

**Statement on respect for human rights and
corresponding environmental standards**

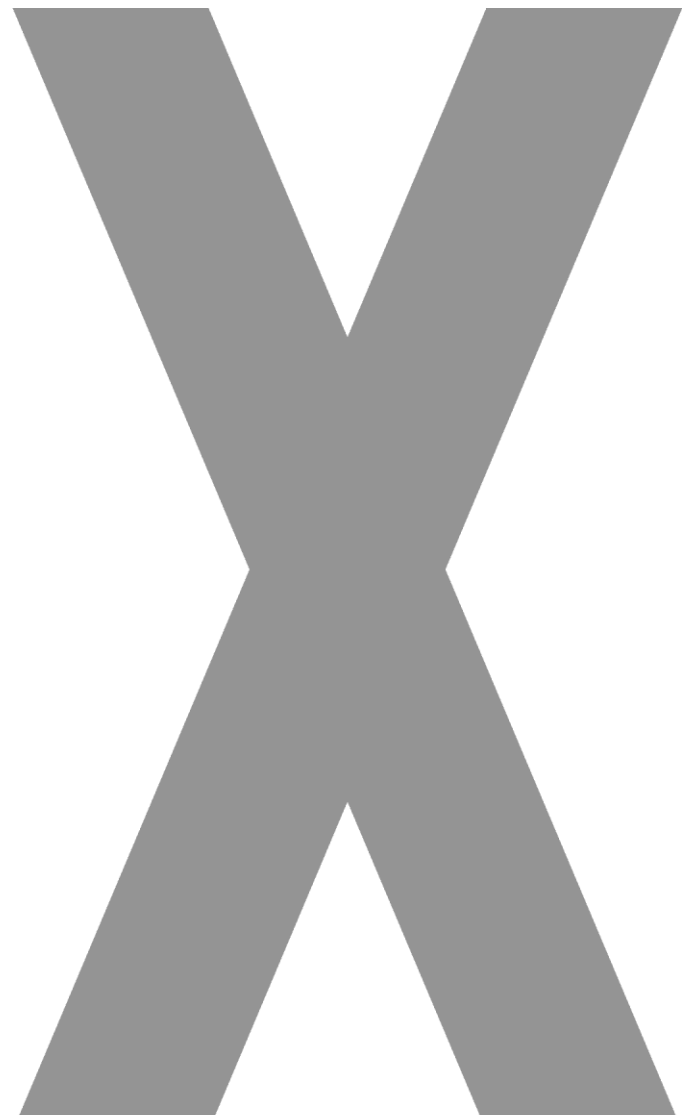


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1. LANXESS Group's commitment to respect human rights

LANXESS¹ is a leading specialty chemicals company with a presence in over 30 countries. We produce and distribute chemical intermediates, additives, specialty chemicals and consumer protective products. With our activities, we make an important contribution to society in various areas, e.g. in the fight against climate change, the development of sustainable cities and feeding a constantly growing global population.

We consider the protection of human rights and the environment to be a central element of our corporate and social responsibility and promote compliance along our value chains, in particular, the prohibition of child labor, forced labor and any form of slavery including human trafficking, respect for the rights of local communities and indigenous peoples, protection against discrimination, respect for freedom of association and the right to collective bargaining, respect for health and safety at work, the right to fair remuneration, compliance with applicable environmental regulations, the prohibition of unlawful forced evictions and the deployment of security forces committed to upholding human rights.

We base our business activities on the following international agreements and fundamental principles:

- United Nations Universal Declaration of Human Rights
- United Nations Guiding Principles on Business and Human Rights (UN Guiding Principles)
- International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work
- Principles of the United Nations Global Compact (UN Global Compact)
- United Nations Sustainable Development Goals (SDGs)
- Responsible Care© Global Charter of the International Council of Chemical Associations (ICCA)

¹ As the LANXESS Group, we understand in this statement the LANXESS AG, including its global subsidiaries.

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- Women's Empowerment Principles of the United Nations
- Minamata Convention of 10 October 2013 on Mercury (Minamata Convention)
- Stockholm Convention on Persistent Organic Pollutants of 23 May 2001 (POPs Convention)
- Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal of 22 March 1989 (Basel Convention)

As part of our business activities, we always comply with the applicable national law. In cases where international human rights and related environmental rights are restricted by local laws, we strive to promote the principles behind international standards without conflicting with local laws. If local laws go beyond international standards, we follow them.

