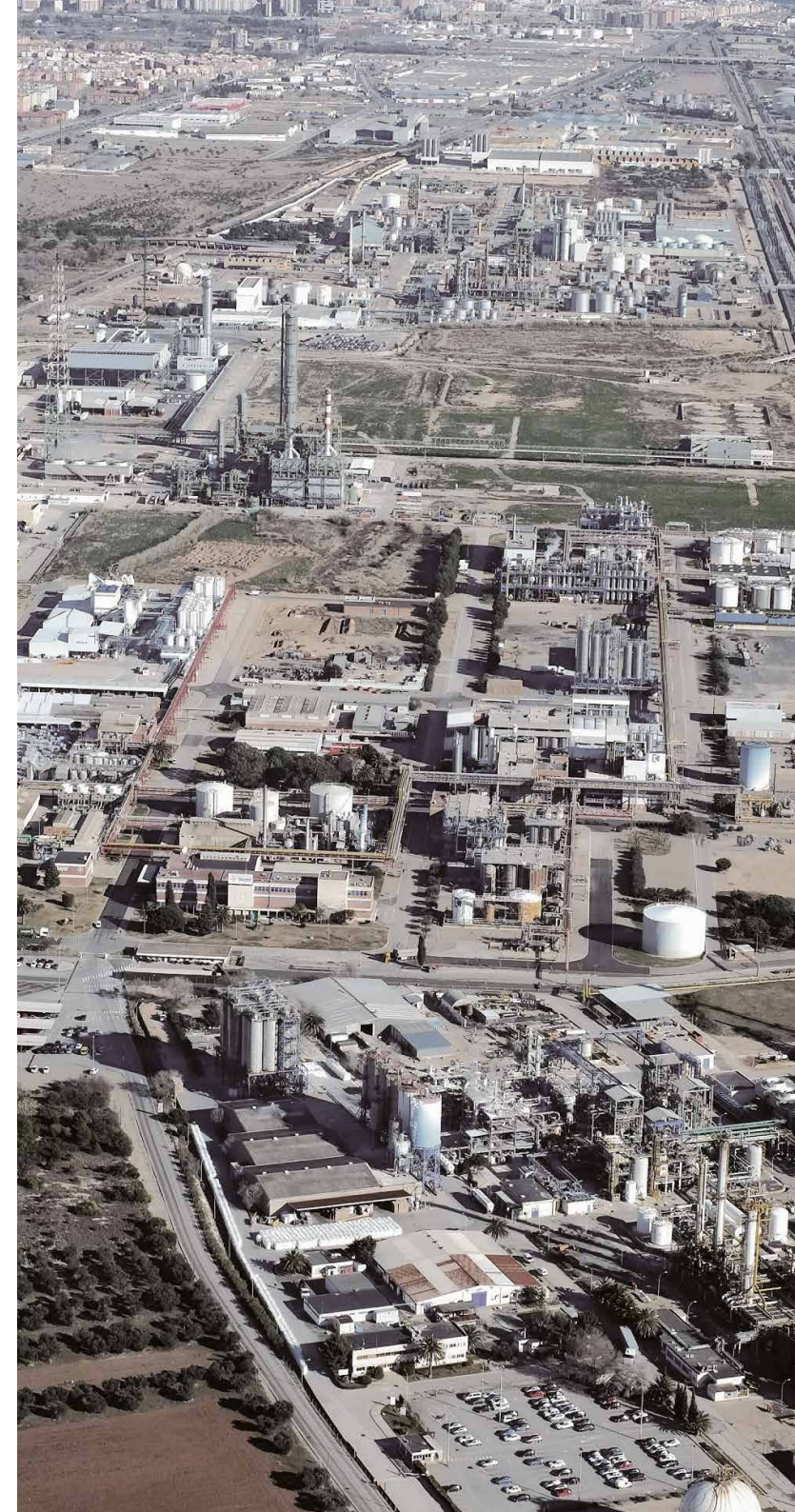


€665.34

2017



EXPENDITURE AND INVESTMENT IN PROTECTING THE ENVIRONMENT





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RATIONALISING MATERIAL CONSUMPTION

As a chemical company, at ELIX we're very aware of the socio-environmental impact resulting from any incident in handling raw materials, particularly hazardous substances. To avoid such incidents, we have mechanisms in place that ensure we comply with the applicable standards for handling such substances and to monitor the application of the indications on their safety data sheets. We also regularly measure and monitor the levels of soil contamination as an extra precaution.

The analysis of environmental risks carried out in 2016 took into account possible situations resulting from spills or leaks of the main materials we use. The preventative measures we have implemented since then have reduced this risk.

IN 2017, WE IMPROVED OUR EFFICIENCY RATE FOR RAW MATERIALS CONSUMPTION.

We continue to work to achieve an **efficient use of resources by rationalising raw material consumption**.

In 2017 the consumption of our main materials increased in absolute value terms. On the other hand, once again we managed to substantially **improve our raw materials performance rate**, understood as the efficiency of the use of raw materials in the manufacturing process. In other words, we have reduced the quantity of raw materials used in relation to the quantity of product produced.

Since 2016, **we have implemented improvements to reduce paper consumption and consume more sustainable paper** at our offices. Currently, 98% of the office paper we use has an Ecolabel (Der Blaue Engel, EU Ecolabel or Cradle-to-cradle: Silver). However, in 2017 we did not manage to reduce our paper consumption, which increased by 21%. For this reason, in December we started a 'good practices' campaign to raise awareness among all the ELIX personnel of the need to reduce paper consumption.

TREND IN PAPER CONSUMPTION

	2016	2017	↓↑
NON-RECYCLED PAPER	18	18	0%
RECYCLED PAPER	815	986	21%
TOTAL	833	1,004	21%

CONSUMPTION OF THE MAIN RAW MATERIALS (t)

	2015	2016	2017	↓↑
ACRYLONITRILE	19,285	19,223	21,877	13.8%
BUTADIENE	17,081	16,651	18,660	12.1%
STYRENE	55,542	55,625	62,781	12.9%
TOTAL	91,908	91,499	103,318	13%

TREND IN THE EFFICIENCY RATE FOR RAW MATERIALS CONSUMPTION





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WE'RE COMMITTED TO ENERGY EFFICIENCY

ELIX's **energy policy** defines our commitment to improving the energy efficiency of our facilities which, at the same time, has an effect on our Greenhouse gas (GHG) emissions. As a result of this commitment, in 2015 we implemented and certified an energy management system under the ISO 50001 standard. Additionally, every year we set targets to improve our energy efficiency and establish indicators to monitor this.

