2025

Sustainability Report 2025

LANXESS
Energizing Chemistry

SUSTAINABILITY REPORT OF THE LANXESS GROUP

GENERAL INFORMATION

ESRS 2 GENERAL DISCLOSURES

BP-1 – General Basis for Preparation of the Sustainability Report of the LANXESS Group

The Directive (EU) 2022/2464 as regards corporate sustainability reporting (Corporate Sustainability Reporting Directive, CSRD) entered into force on January 5, 2023. A first set of uniform sustainability reporting standards – the European Sustainability Reporting Standards (ESRS) – was published within the framework of the CSRD. Although the CSRD had not been implemented in national law in Germany by December 31, 2025, the LANXESS Group voluntarily and fully applied the ESRS as a framework for its Sustainability Report. The Sustainability Report of the LANXESS Group represents the non-financial statement (NFS) according to sections 315b and 315c in conjunction with sections 289c through 289e of the German Commercial Code (HGB). It also satisfies the disclosures required according to Article 8 of Regulation (EU) 2020/852 of the European Parliament and the Council of June 18, 2020, on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088. This Sustainability Report pertains to the period from January 1 through December 31, 2025.

The following qualitative and quantitative disclosures in the Sustainability Report, marked with {}, were subjected to an audit in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" to achieve reasonable assurance.

The following overview shows where the contents of the NFS can be found in the combined management report of the LANXESS Group.

Content of the NFS	Chapter in the management report
Business model	Group structure
	Business activities
	Business processes and employees
	Legal environment
	Business conditions
Key non-financial performance indicators	Value management and control system
Environmental matters	ESRS E1 Climate change
	ESRS E2 Pollution
	ESRS E3 Water and marine resources
	ESRS E4 Biodiversity and ecosystems
	ESRS E5 Resource use and circular economy
Employee-related matters	ESRS S1 Own workforce
	ESRS S2 Workers in the value chain
Social matters	ESRS S2 Workers in the value chain
Respect for human rights	ESRS S1 Own workforce
	ESRS S2 Workers in the value chain
Combating corruption and bribery	ESRS G1 Business conduct

No subsidiaries of the LANXESS Group are obligated to report according to the CSRD.

The Sustainability Report of the LANXESS Group pertains not just to the parent company LANXESS AG, but also all German and foreign affiliates included in the consolidated financial statements of LANXESS AG as of December 31, 2025. The consolidated financial statements of the LANXESS Group were prepared in accordance with the International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU) and the corresponding interpretations, together with the additional requirements of Section 315e, Paragraph 1, of the German Commercial Code (HGB). According to the ESRS, the scope of consolidation can deviate from that of the financial reporting due to the operational control criterion. No cases were identified in which financial and operational control deviated from one another.

The double materiality assessment[1] additionally took into account all non-consolidated subsidiaries in the financial reporting. All affiliated companies were also generally included in the materiality assessment. The assessment also includes the analysis of further parties in the upstream and downstream value chain of LANXESS.

LANXESS did not withhold any information due to non-disclosure agreements.

BP-2 – Disclosures in Relation to Specific Circumstances

According to ESRS 1.77, the various time horizons for the reporting are divided into short, medium and long term. In addition, the long-term time horizon was divided into the time periods "6 to 10 years" and "more than 10 years" – as with the opportunity and risk management – to enable more accurate disclosures.

Division of the time horizons:

- short-term: up to 1 year
- medium-term: between 1 and 5 years
- long-term up to 10 years: between 6 and 10 years
- long-term after 10 years: after 10 years

If material impacts, risks and opportunities (IROs) occur in more than one time horizon, they are recognized individually for each period so that they can be separately assessed. Additionally, opportunities and risks are evaluated on an annualized basis. If they occur several times, this is accounted for in the probability. Opportunities and risks that are characterized in the risk management system as "ongoing" and potentially pertain to each time horizon are classified in the Sustainability Report as short-term.

1) Hereinafter, "materiality assessment" refers to the double materiality assessment according to ESRS 1.37.

Particularly when calculating Scope 3 emissions, estimates were undertaken for emissions occurring in the value chain and indirect information sources used. For more information, see section "E1-6 – Gross Scopes 1, 2, 3 and Total GHG Emissions" in the chapter "ESRS E1 Climate Change". No metrics include data from the value chain. All forward-looking disclosures are essentially subject to uncertainty as to their actual materialization.

Changes in the reporting structure resulted in fiscal year 2025 through a shift of the IROs reported in the previous year in the chapter "ESRS S4 Consumers and End-Users" to the chapters "ESRS E2 Pollution" and "ESRS S2 Workers in the Value Chain." This occurred because the review of the materiality assessment found that the IROs were still material but had to be assigned to other standards due to a modified interpretation of the scope of application of "ESRS S4 Consumers and End-Users" compared with the previous year. As no material IROs were identified in fiscal year 2025 in connection with "ESRS S4 Consumers and End-Users," this chapter has been omitted. Another change in the reporting structure resulted from the shift of the disclosure obligations in connection with "ESRS 2 SBM-2 – Interests and Views of Stakeholders" and "GOV-1 – The Role of the Administrative, Management and Supervisory Bodies" from the topic standards to the chapter "ESRS 2 General Disclosures." In addition, comparison data are generally reported for all quantitative metrics for the first time in this report.

In addition to the disclosures required by the ESRS, we refer to the section "BP-1 General Basis for Preparation of the Sustainability Report of the LANXESS Group" in chapter "ESRS 2 General Disclosures" for an overview of the contents of the NFS.

Datapoints from the following disclosure requirements were included using references:

- ESRS 2.40ai, ESRS 2.42a, ESRS 2.42c
- ESRS 2.48f
- ESRS 2.36a, b, d, e
- ESRS E1.AR8b

GOV-1 – The Role of the Administrative, Management and Supervisory Bodies

Qualification Matrix

		Stockholder representatives						Employee representatives					
		Dr. Rainier van Roessel	**Hans van Bylen**	**Dr. Heike Hanagarth**	**Pamela Knapp**	**Lawrence A. Rosen**	**Dr. Hans-Joachim Müller**	**Cem Güner**	**Armando Dente**	**Dr. Carsten Hesse**	**Birgit Biermann**	**Iris Schmitz**	**Manuela Strauch**
Membership	Member since	2022	2020	2016	2018	2015	2024	2025	2020	2025	2025	2021	2015
Personal suitability	Independence	●	●	●	●	●	●	●	●	●	●	●	●
	Not overboarded	●	●	●	●	●	●	●	●	●	●	●	●
Diversity	Gender	Male	Male	Female	Female	Male	Male	Male	Male	Male	Female	Female	Female
	Nationality	Dutch	Belgian	German	German	American	German	Turkish	German	German	German	German	German
Professional aptitude	Management of major international companies	●	●	●	●	●	●						
	Chemical sector	●	●				●	●	●	●	●	●	●
	Production, marketing and sale of chemical products	●	●				●	●		●		●	●
	Corporate governance (compliance)	●	●	●	●	●	●				●		
	M&A	●	●	●	●	●	●						
	Corporate financing				●	●							
	Accounting		●		●	●			●	●		●	●
	Risk management		●		●	●			●		●	●	●
	Digitalization/IT/Cybersecurity	●		●		●				●	●	●	●
	Sustainability/ESG	●		●			●		●	●	●		
International experience		●	●	●	●	●	●		●	●			

Supervisory Board

The Supervisory Board of LANXESS AG currently comprises twelve members who perform non-executive duties according to the two-tier management system of a German stock corporation. It was formed according to the provisions of the German Codetermination Act of 1976 and therefore features an equal number of stockholder representatives and employee representatives (corporate codetermination). While the stockholder representatives are elected by the Annual Stockholders' Meeting, the employee representatives are appointed in accordance with the provisions of the Codetermination Act and its electoral regulations. The next elections of employee representatives on the Supervisory Board will take place in 2030. Supervisory Board members generally serve for a five-year term. The relevant knowledge and experience of the Supervisory Board members are described in the qualification matrix.