2. Expectations to our employees

The principles outlined here apply to all our employees. Our expectations of our employees are set out in Group-wide directives, instructions and corporate positions. In particular, our employees are obliged to comply with our Corporate Policy² and Code of Conduct³.

The LANXESS Corporate Policy takes up principles of responsible action and sustainable development and defines our general corporate identity and the behavior that is expected of all employees towards our stakeholders.

Our Code of Conduct, which applies throughout the Group, obliges all employees, regardless of organizational units, regions and hierarchical levels, to conduct themselves with integrity and in accordance with the rules and to adhere to our corporate values of respect, trust, responsibility, professionalism and integrity. The Code of Conduct contains, among other things, clear instructions for compliance with human rights, occupational safety and environmental protection and is handed out to

² See <https://lanxess.com/en/Sustainability/Material-Topics/Good-Governance-and-Energized-Employees>.

³ See <https://lanxess.com/en/Sustainability/Approach/Material-Topics/Human-Rights>.

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every new employee with the employment contract or at the beginning of the employment.

In addition, we address our expectations with regard to compliance with the principles outlined here by training our employees on specific human and environmental rights issues as well as our complaints procedure.

3. Expectations to our suppliers and other business partners

We also expect our business partners (e.g. suppliers, customers, sales partners) to conduct their business properly and to respect human and environmental rights, among other things. Our expectations in this regard are set out in our Business Partner Code of Conduct⁴. Our business partners commit to adhering to these principles when collaborating with the LANXESS Group and to communicate and advocate for their implementation to their own business partners engaged in cooperation with the LANXESS Group or equivalent principles. If the business partner has established its own Code of Conduct that is equivalent to our principles, the LANXESS Group and the business partner recognize their respective Codes as equivalent.

⁴ See <https://lanxess.com/en/Sustainability/Approach/Material-Topics/Human-Rights>.

4. Approach to implementing of human rights and environmental due diligence obligations

4.1. Risk management and responsibilities

The implementation of human and environmental rights due diligence obligations is an ongoing process. By integrating into our organizational structures and procedures, clear responsibilities and behavioral principles, as well as effective measures and control mechanisms, we ensure compliance.



The direct responsibility for ensuring that human rights and associated environmental rights are upheld lies with the respective management at our sites. Our central Compliance organization (supported by the regional and local Compliance Officers) and other central Group Functions, in particular Global Procurement & Logistics, Human Resources and Production, Technology, Safety & Environment, support the implementation of due diligence obligations. All sustainability topics are managed by our Sustainability Committee⁵, to which five subcommittees report. The topic of human rights falls within the scope of the Social & Governance subcommittee, which coordinates topics related to corporate and social responsibility.

⁵ The Sustainability Committee includes, among others, all board members. The five subcommittees that report to the Sustainability Committee are each chaired by a member of the Board of Management and deal with different focal points of our sustainability strategy.

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The task to monitor the risk management is carried out by our Human Rights Officer. He is in close contact with the Group Functions and the Business Units and reports regularly to the Board of Management of LANXESS AG, at least once a year and on an ad hoc basis.

4.2. Risk analysis

A key component of our overarching risk management system is a Group-wide, systemically supported process for structurally identifying and assessing relevant risks – including human rights and environmental risks. This also includes annual and event-specific risk analyses related to our own business area and our direct suppliers.⁶

The risk analysis regarding our own business area follows a holistic view of all company areas worldwide. In the first step, the actual risks with regard to human rights and associated environmental rights are identified.⁷ In the second step, the assessment and appropriate prioritization is carried out according to the UN Guiding Principles, taking into account the probability of occurrence.

The risk analysis of our direct suppliers is initially based on an abstract risk analysis using a supplier risk management system and the use of external data sources. In the second step, the remaining suppliers are further analysed (e.g. on the basis of information from the existing supply relationship) and evaluated. Based on the results, further steps will be determined. These may include, for example, obtaining supplier self-disclosures, on-site visits or on-site audits by our central Group Function Global Procurement & Logistics.