Thanks to specific actions such as controlling leaks of compressed air, controlling purges of the heating system and operational control procedures, we have achieved the specific energy efficiency targets we had set for 2017.

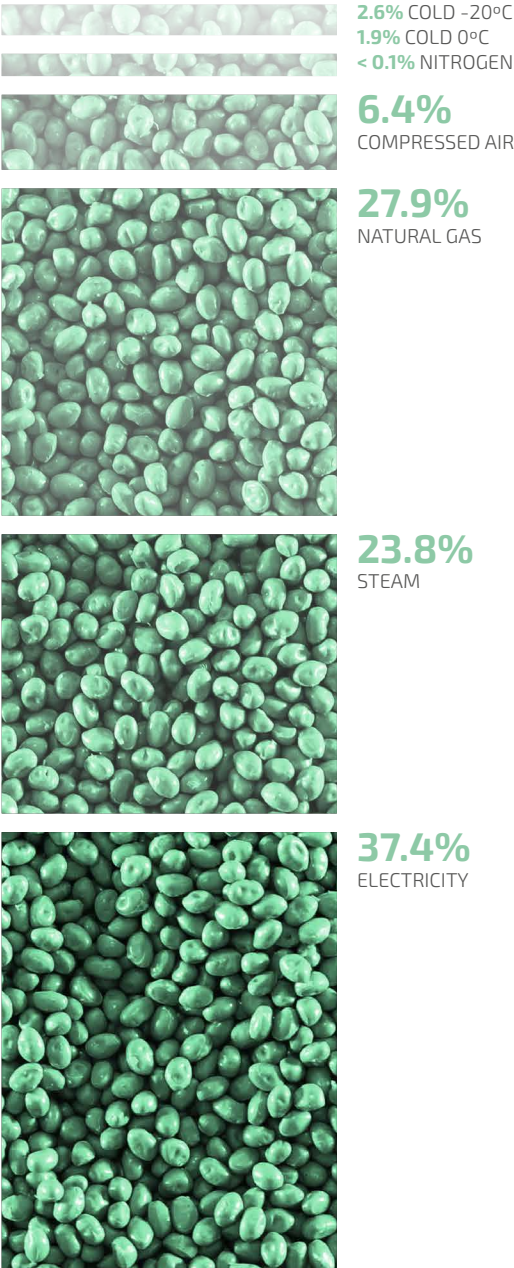
It should be noted that, in 2017, we substantially increased ABS production, which explains the absolute rise in energy consumed by our plant. However, the energy improvements carried out and operational controls established have resulted in a significant reduction in the energy consumption per tonne of ABS produced, indicating that we have clearly improved our efficiency.

2017 OBJECTIVES	PERFORMANCE	2018 OBJECTIVES
5% REDUCTION IN SPECIFIC NATURAL GAS CONSUMPTION COMPARED TO 2016	<div><div></div><div>-7.7%</div></div>	5% REDUCTION COMPARED TO 2017
10% REDUCTION IN SPECIFIC COMPRESSED AIR CONSUMPTION BY THE COMPOUNDING PLANT COMPARED TO 2016	<div><div></div><div>-16.6%</div></div>	3% REDUCTION COMPARED TO 2017
2% REDUCTION IN SPECIFIC STEAM CONSUMPTION BY THE POLYMERISATION PLANT COMPARED TO 2016	<div><div></div><div>-9.2%</div></div>	3% REDUCTION COMPARED TO 2017

ENERGY CONSUMPTION	2015	2016	2017	↓↑
TOTAL PLANT (KWH/YEAR)	103,756,681	101,458,142	104,117,104	2.6%
TOTAL (kWh/t ABS produced)	1,019.9	1,054.4	934.2	-11.4%

DISTRIBUTION OF THE ENERGY CONSUMPTION

(based on equivalent primary energy)



IN 2017 WE REDUCED OUR SPECIFIC ENERGY CONSUMPTION BY 11.4%

WE'VE ACHIEVED ALL OUR ENERGY EFFICIENCY OBJECTIVES FOR 2017



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EMISSIONS INTO THE ATMOSPHERE

GREENHOUSE GASES

As an organisation, we're committed to combating climate change and we've demonstrated this by joining, in 2016, the **Programme of Voluntary Agreements to reduce greenhouse gas (GHG) emissions** by the Land and Sustainability Department of the Catalan government. To continue our membership of this programme, in 2017 we presented an inventory of our emissions, as well as information on the improvement measures implemented.

In 2017 we increased our GHG emissions by 18%. This increase, far higher than the increase in our energy consumption, is due to the increase of the energy mix factor used to convert electricity consumption into CO₂ emissions. This factor depends on the type of energy source used to produce electricity, so it varies every year due to factors beyond our company's control.



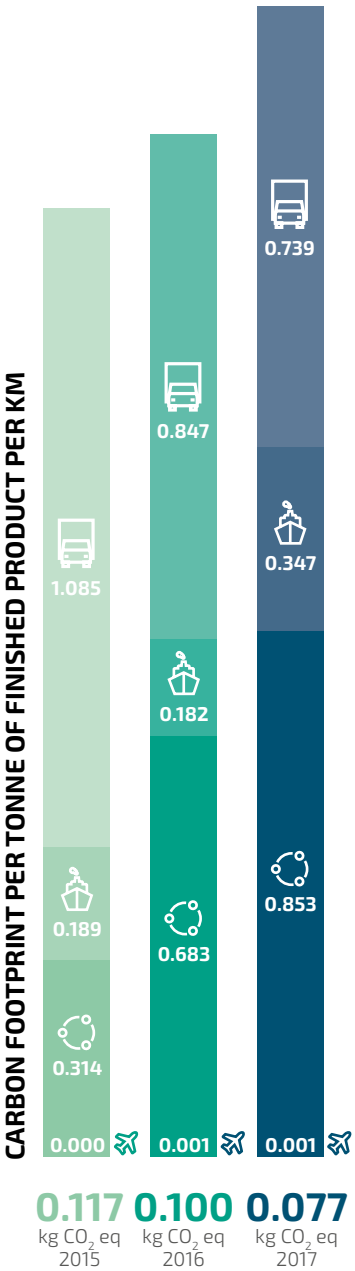
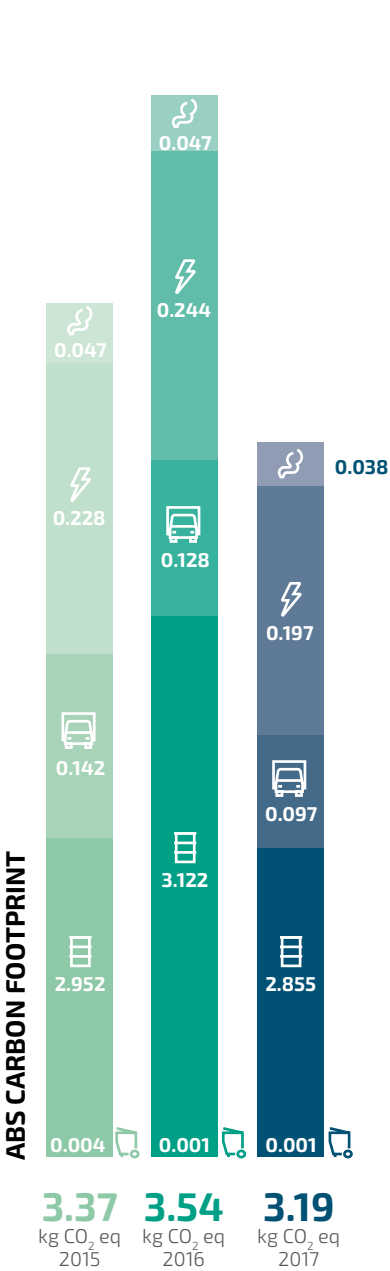
GHG EMISSIONS	2015	2016	2017	↓↑
TONNES OF CO ₂ eq	22,412	22,519	26,582	18%

