

LIVING SUSTAINABILITY. TOGETHER.



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1.1 EDITORIAL BY KEVIN MCQUADE

DEAR **VALUED STAKEHOLDER,**

Sustainability is a topic that is at the top of our agenda. Therefore, I am happy to present Styrolution's first qualitative report on sustainability. Since our company was founded in 2011, we have driven various sustainability-related initiatives. These include improvement programs for Safety, Health and Environment (SHE), implementing risk mitigation measures and obtaining various ISO certifications in the energy and environmental field. Now, we have integrated each of these and several more initiatives into a unified framework: Styrolution's sustainability program. Currently, we are working intensely to lay the groundwork for our quantitative report, which will comply with the standards of the Global Reporting Initiative (GRI), the acknowledged benchmark reporting standard in this field. Our first GRI report will be published in 2016.

We stand for "Driving Success. Together.". Achieving such lasting success with our stakeholders can only result from sustainable business management and practices. We believe that sustainability is an important lever for growth. Our customer industries are driven by sustainable megatrends, for example energy and resource efficiency or rising living standards in emerging countries. Sustainable styrenic products and innovations will allow us to differentiate ourselves from the competition and

provide genuine value to our customers. We see exciting opportunities in collaborating with customers in order to jointly develop sustainable solutions.

As the market leader in styrenics, it's our ambition to meet high standards in all fields of sustainability. Considering the increasing scarcity of fossil fuel and materials, we put strong emphasis on safe and resource-efficient production. We are committed to valuing our employees and fostering trusted and transparent relationships with our business partners and the communities in which we operate. I think I speak for the entire Styrolution team when saying that we believe in the societal and commercial value of sustainability. We all want to contribute to the sustainable development of the plastics industry and society, "meeting the needs of the present without compromising the ability of future generations to meet their own needs" – both in business and in private life.

The program that we are implementing also meets sustainable standards, as it is designed in an efficient and focused way. Driven by a team of internal sustainability experts and firmly backed by the management board, the program is focused on material topics, where Styrolution can really make



a difference. We will integrate our sustainability program into our business, embedding it into existing processes and structures, while encouraging each employee to act sustainably every day. The aim is clear: Tracking and improving our performance, enhancing transparency and fostering dialogue in order to "Live Sustainability. Together.".

Kevin McQuade – CEO, Styrolution

➔ [Click here to see the video editorial.](#)

1.2 RALLYING AROUND SUSTAINABILITY

SUSTAINABILITY IS KEY TO **BUSINESS SUCCESS**

– Styrolution's top management is convinced!



Board: Steve Harrington, Alexander Glück, Kevin McQuade, Christoph de la Camp, Pierre Minguet and Rob Buntinx

"Sustainability has become increasingly important all over the world. This applies in particular to the Asia Pacific region, which is facing development challenges that are influenced by resource constraints and growth pressures. Offering sustainable solutions to our customers in this region will therefore be critical to ensuring our joint future success."

Steve Harrington – President, Global Styrene Monomer and Asia Pacific

"As the leading global styrenics supplier, we have to adopt a sustainable approach to all of our operations. Ensuring responsible business practices in our plants, throughout all our processes and across the entire value chain is a key element of our sustainability drive. This includes many aspects, from the efficient use of resources and the reduction of our environmental footprint to achieving zero incidents in operations, making Styrolution a safe and secure place to work."

Pierre Minguet –
President of Operations

"For us, sustainability is not mere lip service. A responsible approach to our product portfolio is key to us. This means looking at the entire supply chain – from development and production to transport, sale and use. By offering styrenic solutions that deliver strong, sustainable performance, we want to ensure that our customers' businesses and end consumers' choices become more sustainable."

Rob Buntinx – President, Europe,
Middle East and Africa

"Economic sustainability is essential to our long-term success. This means that we want to grow sustainably and use our financial resources efficiently and effectively. In doing so, we want to maintain the trust our shareholders and investors have placed in us."

Christoph de la Camp – CFO

"With stakeholders' growing interest in the ways in which organizations behave in relation to their environment, a clear link has been established between a company's sustainability performance and its prosperity. Now and in the future, the most successful companies will be those that integrate sustainability into their core businesses. That's what we're doing at Styrolution and this is why we apply the same standards throughout all regions, going beyond regional or country standards."

Alexander Glück – President, Americas

2.0 OUR APPROACH
TO SUSTAINABILITY

SAFE AND SUSTAINABLE STYRENICS

– SUSTAINABLE
SUCCESS

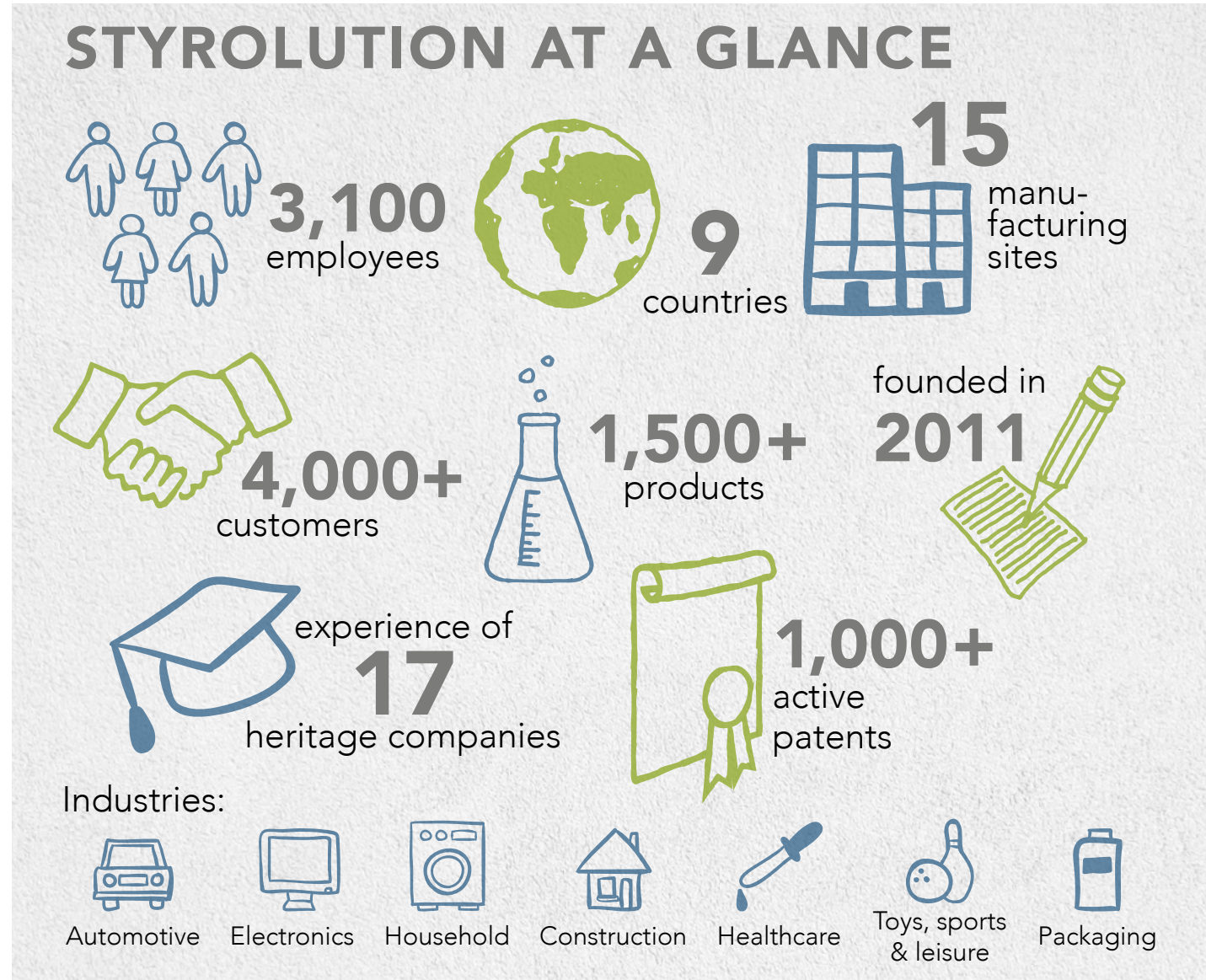


For Styrolution, sustainability is not just about safeguarding our license to operate. We go one step further: To us, it is a lever for growth.

2.1 STYROLUTION AT A GLANCE

Styrolution is the leading global styrenics supplier with a focus on styrene monomer, polystyrene, ABS Standard and styrenic specialties. With world-class production facilities and more than 80 years of experience, Styrolution helps its customers succeed by offering the best possible solution, designed to give them a competitive edge in their markets. The company provides styrenic applications for many everyday products across a broad range of industries, including automotive, electronics, household, construction, healthcare, toys/sports/leisure and packaging. In 2014, sales were at 5.4 billion euros. Styrolution employs approximately 3,100 people and operates 15 production sites in nine countries.

