

Environmental and Social Data Sheet

Overview

Project Name:	LANXESS SPECIALITY CHEMICALS RDI II
Project Number:	2013-0642
Country:	Germany
Project Description:	The project finances research and development related to performance chemicals, advanced intermediates and performance polymers.

EIA required: NO

Project included in Carbon Footprint Exercise¹: NO

Summary of Environmental and Social Assessment, including key issues and overall conclusion and recommendation

Research and development activities on chemicals are not specifically mentioned under the EIA Directive. The project's activities will be carried out in existing facilities without changing their already authorised scope. An Environmental Impact Assessment (EIA) is therefore not required by EIA Directive 2011/92/EU.

As it concerns RDI activities, the project per se does not have any significant impact on the environment. However, the new green mobility products resulting from the project (e.g. high performance rubbers for green tires, high-tech plastics for light weight components and stabilisers for renewable fuels) will contribute to reducing the fuel consumption and CO₂ emissions of the automotive fleet. Lanxess seeks to ensure that the products they bring to the market create as little environmental impact as possible from development up to production; supporting the protection of the environment and quality of life of people.

Considering all the above, the project is acceptable for Bank financing.

Environmental and Social Assessment

Environmental Assessment

The environmental impact of the RDI operations is negligible.

The promoter RDI activities are actually driven by the focus of legislators around the world on the energy efficiency of private transport to reduce CO₂ emissions (e.g. EU tire labelling regulations). Tires and their rolling resistance characteristics can have a meaningful effect on vehicle fuel economy and consumption: a 10 % reduction in average rolling resistance, promises a 1 to 2 % increase in the fuel economy and a proportional reduction in CO₂ emissions.

The project further includes development of cutting-edge technical solutions with the view to continuously improve the efficiency and environmental performance. Lanxess' environmental protection targets are to reduce specific CO₂e emissions by 10% and VOC emissions by 30%

¹ Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO₂e/year absolute (gross) or 20,000 tons CO₂e/year relative (net) – both increases and savings.

by 2015 (base year 2010). In relation to their products, Lanxess systematically compiles carbon footprints so to have information on the CO₂ emissions throughout the life cycle of these products and as such gaining insight in potential further reductions.

Other Environmental and Social Aspects

- **Company policy and external certification**

Worldwide, Lanxess applies health, safety, environmental protection and quality standards in line with ISO 9001 and 14001. Confirmation of compliance with both standards takes the form of a global matrix certificate, which is renewed every 3 years; the last recertification was granted in 2012.

With resource and energy efficiency being key factors to the company's climate and environmental protection, the company started the implementation of an energy management system based on ISO 50001 in 2010, and introduced the Lanxess internal Energy Management directive and Energy Efficiency Programme in 2012 respectively defining the standards to be applied in its global operations and presenting an overview of savings and costs of implementation.

- **Sustainability & Corporate responsibility**

Lanxess signed the United Nations Global Compact – the world largest corporate social responsibility (CRS) initiative.

The company applies the Responsible Care[®] Global Charter, meaning that they are working to consistently improve both their transparency and public dialogue, and their processes and services in terms of environmental protection, health, safety and quality. The principles of this charter are translated into the corporate strategy by corporate directives (e.g. the energy directive mentioned above).

Lanxess reports on its CRS performance using the Global Reporting Initiative (GRI) guidelines in order to facilitate comparison and streamline reporting efforts. To prepare this report, Lanxess developed an electronic system for the systematic global recording of key performance indicators (KPIs) in the areas of safety and environmental protection, such as: direct and indirect energy consumption (renewable and non-renewable, total water consumption, GHG emissions (scope 1 and 2), NO_x, SO_x and other emissions, waste water discharge,...). To ensure quality of data these are reviewed by independent auditors.

Lanxess also expects suppliers to commit to these values and rules, especially the Global Compact, by establishing a Code of Conduct for suppliers which are an integral part of the purchase contract.

Lanxess sustainability initiatives have led to good rankings in Corporate Responsibility Ratings and inclusion in the FTSE4Good Index.