GHG EMISSIONS INTENSITY	2015	2016	2017	↓↑
GENERATION OF EMISSIONS PER PRODUCTION (t CO ₂ eq / t sales)	0.2200	0.2289	0.2385	4.2%
GENERATION OF EMISSIONS PER EMPLOYEE (t CO ₂ eq/employee)	89.6	82.8	101.8	23.0%

Calculations have been made based on the consumption of natural gas and diesel, including road transport (scope 1), electricity and other energy consumption (scope 2). The emission factors used are given in the guide entitled *Guia pràctica per al càlcul d'emissions de gasos amb efecte hivernacle (GEI)*, 2017 version.



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The **information resulting from calculating our carbon footprint** allows us to focus our efforts on those phases in which the impact is greater and also gives us greater influential capacity to reduce it and therefore fulfil our commitment to reduce the environmental impact we generate with our activity.

In 2017, the ABS carbon footprint was smaller than in previous years. To calculate this, we have taken into account the effect of the economic assignment of environmental impacts: in 2017, the relative share of sales of SAN and ABS powder were larger than in previous years, so that the environmental burden with a greater relative weight have been shared by these two co-products, reducing the environmental burden of ABS. Apart from this aspect, there has also been a decrease in the consumption of raw and auxiliary materials, which also reduces the impact of transportation, as well as the reduction in energy consumption we have achieved.

In 2017, the carbon footprint related to transporting the finished product to customers was smaller than in previous years, mainly due to the increase in intermodal rail and ocean freight and decrease in road freight.

- Emissions
- Energy consumption
- Transportation (raw materials + waste + finished product)
- Raw material consumption
- Waste management
- Air freight
- Intermodal rail
- Ocean freight
- Road freight



OTHER EMISSIONS INTO THE ATMOSPHERE

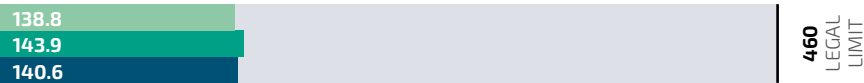
In addition to CO₂ emissions with a direct impact on climate change, there are also other emissions into the atmosphere that can have other repercussions, either on people's health or on the natural environment. Our commitment to both, as well as our regulatory obligations, mean that we regularly monitor pollutant emissions into the atmosphere at the emitting sources to verify they are within the limits established by law.

At the end of 2016, the implementation of the **LDAR programme** (Leak Detection and Repair) was completed, with the aim of controlling and reducing emissions of volatile organic compounds (VOC) or fugitive emissions. In 2017, we reviewed the fugitive emissions at our facilities using the procedure stipulated by LDAR. The implementation of this programme helps to reduce the impact on the environment, improve safety and hygiene for people and save on raw materials.

The results of the measures carried out demonstrate that our facilities are extremely leak-tight as leaks have only been detected in 0.09% of the points measured, a rate which is much lower than other companies in the sector where the rates tend to be between 0.7% and 3%.

EMISSIONS OF
POLLUTANTS INTO
THE ATMOSPHERE
(NO_x AND CO) ARE FAR
BELOW THE LIMITS
ESTABLISHED BY LAW.

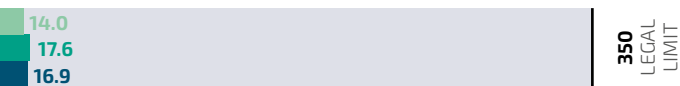
EMISSIONS OF NO_x (mg/nm³)



ANNUAL AVERAGE ↓2.3%
SAN 2 PLANT



ANNUAL AVERAGE ↓21.4%
TAR PLANT



ANNUAL AVERAGE ↓4.1%
RTO PLANT

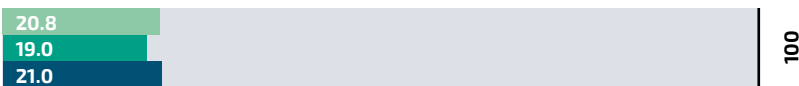
EMISSIONS OF CO (mg/nm³)



ANNUAL AVERAGE ↓17.0%
SAN 2 PLANT



ANNUAL AVERAGE ↓7.3%
TAR PLANT



ANNUAL AVERAGE ↑10.7%
RTO PLANT

WATER CONSUMPTION

In 2017 we increased our total water consumption in line with the increase in production. However, we managed to save both on the specific consumption of industrial water (5.8%) and cooling water (3.8%).

Nevertheless, the **reduction in specific water consumption** indicates that the measures taken to improve our water management have been effective.

WATER CONSUMPTION

	2015	2016	2016	↓↑
INDUSTRIAL AND TREATED WATER (m³)	129,197	113,548	125,914	10.9%
INDUSTRIAL AND TREATED WATER (m³/t produced)	1.27	1.18	1.12	-5.1%
COOLING WATER (m³)	4,419,151	4,117,553	4,649,599	12.9%
COOLING WATER (m³/t produced)	43.4	42.8	41.1	-3.8%

WE CONTINUE
TO IMPROVE THE
RESPONSIBLE USE
OF OUR WATER
RESOURCES.