➔ www.styrolution.com

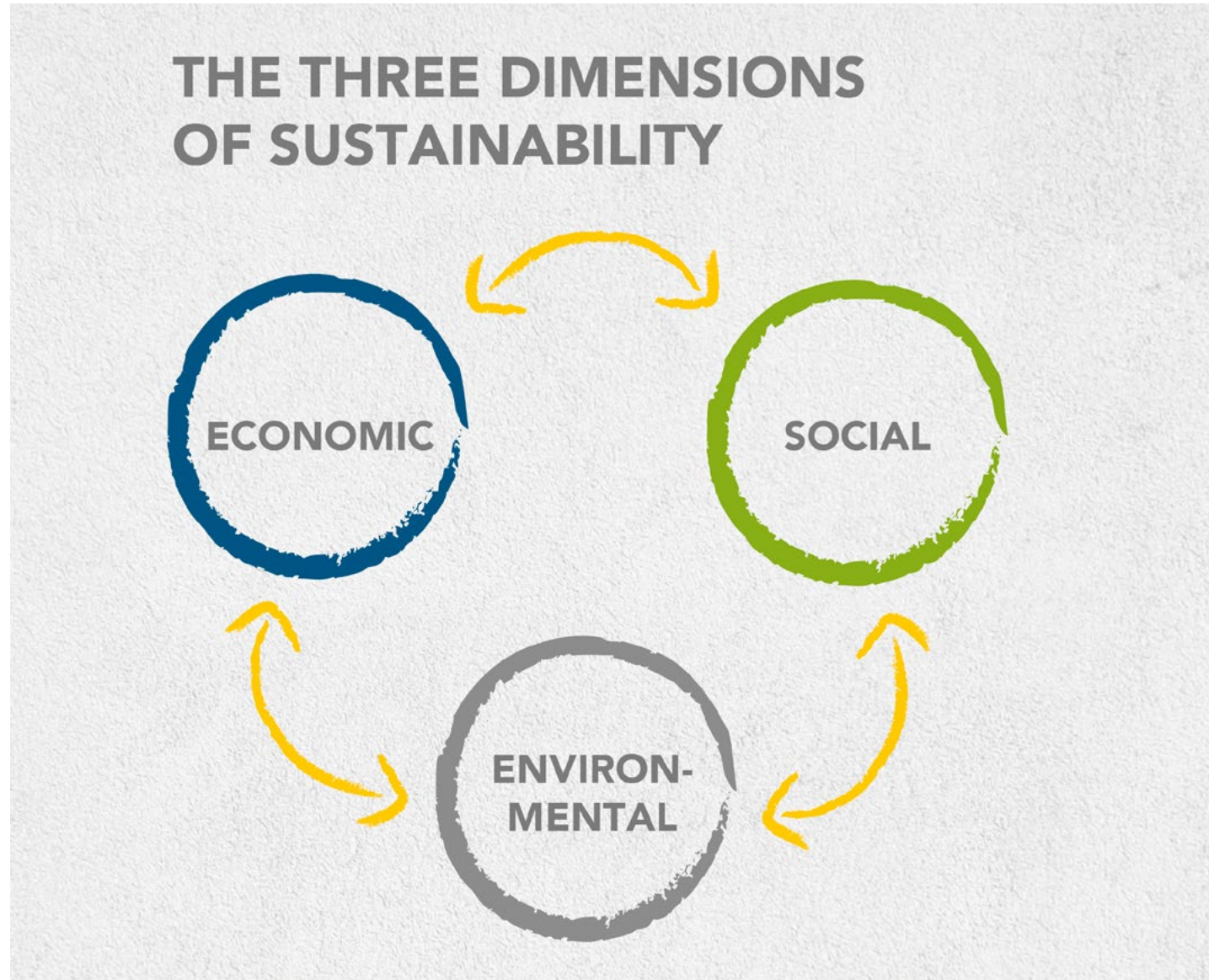


2.2 DEFINING SUSTAINABILITY

Styrolution's understanding of sustainability is based on the 1987 report of the World Commission on Environment and Development titled 'Our Common Future', which states: "Sustainable development meets the needs of the present without compromising the ability of future generations to meet their own needs."

THINK AND ACT RESPONSIBLY TODAY
– FOR A **BETTER TOMORROW**

For us, this means that Styrolution wants to operate and develop its business in a way that balances our current and future needs, taking into account economic, environmental and social factors so that we can sustain and further grow our business in the long term.



2.3 WHERE WE STAND TODAY

FROM SINGLE INITIATIVES TO A ROBUST REPORTING FRAMEWORK

Right from its foundation four years ago, Styrolution has driven initiatives geared towards sustainability, for example our programs for Safety, Health and Environment (SHE) Excellence, risk & control, compliance, product stewardship and community involvement. We have obtained various certifications according to ISO standards. Every day, our customers and end consumers profit from our sustainable solutions, for example durable and lightweight styrenics enhancing resource efficiency, or hygienic packaging to ensure food safety and increased shelf-life. The company-wide sustainability program we are currently introducing will connect the dots between all those activities to provide a unified and efficient framework for reporting and enhancing Styrolution's standards.

2.4 OUR VISION AND MISSION

A CLEAR, AMBITIOUS VISION

As the global market leader in styrenics, we are ambitious: Together with our stakeholders, we want to drive styrenics for sustainable applications and, thus, drive our company's success. We are convinced that sustainable styrenics and styrenic innovations can offer exciting solutions for challenges the world is currently facing, such as climate protection or rising living standards in emerging countries.

Moreover, we put strong emphasis on safe and resource-efficient production, on valuing and respecting our employees, on fostering trusted and transparent relationships with our business partners and the communities we operate in. As a leader in the styrenics industry, Styrolution is committed to meet discerning standards in terms of sustainability. For us, this is a business decision, as we are convinced that accomplishing long-term success together with our stakeholders can only result from truly sustainable business management.

DOWN-TO-EARTH: OUR MISSION

To contribute to the sustainable development of styrenics along the entire value chain and enhance our sustainability standards, we want to:

- drive sustainable products and promote sustainable innovations collaborating with customers
- guarantee responsible business management and sustainable investments
- foster safe and reliable operations, use resources efficiently and reduce our environmental footprint
- activate our suppliers in order to enhance sustainability standards along the supply chain
- live up to highest standards with regard to compliance
- operate as an attractive, reliable employer
- support the communities we operate in
- foster transparency, open dialogue and trust among stakeholders

2.5 THE SETUP OF STYROLUTION'S SUSTAINABILITY PROGRAM

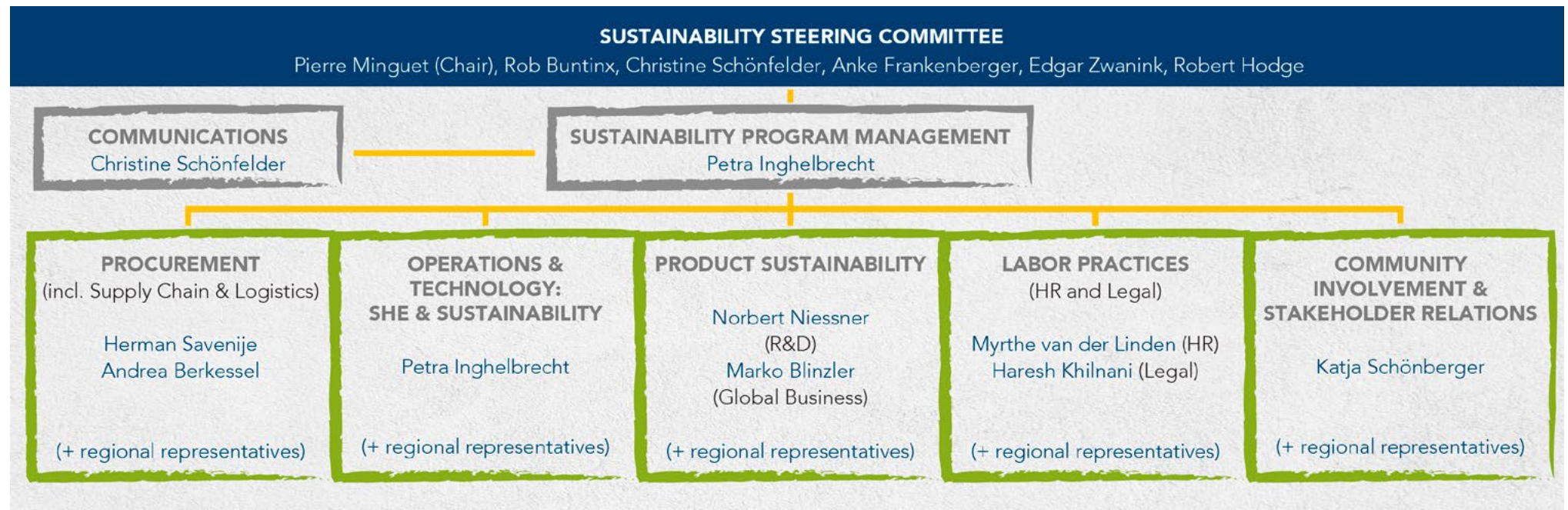
As a young company, Styrolution has introduced a substantial, yet focused program. Also, we have a dynamic team that manages our efforts in the various dimensions of sustainability. For each field of activity, we have established a workstream staffed with global and regional experts who drive the implementation of our sustainability vision and mission. A steering committee on board level gives strategic guidance and ensures top management backing. Moreover, the team is supported by an

internal ambassador group, formed by Styrolution colleagues of all functions, regions and levels. It is their role to promote sustainability within and outside of Styrolution.

ENHANCING **TRANSPARENCY, TRACKING** AND IMPROVING **PERFORMANCE**

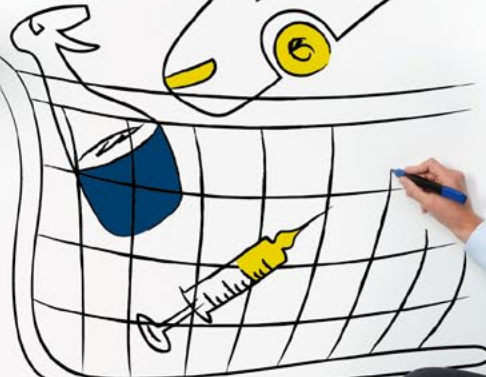
To track our sustainability performance in a systematic way and ensure transparency, Styrolution

is introducing a reporting that will comply with the standards of the Global Reporting Initiative – GRI, the acknowledged organization in the field. First data will be published on our website in 2015. A full GRI IV-based report geared towards a “core” rating will come out in 2016. Opting for a focused, effective approach, we plan to concentrate on particularly relevant aspects and processes, where Styrolution can really make a difference and integrate the program into our existing processes and structures.



3.0 RESPONSIBLE
PRODUCTS

SHAPING THE **FUTURE:** SUSTAINABLE STYRENICS **SOLUTIONS**



Our products are used across a broad range of industries, delivering sustainable benefits to both our customers and society as a whole.

3.1 OUR MISSION

DRIVING SUSTAINABLE STYRENICS

At Styrolution, we design our products to make a valuable contribution for our customers and society. We achieve this by taking a responsible approach to our portfolio along the entire value chain – from procurement, development and production to transport and sales, and from integration into customer processes to intended use. We want to offer styrenic solutions that deliver a strong sustainability performance and render our customers' businesses as well as end consumers' choices more sustainable. Together with customers and the scientific community, we engage in collaborative innovation of cutting-edge sustainable products. By driving product stewardship and quality management, we ensure compliance with product regulations and deliver safe, best-quality and high-performance products to our customers. Together with associations and our business partners, we want to drive high and well-designed sustainability standards in the styrenics industry.

3.2 STYRENICS: A MULTITALENTED MATERIAL WITH SUSTAINABLE BENEFITS

As the market leader in styrenics, Styrolution's business is guided by global megatrends such as urbanization, demographic changes, scarcity of resources, plus the increasing importance of a healthy lifestyle and nutritional safety. These challenges are shaping the evolution of various industries and highlighting the need for more sustainable applications that help preserve our planet. Energy-efficient, lighter weight car parts and resource-efficient, durable construction materials are just two examples of this.

Styrenics offer sustainable solutions to these demands, mainly thanks to the inherent properties of this versatile material. For example, they are durable and weather-resistant, which makes styrenics a long-lasting alternative to other materials. They also have a low density and a high stiffness compared to other engineering plastics, which allows the manufacture of lightweight applications with reduced transportation costs and fuel emissions. And the material is also recyclable, meaning new products can be created over and over again. When it comes to processing, styrenics offer even more benefits in terms of sustainability: They can be processed at moderate temperatures and, due to their amorphous character, styrenics consume less energy during processing and cooling compared to engineering plastics like polyamides or polyesters.

