Report of the Supervisory Board

DEAR STOCKHOLDERS,

In fiscal year 2024, the development of LANXESS was influenced once again by a challenging environment. Geopolitical crises such as the war in Ukraine and the conflicts in the Middle East regrettably continued. With the election result in the United States, protectionist tendencies are intensifying and could now significantly impact world trade and inflation. Germany remained in recession in 2024, with relatively high energy prices and bureaucratic obstacles adding to the burden placed on companies by weak demand. Although the massive inventory reduction seen in the previous year came to an end in most industry sectors with the exception of agrochemicals, global demand remains at a low level.

In operational terms, LANXESS asserted itself in this challenging environment. We substantially and visibly counteracted these unfavorable factors through the early implementation of the FORWARD! action plan. Permanent savings through structural measures as well as higher capacity utilization boosted EBITDA pre exceptionals by 20% despite a massive decline in revenue in the agrochemicals business that resulted mainly from inventory reduction. At the same time, LANXESS generated strong free cash flow that contributed to a further reduction in net debt.

In October, LANXESS announced the sale of its Urethane Systems business to the Japanese chemical company UBE. This transaction is expected to close in the first half of 2025. We will further reduce our debt with the expected divestment proceeds of approximately half a billion euros. With the sale of Urethane Systems, LANXESS will complete the portfolio transformation it embarked on in 2016 and is fully withdrawing from the polymer chemistry business. We have thus created the platform for profitable organic growth with a clear alignment toward attractive specialty chemicals markets. The focus now lies on further developing these businesses.

Additionally, LANXESS once again achieved positive results in the area of sustainability, and particularly climate protection. The renowned Science Based Targets initiative (SBTi) recently confirmed once again that our climate goals are aligned with the 1.5 degree path of the Paris Climate Agreement. Within the framework of our sustainability strategy, the terms of our new sustainable credit facility were linked to our targets for Scope 1, Scope 2 and Scope 3 emissions, as well as for the proportion of women in management positions. External ESG rating agencies for sustainability once again very positively assessed our comprehensive sustainability strategy in 2024.

For fiscal year 2025, we also continue to expect a difficult environment with political and economic uncertainties. We will therefore focus in 2025 on the issues that we can influence and manage: further reduction of our debt, cost savings through the FORWARD! action plan and the strengthening of our product portfolio and competitiveness through innovation and further excellence projects.

During the reporting year, the Supervisory Board duly and fully performed the tasks and duties incumbent upon it under the law, the articles of association and the rules of procedure for the Supervisory Board. It regularly advised the Board of Management in its management of the company and monitored its activity. In the process, we were satisfied at all times by the legality, usefulness and propriety of the Board of Management's work.

The Supervisory Board was directly involved in all decisions of fundamental importance for the company. The Board of Management informed us regularly in written and oral reports about business performance, the situation of the Group, including the risk situation and risk management, strategic development, compliance, management development, and current issues. On the basis of these reports, we discussed significant business transactions in detail. We thoroughly examined the reports and the resolutions proposed by the Board of Management and discussed them at length in meetings of the full Supervisory Board and its committees. If the law, articles of association or other provisions required the Supervisory Board to approve the actions of the Board of Management, we discussed these actions in detail and adopted resolutions on them.

The chairs of the Supervisory Board/Presidial Committee and Audit Committee and the Board of Management were in regular contact outside of the Supervisory Board's meetings and discussed in particular the company's current situation and material transactions.

PRINCIPAL TOPICS DISCUSSED BY THE SUPERVISORY BOARD

The Supervisory Board met a total of seven times in the reporting year. We regularly discussed the sales and earnings performance of the Group and its segments, as well as the financial position. Additionally, the Board of Management kept us updated about the overall state of the economy, the ongoing difficult situation in the chemical industry, the development of raw material, energy and logistics costs, the performance of LANXESS stock, the energy supply at LANXESS sites in Germany, sustainability issues, the FORWARD! cost reduction and stabilization project initiated by the company, and the Group-wide business excellence projects. The Supervisory Board addressed the following important issues:

The focus of the Supervisory Board's financial statements meeting held on March 13, 2024, was the review of the annual financial statements and consolidated financial statements for fiscal year 2023 and the proposal for use of the distributable profit. We discussed and approved the non-financial Group report 2023, which shows the sustainability aspects pursued by the company. In addition, the Supervisory Board resolved upon the motions for resolution by the Annual Stockholders' Meeting, which is to be held in virtual format, including the approval of the compensation report. The Board of Management then presented the internal control and risk management systems, and we satisfied ourselves of their efficacy. In addition, it reported in detail on the FORWARD! cost reduction and stabilization project. We also adjusted the functional income of Frederique van Baarle.