INDUSTRIAL WATER



COOLING WATER





WASTE

The correct management of the waste is another key aspect in our environmental management strategy. Thus, we take actions to **reduce the total amount generated and to increase its recovery**.

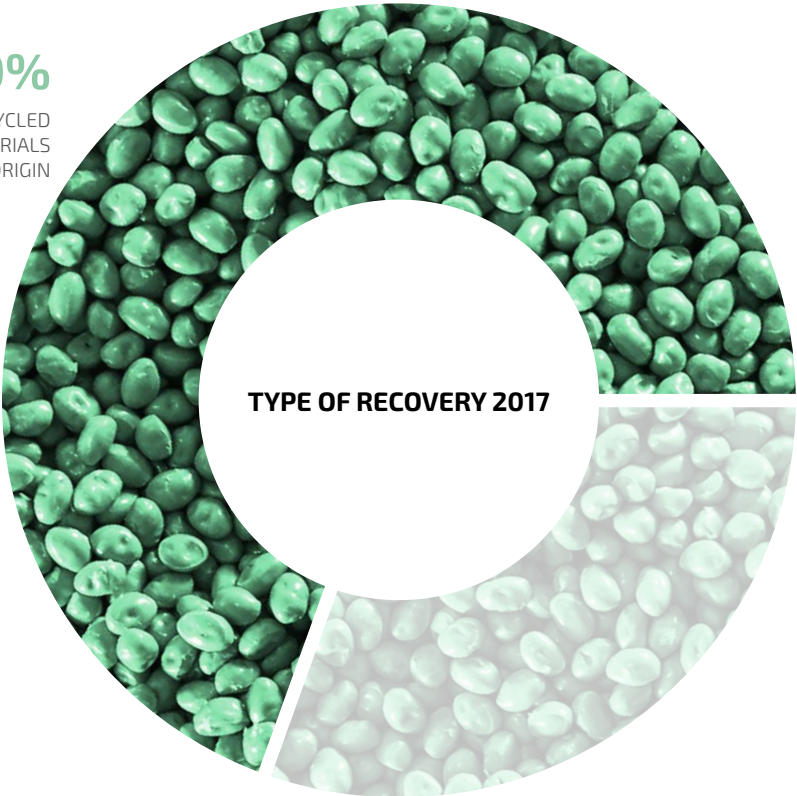
The main waste we generate are thermoplastics in block, ABS- R Type A, filter cake and water with non-halogenated solvents that represent more than 50% of the total amount of waste produced.

We have reduced the total volume of waste per tonne of ABS in relation to the sales produced, thanks to stabilising the amounts generated for the larger volume types of waste. For example, it has only increased by 3% for ABS remains and by 2% for water with monomers from compounding. The other types of waste have decreased.

Some aspects related to the increase in the volume of recoverable waste that was incinerated or deposited in landfill are as follows:

- We were forced to incinerate some recoverable waste due to problems beyond our company's control.
- We generated 36.54 tonnes of fibrocement waste resulting from the renovation of a building at our facilities, which was deposited entirely in landfill.

69.70%
RECYCLED
MATERIALS
OF PLASTIC ORIGIN



TOTAL WASTE
(t total waste/t produced)

3.9%

2015

3.6%

2016

↓ **3.1%**

2017

**IN 2017 1.6% LESS WASTE
WAS RECOVERED PER
TONNE OF ABS PRODUCED
THAN IN 2016.**

**WE REDUCED THE TOTAL
VOLUME OF WASTE
GENERATED BY 4.4%.**

% RECOVERY
(t total waste/t produced)



**MAIN MANAGEMENT
PATHWAYS**

	2015	2016	2017
INCINERATION	4.0%	1.7%	2.3%
LANDFILL	7.9%	7.4%	10.5%
RECOVERY	88.1%	90.9%	87.2%

REGENERATION OF SOLVENTS - **15.2%**

USE AS FUEL - **6.4%**

RECYCLING AND RECLAMATION OF METALS - **1.6%**
AND METAL COMPOUNDS

RECYCLING OF PAPER AND CARDBOARD - **1.0%**

RECLAMATION, REUSE AND REGENERATION - **0.7%**
OF PACKAGING

OTHER TYPES OF RECOVERY - **5.3%**

REGENERATION OF MINERAL OILS - **0.05%**

RECLAMATION OF CABLES - **0.05%**



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CIRCULAR ECONOMY: RECOVERY OF FILTER CAKES

At ELIX we are committed to the circular economy, which we understand as a means of recovering and subsequently reusing the waste generated.

One of the objectives for 2017 was to recover filter cakes. We therefore started a project with the company Zicla to evaluate the technical and economic viability of using ABS filter cakes to produce asphalt. In this project, the filter cakes were characterised and tests were carried out with bitumen and asphalt. The preliminary results are positive and show great potential to apply this material in this sector.



The nature of our activity forces us to work with hazardous products and waste; i.e. waste that may jeopardise people's health or cause considerable damage to the environment. At ELIX we take particular care with such waste and attempt to minimise it.

OUR STRATEGY TO RECOVER WASTE FORMS PART OF THE CIRCULAR ECONOMY.

The increase in hazardous waste generated in 2017 can be explained as follows:

- Generation of fibrocement (36.54 tonnes), which had not occurred in previous years.
- Process tank cleaning (55.66 tonnes), representing an increase of 181% compared to 2016.
- 2% increase in water with monomers from compounding compared to 2016.

REDUCTION IN WASTE BEYOND OUR FACILITIES

In the context of the Packing Waste Prevention Plan 2015-2017, at ELIX we have adopted measures to prioritise logistic strategies that minimise packaging use, such as using tankers to distribute products within the EU.