Most styrenics require no or only moderate predrying. Their processing window is broad and hence processing behavior is benign. Not only does this result in cost savings for our customers, it also significantly reduces the use of process additives.

SUSTAINABLE SOLUTIONS FOR A BROAD RANGE OF INDUSTRIES

Our high-performance products are used across a wide variety of industries, in many different applications that play a significant role in improving people's lives and making efficient use of resources.



DRIVING SUSTAINABLE INNOVATIONS

Superior performance and physical durability make our styrenics attractive for manufacturers along the entire automotive value chain. In addition, their low density compared to other engineering plastics makes them a sustainable solution for lightweight parts – helping minimize vehicle weight, and in turn increasing fuel efficiency. Combined with outstanding aesthetics due to low shrinkage and warpage, this explains why styrenics are the material of choice for many applications from rearview mirror housings and instrument panel trims to front grills and rear light housings.

3.2 STYRENICS: A MULTITALENTED MATERIAL WITH SUSTAINABLE BENEFITS

LURAN® HH 120 FOR HIGH-GLOSS AND LIGHTWEIGHT CAR SOLUTIONS



This lightweight solution combines low density with high stiffness, fast processing, high levels of clarity, brilliance and color intensity with a long shelf-life, thanks to its outstanding resistance to heat, UV radiation and chemicals. The result? A material solution that can also be used unpainted and is 10% lighter than traditional solutions.



STYRENICS YOU CAN BUILD ON

Although Styrolution's materials are not always immediately recognizable in the spaces where we live and work, they play an essential role in the building and construction industry. The reason for this is simple: Our styrenics not only increase the value of buildings, they also improve the quality of life for those who live in them – not least thanks to their high thermal and dimensional stability, superb colorability, and excellent resistance to impact, chemicals and UV radiation. In addition to their technical benefits, styrenics also improve the appearance of products – whether it is door panels, window profiles, decking or roof tiles.



STYRENICS FOR SAFE AND RELIABLE HEALTHCARE APPLICATIONS

Whether they are being used for syringe bodies, drip chambers, inhalers, or labware – the healthcare applications of styrenics are plentiful. The Styrolution product line offers a wide range of benefits to the customer – excellent impact strength, chemical resistance, and ease of processing. Further, as a company, we ensure utmost quality standards and commitment to product safety. By offering various healthcare packages, we offer one of the most

LURAN® S Q440 FOR DURABLE DECKING



This solution enhances the appearance of outdoor decking. Lowest warping, moisture absorption, best splinter and crack behavior at maximum outdoor stability result in a low-maintenance, weather-resistant, matt material that customers do not need to repaint.

3.2 STYRENICS: A MULTI-TALENTED MATERIAL WITH SUSTAINABLE BENEFITS

TERLUX® HD 2802 FOR STOPCOCKS



Stopcocks for fluid delivery systems made from TerlUX® HD 2802 provide excellent transparency, chemical resistance, rigidity and high-impact strength.

comprehensive set of regulatory standards when compared to other resin suppliers. Through fixed resin formulations, various biocompatibility studies, and adherence to regulatory standards around the world, we ensure a safe, superior product to the healthcare market. Our products are well balanced since they are designed to meet the physical demands of a targeted application, comply with existing regulatory standards and be aesthetically pleasing in the final product.



STYRENICS IN **YOUR HOME**

Our styrenics offer various advantages making them the material of choice for a vast number of household products where chemical and hot water resistance, rigidity and toughness are required. Styrenic-based products offer an added value of superior appearance. Their exceptional aesthetics provide excellent color consistency and high gloss to many household products. Through a combination of high-quality products and cost-efficient production processes, we make technology more affordable – including for customers in emerging markets. Refrigerators, microwave ovens, coffee machines, air conditioners and mixers are just a few examples of the diverse styrenic applications for home appliances.



ENABLING THE **DEVICES OF TODAY AND TOMORROW**

Wherever you find electricity, you will find our plastics. They make electrical and electronic devices safer, lighter, and more durable. Cost-efficient processability makes devices made from styrenics more affordable. Styrolution's products provide a wide range of benefits for this industry that can hardly be matched by other materials,

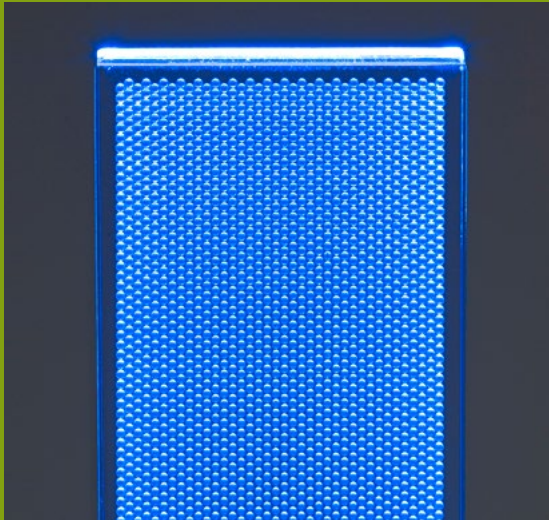
INJECTING **COLOR AND COMFORT** INTO **VACUUM AND STEAM CLEANING**



Novodur® P2H-AT was selected for use in the manufacture of attractive, colorful housings for water filters and vacuum cleaners. The material's advantages include color stability, mechanical property retention and good processability. Due to the high stiffness and scratch resistance, compared to materials like polypropylene, Novodur® enables aesthetic thin-wall and thus lightweight applications – making vacuum cleaning easier and providing more comfort for the end consumer.

3.2 STYRENICS: A MULTI-TALENTED MATERIAL WITH SUSTAINABLE BENEFITS

NAS® IN THE SPOTLIGHT



Lights have a multitude of functions in the electronics industry, such as indicating that an appliance or machine is working properly. Styrolution's transparent styrenics have emerged as enablers of innovation in this field. For example, our styrene acrylic copolymer (NAS®) offers a high degree of light transmission and optical clarity. Since it does not need pre-drying, it is a resource-efficient solution, too.

such as chemical resistance, stiffness, toughness, aesthetic surfaces and high dimensional stability.



STYRENICS FOR **SAFE** AND **HYGIENIC PACKAGING**

Food packaging is not only a practical aid, it is also indispensable in protecting products: It keeps food fresher for a longer time which, in turn, helps reduce waste. Packaging materials must be hygienic, and must also ensure that the taste and quality of the foods remains unaffected. Our product portfolio ensures just that, offering suitable materials for everything from food packaging films to cups for beverages and fruits.

ENERGY-EFFICIENT CUPS MADE OF **HIPS PS 486N**



Polystyrene cups exhibit high mechanical strength at low weight, do not require pre-drying and require the least amount of energy for processing compared to other plastic materials. In fact, to achieve typical processing temperatures, polystyrene requires approximately 60% less energy than polypropylene, and 40% less energy than PET.

3.3 TRANSFORMING IDEAS INTO SUSTAINABLE SOLUTIONS

Innovation is a significant driver of Styrolution's future growth. We are constantly searching for new, valuable ideas and are actively driving innovations and technologies in line with megatrends to give our customers a competitive edge in their markets – supporting them to overcome the challenges of today and tomorrow.

In line with our claim "Driving Success. Together.", we work hand in hand with leading institutes and partners to develop new solutions that meet our customers' demands. For example, Styrolution collaborates with Neue Materialien Bayreuth GmbH and the University of Bayreuth – partnerships which allow us to pursue frontline development projects. Further partners such as Süddeutsches Kunststoffzentrum, Washington State University and Fraunhofer LBF help us drive the development of customer-centric solutions. We work closely with our customers – offering a range of services from development support over joint developments to co-creation projects. In each of these collaborations, the development of sustainable solutions is becoming increasingly important – whether it is a question of



Prof. Dr.-Ing. Volker Altstädt (front left), CEO, Neue Materialien Bayreuth GmbH, Prof. Hans-Werner Schmidt (back left), Department of Macromolecular Chemistry, University of Bayreuth, Dr. Norbert Niessner (front right), Director of Global R&D and Intellectual Property and Prof. Dr. Stefan Leible (back right), President University of Bayreuth.

manufacturing eco-friendly end products that can be recycled easily or finding ways to reduce the environmental footprint of production processes.

"Going well beyond traditional corporate sponsoring of a university chair or graduate research, this partnership in collaborative innovation proves Styrolution is also a pioneer in its approach to R&D concepts."

Professor Hans-Werner Schmidt, Department of Macromolecular Chemistry, University of Bayreuth

TAKING SUSTAINABILITY INTO ACCOUNT FROM THE START

Being responsible in the approach to our product portfolio is important to us. In practice, this is proven by our "Sustainability Screening Tool" – an easy-to-use online system that allows us to identify the impact of new products throughout their whole lifecycle, at the very beginning of the development process. Since not only product, but also major application developments are evaluated analogously, simply the whole innovation pipeline can be measured against its sustainability effect. After evaluating a new solution in terms of its footprint, the new product or product application can be adjusted and improved where necessary. "Our Sustainability Screening Tool is a simple but effective way to convey the impact of our new products and applications at an early stage. It underpins our drive for sustainable development," says Marko Blinzler, Global Development Coordinator.

3.3 TRANSFORMING IDEAS INTO SUSTAINABLE SOLUTIONS



TRENDS IN SUSTAINABLE INNOVATIONS

An interview with Norbert Niessner, Director of Global R&D and Intellectual Property

What are the current sustainability trends in the plastics industry?

Plastics based entirely or partially on renewable resources are making the headlines. However, what customers truly desire are sustainable solutions for well-established plastics that can be achieved by various methods and mechanisms. This fact opens a huge opportunity to us: We are focusing our R&D work on making our well-established and highly efficient plastics even more efficient, less energy

consuming in production and use, and – wherever possible – incorporating renewable resources without sacrificing our products’ well balanced property profiles. Besides, lightweight plastics solutions gain importance, for example in reducing the fuel consumption in cars. But also well-established solutions, such as transparent, vacuum sealed or modified atmosphere packagings for food, are in fact highly complex, multilayered lightweight structures that combine features like oxygen and water barrier as well as seal and peel properties or transparency with low specific weight, compared to alternative solutions with the same functions. Personally, I strongly believe that sustainable materials will play an even more significant role in our business mid- to long-term. Together with INEOS and external partners, we are working on developing future solutions that will offer sustainable alternatives for our customers.

And what about sustainable solutions for styrenics-based applications?