The current gender diversity ratio on the Supervisory Board of the company is 42% / 58% (female / male). This composition meets the requirements of German stock corporation law as stipulated by the First Management Positions Act (FüPoG I); these requirements are currently met – independently of one another – for both the stockholder representatives and the employee representatives on the Supervisory Board (separate fulfillment principle, Section 96, Paragraph 2, Sentence 2 of the German Stock Corporation Act (AktG)). The female members are Dr. Heike Hanagarth and Pamela Knapp on the stockholder side and Birgit Biermann, Iris Schmitz and Manuela Strauch on the employee side. Further criteria in the selection of Supervisory Board members according to the applicable diversity policy include a balanced age structure, an educational and career background that corresponds with the task profile, international and cultural experiences, and ethnicity. All twelve members of the current Supervisory Board of the company are independent as defined according to the relevant criteria of the German Corporate Governance Code in its present version of April 28, 2022 (Principle C.7). According to the two-tier management system of a German stock corporation, only the members of the Supervisory Board are relevant as pertains to the issue of independence. The ratio of independent Supervisory Board members therefore amounts to 100%.

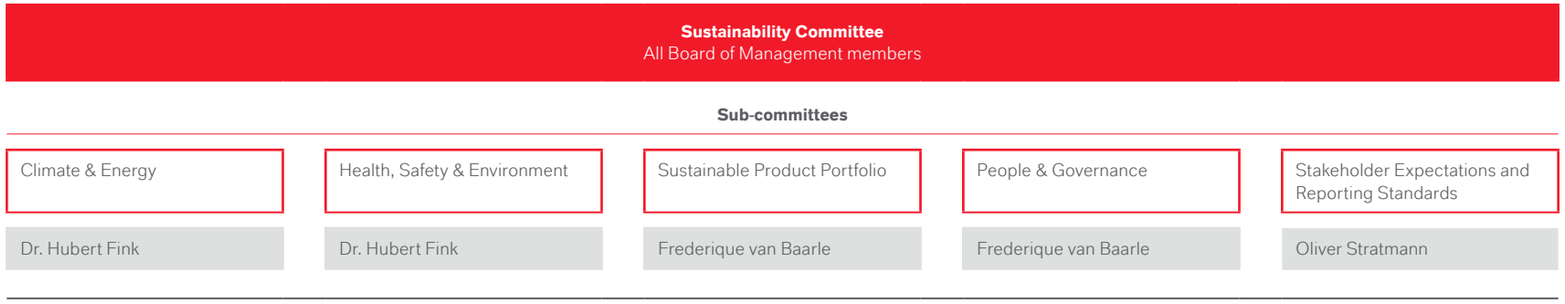
Board of Management

The Board of Management of LANXESS AG is currently composed of four members. According to the two-tier management system of a German stock corporation, all members of the Board of Management are appointed to conduct the business of LANXESS jointly. According to the provisions of German stock corporation law, employees or other workers are not directly represented in the executive body of the company, the Board of Management. Based on the Board of Management diversity policy, the Supervisory Board assesses which candidates are best suited to meet the requirements of an open position on the Board of Management due to their personal and professional qualifications, their experience and their career path. The members of the Board of Management have an educational background in commercial, scientific and engineering disciplines and possess diverse international management experience. The current gender diversity ratio on the Board of Management of the Management of the company is 25% / 75% (female / male). The Board of Management has one female member in Frederique van Baarle and three male members in Matthias Zachert, Dr. Hubert Fink and Oliver Stratmann. This composition satisfies the stock corporation law requirements spelled out in the Second Management Positions Act (FüPoG II). Additional criteria in the selection of Board of Management members according to the applicable diversity policy include specific specialist and personal qualifications, internationality and age structure.

The Board of Management monitors and manages all sustainability matters. Among other actions, a committee structure was established for this purpose already in 2021. A central Sustainability Committee was formed that steers all relevant sustainability issues including the material IROs and whose membership includes, among others, all members of the Board of Management. It is chaired by the Chairman of the Board of Management, Matthias Zachert. Five subcommittees reported to the Sustainability Committee in fiscal year 2025. These subcommittees deal with the various focus areas of our sustainability strategy and were each chaired by a member of the Board of Management:

- "Climate & Energy" sub-committee – implementation of the LANXESS "Climate Neutral 2040" climate strategy
- "Health, Safety & Environment" sub-committee – development of safe and sustainable production sites
- "Sustainable Product Portfolio" subcommittee – promotion of sustainable products and value chains
- "People & Governance" sub-committee – coordination of issues of LANXESS's sustainable corporate governance and social responsibility
- "Stakeholder Expectations and Reporting Standards" sub-committee – fulfillment of external reporting standards and stakeholder management

Sustainability-Related Committees and Board of Management Responsibilities



The Board of Management's responsibilities as pertains to the monitoring, steering and oversight of the material IROs were oriented around the committee structure described above. Accordingly, Dr. Hubert Fink chaired the Climate & Energy and Health, and Safety & Environment subcommittees, Frederique van Baarle the Sustainable Product Portfolio and People & Governance subcommittees, and Oliver Stratmann the Stakeholder Expectations & Reporting Standards subcommittee. The participating group functions also had experts on the respective sub-areas of sustainability management in their ranks who continuously observe relevant developments and bring in external consultants to manage the IROs if necessary. The experts on the committees are assigned by the respective Group functions. The subcommittees were responsible for the monitoring, administration and oversight of the material IROs. In the central Sustainability Committee, all subcommittees come together under the leadership of Matthias Zachert to establish targets and monitor the progress of their attainment.

According to the concept of the German Corporate Governance Code, the overall Supervisory Board under the leadership of its Chairman performs a diligent and dutiful self-assessment of the relevant expertise of individual Supervisory Board members. That also applies to the expertise of the Board of Management with regard to sustainability and the associated reporting. This expertise can have been acquired either through the members' personal career background (i.e. through personal responsibilities within the scope of their early management career) or through specific training offerings. The expertise possessed by the Board of Management and the Supervisory Board forms the basis for steering overarching sustainability topics and therefore is not limited to specific IROs.

G1 GOV-1 – The Role of the Administrative, Management and Supervisory Bodies

The Board of Management is responsible for the LANXESS "Code of Conduct" and, in signing it, commits to adhering to the regulations. These define the expectation of responsible and compliant behavior by management as the basis of our compliance culture.

The corresponding Board of Management expertise is described in section "GOV-1 – The Role of the Administrative, Management and Supervisory Bodies" of the chapter "ESRS 2 General Disclosures."

