



LANXESS ESG Data Factsheet

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ESG Data Factsheet

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1 Introduction & Reports

Introduction

This ESG Data Factsheet aims to provide a consolidated overview of LANXESS' non-financial performance. Metrics included in this datasheet cover our activities during the period January 1 to December 31 for the years indicated.

This ESG Data Factsheet presents the performance data tables previously included in LANXESS Annual Report and corporate website.

Note to users

Performance data included in this factsheet is discussed further in the Annual Report 2020 and on the LANXESS corporate website. The factsheet should be read in conjunction with the Annual Report and the website and is not a substitute for it.

The most recent data available is provided.

Reports & Overarching Documents

[Annual Report 2020](#)

[Corporate Policy](#)

2 Climate & Energy Data

Climate Protection		Further information: <u>LANXESS to become climate-neutral</u>					
	Unit	2016	2017	2018	2019	2020	Target
Total GHG emissions (Scope 1 & 2)	kt CO ₂ e	4,814	5,081	3,210	2,950	2,533	2025: 2,400kt 2030: 1,600kt 2040: Climate neutral
Direct GHG emissions (Scope 1)	kt CO ₂ e	1,737	1,784	1,540	1,459	1,263	-
Direct CO ₂ emissions from non-renewables	kt CO ₂ e	-	-	-	992.9	865.9	-
Direct N ₂ O emissions	kt CO ₂ e	-	-	-	509.6	395.2	-
Direct CH ₄ emissions	kt CO ₂ e	-	-	-	1.4	1.6	-
Direct HFCs emissions	kt CO ₂ e	-	-	-	0.3	0.4	-
Direct PFC emissions	kt CO ₂ e	-	-	-	0	0	-
Direct SF ₆ emissions	kt CO ₂ e	-	-	-	0	0	-
Indirect GHG emissions (Scope 2)	kt CO ₂ e	3,077	3,297	1,670	1,491	1,270	-
GHG emissions intensity in relation to sales							
Direct GHG emissions (Scope 1)	t CO ₂ e / k €	0.23	0.27	0.23	0.21	0.21	-
Indirect GHG emissions (Scope 2)	t CO ₂ e / k €	0.40	0.51	0.24	0.22	0.21	-
GHG emissions intensity in relation to volume sold							
Direct GHG emissions (Scope 1)	t CO ₂ e / t	0.26	0.25	0.28	0.27	0.30	2025: <0.19
Indirect GHG emissions (Scope 2)	t CO ₂ e / t	0.45	0.46	0.30	0.28	0.30	2025: <0.24
Total GHG emissions (Scope 3)							
Upstream GHG emissions (Scope 3)	kt CO ₂ e	-	-	-	19,087	14,499	-
Downstream GHG emissions (Scope 3)	kt CO ₂ e	-	-	-	5,758	4,658	-

Starting April 21, 2017, the new production sites from the acquisition of Chemtura Corporation were included.

Starting FY 2018, data from the joint venture ARLANXEO were excluded.

Starting FY 2019, data from the Business Unit Leather were excluded.

Energy management	Further information: <u>Systematic energy management</u>						
	Unit	2016	2017	2018	2019	2020	Target
Total energy consumption	PJ	48.4	52.0	27.7	27.1	24.4	-
Total direct energy sources							
Non-renewable	PJ	12.6	14.6	11.6	11.3	9.5	-
Renewable (biomass)	PJ	2.0	2.0	2.2	1.9	2.4	-
Total indirect energy sources							
Electricity consumption	PJ	9.6	10.5	6.2	6.5	5.8	-
Heat and steam consumption	PJ	23.3	24.0	7.0	6.7	6.0	-
Energy consumption for cooling	PJ	0.8	0.8	0.6	0.5	0.6	-
Other	PJ	0.05	0.2	0.2	0.2	0.2	-
Energy efficiency in relation to sales	GJ / k €	6.29	7.96	4.06	4.00	4.00	-
Energy efficiency in relation to volume sold	MWh / t	1.98	2.02	1.39	1.41	1.59	2025: <1.24
Continuous further development of our production processes in order to maintain competitiveness and achieve our climate and energy efficiency targets	Number of process-related projects	94	85	78	68	ca. 61	Ongoing until 2025