For me, one of the most important trends continues to be lightweight applications – a topic that is not only of relevance for the automotive industry. Our R&D team is constantly working on finding new solutions that meet these needs. For example, we have started developing super high flow

styrenic products, allowing to fill thin wall molds better in order to save material. We have started first laboratory trials in the area of fiber reinforced composites based on specific styrenic polymers, e.g. Luran, which is extremely light and features aesthetic, smooth surfaces. Our research and development activities in foam injection also support the development of more lightweight structures. We are working on combinations of aesthetic surfaces and reduced density and thus are striving to maintain high surface aesthetics, combined with less material use.

Styrolution works closely with external partners to develop innovative sustainable solutions.

Why are collaborative efforts and partnerships so important in this field?

We are extending the scope of our research by collaborations with leading scientists and companies in an “open innovation” approach. This is a prerequisite for customer-centric solutions, which are the foundation of our business strategy. We see our partnerships as a way to steadily grow our innovation pipeline in both size and value, especially when it comes to creating styrenics solutions that contribute to a sustainable future. In a nutshell, our partnerships contribute to achieving significant R&D results that will drive Styrolution’s position as an innovation leader to the next level.

3.4 DRIVING PRODUCT STEWARDSHIP FOR SAFE, TOP-QUALITY PRODUCTS

Obviously, chemical products such as styrene can involve risks, when not handled properly. Therefore, complying with product regulations and delivering safe, top-quality products to our customers is at the heart of our business. Styrolution takes its responsibility very seriously for ensuring the safety of end consumers, business partners, employees and contractors, who process our materials along the value chain.

ALWAYS **SAFETY FIRST**

Ensuring compliance with all the various national and international regulations is an ongoing obligation and forms an integral part of our operations. We make sure that our styrenics and raw materials comply with legal requirements in all regions and industries we serve. For example, in the food packaging industry, our products meet the strict standards, including those set by the European Food Safety Authority (EFSA) and the U.S. Food and Drug Administration (FDA).

In order to provide customer-centric regulatory support and proactively address global regulatory and product safety trends, we rely on our global network of internal experts. As specialists in chemical and product regulations related to our portfolio,



they can offer regulatory consulting services to our own businesses and in certain cases – for example, when dealing with product approvals in different regions – directly to our customers.

SUPPORTING OUR CUSTOMERS

To ensure product safety and to give our customers a competitive edge, we offer a comprehensive range of

services. Via an online portal, we provide various important information – such as safety data sheets in various languages, technical data sheets and regulatory documents. In addition, a team of dedicated professionals is on hand to help our customers meet strict international regulatory requirements. This especially applies to customers from the healthcare industry. We offer our healthcare customers comprehensive medical service packages that go

3.4 DRIVING PRODUCT STEWARDSHIP FOR SAFE, TOP-QUALITY PRODUCTS

well beyond industry benchmarks, such as our Full Service HD Package or our Essential HD Package. The Full Service HD Package helps customers save time and money, so that they can focus their energies on product vision and design. For example, a Notification of Change (NOC) term of up to 36 months can be offered when signing a long-term supply contract. Furthermore, it comes with full regulatory compliance (USP class VI, ISO 10993, FDA and food contact compliance, Drug Master File, letter of authorization). Increased technical support (color and application development,

design support, etc.) as well as an obligation of suppliers to control the specification of their raw materials are other characteristics of the Full Service HD Package. Moreover, it has specific medical grade nomenclature and long-term security of global supply availability.

Styrolution leverages its expertise to engage in collaborative development projects that anticipate legislative changes, thereby generating value for our customers and creating a competitive advantage for all involved.

DRIVING SAFETY AMONG PEERS

To gain a broader market overview, assess product quality and minimize risks, we also work closely with industry associations such as Plastics Europe and the U.S. Styrene Information & Research Center. These partnerships help us better understand current and future regulatory developments, for example, by giving us access to studies on feed-stock safety.

QUALITY IS KING

Our certified quality management system ensures the consistent delivery of high-quality products around the world, and is just as important as regulatory affairs in earning and maintaining the trust of our customers. The system is based on best practices and international standards such as ISO 9001. It is crucial in helping us keep the promises we make to customers in terms of quality parameters, such as consistently high technical product properties or delivery deadlines. In a nutshell, the system facilitates that our products are supplied on time and in a clean and serviceable condition.



RESPONSIBLE OPERATIONS AT STYROLUTION



Deeply anchored in our corporate values, at Styrolution we are strongly committed to responsible operations with respect to protecting the safety and health of individuals, using resources efficiently and safeguarding the environment.

4.1 OUR MISSION

FOSTERING SAFE AND RELIABLE OPERATIONS

Styrolution takes its responsibility for the safety and health of our employees, contractors and the communities in which we operate very seriously. Our number one priority in operations is worker safety. Our goal is to achieve zero incidents. We are also strongly committed to reducing our environmental footprint. For this reason, we continuously invest in optimizing our technology and assets to ensure the efficient use of resources, limit waste and reduce our emissions.

“The sustainable use of resources, reducing our environmental footprint and ensuring the health and safety of our employees is at the heart of our production processes and operations. This is why we track and monitor the performance of all our sites and tie our reduction commitment to specific projects – as a joint exercise of sites, technologists and environmental specialists. In my role as Styrolution’s sustainability program manager I know that this is a true team effort. Only when we bring all perspectives, lines of expertise and regional insights together, we can achieve our ambitious goals.”

Petra Inghelbrecht – Global Sustainability Manager and Workstream Leader
“Responsible Operations”

TCIR = Total Case Injury Rate per 200,000 work hours (includes employees and contractors)

LTIR = Lost Time Injury Rate per 200,000 work hours (includes employees and contractors)

LTI = Lost Time Injury (includes employees and contractors)

DART = Rate of injury cases involving days away or restricted transfer per 200,000 work hours (includes employees and contractors)

4.2 PUTTING OUR MISSION INTO PRACTICE: SAFETY AND HEALTH

MAKING SAFETY A TOP PRIORITY

Styrolution is convinced that being a market leader goes hand in hand with an outstanding safety record and that all accidents are preventable. Incident-free operation is our objective. Our global Safety, Health and Environment (SHE) Excellence program was introduced in early 2012 to establish high SHE standards and management systems right from the beginning of our company. They are aimed at strengthening the company’s zero-incident mindset and building a strong SHE culture of open dialogue, coaching and trust. “SHE Excellence” translates our corporate SHE policy into concrete principles, guidelines and procedures, accompanied by the appropriate reporting and auditing mechanisms to ensure compliance.



4.2 PUTTING OUR MISSION INTO PRACTICE: SAFETY AND HEALTH

OUR SAFETY PRINCIPLES

Styrolution has established 20 Principles for Behavioral and Process Safety that clearly define what is expected of all our employees, contractors and businesses on a day-to-day basis. These 20 Principles form the foundation for our SHE Excellence program. Embedding them in regular training activities, auditing and the exchange of best practices across regions and sites keep safety at the forefront of operations. Each site is measured on its adherence to these principles and on its performance regarding specific safety targets.

STYROLUTION HONORED WITH GOLD FOR ITS LIFE-SAVING RULES CAMPAIGN AT LACP SPOTLIGHTS AWARD

As incident-free operation is paramount for Styrolution, we launched a global initiative to train all personnel with respect to an international standard for basic Life Saving Rules. To underpin our safety values and vision, we established a Life Saving Rules poster campaign in 2014, representing ten common high-risk work areas that set out clear and simple “dos”

CONTRIBUTING STRONGLY TO OUR SAFETY PERFORMANCE WITH A BEHAVIORAL BASED SAFETY OBSERVATION (BBSO) PROGRAM

To further promote SHE Excellence, in 2013, Styrolution established a Behavioral Based Safety Observation (BBSO) program for all manufacturing locations. BBSO has been a safety component at many of our manufacturing sites for over a decade.



and “don’ts” for activities that pose the greatest safety and health risks. The central protagonists of the poster campaign are plush toys that have been injured or damaged because they ignored the Life Saving Rules. Using toys to demonstrate workplace accidents lent the topic a less dramatic

The expansion to all locations in 2013 increased our awareness of potentially unsafe acts and workplace conditions, as well as organizational factors, such as leadership and culture. “BBSO has definitely changed our perspective on safety. We have maintained our focus on technical aspects, like engineering or safety equipment, while empowering employees and management to remain safe on the job. I appreciate the way our colleagues look out for each other, share concerns, give constructive feedback and ensure safe working conditions,” says Robert Hodge, Vice President Global SHE. In 2014, Styrolution sites conducted over 13,000 BBSO observations.

but still emotional tone that helped grab the attention of the workforce, encouraging them to be more diligent in adhering to the rules.

For this global communications campaign, Styrolution won the LACP Spotlights Award in the category “Print” for the best visual design, the best narrative content and most engaging, creative and inspirational communications material of 2014. These posters are translated to local languages and for posting at all Styrolution locations as a reminder to follow safe work practices.

4.3 PUTTING OUR MISSION INTO PRACTICE: ENVIRONMENTAL FOOTPRINT

Strong environmental performance is very important to us at Styrolution. We constantly strive to further improve our production processes, use resources more efficiently and minimize our environmental impact for current and future generations. For Styrolution this means efficient use of energy and materials, the conservation of water, the reduction of waste water, minimizing waste by recycling, recovery of by-products as well as reducing emissions. Our management system integrates various key external standards. ISO certifications, for example, confirm our proactive approach to environmental best practices across all of our operations. Our Styrolution sites in Europe and Asia have been certified to ISO 14001 – a group of standards that helps companies manage their environmental impact. Styrolution aims for transparency in environmental performance. Global environmental performance data of our operations are monitored and challenged to identify opportunities to continuously improve. The following section shows cases approaches and initiatives implemented on a global scale as well as respective 2014 environmental performance data.