GOV-2 – Information Provided to and Sustainability Matters Addressed by the Undertaking's Administrative, Management and Supervisory Bodies

The Board of Management and the Supervisory Board or the Audit Committee of the Supervisory Board are notified about the material IROs, the implementation of ESG due diligence and the results of the resolved directives, actions, targets and parameters. This takes place at the meetings of the Sustainability Committee attended by all members of the Board of Management. The Sustainability Committee met three times in fiscal year 2025. The relevant subcommittees and, if necessary, supporting experts are consulted if needed. For its part, the Audit Committee of the Supervisory Board receives reports from the Board of Management. In fiscal year 2025, the focus was on the material sustainability matters and IROs. The material impacts were discussed particularly at the meeting in November 2025. The material opportunities and risks were presented to the Supervisory Board during the meeting in December 2025.

The material IROs are already addressed in the sustainability strategy or elsewhere, such as in our human resources strategy. Adjustments are also addressed in our committees. Also taken into account, for example, is CO_2 reduction and energy efficiency potential in capital expenditure decisions and within the scope of due diligence for acquisitions. Conflicts of interest can materialize with strategic decisions and it could be necessary to weigh different interests against one another. For example, climate-neutral [1] products that are expensive to produce compete with conventional products in terms of prices.

1) Throughout the Sustainability Report of the LANXESS Group, the definition of the terms "climate-neutral" and "climate neutrality" are in line with the definition "net-zero target" of Table 2 Annex II Commission Delegated Regulation (EU) 2023/2772 of July 31, 2023, supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards.

For more information on how opportunities and risks are accounted for in the risk management process, see section "IRO-1 – Description of the Processes to Identify and Assess Material Impacts, Risks and Opportunities" in the chapter "ESRS 2 General Disclosures".

The Board of Management, the Supervisory Board or the Audit Committee of the Supervisory Board dealt with all material IROs. For an overview of all material IROs, see section "SBM-3 – Material Impacts, Risks and Opportunities and their Interaction with Strategy and Business Model" in the chapter "ESRS 2 General Disclosures".

GOV-3 – Integration of Sustainability-Related Performance in Incentive Schemes

Taking particular account of LANXESS's sustainable alignment, both the short-term variable compensation and the long-term variable compensation are based on two measurable performance criteria that are aligned with the sustainable corporate strategy. Sustainability-related performance criteria are not taken into account in the compensation components of the compensation of the Supervisory Board members.

The revised compensation system for the Board of Management, which went into effect on January 1, 2021, was approved by the Annual Stockholders' Meeting of LANXESS AG on May 19, 2021, with a majority of 94.22% of the valid votes cast. The short-term variable compensation component Annual Performance Payment (APP) includes a financial and a non-financial performance criterion. The long-term variable compensation component Long Term Incentive (LTI) consists of the stock-based Long-Term Stock Performance Plan (LTSP) and the Sustainability Performance Plan (SPP). In the event of early termination of service on the Board of Management, the severance payments must not exceed the value of two annual salaries plus the Board of Management's APP and the SPP at 100% target attainment and must never provide more compensation than the remaining term of the contract.

Short-term

The Board of Management's APP considers two measurable performance criteria:

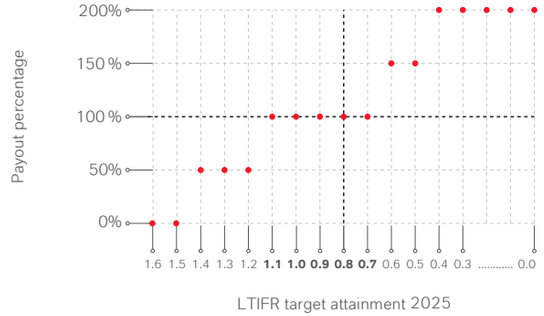
- a financial performance criterion constituting 80% of the individual APP and
- a non-financial performance criterion constituting 20% of the individual APP.

The short-term **non-financial performance criterion** is currently the lost time injury frequency rate (LTIFR: accidents per million hours worked) for accidents with days lost due to work-related injuries. The payment curve for the LTIFR, which is reported to one decimal place, takes a tiered approach in order to maintain the existing positive incident reporting culture. In fiscal year 2025, an LTIFR of between 0.7 and 1.1 equates to 100% target attainment and results in a payout percentage of 100% for the non-financial performance criterion. If the LTIFR is 0.5 or 0.6, this equates to a payout percentage of 150%; if the LTIFR is 0.4 or lower, this equates to a payout percentage of 200% of the Board of Management's APP for the non-financial performance criterion. If the LTIFR is between 1.2 and 1.4, this equates to a payout percentage of 50%. If the LTIFR is 1.5 or higher, the payout percentage falls to 0%. The long-term goal is to avoid any accidents. The target set for 2025, both compared with other companies in the chemical industry and in view of the past trend at LANXESS, remains a challenge.

Within the APP, there is the option to grant an event-driven discretionary bonus. This serves to recognize special achievements or to create an additional incentive and can be granted only as part of the Board of Management's APP. It is capped at 20% of the annual base salary. The discretionary bonus can be used only in exceptional cases and requires a transparent justification from the Supervisory Board. As in the previous years, no discretionary bonus was paid in fiscal year 2025.

The maximum target attainment for the Board of Management's APP (including the discretionary bonus) is capped at 200%.

APP: Target Attainment and Payment Curve for the Non-financial Performance Criterion LTIFR



LTIFR	Payout percentage
≤ 0.4	200%
0.5 or 0.6	150%
0.7–1.1 (Target: 0.8)	**100%**
1.2–1.4	50%
≥ 1.5	0%

Actual target attainment for fiscal year 2025

LTIFR	Payout percentage
0.4	200%

Non-current

The LTI also consists of two components, which are paid out in cash and each consider one measurable performance criterion:

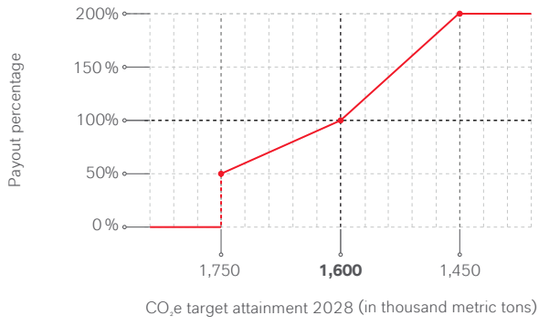
- the Long-Term Stock Performance Plan (LTSP), which is based on the stock price performance, and
- the Sustainability Performance Plan (SPP), which is measured based on a sustainability criterion.

With 100% target attainment each, the proportion of the LTSP comes to 60% and that of the SPP to 40% of the individual LTI. The **SPP** considers the long-term development of non-financial sustainability criteria. The assessment period for these criteria is four years. On the basis of the trajectory for attaining LANXESS's published interim goal for 2030, the Supervisory Board has established the target for the reduction of CO_2e emissions from internal processes and from purchased energy (Scope 1 and 2) as a performance criterion in the SPP. The amount of CO_2e emissions was also defined as a measure of target attainment for 2026, 2027 and 2028. In subsequent years, a different performance criterion can be selected to reflect the company's current focus. This mechanism is intended to allow different facets of sustainability to be emphasized.

