

# QUALITY **SUSTAINS.**



**Sustainability at LANXESS.**

**QUALITY WORKS.**

**LANXESS**  
Energizing Chemistry

## OUR RESPONSIBILITY FOR SUSTAINABILITY: OUR ACTIONS ARE GUIDED BY VALUES.

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 responsibility is to analyze our activities and draw conclusions for the public good. Our facilities and branches must deliver sustainable benefits to the community. This principle is the **starting point** for our thoughts and actions.



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

Sustainability is a strategic objective for LANXESS. Our ambition is to be a leading, stable, sustainable, and profitable company. We center our activities around five key topics that are derived from this ambition. These five topics are accompanied by concrete objectives that we have

formulated, and they all follow the same basic principle: we want our actions to enhance the value of our company while improving quality of life for present-day and future generations.

## LANXESS: LEADING, STABLE, SUSTAINABLE AND PROFITABLE



Circular and Sustainable Sourcing



Safe and Sustainable Sites



Climate Action and Energy Efficiency



Good Governance and Energized Employees



Sustainable Products



## CIRCULAR AND SUSTAINABLE SOURCING

Our increasingly **circular value chains** start from a diverse, **sustainable raw material portfolio**. We engage with our suppliers and relevant stakeholders to improve the working and environmental conditions in the global supply chains. LANXESS sets high standards worldwide for the procurement of raw materials, equipment, machinery, and services. As a founding member of the **“Together for Sustainability” initiative**, our aim is to **improve transparency and sustainability throughout our supply chain** and keep a constant check on suppliers to ensure they abide by uniform standards on **human rights, working conditions, occupational safety, environmental protection, and business integrity**. [More information >](#)



## SAFE AND SUSTAINABLE SITES

Common standards for facility planning, construction, and operation ensure a **high level of safety across our locations**. Global regulations for dangerous goods and transportation safety ensure that **hazards are avoided to the greatest possible extent**. By **using raw materials and energy as efficiently as possible, we also keep waste to a minimum**. Also **within the sphere of our responsibility are efforts to conserve water resources** – especially at locations in water-stress areas. With our global **LANXESS Water Program**, launched in 2020, we aim to reduce absolute water withdrawal at water risk sites by 15 % by 2023 compared to 2019. [More information >](#)



## CLIMATE PROTECTION AND ENERGY EFFICIENCY

We want to contribute our share to the **Paris Agreement** – and have **reduced our greenhouse gas emissions (Scope 1+2) by more than two thirds since 2004**. By 2030, we want to reduce our emissions to around 1.3 million tons – 80 % less than in the year of foundation 2004. By 2040, LANXESS is expected to become climate-neutral. With the “Net Zero Value Chain” initiative, the entire supply chain should also be climate-neutral by 2050. The independent “Science Based Targets Initiative” confirms: LANXESS’s climate targets help to limit global warming to 1.5 degrees Celsius.

A high level of energy efficiency also improves our emissions balance and thus also our cost position and competitiveness.

[More information >](#)



## GOOD GOVERNANCE AND ENERGIZED EMPLOYEES

Our company harnesses its strength from its employees. That is why **we invest in talented individuals** and experienced **skilled workers and managers**. We are a champion of employee development and are constantly expanding **training opportunities** – including by digital means. Our **fair and competitive remuneration** and our **bonus system are geared toward the long-term success of the company**. We are progressively introducing **flexible working models** and helping our employees to **achieve a work-life balance** with childcare facilities and care models designed to ease the burden on employees. We want to continuously enhance **diversity** as a success factor with positive effects for both the company and its employees. We nurture and promote a value-based, performance-orientated culture. In line with our values and operational guidelines, we are committed in all our markets and supply chains to promoting respect for human rights at all times.