The results of the risk analysis are reported to the relevant decision-makers, including the Board of Management, Heads of the central Group Functions (in particular Global Procurement & Logistics, Human Resources, Production, Technology, Safety & Environment and Legal & Compliance) and the Human Rights Officer.

⁶ The risk analysis with regard to our indirect suppliers will be carried out if we have substantiated knowledge of a violation of a human rights or environmental obligation.

⁷ In particular, potential human rights and environmental risks related to child labor, forced labor, slavery, discrimination, unlawful evictions, as well as disregard for freedom of association, collective bargaining, health and safety, the right to fair wages, environmental regulations, and the use of security forces are assessed. In addition, potentially vulnerable groups as well as the rights of indigenous peoples and their influence on communities are considered.

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Based on the risk analyses, we determine measures that we incorporate into relevant business processes, in particular our supplier management system. In cases where a violation of a human rights or environmental obligation has occurred or is imminent within our business area or with a direct supplier, we will promptly take appropriate remedial measures.

In our risk analysis, we have identified safety and well-being of our employees and business partners, compliance with appropriate work standards, prevention of discrimination, and protection of the environment and society from harmful impacts of our business activities as priorities. Along our supply chain, we consider occupational health and safety, labor standards, and environmental protection as priorities.

5. Complaints procedure

The complaints procedure enables us to become aware of human rights and environmental risks and violations and to react at an early stage in order to avert potential harm to those affected or to take remedial measures in the event of violations to prevent further violations. Therefore, it is important for the LANXESS Group to present the complaint procedure in a clear and transparent manner and to increase awareness. We have documented details of the complaints procedure and our reporting channels in our Complaints Procedure policy.⁸

The complaints procedure is available to LANXESS Group employees, business partners and other third parties. Notices/complaints about potential misconduct, violations of legal provisions or internationally recognized basic principles, internal guidelines, such as our Code of Conduct or other internal LANXESS regulations, e.g. against this statement, may be submitted. Concerns related to compliance with human and environmental rights, as well as regulations regarding health and occupational safety, workplace and facility security, product safety, export control, money laundering, antitrust law, corruption, and bribery, can be communicated to us. Suspicions relating to violations by direct or indirect business partners of the LANXESS Group can also be reported.

⁸ See <https://lanxess.com/en/Sustainability/Approach/Material-Topics/Human-Rights>.

6. Verification of effectiveness

In order to ensure the effectiveness of the measures taken, we review the effectiveness of the prevention and remedial measures as well as our complaints procedure at least once a year and on an ad hoc basis. If we identify any lack of functionality, we improve and optimize our processes.

7. Documentation and reporting

We continuously document the fulfilment of our due diligence obligations and store these documents in accordance with legal requirements.

We report on the topic of human rights in particular in our Annual Report (incl. non-financial Group Report)⁹, Corporate Sustainability Report¹⁰ as well as in accordance with the German Supply Chain Due Diligence Act¹¹ and the requirements of the UK and Canadian Modern Slavery Act¹².

8. Human and environmental rights priorities

8.1. Own business area

8.1.1. Occupational, health, and environmental protection

Our commitment

Along our value chain, there is a potential risk that raw materials that are used and substances that are produced can be hazardous to people and the environment. Therefore, health, environmental protection and safety are of great importance at every stage of our actions – from procurement to production, storage and transport to use and disposal. Our employees must work injury-free. Our goal is therefore "zero accidents" because we are convinced that every accident at work is preventable. Furthermore, we act in accordance with the Minamata Convention on Mercury, the

⁹ See <https://lanxess.com/en/Investors/Reporting>.

¹⁰ See <https://lanxess.com/en/Sustainability>.

¹¹ See <https://lanxess.com/en/Sustainability/Approach/Material-Topics/Human-Rights>.

¹² See <https://lanxess.com/en/Sustainability/Approach/Material-Topics/Human-Rights>.

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Stockholm Convention on Persistent Organic Pollutants, and the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes, committing to sourcing only raw materials from certified conflict-free sources.

