

# QUALITY WORKS.



**Code of Conduct**  
**Code for integrity and compliance**

**QUALITY WORKS.**

**LANXESS**  
Energizing Chemistry

# FOREWORD BY THE BOARD OF MANAGEMENT



Dear Sir or Madam,

Ever since LANXESS was founded, the company has stood for entrepreneurial spirit, speed and momentum. Our corporate culture has served us well since the very beginning and has helped us overcome initial hurdles on our way to success. Our employees' dedication and hard work are the drivers of this success.

We aim to sustainably increase the company's value and to do our part by upholding the interests of shareholders, customers, employees and the company. We want to do what is right – in the right way. The Board of Management and the entire management team strongly believe that any action taken by employees must be grounded in values and reflect a sense of responsibility in order to ensure the company's long-term success. Our company values form the foundation of this model: respect, responsibility, trust, professionalism and integrity.


This Code of Conduct applies to all LANXESS employees and serves as a binding set of guidelines anchored in our value-based corporate culture. All employees are equally subject to this Code of Conduct, regardless of organisational unit, region or hierarchy level. Each individual must conduct him or herself properly to help avert risks to the company

In this directive, the term „employee“ also includes all members of management.

and increase LANXESS' value over the long term. This is a decisive factor for the future of our company.

As the Board of Directors of LANXESS, we are a reflection of our value-based culture and aim to conduct ourselves properly and with integrity. We are pleased to have the opportunity to shape the future of LANXESS together with the management team and all of our employees.

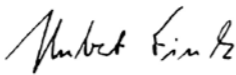
Sincerely,  
your executive team

  
Matthias Zachert

  
Frederique van Baarle

  
Anno Borkowsky

  
Michael Pontzen

  
Hubert Fink

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» THIS CODE OF CONDUCT APPLIES INTERNATIONALLY AND ADDRESSES ALL EMPLOYEES OF THE LANXESS GROUP «



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## ABOUT THIS CODE OF CONDUCT

There are many factors which contribute to our company's success. In addition to our employees' knowledge and skills, these include their value-based, responsible, lawful conduct. As a company with international operations, we have a global responsibility to ensure proper conduct.



We understand compliance to mean observing all legal provisions which apply to the LANXESS Group and its employees and LANXESS' internal policies and procedures.

In addition, we comply with internationally recognised principles governing entrepreneurial activity. These include the principles of the Responsible Care® Global Charter, the ILO labour standards and the principles of the UN Global Compact, which aim in particular to protect basic human rights, ensure compliance with labour standards, promote environmental protection and combat corruption.

LANXESS desires to promote compliance along its entire value chain and therefore also expects its business partners to comply with the legal provisions and international standards referenced above.

LANXESS and its employees may face serious consequences if legal requirements are not complied with. In addition to fines and claims for compensatory damages, LANXESS may also suffer damage to its reputation in the case of compliance

violations. Moreover, our employees may be held personally liable for such violations.

This Code of Conduct sets out internationally applicable principles governing the conduct of all of our employees and establishes a framework for significant compliance areas, which is supplemented by additional internal rules, with the aim of shielding LANXESS and its employees.

This Code of Conduct is intended to serve merely as a guideline; it makes no claim to exhaustively address all issues or circumstances which our employees may encounter in their day-to-day work. We therefore request that our employees contact their superiors, specialist departments or the Compliance Organisation if they have questions about this Code of Conduct or any other compliance-related issue.

» COMPLIANCE IS A BASIC REQUIREMENT UNDERLYING ALL OF OUR BUSINESS ACTIVITIES AND IS NON-NEGOTIABLE «

## OUR CONDUCT REFLECTS OUR COMPANY VALUES

We at LANXESS firmly believe that our commercial success can only be guaranteed over the long term if our conduct is based on a value system accepted and practised across the entire Group. Our core values – respect, trust, responsibility, professionalism and integrity – form the foundation of our corporate culture, which underpins and serves as the framework for responsible, lawful conduct on the part of LANXESS and its employees. Such conduct is also guided by the principles set out in Formula X and our leadership principles.

### LANXESS' CORE VALUES

#### RESPECT

At LANXESS, respect is defined as treating each other with appreciation and consideration, and being committed to keeping promises.

As a respectful LANXESS employee, I meet people on an equal footing and without prejudice. I receive their opinions regardless of their background, rank and position and express my own opinions openly.

#### OWNERSHIP

At LANXESS, ownership is defined as embracing personal accountability for the full scope of the functions assigned to me and making them "my responsibility" as a business-owner would.

As an employee who demonstrates ownership, I proactively pursue positive business developments in my area of accountability and for the entire company. I act quickly and prudently, but never compromise on safety.



» TOGETHER WE EMBODY OUR COMPANY'S VALUES «

#### TRUST

At LANXESS, trust is a basis for collaboration. Trust is built on reliability, transparency and trustworthiness.