At the meeting on May 7, 2024, the Board of Management once again updated us on the status of the FORWARD! project and the business excellence programs designed to increase the competitiveness of LANXESS. In addition, the Board of Management informed us about the status of the preparations for the upcoming virtual Annual Stockholder's Meeting. It also gave us a detailed report on LANXESS' positioning on the capital market, including the share price development and remarks on total shareholder return and the stockholder structure. The report was subsequently discussed by the full Supervisory Board.

Following the Annual Stockholders' Meeting on May 24, 2024, and the departure on that date of the previous Supervisory Board Chairman Dr. Matthias L. Wolfgruber, a constituent meeting of the Supervisory Board was held to elect the new Chairman. Dr. Rainier van Roessel was elected as the new Chairman. New committee membership was also chosen to some extent.

At the meeting on August 8, 2024, the Board of Management also gave us a full report on environmental protection and occupational and plant safety, which was subsequently discussed by the full Supervisory Board. We also received a presentation on Group-wide

compliance management at LANXESS along the dimensions of prevention, identification and reaction. In addition, we held a special election for the Presidial Committee and issued the audit mandate to KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin (KPMG), which was elected by the Annual Stockholders' Meeting as the auditor of the consolidated financial statements, for the audit of the financial statements and the sustainability statement for fiscal year 2024, and established the areas of focus for the audit.

At the extraordinary meeting of the Supervisory Board held in virtual form on October 1, 2024, the Board of Management presented to us the M&A project pertaining to the sale of the Urethane Systems business unit to the Japanese company UBE Corporation. The Board of Management gave us a detailed explanation of the strategic deliberations for the divestment, the enterprise valuation, the planned transaction structure with the commercial and contractual negotiating results achieved and the effects of the transaction on LANXESS, and introduced the potential buyer to us in more depth. The Supervisory Board then extensively discussed and acknowledged the negotiating result achieved. Subsequently, the Supervisory Board approved the sale of the Urethane Systems business unit to the Japanese company UBE Corporation.

At the meeting on November 6, 2024, the Board of Management reported to the Supervisory Board on the status of research and development projects in the LANXESS Group. In this context, the Board of Management informed us about relevant fields of innovation in the respective segments and provided detailed examples of innovation projects in the individual business units. In addition, the Board of Management gave us an overview of the status of the innovation excellence program and informed us about the measures that have been taken so far and, last but not least, the planned priority measures for 2025. We also addressed sustainability management and ESG targets at LANXESS. Based on the management structure implemented by the Group's Sustainability Committee, the Board of Management explained the measures being pursued to ensure target attainment. The Board of Management also informed us about LANXESS' successful positioning in all leading sustainability ratings, as well as about the status of and further measures for implementing the requirements of the Corporate Sustainability Reporting Directive (CSRD) in the LANXESS Group. In addition, the Board of Management explained the financial policy targets and measures to secure the company's financial stability. Another focus of the meeting was an in-depth discussion of a new, further developed compensation system for the members of the Board of Management. The Supervisory Board dealt very intensively with the market developments using a benchmark and with regard to the demands of the investors and proxy holders, and approved the further developed compensation system based on preparatory work by and the recommendation of the Presidial Committee. The future compensation system strengthens the focus on the strategic objectives of LANXESS: earnings, cash flow, stock price performance, sustainability, and safety. The compensation system will be presented to the 2025 Annual Stockholders' Meeting for approval. It is scheduled to enter into force as of January 1, 2026.

At its meeting on December 17, 2024, the Supervisory Board reviewed in full and approved the corporate planning for 2025 proposed by the Board of Management. After reviewing compliance with the recommendations and suggestions of the German Corporate Governance Code (GCGC), we resolved to issue the declaration of compliance. The Supervisory Board also defined the conditions for the Board of Management's variable compensation components and target total compensation for fiscal year 2025.

