



ELIX
POLYMERS

A member of
Sinochem
International

SUSTAINABILITY REPORT 2018



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DAVID CASTAÑEDA
CEO





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In 2018 we faced the challenge of continuing our growth at ELIX Polymers as leading suppliers in the ABS solutions market. To take on this challenge, we studied trends in our markets and among our customers, proposing and developing solutions to satisfy their needs while supporting the growth of the company based on responsible economic management.

Thanks to the trust deposited in us by customers from over 40 countries, we closed 2018 with **revenue of 228 million euros**, consolidating our position as benchmark ABS providers. This was made possible by offering our customers a value proposition based on products and services tailored to their needs, with the decisive participation of the men and women who make up the ELIX Polymers team.

The end of the year saw a milestone in the history of ELIX Polymers: the **sales agreement between SUN Capital Partners and Sinochem International**, member of the Sinochem Group, for the purchase of our company, which was finalised in January of 2019. This event marks the culmination of a successful period for our company; under Sun Capital Partners we grew to become market leaders. Now, as part of Sinochem International, we embark on a new phase with new challenges, as well as new opportunities for growth and access to new markets.

This is our **third sustainability report**, corresponding to the 2018 financial year and prepared in accordance with GRI (Global Reporting Initiative) standards. With this report I would like to share the challenges we currently face in the Plastics Industry in general and specifically at ELIX Polymers as part of this industry.

Plastic products have unique properties and their benefits have contributed to developments and advances in our society. However, the incorrect use and management of plastics is having a negative impact on the environment which we would like to avoid.

For this reason, the plastics industry and society in general **must be capable of evolving towards a circular economy**, where natural resources, the supply chain and waste resulting from product use are managed in a sustainable way.

At ELIX we take our **commitment to sustainability** seriously, which is why we have increased our investments considerably in an effort to improve processes and reduce environmental impact. We have managed to boost our efficiency in the use of natural resources, for example, **reducing our greenhouse gas (GHG) emissions** –those responsible for climate change– **by 10,26%**.

ELIX continues to support the **development of more sustainable products**, a strategic support we demonstrate through product development projects that make way for more sustainable solutions to current market needs.

As part of our commitment to the communities and businesses of the localities we operate in, we look to **dynamise and generate local economic activity**. More than half of our annual expenditure goes to **local suppliers** and we are **providers of quality employment** both directly and indirectly.

For all of these reasons, our organisation has been granted several awards, such as **"Best Polymer Producers Awards for Europe"** in 2017 and 2018, setting us apart as the best ABS manufacturers of the year; a double award for CLIMATE and EXPORTS in the prestigious **RSE Awards for the Chemical Industry** granted by FEIQUÉ, and the **APPORT award** in the category of INNOVATION AND ENTREPRENEURSHIP.

Finally, I would like to highlight **our membership** for yet another year, **in the United Nations Global Compact**. The publishing of this report, which I invite you to explore, is an example of our willingness to consolidate, develop and implement good practices that help us advance in our commitments to Corporate Social Responsibility and Sustainability.

These are commitments we want to continue sharing with our customers, suppliers and distributors, our team and their families, and of course, our shareholders. **To all of you, thank you for your trust in us.**



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OUR COMPANY



6,9%

NET SALES* GROWTH
FROM 2015 TO 2018



29,6%

EBITDA* GROWTH
FROM 2015 TO 2018



+40

COUNTRIES

OUR CUSTOMISED SOLUTIONS AT A GLANCE



+300
CUSTOMERS



+300 COLOURS
+40 GRADES
PRODUCTS



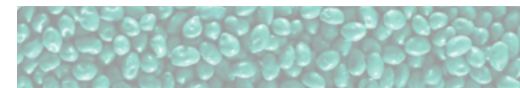
64%
CONTINUOUS INVESTMENT
IN R+D+I



98,8%
RATE OF CUMULATIVE
SUCCESSFUL SALES



94,2%
PERFECT ORDER RATE

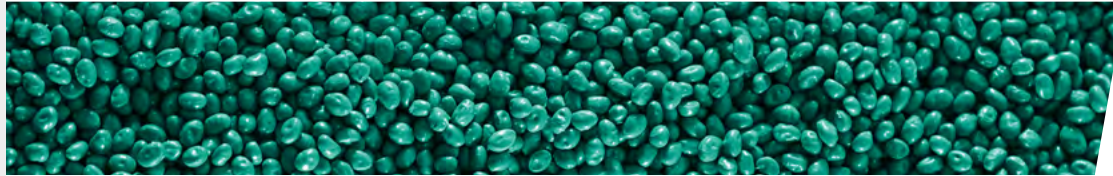


95,5%
IMPROVEMENT IN OTIF RATE

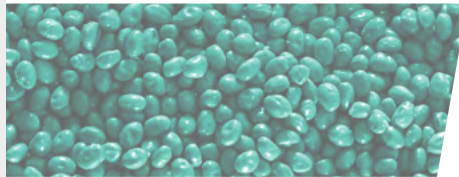
*Calculated according to CAGR (Compound Annual Growth Rate)



OUR TEAM



252
EMPLOYEES
(↓12,5% COMPARED TO 2017)



78
CONTRACTORS
(↓1,3% COMPARED TO 2017)

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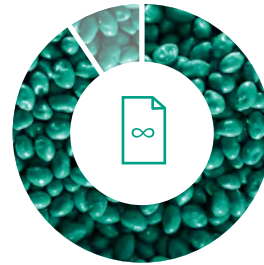
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30,3%

WOMEN ON STAFF
(↑9% COMPARED TO 2017)



93,5%

EMPLOYEES WITH INDEFINITE CONTRACTS
(↑3,5% COMPARED TO 2017)



6.745
HOURS OF TRAINING FOR EMPLOYEES



2
OCCUPATIONAL ACCIDENTS WITH MEDICAL LEAVE





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OUR BUSINESS RESPONSIBILITY



2.299 k€

INVESTMENT IN ENVIRONMENTAL PROTECTION
(↑246% COMPARED TO 2017)



96,9%

RATE OF EFFICIENT RAW MATERIAL USE
(↑0,2% COMPARED TO 2017)



941,6

ENERGY CONSUMPTION (kWh/T PRODUCED)
(↑0,1% COMPARED TO 2017)



0,2

COMPANY GREENHOUSE GAS EMISSIONS BY PRODUCTION (T DE CO₂ eq. / T ABS PLUS SALES)
(↓10,3% COMPARED TO 2017)



3,1%

WASTE GENERATION (T WASTE / T ABS PRODUCED)



90,0%

RECOVERED WASTE
(↑2,8% COMPARED TO 2017)

OUR SUPPLIERS



695

SUPPLIERS



63%

PERCENTAGE OF EXPENDITURE PAID TO LOCAL SUPPLIERS (CATALONIA)



52%

PERCENTAGE OF EXPENDITURE PAID TO LOCAL SUPPLIERS (TARRAGONA)



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OUR ORGANIZATION

We are specialists in tailor-made solutions for high quality thermoplastics applications, adding value through our offer of personalised, customer-oriented services.





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3.1 MARKET LEADERS

ELIX Polymers (hereinafter ELIX) is a leading company in the manufacture of acrylonitrile-butadiene-styrene resins (ABS) and derivatives in Europe.

Our production centre is located in the Southern Industrial Park of Tarragona, the main petrochemical hub in the south of Europe.

We share a strategic location with other companies who are global leaders in their industries, as part of ChemMed Tarragona, the most important chemical, industrial, academic, scientific and logistics cluster in the south of Europe.

We have a hub in Germany and two in the United States, as well as an extensive network of sales representatives and distributors serving more than 300 customers in over 40 countries.

WE ARE A GLOBAL ORGANIZATION





NEW INTERNATIONAL PARTNERSHIPS, SINOCEM INTERNATIONAL

ELIX Polymers was founded in 1975 by Bayer as an ABS business unit. After forming part of several important multinational corporations, it became an independent, stand-alone company under the guidance of Sun Capital Partners in 2012.

From that moment on, Sun Capital Partners was the driving force behind our transformation into market leaders. We made improvements in management and manufacturing processes, offering quality products and services, which enabled us to increase our sales and build customer loyalty.

At the end of 2018, Sun Capital Partners announced the purchase of our company by Sinochem International (Overseas) Pte. Ltd., a state-owned enterprise from China with presence in strategic sectors.

And so in January of 2019 we embarked on a new phase under Sinochem International, with an excellent opportunity to grow within the Asian market while continuing to strengthen our business relations in the European and American markets.

As part of our new internationalisation strategy, this year we increased our business in the NAFTA (*North America Free Trade Agreement*) area, made up of Canada, Mexico and the United States, where we have had a sales office since 2016. In addition, we began our expansion into Asia through local distributors.

Since December of 2018, **ELIX has formed part of the prestigious business group Sinochem International**, a Chinese state-owned enterprise that manages logistics, industrial investments and sales in strategic sectors such as chemical products, natural rubber, gasoline, metallurgy and energy.

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WE CREATE VALUE FOR OUR KEY STAKEHOLDERS



CUSTOMERS

We provide a wide range of high quality, customised solutions for different sectors and applications.



OUR TEAM

We promote the personal and professional growth of our employees, considering this to be a key factor in the company's success.



OUR SHAREHOLDERS

We offer sustainable growth with a solid return on investment for our new shareholders, the Chinese State Owned Enterprise Sinochem International.

Our success is the result of **our team's dedication as well as strategic decisions based on the founding tenets of our company:** the incorporation of safety and respect for the environment in our products and processes, a clear aim to meet our customers' needs, the satisfaction and well-being of the people who make up our company and the firm support of innovation through the development of more sustainable solutions.



252
EMPLOYEES



+40
COUNTRIES



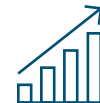
+40 GRADES
+300 COLOURS
PRODUCTS



+300
CUSTOMERS



↑ 3% CAGR*
VOLUME GROWTH BY TONNES
BETWEEN 2015 AND 2018

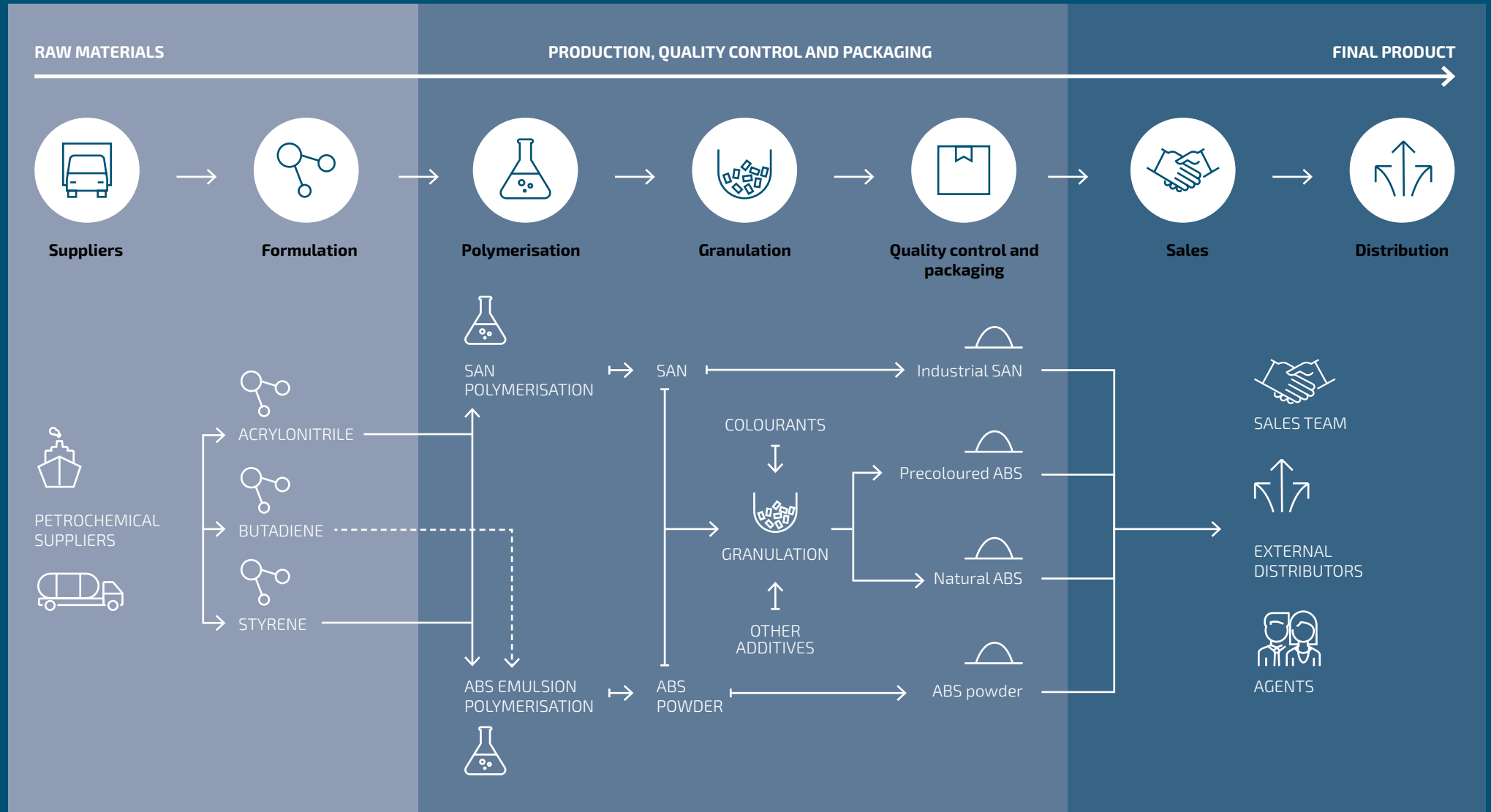


↑ 6,9%
SALES
BETWEEN 2015 AND 2018
(CALCULATED
ACCORDING TO CAGR*)

*Calculated according to CAGR (Compound Annual Growth Rate)



OUR PRODUCTION PROCESS AND VALUE CHAIN



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OUR PRODUCT PORTFOLIO

ABS RESINS

Thermoplastic ABS products for applications in specialised products and high value added markets.

PC/ABS

A compound of PC/ABS for the most demanding applications in the market.

POLYMER MODIFIERS

These make it possible to modify and improve Polymer mixture properties as well as materials derived from PC, ABS, PVC, SMA, etc.

CADON

A line of general use products for high impact needs (high resistance).





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OUR MARKETS STRATEGIC MARKETS



AUTOMOTIVE

Our products comply with the requirements of the automotive industry and are approved by the main manufacturers of original interior, exterior and electroplated car parts.



HEALTH

We provide products to the medical industry for application in intravenous injection systems as well as respiratory and self-injection devices, strictly complying with regulations and guaranteeing product safety.



CONSUMER GOODS

Our materials meet industry demands thanks to the development of new colours and finishes as well as UV and chemical resistant features for small home appliances, garden articles, bath accessories, etc.





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OTHER MARKETS



HOUSEHOLD APPLIANCES

We develop customised solutions to meet the specific needs of this market, launching new colours and finishes as well as UV ray resistant products for applications in large household appliances, washing machines, dishwashers, etc.



ELECTRICAL AND ELECTRONIC DEVICES

Our products cover needs related to dimensional stability, heat distorsion temperature and electrical properties for use in the manufacture of outlets, switches, electrical circuit boards, ventilation systems, etc.



BUILDING AND CONSTRUCTION

We meet the ongoing needs of this sector for products with extreme durability, aesthetic appearance, ease of use and high performance to be applied in furniture, thermoforming sheets, accessories, etc.



TOYS, SPORTS AND LEISURE

We have special grades for the manufacture of toys, skis and gymnastics equipment, all of which comply with current industry regulations.

Visit <https://www.elix-polymers.com/products-and-markets> for more detailed information on our products and markets.



THREE AWARDS HIGHLIGHTING OUR PERFORMANCE IN 2018

THE BEST ABS MANUFACTURING COMPANY IN 2018

In May of 2018 we received the **"Best Polymer Producers Awards for Europe 2018"** in the ABS category from the European Alliance of Polymers as part of the "Best Polymer Manufacturers in Europe 2018" awards. During a three-month period in 2018, polymer users from all over Europe participated in an online survey rating suppliers in terms of polymer quality, adherence to legislation, innovation, etc. Our final score was excellent (95%).

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APPORT AWARD IN INNOVATION AND ENTREPRENEURSHIP

In the XVI edition of the **APPORT Awards**, organised by the Association for the Promotion of the Tarragona port, and celebrated in December of 2018, we were prize-winners in the category "Innovation and Entrepreneurship," for being a pioneer company in ABS and derivative materials nationally and internationally.

This award is a recognition of our strategic commitment at ELIX to innovation and clearly differentiates us from our competitors.

RSE CLIMATE AND EXPORTS AWARD BY FEIQUE

We received two awards from the Spanish Chemical Industry Business Federation (FEIQUE); one in the CLIMATE category for sustainable management in production processes and the other in the EXPORTS category for our contribution to the export potential of the Spanish chemical industry.

We were granted the **CLIMATE Award** based on our reduction of greenhouse gases (GHG) per tonne produced in 2017 – a 12% reduction compared to 2015, thanks to improvements in our production processes which optimised electricity and natural gas consumption.

We were granted the **EXPORTS Award** based on our exports comprising more than 65% of our revenue – in 2017, 92% of our production was exported.

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OUR COMMITMENT TO SUSTAINABLE DEVELOPMENT

Sustainability is part of our corporate strategy to generate solid growth for the company and create a positive experience for our stakeholders, all the while contributing to the betterment of our local community and immediate environment.

ELIX POLYMERS | A member of Sinochem International





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4.1 GOOD GOVERNANCE

GOVERNING ORGANS

Senior Management at ELIX is made up of five professionals –the CEO and Area Managers– who, together with the support of Department Managers and all of the employees, work towards preserving the values of ELIX in attaining our objectives.

This team defines and carries out strategic plans taking into account business ethics, the sustainable growth of our company and the professional growth of all the people who are part of the company.



DAVID CASTAÑEDA
CEO



LUIS ALONSO
CFO



CARLOS MÜLLER
BUSINESS DIRECTOR



NOELIA VÁZQUEZ
HR & COMMUNICATION DIRECTOR



NARCIS VIDAL
OPERATIONS & SUPPLY CHAIN DIRECTOR





CORPORATE POLICY

OUR VISION AT ELIX

Our goal is to be global benchmark leaders in the specialty market of thermoplastics as a customer-oriented company offering personalised services and a wide range of products while maintaining our commitment to environmental sustainability and supporting the professional growth of our employees.

OUR MISSION

Within the framework of the "Management by Missions" project, we have redefined our corporate mission with the three highest priority stakeholders in our business strategy at the core:

OUR VALUES

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

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Customers

OFFER THE BEST IN HIGH QUALITY, TAILOR-MADE SOLUTIONS

PROVIDE OPTIMAL SERVICE AND DELIVERY



People

FOSTER PERSONAL AND PROFESSIONAL DEVELOPMENT

CREATE A COLLABORATIVE, SAFE AND SUSTAINABLE WORK ENVIRONMENT

Shareholders

GENERATE SUSTAINABLE GROWTH WITH A SOLID RETURN ON INVESTMENT

MISIÓN

Ofrecer lo mejor en soluciones a medida con alta calidad

Proporcionar servicios y entregas óptimas.

Generar crecimiento sostenible, con un retorno sólido de la inversión

Promover el desarrollo personal y profesional

Generar un entorno de trabajo de colaboración, seguro y sostenible.



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SUPPLY CHAIN

Asegurar rapidez y eficiencia ante sus necesidades, y proponer proactivamente soluciones óptimas

Promover flexibilidad y fiabilidad para la satisfacción del cliente

Optimizar la relación entre recursos dedicados vs servicio ofrecido

Promocionar la generación de procesos de valor añadido.

Proporcionar la mejor visibilidad al resto del negocio para facilitar las mejores decisiones.

Informar y hacer partícipes de los logros alcanzados;

Impulsar herramientas para el desarrollo de las capacidades.

Impulsar el trabajo participativo, colaborativo y transversal. Facilitar herramientas para el desarrollo de habilidades

SHARED MISSIONS

Management by Missions is a project that was launched in 2016 and whose main objective is to sync the company's overall mission with the different department missions as well as the mission of each individual. Using the company's global mission as a base, each area defined its SHARED MISSIONS, identifying specific objectives regarding priority stakeholders. From there, several improvement projects and initiatives were developed in order to enhance strategic company objectives through the daily operations of all the different departments at ELIX.

In 2018 we put together several projects that allowed us to strengthen the management of our organisation with concrete actions in areas where our stakeholders detected a need for improvement. Additionally, the Management by Missions project encouraged teamwork, cohesive effort and better group integration among ELIX employees.

ETHICS AND TRANSPARENCY

Our Code of Conduct at ELIX establishes **integrity, honesty** and **transparency** as the base of all our professional and business relationships, intrinsically related to our anticorruption policy.

All of our employees have received information regarding the current applicable code and are therefore familiar with it. Senior Management and Department Managers carry out continuous assessments of work behaviour on their teams based on the tenets of this code. We also extend the code to include our suppliers and contractors by means of an explicit signed statement.

At ELIX, ethics and transparency are pervasive values throughout the whole organisation, reflected in the daily operations of all employees. For this reason, we will continuously work on the improvement of our Code of Conduct.



4.2 TRANSPARENCY WITH OUR STAKEHOLDERS

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Strategic, responsible and transparent communication with all of our stakeholders is essential at ELIX.

All departments in the company are committed to maintaining collaborative relationships based on transparency and continuous improvement with all the stakeholders who form part of our business operations.