For the members of the Board of Management, 100% target attainment of the sustainability criterion corresponds to a payout of 46% of the annual base salary. For the Chairman of the Board of Management, 100% target attainment corresponds to 55% of the annual base salary. A target of 1,600 kt was established in fiscal year 2025 for attainment in 2028. In the case of CO_2e emissions of 1,450 thousand metric tons or lower in 2028, the payout percentage is 200%. The maximum payment for an ordinary member of the Board of Management thus comes to 92% of the annual base salary. For the Chairman of the Board of Management, a maximum payment corresponds to 110% of the annual base salary. If CO_2e emissions exceed

1,750 kt in 2028, there is no payout. For the 2025–2028 assessment period, the target attainment and payment curve presented and explained below apply to the financial performance criterion of the LTI:

LTI: Target Attainment and Payment Curve for the Non-financial Performance Criterion of the SPP 2028



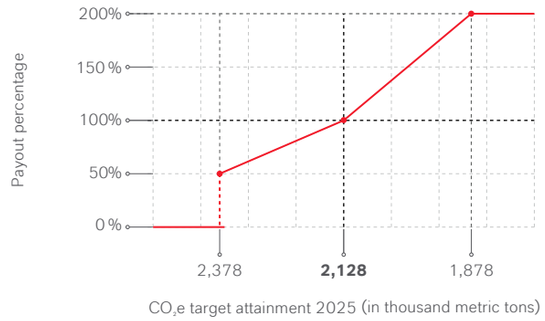
CO_2e emissions in 2028 in thousand metric tons	**Payout percentage**
≤1,450	200%
(Target: 1,600)	**100%**
1,750	50%
>1,750	0%

Actual target attainment 2024–2028

CO_2e emissions in 2028 in thousand metric tons	**Payout percentage**
Determination of target attainment at the end of 2028	

The amount of CO_2e emissions was also defined as a measure of target attainment for the 2022–2025 assessment period. The corresponding target attainment and payment curve are depicted below:

LTI: Target Attainment and Payment Curve for the Non-financial Performance Criterion of the SPP 2025



CO_2e emissions in 2025 in thousand metric tons	**Payout percentage**
≤1,878	200%
(Target: 2,128)	**100%**
2,378	50%
>2,378	0%

Actual target attainment 2022–2025

CO_2e emissions in 2025 in thousand metric tons	**Payout percentage**
1,731	200%

Due to M&A transactions, the figure for 100% target attainment was adjusted from CO_2e emissions of 472 kt to 2,128 kt. Accordingly, CO_2e emissions of below 1,878 thousand metric tons result in a payout percentage of 200%.

The payment curve for the SPP plots a straight line between the target value of 100% and the lower or upper limit (0% or 200%). The steeper gradient of the payment curve, if the 100% target is exceeded, provides an additional financial incentive to exceed the target. On achievement of the minimum value, the payout percentage amounts to 50%.

Performance criteria, target values and payment curves for the long-term variable compensation components are defined by the Supervisory Board annually before the start of the fiscal year. Subsequent adjustments are permitted only in the case of the CO_2e targets to take M&A transactions into account.

In fiscal year 2025, EBITDA pre exceptionals of €510 million was generated and {an LTIFR of 0.4 was achieved}. This results in target attainment of less than 85% and thus a payout percentage of 0% for EBITDA pre exceptionals. {An LTIFR target attainment of 0.4} results in a payout percentage of 200%. Taking account of the proportions of the financial and the non-financial target for the Board of Management's APP, there is thus a weighted payout percentage of 40% for the members of the Board of Management. {CO_2e emissions amounted to 1,731 thousand metric tons in 2025.} According to the non-financial target established by the Supervisory Board for the SPP 2022–2025, this leads to target attainment of 200% and thus a payout percentage of 200%. In fiscal year 2025, the variable compensation expense attributable to the SPP amounted to 31% of expenses for the total compensation of the members of the Board of Management. Climate-related performance criteria are not taken into account in the compensation components of the compensation of the members of the Supervisory Board. In fiscal year 2025, expenses for sustainability-related variable compensation accounted for 95% of total expenses for the variable compensation of the members of the Board of Management.

In accordance with Section 87a AktG, the Supervisory Board resolves on a clear and comprehensible compensation system for the members of the Board of Management. The Supervisory Board resolutions on the compensation system are prepared by the Presidial Committee of the Supervisory Board. The Presidial Committee also prepares the Supervisory Board's regular review of the system and the amount of compensation for the Board of Management members as well

as other personnel decisions to be made by the Supervisory Board. If necessary, it advises the Supervisory Board to make changes to the system. The Chairman of the Presidial Committee is Dr. Rainier van Roessel. The other members of the Presidial Committee are Birgit Biermann, Iris Schmitz, Manuela Strauch, Hans van Bylen and Dr. Hans-Joachim Müller. In accordance with Section 120a Paragraph 1 Sentence 1 AktG, the Supervisory Board presents the compensation system that it has resolved to the Annual Stockholders' Meeting for approval each time a significant change is made, or at least every four years. If the Annual Stockholders' Meeting does not approve the Board of Management compensation system put to the vote, then a revised system is presented for approval at the following Annual Stockholders' Meeting at the latest. The further developed compensation system was presented to the Annual Stockholders' Meeting on May 22, 2025, for annual approval. It was approved with a majority of 87.48% of the votes cast and went into effect on January 1, 2026. In addition, the Supervisory Board reserves the right to also reduce the APP in the future in the event of serious occupational safety and/or environmental problems.

GOV-4 – Statement on Due Diligence

Details of the process for satisfying sustainability-related due diligence are contained in the following table:

Core elements of due diligence	Sections in the Sustainability Report
a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV–2, ESRS 2 GOV–3, ESRS 2 SBM–3
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 GOV–2, ESRS 2 SBM–2, ESRS 2 IRO–1
	ESRS E1–2, ESRS E2–1, ESRS E3–1, ESRS E4–2, ESRS E5–1, ESRS S1–1, ESRS S2–1, ESRS G1–1
	ESRS S1–2, ESRS S2–2
c) Identifying and assessing negative impacts on people and the environment	ESRS 2 IRO–1, ESRS 2 SBM–3 including the disclosures contained in ESRS E1, ESRS E2, ESRS E3, ESRS E4, ESRS E5, ESRS S1, ESRS S2 and ESRS G1
d) Taking actions to address those adverse impacts	ESRS E1–1, ESRS E1–3, ESRS E2–2, ESRS E3–2, ESRS E4–3, ESRS E5–2, ESRS S1–4, ESRS S2–4
e) Tracking the effectiveness of these efforts and communicating	ESRS E1–4, ESRS E2–3, ESRS E3–3, ESRS E4–4, ESRS E5–3, ESRS S1–5, ESRS S2–5
	ESRS E1–5, ESRS E1–6, ESRS E1–8, ESRS E2–4, ESRS E2–5, ESRS E3–4, ESRS E4–5, ESRS E5–4, ESRS E5–5, ESRS S1–6, ESRS S1–7, ESRS S1–8, ESRS S1–9, ESRS S1–10, ESRS S1–14, ESRS S1–16, ESRS S1–17

GOV-5 – Risk Management and Internal Controls Over Sustainability Reporting

Within the internal risk and control system, the process of preparing the Sustainability Report is subject to various control and plausibility checks including the four-eyes principle. During the preparation process, qualitative information and quantitative data for sustainability reporting were systematically collected and documented. The process of preparing the Sustainability Report was monitored and controlled by the project team and the Accounting and Corporate Controlling Group functions.