All members of the Supervisory Board and its committees performed their duties diligently and conscientiously. The stockholder representatives and employee representatives to the Supervisory Board always worked together in a spirit of trust. They regularly held separate meetings at which they prepared the meetings of the full Supervisory Board. At its meetings, the Supervisory Board also regularly met without the Board of Management.

The members of the Supervisory Board autonomously undertake the training necessary for their duties and are supported in their efforts by the company. New members of the Supervisory Board can meet members

of the Board of Management and specialist managers for an exchange on fundamental and current topics, thus obtaining an overview of the relevant topics for the company (onboarding). The company also offers training sessions.

The attendance at meetings of the Supervisory Board and its committees was 98.5%. All meetings were held in person, apart from the extraordinary meeting of the full Supervisory Board on October 1, 2024, which was held by video conference. The attendance of Supervisory Board members at meetings of the Supervisory Board and the committees is disclosed individually:

WORK OF THE COMMITTEES

The Supervisory Board has four committees: the Presidial Committee, the Audit Committee, the Nominations Committee and the Committee formed pursuant to Section 27, Paragraph 3 of the German Codetermination Act. The committees are tasked with

Individual Disclosure of LANXESS AG Supervisory Board Members' Meeting Attendance in Fiscal Year 2024

Supervisory Board members	Supervisory Board		Presidial Committee		Audit Committee		Nominations Committee		Total	
	Attendance	%	Attendance	%	Attendance	%	Attendance	%	Attendance	%
Dr. Matthias L. Wolfgruber, Chairman (until May 24, 2024)	2/2	100	2/2	100			1/1	100	5/5	100
Ralf Sikorski, Vice Chairman	7/7	100	5/5	100					12/12	100
Birgit Bierther (until May 31, 2024)	3/3	100	2/2	100					5/5	100
Armando Dente	7/7	100			4/4	100			11/11	100
Dr. Hans-Dieter Gerriets	7/7	100			4/4	100			11/11	100
Dr. Heike Hanagarth	6/7	85.7					1/1	100	7/8	87.5
Pamela Knapp	7/7	100			4/4	100			11/11	100
Lawrence A. Rosen	6/7	85.7			4/4	100	1/1	100	11/12	91.7
Iris Schmitz	7/7	100			4/4	100			11/11	100
Manuela Strauch	7/7	100	5/5	100					12/12	100
Hans von Bylen	7/7	100	5/5	100	4/4	100			16/16	100
Dr. Rainier van Roessel (Chairman since May 24, 2024)	7/7	100	5/5	100					12/12	100
Dr. Hans-Joachim Müller (since May 24, 2024)	5/5	100	3/3	100					8/8	100
Sadik Emiroglu (since June 1, 2024)	4/4	100	2/2	100					6/6	100

preparing the topics and resolutions to be discussed at meetings of the full Supervisory Board. They also, at times, exercise decision-making powers conferred on them by the Supervisory Board.

The Presidial Committee convened five times during the reporting year to prepare the meetings of the Supervisory Board and the decisions to be reached by the full Supervisory Board at its meetings concerning human resources measures in the company's Board of Management, including particularly the further developed compensation system for the Board of Management.

The Audit Committee met four times during the year. The Audit Committee dealt in particular with the annual financial statements of LANXESS AG, the consolidated financial statements and the combined management report for fiscal year 2023, the quarterly statements issued during fiscal year 2024, and the condensed consolidated financial statements and interim management report included in the 2024 half-year financial report. It reviewed the company's risk management and internal control systems. The Audit Committee also dealt with the concept for approving non-audit services and the non-financial Group report 2023. Other topics discussed were the significant findings by the internal audit department and the presentation of the annual audit plan, corporate planning and compliance, the perception of LANXESS on the capital market, the implementation of the CSRD and the determination of the principal areas of focus for the audit of the 2024 financial statements. Utilization of production capacity was another regular topic. The Committee also learned about changes in equity, LANXESS' liquidity management, the Group's pension systems, strategies to hedge currency risks, and the recent audit of OTC derivatives contracts pursuant to Section 32 of the German Securities Trading Act. Finally, there was detailed discussion of the development of energy and raw material prices, including hedging, as well as cyber security measures. The external auditor reported on the auditing activities at two of the four Audit Committee meetings.