To this end, we as a company have defined a strategic communication policy encouraging relationships with all of our stakeholders built on dialogue, trust and added value through various communication channels and actions.



EMPLOYEES

Corporate Intranet, employee website, corporate email, monthly newsletter ELIX Actualidad (printed and digital), corporate memos, bulletin boards, internal participatory platforms, information panels, audiovisual material, internal events, social media, area meetings, training sessions, annual dinner for employees and their families, annual magazine ELIX Familiar, work environment survey and others.



CUSTOMERS

Corporate website, digital corporate newsletters, digital technical newsletters, social media, international trade fairs, events, press releases, articles, advertisements, corporate brochures, sales and technical visits with customers, tours of the Tarragona plant, annual customer survey and others.



SHAREHOLDERS

Weekly, monthly and annual corporate reports, sustainability report, strategic meetings.



CONTRACTORS (On-site)

Operational email memos, meetings, bulletin boards, information panels, internal events, training sessions.



SUPPLIERS

Digital newsletter, email, meetings, Supplier of the Year award.



INDUSTRY ASSOCIATIONS

Participation in committees and specific technical-themed days, training sessions, email, meetings.



LOCAL COMMUNITY (NGOS)

Sponsorship of sports, cultural and solidarity projects, participation in local social initiatives, publications and press releases, meetings, events, social media.



PUBLIC ADMINISTRATION

Regular contact through formal notifications, bulletins issued by administration offices, face-to-face meetings, email.



EMPLOYEES' FAMILIES

ELIX Familiar magazine, annual dinner for employees and their families, social media.



From the results of our Work Environment Survey, we found that ELIX employees consider the following communication channels to be the most effective:

THE MOST EFFECTIVE CHANNELS (IN ORDER OF RANKING*)



EMPLOYEE AND FAMILY DINNER
4,15



CORPORATE EMAIL MEMOS
4,06



MONTHLY NEWSLETTER ELIX ACTUALIDAD
3,95



CORPORATE WEBSITE
3,94



INTERNAL WELL-BEING CAMPAIGNS
3,89



#PEOPLEMAKEELIX VIDEOS
3,89



KPI BOARDS
3,77



INTERNAL COMMUNICATION BOARDS
3,75



MANAGEMENT BY MISSIONS PROJECT EVENTS AND COMMUNICATIONS
3,75



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- THE DEVELOPMENT OF OUR TEAM
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- RESPONSIBLE ECONOMIC MANAGEMENT
- ABOUT THE REPORT
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*On a scale of 1 to 5



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One of our communication goals at ELIX, within the framework of the Management by Missions project, was to support the needs of the different business areas of the company and bring visibility to the initiatives of each department. In this sense, communication management spans across all departments of the company, developing new mediums and collaborative activities.

In 2018 we published 10 ELIX Actualidad **internal newsletters** and developed over 30 activities to **promote the well-being** of our employees: health campaigns, conferences, memos to raise awareness on specific topics related to well-being, workshops, etc. We also put in place 36 **internal actions** to foster a sense of belonging and commitment among our employees.

In terms of social media, ELIX has presence on LinkedIn, Twitter and YouTube, where we have boosted the visibility and reputation of our company, growing our online community and building loyalty among our stakeholders.

In 2018 we had 1.033 new followers on **LinkedIn**, a 64,8% increase from 2017, making our professional community a valuable asset. In addition, we offered our employees training sessions on LinkedIn to help them make the most of this professional social media site.

Whenever we have the opportunity, we support awareness campaigns through our communication channels.

As far as **Twitter**, our followers have grown by 130%. On this social media site, besides giving updates on our company and the industry, we are supporters of the campaign **#NoCulpesAlPlástico (#DontBlamePlastic)**. This is an initiative set forth by the main associations of the plastics industry to inform and examine the different applications of plastic materials, as well as to raise consumer awareness on the importance of proper plastic use.

On our **YouTube** channel we posted 7 new videos, closing 2018 with a total of 20 corporate videos on various topics highlighting the key role our team of professionals plays in the company's success.

We increased our presence in **specialised industry media** at the international level by 20%. Likewise, we participated in 8 **international trade fairs**, 6 in Europe and 2 in the United States — these last two being strategic actions to promote the company's business in the NAFTA region.

With the aim of building loyalty among our sales contacts, we published 4 quarterly **corporate newsletters** for our customers, suppliers and distributors, with news on products, services and events at ELIX. In addition, we published 2 company newsletters in the NAFTA region for current and potential customers, as a way of generating interest in our brand and the materials we offer in this region.



LinkedIn
ELIX Polymers



Twitter
@ELIXPolymers
@ELIXPolymers_ES



YouTube
ELIX Polymers



4.3 STRATEGY AND PARTNERSHIPS FOR SUSTAINABILITY

In 2018 we established the objectives and strategic plan for our sustainability policy at ELIX.

Corporate Social Responsibility (CSR) is an area whose goal is to define our global work plan for sustainability across the whole organisation, examining the objectives we have set at ELIX and the actions required to reach them, as well as identifying national and international initiatives we can incorporate — all of this in order to be at the forefront of industry trends as a leading environmentally responsible company.

Our strategic action plan for sustainability and the objectives associated with this plan are connected to our commitment at ELIX as defined in the Management by Missions project, which is distributed in the following way:

In a way that pervades all of these tenets, we operate following criteria of ethics and transparency in all of our relationships, within the organisation as well as with external stakeholders. Therefore, these two aspects are essential to the sustainability of our company's business and are situated at the core of our strategy.

Each strategic action plan includes medium-term objectives and actions in order to identify areas where we can improve the impact our business has on the community and our local environment.



CUSTOMER SATISFACTION



PROFESSIONAL GROWTH FOR EMPLOYEES



RESPONSIBLE ECONOMIC MANAGEMENT



SUSTAINABLE BUSINESS OPERATIONS

CERTIFIED MANAGEMENT SYSTEMS ASSURE PRODUCT QUALITY AND CONTINUOUS IMPROVEMENTS IN THE SUSTAINABILITY OF OUR BUSINESS OPERATIONS



ISO 14001:2015
Environmental Management System Certificate



ISO 50001:2011
Energy Management System Certificate



ISO 9001:2015
Quality Management System Certificate

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WE PARTICIPATE IN BENCHMARK INITIATIVES

With the firm purpose of positioning ourselves as a sustainable company and as such contributing to the economic, social and environmental operations of our industry, we continue to participate in different national and international initiatives:



We have been members of [Responsible Care](#) since 2008. This project is a global volunteer initiative in the chemical industry for continuous improvements in Safety, Health and Environmental Protection in all industry operations, in accordance with Sustainable Development and Social Responsibility in Business principles. The program provides information in an effort to answer the questions of stakeholders within the industry as well as the general public. It includes 7 action areas related to economics, social issues, environmental factors, ethics and good governance, and compiles 52 performance evaluation indicators for the chemical industry based on the Sustainable Development goals framework established by the United Nations in the 2030 Agenda. The chemical industry actively contributes to the achievement of these goals thanks to its high innovative capacity.



A non-governmental organisation with members in over 130 countries. This organisation has more than 80 years of experience as an international institution representing different business sectors. It aims to promote business throughout the world and investments based on free market values. In response to the report "World Commission on Environment Development," ICC developed "Business Charter for Sustainable Development," which defines 16 principles for promoting environmental management.



[EcoVadis](#) rates the sustainability of suppliers for global supply chains. Their rating method consists of evaluating the quality of a company's CSR management system (policies, implementation measures and results). Evaluations focus on 21 aspects divided into four categories (environment, work practises and human rights, ethics, and sustainable procurement).



Since December of 2017, we have been members of the [United Nations Global Compact](#). This initiative provides a practical framework for developing, incorporating and disseminating sustainable business policies and practises, endorsed by our CEO. In addition, it provides accessible management tools and resources to help us implement a sustainable business and development model.



We are members of the [Volunteer Agreement Program](#) of the Catalan Climate Change Office (OCCC). Through our membership in this program, we demonstrate our concern at ELIX over climate change and our commitment to reducing greenhouse gas (GHG) emissions beyond current legislation, through regular emission monitoring and yearly reduction measures.



We are members of the program "Operation Clean Sweep", Zero Resin Pellets. This is an international initiative started 25 years ago by the plastics industry to protect the environment, working towards minimising the loss of resin pellets and microplastics, this way avoiding their entrance into rivers and oceans.

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WE ARE MEMBERS OF THE MAIN INDUSTRY ASSOCIATIONS

ELIX is a member of the main chemical industry associations in Catalonia, Spain and Europe. Through these associations we establish close ties and in some cases collaborations with companies representing the entire plastics manufacturing chain. In addition, these associations help us defend the interests of the chemical industry and promote its competitive and innovative growth.

In 2018 we became members of **MedPharm Plast** (MPEE) in order to keep up-to-date on the trends in one of our main markets: the healthcare industry. In this sector we serve customers from the main European and US injection moulding companies as well as international pharmaceutical companies.

GLOBAL ASSOCIATIONS GLOBALES



PLASTICS EUROPE

A leading business association representing the main polymer manufacturers of the European plastics industry. www.plasticseurope.org



SPANISH CHEMICAL INDUSTRY BUSINESS FEDERATION (FEIQUE)

One of the largest business organisations defending the interests of the chemical industry in Spain. It promotes expansion and competitive development in the chemical industry in accordance with sustainable development principles. www.feique.org



THE EUROPEAN CHEMICAL INDUSTRY COUNCIL (CEPIC)

A forum for the chemical industry in Europe and dedicated collaborator of EU decision makers. www.cefic.org



TARRAGONA CHEMICAL BUSINESS ASSOCIATION (AEQT)

This association brings together the chemical industries of Camp de Tarragona and Tierras del Ebro, and whose mission is to assure the global competitiveness of these industrial areas, contributing to the sustainable development of the region. www.aeqtonline.com



TARRAGONA CHAMBER OF COMMERCE, INDUSTRY, SERVICES AND NAVIGATION

A public corporation that promotes activities supporting business development and carries out actions of interest to the business and commerce community of its district. www.cambratgn.com



CATALAN TRANSPORT USERS COUNCIL

This council offers its member companies a common space for exchanging knowledge on transport and logistics, as well as providing support in the management of imports and exports. www.shippers.cat



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RELEVANT ISSUES ON SUSTAINABILITY, THE BASE OF OUR STRATEGY

With the goal of making improvements in our company's business, it is essential for us to know in what areas and in what ways our operations impact our social, economic and natural environment; impacts can be felt throughout the entire value chain, affecting our stakeholders.

In 2016 we conducted a materiality analysis to identify the most relevant aspects of our operations, innovation capacity and sustainability, as well as the most pressing issues for our stakeholders. This analysis was revised and broadened in 2017.

As our business in 2018 experienced no substantial changes, the CSR Area decided that this year a revision of the analysis was unnecessary.

ELIX MATERIALITY ANALYSIS

IDENTIFICATION

Using the topics comprising GRI standards as a base, and adding other topics we considered significant to our organisation, we compiled a list in 2016 of all the potentially relevant topics to our business at ELIX; we identified these topics through analysis of the industry (sustainability initiatives) and analysis of other companies within the industry.

PRIORITISATION

The prioritisation of topics was done taking into account the perspective of our stakeholders (external environment) as well as company executives (internal environment), who ranked each sustainability topic on our list according to level of importance.

- Inside the company, we conducted a workshop for Senior Management.
- Outside the company, we got feedback from our stakeholders through an anonymous online survey. In 2017 we conducted more in-depth surveys geared towards public administration and the chemical industry, and revised our prioritisation.

VALIDATION

Our materiality matrix at ELIX shows the results obtained from the internal environment (horizontal line) as well as additional results from the external environment (vertical line).

These results were corroborated by the Senior Managementt at ELIX, who decided to include as material aspects topics of high priority for ELIX but considered low priority by our stakeholders.

In 2018 there were no changes in this area with comparison to 2017.



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MATERIAL ASPECTS



ECONOMIC CATEGORY



SOCIAL CATEGORY



ENVIRONMENTAL CATEGORY

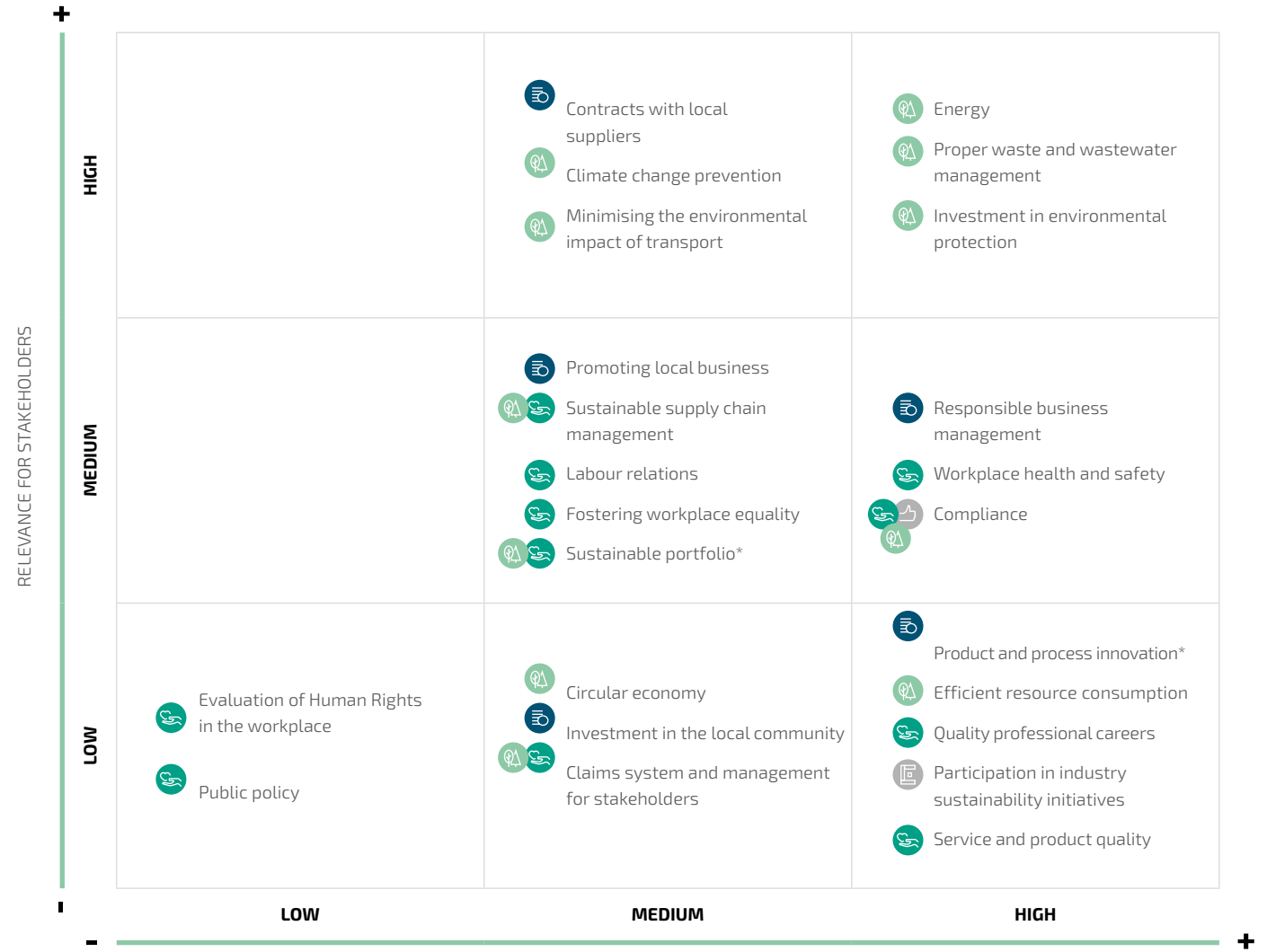


ORGANISATION PROFILE CATEGORY



GOOD GOVERNANCE CATEGORY

MATERIALITY MATRIX



RELEVANCE FOR ELIX POLYMERS

*Aspects not included in GRI Standards



RELEVANT TOPICS AND THEIR RELATION TO THE VALUE CHAIN

RAW MATERIAL SUPPLIERS



Contracts with local suppliers
Sustainable supply chain management
Energy
Minimising the environmental impact of transport
Compliance
Service and product quality
Contractors
Labour relations (with contractors)

PRODUCTION, QUALITY CONTROL AND PACKAGING ELIX



FORMULATION, POLYMERISATION AND COMPOUNDING

Responsible business management
Product and process innovation
Proper waste and wastewater management
Energy
Investment in environmental protection
Workplace health and safety
Quality professional careers
Fostering workplace equality
Compliance
Participation in industry sustainability initiatives
Service and product quality
Sustainable portfolio



QUALITY CONTROL AND PACKAGING

Responsible business management
Proper waste and wastewater management
Efficient resource consumption
Energy
Workplace health and safety
Labour relations (with contractors)
Compliance
Service and product quality



SALES

Responsible business management
Promoting local business
Quality professional careers
Compliance
Service and product quality
Sustainable portfolio

FINAL PRODUCT DISTRIBUTION



Responsible business management
Efficient resource consumption
Climate change prevention
Minimising the environmental impact of transport
Compliance

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CUSTOMER SATISFACTION

We believe responsible innovation to be a differentiating value in the quality of our products and services, offering tailor-made solutions that meet the requirements of the ABS market.





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MISSION

To offer the best in high quality, tailor-made solutions.

To provide optimal service and deliveries.



CUSTOMER SATISFACTION



SUSTAINABILITY

OFFER TAILOR-MADE SOLUTIONS

Proactively visit customers to know their needs and incorporate improvements.

Develop new, tailor-made products and services according to customer needs.

PRODUCT AND SERVICE QUALITY

Accompany our customers in the processes of product development, order management, consumption and technical support for materials, to satisfy their needs quickly and accordingly.

RESPONSIBLE INNOVATION

Incorporate sustainability as an innovation and development strategy within a differentiating portfolio of thermoplastic products.





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At ELIX, our objectives and the actions we take to reach them, place our customers at the core of our business. Working for and collaborating with our customers has established us as a trustworthy, leading company in ABS.



GOALS ACHIEVED IN 2018



98,9%

RATE OF CUMULATIVE SUCCESSFUL SALES ORDERS THROUGH JULY 2018



94,2%

PERFECT ORDER RATE IN 2018



78% 2012
95,5% 2018

IMPROVEMENT IN OTIF RATE





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5.1 PRODUCT AND SERVICE QUALITY

As part of our mission and commitment, we guarantee the flexibility, quality and reliability of our products and meet our customers' needs with a quick response capacity. Our goal is to provide our customers with the best experience from the onset of their projects throughout the process of product development, consumption and technical support for our materials, up until the preparation of their next order.

Our SLA (Service Level Agreement), in force in 2018, allowed us to offer a differentiating service, totally adaptable and appropriate to each and every customer. In the coming years, the initiatives we develop in this area will be those defined in our roadmap for process digitalisation: a technological transformation we will use to improve our services and create more value for our customers.



CUSTOMER SERVICE

Ensures that all of our customers' needs are met and guarantees personalised attention. This service works to satisfy customers' needs, including those that require our high capacity logistics at ELIX, allowing us to effectively adapt to changing circumstances.



TECHNICAL SERVICE

Comprised of an interdisciplinary team of professionals with the knowledge and resources to assist customers in the use of our products. Areas included in this service are:

- Development of new colours and products
- Technical support and problem solution
- Product management, Intellectual Property management and Technology Forecasting
- Specialised support for all market segments



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| | RIGHT FIRST TIME (MATERIAL PRODUCED VS MATERIAL NOT OK) | CLAIMS (MATERIAL + LOGISTICS) VS NUMBER OF DELIVERIES |
|-------------------------|--|---|
| OBJECTIVE 2018 | 99% | 0,78 |
| PERFORMANCE 2018 | 99,3% | 0,63 |
| OBJECTIVE 2019 | 99% | 0,73% |

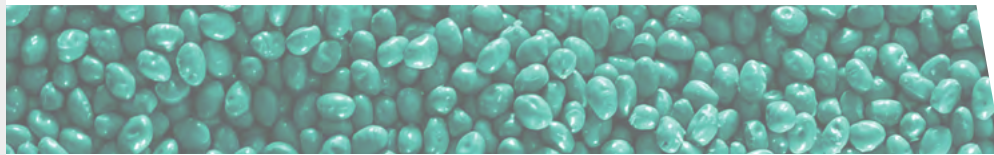
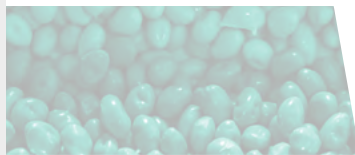
WE INTRODUCED TWO NEW CUSTOMER SATISFACTION SURVEYS: NET PROMOTER SCORE AND CUSTOMER SATISFACTION SCORE

In 2018 we wanted to make even further improvements in the services we offer so we allocated resources towards examining the most relevant aspects for our customers when making their purchase decisions, understanding their needs and at the same time knowing what it is that assures their trust in us. We put our efforts into understanding our relationships with customers in order to improve these relationships in a global way.

We improved our employment of Net Promoter Score (NPS), a tool we implemented in 2017. NPS is used to measure customer loyalty based on the response to just one question: "How likely are you to recommend our products or services to a colleague? Depending on their answers, customers are classified as promoters, passives or detractors on a scale of most to least satisfied with the product or service they received.

During this year we made NPS a relevant indicator for customer satisfaction management, as we are interested in defining clear objectives for our employment of this survey in upcoming years. NPS results showed us that between 2017 and the end of 2018, customer satisfaction increased by 74%.