The general principles including the scope, main features and components of the processes and systems of opportunity and risk management at LANXESS, as well as the applied internal management and control system, are described in the chapter "Opportunity and Risk Report." These principles also apply to the sustainability reporting of LANXESS.

Sustainability-related risk assessments took place within the scope of the materiality assessment and the results are described in more detail in the topic standard chapters "ESRS E1 Climate Change" through "ESRS G1 Business Conduct." Experts with topic responsibility from the relevant Group functions were largely responsible for risk identification, with the additional involvement of the business units and site managers. For further explanations on risk assessment and prioritization, see section "IRO-1 – Description of the Processes to Identify and Assess Material Impacts, Risks and Opportunities" in the chapter "ESRS 2 General Disclosures."

The results of the materiality assessment were subsequently presented and discussed within the Stakeholder Expectations & Reporting Standards subcommittee and the Sustainability Committee, as well as at meetings of the Supervisory Board or of the Audit Committee of the Supervisory Board. Material sustainability-related opportunities and risks were also presented within the Corporate Risk Committee. In the previous year, furthermore, a report on the entire reporting process was presented to the Board of Management by Internal Audit.

SBM-1 – Strategy, Business Model and Value Chain

LANXESS is active in chemicals production. Sales that fall under section 20.2 of Annex I of Regulation (EC) No. 1893/2006 amounted to about €412 million (previous year: €440 million) in fiscal year 2025.

The core of our business model – in other words, the chemical conversion of basic chemicals to specialty chemicals – is affected, but not called into question, in the current form by the IROs identified through the materiality assessment. It is not the business model that is affected, but rather the "how" – beginning with the selection of the raw materials through the impacts of production to the use of the products.

All topics identified through the materiality assessment as material are already addressed, either in the sustainability strategy or elsewhere, such as in our human resources strategy. Our sustainability strategy takes into account the perspectives of the stakeholder groups relevant for us, with whom we maintain a regular dialogue. For more information on how we account for the interests of our stakeholders, please see section "SBM-2 – Interests and Views of Stakeholders" in the chapter "ESRS 2 General Disclosures".

The primary objective of our sustainability strategy is to develop a climate-neutral product range in the long term. This goal includes the objective of climate-neutral production and applies to all applications and customer groups of the entire LANXESS product range worldwide. For more information on our most important customer groups, see section "Sales Markets" in the chapter "Business Processes and Employees."

On the path to a sustainable product range, we see a particular challenge in the varying pace at which individual countries strive to achieve climate neutrality. Climate-neutral products that are expensive to produce thus compete with conventional products in terms of prices.

The value chains of LANXESS are mainly based on basic chemicals produced from gas or oil. It is therefore of tremendous importance for our sustainability strategy that we calculate the carbon footprint of our raw materials and reduce it over the long term. For more information on our value chains and the most important participants, see the "Procurement" and "Sales organization" sections of the chapter "Business Processes and Employees." Information on our downstream value chain that goes beyond the direct downstream stage is also available in section "S2 SBM-3 – Material Impacts, Risks and Opportunities and their Interaction with Strategy and Business Model" in the chapter "ESRS S2 Workers in the value chain."

As regards the use of our products, the LANXESS portfolio can be divided into two categories: intermediates, whose properties change through a further chemical reaction carried out by our customers; and products available in their final chemical form that are incorporated into a material (additives) or used in a formulation, for example. In the latter category, the substance properties play a key role as pertains to sustainability aspects because a safe use by the end-user must be ensured. LANXESS has implemented internal processes to monitor that all produced and marketed products satisfy all regulatory requirements in the target markets. Regulatory developments are identified at an early stage through systematic monitoring using the LANXESS Product Sustainability Monitor. For more information on our product range, see section "E2 SBM-3 – Material Impacts, Risks and Opportunities and their Interaction with Strategy and Business Model" of the chapter "ESRS E2 Pollution" and section "The Segments in Brief" of the chapter "Business Activities."

For the distribution of our employees by region, see section "S1-6 – Characteristics of the Undertaking's Employees" in the chapter "ESRS S1 Own Workforce."

SBM-2 – Interests and Views of Stakeholders

Dialogue with our stakeholders is of crucial importance to us, as it helps us to gain valuable insights and thus make sound decisions that contribute equally to business success and sustainable development.

LANXESS has numerous relevant stakeholders, such as groups, institutions or individuals with whom we maintain a direct or indirect (business) relationship. The stakeholders have an interest in the actions of our company because they are (potentially) directly or indirectly affected by these actions or require information pertaining to us for various purposes. The relevance of a stakeholder group for LANXESS also results from its influence on our company – such as through economic or legal aspects.

It is of central importance for us to comprehensively understand and adequately account for the opinions and needs of our relevant stakeholders. The stakeholder analysis of LANXESS serves this purpose and comprises both the selection of the relevant stakeholder groups and the systematic identification of (potential) impacts (according to ESRS 1.AR8) through various dialogue formats.

The selection of the relevant stakeholder groups and the entire stakeholder analysis process are coordinated with the functions participating in LANXESS's Stakeholder Expectations and Reporting Standards subcommittee and are confirmed within the Sustainability Committee. The Audit Committee of the Supervisory Board was also notified about how the views and interests of stakeholders were accounted for in the materiality assessment.

The relevant stakeholder groups of LANXESS are:

1. Customers
2. Media
3. Residents/neighbors of our sites (communities)
4. Suppliers
5. Capital market
6. Politics
7. Employees
8. Non-governmental organizations (NGOs)
9. Nature ("silent stakeholder")

Selection, assessment and prioritization of the relevant stakeholder groups

Both internal and external stakeholders are accounted for equally in the analysis for selecting stakeholder groups. Of relevance for the selection are the roles they play in the social and economic context of LANXESS, their expectations of the company and their needs, as well as the potential influence they can exert on LANXESS. Also accounted for in the analysis is nature as a "silent stakeholder."

The various stakeholder groups are assessed and prioritized based on three criteria. The first two criteria pertain to the impacts LANXESS has on the stakeholder group ("affected stakeholders" policy) and the impacts the stakeholder group has on LANXESS ("LANXESS perspective"). In addition to a description of the possible (potential) financial, social, health- and environment-related or other impacts, the assessment is conducted on a scale of 1 (very low) to 5 (very high). The third criterion is the stakeholders' information interest ("users of sustainability statements" policy) vis-à-vis LANXESS, in other words, the need for corporate information such as reporting. This interest is also assessed on a scale of 1 to 5.

The sum of the three criteria is used to select and prioritize the relevant stakeholder groups. A stakeholder group is classified as relevant above a certain threshold – currently above 7. The assessment is reviewed each year and continuously refined.

All stakeholders assessed as relevant were included in the analysis. Direct communication with consumers, end-users and non-customer value chain participants is not possible due to the large number of intermediate companies and process steps. Aspects of relevance to end-customers and the value chain were included in both the stakeholder analysis and the double materiality assessment.

