



**LANXESS**  
Energizing Chemistry

# Drivers for a sustainable business environment

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# LANXESS – A globally operating specialty chemicals company



**Specialty  
chemicals  
company**



- Spin-off from Bayer in 2004
- Specialty chemicals portfolio: chemical intermediates, specialty chemicals and plastics

**Global  
success  
story**



- 60 sites worldwide
- Approximately 15,400 employees in 33 countries
- Global sales of EUR 7.2 billion in 2018

**Strategy of  
profitability  
and resilience**



- Strengthening of leading position in medium-sized markets
- Consolidation in Europe, expansion in USA and Asia

# Our path towards the 'new' LANXESS

## Milestones of transformation

Ongoing business and portfolio improvements

**2018** Sale of ARLANXEO to Saudi Aramco



**2018** Phosphorous Chemicals (PC) acquisition



**2017** Acquisition



**2016** Clean & Disinfect (C&D) acquisition



**2016** Foundation



**2014** Restructuring

**Energizing Chemistry**

# LANXESS with new strategic focus: Building a more balanced company

## Business unit set up fosters dedication and entrepreneurship

**Advanced Intermediates**



Advanced Industrial Intermediates (AII)  
Saltigo (SGO)

**Specialty Additives**



Additives (ADD)  
Rhein Chemie (RCH)

**Performance Chemicals**



Material Protection Products (MPP)  
Inorganic Pigments (IPG)  
Leather (LEA)  
Liquid Purification Technologies (LPT)

**Engineering Materials**



High Performance Materials (HPM)  
Urethane Systems (URE)

**More resilient**

**Strong cash generation**

**Solid platform for growth**

# LANXESS well diversified

## LANXESS group – Sales by industry\*



## New LANXESS sales by industry\*



\* Numbers as of 2016

\*\*Amongst Other - consumer, chemicals, construction

# Sustainability as core element of our strategy

## Corporate Responsibility – Material topics and goals\*

LANXESS: Leading, resilient, sustainable and profitable

Resilient sourcing



Safe and sustainable sites



Climate protection and energy efficiency



Motivated employees and performing teams



Business-driven innovation



Sustainable product portfolio



Valuing customer relations



Good Corporate Governance



Permanently increase the proportion of evaluated suppliers



Reduction of occupational accidents by >50% by 2025



-25% Energy consumption and emissions until 2025\*\*



20% women in management by 2020



Keeping customer loyalty at a high level

\* Selection from all goals shown \*\* Specific emissions, base year 2015

# Awards in ratings and indices reflect high sustainability standards

## Commitment and entitlement



**THE GLOBAL GOALS**  
For Sustainable Development



**THE GLOBAL COMPACT**  
WE SUPPORT



**Responsible Care®**  
OUR COMMITMENT TO SUSTAINABILITY



**ISO**

## Awards in ratings and indices

MEMBER OF  
**Dow Jones Sustainability Indices**  
In Collaboration with RobecoSAM

Member DJSI World and Europe



TOGETHER FOR SUSTAINABILITY

EcoVadis Gold Recognition Level.



**CDP**  
DISCLOSURE INSIGHT ACTION

Climate score A-



**FTSE4Good**

Index Member

# LANXESS listed 9<sup>th</sup> year in a row in 2019



## Dow Jones Sustainability Index (DJSI) World

- LANXESS will be listed for the 9<sup>th</sup> time in succession
- 4<sup>th</sup> rank among the 10 members in the “Chemicals” category in 2019

## Dow Jones Sustainability Index (DJSI) Europe

- LANXESS will be listed for the 3<sup>rd</sup> time in succession
- 2<sup>nd</sup> rank among the 5 members in the “Chemicals” category in 2019

MEMBER OF

# Dow Jones Sustainability Indices

In Collaboration with RobecoSAM 

The DJSI is compiled through collaboration between S&P Dow Jones Indices, one of the world’s biggest providers of financial market indices, and RobecoSAM. The composition of this sustainability index, is determined once a year on the basis of financially relevant environmental, social and governance factors.