NPS PROGRESS



34
2018



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Industry studies on NPS position us as higher than average.

Though NPS is a tool generally used in Business to Consumer (B2C) markets, it is not so present in Business to Business (B2B) markets where we are applying it in an innovative way. For this reason, there isn't much data on NPS in the chemical industry and there aren't many comparative studies. However, the few references there are place ELIX in an above average position within the industry.

New in 2018 were the transactional measures of the Customer Satisfaction Score (CSAT), a tool for operational performance that measures customer satisfaction with a

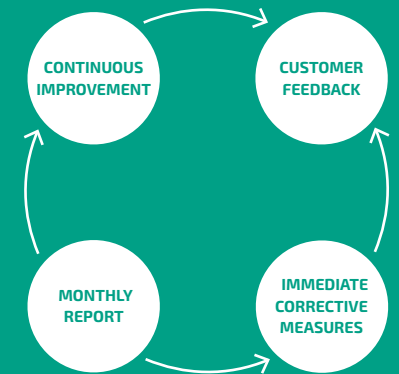
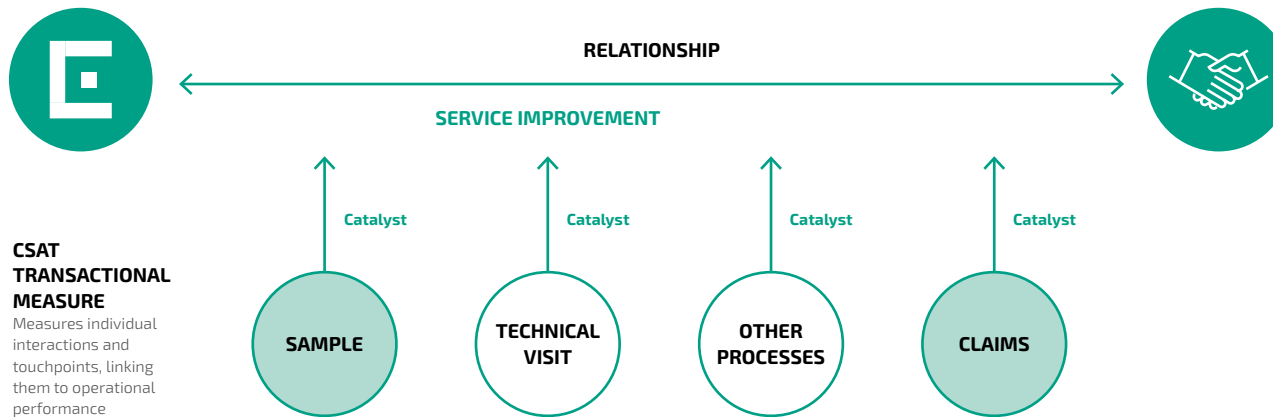
product or service. For each company-customer touchpoint, a satisfaction question is sent, followed by an improvement question in case of a low satisfaction level. In 2018 we used the Claims area as our first company-customer touchpoint; in 2019 we are planning to expand the CSAT into the area of sample deliveries.

The combined analysis of customer responses in these two tools will enable us to develop specific actions within a cyclical procedure of continuous improvement.

Although customer participation in NPS and CSAT seems to be on the rise, it is still much lower than we would prefer. Therefore, one of our goals is to increase customer response in this area.

MEASURE - NPS

SENT TO CUSTOMERS BIANNUALLY





CUSTOMER SATISFACTION

We maintain high levels of customer satisfaction thanks to our personalised attention and tailor-made products and services.

We conduct a yearly customer satisfaction survey; our 2018 survey showed a high degree of satisfaction with our products and services. On a scale of 1 to 5, the areas with the highest levels of satisfaction continued to be product quality, customer service, the sales team and logistics.

PRODUCT QUALITY AND SAFETY

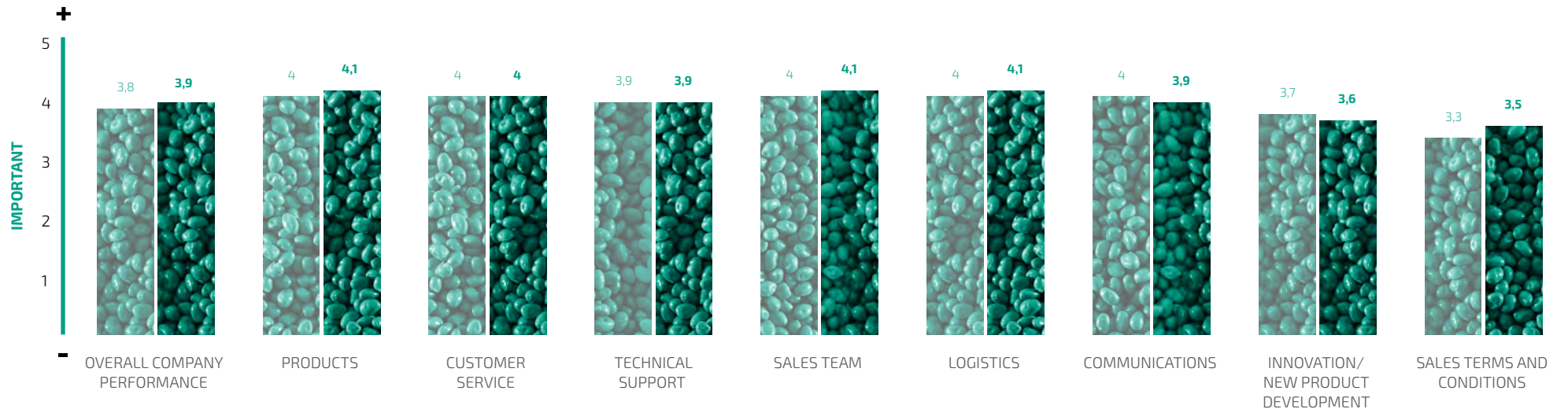
Quality is the area that scored the highest among our customers and is one of the contributors to ELIX being a competitive and reliable company in the thermoplastics industry.

Our mission and policy on sustainability affirm our commitment to quality and safety, and the protection of health and the environment. To this end, we employ a certified management system in accordance with the ISO 9001 standard which ensures that our products comply with the highest quality standards for their sale. We also

comply with the most stringent national, international and industry regulations regarding health and safety (see statements, product information and regulation compliance [here](#)).

We operate under the concept of product responsibility, which means that we evaluate and manage the potential risks of our products during their entire life cycle. Furthermore, we focus on responsible and ethical management right from the initial phases of product development, allowing us to improve sustainability within the industry.

COMPARISON OF SATISFACTION RESULTS



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ELIX COMPLIES WITH THE FOLLOWING INDUSTRY REGULATIONS

European Food Safety Authority (EFSA)

Regulation 1935/2004
Regulation (EU) n° 10/2011

US Food and Drug Administration (FDA)

US FDA 21 Code of Federal Regulations Section 181.32

CLP Regulation (EC)

n° 1272/2008

CONEG Legislation for containers and their residues

– 94/62/CE
and modifications

Montreal Protocol (substances that deplete the ozone layer)

– 1005/2009/EC

OUR SERVICE QUALITY

Through our post-sales service we assist and inform customers on the correct handling and use of our products as well as product characteristics and applications. We continue to publish brochures and update our Material Safety Data Sheets (MSDS) with information about chemical compounds, usage, storage, handling, emergency protocol and potential health hazards regarding dangerous materials (see brochures [here](#)). In addition, customers who download our MSDS receive notifications with updates on their products.

With the objective of creating technical know-how and knowledge of our processes on one hand, and on the other hand improving our communication with customers to transmit our professionalism and capacity for innovation, in 2018 we developed the following elements:

- **Document support files** for the different work action plans we are developing based on information gathered from visits, applications and materials.
- Technical newsletter **“Transferring knowledge, giving solutions”** to keep customers updated on a quarterly basis, covering their technical needs concerning new products and developments at ELIX.
- An **ecolabel** for the most sustainable products.
- Improvements in the labeling and packaging of octobins, due to a change in the yellow “end of batch” label which was replaced with “do not pile” red tape clearly visible from all angles.
- **Yellow Cards** with information on product safety and the flammability of active products in our portfolio, highly rated by our customers.
- An updated version of the **Healthcare** brochure with an expanded list of services for this field.
- **“Samples made for you”** an initiative consisting of new containers and package designs for the samples we send to customers, improving visibility and presentation.





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5.2 RESPONSIBLE INNOVATION

Plastics are currently in the public eye due to their impact on health and the environment. Therefore, after 40 years of experience in the manufacture of ABS, we remain committed to research and development in order to innovate and improve our portfolio.

We identify, develop and embrace new opportunities that demonstrate a clear dedication to sustainability with the aim of developing business plans and products that are respectful of people and the environment.

In this way, we incorporate sustainability as a strategy for innovation and for the development of a differentiating, specialised thermoplastics product catalogue with high added value that satisfies market demand and the needs of our customers.

We contribute positively to sustainability through Responsible Innovation.

| | INVESTMENT INTENSITY IN R+D+I (PERCENTAGE OF TURNOVER) | CATALOGUE RENEWAL: MORE SUSTAINABLE PRODUCTS (PERCENTAGE OF SALES) | NEW PRODUCT DEVELOPMENT (PERCENTAGE OF SALES) |
|-------------------------|--|--|---|
| OBJECTIVE 2018 | 1,1% | 30,3% | 10,0% |
| PERFORMANCE 2018 | ✗ 0,88% | ✓ 30,3% | ✗ 5,3% |
| OBJECTIVE 2019 | 0,90% | 30,0% | We have decided to not use this indicator |



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Responsible Innovation at ELIX means that all products must incorporate the priorities established in our innovation policy, which we define according to three vectors:

- Environmentally friendly manufacturing
- A portfolio with more sustainable products
- Health impact awareness

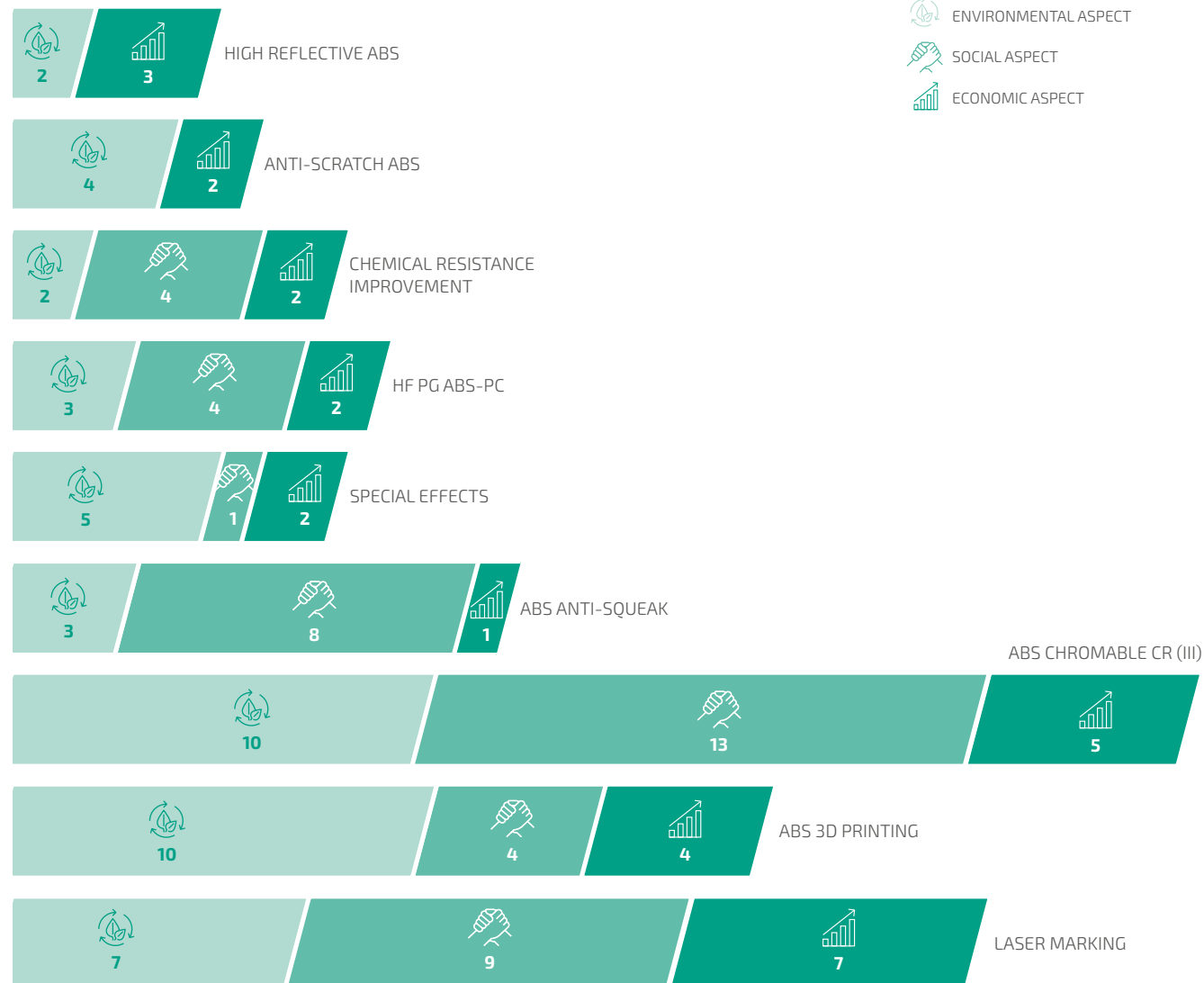
We incorporate sustainability into the development of new products thanks to **Value Sensitive Design (VSD)**; this method allows for product design integrating the evaluation of sustainable principles in their environmental, social and economic aspects. In 2017 we began to employ VSD and by 2018 we managed to apply it to each and every one of our products.

Sustainable principles are integrated into all of our products thanks to VSD.

We apply this procedure to new products with added value, prioritising environmentally friendly manufacturing processes (evaluation survey) as well as the specific requirements of customers (product development requirement), implementing it in all phases of design. In addition, this method includes a life cycle analysis which helps in decision making as it makes an objective comparison of the environmental impacts of different products and services.

PRODUCT/SERVICE SUSTAINABILITY PERFORMANCE

- ENVIRONMENTAL ASPECT
- SOCIAL ASPECT
- ECONOMIC ASPECT





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PRODUCT INNOVATION

Within the framework of our Responsible Innovation strategy initiated in 2017, this year we developed new, more sustainable products and materials, some based on non-renewable but more sustainable raw materials and others based on totally renewable raw materials. These developments have allowed us to renew our portfolio, adding diversity and quality to the thermoplastics market. We also created the Intellectual Property area, which will be in charge of evaluating the intellectual property and patents of our products.

Our innovation at ELIX generates a positive impact throughout the value chain, with a focus on reducing negative impacts from the use of our products. At the same time, it allows us to optimise processes for our customers and help them improve their competitiveness.

WE INVESTED IN RESEARCH AND DEVELOPMENT FOR A MORE SUSTAINABLE PORTFOLIO

WE DEVELOPED ECOLABELS FOR OUR MOST SUSTAINABLE PRODUCTS



ECOLABEL SUSTAINABLE PRODUCTS

ELIX contributes to the transition towards a circular economy within the industry. We understand a circular economy to be a tool for assessing and reutilising waste, as well as including raw materials from renewable sources.

We are working on the ecodesign of plastics to develop new materials which are more environmentally sustainable, either because of low greenhouse gas emissions or because they incorporate natural fibres.

Within this framework, we implemented our first symbol for the sustainable products in our portfolio with a **type II ecolabel**, which is our own environmental statement. This symbol helps to identify the products that comply with the specific criteria of ISO 14021:2017.

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



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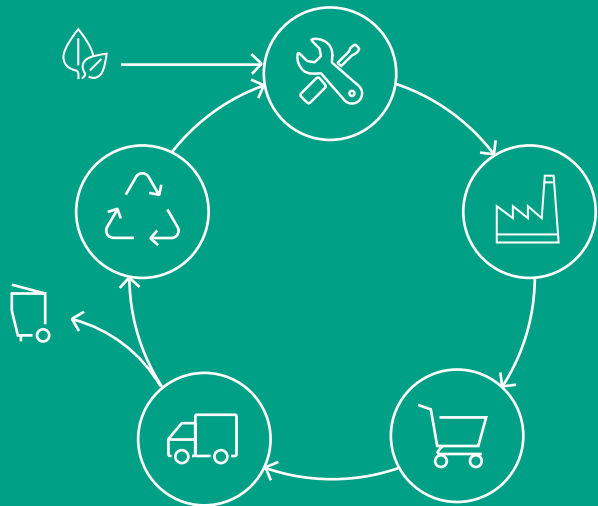
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Our ecolabels highlight the recyclability of our products, their content of renewable material and their low carbon footprint compared to other products in our portfolio. ELIX ABS-NF, ELIX ABS/PLA and ELIX M730RP are the products that fulfil these three requisites.

With this environmental label we hope to encourage the demand for and supply of products that have less impact on the environment through the communication of verifiable and precise information helping to avoid errors or confusion.



In 2018 we closed five important product innovation projects that we began in 2016 and 2017; of these, "Deep black" and "Very high Flow ABS" successfully entered into the Consumer Goods industry.

In 2018 we continued to work on various innovation and improvement projects initiated between 2016 and 2017; we hope to see the results of these projects throughout 2019. In addition, we started new product development in response to detected market demand:

- ABS and PC/ABS with permanent conductive, dissipative and antistatic properties
- ABS with greater dimensional stability
- ABS/PC with high flow for electroplating
- ABS with greater scratch resistance

In order to reach the level of innovation we believe is necessary for our company, we rely on a network of collaborators in technological centres and clusters, with whom we foster collaborative innovation.

WE FOSTER COLLABORATIVE INNOVATION THROUGH INTERDISCIPLINARY WORK WITH TECHNOLOGICAL CENTRES AND SPECIALISED CLUSTERS



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INNOVATIVE PROJECTS

In 2018 we initiated the Fund 3D and Flash 3D projects with subsidies from the European Union. The Flash 3D project is an example of a strategic commitment to the development of halogen-free flame retardant ABS, a totally new product on the market.

The project started in 2018 and is currently in the planning phase with trials and sampling. The plan is to launch the finished product into the market in 2020. Research work for this product is being carried out in collaboration with technological centres and collaborating companies.

Meanwhile, our ELIX 3D-NF grade was used to make a 3D printed life-size Star Wars statue weighing 45 kg. Our grade allows for the reduction of standard ABS contractions thanks to the presence of natural fibres.



SERVICE INNOVATION

VSD methods allow our customers to get involved in the design of more sustainable products and the search for concrete solutions adapted to their needs. Therefore, Responsible Innovation naturally develops in a way that is totally in line with our objective of ensuring speed and efficiency for our customers and enables us to proactively propose optimal solutions based on flexibility and reliability.

We collaborate with our customers to develop more sustainable products.

In 2018 we participated in joint projects as part of our collaborative service, enabling us to build loyalty among our customers and gain greater mutual knowledge to help us advance in the development of new products.



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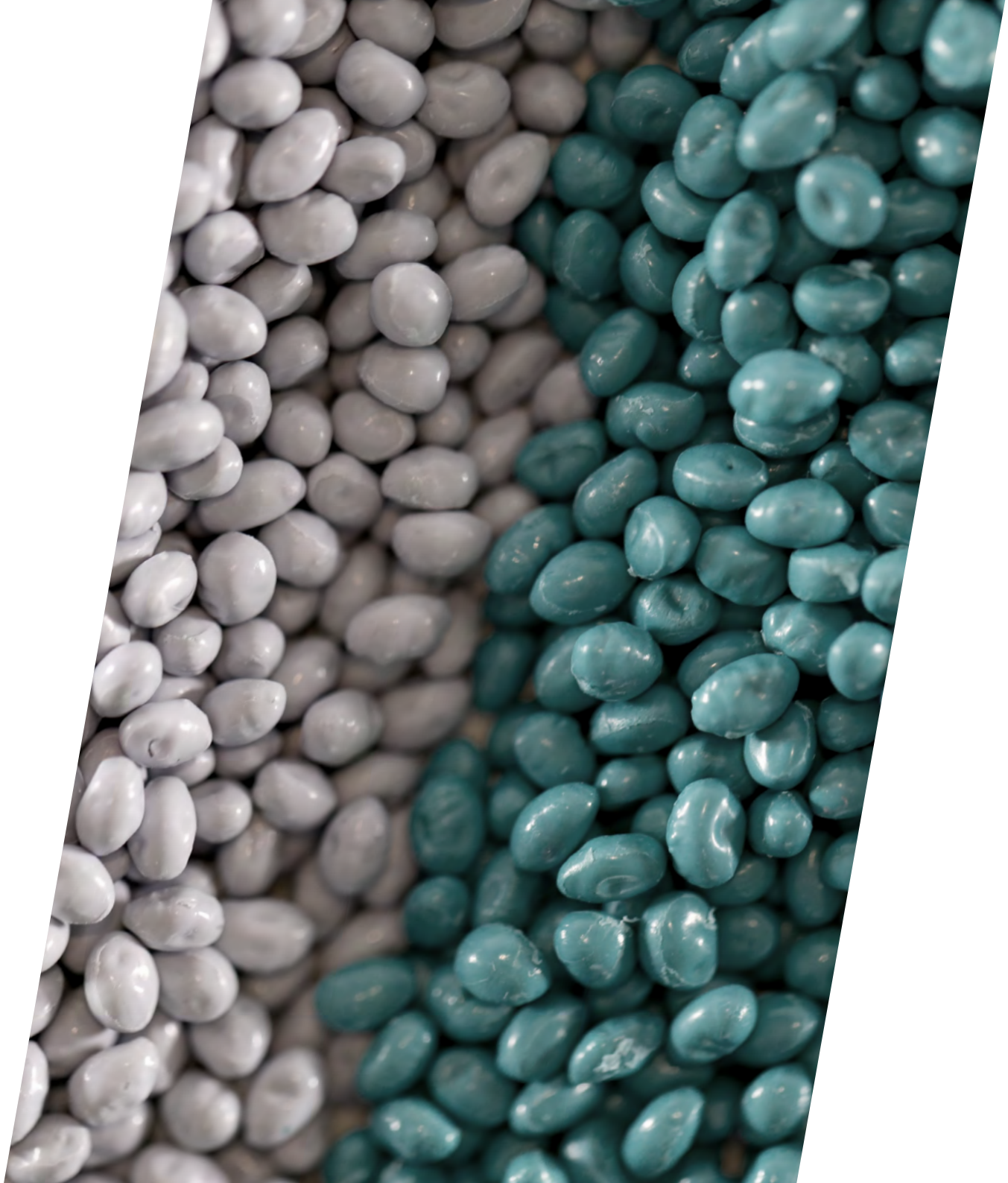
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A perfect example of this collaboration between customers and ELIX is the following project which was developed in 2018:

COMPARISON OF ABS AND ASA

A customer needed to compare the environmental sustainability of two types of polymers: ABS and ASA. The Life Cycle Assessment (LCA) tool was used for the comparison, specifically to calculate the environmental impacts of these products. Of all the impacts, carbon footprint was considered to be the most relevant and is where we have put our emphasis as this indicator gives us information on the contribution to climate change.