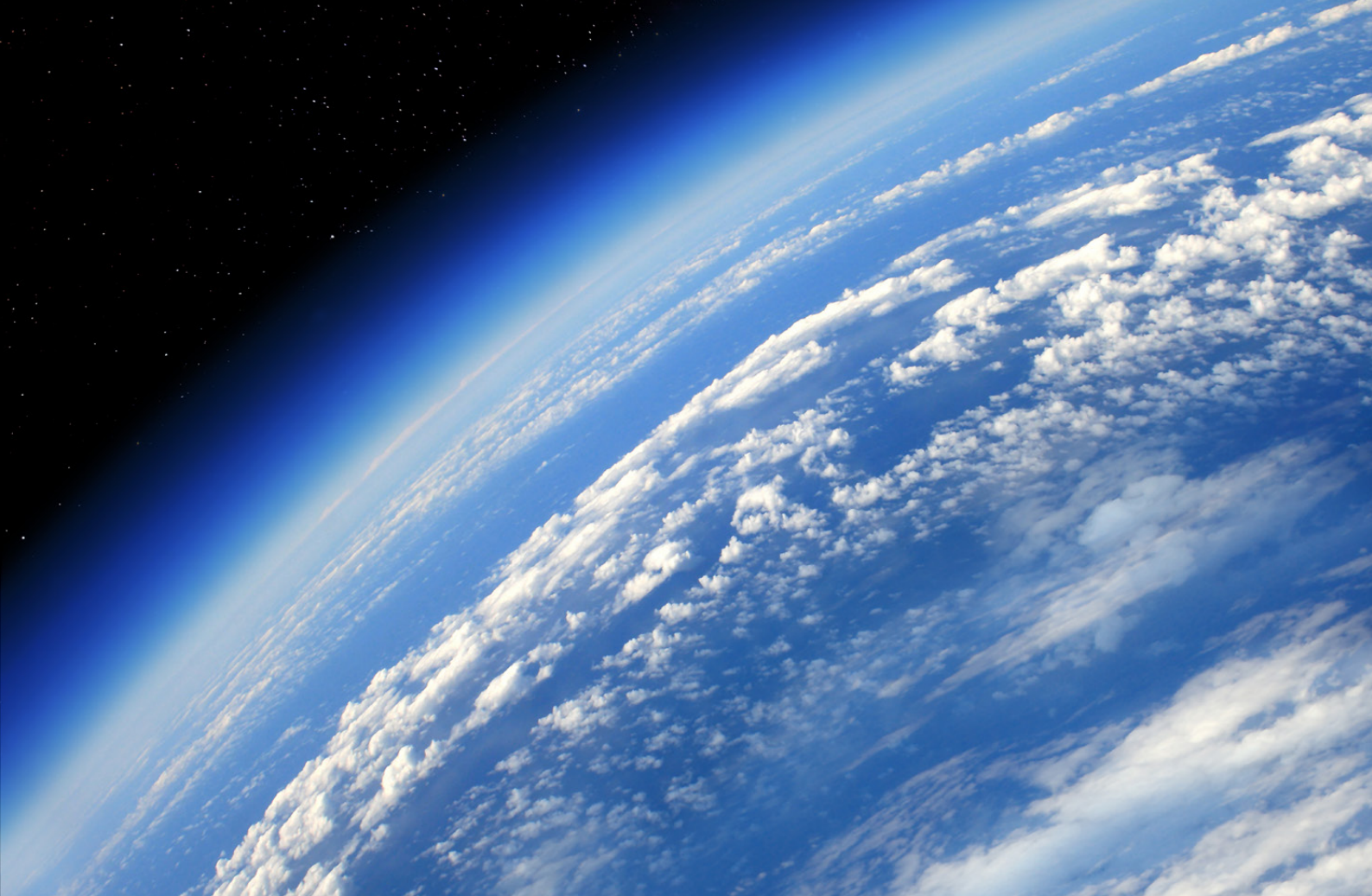
[More information >](#)



## SUSTAINABLE PRODUCTS

With a specially developed **system**, the “LANXESS Product Sustainability Monitor,” we systematically evaluate the **sustainability of all our products in economic, ecological and social terms**. With our brand “Scopeblue” we mark products that contain biobased or recycled raw materials and/or have a significantly reduced carbon footprint. By developing **innovative processes and products**, we ensure the long-term success of LANXESS – and also support our customers **to make their business more sustainable**.

