

# TCFD INDEX

LAST UPDATED: APRIL 2021



## About this document

The Financial Stability Board (FSB) is an international body that monitors and makes recommendations about the global financial system. In 2015, the FSB established the Task Force on Climate-related Financial Disclosures (TCFD) to develop recommendations for more effective climate-related disclosures that could promote more informed investment, credit, and insurance underwriting decisions and, in turn, enable stakeholders to understand better the concentrations of carbon-related assets in the financial sector and the financial system's exposures to climate-related risks. Disclosure recommendations are structured around four thematic areas that represent core elements of how organizations operate: governance, strategy, risk management, and metrics and targets.

At LANXESS, we are committed to providing transparent and relevant information on our economical, environmental and social performance to all of our stakeholders. By publishing a TCFD Index, we acknowledge the growing importance of information on climate-related opportunities and risks among our investors. Data and information disclosed are sourced from the LANXESS 2020 Annual Report and the 2020 CDP questionnaires as well as further public policies and positions.

## TCFD INDEX

	Topic	Annual Report 2020 Chapter/Section	Further Publicly Available Information
<b>Governance</b> Disclose the organization's governance around climate-related risks and opportunities.	Describe the board's oversight of climate-related risks and opportunities.	› Report of the Supervisory Board, see page 75 onwards	› CDP questionnaire – Climate Change 2020, see sections C1.1a, C1.1b, C1.3a › LANXESS website: Corporate Governance – Remuneration 2021
	Describe management's role in assessing and managing climate-related risks and opportunities.	› Strategy, see page 9 onwards › Good corporate governance, see page 19 onwards › Opportunity and risk report, see page 132 onwards	› CDP questionnaire – Climate Change 2020, see sections C1.2, C1.2a, C1.3a › LANXESS website: Corporate Governance – Remuneration 2021
<b>Strategy</b> Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	› Strategy, see page 9 onwards › Climate action and energy efficiency, see page 49 onwards › Opportunity and risk report, see page 132 onwards	› CDP questionnaire – Climate Change 2020, see sections C2.1a, C2.2a, C2.3, C2.3a, C2.4, C2.4a › LANXESS website: Responsibility – Climate-Neutral 2040 › LANXESS Background Paper Water › CDP questionnaire – Water Security 2020, see section W.4
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	› Strategy, see page 9 onwards › Climate action and energy efficiency, see page 49 onwards	› CDP questionnaire – Climate Change 2020, see sections C2.3a, C2.4a, C3.1b, C3.1d, C3.1e, C3.1f › LANXESS website: Responsibility – Climate-Neutral 2040
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.		› CDP questionnaire – Climate Change 2020, see sections C3.1b, C3.1d

	Topic	Annual Report 2020 Chapter/Section	Further Publicly Available Information
<b>Risk Management</b> Disclose how the organization identifies, assesses, and manages climate-related risks.	Describe the organization's processes for identifying and assessing climate-related risks.	<ul style="list-style-type: none"> <li>› Climate action and energy efficiency, see page 50 onwards</li> <li>› Opportunity and risk report, see page 139 onwards</li> </ul>	<ul style="list-style-type: none"> <li>› CDP questionnaire – Climate Change 2020, see sections C2.1, C2.1a, C2.2, C2.2a</li> <li>› LANXESS Background Paper Water</li> <li>› CDP questionnaire – Water Security 2020, see section W3.3</li> </ul>
	Describe the organization's processes for managing climate-related risks.	<ul style="list-style-type: none"> <li>› Opportunity and risk report, see page 132 onwards</li> </ul>	<ul style="list-style-type: none"> <li>› CDP questionnaire – Climate Change 2020, see sections C2.2, C2.2a</li> <li>› LANXESS Background Paper Water</li> <li>› CDP questionnaire – Water Security 2020, see sections W3.3b, W3.3c, W3.3d</li> </ul>
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	<ul style="list-style-type: none"> <li>› Opportunity and risk report, see page 132 onwards</li> </ul>	<ul style="list-style-type: none"> <li>› CDP questionnaire – Climate Change 2020, see section C2.2</li> <li>› CDP questionnaire – Water Security 2020, see sections W3.3a, W3.3d</li> </ul>
<b>Metrics and Targets</b> Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	<ul style="list-style-type: none"> <li>› Safe and sustainable sites, see page 42 onwards</li> <li>› Climate action and energy efficiency, see page 49 onwards</li> </ul>	<ul style="list-style-type: none"> <li>› CDP questionnaire – Climate Change 2020, see sections C2.1a, C2.1b, C2.3a, C2.4a</li> <li>› LANXESS Background Paper Water</li> <li>› CDP questionnaire – Water Security 2020, see section W4.1a</li> </ul>
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	<ul style="list-style-type: none"> <li>› Climate action and energy efficiency, see page 49 onwards</li> <li>› Opportunity and risk report, see page 139 onwards</li> </ul>	<ul style="list-style-type: none"> <li>› CDP questionnaire – Climate Change 2020, see sections C6.1, C6.3, C6.5</li> </ul>
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	<ul style="list-style-type: none"> <li>› Corporate responsibility goals, see page 17</li> <li>› Climate action and energy efficiency, see page 49 onwards</li> </ul>	<ul style="list-style-type: none"> <li>› CDP questionnaire – Climate Change 2020, see section C4</li> <li>› LANXESS website: Responsibility – Climate-Neutral 2040</li> <li>› LANXESS Background Paper Water</li> <li>› CDP questionnaire – Water Security 2020, see section W.8</li> </ul>



**PUBLISHER**

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