HAZARDOUS WASTE AND ITS MANAGEMENT PATHWAYS

	2015	2016	2017	↓↑
INCINERATION (t)	151.7	59.6	81.2	36%
RECOVERY (t)	550.0	568.9	658.1	16%
DEPOSITED IN LANDFILL (t)	--	--	36.5	100%
TOTAL (t)	701.0	628.4	775.8	23%

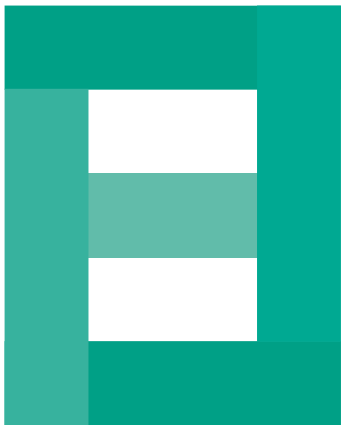
PACKAGING WASTE RELEASE TO THE MARKET

	2015	2016	2017	↓↑
PACKAGING WASTE GENERATED (t/a)	275.3	187.4	213.6	14.0%
TOTAL AMOUNT OF PRODUCTS RELEASED TO THE MARKET (t/a)	13,407.8	10,260.9	10,794.9	5.2%
KR/KP (t PACKAGING/ t PRODUCT RELEASED TO THE MARKET)	0.0205	0.0183	0.0198	8.1%

* Data from the official packaging declarations in Spain



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RESPONSIBLE ECONOMIC MANAGEMENT

We manage our company's economic resources responsibly, generating continuous sustainable growth that allows us to consolidate our presence in the market and to attain our business objectives.





8.1 ECONOMIC MANAGEMENT AND PERFORMANCE

WE ARE AN IMPORTANT DRIVER OF THE LOCAL ECONOMY.

ELIX's economic and risk management is carried out efficiently and transparently by the Finance Department. This department also manages the correct use of the company's economic resources to generate a solid return on investment.

The economic objective is the pillar on which our company's future sustainability is built. For this reason, the objectives of the different functional areas must be in line and converge with this overall objective.

ELIX's growth and add value creation, under the principles of solvency and integrity applied by a committed professional team, allow us to meet strictly with our contractual and legal obligations, given that they are the guarantee of our commitment to our shareholders and other company stakeholders.

We have achieved our sales growth objectives in the strategic sectors we had defined in the 2017 budget. Our unit contribution margins have also improved compared to the previous year and the forecast, while structure costs have been on budget. All this has resulted in 29% growth in our EBITDA compared to the previous year and a 12% improvement on the year's forecast.

This growth has been possible thanks to the responsible management of our economic resources, appropriate management of the risks and opportunities around us, and by establishing equal relations with our stakeholders as defined in the company's Global Mission (Customers, Shareholders and People).

The objectives for 2017 were as follows:

- Good internal control practices.
- Continued improvements to support other departments.
- Improved forecasting process.
- Commitment with the Management by Missions corporate project.

These objectives are always present in our daily work and we therefore review our internal processes to improve their efficiency and effectiveness.

WE'VE INCREASED OUR SALES VOLUME BY 13.8% (TONNES).

In 2017 we continued to post positive growth in our sales volume. The rate of growth between 2014 and 2017 was 10.2%. The rate of growth in EBITDA over the same period was 59.3%.

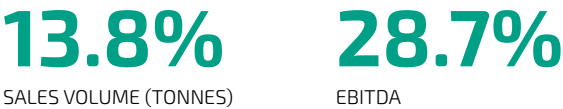
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GROWTH BETWEEN 2016 AND 2017:



All rates have been calculated as the compound annual growth rate (CAGR).

100 %
2015



↓ 3.1 %
2016



↑ 13.8 %
2017



SALES VOLUME TREND (TONNES)

IN THOUSANDS OF EUROS	2017 VS 2016
ECONOMIC VALUE CREATED	31.3%
GROSS SALES	31.4%
OTHER REVENUE	14.9%
ECONOMIC VALUE DISTRIBUTED	46.8%
OPERATING COSTS	31.8%
FINANCIAL EXPENSE	108.2%
CORPORATION TAX	-132.1%
ECONOMIC VALUE RETAINED	-54.2%
DEPRECIATION	12.8%
RESERVES	-61.2%

The operating costs include: cash discounts + rebates accrual + customer claims & rev. Recognition + outbound freight + sales adjustments (commissions & claims) + material + COGS Other variable costs + COGS Fixed costs + SGA + Non-recurring income/expenses + Management fees

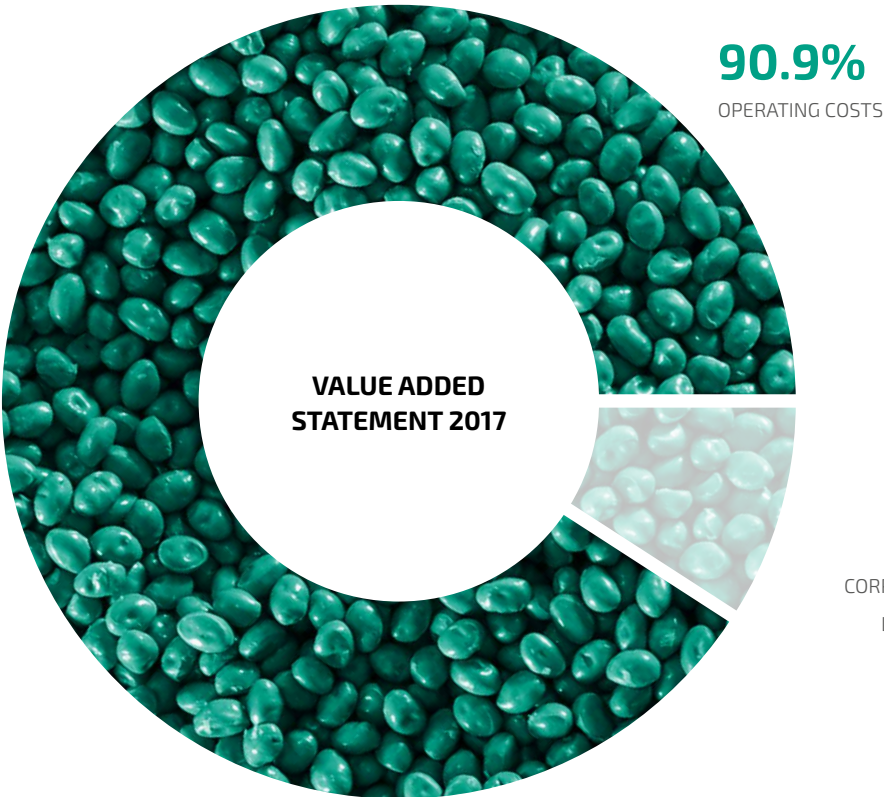
OUR INCREASE IN
ECONOMIC VALUE
CREATED WAS 31.3%
COMPARED TO 2016.