4.3.1 RESOURCE EFFICIENCY AND WASTE REDUCTION

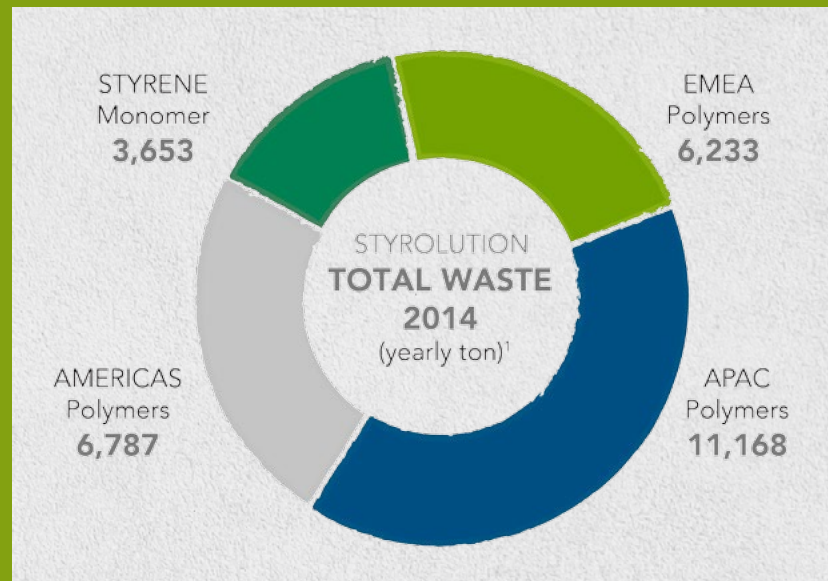
We continuously strive to reduce our environmental impact by improving our resource efficiency in all areas of our operations. In doing so, we look at the entire production value chain – from the responsible use of raw materials, optimization of production processes at production sites, to more efficient

distribution of products to customers as well as waste management and recycling. We encourage our production sites to share best practices, be ambassadors of resource efficiency, and challenge each other in this area.

4.3 PUTTING OUR MISSION INTO PRACTICE: ENVIRONMENTAL FOOTPRINT

MATERIAL EFFICIENCY: RESOURCE OPTIMIZATION BY **INCREASING BLACK PIGMENT CONCENTRATION** IN MASTER BATCH FOR BLACK PRODUCTS

Styrolution has implemented a resource efficient optimization project in the production process of our black master batch. The black master batch is used to color several ABS and ASA grades. By increasing the black pigment concentration in the black master batch by 50%, lower quantities of polymer are handled to produce the batch. After testing the concept in our ABS production plant in Antwerp, Belgium, the procedure was transferred globally to our ABS/ASA production plant in Altamira, Mexico. "This sustainable innovation is an important contribution towards our resource efficiency program as it significantly reduces CO₂ emissions and traffic load at the same time," says Koen Taelman, Manufacturing Technology Manager.



¹ Styrolution complies with local waste management regulations. The tons of waste vary according to the chemical processes in place and the presence of utilities, like waste water treatment plants.

PELLET CONTAINMENT PRACTICES CONTRIBUTE TOWARDS ACHIEVING **ZERO PELLETS LOSS**

"Marine litter is a concern for the global plastic industry. Not only is it an image problem but it also raises concerns about the sustainability of plastic products," says Petra Inghelbrecht, Global Sustainability Manager. In order to contribute to solving this complex issue, Styrolution has engaged in Operation Clean Sweep (OCS), an international product stewardship program run by the American Chemistry Council's Plastics Division, Plastic Europe and the Society of the Plastics Industry. This international program is designed to prevent plastic pellet loss during production, operation, and transportation and their release into the aquatic environment. With the shared goal of zero pellet loss, we are embedding the initiative's good practices on containment of pellets in our management systems and day-to-day practices.

➔ www.opcleansweep.eu/

➔ www.opcleansweep.org/

4.3 PUTTING OUR MISSION INTO PRACTICE: ENVIRONMENTAL FOOTPRINT

4.3.2 ENERGY EFFICIENCY

Conscious energy use is integral to Styrolution's resource efficiency efforts and a key driver in all optimization projects. Over the past decade, we have realized a significant number of energy reduction projects. This commitment continues today as we are also implementing effective energy management systems in Europe. External

audits confirm Styrolution's full compliance with the international standard ISO 50001 at all of our German and French production sites and independently prove the effectiveness of Styrolution's energy management approach. Several further sites around the world are currently preparing for ISO 50001 certification.

TEXAS CITY IMPROVEMENT PROJECTS (TIPS) ENHANCE ENVIRONMENTAL SUSTAINABILITY BY REDUCING ENERGY CONSUMPTION

In 2014, Styrolution executed a modernization project called TIPS at its Texas City styrene monomer production plant to reduce energy consumption for the production of styrene monomer. The TIPS project involved the installation of four new heat exchangers that optimized reactor performance. "This was a major step change for the Texas City plant in terms of energy performance, with net savings of 277 MWh or the energy required to

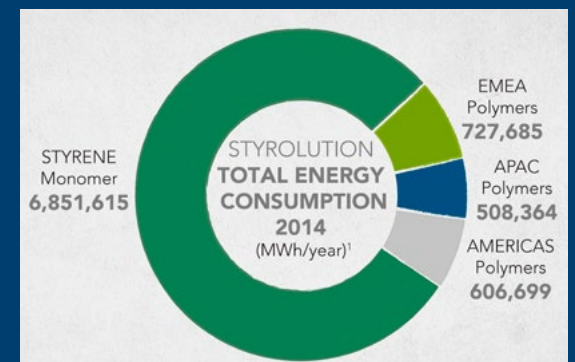


power 138,500 home cooking ovens. This resulted in a 55 ton reduction in CO₂ output per day," explains Tim Brown, Technology Manager Global Styrene Manufacturing.

ENERGY DATA MANAGEMENT IN ANTWERP



At our integrated production plant in Antwerp, Belgium, we implemented an effective energy data management system. Based on systematic monitoring and detailed analyses of the consumption data, significant subprocesses were identified and documented by means of consumption baselines. During this process, a significant number of energy saving opportunities were defined, some of them have already been put into practice. "The efforts made in 2014 provide an excellent basis to establish a solid and effective cycle for continuous improvement of the energy performance of the site," explains Bart Adams, Energy and Environmental Manager Styrolution Belgium.



¹ The energy use at Styrolution across our 15 sites involves both fossil fuel and imported utilities like electricity, steam and compressed air. Energy use varies according to the type of chemical processes in place, site specific conditions, total tons produced as well as turnaround.

4.3 PUTTING OUR MISSION INTO PRACTICE: ENVIRONMENTAL FOOTPRINT

4.3.3 WATER AND WASTE WATER REDUCTION

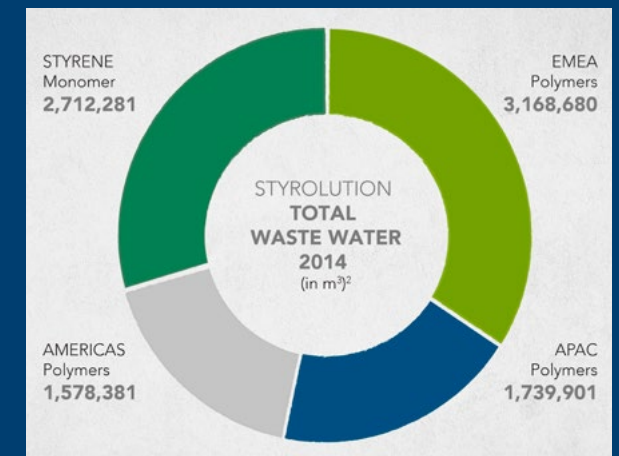
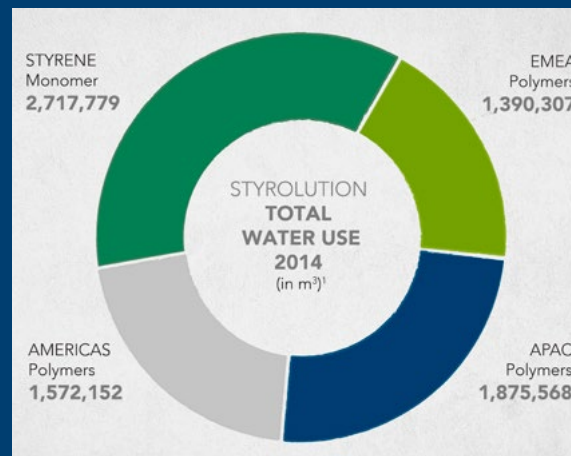
Water is a fundamental component in our production. Therefore, water consumption and its conservation as well as waste water generation and its reduction are an integral part of Styrolution's focus on resource efficiency. Our plants all over the world, especially at production sites in water stressed areas, are committed to responsible water use and exploring measures for implementing sustainable water management systems.

SUSTAINABLE WATER REUSE AT STYROLUTION PRODUCTION PLANTS

Styrolution's North American polystyrene production plant in Decatur, Alabama, conducted improvement measures to reduce their water consumption. Styrolution installed a state-of-the-art closed cooling water system to use the same water repeatedly to cool down strands in the strand bath. This improvement measure generated a reduction of water consumption and discharged water of more than 50% of the total water consumption of the site. Similar optimization projects have also been implemented by other Styrolution production plants, for example at the ABS plant in Map Ta

Phut, Thailand, where water is recycled from the centrifuges so that it can be reused in the production process.

At our Indian sites in Nandesari, Moxi and Katol, for example, where water conservation has always been a priority, Styrolution has constructed an efficient rain water harvesting facility. The installation helps to conserve rain water through specially constructed rain water pits in order to increase the groundwater level in the long term. In Katol, Styrolution worked together with the local community to build rain water channels that lead rain water to a local pond in Katol Village. In line with local regulations, our plants in Katol and Dahej use treated water for gardening and plantation purposes to limit the use of fresh water.



¹ Process water includes all water used at production sites, except for cooling water. Water is drawn from surface water, wells or is imported from neighboring sites.

² Waste water refers to all water discharged on site, including cooling water, according to the respective local legislation. It consists of the direct discharge to surface water after internal water treatment and discharge to external waste water treatment plants.

4.3 PUTTING OUR MISSION INTO PRACTICE: ENVIRONMENTAL FOOTPRINT

4.3.4 EMISSION AND CO₂

As part of its sustainability program, Styrolution places increasing value on reducing its emissions. Air emissions from manufacturing and combustion gases are monitored to ensure compliance. New

technologies were implemented to further reduce our impact. We have been working to reduce our environmental impact by also cutting carbon dioxide emissions, both in our own production and through collaboration along the entire value chain.

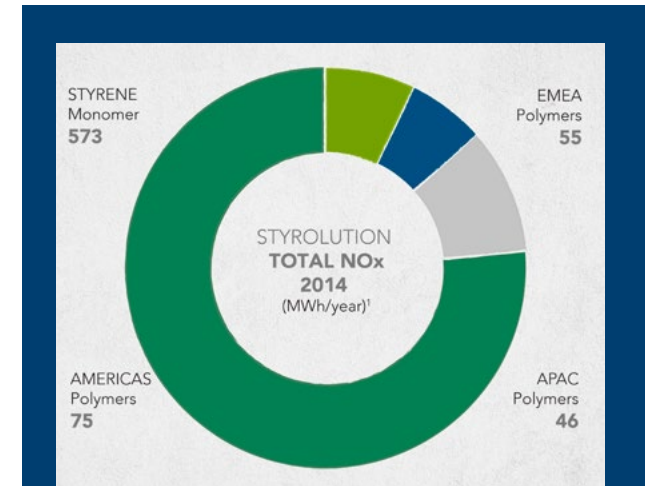
TEXAS CITY VENT GAS ABSORBER PROJECT (VGA)



Vent gas absorber technology was installed as a part of a project to modernize the Texas City styrene monomer plant. This absorber technology was used to scrub vent streams that had previously been burned in the unit flare. The result of the project was the recovery of 152 tons of hydrocarbon and a reduction in CO₂ emissions of 558 tons each year. In addition, volatile organic compound (VOC) emissions were reduced by over 3,000 kg per year, which is the equivalent of taking 220 cars off the road.