The result of this study showed that ABS leaves 9% less of a carbon footprint than ASA. Furthermore, if we take into account other environmental impacts such as water contamination or toxicity, ABS ends up in its totality, as 16% better than ASA. Therefore, the conclusion is that ABS is more sustainable than ASA.





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THE DEVELOPMENT OF OUR TEAM

At ELIX we promote the personal and professional development of all our employees and strive to attain a collaborative work environment, encouraging trust and a positive atmosphere.





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MISSION

To promote personal and professional development.

PROFESSIONAL GROWTH FOR OUR EMPLOYEES



SUSTAINABILITY

PERSONAL AND PROFESSIONAL GROWTH AND LEARNING

We develop a professional training plan for all of our employees and support personal initiatives such as sports and solidarity activities, studies, occupational training sessions and others. In addition, we work together to find ways to achieve a work-life balance.

RESPONSIBILITY AND INTEGRITY

We apply a responsible Human Resources policy to get our team involved in the overall objectives of the company.

MOTIVATION AND COHESION ON OUR TEAM

We constantly work towards the satisfaction of our employees at ELIX through a Human Resources model that supports training, continuous workplace evaluation and improvement, as well as job stability, professional performance and job position description.

WE SUPPORT EQUAL OPPORTUNITY

Our policy on equal opportunity addresses different areas such as access to job positions, training, professional development and salary.

THE WELL-BEING OF OUR EMPLOYEES

Our management strategy aims to establish a healthy work environment oriented towards the physical, social and emotional well-being of the people who make up our team.



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The human factor is essential in our organization. The consolidation of a cohesive, professional and committed team has been and continues to be one of our strategic objectives at ELIX.

We work to create an atmosphere of cooperation, transparency, trust and respect among all of our company's employees. To achieve this, it is fundamental that they are empowered. Therefore, we guide them in their professional growth, detect their training needs, encourage their participation and integration in the organization and foster work-life balance, with the aim of creating dynamic and motivated teams.

2018

| | | |
|--------------------|--|--|
| OBJECTIVES | IMPLEMENT SKILLS AND COMPETENCIES MATRIX | EXPAND ACCESS TO EMPLOYEE WEB MILENA TO ENTIRE STAFF AT ELIX |
| PERFORMANCE | | |

2019

| | | |
|-------------------|--|--|
| OBJECTIVES | UPDATE EQUAL OPPORTUNITY PLAN AND MOBBING PROTOCOL | LAUNCH TALENT MANAGEMENT AND PERFORMANCE ASSESSMENT PLAN |
|-------------------|--|--|

A HEALTHY COMPANY

We are very pleased with a project we initiated in 2018 which spans across the whole company and whose goal is to foster the emotional, physical and social well-being of each and every person at all levels of the organization.

This project was ambitious in terms of its implementation as it involves all levels of ELIX and concerns all the people within the company as well as in our immediate social environment.

Thanks to this project, we will be able to consolidate our team, promoting health and quality of life, and encouraging personal and professional growth. In this way, we hope to stimulate a sense of pride and satisfaction in job performance as well as a sense of belonging at ELIX.

Diversity, participation, creativity, leadership and empowerment are the key values of the project, and its main strategic concepts are:

- Improving physical well-being through job safety and excellent prevention measures.
- Attaining optimal social well-being through the promotion of healthy habits and common illness prevention.
- Fostering a positive psychosocial environment through personal development and emotional well-being.
- Extending this model of a healthy work environment to our stakeholders and immediate social environment.



6.1 PERSONAL DEVELOPMENT AND PROFESSIONAL GROWTH

We want to provide all the people at ELIX with an excellent employee experience. To fulfil this commitment, we developed a labour policy based on work performance evaluation which supports training and growth, continuous work environment evaluation and improvement, and job stability.

During the course of 2018 we incorporated new Human Resources software, MILENA WEB, to provide closer, more personalised attention to all ELIX staff, this way accomplishing our mission.

Meanwhile, the employee website makes it easy to access personal and professional information and helps process medical leaves or holidays for all employees including operators, who previously didn't have access. This website, in addition to facilitating communication within the organization, enables middle management to have a quick view of the comings and goings of the people on their teams.

Employee representation in our company is mediated by various committees at ELIX: The Negotiation Committee, the Permanent Committee, the Employment and Professional Category Committee, the Equality Committee, the Job Training Committee, the Health and Safety Committee and the Social Committee.



A STRONG WORK-LIFE BALANCE POLICY AND FAIRNESS IN WORK REINTEGRATION

Recent legislation has extended paternity leave, now granting five uninterrupted weeks, with two additional days for each child after the second one in the case of multiple birth, adoption or legal guardianship. At ELIX we do all we can so that our employees may move a week within the first nine months of maternity in order to guarantee a work life-family life balance. The right to these periods is independent of the shared rights of maternity leave.

When returning to work after maternity leave, employees at ELIX have the right to accumulate nursing hours, which translates to work days. They can also use their unused holiday time and even request leave without pay to take care of their newborns. All of this with a 100% guarantee of work reintegration, respecting their seniority.

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At ELIX we continue to support internal promotion. According to employee job performance, we offer opportunities to continue growing within the organization. Nonetheless, the generational shift has produced a decrease in staff, due to recent changes in full retirement eligibility.

We also support new talent with the incorporation of young candidates and the creation of opportunities for them. For this reason, we have hired ELIX students who carried out internships in our facilities through the Compte de Rius Institute.

| STAFF (31/12/2018) ¹ | 2016 | 2017 | 2018 |
|---------------------------------|------|------|------|
| TOTAL EMPLOYEES | 272 | 288 | 252 |
| CONTRACTORS ² | 76 | 79 | 78 |

¹ The information displayed here refers to the employees in Tarragona (Spain), the main and only office of the company. Total employees include those who are semiretired; in all other graphs of this section these employees are not included as though they are still employees of ELIX, their level of dedication is not the same as the rest. ² With the exception of this graph, all others in this section do not include external employees (contractors) since we do not have direct management capacity over them.

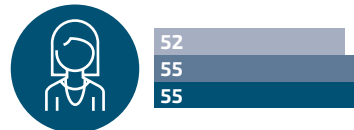
NEW HIRES

18 - 2018
26 - 2017
31 - 2016



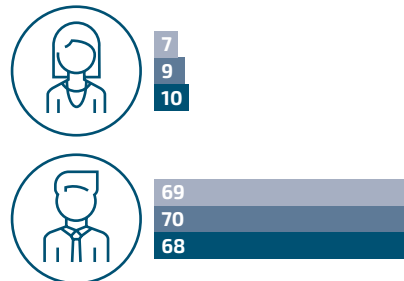
↓ 12,5%
EMPLOYEES
COMPARED TO 2017

WOMEN –
MEN ↓15,5%



↓ 1,3%
CONTRACTORS
COMPARED TO 2017

WOMEN ↑11,1%
MEN ↓2,9%



| BY AGE | 2016 | 2017 | 2018 |
|----------|------|------|------|
| UNDER 30 | 1 | 3 | 3 |
| 30 TO 50 | 30 | 23 | 15 |
| OVER 50 | - | - | - |

| BY GENDER | 2016 | 2017 | 2018 |
|-----------|------|------|------|
| MEN | 18 | 22 | 11 |
| WOMEN | 13 | 4 | 7 |



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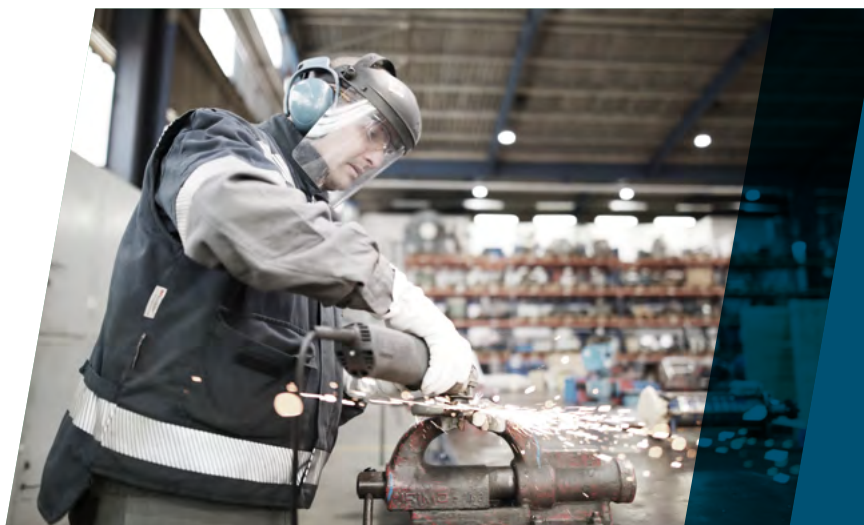
| TURNOVER RATE | 2016 | 2017 | 2018 |
|------------------|------|------|------|
| BY AGE | | | |
| UNDER 30 | 0% | 0% | 0% |
| 30 TO 50 | 1% | 1% | 1% |
| OVER 50 | 0% | 0% | 0% |
| BY GENDER | | | |
| MEN | 0% | 0% | 0% |
| WOMEN | 1% | 1% | 1% |

| BY CONTRACT TYPE (31/12/2018) | 2016 | 2017 | 2018 | ↓↑ |
|---|--------------|--------------|--------------|---------------|
| % OF STAFF WITH INDEFINITE CONTRACTS | 89,9% | 90,6% | 93,5% | 3,3% |
| INDEFINITE | 205 | 230 | 217 | -5,7% |
| MEN | 165 | 178 | 168 | -5,6% |
| WOMEN | 40 | 52 | 49 | -5,8% |
| TEMPORARY | 23 | 24 | 15 | -37,5% |
| MEN | 12 | 16 | 10 | -37,5% |
| WOMEN | 11 | 8 | 5 | -37,5% |

Note: Semiretired employees not included.

| BY TIMETABLE TYPE (31/12/2018) | 2016 | 2017 | 2018 | ↓↑ |
|--------------------------------|--------------|--------------|--------------|--------------|
| % OF FULL TIME STAFF | 96,5% | 95,7% | 94,8% | -0,9% |
| FULLTIME | 220 | 243 | 220 | -9,5% |
| MEN | 177 | 194 | 178 | -8,2% |
| WOMEN | 43 | 49 | 42 | -14,3% |
| PART TIME | 8 | 8 | 12 | 8% |
| MEN | 0 | 0 | 0 | - |
| WOMEN | 8 | 8 | 12 | 8% |

Note: Semiretired employees not included.



WE SUPPORT JOB STABILITY ON OUR STAFF

93,5%
WITH INDEFINITE
CONTRACTS



THE MOTIVATION AND COMMITMENT OF OUR TEAM

With the slogan "People make ELIX" we want to reinforce the importance of our team as a key factor in the success of our business. Work environment directly influences the well-being of people, and consequently, their job performance and involvement in the company.

For this reason, we conducted a Work Environment and Commitment Survey in 2018, which measured employees' levels of comfort and satisfaction in terms of adaptation capacity, mission, coherence and participation.

Survey results revealed a higher level of staff dedication when their participation was higher. Employees were asked about the generation of changes, the focus on customers and the capacity for learning, and from their answers we concluded that there were improvements among employees regarding these external aspects. Another aspect that saw growth was the company mission, which analyses strategic intention and orientation, goals and objectives, and our vision at ELIX.

With the aim of creating a positive work environment, we also encouraged participation in sports, solidarity and integration activities which help to motivate and get employees involved, strengthening a sense of belonging at ELIX.

Our level of employee absenteeism is much lower than the national average in the industry.

For two consecutive years we obtained positive results from our incorporation of policies and strategies for promoting health and safety at work. Positive results also came from our work to improve our attention to the people who make up our team, supporting them and encouraging their motivation and sense of empowerment. Proof of all this work is our low level of employee absenteeism, much lower than the national average for the industry.

We also support training on our team, promoting the talent of our professionals whose knowledge and competencies guarantee the solid growth of our company.

In 2018, 18 ELIX employees completed vocational training programs and received official accreditation in Industrial Chemistry, validating their development within the company. For this reason, the company hosted a recognition ceremony for their effort and commitment.

| | 2016 | 2017 | 2018 | INDUSTRY |
|------------------|------|------|------|----------|
| ABSENTEEISM RATE | 3,6 | 2,0 | 2,1 | 5,1 |

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SOCIAL BENEFITS FOR OUR TEAM

At ELIX our entire staff operates under the General State Agreement for the Chemical Industry and have at their disposal a Complementary Agreement drafted by the Legal Representation of Employees, which improves the conditions established in the General Agreement. During the last quarter of 2018 we negotiated the revision and improvement of our Complementary Agreement at ELIX, which will come into effect in 2019, once it is approved by our new owner, Sinochem International.

During the course of negotiations with social agents, company representatives and works council, we held assemblies and meetings with the negotiation committee and made the corresponding minutes public and available to all staff.

100% OF OUR STAFF IS COVERED BY THE COLLECTIVE AGREEMENT

The most relevant points of the agreement can be summarised as follows:

- We maintained social benefits, even improving certain points such as extending family member medical leave to include second degree relatives.
- We established a variable income system for 2019 -2020 for ELIX staff, connected to the achievement of set indicators/objectives. We will carry out a monthly follow up on the achievement of these objectives using special boards specifically for this purpose.

These are the main social benefits we offer at ELIX:

- Assistance for employees prolonging their studies
- First time home buyer loans
- Assistance for people with physical or intellectual disability
- Seniority or loyalty rewards
- Christmas gift sets
- Holiday flats
- Employee Pension Plan
- Collective health insurance
- Life Assurance
- Day care assistance
- School assistance
- Employee dining hall service



In 2018 we held elections for trade works council.

In compliance with labour laws regarding employee representation and fully supporting trade union presence in the heart of our company, this year we held elections for works council.

PROFESSIONAL GROWTH

One of the pillars of our company is to provide value to our employees through professional training. This year we started the project "Competency and Capacity Matrix Implementation", focused on reinforcing the strong points, capacities and competencies of our employees so that they can perform their jobs in the most effective way. We conducted individual assessments to identify areas needing improvement and skills to develop, and then defined the training requirements for members of each team.

We increased total training hours for employees by 40%.

In 2018 a total of 6.745 hours went to employee training in the most relevant areas for the company, such as personal skills, health and safety and technical competencies.

We doubled our training hours devoted to the areas of health and safety, strengthening one of our basic pillars at ELIX through specific professional training.

This year our investment in training was less than the previous year as currently at ELIX we have qualified professionals able to conduct internal workshops and courses to help develop the talents of their colleagues.

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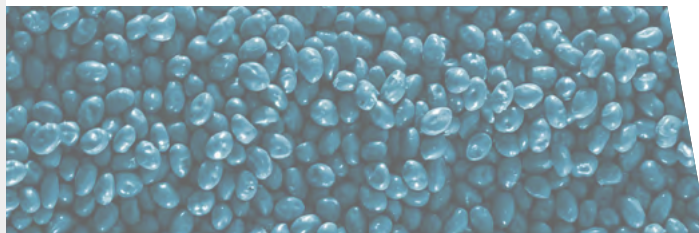
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TOTAL EMPLOYEE TRAINING HOURS



4.812 h
2017



6.745 h
2018

AVERAGE TRAINING HOURS



| | 2016 | 2017 | 2016 | 2017 |
|---|------|------|------|------|
| EXECUTIVES | 40,9 | 18,0 | 80,3 | 42,0 |
| SKILLED WORKERS, TECHNICIANS AND ADMINISTRATIVE STAFF | 22,8 | 41,8 | 27,2 | 37,9 |
| OPERATORS | 10,2 | 23,3 | 9,0 | 31,0 |
| SALES REPRESENTATIVES | 22,0 | 9,0 | 31,5 | 2,7 |



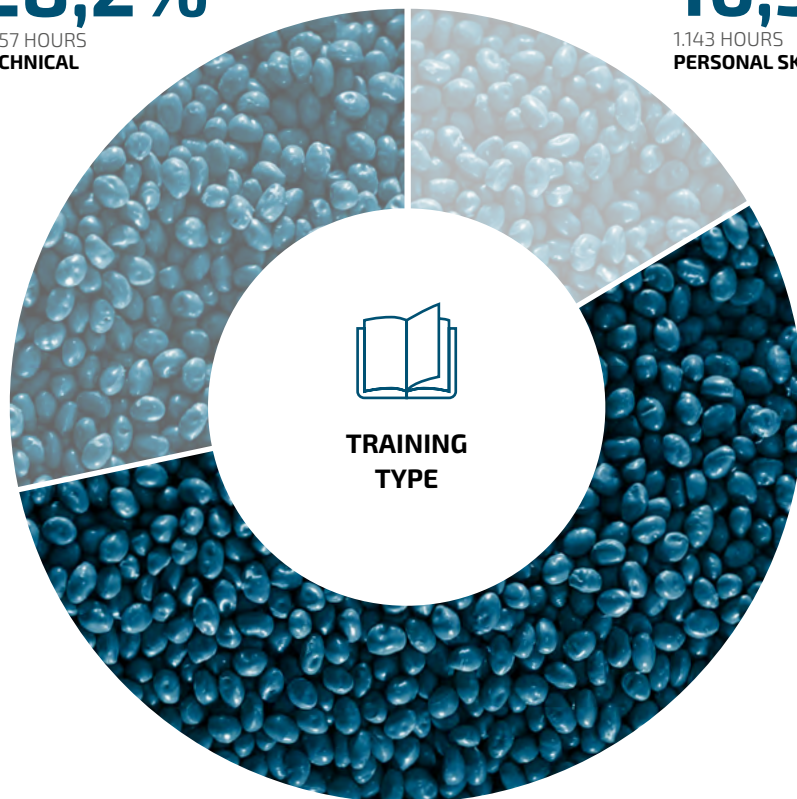
28,2%

1.957 HOURS
TECHNICAL



16,5%

1.143 HOURS
PERSONAL SKILLS



55,3%

3.838 HOURS
HEALTH AND SAFETY

INVESTMENT IN TRAINING



136.014€

140.256€

93.487€

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6.2 DIVERSITY AND EQUAL OPPORTUNITY

At ELIX we are committed to equal opportunity and do not discriminate based on gender. Through our **Equality Committee** –made up of works council, company representatives and the special figure of the **Equality Agent**– we ensure compliance with our **Equality Plan**, approved in 2012.

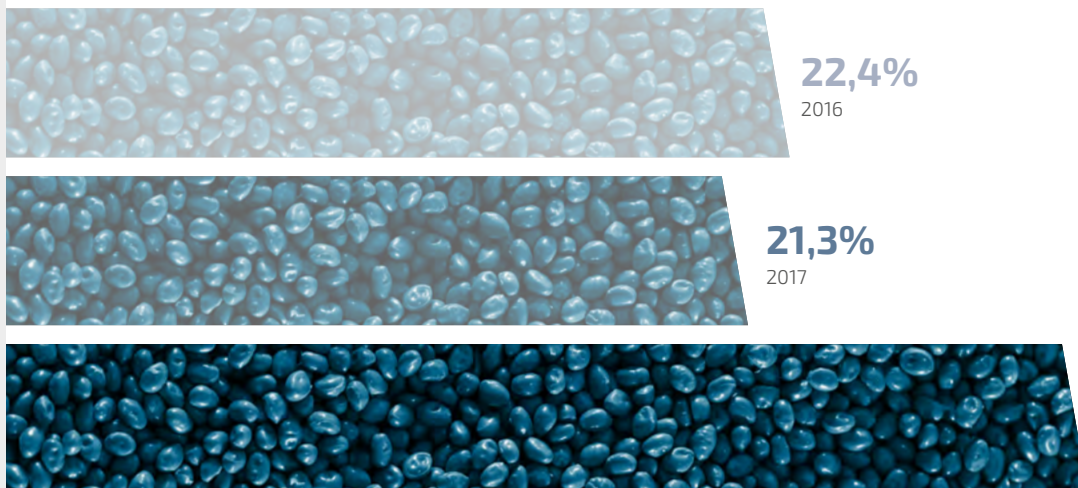
The Equality Commission holds regular meetings to ensure equality principles and procedures for established actions.