[More information >](#)



## A SELECTION OF OUR **OBJECTIVES** ...

- **To promote diversity in the talent programs** at LANXESS, with minimum quotas of **30 percent female and 40 percent non-German** participants
- **To increase the proportion of women** in management **to 30 percent** by 2030
- **To cut CO<sub>2</sub>e emissions** by 80 percent compared with 2004 levels by 2030 and **be carbon neutral** by 2040

- Absolute **reduction of water withdrawals** at water risk sites by 15 % by 2023.
- **Climate-neutral value chain until 2050**
- **Xact initiative** aimed at **reducing** the MAQ\* **by > 50% compared to 2016 by 2025**

## ...**AND ACHIEVEMENTS.**

- **Accident rate half** what it was in 2013
- Over 15 years **“LANXESS Education Initiative”** with **more than 800** supported projects

- **Water abstraction and consumption** lowered by **over 35 percent since 2015**
- Top positions in the **Dow Jones Sustainability Index (DJSI)**
- **-69% less GHG emissions** compared to 2004

- **Top “A” rating** awarded by the international **climate protection organization CDP** (formerly known as the Carbon Disclosure Project)
- **Energy use more than halved** since 2015 (-51%)

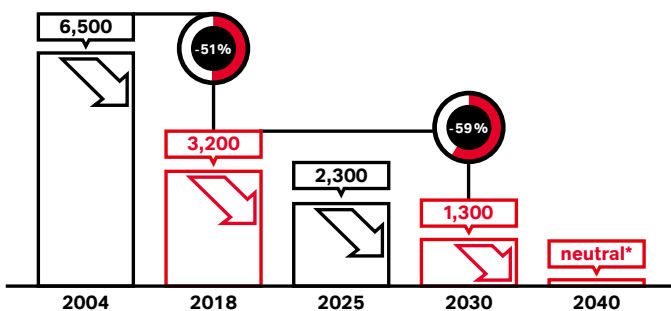
# OUR AIM: LANXESS WANTS TO BECOME CLIMATE-NEUTRAL BY 2040.

Since our company was established in 2004, we have already met our own tough climate targets. We are following a clear strategy and have initiated the first major projects to achieve the new climate target “climate neutrality by 2040.” The Paris Agreement’s aim is to limit average global warming to below 2 °C in order to reduce the negative impact on people and the environment. The chemical industry is one of the most energy-intensive industries, but

it has made major progress in terms of energy efficiency since 1990. As reported by the German Chemical Industry Association (VCI), by 2017, production had increased by around 69 percent. By contrast, energy consumption had fallen by 14 percent and greenhouse gas emissions by a massive 48 percent. LANXESS has always set and achieved its own even more ambitious milestones.

## HOW LANXESS IS BECOMING CLIMATE NEUTRAL – OUR MILESTONES.

From its founding in 2004 right through to climate neutrality in 2040, LANXESS is undergoing a targeted transformation.



LANXESS is committed to the United Nations climate target and is aware of its responsibility. Since the company was founded in 2004, we have cut our emissions by half – see chart. We are now taking the next step by pledging to become climate neutral by 2040.

Here is what this entails:

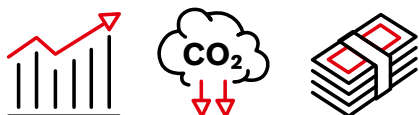
- > Drastically reducing emissions from company sources
- > Purchasing very low-carbon or climate-neutral energy
- > Reducing emissions from 3.2 million metric tons in 2018 to under 300,000 metric tons by 2040
- > Neutralizing residual emissions using compensation measures

# CLIMATE NEUTRAL \ 2040

# THE THREE CORNERSTONES OF OUR CLIMATE STRATEGY.

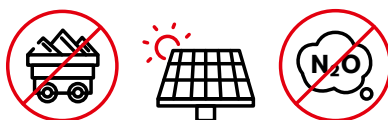
## 1. Decouple emissions and growth

With our strictly climate-friendly strategy, we are prioritizing long-term performance.