Stakeholder group	Important subgroups	LANXESS's influence on the group (on a scale of 1 very low to 5 very high) Perspective: affected stakeholders	Group's influence on LANXESS (on a scale of 1 very low to 5 very high) Perspective: LANXESS	Group's need for information (on a scale of 1 very low to 5 very high) Perspective: users of sustainability statements	Priority
Customers	All business units and end markets	4	5	4	13
Media	Business and financial press	1	4	5	10
	Local press				
Communities	National communities	3	4	4	11
	International communities				
Suppliers	Suppliers	4	4	4	12
Capital market	Investors	4	4	5	13
	ESG investors				
	Rating agencies				
Politics	Politics (Germany)	1	4	4	9
	Politics (at the sites)				
	Politics (EU)				
Employees	Management/Non-management	5	5	4	14
	Production/Administration				
	national/international				
Non-governmental organizations (NGOs)	NGOs (environment)	1	3	5	9
	NGOs (social)				
Nature	Nature	5	5	0	10

Engagement strategies

We maintain regular dialogue with our stakeholders to optimally account for their expectations and concerns. Through this dialogue, we create trust and strengthen our relationships with all participants over the long term. We employ various communication channels here. The following overview shows the most important dialogue forums.

- **Customers**
  - Trade fairs
  - Customer visits
  - Customer events
  - Customer surveys
  - Customer audits
- **Media**
  - Press conferences and conversations
  - Editorial visits
  - Trade fairs
  - Media days
  - Annual Stockholders' Meeting
- **Residents/neighbors of the sites (communities)**
  - Contact offices at the sites
  - Joint advisory bodies
  - Site visits with community members
  - Open house events
- **Suppliers**
  - Meetings and audits
  - "Together for Sustainability" initiative
  - Cooperation in associations
  - Conferences and symposiums

- **Capital market**
  - Roadshows
  - Conferences
  - Capital Markets Day
  - Conference calls
  - Annual Stockholders' Meeting
- **Politics**
  - Meetings
  - Cooperation in associations
  - Site visits
  - Discussion forums
  - Workshops
- **Employees**
  - Quarterly CEO information meetings
  - Intranet
  - Employee magazine
- **Non-governmental organizations (NGOs)**
  - Round table events
  - Consultation processes
  - Projects at our sites
- **Nature – "silent stakeholder"**
  - The needs of nature as a central, silent stakeholder are accounted for in all environment-related questions, including the latest research results and methods.

In addition to the group-specific formats, we have also established special multi-stakeholder formats:

Stakeholder surveys: Surveys can provide valuable, direct insights into sustainable development by identifying the priorities, concerns and expectations of our stakeholders.

A stakeholder survey was most recently conducted at the end of 2023/beginning of 2024. Including a customer survey conducted at the same time, we received feedback from around 1,000 stakeholders in total. This covered all relevant stakeholder groups and provided us with valuable insight into the impact of our business activity along the entire value chain. Of particular interest to our stakeholders were pollution management, the efficient use of resources and renewable energies.

The experts responsible for topic-related standards examined and assessed the (potential) impacts mentioned in the surveys and – if not already recorded – allocated them to the respective standards and assessed them according to the scoring criteria.

Stakeholder round tables: At these events, we bring together representatives from politics, science, industry and environmental organizations at one table and discuss selected sustainability issues with them. The focus for LANXESS is on inspiration and dialogue about how to balance ecology and economy.

The stakeholders' expectations are evaluated once a year – for example, for the investor stakeholder group – after which adjustments to the strategy are made, if necessary.

In fiscal year 2025, we further developed our process for involving stakeholders to review the relevance of material sustainability topics for LANXESS. Here we combined a survey of internal representatives of relevant stakeholder groups with an AI-supported analysis of the topics of importance for these groups. The results were integrated into our materiality assessment and examined by the experts with topic responsibility. As a result, the topics identified in the stakeholder survey were confirmed. Certain new details were reviewed but not deemed to be material.

S1 SBM-2 – Interests and Views of Stakeholders

Dialog with chemicals social partners – works councils, trade unions and employer associations alike – as a principle of consultation in action is the global practice at LANXESS. As part of this, we also respect the freedom of association of our employees in accordance with the International Labour Organization (ILO) and the UN Global Compact and comply with collective bargaining agreements. We regularly seek dialog with employee representative committees in Germany, Europe and worldwide, provide information on our corporate objectives and involve them in organizational changes at an early stage.

The LANXESS Supervisory Board includes workers' representatives and representatives of the trade union, ensuring that their perspectives can be taken into account.

As part of the quarterly information meeting (QIM), all employees can address questions to the Board of Management. Furthermore, the Chairman of the Board of Management participates in the business units' and Group functions' management team meetings each year.

In our view, the strategy and business model of LANXESS can lead to significant positive and negative material impacts for our own employees. Wherever we identify (potential) negative impacts on our own employees, for example, we attempt to mitigate these impacts. By working on issues with a significant material impact on our own workforce, we can not only mitigate (potentially) negative impacts on our employees (for example, health damages due to accidents) and create and/or strengthen (potentially) positive impacts but also increase our competitiveness (for example, through healthier, more satisfied, more motivated and ultimately more productive employees). For example, we pay significant attention to the issues of human resources development as well as diversity and inclusion in our people strategy and the HR strategy based on it. We firstly want to achieve or further strengthen positive impacts for our employees and, at the same time, use the potentially positive impacts on, for example, innovation, employee loyalty, performance and employer attractiveness.

S2 SBM-2 – Interests and Views of Stakeholders

Because our global purchasing activities also involve procurement of goods from high-risk countries in Asia, Africa and South America, among others, there is the possibility that human rights of workers in the upstream value chain could be affected in terms of child and forced labor, occupational safety, and violence and harassment in the workplace. In general, cases of child and forced labor occur more frequently in these regions than in Europe, and not every country has high standards for occupational health and safety measures and working conditions.

Because of the industry in which LANXESS operates, where chemical production processes often involve the handling of toxic, explosive or otherwise hazardous substances, occupational safety also plays an important role in our value chain. Inadequate safety standards in the value chain can result in accidents with negative impacts for employees. Because of our global business activities, particularly in the upstream value chain in risk countries, such as in Asia, Africa or South America, there may be potential environmental and social impacts in the aforementioned areas (see also section "S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions" of the chapter "ESRS S2 Workers in the value chain").

LANXESS has therefore established a Group-wide risk management system that also covers serious human rights risks, among other things. Its systems and processes are implemented throughout the Group to identify and assess relevant human rights risks (chapter "ESRS S2 Workers in the value chain", section "S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action").

To uphold our values and human rights standards, we conduct annual and event-driven risk analyses across our own operations and direct suppliers. Based on the risk analyses, we develop actions that are incorporated into relevant business processes, particularly our supplier management system.

For example, we have implemented the principle of "select, train, support and evaluate" for our service providers at our German sites and plants. We require our partners to provide evidence of a safety management system and proof that the employees who work for us have received safety training. Regardless of this, we regularly provide personal safety briefings at our partner companies.

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

The following table lists all material IROs. Due to a modified interpretation of the definition of company-specific IROs, in fiscal year 2025 all material IROs were fully subject to the reporting obligations of the ESRS. Further information on the individual IROs is available in the sections on the topical ESRS. No new material IROs were identified compared with the previous year. However, the review of the double materiality assessment found that the following IROs reported in the previous year were no longer material:

- Total water discharges
- Once-through cooling water
- Risks due to demographic change and shortage of skilled workers

Since fiscal year 2025, furthermore, IROs that pertain to both our "own operations" and the upstream and downstream value chain are presented in summarized form.