Within the legal framework of our Equality Plan, we developed the **Action Protocol against Sexual Harassment** as a guarantee of our company's prevention and action in the face of any behaviour that could be construed as a sexual offence or violation of the dignity and respect of an employee.

With the aim of compliance with the Integration Law for people with disabilities, at ELIX we collaborate with Special Employment Centres (CEE) to support the employability and work integration of this collective.



WOMEN ON STAFF



PRESENCE OF WOMEN BY JOB CATEGORY



20,0% - 2018
EXECUTIVES
20,0% - 2017
20,0% - 2016



51,2% - 2018
SKILLED WORKERS,
TECHNICIANS AND
ADMINISTRATIVE STAFF
42,6% - 2017
48,3% - 2016



2,4% - 2018
OPERATORS
2,3% - 2017
2,5% - 2016



60,0% - 2018
SALES
REPRESENTATIVES
66,7% - 2017
66,7% - 2016

WE HAVE INCREASED FEMALE PRESENCE IN A PREDOMINANTLY MALE INDUSTRY

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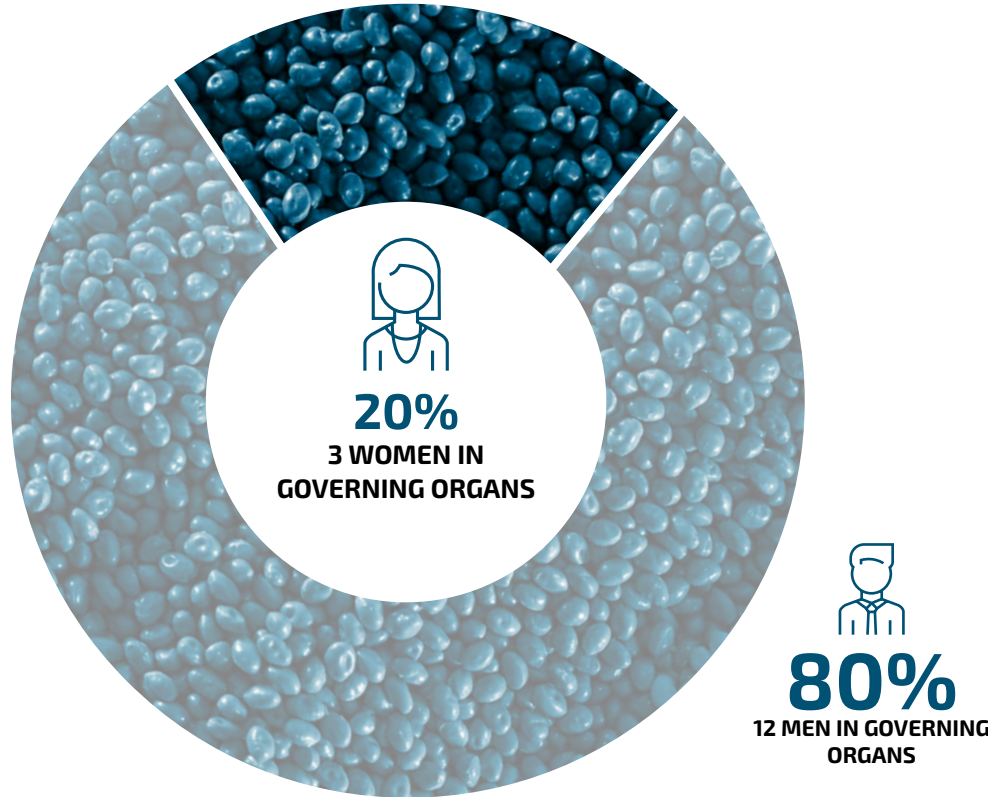
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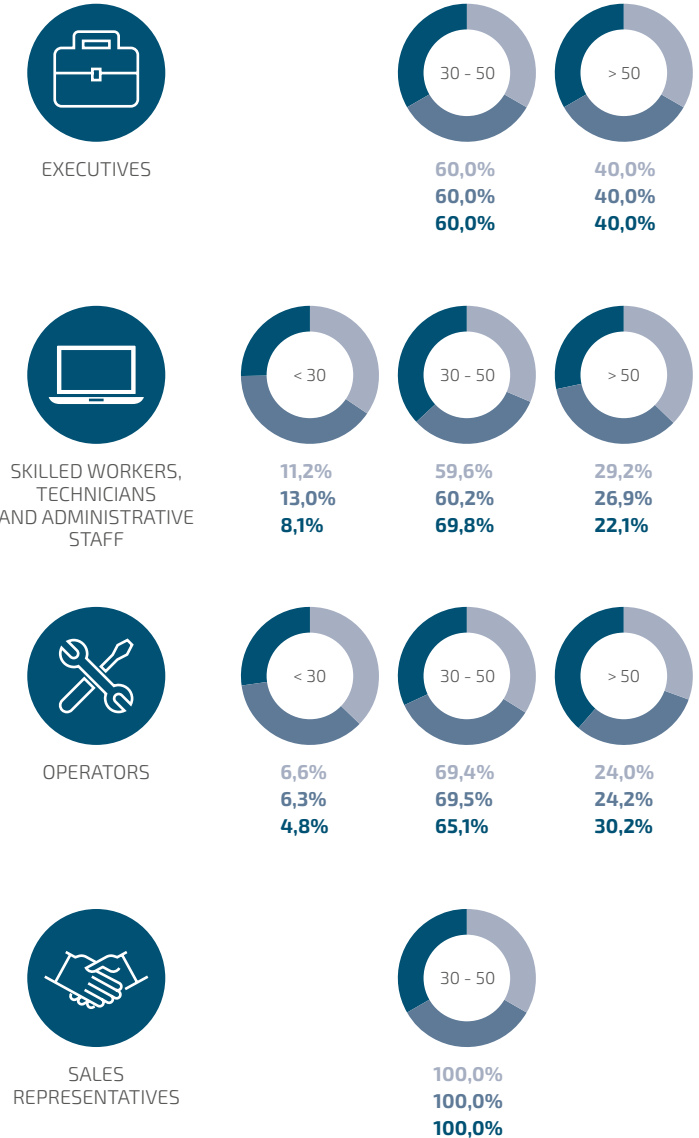
DIVERSITY IN GOVERNING ORGANS



COMPARISON OF AVERAGE SALARY AT ELIX* TO AVERAGE INTERPROFESSIONAL SALARY



AGE DISTRIBUTION BY JOB CATEGORY



*Calculated as the mass salary average in our company.



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SUSTAINABILITY, ESSENTIAL TO OUR BUSINESS

Sustainability brings a responsible vision to all operations and processes in our business –including the supply chain– helping us ensure the health and safety of our employees and the protection of the environment.





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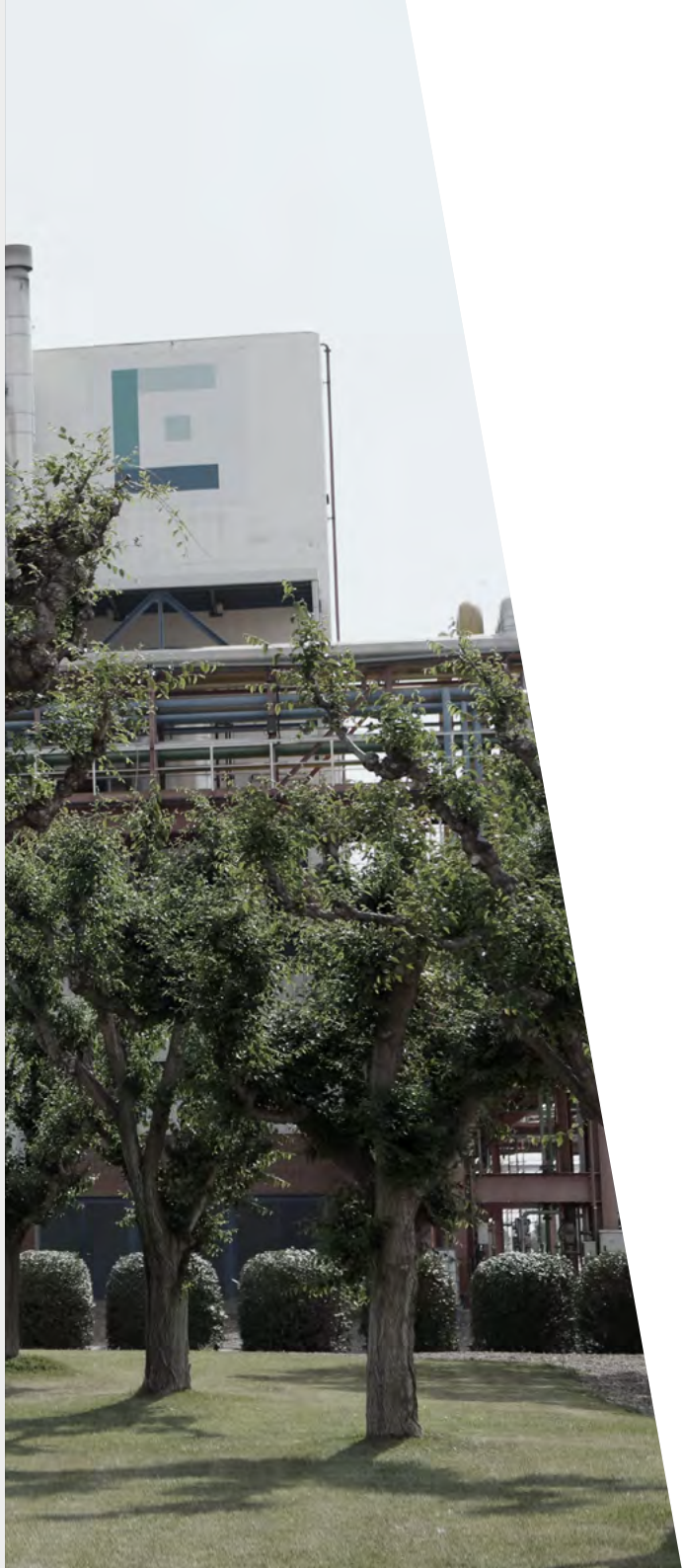
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MISSION

To generate a collaborative, safe and sustainable work environment.

SUSTAINABLE BUSINESS OPERATIONS



SUSTAINABILITY

WE HAVE INCORPORATED A PHILOSOPHY OF CONTINUOUS IMPROVEMENT IN OUR COMPANY

The application of LEAN methods in different company processes.

Standardising the creation of continuous improvement teams in the daily operations of our facilities.

WE GUARANTEE WORKPLACE SAFETY FOR OUR EMPLOYEES

The incorporation of "Healthy Company" strategies.

The incorporation of the Strategic Plan for Safety Culture: safety based on human behaviour.

The definition and incorporation of Safety Rules.

Continuous improvement in workplace conditions.

WE PROTECT THE ENVIRONMENT

Energy Efficiency Program.

Waste reduction and evaluation program.

WE INCORPORATE SOCIAL RESPONSIBILITY THROUGHOUT THE SUPPLY CHAIN

The incorporation of Corporate Social Responsibility criteria in all new contracts with suppliers.



7.1 LEAN CULTURE

At ELIX we incorporate **LEAN culture, a method of continuous learning and improvement** in the services we offer our customers, allowing us to strengthen management processes and at the same time promote the development of our professional team. This initiative forms part of our global mission for the personal and professional growth of our employees.

We employ this method by means of multidisciplinary teams who look for solutions to problems that affect the different plants and through the **virtual tool "LEAN Community"**, a corporate intranet space for initiative sharing and mutual learning.

In addition, every year we organise LEAN Day, where representatives from different areas of the company share their experiences and impart what they have learned.

The positive impact generated by this method can be observed in the commitment and participation of all team members, which means the achievement of results and consequently a positive contribution to the fulfillment of our mission.

In 2018, participation in work teams to collaborate on continuous improvement reports (called A3s) increased by 58% with respect to the previous year. It is worth noting that the number of A3s has doubled since 2017.



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7.2 A SAFE AND HEALTHY WORK ENVIRONMENT

Safety is one of the key pillars of our corporate strategy at ELIX and it is even more relevant for us particularly as it is a highly sensitive issue in the chemical industry.

Our mission establishes safety in our production processes and for our employees as core priorities which are also included in the strategic objectives of our sustainability policy. Our goal is to avoid accidents and incidents and continuously improve workplace conditions.

We have a management system where we define the responsibilities, objectives and actions related to Occupational Health and Safety (OHS). Year after year, we conduct regular checks using specific indicators to ensure compliance with annual objectives.

2018

HEALTH AND SAFETY OBJECTIVES

TRIPLE ZERO

Occupational accidents Process Safety Incidents Environmental incidents

CONTINUOUS IMPROVEMENTS IN WORKPLACE CONDITIONS

PERFORMANCE



In 2018 there were two registered process incidents¹ and one accident with medical leave.



Incorporation of workplace, maintenance and production safety training.

¹ Indicator in accordance with the *Responsible Care* committee standards of FEI/QUE

2019

HEALTH AND SAFETY OBJECTIVES

TRIPLE ZERO

CONTINUOUS IMPROVEMENTS IN WORKPLACE CONDITIONS

IMPLEMENT HSE ALERT SYSTEMS AND PARTICIPATORY CAMPAIGNS (improvements in communication strategy of OHS)

IMPLEMENT "HEALTHY COMPANY" STRATEGIES

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This year we were audited for compliance with legal requisites on prevention, safety and the environment, as well as with the Prevention Law of our own Occupational Health and Safety Service. In addition, we obtained a "favourable" score in the annual safety report, in accordance with Serious Accidents regulations.

Under these regulations, legal compliance is checked with regard to the adoption of appropriate measures for preventing serious accidents, minimising consequences in and out of company facilities, the veracity of data and information included in the Safety Report and the programs and information provided to our employees on protection and action measures in case of an accident.

With the aim of going beyond what the law establishes and creating an excellent preventive culture that allows us to reduce our annual rate of occupational accidents to zero, we conducted an analysis of annual accidents to examine the results of our Job Safety and Risk Prevention actions and identify the main causes of accidents.

The results of the analysis revealed that the main causes of accidents have to do with the conditions and design of equipment and facilities, as well as with prevention management. By contrast, personal factors, such as acquired habits, are improving in this area.

The conclusions of the analysis done in 2018 made it clear to us what strategic lines we need to follow to reduce accidents in the upcoming year:

Risk identification and perception to establish action plans so that employees are capable of identifying and communicating risks and proposing preventive measures to avoid potential accidents.

Generate a preventive culture and leadership to transmit the concept of safety as a priority and generate actions which are appropriate and visible.

Foster the communication of preventive measures.

Revision of equipment design and processes wherever human intervention is required, incorporating safety and ergonomic aspects.

Training in specific operational procedures where safety aspects are incorporated.

We also investigated incidents and Unsafe Situation Alerts (ASI), establishing a plan for action and for communicating report results to technicians and Operations Area staff.

PLAN E, GENERATING A PREVENTIVE CULTURE AND LEADERSHIP

In 2017 we created a strategic Organization Based Safety project, referred to internally as Plan E, with the objective of changing safety-related behaviour as a whole, through changes in personal attitude and the acquisition of positive group values regarding well-being in the workplace.

In 2018 we began on the path to this profound cultural transformation which represents an opportunity to make ELIX a safer, more comfortable workplace.

To achieve this, we set up **CONECTA-T**, a participatory forum to communicate and suggest improvements, as well as a tool for applying knowledge management that boosts participation. In 2019 we plan to adapt and improve this platform.



Along these lines we also created **Health Circles**, which are three work sessions centred on the topics of health and safety, psychosociology and hygiene; different solutions sprung from these sessions, three of which were carried out in 2018:



Computer / IT devices and communication panels.



Set an example in the use of Personal Protection Equipment (PPE) by following General Regulations for Employees and for Middle Management.



Create the figure of floor coordinator as reflected in middle management job descriptions for each plant.

In addition, we carried out other related activities such as the **Lego Serious Play workshop**, a training session specifically dealing with human factors, and another on the **Logbook** (Leadership safety training), an online training course to capacitate leadership skills in managers.

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HEALTH AND SAFETY INDEX

| | 2016 | 2017 | 2018 |
|---------------------------------------|------|------|--------------------------------------|
| Nº OF ACCIDENTS WITH MEDICAL LEAVE | 2 | 0 | 2 One internal and one contractor |
| Nº OF ACCIDENTS WITHOUT MEDICAL LEAVE | 6 | 4 | 6 |
| FREQUENCY RATE ¹ | 5,29 | 0 | 2,65 |
| RATE OF SERIOUSNESS ² | 0,17 | 0 | 0,06 |

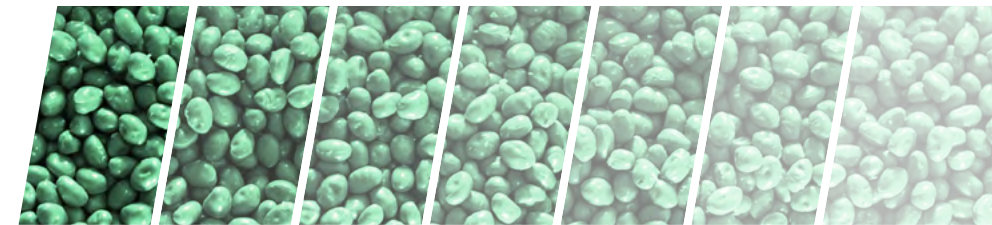
1. Calculated as $F.R. = 10^6 \times n^{\circ} \text{ accidents} / n^{\circ} \text{ hours worked}$

2. Calculated as $R.S. = 10^3 \times n^{\circ} \text{ missed work days} / n^{\circ} \text{ hours worked}$

In 2018, one internal employee had an accident requiring medical leave. We maintained a positive trend in reducing the seriousness of incidents, the majority due to physical contact of head and hands.



ACCIDENT TYPES 2018



15%
Bangs, blows to the body

15%
Struck by moving objects

14%
Being trapped

14%
Thermal contact

14%
Particle or fluid projection

14%
Cuts

14%
Same level falls



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ACTIONS FOR ACCIDENT PREVENTION

We doubled our hours of safety training with respect to last year.

One of the highlights of 2018 was **the amount of hours devoted to safety training** our staff took part in. During this year we invested 3.838 hours¹ in training, which comes out to 16,8 hours of training per employee.

Specific actions we carried out:

- **Safety training** for 18 new hires.
- **12 safety lectures** with a participatory focus for maintenance staff to encourage their contribution in identifying risks and improving procedures and preventive actions.
- **103 training sessions on specific risks** for service companies, with a total of 545 participants.
- **50 basic level training sessions on OHS** for 18 employees in the areas of production, maintenance and laboratories, designating them as preventive resources.

¹ Cumulative training hours.

SAFETY WEEK, A WEEK OF HEALTH AND SAFETY AT ELIX

For the second year in a row, as part of the International Day for Workplace Health and Safety, we celebrated **Safety Week**.

Safety Week at ELIX allows us to strengthen safety culture in the company and reinforce the concept of well-being, highlighting our commitment to the people who form part of our company by creating a safe and sustainable work environment. The goal of this week is to bring visibility to our incorporation of healthy workplace habits, physically, psychologically and socially.

To achieve this, during Safety Week we organised a wide variety of events such as workshops promoting healthy habits, labour risk awareness activities, conferences and guided tours of the facilities, salsa classes, Mindfulness workshops and others. All with a participatory nature and with the idea of capturing the interest of our employees and getting them involved, since success in the area of safety is only possible with the collective effort of everyone at ELIX.

In addition, we held a recognition ceremony, with an award for the employee with the most participation in the Unsafe Situation Alert (ASI) program, an award that recognises and encourages employee involvement and proactiveness in the continuous improvement of workplace safety conditions. Another award was the Safety award for the Best Service Company, which evaluates the daily incorporation of good safety practises.

Safety Week 2018 was truly valued by our employees and participation was high, which motivates us to continue organising this event along the same lines of action.



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OTHER OCCUPATIONAL HEALTH AND SAFETY ACTIVITIES:

- 18 audits for the coordination of OHS activities and incorporation aimed at service companies who operate in our facilities.
- We increased our safety preventive observations to 446 and housekeeping rounds to 289, with the participation of middle management, production and maintenance technicians, and Senior Management members.
- 10 work site risk assessments, where we made improvements in the design of installations and tasks, for jobs using screens in the laboratories and for specific ergonomic issues in the polymerisation plant.
- The creation of new maps identifying Personal Protective Equipment (PPE) to be used for specific tasks.
- Revision of authorised protection equipment and ensuring it is easily accessible to employees.
- There were 69 Unsafe Situation Alerts (ASI), representing a 97% increase with respect to previous years.

PROCESS SAFETY PERFORMANCE:

- 186 equipment evaluations in accordance with RD1215/97 and 50 evaluations of changes in installations and processes.
- 10 process safety analyses.
- Total revision of ELIX Polymers Emergency Plan in accordance with Decree 30/2015; based on this we are currently designing a corresponding training course.
- 5 internal emergency exercises and 1 annual drill where all employees and the on-site contractor participated.
- Diagnosis and revision of fire load using quantitative methodology.