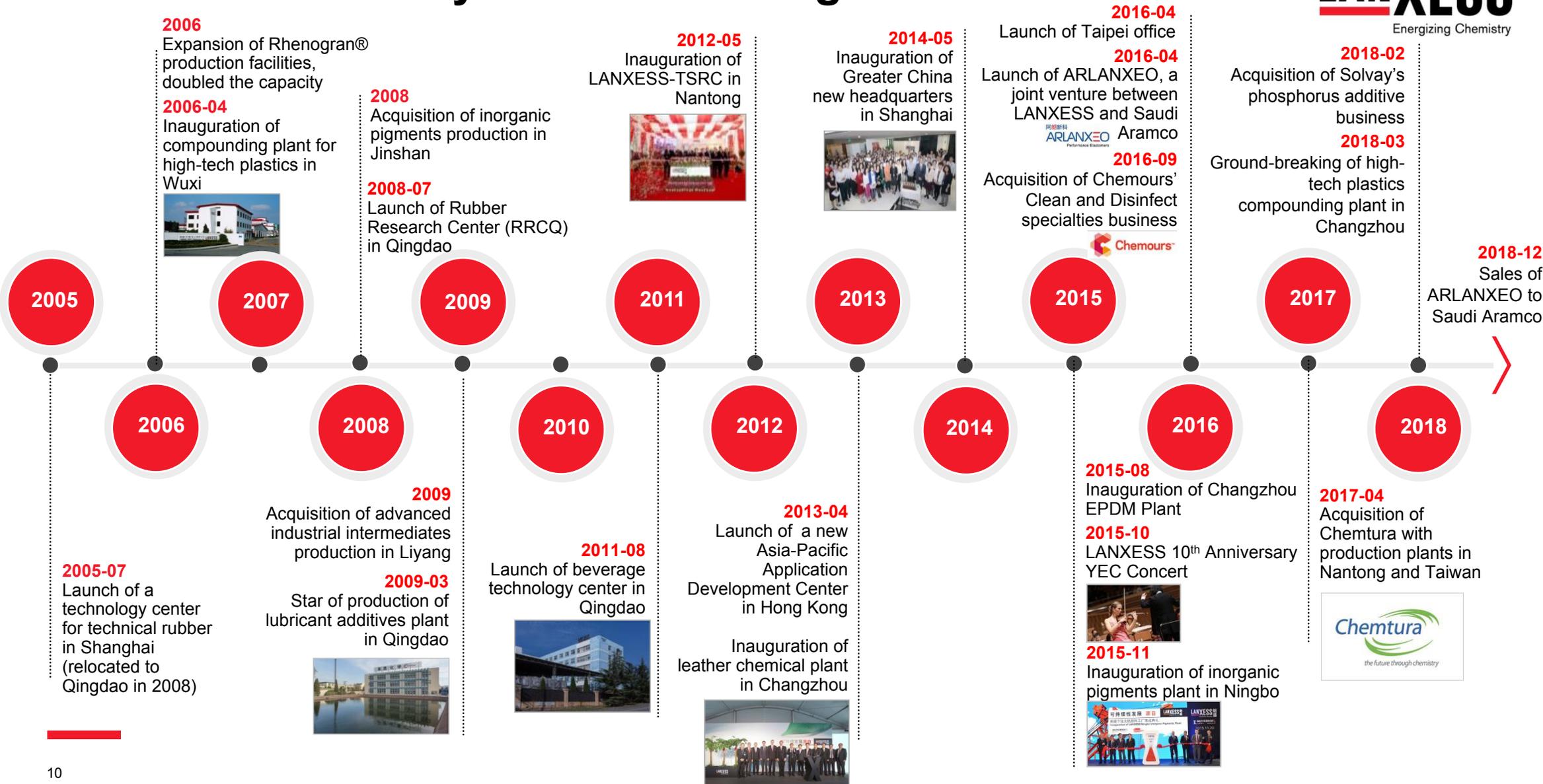
# China is one crucial cornerstone of LANXESS global business