As a trustworthy person, I consistently exemplify these qualities through both positive and negative developments and experiences.

#### PROFESSIONALISM

At LANXESS, professionalism is defined as using knowledge and professional experiences to help achieve goals and find solutions.

Through my professionalism, I protect the interests of the company. I can accept criticism and am genuinely interested in improving both in my work and as a person.

#### INTEGRITY

At LANXESS, integrity is defined as an individual's expression of honesty and sincerity.

As a role model with regard to integrity, I keep my word and act in compliance with values, rules, and laws.

# IMPLEMENTING THE CODE OF CONDUCT OUR DAY-TO-DAY WORK

**Companies take action through their employees. When it comes to compliance with the law, a company's interests are aligned with those of its employees.**

Every employee is therefore subject to general obligations relating to compliance.

LANXESS expects its employees to always comply with applicable laws and internal policies and procedures to the fullest extent. The principles laid down in this Code of Conduct shall supersede any conflicting instruction issued by a superior.

We ask that our employees familiarise themselves with the aspect of the business relevant to their position as well as with any applicable internal and external rules and regulations. LANXESS will assist its employees with this process. In cases of doubt, employees should seek the advice of a superior or a specialist department. Employees are expected

to be familiar with the provisions of this Code of Conduct, which is provided to them together with their employment contracts.

In order to prevent LANXESS and its employees from suffering damage, all employees who become aware of any indications of a violation of this Code of Conduct must file a report without undue delay. Employees may report these matters to their superiors, the legal department or the employees of the Compliance Organisation. LANXESS ensures that employees who, in good faith, report suspected misconduct will not suffer any adverse actions.

LANXESS will not tolerate violations of this Code of Conduct. The company will ensure compliance with applicable law, the provisions of this Code of Conduct and other internal guidelines.

Employees who violate any such rules or regulations may face serious consequences. These may range from disciplinary action to the enforcement of claims for compensatory damages against the employee in question.

Our company's managers are subject to additional obligations. They are expected to lead by personal example.

**Our culture of compliance is built upon the responsible, compliant conduct of our management; our aim is to foster this culture so that it grows continuously and sustainably.**

We expect our managers to take measures in their areas of responsibility to ensure that knowledge about legal requirements and compliance with them is imparted in

company training and professional development opportunities. Managers are responsible for making sure that they always receive reports of rule violations and can be actively approached about irregularities. All managers must also ensure and monitor employee compliance with applicable law and internal policies and procedures.

**With its global network of compliance officers, the Compliance Organisation is available to assist our employees and managers.**

» WE COMPLY WITH  
APPLICABLE LAW AND  
INTERNAL POLICIES  
AND PROCEDURES «

» WHEN IN DOUBT, WE  
ASK QUESTIONS «

» AS A MANAGER, I SET  
A GOOD EXAMPLE FOR  
MY EMPLOYEES «



# COMPLIANCE AREAS

## » WE STAND FOR FAIR COMPETITION AND REFUSE TO ENTER INTO ANY PROHIBITED ARRANGEMENTS WITH COMPETITORS «

### Antitrust law

Violations of antitrust law may carry grave consequences for LANXESS and the employees involved. In the case of LANXESS, these may entail significant fines; protracted, costly antitrust proceedings; the assertion of claims for compensatory damages under civil law; and massive reputational damage. For affected employees, the consequences can range from disciplinary action to criminal consequences, which may carry a prison sentence.

#### No anti-competitive practices

Even if a business is threatened by a crisis through no fault of the company, making antitrust deals cannot be justified and is prohibited.

The most critical bans under antitrust law are as follows:

- Price-fixing
- Deals regarding market share, capacity fixing
- Division of regional markets
- Division of customers

Concerted actions, informal conversations or formless gentlemen's agreements which aim or may to limit competition are expressly prohibited. Creating even the mere appearance of such conspirative behaviour must be avoided under all circumstances.

#### Exercising caution when sharing information with competitors

No information whatsoever may be shared with competitors which relates to customer relationships, prices, impending price changes, cost structures or comparably sensitive information. This also applies to market strategies, internal calculations, capacity planning and other similar information. Such information may not be disclosed to competitors.

#### No abuse of market-leading positions

It is prohibited to treat customers differently in the absence of an objective reason (ban on discrimination).

**Other proposals which may have completion limiting objectives or effects must be cleared with the legal department in advance. In cases of doubt, such proposals should not be pursued.**

## » WHEN WE TAKE ACTION, WE DO SO SUSTAINABLY – PROTECTING THE HEALTH OF OUR EMPLOYEES AND THE ENVIRONMENT IS ALWAYS OUR TOP PRIORITY «

### Health, environment and safety

LANXESS takes responsibility for its actions along the entire value chain – from procurement, production and warehousing to transport, use and disposal.