The Nominations Committee met once in fiscal year 2024. It prepared the Supervisory Board's nominations to the Annual Stockholders' Meeting of stockholder representatives for the Supervisory Board elections. The Committee formed pursuant to Section 27, Paragraph 3 of the German Codetermination Act did not need to convene.

The chairmen of the committees each reported on the meetings and the work of the committees at the meetings of the full Supervisory Board.

CORPORATE GOVERNANCE AND DECLARATION OF COMPLIANCE

The Supervisory Board also dealt with the company's corporate governance in the past fiscal year. The joint declaration of compliance made by the Board of Management and Supervisory Board pursuant to Section 161 of the German Stock Corporation Act can be viewed by stockholders at any time on the company's website. As expressed in the declaration, LANXESS AG currently complies with all the GCGC's recommendations. No conflicts of interest on the part of Supervisory Board members became known last year. Further information about corporate governance can be found in the Board of Management's declaration pursuant to Sections 289f and 315d of the German Commercial Code.

ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS

The annual financial statements prepared by the Board of Management of LANXESS AG in accordance with the rules of the German Commercial Code, the consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) and the combined management report for fiscal year 2024 were audited by KPMG, the auditor appointed for the first time by the Annual Stockholders' Meeting on May 24, 2023, and engaged by the Supervisory Board. The auditor issued an unqualified opinion in each case. The auditor carried out the audit in accordance with Section 317 of the German Commercial Code and Regulation (EU) No 537/2014 of the European Parliament and of the Council of April 16, 2014, on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC according to a selection procedure implemented by the company. The auditor responsible for the audit was Dr. Thorsten Hain.

The Supervisory Board convinced itself of the independence of the auditor and the persons acting on the auditor's behalf.

The audit reports and the documents relating to the financial statements were discussed at length with the Board of Management and the auditor at the Audit Committee meeting held on March 18, 2025. They were also discussed in detail on the basis of the required documents and notes at the Supervisory Board's financial statements meeting held on March 19, 2025. The responsible auditor was present for the discussions concerning the financial statements of LANXESS AG and the consolidated financial statements of the LANXESS Group. He reported on the scope, focus areas and significant findings of the audits and went into particular detail on the key audit matters. He was also available to the Audit Committee and full Supervisory Board to provide additional information.

Based on the recommendation of the Audit Committee as well as on its own review and in-depth discussions about the financial statements of LANXESS AG, the consolidated financial statements of the LANXESS Group, the combined management report and the proposal for appropriation of the profit, the Supervisory Board endorsed the auditor's conclusions and had no objections to raise. The Supervisory Board has approved the annual financial statements of LANXESS AG and the consolidated financial statements of the LANXESS Group, which were prepared by the Board of Management. The Supervisory Board endorsed the Board of Management's proposal for use of the distributable profit after close examination and extensive deliberations that carefully weighed the best interests of the company and the stockholders.

CHANGES ON THE SUPERVISORY BOARD

At the conclusion of the Annual Stockholders' Meeting on May 24, 2024, the Chairman and long-serving member of the Supervisory Board, Dr. Matthias L. Wolfgruber, stepped down from the Supervisory Board. The Supervisory Board thanked him for his professional leadership of our body, the trusting cooperation and his contribution to the success of our company. By way of a resolution by the Annual Stockholders' Meeting on May 24, 2024, Dr. Hans-Joachim Müller was elected to succeed him as a member of the Supervisory Board until the 2028 Annual Stockholders' Meeting. At the subsequent constituent meeting of the Supervisory Board, Dr. Rainier van Roessel was elected as its new Chairman. In addition, Birgit Bierther, the long-serving Chairwoman of the LANXESS Works Council at the Cologne site, stepped down from the Supervisory Board due to retirement with effect from May 31, 2024. Sadik Emiroglu succeeded her as a new member of the Supervisory Board and representative of the employees on June 1, 2024, through appointment by the Cologne District Court upon application by the company.

The Supervisory Board thanks the members of the Board of Management, all of the Group's employees around the world and the employee representatives for their dedication and service in what was once again a difficult fiscal year in 2024.

Cologne, March 19, 2025

The Supervisory Board

Dr. Rainier van Roessel
Chairman