

# QUALITY **SUSTAINS.**

**Corporate Responsibility  
at LANXESS.**

**QUALITY **WORKS.****

**LANXESS**  
Energizing Chemistry

## OUR RESPONSIBILITY FOR SUSTAINABILITY: VALUES GUIDE OUR ACTIVITIES.

Sustainable, integrative thinking and acting supports our entrepreneurial goals in a variety of ways, be it through greater resource efficiency, good relationships with our stakeholders, raised risk awareness, or long-term advantageous cost structures. However, we also consider sustainability in a larger context. The quality of our company is not only manifested in our economic success.

It is also reflected in the social impact of our actions. Our corporate responsibility is to analyze our activities and draw conclusions for the greater good of the general public. Our facilities and branches must deliver sustainable benefits to the community. This principle is the **starting point** for our thoughts and actions.



## OUR COMMITMENT, OUR CLAIM, OUR AWARDS.



## SEVEN TOPICS ARE AT THE CORE OF OUR PATH TO MORE SUSTAINABILITY.

Sustainability is a strategic goal for LANXESS. Our ambition is to be a leading, stable, sustainable, and profitable company. Based on this ambition, we focus our activities on seven key topics. Seven topics for which we have

formulated specific goals – all of them share one common principle: With our actions, we want to increase the value of our company and simultaneously improve the quality of life for present and future generations.



### LANXESS: LEADING, STABLE, SUSTAINABLE, AND PROFITABLE

Resilient Sourcing

Safe and Sustainable Sites

Climate Action and Energy Efficiency

Energized Employees and Performing Teams

Business-driven Innovation

Sustainable Product Portfolio

Valuing Customer Relations

Good Corporate Governance



Constantly increasing the share of certified suppliers



Reduction of occupational accidents by > 50% by 2025



-25 % energy consumption and emissions by 2025\*



20% women in management by 2020



Keep customer loyalty at a consistently high level

\*specific emissions, compared to 2015



## 1. RESILIENT SOURCING

LANXESS sets high standards worldwide for the procurement of raw materials, intermediate materials, facilities, and services. As a founding member of the **“Together for Sustainability” initiative**, our goal is to **increase transparency and sustainability throughout our entire supply chain**. The 20 internationally active members of the initiative continuously review their suppliers based on uniform standards. Their task is mainly focused on **human rights, labor standards, occupational safety, environmental protection, and business ethics**.

## 2. SAFE AND SUSTAINABLE SITES

Uniform standards for the planning, construction and operation of facilities ensure a **high safety level at our more than 75 locations**. Local experts verify their strict compliance. The greater the risks, the more frequently inspections are carried out. With the help of an electronic reporting system, we also record accidents and critical events based on uniform specifications. The reports are carefully analyzed to avoid other similar incidents in the future.

With global rules for hazardous goods and transport safety, we also ensure that **hazards are avoided as thoroughly as possible**. Therefore all guidelines for compliance are monitored by a specially designed department.

In addition, we uniformly apply a strict storage concept worldwide that meets all fire, occupational and health requirements for the stored substances.

**Occupational accidents cut by more than half since 2013.**



**13,800,000 metric tons of greenhouse gas emissions avoided in ten years.**



By using raw materials and energy as efficiently as possible, LANXESS is doing everything to face its **ecological responsibility**. This also includes **careful use of the resource water** – especially at locations in so-called water stress areas.

Moreover, we try to keep our **waste volumes, from raw material use to product manufacturing, as low as possible**. In areas, where it is impossible to avoid waste, we try to use or market it as a secondary raw material and energy source.

## 3. CLIMATE ACTION AND ENERGY EFFICIENCY

With the **Paris Agreement on Climate Change**, almost the entire global community has committed itself to keeping average global warming below two degrees. We want to contribute to this global effort. Over the past decade, we have already **reduced our global Scope 1 emissions by more than half**. But we are not done yet.

By 2025, we aim to reduce CO<sub>2</sub> emissions per metric ton of product and volatile organic compounds (VOC) by another 25 percent compared to 2015. The specific energy consumption should also be reduced by 25 percent. One example of these efforts is the construction of a steam plant complex in Antwerp, which we are using jointly with other chemical companies. The pipeline will help us **reduce approximately 10,000 metric tons of CO<sub>2</sub> emissions each year**.