At each of these levels, strong emphasis is placed on health, environment and safety. LANXESS adheres to the principles laid down in the Responsible Care® Global Charter, meaning to improve its processes, in particular as relates to environmental and climate protection, health and safety.

By adopting safety standards, which may well exceed the legal requirements, our aim is to ensure the responsible use of chemicals as regards health and environmental protection as well as concerns handling chemicals, plant safety and safety precautions at work stations.

#### Occupational health and safety is everyone's job.

LANXESS expects its employees, both in their own interest and in that of all employees, to strictly adhere to occupational health and safety requirements. Management plays a key role by setting a personal example in this context.

#### Plant safety: Exercising due care in planning and operations

Plants must be carefully planned and regularly monitored and serviced. Employees must be thoroughly briefed, trained and supervised. Moreover, our plants and locations must be secured to prevent access by unauthorised persons.

#### Environmental protection: We are committed to sustainability

Air, water and soil may be used for commercial purposes only in accordance with applicable law. As a rule, permits must be obtained in order to construct and operate chemical production facilities. The unauthorised release of any substances into the environment must be avoided.

#### Special reporting procedures for incidents

Notwithstanding the foregoing, if a substance is unintentionally released into the environment or a similar accident occurs, all responsible departments at LANXESS must be notified without undue delay. Employees will not face adverse action for reporting any such incident.

# COMPLIANCE AREAS

## » WE COMPLY WITH EXPORT CONTROL LAW WHEN CONDUCTING BUSINESS INTERNATIONALLY «

### Imports and exports

As a company with international operations, we are subject to export controls when conducting business internationally and also comply with applicable foreign trade and payments law.

As such, we expect our employees to adhere to the applicable legal provisions relevant to export controls.

In international trade, exports are subject to product- and person-specific restrictions intended to protect the security-related interests of a given country and ensure a peaceful coexistence. Export controls are used to enforce these regulations.

Of particular note are product-specific requirements under the EU Dual-Use Regulation and the Chemical Weapons Convention. Furthermore, existing financial sanctions imposed on persons, companies and organisations must be observed.



## » WE ARE COMMITTED TO ACTING WITH INTEGRITY. IN PARTICULAR, THIS MEANS WE HAVE NO TOLERANCE FOR CORRUPTION «

### No corruption

LANXESS stands for integrity in conducting business affairs. This also means that we intend to ensure our success with the quality of our products and not by means of bribery.

No civil servant or any other public official, whether locally or abroad, may be provided benefits of any kind whatsoever. This applies to all types of inducements. In this context, it should be noted that generally LANXESS does not provide financial support to any political groups or parties. The approval of the Board of Management must be obtained for any donations on a case-by-case basis. When engaging service providers who communicate with public officials on behalf of LANXESS, it must be ensured that these service providers observe the ban on corruption set out above.

Furthermore, it is prohibited to offer employees of other companies personal benefits, whether directly or in the context of work activities, in particular during the pre-negotiation stage, award or completion of a contract. Employees of LANXESS are prohibited from accepting or themselves soliciting any such benefits.

Exceptions may be made for symbolic, de minimis occasional and promotional gifts. If an employee is offered a gift, he or she must immediately report this to his or her superior or to employees of the Compliance Organisation.

**For more information, please see the directive on gifts and incentives.**



## » WE PROTECT OUR TRADE SECRETS AND THE DATA OF OUR EMPLOYEES AND BUSINESS PARTNERS «

### Handling informations

**Protection must be guaranteed for the personal data of our employees, but also for that of our customers and suppliers.**

Personal data may be collected, processed and used only pursuant to the legal provisions regarding data privacy and protection. In this context, it must be ensured that personal data is stored safely and cannot be accessed by unauthorised persons.

**Protection of trade and business secrets: We protect the foundation our success is built on.**

All employees must ensure that no trade or business secrets are disclosed to unauthorised third parties prior to or after the termination of their employment relationship with LANXESS. Even in informal conversations among employees, it must be ensured that no information is disclosed to unauthorised LANXESS employees.

The highest level of diligence must be exercised to obtain legal protection for new findings or inventions; the patent department should be involved in this process. Unless they are in the public domain, procedures, substances and techniques must in all cases be kept confidential.



In order to protect our know-how, all agreements with third parties whose subject matter is the award of a license or the transfer of knowledge must be reviewed by the responsible department prior to their execution.

In order to prevent an unintended loss of know-how at work stations, it must be ensured that documents and data storage devices do not fall into the hands of unauthorised persons. Such loss can also be prevented by responsibly using modern information systems. For this reason, it must be ensured that no unauthorised third party can access data, even in cases where an employee is not at his or her work station. Employees may reproduce or copy business documents or files belonging to the company for business purposes only.

The Patent department and Corporate Security are available to answer any questions on protecting know-how.