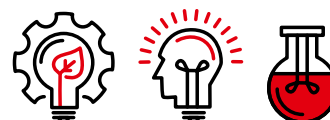
## 2. Major impact projects

We are prioritizing projects with the greatest reductions in CO<sub>2</sub>.



## 3. Process and technology innovations

Many solutions already exist, and increasingly more will be made available.



1. All business units are responsible for climate targets.
2. Reducing CO<sub>2</sub> is a criterion for growth and acquisitions.
3. CO<sub>2</sub> reduction is an evaluation criterion in management remuneration.

1. Driving forward the phase-out of coal at chemical parks.
2. Switching the Indian sites Nagda and Jhagadia over to renewable energy.
3. Gradually neutralizing the greenhouse gas N<sub>2</sub>O (nitrous oxide) at the Antwerp site.

1. Chemical facilities are working together even more intensively, which saves resources.
2. LANXESS is turning the focus of its research toward climate-neutral innovations.
3. LANXESS is using climate-friendly production technologies across its sites.

## BY 2050, THE ENTIRE SUPPLY CHAIN WILL ALSO BE CLIMATE-NEUTRAL.

We are taking the next step in climate protection: As part of the “Net Zero Value Chain” initiative, our upstream and downstream supply chains are also to become climate-neutral by 2050. By 2030, these “Scope-3” emissions are expected to fall by 40 percent compared to the base year 2015.

The renowned Science Based Targets Initiative (SBTi) has validated our emissions reduction targets and confirmed that LANXESS is helping to limit global warming to a maximum of 1.5 degrees Celsius.

### Sustainable raw materials

We are rearranging the purchase of raw materials and are increasingly sourcing sustainable raw materials which are of plant origin, come from a recycling process or are produced with renewable energies.

### Green logistics

The CO<sub>2</sub> footprint is weighted more than before when selecting transport means. In the future, LANXESS also wants to make use of innovative solutions, such as “green” inland and ocean logistics with sustainable drive types.

### Climate-neutral products

LANXESS is expanding its range of climate-neutral products and solutions with a low carbon footprint. Since autumn 2021, these products have received the brand label “Scopeblue.” In the medium term, LANXESS wants to offer emission-reduced and climate-neutral variants for all its products.

**NET ZERO \ VALUE CHAIN**

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

LANXESS sees itself as a part of wider society – we have just as much of an obligation to ensure society’s success as we do our own. We want our activities to make a contribution to the progress and 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 society benefits from our efforts. Using comprehensive assessments, we go further than many other companies and disclose the social impact of our products and initiatives.







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

At the 2015 United Nations Sustainable Development Summit, 193 countries adopted the “Agenda 2030”. It features a set of Sustainable Development Goals, which set out the vision for the future of our Earth. Not just politicians, but all members of society will need to play a part in meeting the goals that have been set. LANXESS is also making numerous contributions to these goals.

At our sites, we have instigated the LANXESS education initiative to promote the development of children, teenagers, and young adults across all our production facilities. All over the world, we want to foster schoolchildren’s interest in natural sciences and offer them career prospects.

LANXESS products can be used in the production of renewable energies and in electric mobility systems. Our products also do their part to safeguard the global water supply on a number of different levels, for example by converting salt in drinking water or by filtering harmful substances out of fresh water.

The use of raw materials and energy in as efficient a manner as possible, the continuous reduction of emissions and waste, and our innovative technical solutions all make an active contribution to climate protection.

## THE BIG PICTURE.

Our financial results do not paint an sufficient picture of the impact that our business activities have on society. That is why we regularly conduct a comprehensive impact valuation of our activities. This valuation uses scientific methods to determine the economic, ecological, and social

impact of our business activities. In addition, our product portfolio is assessed every year on the basis of sustainability criteria, and the results are regularly reviewed by an internal committee of experts. This allows us to make the decisions that are necessary to create greater benefit for society.



# OUR OBLIGATIONS, OUR MISSION, OUR ACCOLADES.



You will find more information about Sustainability  
at LANXESS on our website: [www.lanxess.com](http://www.lanxess.com)



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