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3 Environmental Data

Environmental Management	Further information: <u>Certifications</u>						
	Unit	2016	2017	2018	2019	2020	Target
ISO 14001 certification (EMS)	% of sites	98	98	96	98	98	2025: 100%
ISO 9001 certification (QMS)	% of sites	98	98	96	98	98	2025: 100%
Environmental audits	Number	43	37	34	38	39	-

Non-GHG emissions	Further information: <u>Clear strategy to lower emissions</u>						
	Unit	2016	2017	2018	2019	2020	Target
Ozone-depleting substances	kt	0.00182	0.00989	0.00785	0.00716	0.00400	-
NO _x	kt	2.6	2.7	2.8	2.6	2.1	-
SO _x	kt	1.1	1.0	1.0	0.9	0.9	-
CO	kt	2	2.2	2.2	1.7	2.1	-
NH ₃	kt	0.100	0.080	0.025	0.048	0.021	-
NMVOC	kt	4.7	5.0	0.7	0.7	1.2	2025: -20% vs 2015

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Water	Further information: <u>Responsible use of water resources</u>						
	Unit	2016	2017	2018	2019	2020	Target
Water in-put							
Total water withdrawal	m m ³	275.1	278.5	222.4	222.9	209.6	-
Water withdrawal by region							
EMEA (excl. Germany)	m m ³	-	-	-	57.5	51.1	-
Germany	m m ³	-	-	-	156.2	149.2	-
North America	m m ³	-	-	-	6.9	6.9	-
Latin America	m m ³	-	-	-	0.6	0.6	-
Asia-Pacific	m m ³	-	-	-	2	1.8	-
Total water withdrawal in water-stress areas	m m ³	-	-	-	5.7	4.7	-
Total water withdrawal at water risk sites	m m ³	-	-	-	4.0	3.7	2023: -15% vs 2019
Water withdrawal by source							
Surface water	m m ³	92.5	83.4	49.5	52.7	48.4	-
Groundwater	m m ³	6.8	8.8	5.3	5.2	4.3	-
Third-party water (primarily surface water)	m m ³	164.3	174.5	161.9	163.9	151.3	-
Water from external steam	m m ³	10.5	10.7	4.5	4.7	4.4	-
Water withdrawal from alternative sources							
Rainwater	m m ³	-	-	-	0.2	0.3	-
Third-party sewage water	m m ³	1.0	1.1	1.2	1.1	1.2	-
Water withdrawal in relation to sales	m ³ / k €	34.37	42.65	32.59	32.77	34.34	-
Water withdrawal in relation to volume sold	m ³ / t	39.02	38.86	40.09	41.62	49.25	-
Water out-put							
Total cooling water	m m ³	212.8	208.6	178.5	180.1	169.7	-
Total external sold steam off-heat	m m ³	2.1	2.1	2.0	2.1	2.2	-
Total wastewater discharge (treated)	m m ³	41.7	45.2	27.1	26.9	15.8	-
Total water consumption	m m ³	19.4	23.5	15.7	14.7	13.3	-
Water consumption in relation to sales	m ³ / k €	2.52	3.60	2.30	2.16	2.18	2% yoy reduction
Water consumption in relation to volume sold	m ³ / t	2.86	3.28	2.83	2.74	3.13	-
Water Quality (Emissions into wastewater after treatment)							
Total organic carbon (TOC)	kt	1.7	1.8	1.2	1.2	1.2	-
TOC in relation to sales	kg / k €	0.22	0.28	0.18	0.18	0.20	2% yoy reduction
TOC in relation to volume sold	kg / t	0.25	0.25	0.22	0.22	0.28	-
Total nitrogen	kt	0.5	0.6	0.5	0.4	0.4	-
Heavy metals	kt	0.0049	0.0054	0.0027	0.0023	0.0021	-
Phosphorus	kt	-	-	-	0.2	0.1	-