CO₂ SAVINGS RESULTING FROM AN OPTIMIZED DISTRIBUTION MODEL

In order to limit the company's impact on carbon dioxide emission rates, Styrolution successfully implemented programs to optimize its distribution processes. Instead of using the increasingly congested roads, Styrolution relies on an intermodal distribution model of trains, ships and trucks to find the most efficient route for the worldwide distribution of our products. For example, Styrolution worked together with Bertschi, a logistics partner, to develop a new business model for our outbound logistics in Europe. This new model makes an important contribution to sustainability, as it significantly reduces our carbon footprint and enables us to reduce transport emissions by up to 60%.



As part of our efforts to meet all state regulatory requirements and to even further reduce our nitrogen oxide (NOx) emissions, we have installed ultra-low NOx burners and selective catalytic reduction on the new super heater at our styrene monomer sites in Bayport and Texas City in the recent years. This resulted in yielding over 80% less NOx per MM Btu than the original burners. Likewise at our sites in Wingles, France, and Antwerp, Belgium, we have replaced our burners with new low NOx burners. In Asia, we have replaced existing burners with gas fueled burners.

¹ NOx is the main component in our combustion gases. The main source are combustion gases from internal steam production or from flares and other air treatment like thermal oxidizers.

5.0 STYROLUTION AS A RELIABLE EMPLOYER

EARN TRUST, GROW TOGETHER



The Styrolution team is our company's most important asset. The creativity, passion and expertise of our employees make Styrolution special and drive business success.

5.1 OUR MISSION

STRIVING TO BE AN ATTRACTIVE, RELIABLE EMPLOYER

Styrolution fosters sustainable relationships with its employees that build on fairness, reliability and trust. As stated in our corporate values, we “value and respect people.” Team spirit and diversity inspire the daily work of our global team. We are committed to offering an appealing working environment with competitive remuneration and benefits as well as attractive opportunities for our employees to grow and develop professionally.

“ Our daily work at Styrolution is inspired by team spirit and diversity, and we successfully work together as a global team based on the principles of fairness, reliability and mutual trust. We invest in the skills and knowledge of our staff by offering them opportunities to grow and develop professionally. ”

Edgar Zwanink – Vice President Human Resources



5.2 PUTTING OUR MISSION INTO PRACTICE: HIGH-QUALITY WORKING ENVIRONMENT, VALUE-DRIVEN TEAM

As the market leader in styrenics, Styrolution offers various jobs ranging from chemical engineering positions to operations management to business administration. Our remuneration policy, regarding both monetary and non-monetary terms, is geared – through higher variable terms – towards an above average remuneration of employees, and is oriented toward the country-specific conditions within the chemical industry in all those countries in which the Group is active. Working for Styrolution means being part of a dynamic, diverse and passionate team and collaborating with open and receptive colleagues from all over the world.

Passion for results and entrepreneurial spirit

The key driver for Styrolution is a passion for results. The basis for this is entrepreneurial spirit: People who take the initiative, having not only their field of activities in mind but the company's success as a whole.

“ I am passionate about occupational safety and believe it is a core value at Styrolution. With our comprehensive SHE Excellence programs and focus on safety, each day we strive to achieve our ambitious goal of zero incidents. ”

Robert Hodge – Vice President SHE Governance

The team profits from a professional working environment featuring various opportunities for learning and career growth.

VALUES GUIDE OUR WORK TOGETHER

Everything we do and every choice we make is driven by the values our business is built on – like a compass that guides our work towards valuing and respecting people, towards achieving a zero incident safety culture or pursuing a value-oriented behavior towards our customers and business partners. In their everyday work, our employees fill those corporate values with life.

“ At Styrolution, we want to deliver cutting-edge innovations to our customers. This is why we all think and work like entrepreneurs. We have the freedom to think out of the box and drive creative projects, while we also take full responsibility for our decisions. ”

Hannes Kerschbaumer – Innovation Manager Global Research & Development / Intellectual Property

5.2 PUTTING OUR MISSION INTO PRACTICE: HIGH-QUALITY WORKING ENVIRONMENT, VALUE-DRIVEN TEAM

Valuing and respecting people

We treat people with respect and value every one of our relationships, be they with customers, employees or other company stakeholders.

" Styrolution operates in a dynamic market environment that is prone to produce change. Sometimes this change affects our most important asset – employees. Over the past year, we introduced a new operating model for procurement to drive our teams towards 'Procurement Excellence'. This change project reinforced my belief that trusted relationships between leadership and employees are essential to business success, while transparency, openness and dialogue are key to fostering trust in people and teams. "

Herman Savenije – Head of Global Procurement

Quick decision making and flexibility

We continuously work to reduce complexity and facilitate swift, accurate decision-making. We try to respond effectively to unforeseen events, embrace a goal-oriented mindset, and remain flexible at all times.

" We provide the business with state-of-the-art, real-time global IT applications systems that are available to all users 24/7. These systems are continuously enhanced through the demand management process to provide ever more efficient solutions. At any time, the business has the flexibility to make quick, accurate and informed business decisions. "

Tony Maddock – Global Vice President Information Technology

Reliability

We always have the aspiration to deliver what we promise.

" Styrolution can rely on a global network of highly-productive manufacturing plants, equipped with best-in-class technology and operated by a professional and committed team. This enables us to deliver what we promise to customers. "

Toon van Melckebeke – Site Director Styrolution Belgium

Customer orientation

Whether operating in the specialties or in the standard product markets, we always focus on our customers' specific requirements and success.

" What keeps me up at night is customer satisfaction. I personally want to ensure that our customers in the healthcare industry can truly rely on Styrolution as their preferred partner. We offer our customers excellent products and services that give them peace of mind and drive collaborative innovation to help our customers differentiate themselves from their competitors. "

Alexander N. Silvestre – Global Director Healthcare

Responsibility

We act responsibly towards people, society and the environment.

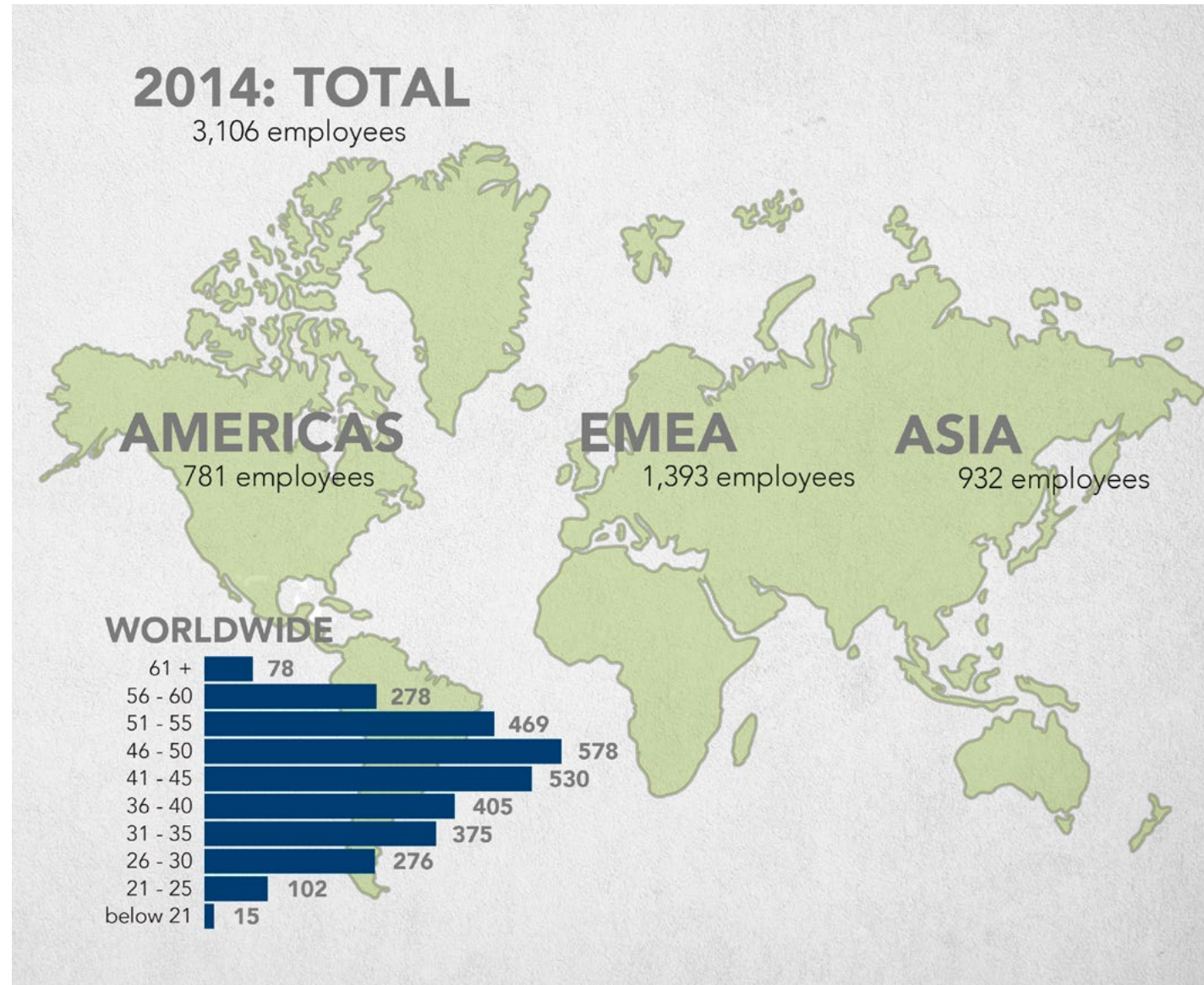
" The safe handling and use of our products by our customers and their customers is essential for us. To ensure highest standards, we take comprehensive precautions, including quality assurance, compliance monitoring, product stewardship and regulatory services. We work closely with our customers and associations in order to align our efforts and serve the end consumer with a safe, reliable product. "

Daniela Wallinda – Global Chemical Inventories Manager

5.2 PUTTING OUR MISSION INTO PRACTICE: HIGH-QUALITY WORKING ENVIRONMENT, VALUE-DRIVEN TEAM

THE BEST FIT FOR THE JOB

We are always looking for people that fit perfectly for the job – this conveys the 2014 picture of our workforce. We welcome diversity to our team and will continue to foster diversity in the coming years. We always take the best candidate and practice the principle of equal opportunities for recruiting and advancement.