HEALTH RELATED TOPICS:

- We continued to incorporate First Aid Assistance and Health Monitoring Services, initiated in 2017.
- For the second time we held different health promotion campaigns:
 - Early detection of colon cancer.
 - Identification of skin phototypes.
 - Emotional well-being test (TEST DASS-42).
 - Blood donation day.
 - Heat stroke prevention.
 - Talk on breast cancer: repercussions on patients and their immediate environment.
 - Early diabetes detection.
 - Flu vaccination.
 - Early Glaucoma and retinal disease detection.
 - Glaucoma prevention.
- We signed a collaborative agreement with the Spanish Cancer Association; through this association we sent a monthly newsletter "Your health comes first" with the aim of spreading information on the prevention and early detection of cancer, helping to adopt a healthy lifestyle and providing information on the association (AECC).
- We supported initiatives such as the family walkathon to raise funds for breast cancer prevention, and the talk on nutritional chronobiology during the healthy solidarity breakfast we organised as part of the TV3 Marathon.

We extend our safety standards to include collaborating companies.

All external companies who collaborate with ELIX sign a collaboration contract, confirming their compliance with our regulations and policies on safety and environmental protection.

We conduct job evaluation and supervision jointly and carry out regular safety audits. In this way, in 2018 **we increased by 24% our joint safety preventive observations**, carried out by our Occupational Health and Safety Service technicians in conjunction with our habitual service companies.

In addition, we use **CAE (Coordination of Business Activities), the online platform for document management, which allows us to guarantee compliance in the coordination of activities by contractors** in our company facilities. Through this platform, we have managed 209 companies and 1.648 workers.



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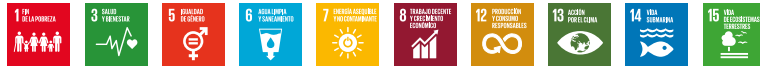
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7.3 OUR COMMITMENT TO THE ENVIRONMENT

The objective of our environmental protection strategy is to progressively prevent and reduce the negative impacts our business has on our natural environment. This strategy consists of two levels:



OPERATIONAL LEVEL

Focused on reducing the environmental impact of our manufacturing processes.

PRODUCT LEVEL

Connected to our commitment to develop more sustainable products and services (see section 5.2).

Our policies on the environment, sustainability and energy are the main action plans in our overall environmental strategy. The objectives of these policies are to improve efficiency in the consumption of resources during the manufacture of our products and to reach optimal energetic performance in our facilities and activities. These policies are incorporated into our management systems through regulations certifications ISO 14001 (environmental management) and ISO 50001 (efficient energy management).

To measure our performance at ELIX in applying these policies, we defined a tracking system for the environmental aspects we identified as significant for our business, enabling us to annually assess the degree to which we have attained our environmental goals. One of these systems is the Life Cycle Analysis for our products, where we focus on Carbon Footprint measurement and volume of generated waste.

The analysis of environmental risks shows that the preventive measures we have been applying since 2016 have reduced the risk of potentially hazardous situations due to spills or leaks of the materials we use and the waste we produce.



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2018

| | | | | |
|--------------------|--|--|--|--|
| OBJECTIVES | ↓1,5% OVERALL REDUCTION OF ENERGETIC COSTS | WORK TOWARDS A CIRCULAR ECONOMY THROUGH PARTICIPATION IN PILOT PROGRAM FOR THE REUTILISATION OF FILTERCAKES AS RAW MATERIAL FOR INDUSTRIAL USE | DEVELOPMENT AND IMPLEMENTATION OF VALUE SENSITIVE DESIGN (VSD) | PROJECT TO IMPLEMENT THE "OPERATION CLEAN SWEEP" (OCS) PROGRAM |
| PERFORMANCE | -0,93% | IN COURSE | 100% | 100% |

2019

| | | | | | |
|-------------------|--|--|--|--|---|
| OBJECTIVES | ↓1,5% OVERALL REDUCTION OF ENERGETIC COSTS | WORK TOWARDS A CIRCULAR ECONOMY THROUGH PARTICIPATION IN PILOT PROGRAM FOR THE REUTILISATION OF FILTERCAKES AS RAW MATERIAL FOR INDUSTRIAL USE | VIABILITY STUDY ON THE REUTILISATION OF EMPTY DRUMS FOR LIQUIDS MADE OF AUXILIARY MATERIALS TO USE AS WASTE CONTAINERS, WITH SATISFACTORY RESULTS. | PROJECT TO USE RECYCLED PALLETS IN THE PACKAGING OF FINISHED PRODUCTS. | "OPERATION CLEAN SWEEP - ZERO RESIN PELLETS" PROGRAM: IMPLEMENTATION OF PLAN FOR MINIMISING RESIN PELLET AND MICROPLASTIC LOSS IN OUR FACILITIES. |
|-------------------|--|--|--|--|---|



OUR RAW MATERIAL INDEX, WHICH MEASURES THE EFFICIENCY OF RAW MATERIAL USE DURING PRODUCTION PROCESSES, HAS REMAINED AT LEVELS SIMILAR TO THOSE OF 2017

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RATIONALISING MATERIAL CONSUMPTION

We continued to work on the efficient use of resources through the rationalising of raw material consumption. In 2018, we maintained levels similar to those of 2017 in terms of raw and auxiliary material consumption, except in the consumption of styrene and butadiene which increased due to an increase in the sales of our product ELIX158i.

ELIX, as a chemical company, is fully aware of the high socioenvironmental implications of any mistake in handling raw materials, particularly those considered dangerous. To avoid this, we have mechanisms in place that allow us to comply with applicable regulations regarding the handling of these types of substances and to monitor the application of required measures from their safety information sheets.

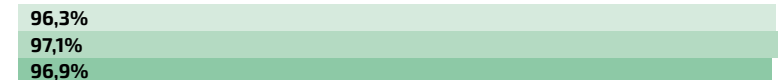
For an even higher level of safety, we also perform regular checks to measure levels of soil contamination.

MAIN RAW MATERIAL CONSUMPTION (T)

| | 2016 | 2017 | 2018 | ↓↑ |
|-------------------------------------|---------------|----------------|----------------|-----------|
| ACRYLONITRILE | 19.223 | 21.877 | 21.897 | 0,1% |
| BUTADIENE | 16.651 | 18.660 | 19.344 | 3,7% |
| STYRENE | 55.625 | 62.781 | 62.928 | 0,2% |
| TOTAL MAIN RAW MATERIALS (T) | 91.499 | 103.318 | 104.169 | 1% |



OVERVIEW OF EFFICIENT RAW MATERIAL CONSUMPTION RATES



■ 2016 ■ 2017 ■ 2018



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We reduced our consumption of paper by 31%.

In 2018 we started a successful campaign to reduce paper consumption, getting different managers in our company involved to define reduction objectives with their work teams.

These are some of the actions that stemmed out of this campaign:

- The installation of double PC screens to reduce printing.
- The default setting on all printers for double sided printing.
- The incorporation of tablets in certain departments to carry out audits and revisions.
- The replacement of paper documents with digital documents.

OVERVIEW OF PAPER CONSUMPTION

| | 2016 | 2017 | 2018 | ↓↑ |
|-------------------------|------|-------|------|------|
| NON-RECYCLED PAPER | 18 | 18 | 18 | 0% |
| RECYCLED PAPER | 815 | 986 | 675 | -32% |
| TOTAL PAPER CONSUMPTION | 833 | 1.004 | 693 | -31% |



WE SUPPORT ENERGY EFFICIENCY

As part of our **energy policy**, we set specific objectives every year for reducing energy consumption and we define the criteria for tracking these objectives.

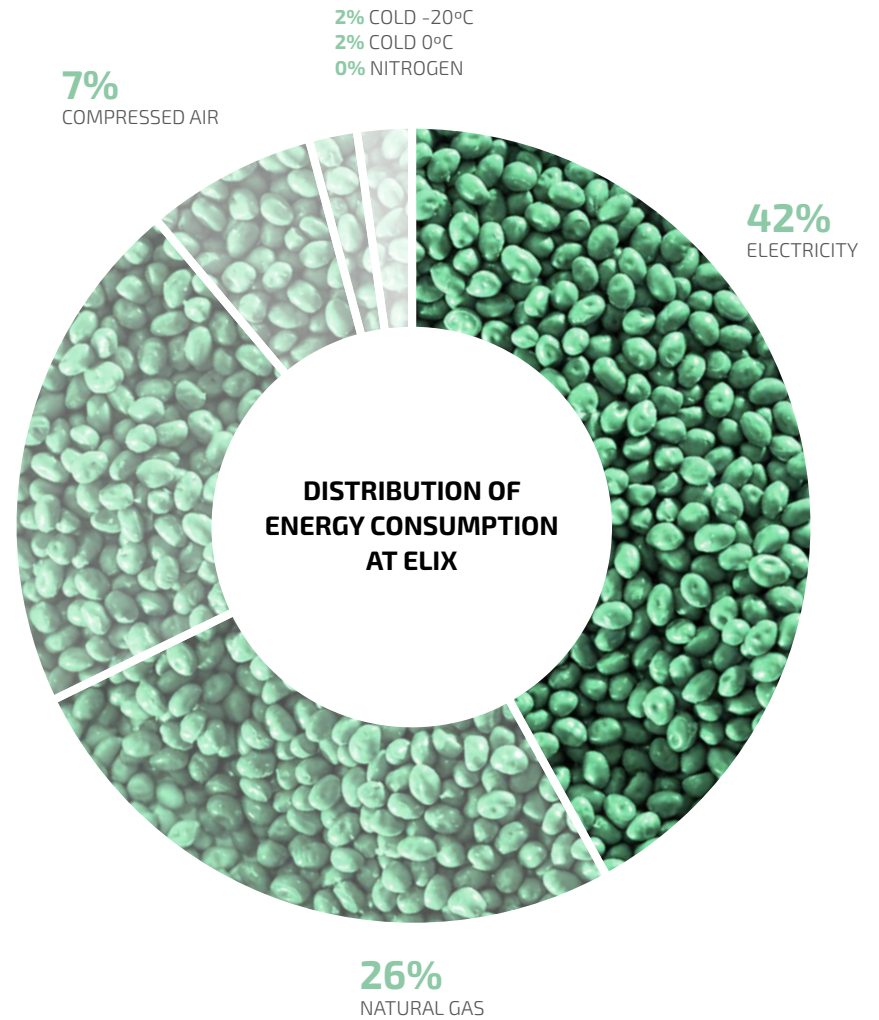
In 2018 we planned several actions for reducing energy consumption, such as leak detection, operational checks and purger revisions. Though we had satisfactory results, we didn't reach our specific energy efficiency objectives for 2018. Nonetheless, these actions allowed us to reduce the absolute value of steam, natural gas and electricity consumption and maintain a stable level of energy consumption per tonne of ABS produced.

Electricity, steam and natural gas consumption make up more than 90% of our organisation's total energy consumption.

IN 2018 WE CONTINUED TO REDUCE OUR OVERALL ENERGY CONSUMPTION AND MAINTAINED LEVELS SIMILAR TO THOSE OF 2017 IN CONSUMPTION PER TONNE OF ABS



| ENERGY CONSUMPTION | 2016 | 2017 | 2018 | ↓↑ |
|----------------------------|-------------|-------------|-------------|-------|
| PLANT TOTAL (kWh/YEAR) | 101.458.142 | 104.117.104 | 102.298.187 | -1,8% |
| TOTAL (kWh/T ABS PRODUCED) | 1.054,4 | 940,5 | 941,6 | 0,11% |



2018

OBJECTIVES

↓5%

REDUCTION SPECIFICALLY OF NATURAL GAS CONSUMPTION COMPARED TO 2017

↓3%

REDUCTION SPECIFICALLY OF COMPRESSED AIR CONSUMPTION IN COMPOUNDING PLANT COMPARED TO 2017

↓3%

REDUCTION SPECIFICALLY OF STEAM CONSUMPTION IN POLYMERISATION PLANT COMPARED TO 2017

PERFORMANCE

⊗ -2,8%

⊗ 7%

⊗ 0%

2019

OBJECTIVES

↓1,5%

OVERALL REDUCTION OF SPECIFIC ENERGETIC COSTS, BASED ON CONSUMPTION IN €/T

↓1,5%

REDUCTION SPECIFICALLY OF MOST SIGNIFICANT ENERGY CONSUMPTION: ELECTRICITY

↓3%

REDUCTION SPECIFICALLY OF STEAM CONSUMPTION IN DRYING UNIT

22,5 Nm³/t

MAINTAIN 2018 LEVELS OF SPECIFIC NATURAL GAS CONSUMPTION IN SAN PLANT

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MANAGEMENT OF ATMOSPHERIC EMISSIONS

THE CARBON FOOTPRINT OF OUR ORGANISATION

Tackling the issue of climate change, whose impact extends across the whole planet, is a fundamental aspect of our environmental performance at ELIX and we demonstrate it through our membership in the Volunteer Agreement Program for the Reduction of Greenhouse Gas (GHG) Emissions of the Catalan Climate Change Office of the Catalan government (Generalitat). To maintain our membership, we presented a new inventory of our emissions and information on the improvement measures we incorporated as well as proposals for new actions.

Carbon footprint calculation provides us with useful information for identifying the phases of our operations and lifecycle of our products where impact is highest and at the same time, helps us focus our efforts on diminishing the impact our business has on climate change.



WE REDUCED THE CARBON FOOTPRINT OF THE ORGANIZATION BY 12% WITH RESPECT TO 2017

GHG EMISSIONS AT ELIX

| | 2016 | 2017 | 2018 | ↓↑ |
|-------------------------------|--------|--------|----------|--------|
| TONNES OF CO ₂ eq. | 22.519 | 26.582 | 23.349,8 | -12,2% |

This calculation, in turn, has additional benefits for our organization:

- Reduction of energy costs.
- Reduction of dependence on fossil fuels and susceptibility due to its price volatility.
- Strategic positioning.
- Added value for our services, products and projects, and our relationship with workers.
- Improvements in environmental management thanks to the involvement of suppliers and customers.

In 2018 we reduced greenhouse gas (GHG) emissions in our organization by 12%. This decrease is greater than our reduction of energy consumption and is due to a decrease in the Spanish electricity mix in 2018.

GHG EMISSION INTENSITY

| | 2016 | 2017 | 2018 | ↓↑ |
|--|--------|--------|--------|--------|
| EMISSIONS PER PRODUCTION (T CO ₂ eq./T ABS+sales) | 0,2289 | 0,2385 | 0,2141 | -10,3% |
| EMISSIONS PER EMPLOYEE (T CO ₂ eq./employee) | 82,8 | 101,8 | 88,8 | -12,8% |

Source: Calculations based on consumption of natural gas and diesel oil including road transport (scope 1), electricity and other types of energy consumption (scope 2). Emission factors used are those contained in the 2018 version of the *Practical guide for calculating greenhouse gas (GHG) emissions*.

CARBON FOOTPRINT OF PRODUCTS

The carbon footprint of our ABS manufacturing processes, as well as transport and distribution of ABS to our customers grew with respect to the previous year, due to an increase in raw material consumption and road transport of finished products¹.

Carbon footprint levels associated with transport from ELIX facilities to customers rose in 2018 given the increase in road transport and decrease in intermodal transport. This situation was due to strikes in France during the second and third quarters of the year.

¹Economic allocation of ABS slightly increased with respect to the previous year, making environmental impact more attributable to ABS than to sales to intermediaries



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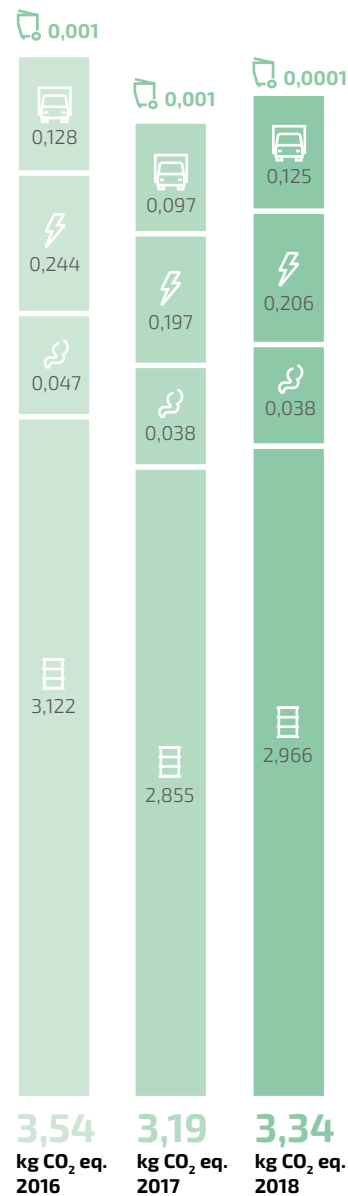
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CARBON FOOTPRINT OF ABS MANUFACTURING PROCESSES AND DISTRIBUTION

Source: Calculations based on consumption associated with ABS production and transport, including raw material consumption and transport to ELIX, energy use, air and water emissions, waste management and transport to authorised waste facilities, and transport of final products to customers. Data is expressed in KG CO₂ eq. per 1 KG of ABS produced.

- Emissions
- Energy consumption
- Transport
- Raw material consumption
- Waste management

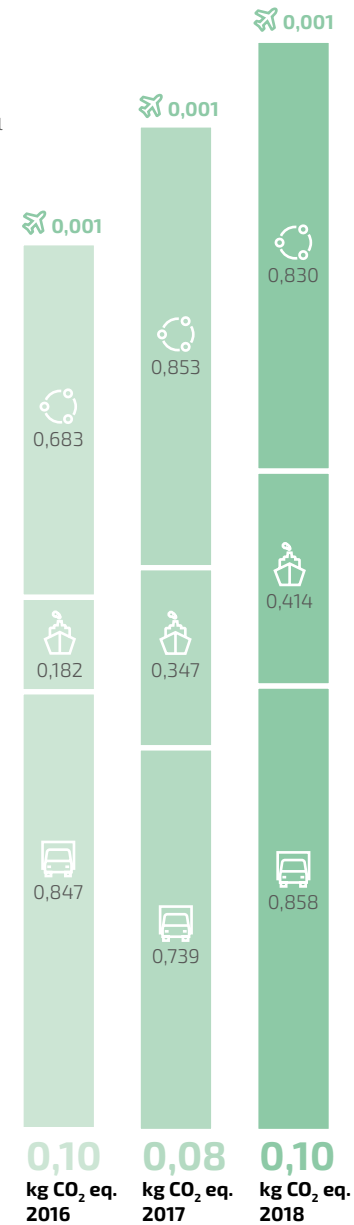


2016 2017 2018

CARBON FOOTPRINT OF FINAL PRODUCT TRANSPORT

Source: Calculations based on fuel consumption associated with the transport of ABS to customers.

- Road
- Sea
- Intermodal
- Air





OTHER ATMOSPHERIC EMISSIONS

Our atmospheric emissions of contaminants (NO_x y CO) remain much lower than established regulation limits.

The contamination of the atmosphere, besides climate change, has hazardous consequences on the health of people and the environment. Because of our commitment to environmental sustainability as well as legal obligations, we regularly monitor our atmospheric emissions of contaminants at emission sources to ensure that they remain within regulation limits.

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CUSTOMER SATISFACTION

THE DEVELOPMENT OF OUR TEAM

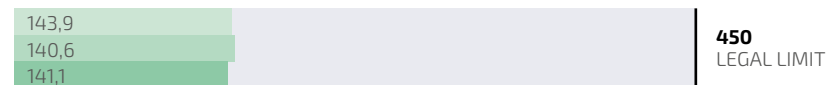
SUSTAINABILITY, ESSENTIAL TO OUR BUSINESS

RESPONSIBLE ECONOMIC MANAGEMENT

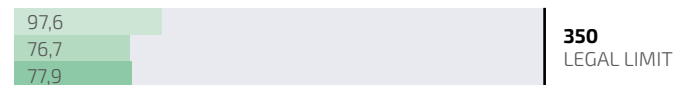
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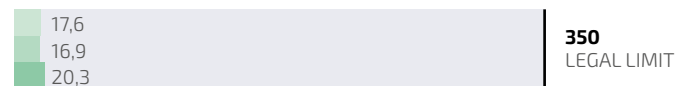
NO_x EMISSIONS (mg/Nm³)



EMISSION SOURCE ANNUAL AVERAGE **↑0,3%**
SAN 2 PLANT

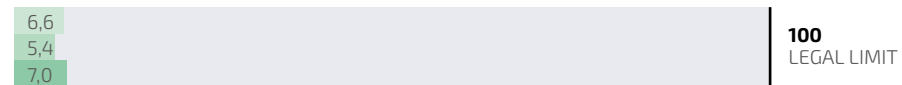


EMISSION SOURCE ANNUAL AVERAGE **↑1,4%**
TAR PLANT

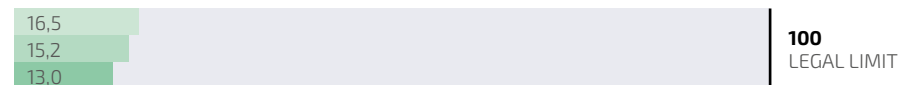


EMISSION SOURCE ANNUAL AVERAGE **↑20,5%**
RTO PLANT

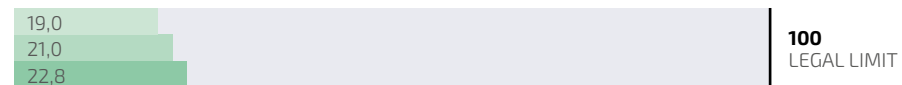
CO EMISSIONS (mg/Nm³)



EMISSION SOURCE ANNUAL AVERAGE **↑29,4%**
SAN 2 PLANT



EMISSION SOURCE ANNUAL AVERAGE **↓14,8%**
TAR PLANT



EMISSION SOURCE ANNUAL AVERAGE **↑8,6%**
RTO PLANT



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WATER CONSUMPTION

We evaluate our performance associated with water consumption is the **Water Depletion Index (WDI)**, which analyses the vulnerability of drainage basins in the face of fresh water depletion.