Actions taken

Supported by a management system that is uniformly implemented throughout the Group, its systematic monitoring and continuous improvement, we create the basis for a safe and health-promoting working environment. Our Group Function Production, Technology, Safety & Environment develops and maintains company-wide standards that ensure the responsible handling of chemicals, defines requirements and regulates responsibilities for health and environmental protection, the handling of chemicals, the safe operation of our plants and safety precautions at workplaces. The systematic training of our employees, the specifications and recommendations for proactive plant maintenance, the consultations of the companies on process and plant safety and regular reviews of our health, safety and environmental management on the basis of audits are intended to ensure that the specifications are systematically and sustainably implemented in our processes. The implementation and adherence to measures are globally checked through compliance checks.

Our global safety initiative Xact aims to continuously enhance the safety culture of the LANXESS Group. Six "Xact" safety rules, the central principles for safe work in the LANXESS Group, address the most important areas in which every employee can actively contribute to their own safety and that of their colleagues.

We continuously strive for improvement in occupational safety, even with our service providers, and integrate them into our safety culture. The principle of "select, train, support and evaluate" applies here. Among other things, our partners must demonstrate a safety management system and that the employees who work for us have received safety training. Regardless, we regularly conduct individual safety briefings at our partner companies.

Furthermore, we adhere to the Responsible Care© concept and actively practice environmental and proactive environmental protection management. This includes

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constant monitoring and examination of soil, groundwater, and air as well as emissions and immissions.

Further information on our positions on water, climate, sustainable value chains and our product portfolio can be found in our Annual Report¹³ and in our background papers¹⁴.

8.1.2. Working hours, wages, and benefits

Our commitment

The LANXESS Group is intended to be a company whose success is driven by the personal commitment of each individual employee – in line with our corporate slogan "Energizing Chemistry". Our employees are a key success factor and we provide them with appropriate remuneration and working conditions that are in line with the employment standards of the International Labour Organization (ILO).

Actions taken

Our Group Function Human Resources designs and defines the global framework conditions for the compensation system, concepts and standards that enable flexible working, and controls the associated processes. To ensure that our employees are fairly remunerated, we regularly review the competitiveness and future viability of all compensation elements. To ensure compliance with statutory and contractual working hours, working hours are recorded and monitored by local time and attendance systems at many of our locations. We support the work-life balance with flexible working time models.

We respect the freedom of association of our employees and respect the existing collective agreements. We regularly seek dialogue with the employee representative bodies and involve them in organisational changes at an early stage. Further information on remuneration, flexible working conditions and co-determination, among

¹³ See <https://lanxess.com/en/Investors/Reporting>.

¹⁴ See <https://lanxess.com/en/Investors/ESG>.

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other things, can be found in our Annual Report¹⁵ and in the "Background Paper Working at LXS"¹⁶.

8.1.3. No discrimination

Our commitment

As a global company, diversity is one of our key features that we protect and promote. That is why we are committed to avoiding all forms of discrimination, in accordance with the ILO conventions.

Actions taken

As specified in our Code of Conduct, we expect all our employees to treat other employees, business partners, and third parties respectfully and fairly, regardless of ethnic origin, skin color, nationality or ancestry, beliefs, gender or sexual orientation, age, or physical condition. Additional instructions with detailed guidelines for avoiding discrimination have been established and communicated to employees in some of our country organizations, in addition to our company-wide Code of Conduct. We create awareness through training and e-learning. Our diversity management promotes diversity, inclusion and equal opportunities in the LANXESS Group through various strategies and measures. In this way, an appreciative corporate culture helps us to become more innovative and efficient, with respect as one of our values firmly anchored in our culture of success. The goal of increasing the proportion of women in management worldwide to 30 percent by 2030, the women's network "Woman Initiative LANXESS" (WInX), standardized recruitment procedures or internal formats such as the annual "Global Diversity & Inclusion Day" as well as a wide range of learning opportunities (e.g. e-learning to counteract unconscious thought patterns) also strengthen diversity and inclusion at LANXESS.

¹⁵ See <https://lanxess.com/en/Investors/Reporting>.

¹⁶ See <https://lanxess.com/en/Investors/ESG>.

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Through our complaint procedure (see section 5), employees can also report signs of discrimination or complaints, allowing us to respond promptly.

8.2. Business partners

8.2.1. Suppliers

Our commitment

In line with our commitment to promoting human and environmental rights along our entire value chain, we expect our suppliers to comply with all laws and regulations that apply to them, in particular to ensure occupational health and safety, appropriate working conditions and environmental protection.