Particularly good examples of good practices in 2017 are the commitment and active participation of all members of the Finance Department in the Management by Mission corporate project, which has produced a good work environment and has encouraged work by a team committed to the company's objectives.

Other aspects that benefitted the whole of ELIX in 2017 were:

- **Inclusion of good practices in internal control:** focusing on the transparency, reliability and traceability of data to help management and shareholders take decisions, as well as to help other departments in their internal processes and decision-making.
- **Improvements in the forecasting of data** to anticipate possible scenarios of risk or opportunity and, if necessary, help to implement appropriate corrective measures.
- **Continued improvements to support other departments,** increasing awareness of the Finance Department's work and receiving a response from the other departments to improve the efficiency and effectiveness of internal processes.



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SCOPE OF THE REPORT

At ELIX, we have produced our second *Sustainability Report* which covers the period from 1 January to 31 December 2017. The scope of information in the report corresponds to the activity of ELIX Polymers, SL at its head office and production plant of La Canonja (Tarragona, Spain).

DEFINITION OF THE CONTENT AND PRINCIPLES UNDERLYING THE REPORT'S PRODUCTION

Key people from the different management areas at ELIX were directly involved in producing this report, represented in the new CSR Area. They have provided information related to the different aspects included in this report. It is therefore the result of teamwork, in which all the people involved have contributed with their knowledge and experience.

During the production of the report, the following standards have been considered:

- Guide *GRI Standards* of the **Global Reporting Initiative** (GRI), in accordance with the Core option.
- AA1000SES Standard of *AccountAbility*, during the materiality assessment.

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PRINCIPLES TO DETERMINE THE CONTENT OF THE REPORT

This *2017 Sustainability Report* by ELIX complies with the following principles that determine the content of this type of document defined by the *GRI Standards*:

STAKEHOLDER INCLUSIVENESS

When starting the production of the sustainability report, the stakeholders of the company were involved directly, as part of the materiality analysis carried out, through the distribution of a specific survey regarding aspects of sustainability. In addition, by means of a workshop that included key people from our organisation, the stakeholders of ELIX were identified and prioritised and, finally, they were contacted for the aforementioned survey. In 2017 there was a review of our stakeholders and the material aspects, and we also carried out in-depth interviews with the Town Council of La Canonja, Public Administration and the Chemical Sector of Tarragona.

SUSTAINABILITY CONTEXT

When identifying the different sustainability issues that are relevant for the organisation, benchmarking done in this area was taken into account. During the process of benchmarking, companies working in the same sector as ELIX, together with sectorial sustainability initiatives at international level, were analysed for the purpose of determining the sustainability context of the company, and borne in mind in the development of this document.

MATERIALITY

In preparing this report, a materiality analysis has been carried out according to *GRI Standards* and AA1000SES Standard of AccountAbility. This analysis, as well as the results obtained, are available in section 4 of this report.

COMPLETENESS

In the context of the management systems implemented related to quality (ISO 9001), environment (ISO 14001), energy management (ISO 50001) and health and safety, at ELIX we have defined a set of monitoring indicators, both absolute and relative, in order to track the evolution of the organisation's performance over time and to analyse the effect of the actions carried out, as well as compare this information with other companies in the sector.

Relating to the implementation of the quality principles of this report, also defined by the *GRI Standards*, the balance of the information provided has been taken into consideration, reporting both positive and negative aspects of the organisation's performance (as an example, see the "degree of achievement of the organisation's objectives")

Furthermore, the data provided are accurate and used for monitoring the correct management of those aspects related to sustainability reflected in the report and that are material for ELIX. In preparing the report, we have provided relevant information on the progress we have made in terms of sustainability for all our stakeholders, in a clear and concise manner.

Finally, in general, data are provided for the year of publication (2017) and the two previous years (2015 and 2016). This gives more details about the trend in the organisation's performance for each material aspect related to sustainability. Additionally, the information is presented in a way that enables us to compare the data with the rest of the sector and we have chosen specific indicators for that purpose.



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The table below summarises the general basic and sector-specific disclosures of the Global Reporting Initiative (GRI) in accordance with the GRI Standards: Core option.

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GRI 101: BASIS 2016
BASIC GENERAL DISCLOSURES / GENERAL DISCLOSURES

GRI STANDARD INDICATOR	DESCRIPTION	PAGE(S) AND/OR LINKS	OMISSIONS	SUSTAINABLE DEVELOPMENT GOALS (SDG)	GLOBAL COMPACT
GRI 102: GENERAL DISCLOSURES 2016	ORGANISATIONAL PROFILE				
	102-1	Name of the organisation	Elix Polymers		
	102-2	Primary brands, products and services	3, 8, 11		
	102-3	Location of headquarters	Polígono Industrial Ctra. de Vilaseca - La Pineda, s/n 43110 La Canonja (Tarragona, España)		
	102-4	Location of operations	Polígono Industrial Ctra. de Vilaseca - La Pineda, s/n 43110 La Canonja (Tarragona, España)		
	102-5	Ownership and legal form	Elix Polymers S.L.		
	102-6	Markets served	3, 8, 12		
	102-7	Scale of the organisation	3, 8		
	102-8	Information on employees and other workers	3, 8, 43-44	8. Decent work and economic growth	Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.
	102-9	Supply chain	10		
	102-10	Significant changes in the organisation and its supply chain	No significant changes.		
	102-11	Precaution principle or focus	61		
	102-12	External initiatives	13, 20		
	102-13	Membership to associations	13, 20, 21		
	STRATEGY				
	102-14	Statement of senior executives responsible for decision-making	4		
	ETHICS AND INTEGRITY				
				16. Peace, justice and strong institutions	
	102-16	Values, principles, standards and norms of behaviour	14-15, 17		
	GOVERNANCE				
	102-18	GOVERNANCE STRUCTURE	16		



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GRI 102: GENERAL DISCLOSURES 2016	STAKEHOLDER ENGAGEMENT				
	102-40	List of stakeholders	22		
	102-41	Collective bargaining agreements	48	8. Decent work and economic growth	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
	102-42	Identification and selection of stakeholders	22-23, 26, 76		
	102-43	Approach to stakeholder engagement	22-23		
	102-44	Key topics and concerns raised	26-30		
	REPORTING PRACTICES				
	102-45	Entities included in the consolidated financial statements	8		
	102-46	Defining report content and coverage for each aspect	29-31		
	102-47	List of material aspects	28-31		
	102-48	Restatement of information	No significant changes.		
	102-49	Changes in reporting	No change.		
	102-50	Reporting period	2017		
	102-51	Date of the last report	2016		
	102-52	Reporting cycle	Annual.		
	102-53	Contact point for questions regarding the report	Judith Banus, Responsable de RSC judith.banus@elix-polymers.com		
	102-54	Claims of reporting in accordance with the GRI Standards.	75		
	102-55	Index of GRI Disclosures	77-88		
	102-56	Externally assured		Not available.	