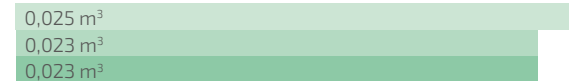
Results are expressed in m³ of freshwater per m³ of water consumed, with 1 being the highest level. In 2018 our water footprint increased due to greater raw material consumption.

In our facilities we only consume regenerated water to avoid the depletion of water resources in our local environment.

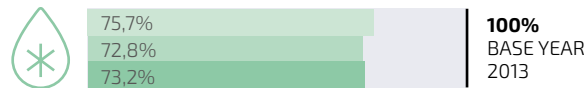
At ELIX we are aware of the fact that water is a scarce resource. Therefore, in our facilities we only consume regenerated water and as such do not deplete freshwater resources in our production processes.

Nonetheless we do employ an action plan in our Energy Committee with measures to take for reducing water consumption. Water reduction associated with production shows us that the measures we have taken to improve water management have been effective.

WATER DEPLETION INDEX (WDI)



COOLING WATER



INDUSTRIAL WATER



■ 2016 ■ 2017 ■ 2018

| WATER CONSUMPTION | 2016 | 2017 | 2018 | ↓↑ |
|---|-----------|-----------|-----------|-------|
| INDUSTRIAL AND TREATED WATER (m ³) | 113.548 | 125.914 | 130.251 | 3,4% |
| INDUSTRIAL AND TREATED WATER (m ³ /T produced) | 1,18 | 1,12 | 1,21 | 8,0% |
| COOLING WATER (m ³) | 4.117.553 | 4.649.599 | 4.489.534 | -3,4% |
| COOLING WATER (m ³ /T produced) | 42,8 | 41,1 | 41,4 | 0,7% |



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WASTE

Proper waste management is an important part of our environmental management strategy. Our objective is to decrease our total volume of generated waste and increase its recovery.

We increased waste recovery and substantially decreased incineration or landfill deposit through our strategies for a circular economy.

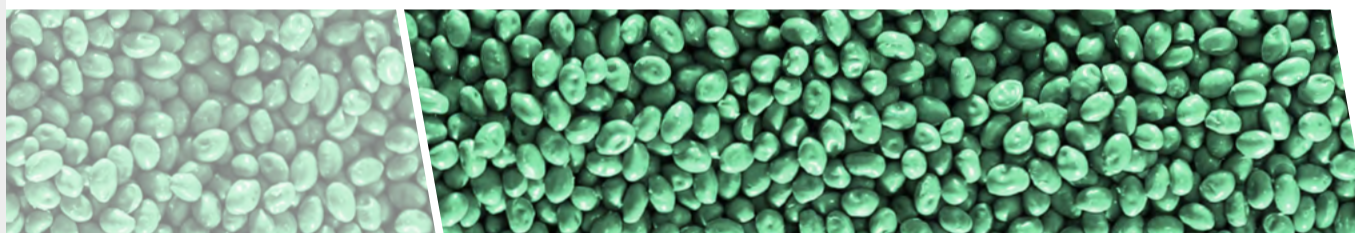
Fostering waste recovery means working towards a circular economy where the life of raw materials and products is maintained, for example, the use of waste as fuel or the recuperation and regeneration of solvents.

In 2018 we recovered the total volume of generated waste except for the following:

- Fibre cement (30,5 t) used in workplace renovation and refurbishment jobs is not included in production process waste generation, it gets deposited in landfills.
- Waste from filter cakes (308,5 t).
- Waste from absorbents, silicon particles and water with ammonium (6,9 t).

Since 2018 we have had an active project on Circular Economy at the Polytechnic University of Barcelona (UPC) to find a way to recover filter cakes; we hope to have results next year.

RECOVERY TYPES 2018



- 16,8%** SOLVENT REGENERATION
- 6,3%** USE AS FUEL
- 1,6%** RECYCLING AND RECLAIMING OF METALS OR METAL COMPOUNDS
- 1,2%** RECYCLING OF PAPER AND CARDBOARD
- 0,7%** RECLAMATION, REUSE AND REGENERATION OF PACKAGING
- 5,1%** OTHER TYPES OF RECOVERY
- 0,1%** REGENERATION OF MINERAL OILS
- 0,1%** RECLAMATION OF CABLES

68,1%
MATERIALS OF PLASTIC ORIGIN RECYCLED

TOTAL WASTE

(t total waste / t produced)

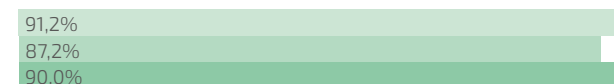


MAIN MANAGEMENT CHANNELS

| | 2016 | 2017 | 2018 |
|--------------|-------|-------|-------|
| INCINERATION | 1,7% | 2,3% | 0,1% |
| LANDFILL | 7,4% | 10,5% | 9,9% |
| RECOVERY | 91,2% | 87,2% | 90,0% |

% RECOVERY

(t recovered waste / t waste produced)



WE REDUCED OUR TOTAL VOLUME OF GENERATED WASTE BY 1,9%

WE REDUCED HAZARDOUS WASTE BY 6%



The nature of our chemical activities requires the use of hazardous products and waste, which if improperly managed, can pose a serious threat to people's health and cause considerable damage to the environment. For this reason, we hold exhaustive training sessions and rounds to ensure proper waste management.

In 2018 we reduced our generation of hazardous waste, in part because tank and reactor cleaning campaigns were not carried out.

WASTE REDUCTION BEYOND OUR FACILITIES

Our use of tankers for product distribution in Europe has reduced our use of packaging materials.

This year we updated our Packaging Waste Prevention Plan. In view of the positive results we observed from measures taken in the previous plan, we will continue prioritising logistic strategies that reduce the use of packaging material, such as the use of tankers for product distribution within the EU. In addition, we commit to analysing unnecessary packaging materials used in pallets and evaluating the possibility of reusing pallets providing customers approve.

The kr/kp indicator gives us information on the amount of packaging put onto the market by ELIX and allows us to establish improvement actions. In 2018, bulk transport in Spain increased by approximately 8% and therefore other types of waste generating packaging processes have decreased, which has meant a **reduction of almost 11% on this indicator, significantly above our initial objective of 5%.**

Analysing the composition of our packaging materials has revealed that they are mostly monomaterials, the most favourable option for proper recycling.

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HAZARDOUS WASTE MANAGEMENT

| CHANNELS | 2016 | 2017 | 2018 | ↓↑ |
|------------------|--------------|--------------|--------------|------------|
| INCINERATION (t) | 59,6 | 81,2 | 3,8 | -95% |
| RECOVERY (t) | 568,9 | 658,1 | 697,8 | 6% |
| LANDFILL (t) | -- | 36,5 | 30,9 | -15% |
| TOTAL (t) | 628,4 | 775,8 | 732,5 | -6% |

WASTE FROM PACKAGING OF PRODUCTS ON THE MARKET

| | 2016 | 2017 | 2018 | ↓↑ |
|--|---------------|---------------|---------------|---------------|
| GENERATED PACKAGING WASTE (t/a) | 187,4 | 213,6 | 159,3 | -25,4% |
| TOTAL AMOUNT OF PRODUCTS ON THE MARKET (t/a) | 10.260,9 | 10.794,9 | 8.999,3 | -16,6% |
| KR/KP (t PACKAGING/ t PRODUCTS RELEASED TO THE MARKET)* | 0,0183 | 0,0198 | 0,0177 | -10,5% |

WE INCREASED BULK PRODUCT DISTRIBUTION BY 8%

* Data from official packaging declarations in Spain



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ZERO RESIN PELLETS IN THE SEA

Sadly one of the most popular words in 2018 was "microplastics." Numerous news reports and headlines were published on the environmental problem posed by marine litter and the negative impacts it has on marine flora and fauna.

In spite of not being direct causes of plastic presence in the sea, we do contribute indirectly to this environmental problem. **Our commitment to sustainability** forces us to assume responsibility for possible resin pellet or plastic powder leaks, and as such, our goal is to reach ZERO resin pellet loss.

In 2017 **we joined the "Operation Clean Sweep" (OCS) program**, promoted by PlasticsEurope. In 2018, we created a work group through the Chemical Business Association of Tarragona (AEQT) with the participation of all pellet producing companies in Tarragona.

The objectives of this committee are:

- To improve work place organization with the aim of avoiding and repairing leaks.
- To create, modify and publish internal procedures in order to reach our objective of zero pellet loss.
- To provide our employees with information so that they can take responsibility for the prevention, checking, cleaning and elimination of leaks.
- To regularly audit our performance.
- To encourage our supply chain (service companies, transport companies, etc.) to support these objectives.

This is a wide ranging program which started in August of 2018 and will go until 2020. Internally at ELIX we created the **Work Committee for the Zero Pellets Program**, comprised of representatives from production, logistics, environmental, engineering and maintenance departments.

This initiative includes a publicity campaign, an internal training session to teach all members of our organisation about the program, and the development of different processes to detect risk areas and potential problems in our facilities.

The program also defines concrete actions and implements a system for monitoring and revising procedures as well as identifying good practises which will help us reach our goal of zero resin pellet loss.

Though **our production plants are designed with incorporated containment systems which avoid the spilling of pellets into the sea**, the aim of this Committee is to identify where improvements can be made in our production process and to take appropriate actions.





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7.4 SUSTAINABILITY IN THE SUPPLY CHAIN

WE CONTRIBUTE TO THE DEVELOPMENT OF THE LOCAL ECONOMY, WITH 63% OF OUR EXPENDITURE GOING TO SUPPLIERS IN CATALONIA

OUR PRIORITY IS TO WORK WITH COMPANIES WHOSE SUSTAINABILITY STANDARDS ARE IN LINE WITH OUR SUSTAINABILITY STRATEGY AT ELIX

Sustainability properly understood and practised goes above and beyond the actual company and takes into account the creation of value for society and its local environment in addition to favouring the sustainable practises of suppliers. For this reason, our strategy at ELIX is that our sustainability policy increasingly extends to all of suppliers at all levels.

Currently, the procedure for official authorisation of raw material suppliers at ELIX requires the certification of management systems based on ISO regulations. To take this even further, we set out to incorporate sustainability standards in the evaluation of new suppliers. At the moment, these standards are not binding but are being highly considered by our purchasing department.

In 2018, we began to apply these standards with our logistics suppliers, by preparing a new transport contract which includes a section on sustainability. By signing this contract, we make them participants in our sustainability policy, as signing suppliers commit to the compliance of standards on human rights, work regulations, the environment and anticorruption, as recognised in the world compact.

Additionally, we comply with **LTD Regulation** (Long Term Declaration), which regulates the use of raw materials from the European Union.

2018

OBJECTIVES INCORPORATION OF CSR SECTION IN NEW TRANSPORT CONTRACTS

PERFORMANCE

2019

OBJECTIVES ANALYSE, WITHIN THE PANEL OF SUPPLIERS OF RAW MATERIAL AND INDIRECT PURCHASES, THE SUPPLIERS WHOSE SYSTEMS INCLUDE A CSR POLICY
MONITOR KPI COMPLIANCE IN DIRECT PURCHASES
REVISE RULES IN CORPORATIVE PURCHASES MANUAL





Our purchasing policy at ELIX gives preference to materials and products from sources close to our production centre which favours the development of the local economy and consequently reduces emissions associated with transport.

Currently, **17% of our suppliers are located within the province of Tarragona**, and more than half are in Catalonia, which means 123 M€ paid to local suppliers: 63% of our total expenditure.

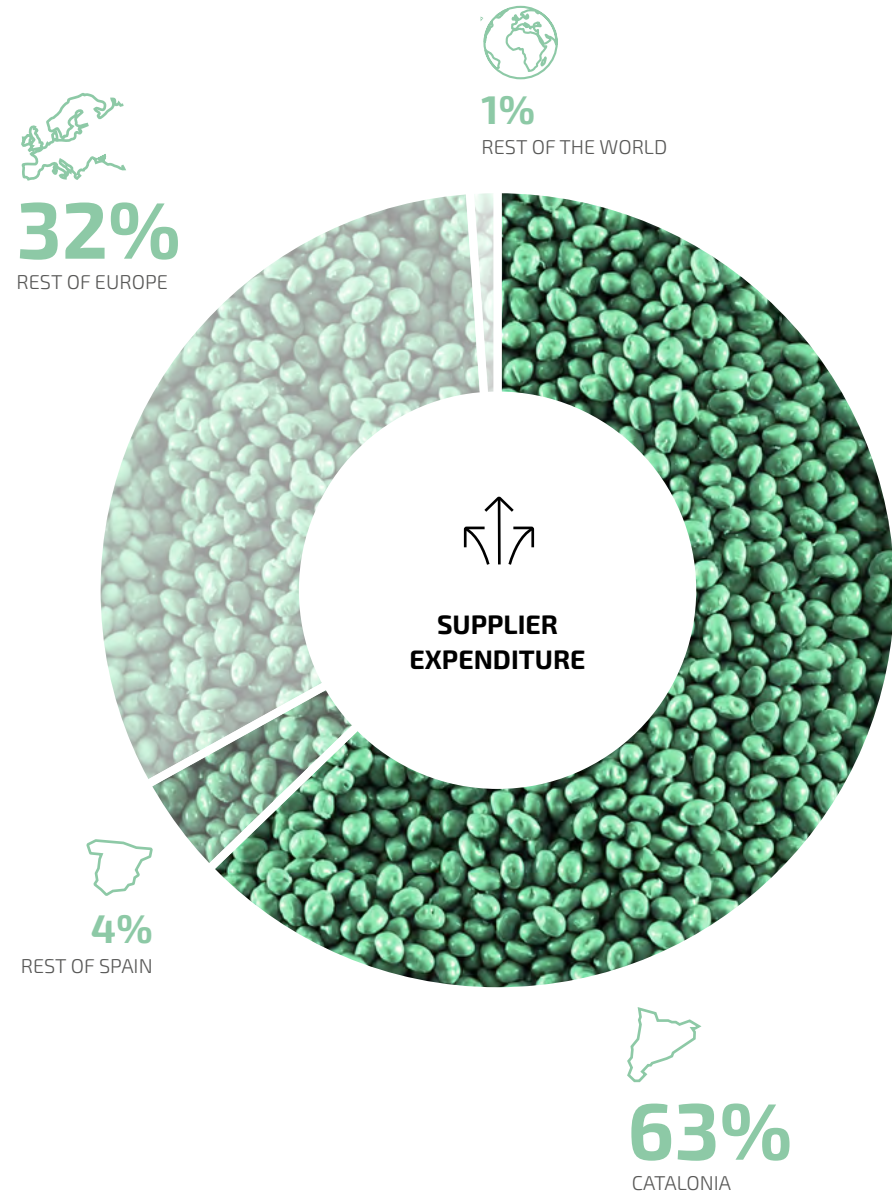
Our relationship with most suppliers is defined by the underlying objective of establishing reliable and longlasting relationships.

Collaborating contractor companies work with a high level of safety, complying with ELIX and AEQT requisites. Our transport suppliers are dedicated and have a proactive attitude in the search for solutions to fulfil our delivery agreements with customers, this being one of the important aspects of our differentiation.

| SUPPLY CHAIN COMPOSITION |  2017 |  2018 |
|--------------------------|--|---|
| | CATALONIA | 352 |
| Province of Tarragona | 125 | 119 |
| Rest of Catalonia | 227 | 221 |
| REST OF SPAIN | 134 | 150 |
| REST OF EUROPE | 178 | 180 |
| REST OF THE WORLD | 11 | 25 |
| GENERAL TOTAL | 675 | 695 |

Nº OF SUPPLIERS

■ 2017 ■ 2018



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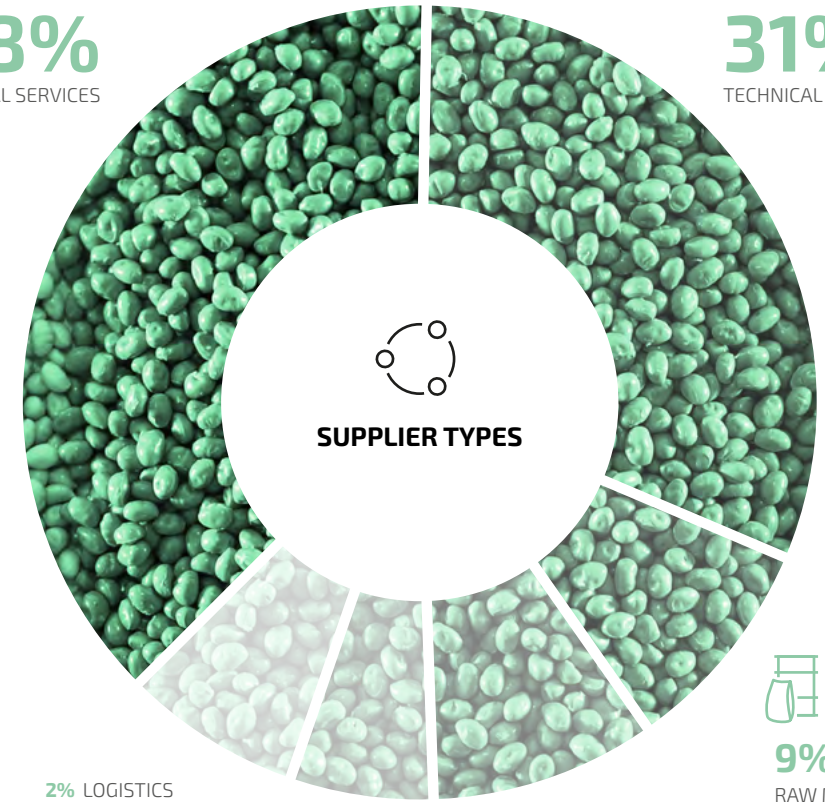
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38%
EXTERNAL SERVICES


31%
TECHNICAL PURCHASES



2% LOGISTICS
2% TRANSPORT
2% PACKAGING
1% ENERGY


9%
RAW MATERIALS


6%
IT AND TELECOMMUNICATIONS


9%
CONTRACTORS



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The responsible management of economic and risk resources allows us to remain market leaders and reach our goals as a business, ensuring the sustainability of the company.





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8.1 ECONOMIC MANAGEMENT AND PERFORMANCE

The growth and optimisation of our company's added value -under the principles of solvency, integrity and a dedicated team, complying rigorously with our legal and contractual obligations- are a guarantee of our commitment at ELIX to our shareholders and other stakeholders.

In 2018 we reached our objectives for sales growth in the strategic sectors we defined and also for structural costs stipulated for this year. All of this was achieved through the responsible management of economic resources,

appropriate management of risks and opportunities in our environment, and the establishment of relationships with our stakeholders on equal terms, which meant EBITDA growth by 8% compared to 2017.

WE INCREASED OUR REVENUE FOR THE THIRD CONSECUTIVE YEAR

GROWTH FROM 2017 TO 2018

↓ **0,6%**

SALES VOLUME BY TONNE

↑ **3,7%**

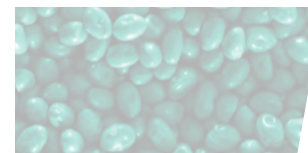
NET SALES

↑ **7,7%**

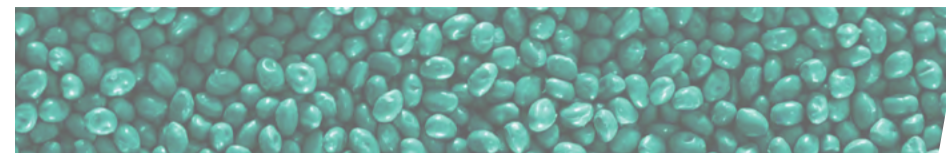
EBITDA

REVENUE OVERVIEW

(Data compared to previous year)



↓ **10,2%**
2016



↑ **31,4%**
2017



↑ **3,7%**
2018



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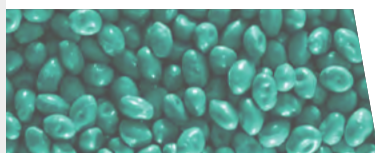
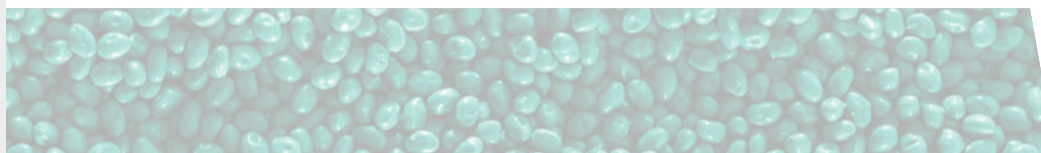
In 2018 we invested more than 2 million euros in environmental protection and improvement.

Our investment in the protection of the environment goes mainly to production processes, with the aim of reducing solid waste and emissions, and increasing the safety of our facilities and business. Some of the noteworthy **improvements we made** were:

- Improvements in precipitate/coagulation and drying (plant) to optimise production and improve safety and environmental aspects.
- The installation of side extruder to improve the handling of degassing condensate.



EXPENSES AND INVESTMENTS IN ENVIRONMENTAL PROTECTION



In 2018 we carried out the following activities in **Research and Development**:

- The development of a new ABS plating production system for coating with hexavalent chrome free technologies.
- The development of industrial applications based on graphene and carbonous nanostructures.
- Technological developments for new automotive components with functional finishes.
- The development of innovative 3D printing materials and postprocesses for the construction of moulds and functional tools for industrial applications.
- The development of fireproof halogen free ABS.
- New AM/3DP technology for the development of very light tools for the transport industry.