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Waste	Further information: <u>Sustainable waste management</u>						
	Unit	2016	2017	2018	2019	2020	Target
Waste generated / Disposals*	kt	299.0	1,301.2	1,795.1	1,718.8	1,412.2	-
Recoverable content (material waste)	kt	277.5	297.7	296.7	306.4	207.6	-
External material recovery**	kt	53.1	60.7	65.0	58.9	47.9	-
External recycling rate	%	19	20	22	19	23	-
Incineration with energy recovery	kt	81.2	78.3	65.0	66.1	77.1	-
Incineration without energy recovery	kt	31.1	28.3	25.0	29.3	30.5	-
Landfilling	kt	112.1	130.4	141.7	152.1	52.1	-
Material waste in relation to sales	kg / k €	36.0	45.6	43.5	45.0	34.0	-
Material waste in relation to volume sold	kg / t	40.9	41.5	53.5	57.2	48.8	-
Other forms of disposal	kt	21.5	1,003.5	1,498.4	1,412.4	1,204.6	-
Type of waste							
Hazardous	kt	196.7	578.6	718.7	687.8	566.5	-
Non-hazardous	kt	102.3	722.6	1,076.4	1,030.4	845.8	-

* This term corresponds to the term "Total weight of waste" used in the previous Annual Reports

** This term corresponds to the term "Material recovery" used in the previous Annual Reports

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4 Corporate Governance

Governance key facts

Board structure	Two-tier system
Size of the Board of Management	5 senior executives
Size of the Supervisory Board	6 independent stockholder representatives, 6 employee representatives
Next Annual General Meeting (AGM)	May 19, 2021

Board of Management 2020		Further information: <u>Overview of Board of Management</u>							
Name		Matthias Zachert	Michael Pontzen	Dr. Anno Borkowsky	Dr. Stephanie Cossmann	Dr. Hubert Fink	Average or Sum	Target	
Position		CEO/Chairman	CFO/board member	Board member	Board member	Board member	5 members	-	
Gender		male	male	male	female	male	20% female	1 woman by 2022	
In office since		Apr 2014	Apr 2015	Jun 2019	Jan 2020	Oct 2015	-	-	
Compensation for FY 2020 (in k €)		Further information: <u>Remuneration of Board of Management</u>						Current Target	Intended change for 2021
Total cash compensation		2,646	1,108	938	829	1,118	-	-	
Total fixed compensation		1,431	643	551	480	653	31% of total pay	31% of total pay	
Fixed compensation	Annual base salary	1,350	600	500	450	600	-	-	
	Comp. in kind	81	43	51	30	53	-	-	
Total variable compensation		1,215	465	387	349	465	-	-	
Variable compensation	Short-term incentive (STI): APP	844	300	250	225	300	35% of total pay	One additional target: Safety	
	Long-term incentive (LTI): LTPB	371	165	137	124	165	14% of total pay	Additional LTI target to LTSP: Sustainability	
Payment for previous years		0	0	0	0	0	-	-	
Value of LTSP rights		911	360	300	270	360	20% of total pay	-	
Value Pension (IFRS)		9,400	3,549	2,988	1,281	6,008	-	-	
Value Pension (HGB)		7,410	2,619	2,404	861	4,754	-	-	
Shares held (December 31, 2020)		41,180	10,124	9,240	2,576	16,500	100% of base pay (150% for CEO)	-	

Pay Ratios	Unit	Value	Comments
Vertical Pay Ratio (CEO-to-employee)	Average target total direct compensation	58 times	Of all employees in Germany (not including the Board of Management)
Vertical Pay Ratio (Board-to-employee)	Average target total direct compensation	29 times	Of all employees in Germany (not including the Board of Management)

General Compensation Framework 2021	Unit	Value	Comments
Change of control payment	Annual base salary	2 times	-
Overall limit of discretionary bonus	APP	20%	Total payment (including discretionary payment cannot exceed 200% of annual base salary)
Overall cap for remuneration and components	-	Yes	Total cap includes all possible bonus payments from variable remuneration and discretionary payments
Clawback for variable remuneration	-	Yes	Right to withhold or reclaim granted variable compensation
STI including sustainability target LTIFR	Annual base salary	6%	Outstanding approval in AGM on May 19, 2021
Sustainability Performance Plan to replace LTPB	Annual base salary	16%	Outstanding approval in AGM on May 19, 2021

