



# Quality Invests: Growing further in China

Ming Cheng Chien, President Asia-Pacific Region, LANXESS

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# LANXESS – a global specialty chemicals group



## Specialty chemicals company



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

## Global success story



- 74 sites worldwide
- Approximately 19,200 employees in 25 countries
- Global sales of EUR ~9.7 billion in 2017

## Strategy of profitability and resilience



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

# LANXESS – a global specialty chemicals group



## Advanced Intermediates



- Advanced Industrial Intermediates
- Saltigo

## Specialty Additives



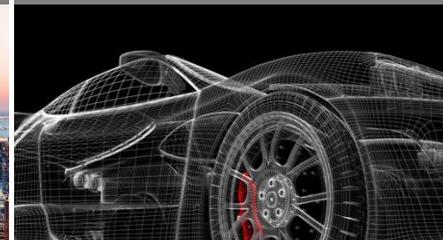
- Additives
- Rhein Chemie

## Performance Chemicals



- Material Protection Products
- Inorganic Pigments
- Leather
- Liquid Purification Technologies

## Engineering Materials



- High Performance Materials
- Urethane Systems

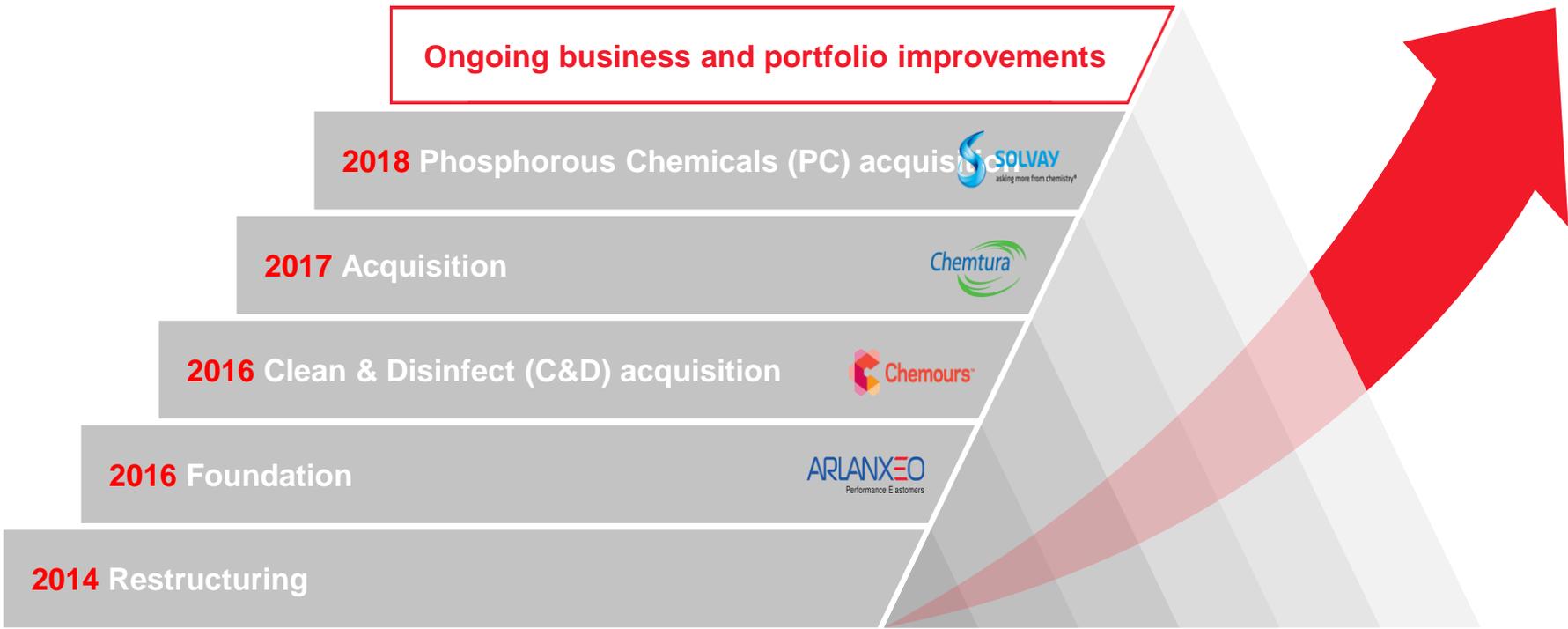
## Group Functions and countries

**Business unit set up fosters dedication and entrepreneurship**

# Our path towards the 'new' LANXESS



## Milestones of transformation



## Energizing Chemistry

# China is a crucial cornerstone of LANXESS global business

## LANXESS China

- **17** subsidiaries (including 3 joint ventures)
- **5** offices
- **9** R&D Centers
- **9** production sites
- Around **1,900** employees
- LANXESS' continuous investment in China demonstrates its firm confidence in the Chinese market and the long-term commitment