Actions taken

Our Group Function Procurement & Logistics takes into account the protection of human rights, environmental compatibility and compliance with labor standards when procuring goods and services. The guidelines for the supplier selection process are defined in our global procurement policy. This is supported by the connection of external databases, which have a significant influence on the selection and evaluation of suppliers. In addition, only suppliers who have accepted our Business Partner Code of Conduct or have introduced their own comparable regulation and associated management systems in accordance with the UN Global Compact or have issued corresponding compliance declarations will be selected. We reserve the right to verify compliance with our Business Partner Code of Conduct. In addition, we use extended contractual assurances to obligate our direct suppliers to comply with internationally recognized human and environmental rights, and to ensure that they appropriately address compliance with these rights throughout their supply chain.

To promote responsible action along the supply chain, we are co-founders of the "Together for Sustainability" (TfS) Initiative. As part of the initiative, suppliers are assessed based on TfS audits and assessments, and the supplier scorecards are shared among the members. The focus of the audit is on compliance with environmental rights, labor and health protection, human rights (including child and

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forced labor), and business ethics. If the audit results require improvement measures, these will be addressed through an action plan. As a TfS member, the LANXESS Group therefore makes an active contribution to increasing the number of audited suppliers and monitoring and increasing compliance with human rights and associated environmental rights among our suppliers.

8.2.2. Customers

Our commitment

Our product responsibility includes the safe handling of chemical substances and products throughout their entire product life cycle – from research and development, procurement and production, storage and transport to marketing, downstream processing and disposal. We are therefore committed to the Responsible Care® Global Charter, a global initiative of the chemical industry to continuously improve its environmental protection, health and safety performance. The initiative aims to provide basic information and risk assessments for substances in order to minimise harmful effects of chemicals on human health and the environment.

Actions taken

We systematically assess the specifications of our products and inform our customers about risks associated with their use within the framework of Responsible Care®. According to our proactive approach, we identify potential risks within our product portfolio early on during product monitoring, evaluate them, and take appropriate measures if necessary.

Our Product Safety Management Directive sets group-wide, binding standards for all LANXESS-related processes and a global product safety organization. In particular, processes and activities relevant to product safety, the implementation of legal and internal requirements, classification and labelling, sales and marketing, as well as product stewardship and sustainability. We have an electronic safety data system to ensure compliance with legal and internal control requirements. Safety data sheets are

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available in 43 languages and inform our customers worldwide about substance data and the necessary safety measures when handling the respective chemicals.

8.3. Communities

Our commitment

Being a good and reliable partner for the people on site or in the respective region, as well as taking on social and societal responsibility, is also part of our understanding of sustainable locations. This applies to all local members of the communities and also includes indigenous peoples. We want to make a positive contribution to improving living conditions, education, training, equal opportunities, as well as health and safety.

Actions taken

We promote activities that support community life and development. We are involved in projects that pursue charitable motives, invest in the social environment of our sites or in commercial initiatives. With a system of performance indicators, we measure the social impact of our activities beyond the mere number of beneficiaries.

At many of our larger sites, we participate in an institutionalized dialogue in established forums, e.g. municipal advisory bodies. In addition, there are contact points in the communities that are operated either by the LANXESS Group or by our partners in the chemical parks. Our complaint procedure (see section 5) is available to all individuals and also provides community members with the opportunity to inform the LANXESS Group about possible human rights and environmental violations.

9. Contact

If you have any questions or comments about this statement, its non-compliance, or human rights or environmental issues, please contact us via compliance-helpdesk@lanxess.com. If desired, you can also reach us anonymously through our

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external whistleblower system SpeakUp®¹⁷. Further information on the contents described herein can be found online at <https://lanxess.com/>.

10. Final provisions

This statement was adopted by the Board of Management of LANXESS AG and will come into force on June 1, 2024. No rights of individuals or third parties can be derived from it. It replaces our "Position on Human Rights". The statement is reviewed annually and on an ad hoc basis and adjusted if necessary.

¹⁷ The LANXESS Group uses the external whistleblower platform SpeakUp® (<https://www.speakupfeedback.eu/web/lanxess>). If desired, information/complaints can be submitted anonymously and will then be transmitted to the LANXESS Group in encrypted form. Afterwards, an anonymous dialogue between the whistleblower and the LANXESS Group is possible.