Supervisory Board 2020: Stockholder Representatives	Further information: <u>Overview of Supervisory Board</u>						
Name	Dr. Matthias L. Wolfgruber	Hans van Bylen (since Aug 2020)	Dr. Heike Hanagarth	Pamela Knapp	Lawrence A. Rosen	Theo H. Walthie	Average or Sum
Position	Chairman	-	-	-	-	-	-
Age (in years)	67	59	61	63	63	73	64.3
Gender	male	male	female	female	male	male	33% female
In office since	May 2015	Aug 2020	May 2016	May 2018	May 2015	May 2010	-
Tenure (in years)	6	0	5	3	6	11	5.2
Committees membership (total number)	2	1	1	4	2	1	1.8
External mandates (total number)	4	2	3	3	1	0	2.2
Executive committee	Chair	x	-	-	-	x	3 out of 6 persons
Audit committee		x	-	Chair	x	-	3 out of 6 persons
Co-determination committee	Chair	-	x	-	-	-	2 out of 4 persons
Nomination committee	Chair	-	-	-	x	x	3 out of 3 persons
Competence Profile							
Management of major international companies	x	x		x	x	x	x
Chemical industry	x	x					x
Production, marketing and sale of chemical products	x	x					x
Corporate Governance/Compliance	x	x	x	x	x	x	x
M&A	x	x	x	x	x	x	x
Corporate financing				x		x	
Accounting & auditing				x		x	
Digitalization			x				
Compensation for FY 2020 (in k €)							
Total realized pay	218	66	81	141	139	140	
Fixed compensation	197	30	69	69	69	69	69
Pay for committees	0	28	0	54	50	50	50
Attendance allowance	21	9	12	18	20	21	

Supervisory Board 2020: Employee Representatives	Further information: <u>Overview of Supervisory Board</u>						
Name	Werner Czaplík	Ralf Sikorski	Birgit Bierther	Armando Dente (since Aug 2020)	Dr. Hans-Dieter Gerriets	Manuela Strauch	Average or Sum
Position	Chairman of the Works Council	Vice Chairman of Supervisory Board	-	-	-	-	-
Age (in years)	63	59	58	42	61	49	55.3
Gender	male	male	female	male	male	female	33% female
In office since	May 2015	May 2015	Jan 2019	Aug 2020	May 2015	May 2015	-
Tenure (in years)	6	6	2	1	6	6	4.5
Committees membership (total number)	1	2	1	1	1	1	1.2
Executive committee	-	x	x	-	-	x	3 out of 6 persons
Audit committee	x	-	-	x	x	-	3 out of 6 persons
Co-determination committee	x	x	-	-	-	-	2 out of 4 persons
Competence Profile							
Management of major international companies							
Chemical industry	x	x	x	x	x	x	x
Production, marketing and sale of chemical products	x		x			x	x
Corporate Governance/Compliance		x					
M&A							
Corporate financing							
Accounting	x	x		x		x	
Digitalization	x	x	x				x
Compensation for FY 2020 (in k €)							
Total realized pay	127	161	129	127	129	129	129
Fixed compensation	69	101	69	69	69	69	69
Pay for committees	40	40	40	40	40	40	40
Attendance allowance	18	20	20	18	20	20	20

Ownership & Control	Unit	Value
Votes per share	-	1 vote
Shares outstanding	Number	86,346,303
WKN	-	547040
ISIN	-	DE0005470405
Dividend Policy	-	Increase, at least stable
Dividend paid in 2020	€/share	0.95
Dividend proposal for AGM 2021	€/share	1.00
Fair price provisions	-	Yes
Mandatory bid provisions	-	Yes
Votes required to approve a merger	%	75
Shares required to call a special meeting	%	5
Shares required to act by written consent	%	100
Board re-election frequency	Years	4
Ratification of the actions of the Board	Frequency	Annually
Directors directly elected by shareholders	%	50
Vote Standard	-	Majority
Immediate binding resignation	-	Yes

The company has not received significant (>30%) votes against company recommendations/nominees in the two most recent AGMs.