Material IROs

IRO number	Title
	ESRS E1 Climate change
I1	Greenhouse gas emissions (Scope 1, 2 and 3)
I2	Energy consumption
I3	Energy consumption for the provision of raw materials and intermediates
O4	Increased demand for climate-friendly products
R5	Physical climate risks through flooding and heavy precipitation
	ESRS E2 Pollution
I6	Pollution of air during regular operations
I7	Other emissions: NO_x, SO_x (excluding CO_2e)
I8	Pollution of water during regular operations
I9	TOC wastewater pollution
I10	Pollution of water through heavy metals
I11	Pollution of water through nitrogen and phosphorous
I12	Pollution of water through AOXs/POPs
R13	Existing regulations on remediation of soils and water
I14	Substances of concern (SoCs)
I15	Substances of very high concern (SVHCs)
R16	Sales decline for products potentially classified as SVHCs (6–10 years)
R17	Sales decline for products potentially classified as SVHCs (>10 years)
	ESRS E3 Water and marine resources
I18	Water consumption at sites with local water risks/water stress
I19	Water consumption
I20	Water withdrawals at sites with local water risks/water stress
I21	Water withdrawals
	ESRS E4 Biodiversity and ecosystems

IRO number	Title
I22	Greenhouse gas emissions (Scope 1, 2 and 3)
I23	Biomass for energy production
I24	Pollution of air during regular operations
I25	Water consumption and withdrawals
I26	Pollution of water
I27	Landfilling
I28	Sourcing bio-based raw materials
I29	Product-related impact
	ESRS E5 Resource use and circular economy
I30	Negative environmental impacts through the sourcing of primary raw materials and raw materials from non-renewable resources
I31	Negative environmental impacts through the procurement of energy from non-renewable sources
I32	Greenhouse gas emissions through transport logistics
O33	Raw materials security through recycling and recovery
I34	Conservation of natural resources through the offer of Scopeblue® products
I35	Negative environmental impacts through the continued sale of unsustainable products
I36	Hazardous waste in production
I37	Non-hazardous waste in production
I38	Landfilling of waste
I39	Pollution of air through the incineration of waste
	ESRS S1 Own workforce
I40	Layoffs due to weak economy
I41	Employment and its positive impacts on societal development
I42	Work-life balance
I43	Compensation package
I44	Social dialogue and employee representation/unions
I45	Damage due to accidents
I46	Risk of injury due to accidents
I47	Risk of long-term health damage due to chemical exposure/direct contact with chemicals
I48	Gender pay gap
I49	HR development/training/apprenticeship
I50	Equal opportunities
	ESRS S2 Workers in the value chain
I51	Child labor
I52	Forced labor
I53	Deficient health protection and deficient occupational safety
I54	Violence and harassment in the workplace
	ESRS G1 Business conduct
I55	Lack of or non-observation of corporate culture and values

The short- and medium-term material risks were accounted for in the assessment of the risk-bearing capacity. For additional information, please see chapter "Opportunity and Risk Report." In addition, for further aspects, see section "E1 SBM-3 – Material Impacts, Risks and Opportunities and their Interaction with Strategy and Business Model" in the chapter "ESRS E1 Climate Change".

IRO-1 – Description of the Processes to Identify and Assess Material Impacts, Risks and Opportunities

Within the scope of our sustainability due diligence, a comprehensive materiality assessment was conducted for the first time in 2023 and 2024 for the reporting on fiscal year 2024 according to the principle of double materiality anchored in the CSRD. This means that all issues are reportable that are material from either the impact or financial perspective.

In fiscal year 2025, the materiality assessment was reviewed for changes. In this connection, we systematically analyzed whether new IROs had to be recorded or individual IROs omitted. The perspectives of the stakeholders and the questions posed in connection with the changes to the portfolio, in particular, served as sources of information to ensure the completeness of all IROs. More information on accounting for the perspectives of stakeholders can be found in section "SBM-2 – Interests and Views of Stakeholders" of the chapter "ESRS 2 General Disclosures." Materiality was assessed for the first time for new IROs; for all existing IROs, it was examined whether the existing assessments remained valid for impact and financial materiality. The methodology for assessing the materiality of individual IROs remained unchanged compared with the previous year and is explained in this section. For subsequent fiscal years, we generally also plan to review the results of the materiality assessment annually to identify changes. A full update of the materiality assessment is only planned in the event of material changes to the business model or structure of the LANXESS Group.

General procedure for conducting the materiality assessment

The LANXESS Group was accounted for in its entirety during the materiality assessment. No focus was placed on specific business activities, business relationships or geographic circumstances. For further information on the inclusion of subsidiaries and affiliates, please see the explanations in section "BP-1 – General Basis for Preparation of the Sustainability Report of the LANXESS Group" in the chapter "ESRS 2 General Disclosures." Our approach is oriented around the catalog of issues according to ESRS 1.AR16, along with any necessary industry- or company-specific amendments derived from the analysis of our environment and activities.

It was determined whether the IROs materialized directly from our own operations or due to business relationships in the upstream or downstream value chain. If an impact pertained to both our own activities and the value chain, two separate IROs with different assessments were recorded.

The IROs identified in the stakeholder processes were accounted for in the materiality assessment of LANXESS. Through the combination of insights from established dialogue processes and systematic surveys, we ensured that we obtained a comprehensive picture of the expectations and requirements of our stakeholders.

The stakeholders were taken into consideration particularly in the identification of the material potential and actual impacts. According to our internally applied model, therefore, we recorded the most important stakeholder groups according to declining relevance and classified whether they were affected stakeholders or users of sustainability statements.

In addition to the data obtained from the stakeholder processes, we also included numerous purchased and publicly available data sources as well as existing specialist and expert know-how in the materiality assessment.

The issues were examined in the assessment from the so-called gross perspective without taking actions into account. Under certain conditions, however, already established and effective actions were taken into account in these deliberations according to EFRAG IG 1: Materiality assessment implementation guidance. The starting point for the gross perspective is therefore the proper operation of the plants according to the authorizations issued by the respective responsible authorities. The analysis also took into account geographic features by disaggregating existing IROs if the relevant assessment parameters took different forms.

Impact Materiality

To identify all potential and actual impacts on the environment and society, the materiality assessment was initially conducted on a “bottom-up” basis including the business units, Group functions and countries. In this way we ensured that the perspective of the business units and segments was covered on the one hand and that, on the other hand, site-specific issues were recorded and the overarching strategy taken into account by the Group functions. This approach also ensured that the perspectives of all LANXESS subsidiaries were taken into account. After the issues had been recorded and assessed on a bottom-up basis, the overall results were reviewed by the project team group to ensure the consistency of the assessment and the completeness of the interim results. It was also up to the project team group to appropriately cluster the decentrally supplied IROs and thus summarize them according to topics.

LANXESS experts from the relevant Group functions who have accountability for the individual ESRS topics were largely responsible for identifying and assessing all IROs.

Identification

In a first step, a distinction was made as to whether the impact was positive or negative to avoid impermissible offsetting (ESRS 1.QC 8). An impact was classified as positive if the issue achieves an objectively identifiable improvement in conditions for the environment and/or society. Positive impacts are disclosed, for example, in the following cases:

- LANXESS has an existing action or objective that is already leading to a positive impact on the environment and/or society and does not merely represent the mitigation of a negative impact (e.g. policy, Annual Report, background paper)
- LANXESS has positive impacts on the environment and/or society through its product range

An impact was classified as negative if LANXESS actually or potentially has or could have negative impacts on the environment and/or society. If an impact materialized in the current reporting year or in previous years, this was interpreted as an actual impact. Impacts that pertained in the past to business units or sites divested by LANXESS no longer had to be taken into account if there also was no connection through the upstream or downstream value chain. A potential impact had to be disclosed if it could theoretically materialize in a realistic scenario.