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MATERIAL ASPECTS / CATEGORY: ECONOMIC

STANDARD GRI INDICATOR		DESCRIPTION	PAGE(S) AND/OR LINKS	OMISSIONS	SDG	GLOBAL COMPACT
RESPONSIBLE ECONOMIC MANAGEMENT						
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material aspect and its boundary	72			
	103-2	Management approach and its components	72, 74		1. No to poverty 5. Gender equality 8. Decent work and economic growth	
	103-3	Evaluation of the management approach	72, 74			
GRI 201: ECONOMIC PERFORMANCE 2016	201-1	Direct economic value generated and distributed	3, 72-74	The absolute values of the economic value generated and distributed are not provided, only the percentages.	2. Zero hunger 5. Gender equality 7. Affordable and clean energy 8. Decent work and economic growth 9. Industry, Innovation and Infrastructure	
PROMOTION OF THE LOCAL COMMUNITY						
GRI 103: APPROACH OF MANAGEMENT 2016	103-1	Explanation of the material aspect and its boundary	42-43			
	103-2	Management approach and its components	42-43		1. No poverty 5. Gender equality 8. Decent work and economic growth	
	103-3	Evaluation of the management approach	43, 50			
GRI 202: MARKET PRESENCE 2016	202-1	Ratio of initial category salary by gender vs. local minimum wage	50		1. No poverty 5. Gender equality 7. Affordable and clean energy 8. Decent work and economic growth	
PROCUREMENT FROM LOCAL SUPPLIERS						
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material aspect and its boundary	24-25			
	103-2	Management approach and its components	24-25		1. No poverty 5. Gender equality 8. Decent work and economic growth	
	103-3	Evaluation of the management approach	25			
GRI 204: PROCUREMENT PRACTICES 2016	204-1	Proportion of spending on local suppliers	3, 24		12. Responsible consumption and production	



STANDARD GRI INDICATOR	DESCRIPTION		PAGE(S) AND/OR LINKS	OMISSIONS	SDG	GLOBAL COMPACT
SUSTAINABLE SUPPLY CHAIN MANAGEMENT						
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material aspect and its boundary	24-25, 72			
	103-2	Management approach and its components	24-25, 72		1. No poverty 5. Gender equality 8. Decent work and economic growth	
	103-3	Evaluation of the management approach	24-25, 72			
GRI 308: ENVIRONMENTAL SCREENING OF SUPPLIERS 2016	308-1	New suppliers that were screened and selected using environmental criteria		Information not available.		Principle 7: Businesses should support a precautionary approach to environmental challenges. Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility. Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.
GRI 414: SOCIAL SCREENING OF SUPPLIERS 2016	414-1	New suppliers that were screened using social criteria		Information not available.	8. Decent work and economic growth 16. Peace, justice and strong institutions	Principle 1: Businesses should support and respect the protection of fundamental, internationally proclaimed human rights within their area of influence. Principle 2: Businesses should make sure that they are not complicit in human rights abuses Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.

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MATERIAL ASPECTS / CATEGORY: ENVIRONMENTAL

STANDARD GRI INDICATOR		DESCRIPTION	PAGE(S) AND/OR LINKS	OMISSIONS	SDG	GLOBAL COMPACT
EFFICIENT RESOURCE CONSUMPTION						
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material aspect and its boundary	19, 60-61, 63			
	103-2	Management approach and its components	19, 60, 63		1. No poverty 5. Gender equality 8. Decent work and economic growth	
	103-3	Evaluation of the management approach	61, 63, 68			
GRI 301: MATERIALS 2016	301-1	Materials used by weight or volume	63		8. Decent work and economic growth 12. Responsible consumption and production	Principle 7: Businesses should support a precautionary approach to environmental challenges. Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility. Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.
GRI 303: WATER 2016	303-1	Water withdrawal by source	68		6. Clean water and sanitation	Principle 7: Businesses should support a precautionary approach to environmental challenges. Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility. Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.

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ENERGY						
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material aspect and its boundary	19, 60-61, 64			
	103-2	Management approach and its components	19, 60, 64		1. No poverty 5. Gender equality	
	103-3	Evaluation of the management approach	64			
GRI 302: ENERGY 2016	302-1	Energy consumption within the organisation	64		7. Affordable and clean energy 8. Decent work and economic growth 12. Responsible consumption and production 13. Climate action	Principle 7: Businesses should support a precautionary approach to environmental challenges. Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility. Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.
	302-3	Energy intensity	64		7. Affordable and clean energy 8. Decent work and economic growth 12. Responsible consumption and production 13. Climate action	Principle 7: Businesses should support a precautionary approach to environmental challenges. Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility. Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.
	302-4	Reduction of energy consumption	64		7. Affordable and clean energy 8. Decent work and economic growth 12. Responsible consumption and production 13. Climate action	Principle 7: Businesses should support a precautionary approach to environmental challenges. Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility. Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.



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CLIMATE CHANGE PREVENTION					
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material aspect and its boundary	60-61, 67		
	103-2	Management approach and its components	60, 66-67	1. No poverty 5. Gender equality	
	103-3	Evaluation of the management approach	65-67		
GRI 305: EMISSIONS 2016	305-1	Direct GHG emissions (scope 1)	65-66	3. Good health and well-being 12. Responsible consumption and production 13. Climate action 14. Life below water 15. Life on land	Principle 7: Businesses should support a precautionary approach to environmental challenges. Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility. Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.
	305-2	Indirect GHG emissions on generating energy (scope 2)	65-66	3. Good health and well-being 12. Responsible consumption and production 13. Climate action 14. Life below water 15. Life on land	Principle 7: Businesses should support a precautionary approach to environmental challenges. Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility. Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.
	305-4	GHG emissions intensity	65	13. Climate action 14. Life below water 15. Life on land	Principle 7: Businesses should support a precautionary approach to environmental challenges. Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility. Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.
	305-5	Reduction of GHG emissions	65	13. Climate action 14. Life below water 15. Life on land	Principle 7: Businesses should support a precautionary approach to environmental challenges. Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility. Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.
	305-7	Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions	67	3. Good health and well-being 12. Responsible consumption and production 13. Climate action 14. Life below water 15. Life on land	Principle 7: Businesses should support a precautionary approach to environmental challenges. Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility. Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.