6.0 A RELIABLE PARTNER TO SUPPLIERS

PUSHING SUSTAINABILITY ALONG THE VALUE CHAIN



Obviously, Styrolution's efforts to monitor and enhance its sustainability standards start from and concentrate on our own business. We believe, however, that our responsibility does not end at the company gates. Thus, we also consider sustainability along the styrenics supply chain, encouraging our suppliers to commit to high standards themselves.

6.1 OUR MISSION

ACTIVATING OUR SUPPLIERS IN ORDER TO ENHANCE SUSTAINABILITY STANDARDS ALONG THE SUPPLY CHAIN

Styrolution chooses its suppliers carefully, taking their sustainability standards into account. We expect all our suppliers to – at a minimum – comply with Styrolution’s Supplier Code of Conduct. Moreover, we work with partners along the supply chain to jointly enhance our sustainability performance.

6.2 PUTTING OUR MISSION INTO PRACTICE: THE SUPPLIER CODE OF CONDUCT

Recently, Styrolution has introduced a Supplier Code of Conduct that is rolled out globally. As we want our relationships to flourish, based on a common, compliant and responsible approach to doing business, we request all suppliers to comply with this document.

The Supplier Code of Conduct outlines our minimum expectations and requirements for supplier standards and behavior regarding labor practices and human rights, health and safety, environmental protection as well as ethics and fair business practices. By accepting to work for or with Styrolution, a supplier commits to adhere to the Supplier Code of Conduct, which then also applies to its subsidiaries and affiliates, their subcontractors or other business partners along the supply chain.

We expect our suppliers to proactively establish and maintain the standards outlined in the Supplier Code of Conduct and share adequate documentation upon our request. To verify compliance, Styrolution reserves the right to audit and inspect suppliers’ operations and facilities, either directly or through an accredited body, and request corrective actions if deemed necessary. If a supplier fails to comply with the Supplier Code of Conduct, Styrolution may take action against the supplier, including suspending or terminating business relations without any right to any compensation, depending on the gravity of the violation and the specific circumstances.

“ At Styrolution, purchasing is not only about price and quality. For us, it’s also about responsibility. As we want to set an example with regard to environmental and social sustainability, we are naturally attentive to the way our suppliers act. As a result, we choose our suppliers carefully and in conformity with our Supplier Code of Conduct, take their sustainability standards into account and work with them to jointly enhance our sustainability performance. ”

Andrea Berkessel – Global Procurement Performance Manager and Workstream Leader “Procurement”



7.0 FOUNDATION OF OUR
BUSINESS SUCCESS

COMPLIANCE – FOUNDATION OF OUR **BUSINESS SUCCESS**



Compliance stands for conforming to applicable rules and doing “the right thing.”

At Styrolution we do not compromise on compliance and seek to ensure that our commitment to lawful, responsible, and ethical conduct is put into practice every day, everywhere.

7.1 OUR MISSION

LIVING UP TO HIGHEST STANDARDS WITH REGARD TO COMPLIANCE

Styrolution is committed to operating as a responsible corporate citizen and to complying with all relevant local, national and international laws. We want to live up to highest standards regarding ethics, integrity and transparency and will not compromise our environmental, health or safety standards for any reason, including profit or production.

" Compliance with all applicable local, national and international laws forms the cornerstone for our daily work and business processes. We strive to meet the highest standards of ethics, integrity and transparency. "

Anke Frankenberger – General Counsel & Chief Compliance Officer



7.2 PUTTING OUR MISSION INTO PRACTICE: STYROLUTION'S COMPLIANCE PROGRAM

At Styrolution, we believe that the way we do our business is as important as the business we do. In other words, operating with integrity and with ethical standards is our way of doing business. Our Compliance Program provides an organizational framework on global, regional and country level, assuring that Styrolution operates as a responsible corporate citizen, always and everywhere.

The cornerstone of our Compliance Program is our Code of Conduct. It defines and summarizes, in one framework, what we expect of our businesses and employees regardless of location or background. The Code of Conduct provides guidance in key areas and makes references to matters where more detailed standards, policies, instruction and processes have been or will be issued for further direction.

To make sure that all employees fully understand our requirements, act accordingly and adhere to it, the Code of Conduct is provided in different languages. Communication across all channels, for example in the employee magazine and letters from the CEO, emphasize on this important topic, call employees' attention and contribute to establishing uniform standards which may exceed the compliance with laws and regulations. Further parts of the

Compliance Program are trainings for the entire workforce or regarding special topics, and a dedicated section on the intranet, where comprehensive information about compliance at Styrolution is provided.

CONFIDENTIAL CONTACT POINT FOR CONCERNS

Every employee is encouraged to report any confirmed or suspected violation of our Code of Conduct right away to his or her manager or to a member of our Global or Regional Compliance Teams. However, if employees feel uncomfortable speaking directly to them, they can also contact a hotline instead. Styrolution is working with an external provider to operate a standardized Compliance Hotline as global grievance mechanism for all sites. This hotline is a free and confidential way for employees to report any concerns they might have and is available 24 hours, 365 days a year. Between November 2014 and June 2015, six cases were registered at the Compliance Hotline. All six cases were fully investigated and could then be closed. The lessons learned from the reported cases are used in the Compliance Program for training purposes or are shared as anonymous examples in internal newsletters.

7.2 PUTTING OUR MISSION INTO PRACTICE: STYROLUTION'S COMPLIANCE PROGRAM



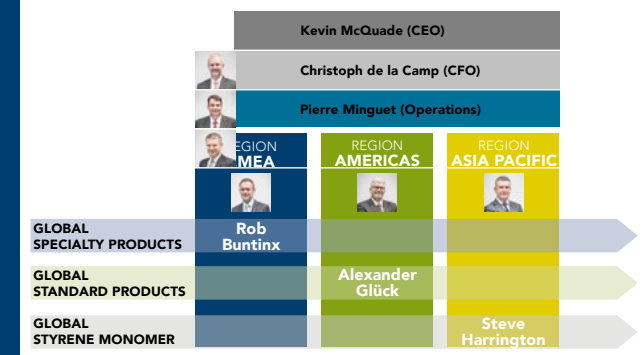
Honored with the Samsung Best Partner Award: The Styrolution Poland Team

DONATION FOR A GOOD CAUSE

The exchange of gifts can build goodwill in business relationships, but some gifts can create the appearance of improper influence. Thus, in line with our Code of Conduct, we do not accept gifts with a value over €10 or US\$15. This was also the guideline when the Styrolution Poland team was honored with the Samsung Best Partner Award in recognition of outstanding performance and continuous efforts. What the Styrolution team did not know: The award included the prize of a state-of-the-art washing

machine, which was already on its way to the Styrolution colleagues. Magdalena Walczak, Country Manager PS & SBC, Central and Eastern Europe, explains: "For us, it was immediately clear that we wouldn't accept the gift for any private use. So we were looking for a way to take it for a good cause." Without further ado, the team decided to donate the valuable gift to the charitable organization "Single Mother Shelter" in Warsaw, supporting people who have suffered domestic violence.

COMPLIANCE BACKED BY MANAGEMENT



As outlined in Styrolution's Compliance Charter, responsibility for the Compliance Management System rests with the management. They are supported by a dedicated Global and further Regional Compliance Teams. Aspects of the Compliance Program are audited in regular intervals.

8.0 COMMUNITY INVOLVEMENT

TAKING ON RESPONSIBILITY FOR THE **NEIGHBORHOOD**



Styrolution does not operate in a vacuum. Our plants are located in various communities across all continents. We feel that our responsibility does not end at the company gates. On the contrary, we want to be an active and supportive member of the communities we operate in.

8.1 OUR MISSION

SUPPORTING THE COMMUNITIES WE OPERATE IN

We want to make a difference in the communities we operate in and contribute to local life as an active corporate citizen that fosters the quality of life for today and future generations. We place a strong focus on children by driving initiatives that support their health and well-being especially for young or disadvantaged children. Therefore, we support local charity, sports and education programs by relying on the expertise and dedication of our employees or by donating funds. Constant dialogue is important to us.

“As a successful company, we want to give something back to society. At Styrolution, we take our role in society seriously: We actively support the communities we operate in and always seek open dialogue with our stakeholders.”



Christine Schönfelder – Vice President Corporate Communications, Investor Relations, Advocacy and Change Management

8.2 PUTTING OUR MISSION INTO PRACTICE: COMMUNITY INVOLVEMENT PROJECT REPORTS

READY, SET, GO RUN FOR FUN: INEOS AND STYROLUTION FRANKFURT STAGE RUNNING EVENT FOR KIDS

An active lifestyle is key to health and well-being. This is why INEOS, Styrolution’s parent company, launched the global Go Run For Fun campaign. By 2016, INEOS aims to achieve the ambitious goal of activating 100,000 children with what is to become the world’s largest running series for children. In Germany, GRFF is under the patronage of Hermann Gröhe, Federal Minister of Health. Styrolution Frankfurt staged a local run with over 500 enthusiastic elementary school students aged between 5 and 11 years. The Frankfurt event was actively supported by employees from Styrolution



Styrolution employees supported the event with a big effort.

Frankfurt, INEOS Cologne, INEOS Melamines (Mainz) and INEOS Paraform (Frankfurt-Fechenheim) who volunteered as cheering track marshals, efficient organizers or fun entertainers.



8.2 PUTTING OUR MISSION INTO PRACTICE: COMMUNITY INVOLVEMENT PROJECT REPORTS

GROW THROUGH EDUCATION

With our future generations in mind, we are committed to promoting educational projects. As the leading global styrenics supplier, we want to inspire interest in science among young people at an early stage by introducing primary school students playfully to the world of chemistry and plastics. With this objective in mind, we provide seminars for teachers and the corresponding resources. Beyond our efforts for primary schools, we support doctorates at universities with scholarships, for example in the field of R&D.



Access to education: Styrolution supports four street schools in India.



Dr. Norbert Niessner (left), Director of Global R&D and Intellectual Property, handed over a donation of €1,000 to the Siegmund Crämer School of Lebenshilfe Bad Dürkheim e.V., a charitable organization near Frankfurt which supports mentally challenged children and adults.

STYROLUTION BAYPORT AND TEXAS CITY SWING THE GOLF CLUB FOR CHARITY

It may have a frightening name, but it is all for a good cause: Styrolution's annual White Ball Massacre, an annual charity golfing tournament staged by Styrolution Bayport and Texas City in association with contractors and suppliers. With the donations raised at the tournaments, Styrolution has donated more than \$200,000 to the education-focused children's organization Boys & Girls Harbor of LaPorte so far, an organization that serves as a refuge for young children and teenagers who find themselves in crisis due to neglect, abandonment, abuse or family hardship.