## LANXESS China

- **15** subsidiaries
- **5** offices
- **7** R&D Centers
- **7** production sites
- Around **1,500** employees
- LANXESS' continuous investment in China demonstrates its firm confidence in the Chinese market and the long-term commitment



# LANXESS China key milestones for growth 2005-2018



# LANXESS values a sustainable business environment in China

## Stable Economy

- “New normal” growth rates still far above global average
- Reforms to delegate power, improve regulations and upgrade services, optimizing business environment
- Continue to push forward the reform and opening up



## Growing market

- Growing urbanization and domestic consumption
- Globally largest fast-growing chemical market
- In 2030, China will account for 50% of the global chemicals industry



## Upgrading industry

- Environmental and safety regulations is accelerating upgrade and restructure across the supply chain
- Shifting to a greener, more efficient, high added-value model



# LANXESS values sustainable chemical park infrastructure

## Industrial planning and community

- Clearly defined value chain with matching operation scale from upstream through downstream
- Specific threshold for HSE and economics
- Mature chemical park community of social responsibilities

## Transparent supervision and management

- Introduction of cross check and assistance system
- Zero tolerance to companies of major hidden risks or in the violation of regulations
- Limitation of administrative inspections or meetings

## Penetration of circular economy concept

- Foster of recycle and re-utilization of waste
- Upgrade of waste treatment capacity
- Guarantee of high quality utility supply



# Ongoing investment in China



## New compounding site in Changzhou

- Demonstrate confidence in Chinese markets and the long-term commitment
- Investment in high-performance plastics production facility
  - Located at Binjiang Chemical Park
  - Capacity: 25,000 tons per year
  - Ground breaking: Q2 2018
  - Start of production: Q3 2019

# LANXESS supports China's high quality development with "Quality Works"



## Quality Works

- LANXESS "Quality Works" as top priority
- High quality standards for products, processes and technologies worldwide
- Commitment to environmental protection, corporate responsibility and win-win cooperation.

**Deliver commitment to customers**

# Corporate Responsibility in China

## Create shared value for employees, communities and society



- **Education:** Tuition & chemical kits donation; R&D center cooperation with universities; vocational education base; LANXESS-PASCH scholarship, Hackathon
- **“Clean Water for Better Life”** University Students Water Research Competition: five times since 2015, 729 participants from 48 Chinese universities; 88 research projects
- **HSE Workshop:** five times with CPCIF
- **Responsible Care:** Donation; Open-to-public Days
- **Culture exchanges:** LANXESS-PASCH Dream Career Program; YEC concert

# Recent awards and honors – LANXESS commits to social responsibility and sustainability

- 04 - 2018 “National Green Plant” by Ministry of Industry and Information Technology (MIIT)
- 09 - 2018 “2018 China Automobile & Parts Industry Developing & Innovation Award – Material Innovation” by Auto & Parts Magazine
- 09 - 2018 “CSR China TOP 100” & “Beautiful China Environmental Protection Award” by Central Committee of the Communication Youth League of China
- 11 - 2018 “Promoter of the Local Development” at the 40<sup>th</sup> anniversary of reform and opening up in China’s petroleum and chemical industries by China Chemical Industry News
- 11 - 2018 “Excellence Award for Sustainable Development 2018” by Shanghai Daily
- 11 - 2018 “Excellence Case” of Multinational Companies in Shanghai by Shanghai Daily, Eastday
- 11 - 2018 “Best Project Award” by China Petroleum and Chemical Industry Federation (CPCIF)
- 12 - 2018 “Top Employer China 2019” by Top Employers Institute
- 01 - 2019 “Excellent Communication Award” by Jiemian
- 01 - 2019 “2018 MOLBASE Top 10 Golden Suppliers of Fine Chemical” medal by MOLBASE
- 01 - 2019 “2018 Model Corporate Citizens in China’s Petrochemical Industry” by China Chemical Industry News
- 04 - 2019 “Best Practice Enterprise of Responsible Care” by CPCIF and ACIM
- 04 - 2019 “2019 Responsible Care Chairman Award” by AICM



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