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CORRECT MANAGEMENT OF WASTE AND WASTE WATER						
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material aspect and its boundary	19, 60-61, 69			
	103-2	Management approach and its components	19, 60, 69-70		1. No poverty 5. Gender equality	
	103-3	Evaluation of the management approach	69			
GRI 306: EFFLUENTS AND WASTE 2016	306-2	Waste by type and disposal method	69-70		3. Good health and well-being 6. Clean water and sanitation 12. Responsible consumption and production	Principle 7: Businesses should support a precautionary approach to environmental challenges. Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility. Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.
	306-4	Transport of hazardous waste	70		3. Good health and well-being 12. Responsible consumption and production	Principle 7: Businesses should support a precautionary approach to environmental challenges. Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility. Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.

MATERIAL ASPECTS / CATEGORY: SOCIAL / SUB-CATEGORY: LABOUR PRACTICES

STANDARD GRI INDICATOR	DESCRIPTION		PAGE(S) AND/OR LINKS	OMISSIONS	SDG	GLOBAL COMPACT
GOOD QUALITY PROFESSIONAL CAREERS						
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material aspect and its boundary	41-42, 51			
	103-2	Management approach and its components	41-42, 52		1. No poverty 5. Gender equality	
	103-3	Evaluation of the management approach	43, 51			
GRI 401: EMPLOYMENT 2016	401-1	New employee hires and employee turnover	43, 45		5. Gender equality 8. Decent work and economic growth	Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.
GRI 404: TRAINING AND EDUCATION 2016	404-1	Average hours of training per year per employee	51		4. Quality education 5. Gender equality 8. Decent work and economic growth	Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.



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OCCUPATIONAL HEALTH AND SAFETY						
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material aspect and its boundary	19, 54			
	103-2	Management approach and its components	19, 54-57		1. No poverty 5. Gender equality	
	103-3	Evaluation of the management approach	54, 56-57			
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2016	403-2	Types of injury and frequency rates of injuries, occupational diseases, lost work days, absenteeism and number of work-related fatalities	58		3. Good health and well-being 8. Decent work and economic growth	Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.
LABOUR RELATIONS						
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material aspect and its boundary	41-42			
	103-2	Management approach and its components	41-42, 46		1. No poverty 5. Gender equality	
	103-3	Evaluation of the management approach	46			
GRI 402: LABOUR/ MANAGEMENT RELATIONS 2016	402-1	Minimum notice periods in reference to operational changes	The minimum notice period for organisational changes is 30 days as established by the collective agreement, though in practice it is reported earlier than the period required by regulation.		8. Decent work and economic growth	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Not applicable.		8. Decent work and economic growth	Principle 1: Businesses should support and respect the protection of fundamental, internationally proclaimed human rights within their area of influence. Principle 2: Businesses should make sure that they are not complicit in human rights abuses. Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
PROMOTING EQUALITY						
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material aspect and its boundary	49			
	103-2	Management approach and its components	49-50		1. No poverty 5. Gender equality	
	103-3	Evaluation of the management approach	49-50			
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	405-1	Diversity in bodies of governance and employees	49-50		8. Decent work and economic growth	Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.



STANDARD GRI INDICATOR	DESCRIPTION		PAGE(S) AND/OR LINKS	OMISSIONS	SDG	GLOBAL COMPACT
GRI 406: NON-DISCRIMINATION 2016	406-1	Incidents of discrimination and corrective actions taken	There have been no cases of discrimination.		5. Gender equality 8. Decent work and economic growth 16. Peace, justice and strong institutions	Principle 1: Businesses should support and respect the protection of fundamental, internationally proclaimed human rights within their area of influence. Principle 2: Businesses should make sure that they are not complicit in human rights abuses.

MATERIAL ASPECTS / CATEGORY: SOCIAL / SUB-CATEGORY: SOCIETY

STANDARD GRI INDICATOR	DESCRIPTION		PAGE(S) AND/OR LINKS	OMISSIONS	SDG	GLOBAL COMPACT
COMPLIANCE						
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material aspect and its boundary	17			
	103-2	Management approach and its components	17, 19		1. No poverty 5. Gender equality	
	103-3	Evaluation of the management approach	17			
GRI 205: ANTI-CORRUPTION 2016	205-2	Communication and training on anti-corruption policies and procedures	17		16. Peace, justice and strong institutions	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.
GRI 206: UNFAIR COMPETITION 2016	206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	There have been no legal actions related to unfair competition practices.		16. Peace, justice and strong institutions	
GRI 307: ENVIRONMENTAL COMPLIANCE 2016	307-1	Non-compliance with environmental laws and regulations	There have been no fines or non-monetary sanctions for non-compliance with legislation and environmental regulations.		12. Responsible consumption and production 16. Peace, justice and strong institutions	Principle 7: Businesses should support a precautionary approach to environmental challenges. Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility. Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.
GRI 419: SOCIO-ECONOMIC COMPLIANCE 2016	419-1	Non-compliance with laws and regulations in the social and economic area	There have been no fines or non-monetary sanctions for non-compliance with the legislation or socioeconomic regulations of the area.		16. Peace, justice and strong institutions	

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SERVICE AND PRODUCT QUALITY						
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material aspect and its boundary	19, 33			
	103-2	Management approach and its components	19, 34		1. No poverty 5. Gender equality	
	103-3	Evaluation of the management approach	35, 40			
GRI 416: CUSTOMER HEALTH AND SAFETY 2016	416-1	Assessment of health and safety impacts of the products or services categories	35, 40			
GRI 417: MARKETING AND LABELLING 2016	417-1	Requirements for product and service information and labelling	25, 35-36, 59		12. Responsible consumption and production 16. Peace, justice and strong institutions	

NON-GRI TOPICS

NON-GRI TOPICS	Participation in sector-based sustainability initiatives	20	
	Innovation in products and processes	32-35	
	Customer management (post-sales service)	39-40, 59	
	Life-cycle assessment	34, 59	
	Monitoring product portfolio sustainability	35-37	

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We'd like to thank everyone who has contributed to the production of this *2017 Sustainability Report*. We also want to thank all those who help us grow sustainably, especially our customers, suppliers and distributors, our professional team and their families. Finally, we are grateful for the confidence placed in us by our shareholders.

**The growth of ELIX Polymers
is driven by PEOPLE!**




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