# LANXESS China key milestones 2005-2018

# LANXESS

Energizing Chemistry

**2006**

Expansion of Rhenogran® production facilities, doubled the capacity

**2006-04**

Acquisition of a production plant for high-tech plastics in Wuxi



**2008**

Establishment of LANXESS Specialty Chemicals Co., Ltd. in Jinshan

**2008-07**

Launch of Rubber Research Center (RRCQ) in Qingdao

**2012-05**

Inauguration of LANXESS-TSRC in Nantong



**2014-05**

Inauguration of Greater China new headquarters



**2016-04**

Launch of Taipei office

**2016-04**

Launch of ARLANXEO, a joint venture between LANXESS and Saudi Aramco



**2016-09**

Acquisition of Chemours' Clean and Disinfect specialties business



**2018-02**

Acquisition of Solvay's phosphorus additive business

**2018-03**

Ground-breaking of the high performance compounding materials plant in Changzhou

2005

2007

2009

2011

2013

2015

2017

2006

2008

2010

2012

2014

2016

2018

**2005-07**

Launch of a technology center for technical rubber in Shanghai (relocated to Qingdao in 2008)

**2009**

Establishment of LANXESS (Liyang) Polyols Co., Ltd.

**2009-03**

Establishment of a lubricant additives plant in Qingdao, which has started up production in the beginning of 2009



**2011-08**

Launch of a Technology Center in Qingdao



**2013-04**

Launch of a new Asia-Pacific Application Development Center

Inauguration of the leather chemical plant in Changzhou



**2015-08**

Inauguration of Changzhou EPDM Plant

**2015-10**

LANXESS 10<sup>th</sup> Anniversary YEC Concert



**2015-11**

Inauguration of IPG Ningbo site



**2017-04**

Acquisition of Chemtura Corporation



# Considerations for further growth in China

## Solutions

**QUALITY WORKS.**

- Growing demand for our high-quality product solutions

## Infrastructure



- Modern chemical parks with high standards

## Sustainability



- Environment encouraging environmental protection and good corporate citizenship

# LANXESS supports China's "high quality development"



**Produce high quality products,  
deliver commitment to customers**

## Quality Works

- “Quality Works” is LANXESS top priority. Fast, agile and efficient - “Energizing Chemistry”.
- “Quality Works” also means commitment to environmental protection, corporate responsibility and win-win cooperation.
- Implement high quality standards for products, processes and technologies worldwide to facilitate climate and environmental protection and improve people’s life.
- Work together for mutual development and a sustainable future.

# LANXESS values modern chemical parks with strict environmental standards



## Industrial planning and community

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

## Well-established emergency response

- Online monitoring for real-time risk control
- Warning intervention for potential risks
- Complete set-up of emergency response facilities and platform

## Green Development

- 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

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

## Transparent supervision and management

## Penetration of circular economy concept

# Corporate Responsibility in the overall LANXESS strategy

## Initiatives and ratings



- Signatory to the U.N. Global Compact



- Climate A List
- Sector Leader "Energy & Materials"



- Member of FTSE4Good



- 9001 & 14001: Global matrix certificate



- Signatory of the Responsible Care® Global Charter

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

- Member of the Dow Jones Sustainability Index (World & Europe)



THE CHEMICAL INITIATIVE FOR  
SUSTAINABLE SUPPLY CHAINS

### Joint initiative of international chemical companies for sustainable supply chains in the chemicals industry

- Improving the sustainability and transparency supply chain
- Monitoring compliance with the "Supplier Code of Conduct"
- Sustainability assessment and joint audits

# Good for business, good for society

Actively participate in Responsible Care initiative, support local education, promote culture exchanges and practice employee care



Create shared value for employees, communities and society

- Science education support: chemical kits donation; R&D center cooperation with universities; vocational education base
- Scholarship: tuition donation; scholarship for middle school students; LANXESS-PASCH scholarship
- "Clean Water for Better Life" University Students Water Research Competition: held three times consecutively; 199 participants from 13 Chinese universities involved; 43 research projects generated
- HSE Workshop: held five times consecutively with CPCIF
- Responsible Care: school supplies donation; Open-to-public Days
- Culture exchanges: LANXESS-PASCH Dream Career Program; YEC concert

# LANXESS commits to social responsibility and sustainability

- 01 - 2017 **“2016 Best CSR Practice Award”** at the 6th China Charity Festival
- 01 - 2017 **“Top Responsible Enterprise”** at the “2016 Petroleum and Chemical Industry Top 10 News and Industry Influential Figure” selection activity
- 05 - 2017 **“2017 green enterprise management award”** by *China Environment News*
- 06 - 2017 **“More than a Market Awards”** by the German Chamber of Commerce in China
- 06 - 2017 **“Golden Bee Enterprise”** by *WTO Tribune*
- 06 - 2017 **“Responsible Care Chairman’s Award”** by AICM
- 07 - 2017 **“2017 Top Employer Award”** at the 6th China Finance Summit
- 09 - 2017 **“CSR communication Award”** by Jiemian
- 10 - 2017 **“Best CSR Case Award”** at the 13th China Brand “Golden Elephant Awards” ceremony
- 11 - 2017 **“CSR Golden award”** at the 2017 “Golden Flag Awards” ceremony
- 12 - 2017 **“Top Employer China 2018”**
- 01 - 2018 **“CSR Enterprise Award”** by Jiemian
- 01 - 2018 **“Enterprise Role Model List ·Top Responsible Enterprise”** by CCIN



**LANXESS**

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Energizing Chemistry