Figures as of March 11, 2021, if not indicated differently.

5 Human Capital and Social Data

Human Rights	Further information: Human Rights						
Health and Safety	Further information: Health and Safety						
	Unit	2016	2017	2018	2019	2020	Target
Employees							
LTIFR	/1,000,000 hours	2.0	1.7	1.5	1.6	1.0	2025: 1.0
Fatalities	Number	0	0	0	0	0	-
Workforce diversity							
	Unit	2016	2017	2018	2019	2020	Target
Women in the workforce							
Women in the Board of Management	Number	0	0	0	0	1	Mid 2022: 1
Women in the first level below the Board of Management	%	9.8	11.6	13.8	20.9	16.7	Mid 2022: 15%
Women in the second level below the Board of Management	%	25.1	23.9	19.2	25.1	23.4	Mid 2022: 25%
Women in middle and upper management	%	16.29	18.3	19.2	19.8	19.7	2020: 20%
Women in the overall workforce	%	18.4	18.6	19.5	19.6	19.6	-
Workforce structure							
Total FTE		16,495	18,786	15,222	15,258	14,531	-
Employees with permanent contract	%	93.4	94.5	93.5	93.0	93.3	-
Employees with temporary contract	%	6.6	5.5	6.5	7.0	6.7	-
Remuneration ration of women to men							
Executive level (base salary)	%	-	-	-	-	93	-
Middle management level (base salary)	%	-	-	-	-	98	-
Management level (base salary)	%	-	-	-	-	97	-
Non-management level (base salary)	%	-	-	-	-	105	-

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Labour practice indicators							
	Unit	2016	2017	2018	2019	2020	Target
Employee turnover							
Total employee turnover rate	%	6.1	5.9	7.0	6.5	5.2	
Voluntary employee turnover rate	%	2.5	2.3	3.1	3.0	2.2	Continuously <3.5%
Freedom of association							
Employees covered by an independent trade union or collective bargaining agreements (worldwide)	%	66.9	64.9	65	65*	64*	-
Employees covered by an independent trade union or collective bargaining agreements (in Germany)	%	91.7	91.8	92	92*	92*	-

Employee welfare/work-life balance							
	Unit	2016	2017	2018	2019	2020	Target
Xwork principles	% of countries	-	-	-	74	75	2022: 95
Flexible working hours and models	%	-	-	92	69	79	-
Working from home arrangements	%	-	-	87	78	77	-
Options for Childcare, Maternity/Paternity Leave and Care Models Worldwide							
Childcare	%	-	-	64	70	75	-
Paid maternity leave	%	-	-	68	76	77	-
Paid paternity leave	%	-	-	73	76	76	-
Support for care-dependent relatives/care models	%	-	-	51	59	62	-
Stress management information		-	-	97	99	89	-
Stress management training	% with regard to countries and total	-	-	73	90	88	-
Fitness facilities or contributions to external fitness programs	number of employees	-	-	74	84	87	-
Health/ nutrition provision		-	-	85	89	99	-

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*These figures include data for the Business Unit Leather

Training							
	Unit	2016	2017	2018	2019	2020	Target
Female participants in LANXESS corporate talent program	%	-	-	-	31	30	Continuously >30%
Non-German participants in LANXESS corporate talent program	%	-	-	-	49	61	Continuously >40%
Apprentices hired after completing their training	%	81	80	84	88	85	Continuously >80%

Community engagement							
	Unit	2016	2017	2018	2019	2020	Target
Community program, beneficiaries	Number (estimated)	200,000	233,000	100,000	300,000	1,500,000	-
Thematic focus on community involvement							
Education	%	80	76	62	69	68	-
Culture	%	8	9	7	6	5	-
Climate protection	%	1	4	2	4	5	-
Water	%	5	4	2	2	5	-
Other	%	6	7	27	19	16	-
Social activities by type of investment							
Charitable gift	%	2	24	38	19	20	-
Commercial initiatives	%	8	5	10	6	5	-
Community investments	%	88	71	52	75	74	-

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6 Safe Harbor Statement

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