Since 2006 Styrolution donates to the education-focused organization Boys & Girls Harbor of LaPorte.



Steve Harrington (left), President Global Styrene Monomer and Asia Pacific, and his team played for a good cause.

8.2 PUTTING OUR MISSION INTO PRACTICE: COMMUNITY INVOLVEMENT PROJECT REPORTS

STYROLUTION **ABS INDIA** JOINS THE WAR ON **RURAL POVERTY**

According to its vision of contributing to a more inclusive and greener India and mandated by local law, Styrolution ABS India issued a corporate social responsibility policy geared towards annually donating 2% of average net profits to charity. From 2016 onwards, those funds will go to carefully selected organizations which dedicate themselves to the common goal of sustainable social and environmental development. As a pilot project, Styrolution India donated an initial amount of around €6,000 to local initiatives. Among those supported is for example the SVADES Foundation, an organization striving to permanently lift rural India out of poverty and empower disadvantaged communities. SVADES will use Styrolution's donation to provide sanitation and drinking water facilities.



For a better tomorrow: Styrolution donates to local initiatives in India.



Cleaning for a good cause: Styrolution employees in Thailand.

THE STYROLUTION **THAILAND** TEAM HAS A **SPECIAL DAY ON THE BEACH: CLEANING UP MARINE LITTER**

Dirty beaches, trash floating on the ocean's surface and animals tangled up in plastic bags or netting – marine life has been significantly affected by pollution. In an effort to help restore and protect the natural habitat of endangered marine animals and plants, 90 volunteers consisting of Styrolution

employees and their families participated in the Ocean Conservancy's annual International Coastal Cleanup, the world's largest volunteer effort to clean up our ocean, waterways and coastlines from plastic. Styrolution Thailand together with 3,000 other volunteers from 25 companies located in Map Ta Phut, supported the global initiative and collected a total of 10,579 kilograms of marine trash from the Mae Ram Peung Beach in Rayong Province, Thailand.

8.2 PUTTING OUR MISSION INTO PRACTICE: COMMUNITY INVOLVEMENT PROJECT REPORTS

A STYROLUTION **FAMILY DAY** DEDICATED TO FAMILIES WITH **CHILDREN SUFFERING FROM CANCER**

Styrolution Cologne staged two community projects: The team, their relatives and alumni celebrated a Family Day at the site. The proceeds of €2,222, collected from barbeque and bake sales as well as from a charity raffle, were donated to the Children's Cancer Association Cologne. The charity organization supports parents whose children are being treated for cancer at the nearby university hospital, providing onsite family apartments as well as psychological assistance. Touched by the cause, Styrolution employees decided to personally donate another €1,500 to the association's children's club.



Stefan Kaminsky (second right), Site Director Styrolution Köln, Michael Petry (back left), Chairman of the Works Council, and Konrad Krüger (right), Shift Operator, handed over a donation of €2,222 to Marlene Merhar (left), Chairwoman of the Children's Cancer Association Cologne.



A fencing system to protect the American bison.

STYROLUTION **BAYPORT** TEAM LENDS A HAND FOR **PROTECTING WILDLIFE**

With 370 species inhabiting an area of over 10 square kilometers, the Armand Bayou Nature Center, located in Pasadena on the Texas Gulf Coast, is the largest urban wildlife refuge in the U.S.. Visitors experience different ecosystems like wetlands, forests and marsh habitats. Styrolution Bayport has been actively

supporting the Armand Bayou Nature Center since 2011, donating funds and sending eager volunteers on a regular basis. Recently, ten Styrolution volunteers built a professional fencing system and, thus, contributed to protecting the American bison.

9.0 RESPONSIBLE BUSINESS MANAGEMENT

MAKING **SUSTAINABLE GROWTH** A REALITY



We are taking an integrated approach to deliver a strong sustainability performance that benefits our customers and society. We are convinced that truly sustainable business management is a prerequisite for accomplishing growth and long-term success – for our customers and ourselves.

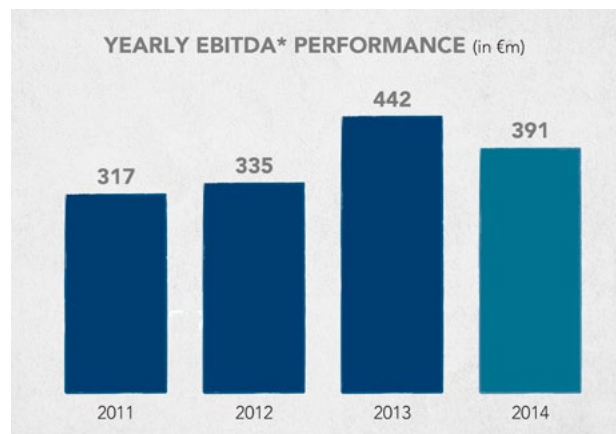
9.1 OUR MISSION

DRIVING GENUINE VALUE THROUGH SUSTAINABLE BUSINESS MANAGEMENT

Styrolution looks at sustainability as a genuine driver of growth and value: We are determined to support the market success of our customers by leveraging it as a competitive edge. In order to do so, we carefully listen to our customers' needs, continuously engage in collaborative innovation and position sustainability at the heart of all of our business management activities. We are constantly optimizing our own economic, environmental and social performance to deliver safe, best-quality and high-performance products that eventually render our customers' businesses as well as end consumers' choices more sustainable. By consistently pursuing our mission, we want to extend our track record of solid business performance, ensure sustainable growth and remain the preferred partner for our customers.

9.2 PUTTING OUR MISSION INTO PRACTICE: FOSTERING SUSTAINABLE GROWTH

By focusing on value creation for our customers, we are committed to driving sustainable growth and significantly increasing the value of the company. Since our foundation in 2011, we have significantly strengthened Styrolution's competitiveness in many business areas and have continuously delivered a strong business performance.



Today, we are the leading global styrenics supplier with access to customers in high-growth industries such as automotive, electronics and healthcare. We are well positioned in the higher-margin ABS Standard and specialties markets and have a strong asset footprint globally. We can rely on our broad product portfolio, considerable intellectual property

and our world-scale commodity manufacturing platform with best-cost technology. We are now leveraging these strengths. The early completion of our synergy and integration program enabled us to introduce our growth strategy in 2013, earlier than expected.

TRIPLE SHIFT STRATEGY FOR RESILIENCE AND SUSTAINABLE GROWTH

In order to enable sustainable growth, we set ourselves ambitious objectives: By 2020, we want Styrolution to prosper as a resilient, less cyclical, more diversified and more profitable business. This translates into growing our EBITDA margin beyond 10%. To achieve our objectives, we are implementing a Triple Shift strategy that involves a shift in focus in three areas.

A shift towards higher-growth customer industries

To increase our own potential for sustainable growth, we place a stronger focus on five higher-growth customer industries, namely automotive, electronics, healthcare, construction and household. Growth in these industries is supported by global megatrends, such as energy efficiency, need for mobility and demographic change.

* This document always refers to EBITDA before special items when mentioning EBITDA. We do not consider revenue to be a key performance indicator for our business, as our revenue level is strongly influenced by feedstock pricing. Our main drivers are margin and volume.

9.2 PUTTING OUR MISSION INTO PRACTICE: FOSTERING SUSTAINABLE GROWTH

A shift in our portfolio towards higher value offerings

In order to meet the demands of the five focus industries, the second shift refers to a stronger focus on higher value specialties and ABS standards grades. This shift is driven by customization and differentiation. It is reflected in our broad portfolio of more than 1,500 high-performance and value-added products, our large number of customized solutions, comprehensive service packages and our close relationships with key customers and external partners. Our specialties business is continuously growing and is the largest and most stable contributor to Styrolution's EBITDA.

A shift towards high-growth regions

This shift includes strategically investing in emerging markets by expanding our assets and sales footprint, particularly in Asia. By 2020, Styrolution aims to grow substantially its sales in emerging markets. In EMEA and North America, we will continue to pursue growth in higher-growth industries with standard ABS and specialties.

With regard to the implementation of our Triple Shift strategy, we are well underway and have already completed a whole range of projects. For example: To accelerate customer-centric innovation and drive



9.2 PUTTING OUR MISSION INTO PRACTICE: FOSTERING SUSTAINABLE GROWTH

growth, we formed a new organizational unit, Global Focus Industries and R&D. This organizational structure is tailored to the needs of our customers: We bundled experience in industry-specific teams and introduced global key management to better serve customers that expect a global offering. Styrolution's global and regional R&D teams are networking closely, internally as well as with external parties such as universities, while strictly focusing on customer-centric innovation. With the independent research institute Neue Materialien Bayreuth and the University of Bayreuth, we established an R&D partnership, which is a unique collaboration model for the plastics industry.

To further strengthen our leading position in specialties, we optimized our specialty production network in Germany. This enables us to better serve our customers and provide them with secure sourcing alternatives for our global specialty grades. A further important milestone to bolster our market position in styrenic specialties and standard ABS was the integration of Styrolution's and INEOS ABS' marketing approach in the Americas. Styrolution now acts as the one face to the market and the single source to serve customers with a

combined product and service portfolio under the Styrolution brand. Integrating the go-to-market approach not only significantly enriches our standard and specialty ABS offering, but also establishes Styrolution as the clear market leader in ABS in the Americas.

Furthermore, we aligned our polystyrene capacity with market demand by closing the polystyrene sites in Indian Orchard, USA and Trelleborg, Sweden. The transfer of production capacities to other more cost efficient sites also entailed considerable increases in energy efficiency and logistical efficiency, improving Styrolution's environmental footprint. Moreover, we invested in production plants for the specialty NAS in Ludwigshafen, Germany, and Decatur, USA, which enable us to offer customers greater flexibility and secure, long-term supply as well as greater lot-to-lot consistency.

In Mexico, a new production line for the styrenic specialty AMSAN® enables us to expand our product offering and increase supply reliability in the region. This positions us for further growth throughout the Americas as well as in our core industries. Our approach is also underlined by further

investments, such as a new ASA line in Korea and a new line for the high-performance styrenics specialty Absolan® at the Katol site in India. We continuously look for further opportunities.

We are confident that the continuous implementation of our Triple Shift strategy will ultimately translate into greater value for our customers in terms of the products and services we provide with even greater security of supply, while at the same time further strengthening our position as the global market leader in styrenics.

FOR MORE
INFORMATION

PLEASE
CONTACT

Petra Inghelbrecht
Global Sustainability Manager
sustainability@styrolution.com