## 4. ENERGIZED EMPLOYEES AND PERFORMING TEAMS

Our employees are crucial to the company's success. That is why **we consistently invest in new talents** (apprentices and university graduates) as well as experienced specialists and executives. Our **international trainee program** is an important tool for recruitment of junior staff. Through an intensive training program we generate specialists from our own ranks. Furthermore, we support the personal development of our employees and continuously expand our **continued education opportunities**, including digital ones.

To maximize the well-being of our employees, we offer transparent, **fair and competitive compensation worldwide**. It also includes a **bonus system that is aligned with the sustainable success of the company**. We support a healthy work-life balance and gradually introduce **flexible work models** with regard to work schedules and the workplace in general. In addition, we promote compatibility of work and family by offering our employees childcare and relief nursing models.

## 5. BUSINESS-DRIVEN INNOVATION

We ensure the long-term success of our company with the development of **innovative processes and products**. These often evolve in close cooperation with our partners. At the same time, we support our customers in **making their business more sustainable**: For example, our innovations help recycle waste products, treat water, save energy, or light-weight design for electromobility. With our participation in **high-tech start-up funds**, we support promising start-ups in the fields of robotics, Internet of Things, energy, medical and biotechnology, as well as chemistry and software.

**100 % of the portfolio analyzed with sustainability aspects in mind.**



## 6. SUSTAINABLE PRODUCT PORTFOLIO

With its allegiance to the Responsible Care® global charter, LANXESS has committed itself to comprehensive **product responsibility**. To fulfill our obligation, we provide information and risk assessments of substances and **minimize harmful effects of chemicals on health and the environment**. We also want to avoid negative consequences for people and the environment during the manufacturing and distribution of our products. With a specially developed rating system, we systematically evaluate the **sustainability of our products in terms of economic, ecological, and social viability**. Each of our products is included in this rating system – without exception.

## 7. VALUING CUSTOMER RELATIONS

The **satisfaction of our customers** is the foundation of our success. We provide detailed information about our products, their applications as well as potential risks. Critical feedback provides valuable information **helping us to continuously grow and improve**. Frequent surveys by external service providers show us how our work ranks compared to our competitors. Every two years, each of our business units conducts an anonymous online survey. Then they implement individual measures to **further increase customer satisfaction**.

**Revenue share of TfS-approved suppliers at 70 %.**



## OUR RESPONSIBILITY, OUR ADDED VALUE FOR THE SOCIETY.

LANXESS considers itself to be part of society – we are equally committed to social success as well as our own. With our work, we want to contribute to the progress, prosperity, peace and sustainability of the global community.

Therefore, we not only measure our success in terms of profitability, but also with regard to how humanity benefits from our efforts. Using comprehensive assessments, we go further than many other companies and disclose the social impact of our products and initiatives.



## SUSTAINABLE DEVELOPMENT GOALS



## OUR COMMITMENT TO THE AGENDA OF THE GLOBAL COMMUNITY.

At the United Nations Sustainable Development Summit in 2015, 193 countries adopted the new 2030 Agenda. It contains the so-called “Sustainable Development Goals” – the desired future for our earth. Not only politicians, but all social stakeholders must contribute to achieve the formulated goals. LANXESS also provides numerous contributions for reaching these goals.

We launched the LANXESS Education Initiative at our locations. It promotes support for children, adolescents and young adults around our production sites. Throughout the world, we want to impart students with a fascination for natural sciences and open up career prospects for them.

LANXESS high-performance plastics can reduce the weight and fuel consumption of cars and can also be used in electric mobility systems. Furthermore, our products help to secure the global water supply at various levels, for example through conversion of salt water into potable water or by filtering harmful elements from fresh water.

Through targeted energy efficiency management, we improve our emission balance as well as our cost position and ultimately our competitiveness.

The most efficient use of raw materials and energy, the continuous reduction of emissions and waste as well as our innovative technical solutions actively contribute to climate protection.

## THE BIG PICTURE.

Our financial results do not adequately reflect the impact of our business on society. That is why we frequently perform a comprehensive impact valuation of our actions. It shows the economic, environmental and social impact of our business derived from scientific formulations.

In addition, our product portfolio is evaluated every year based on sustainability criteria. The results are regularly reviewed by an internal panel of experts. This approach enables us to take the decisions needed to create greater benefits for society.



More information on corporate responsibility at LANXESS can be found on our website: [www.lanxess.com](http://www.lanxess.com)



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