Legally enforceable intellectual property rights attributable to third parties must be respected and may not be used without authorisation.

**Insider trading rules: Material, non-public information may not be used to gain a personal advantage.**

Employees may not, whether directly or by involving a third party, exploit internal or non-public information about the company's plans – for instance the intended sale of shares of the company, the acquisition of another company, the formation of joint ventures or other facts and information relevant to the company's stock price (insider information) – in order to gain a personal advantage in the context of trading securities. Employees may not disclose such information to unauthorised third parties. The foregoing also includes employees' family members and friends.

## » WE SEPARATE PRIVATE AND BUSINESS INTERESTS AND ARE TRANSPARENT IN OUR ACTIONS «

### Conflicts of interest

**All employees must separate their personal interests from those of the company.**

In connection with their business activities, our employees may not attempt to gain personal benefits or pursue their own interests. Existing conflicts of interest must be disclosed to the relevant employee's superior.

**Handling company property: Personal use not permitted**

All employees may use the assets and property of LANXESS for business purposes only. Employees are expected to exercise due care when using the assets of LANXESS and to avoid incurring unnecessary costs which do not result in added value for the Group.

In the absence of a policy allowing such use, personal use of equipment (e.g., devices, inventory, vehicles, office supplies, documents, files, data storage devices), work products and other resources belonging to the company is prohibited.

**Outside employment: Integrity is essential**

All employees must notify the Human Resources department and their supervisors of their intention to commence an outside employment relationship – including as an independent contractor – or their intention to commence active work as an entrepreneur.

The foregoing shall apply in particular to positions taken on at companies with which LANXESS maintains a business relationship or which may be deemed competitors. When publicly stating a personal opinion, employees may not refer to their position at the company.



## Employee interactions

Treating other employees with respect and fairness is one of the pillars of our corporate culture and is reflected in our core values of respect, ownership, trust, professionalism and integrity. This also applies in particular to the conduct of management when interacting with its employees.

As a global company, diversity is one of our defining features which we protect and build upon. We treat as equal all employees, business partners and third parties, regardless of the following:

- Race or skin colour
- Nationality or origin
- Belief
- Gender or sexual orientation
- Age
- Physical appearance

Harassment in any form is prohibited at LANXESS. All employees have the right to be protected from harassment at their place of work. When conflicts arise, the relevant superior or the Human Resources department should be involved.

In addition to the ban on discrimination set out above, LANXESS is also committed to the labour-related principles set out in the UN Global Compact, i.e., we uphold the freedom of association and the right to collective bargaining as well as the abolition of child labour and the elimination of forced and compulsory labour.

» WE RESPECT DIVERSITY  
AND REJECT ALL FORMS  
OF DISCRIMINATION «

## ASSISTING OUR EMPLOYEES THROUGH THE COMPLIANCE ORGANISATION

In order to assist our employees in complying with this Code of Conduct, LANXESS has implemented a Group-wide Compliance Management System which is administered by the Compliance Organisation. The fundamental aim of the Compliance Management System is to appropriately and effectively ensure compliance throughout the LANXESS Group in order to promptly address illegal or unethical conduct at the LANXESS Group and to take appropriate measures to avoid misconduct.

The Compliance Organisation is headed by the Group Compliance Officer. In the countries where LANXESS has subsidiaries, the Group Compliance Officer is assisted by Local Compliance Officers.

The Compliance Organisation is tasked with serving as a contact point for all employees who have compliance-related questions and with providing advice. Furthermore, the Compliance Organisation is responsible for developing and conducting systematic training and implementation measures together with the relevant specialist departments.

The Compliance Organisation ensures that reporting channels are open which enable employees to contact it at any time while preserving their anonymity. As part of this process, the Compliance Organisation ensures that any information which is pursued is kept confidential. The Compliance Organisation places utmost importance on treating fairly both the person providing information and employees who are affected by an information, while also ensuring that each party's legitimate interests are taken into account. Only conclusive information is pursued.

## DO YOU HAVE QUESTIONS?

FEEL FREE TO CONTACT THE COMPLIANCE ORGANISATION AT ANY TIME!

### LANXESS Compliance-Helpdesk

E-Mail: [compliance-helpdesk@lanxess.com](mailto:compliance-helpdesk@lanxess.com)

### SpeakUp – Report violations of this Code of Conduct

The reporting channels for your country can be found on the SpeakUp website. You can report violations in a secure and anonymous way by phone or in writing.  
Internet: <https://www.speakupfeedback.eu/web/lanxess>

### Here you can find additional information

Internet: <https://lanxess.com/en/Responsibility/Good-Corporate-Governance>  
Intranet: <https://xnet.lanxess/en/For-my-work/Guidelines/Compliance>



SpeakUp





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[www.lanxess.com](http://www.lanxess.com)

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