The most relevant aspects that brought **benefits for the whole team at ELIX** in 2018 were:

- Good practise in internal inspection, resulting in the transparency, reliability and traceability of data to facilitate decision making on the part of Senior Management and stakeholders, and contribution on the part of departments in their internal processes and decision making.
- Improvement in data forecasting to anticipate possible scenarios of risk or opportunity and if necessary, facilitate the taking of appropriate corrective measures.
- The implementation of ESKER, a program for billing management.
- The implementation of CAPTIO app, an application for the management of business trips.
- The implementation of SII (Immediate Provision of VAT information) for maintaining VAT registers through the Tax Agency's online platform.

In our daily work on economic management, we carry out revisions for internal processes to improve their efficiency and effectiveness with the aim of reaching our set objectives.

2018

OBJECTIVES

GOOD PRACTISES IN INTERNAL CONTROL.
IMPROVEMENTS IN DATA PROJECTION.
CONTINUOUS IMPROVEMENT TO OFFER INTERDEPARTMENTAL SERVICE.
PARTICIPATION IN PROJECTS TO IMPROVE SERVICE FOR OUR CUSTOMERS.

PERFORMAN





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8.2 CONTRIBUTION TO THE LOCAL ECONOMY

Our contribution at ELIX to the local economy is important. It comes as much from our business activity, as a direct economic contribution, as from our participation in social activities carried out in our immediate area.



ECONOMIC CONTRIBUTION

Increase in economic value created was 3,5% compared to 2017.

| IN THOUSANDS OF EUROS | 2018 VS 2017 |
|-----------------------------------|--------------|
| ECONOMIC VALUE CREATED | 3,5% |
| GROSS SALES | 3,4% |
| OTHER REVENUE | 71,1% |
| ECONOMIC VALUE DISTRIBUTED | 3,0% |
| OPERATIONAL COSTS | 3,2% |
| FINANCIAL EXPENSES | -9,9% |
| CORPORATION TAX | 5,8% |
| ECONOMIC VALUE RETAINED | 13,7% |
| DEPRECIATION | -0,5% |
| RESERVES | 18,0% |

Operational 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

CONTRIBUTION TO THE LOCAL COMMUNITY

With the objective of contributing to and collaborating with our local environment, during the year we held activities promoting and supporting social initiatives developed in our immediate area. In doing this we show our responsibility and involvement with the local community and increase the benefits we can offer it.

90,6%
OPERATIONAL COSTS



- 4,7% RESERVES
- 1,8% CORPORATION TAX
- 1,7% FINANCIAL EXPENSES
- 1,2% DEPRECIATION

IN 2018 WE MADE ECONOMIC CONTRIBUTIONS TO LOCAL ORGANISATIONS FOR A TOTAL OF 8,5K€

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These are some of the more representative initiatives we participated in:

SUPPORT OF TARRAGONA FOOTBALL CLUB SOCIAL PROJECTS

In 2017 we began our support of this Club and in 2018 renewed our support by participating in several solidarity projects. We centred on benefits for the Congenital Heart Disease Association of the CORAVANT Foundation, in the Running section, and on spreading information about the different social initiatives of the Club. Highlights of these initiatives were the donation of 14 laptops to children at the Voramar Educational Action Residential Centre and the successful toy donation campaign for children in community kitchens in areas near our facilities.

PARTICIPATION IN OXFAM TRAILWALKER EUSKADI, ORGANISED BY INTERMÓN OXFAM

ELIX participated with two teams in the 2018 edition of Trailwalker, a solidarity project consisting of a sports challenge with the objective of fighting poverty and supporting the right to water. Participating in this activity brought other benefits to our company such as team work and employee cohesion.

In addition, we contributed to Nadal Park, organised by the town hall of La Canonja, and we supported awareness activities organised by the Spanish Cancer Association (AECC).





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SCOPE OF THE REPORT

At ELIX, we have produced our third *Sustainability report*, which covers the period of 1 January to 31 December of 2018. The scope of the information contained in this report corresponds to the business of ELIX Polymers, SL, at its main office and production plant in La Canonja (Tarragona, Spain).

CONTENT DEFINITION AND CRITERIA FOR THE PRODUCTION OF THIS REPORT

To compile this report, we counted on the direct participation of key people from different management areas at ELIX, represented under the area of CSR, who have provided information on the different aspects included herein. In this way, it is the result of a collaborative effort, in which all the people involved have contributed with their knowledge and experience.

During the production of this report, the following standards were considered:

- [GRI Standards](#) guide of the **Global Reporting Initiative (GRI)**, in accordance with the Core option.
- Regulation AA1000SES of **AccountAbility**, during the materiality assessment.

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CRITERIA FOR DETERMINING REPORT CONTENT

This *Sustainability Report 2018* by ELIX complies with the following criteria for determining content for this type of document according to *GRI Standards*:

STAKEHOLDER INCLUSIVENESS

When the preparation of this sustainability report began, the different stakeholders of our company were directly involved within the framework of the materiality analysis we conducted. A workshop was held where key figures in our organisation participated, ELIX stakeholders were identified, prioritised and finally contacted through a survey. In 2017 there was a revision of stakeholders and material aspects, and there were also in-depth interviews with the town hall of La Canonja, Public Administration and the Chemical Industry of Tarragona. In 2018 there were no changes with respect to previous years.

SUSTAINABILITY CONTEXT

In identifying the different sustainability topics were relevant to our organisation, *benchmarking* was taken into consideration to that effect. During this process, other companies in the same industry as ELIX as well as international sustainability initiatives were analysed with the purpose of knowing the sustainability context of our company and taking it into account for the preparation of this document.

MATERIALITY

For the preparation of this report, a materiality analysis was conducted in compliance with *GRI Standards* and taking into account regulation AA1000SES of AccountAbility. The analysis conducted as well as the results obtained can be consulted in section 4 of this report.

COMPLETENESS

Within the framework of the management systems we implemented for quality (ISO 9001), the environment (ISO 14001), energy management (ISO 50001) and health and safety, at ELIX we have defined a series of tracking indicators, both absolute and relative, with the aim of monitoring the progress of our organisation's behaviour over time and analysing the effects of actions carried out in addition to comparing this information with that of other companies in the industry.

Regarding our application of quality principles in this report, also defined by *GRI Standards*, we have taken into account the balance of information provided, including the positive aspects as well as the negative aspects in our organisation's performance (see "degree of goal achievement in the organisation", for example.)

In this way, the information provided is precise and is used for tracking the correct management of various sustainability topics reflected in the report, which are relevant for ELIX.

Finally and in general terms, data is provided for the year of publication (2018) and the two previous years (2016 and 2017). This gives us a more detailed overview of our organisation's performance progress in each relevant sustainability area. Likewise, we present the information in a way that allows for comparisons with the rest of the industry, for this reason we have chosen specific indexes to that effect.



INDEX OF GRI STANDARDS

The following table summarises the basic universal and topic-specific standards of the Global Reporting Initiative (GRI), in accordance with GRI standards: Core option.

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**GRI 101: FOUNDATION 2016
BASIC UNIVERSAL STANDARDS**

| GRI STANDARD INDICATOR | DESCRIPTION | PAGE(S) AND/OR LINKS | OMISSIONS | SUSTAINABLE DEVELOPMENT GOALS (SDG) | GLOBAL COMPACT |
|-----------------------------|--|--|-----------|--|--|
| ORGANIZATION PROFILE | | | | | |
| 102-1 | Organization name | 11 | | | |
| 102-2 | Activities, brands, products and services | 11, 14-15 | | | |
| 102-3 | Main office location | Ctra. de Vilaseca a La Pineda, Pol. Ind., s/n. 43110 La Canonja (España) | | | |
| 102-4 | Operations location | Ctra. de Vilaseca a La Pineda, Pol. Ind., s/n. 43110 La Canonja (España) | | | |
| 102-5 | Ownership and legal status | 90 | | | |
| 102-6 | Served markets | 11, 16-17 | | | |
| 102-7 | Organization size | 13 | | | |
| 102-8 | Information on employees and other workers | 52-53 | | 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 | 82-83 | | | |
| 102-10 | Significant changes in the organisation and its supply chain | 12 | | | |
| 102-11 | Precautionary principles or approach | 69 | | | |
| 102-12 | External initiatives | 29 | | | |
| 102-13 | Memberships in associations | 30 | | | |
| STRATEGY | | | | | |
| 102-14 | Statement by senior executives responsible for decision making | 5 | | | |
| ETHICS AND INTEGRITY | | | | | |
| 102-16 | Values, principles, standards and rules of conduct | 23 | | 16. Peace, justice and strong institutions | |
| GOVERNANCE | | | | | |
| 102-18 | Structure of governance | 21 | | | |

GRI 102: GENERAL DISCLOSURES 2016

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| GRI STANDARD INDICATOR | DESCRIPTION | PAGE(S) AND/OR LINKS | OMISSIONS | SDG | GLOBAL COMPACT |
|-------------------------------|---|---|----------------|-----------------------------------|---|
| STAKEHOLDER ENGAGEMENT | | | | | |
| 102-40 | Stakeholder list | 24 | | | |
| 102-41 | Collective negotiation agreements | 55 | | 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 | 91 | | | |
| 102-43 | Approach for stakeholder engagement | 31, 91 | | | |
| 102-44 | Key mentioned topics and concerns | 31-33 | | | |
| REPORTING PRACTICES | | | | | |
| 102-45 | Entities included in consolidated financial statements | 90 | | | |
| 102-46 | Definition of report content and coverage of each aspect | 31-33, 90-91 | | | |
| 102-47 | List of material topics | 32 | | | |
| 102-48 | Restatement of information | There have been no significant changes. | | | |
| 102-49 | Changes in reporting | There have been no changes. | | | |
| 102-50 | Reporting period | 2018 | | | |
| 102-51 | Date of last report | 2017 | | | |
| 102-52 | Reporting cycle | Annual. | | | |
| 102-53 | Contact point for questions regarding the report | Judith Banus, CSR manager judith.banus@elix-polymers.com | | | |
| 102-54 | Statement of report preparation in accordance with GRI Standards. | 92 | | | |
| 102-55 | Index of GRI content | 93-103 | | | |
| 102-56 | Externally assured | | Not available. | | |

GRI 102: GENERAL DISCLOSURES 2016



MATERIAL TOPIC / CATEGORY: ECONOMY

| GRI STANDARD INDICATOR | DESCRIPTION | PAGE(S) AND/OR LINKS | OMISSIONS | SDG | GLOBAL COMPACT |
|--|-------------|---|-----------|--|---|
| RESPONSIBLE ECONOMIC MANAGEMENT | | | | | |
| GRI 103: MANAGEMENT APPROACH 2016 | 103-1 | Explanation of material aspect and its boundary | 85 | | |
| | 103-2 | Management approach and its components | 85-86 | | 1. No to poverty 5. Gender equality 8.Decent work and economic growth |
| | 103-3 | Management approach evaluation | 85-86 | | |
| GRI 201: ECONOMIC PERFORMANCE 2016 | 201-1 | Direct economic value generated and distributed | 88 | Absolute values for generated and distributed economic value are not provided, only 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 LOCAL ENVIRONMENT | | | | | |
| GRI 103: MANAGEMENT APPROACH 2016 | 103-1 | Explanation of material aspect and its boundary | 51-52 | | |
| | 103-2 | Management approach and its components | 51-52 | | 1. No to poverty 5. Gender equality 8.Decent work and economic growth |
| | 103-3 | Management approach evaluation | 52, 59 | | |
| GRI 202: MARKET PRESENCE 2016 | 202-1 | Ratio of initial category salary by gender vs. local minimum wage | 59 | | 1. No to poverty 5. Gender equality 7. Affordable and clean energy 8.Decent work and economic growth |
| CONTRACTS WITH LOCAL SUPPLIERS | | | | | |
| GRI 103: MANAGEMENT APPROACH 2016 | 103-1 | Explanation of material aspect and its boundary | 82 | | |
| | 103-2 | Management approach and its components | 82 | | 1. No to poverty 5. Gender equality 8.Decent work and economic growth |
| | 103-3 | Management approach evaluation | 82 | | |
| GRI 204: PROCUREMENT PRACTISES 2016 | 204-1 | Proportion of expenditure paid to local suppliers | 82 | | 12. Responsible production and consumption |
| GRI STANDARD INDICATOR | DESCRIPTION | PAGE(S) AND/OR LINKS | OMISSIONS | SDG | GLOBAL COMPACT |

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SUSTAINABLE SUPPLY CHAIN MANAGEMENT

| | | | | | |
|---|-------|--|----|----------------------------|--|
| | 103-1 | Explanation of material aspect and its boundary | 81 | | |
| GRI 103: MANAGEMENT APPROACH 2016 | 103-2 | Management approach and its components | 81 | | 1. No to poverty 5. Gender equality 8. Decent work and economic growth |
| | 103-3 | Management approach evaluation | 81 | | |
| | | | | | |
| GRI 308: ENVIRONMENTAL EVALUATION OF SUPPLIERS 2016 | 308-1 | New suppliers have passed evaluation and selection filters in accordance with 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 EVALUATION OF SUPPLIERS 2016 | 414-1 | New suppliers have passed evaluation and selection filters in accordance with 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 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. |



MATERIAL TOPIC / CATEGORY: THE ENVIRONMENT

| GRI STANDARD INDICATOR | DESCRIPTION | PAGE(S) AND/OR LINKS | OMISSIONS | SDG | GLOBAL COMPACT |
|---------------------------------------|-------------|---|-----------|-----|---|
| EFFICIENT RESOURCE CONSUMPTION | | | | | |
| | 103-1 | Explanation of material aspect and its boundary | 71, 77 | | |
| GRI 103: MANAGEMENT APPROACH 2016 | 103-2 | Management approach and its components | 71-72, 77 | | |
| | 103-3 | Management approach evaluation | 71, 77 | | |
| GRI 301: MATERIALS 2016 | 301-1 | Materials used by weight or volume | 71-72 | | 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 extraction by source | 77 | | 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: MANGEMENT APPROACH 2016 | 103-1 | Explanation of material aspect and its boundary | 72 | | |
| | 103-2 | Management approach and its components | 72 | | 1. No to poverty 5. Gender equality |
| | 103-3 | Management approach evaluation | 70, 73 | | |
| GRI 302: ENERGY 2016 | 302-1 | Energy consumption in the organization | 73 | | 7. Affordable and clean energy 8.Decent work and economic growth 12. Responsible production and consumption 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 | 73 | | 7. Affordable and clean energy 8.Decent work and economic growth 12. Responsible production and consumption 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 in energy consumption | 73 | | 7. Affordable and clean energy 8.Decent work and economic growth 12. Responsible production and consumption 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 material aspect and its boundary | 74 | | |
| | 103-2 | Management approach and its components | 74, 76 | | 1. No to poverty 5. Gender equality |
| | 103-3 | Management approach evaluation | 74-76 | | |
| GRI 103: MANAGEMENT APPROACH 2016 | 305-1 | Direct GHG emissions (scope 1) | 74-75 | | 3. Good health and well-being 12. Responsible production and consumption 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 from energy generation (scope 2) | 74-75 | | 3. Good health and well-being 12. Responsible production and consumption 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 emission intensity | 74 | | 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 | 74 | | 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 (NO _x), sulphur oxides (SO _x) and other significant air emissions | 76 | | 3. Good health and well-being 12. Responsible production and consumption 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 WASTE AND WASTEWATER MANAGEMENT | | | | | |
| GRI 103: MANAGEMENT APPROACH 2016 | 103-1 | Explanation of material aspect and its coverage | 78-79 | | |
| | 103-2 | Management approach and its components | 78-80 | | 1. No to poverty 5. Gender equality |
| | 103-3 | Management approach evaluation | 78-79 | | |
| GRI 306: EFFLUENTS AND WASTE 2016 | 306-2 | Waste by type and disposal method | 78-79 | | 3. Good health and well-being 6. Clean water and sanitation 12. Responsible production and consumption 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 | Hazardous waste transport | 79 | | 3. Good health and well-being 12. Responsible production and consumption 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 TOPIC / CATEGORY: SOCIAL / SUBCATEGORY: LABOUR PRACTISES

| GRI STANDARD INDICATOR | DESCRIPTION | PAGE(S) AND/OR LINKS | OMISSIONS | SDG | GLOBAL COMPACT |
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| QUALITY PROFESSIONAL CAREERS | | | | | |
| GRI 103: MANAGEMENT APPROACH 2016 | 103-1 | Explanation of material aspect and its boundary | 51 | | |
| | 103-2 | Management approach and its components | 51-52, 56 | | 1. No to poverty 5. Gender equality |
| | 103-3 | Management approach evaluation | 52-53, 56 | | |
| GRI 401: EMPLOYMENT 2016 | 401-1 | New hires and staff turnover | 52-53 | | 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 annual hours of training for employees | 56 | | 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 material aspect and its boundary | 50, 63 | | |
| | 103-2 | Management approach and its components | 50, 63-68 | 1. No to poverty 5. Gender equality | |
| | 103-3 | Management approach evaluation | 63, 65 | | |
| GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2016 | 403-2 | Accident types, accident frequency rates, occupational illnesses, missed work days, absenteeism and number of deaths associated with occupational accidents or work-related illnesses. | 65 | 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 material aspect and its boundary | 54 | | |
| | 103-2 | Management approach and its components | 54-56 | 1. No to poverty 5. Gender equality | |
| | 103-3 | Management approach evaluation | 54 | | |
| GRI 402: EMPLOYEE-EMPLOYER RELATIONS 2016 | 402-1 | Minimum notice of operational changes | Established minimum notice of organizational changes is 30 days according to union agreement, though in practise, notice is given much more in advance than regulation requirements. | 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 NEGOTIATION | 407-1 | Operations and suppliers whose right to the freedom of association and collective negotiation could be under threat | Non applicable. | 8.Decent work and economic growth | Principle 1: Businesses should support and respect the protection of 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. |
| FOSTERING EQUALITY | | | | | |
| GRI 103:MANAGEMENT APPROACH 2016 | 103-1 | Explanation of material aspect and its boundary | 58 | | |
| | 103-2 | Management approach and its components | 58 | 1. No to poverty 5. Gender equality | |
| | 103-3 | Management approach evaluation | 58-59 | | |
| GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016 | 405-1 | Diversity in governing organs and staff | 58-59 | 8.Decent work and economic growth | Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation. |



| GRI STANDARD INDICADOR | DESCRIPTION | PAGE(S) AND/OR LINKS | OMISSIONS | SDG | GLOBAL COMPACT |
|---------------------------------|---|--|-----------|--|--|
| GRI 406: NO DISCRIMINATION 2016 | 406-1 Discrimination cases and corrective actions taken | There have been no discrimination cases. | | 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 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 TOPIC / CATEGORY: SOCIAL / SUBCATEGORY: SOCIETY

| GRI STANDARD INDICADOR | DESCRIPTION | PAGE(S) AND/OR LINKS | OMISSIONS | SDG | GLOBAL COMPACT |
|---|---|--|-----------|--|---|
| COMPLIANCE | | | | | |
| | 103-1 Explanation of material aspect and its boundary | 23 | | | |
| GRI 103: MANAGEMENT APPROACH 2016 | 103-2 Management approach and its components | 23, 40 | | 1. No to poverty 5. Gender equality | |
| | 103-3 Management approach evaluation | 23 | | | |
| GRI 205: ANTI-CORRUPTION 2016 | 205-2 Communication and training on anti-corruption policies and procedures | 23 | | 16. Peace, justice and strong institutions | Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery. |
| GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016 | 206-1 Legal actions concerning unfair competition and monopolising practises against free competition | There have been no legal actions concerning unfair competition practises. | | 16. Peace, justice and strong institutions | |
| GRI 307: ENVIRONMENTAL COMPLIANCE 2016 | 307-1 Noncompliance with environmental laws and regulations | There have been no nonmonetary fines or sanctions for noncompliance with environmental laws and regulations. | | 12. Responsible production and consumption 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: SOCIOECONOMIC COMPLIANCE 2016 | 419-1 Noncompliance with laws and regulations in social and economic areas | There have been no nonmonetary fines or sanctions for noncompliance with local socioeconomic laws and regulations. | | 16. Peace, justice and strong institutions | |

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|--|-------------|--|-----------|-----|--|
| SERVICE AND PRODUCT QUALITY | | | | | |
| | 103-1 | Explanation of material aspect and its boundary | 37, 40 | | |
| GRI 103: MANAGEMENT APPROACH 2016 | 103-2 | Management approach and its components | 37-41 | | |
| | 103-3 | Management approach evaluation | 38-40 | | |
| GRI 416: CUSTOMER HEALTH AND SAFETY 2016 | 416-1 | Evaluation of health and safety impacts in the categories of products and services | 40 | | |
| GRI 417: MARKETING AND LABELING 2016 | 417-1 | Requirements for the information and labeling of products and services | 41 | | 12. Responsible production and consumption 16. Peace, justice and strong institutions |

NON GRI TOPICS

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| | | Product and service innovation | 42-47 | | |
| | | Customer care (post sales service) | 41 | | |
| | | Life cycle analysis | 43, 47 | | |
| NON GRI TOPICS | | Monitoring the sustainability of portfolio products | 42-44 | | |

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We would like to thank everyone who has contributed to the production of this Sustainability Report.

We would also like to extend our thanks to all those who have allowed us to grow in a sustainable way, especially our customers, suppliers and distributors, our professional team and their families, and our shareholders.

Together, day by day, we make a difference!





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