Assessment

The assessment of the materiality of an impact comprised the severity and likelihood of the impact.

In the case of negative impacts, severity was composed of the criteria scale, scope and irremediability. The criterion of irremediability did not apply in the case of positive impacts. This assessment was undertaken by each expert responsible for the topic from the perspective of the respective affected stakeholder. A scale of 0 to 5 was established for all components, whereby it was also possible to issue a score with a decimal figure.

The likelihood of occurrence was then assessed. Where available, the exact likelihood of occurrence was applied. If this information was not available, the likelihood of occurrence was assigned to a range. In general, if a likelihood range is established, the median value of the scale is used for multiplication by severity. Irrespective of the likelihood of occurrence, furthermore, all negative impacts carrying the maximum value of 5 in one of the three dimensions of severity were once again assessed by the responsible experts in a second evaluation.

In addition, it was taken into account for negative human rights impacts that severity takes precedence over its likelihood. In this respect, a minimum likelihood of occurrence was established above which only severity determines the materiality of the negative impact. All human-rights-related negative impacts that did not meet the minimum likelihood of occurrence were also subjected to a second evaluation by the expert with topic responsibility.

Impact materiality Prioritization

It was possible to attain a maximum value of 15 for negative impacts and 10 for positive impacts. An impact was considered material if its assessment was above or equal to the median value on the scale, in other words, greater than or equal to 7.5 for negative impacts and greater than or equal to 5 for positive impacts.

Oversight

The results were subsequently presented within the Stakeholder Expectations & Reporting Standards subcommittee and the Sustainability Committee, as well as at meetings of the Audit Committee of the Supervisory Board.

Financial Materiality

The assessment of financial materiality looked at opportunities and risks that could materialize as a result of sustainability matters at LANXESS.

Identification

Identification was based on the opportunities and risks reported within the existing risk management system, which were examined with regard to their pertinence to sustainability issues and included in the materiality assessment if this was deemed to be the case. Additionally, the impacts identified in the impact materiality analysis were considered and it was assessed whether they were associated with financial opportunities and risks. If several risks or opportunities were thematically related, pertained to the same areas (own operations, upstream or downstream value chain) and the time horizons and geographic classification did not diverge, the financial effect of these risks or opportunities as defined in ESRS 1.92 were aggregated and multiplied by the average likelihood of the aggregated risks or opportunities.

Impact materiality – scoring

	Severity		Likelihood
Negative Impacts	**Scale** (0 none – 5 absolute) **+** **Scope** (0 none – 5 global/total) **+** **Remediability** (not necessary – 5 non-remediable/irreversible)	×	certain 100% very likely ≥70%, <100% likely ≥50%, <70% possible ≥25%, <50% unlikely ≥10%, <25% very impossible <10%
Positive Impacts	**Scale** (0 none – 5 absolute) **+** **Scope** (0 none – 5 global/total)		

	Maximum Scores	Threshold
Negative Impacts:	15	7.5
Positive Impacts:	10	5.0

Many of the identified opportunities and risks with pertinence to sustainability were already recorded within the risk management process. Following the materiality assessment, new material opportunities and risks were transferred to the risk management system, in which sustainability-related opportunities and risks were not given priority over other opportunities and risks.

Assessment

The assessment took into consideration an estimation of the possible financial impacts on the LANXESS Group and the likelihood of occurrence. The Group's key controlling indicator is EBITDA (operating earnings before depreciation, amortization, write-downs, and reversals) pre exceptionals. The financial impact therefore refers to this financial performance indicator. Due to the overlaps with the existing opportunity and risk management system in the LANXESS Group, identical clusters were selected for the likelihood of occurrence and the scope of the financial impacts.

The following heat map shows the clusters for the financial impacts.

The likelihoods of occurrence for the financial materiality and impact materiality were essentially handled the same way, the only difference being that – by contrast with impact materiality – a likelihood of occurrence of 100% was excluded by definition. The likelihoods were based on scenario analyses and forecasts derived from the risk management system and in upstream stages, e.g. for climate risks, from a data package purchased from an insurance company.

Prioritization

For opportunities and risks, the financial impacts together with the likelihood of occurrence led to an assessment of materiality. The internal opportunity and risk management system was also applied here. The assessment took place within a so-called heat map. An opportunity or risk was considered material on this heat map as soon as it was located in the area classified as red.

This classification is consistent with the internal reporting on opportunities and risks.

Oversight

The results were subsequently presented within the Stakeholder Expectations & Reporting Standards subcommittee and the Sustainability Committee, as well as at a meeting of the Supervisory Board. Material sustainability-related opportunities and risks were also presented within the Corporate Risk Committee. For more information on the decision-making process and the internal management and control system for sustainability reporting including the materiality assessment, see sections "GOV-1 – The Role of the Administrative, Management and Supervisory Bodies" and "GOV-5 – Risk Management and Internal Controls over Sustainability Reporting" in the chapter "ESRS 2 General Disclosures."

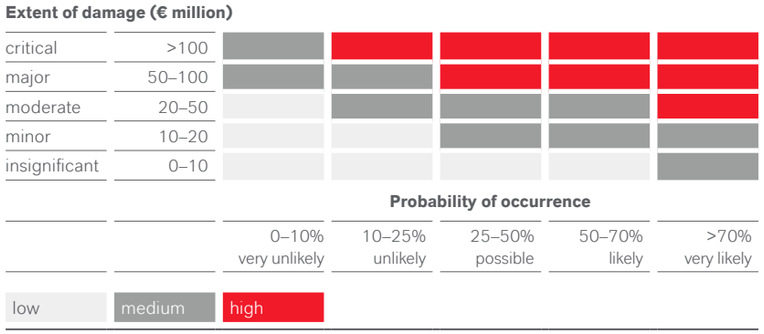
The management of opportunities and risks with relevance to sustainability is integrated into the regular risk management process. The possible financial impacts are accounted for in the reporting and the aggregation of the opportunities and risks, and thus included in the risk profile.

E1 IRO-1 – Description of the Processes to Identify and Assess Material Climate-Related Impacts, Risks and Opportunities

Climate scenario analysis

Climate change can result in consequences for the future business activities of a global company like LANXESS. We therefore conducted an opportunity and risk analysis based on various climate scenarios both for physical climate risks and transitional opportunities and risks. This analysis encompasses all production sites of LANXESS worldwide and generally assesses the climate-related risks that could materialize in the short, medium and long term. The Group-wide opportunity and risk management process includes the identification of climate-related opportunities and risks as well as their analysis and assessment. For more general information on this process, please see sections "GOV-5 – Risk Management and Internal Controls over Sustainability Reporting" and "IRO-1 – Description of the Processes to Identify and Assess Material Impacts, Risks and Opportunities" in the chapter "ESRS 2 General Disclosures." For more information on the process for identifying climate-related impacts, please see section "IRO-1 – Description of the Processes to Identify and Assess Material Impacts, Risks and Opportunities" in the chapter "ESRS 2 General Disclosures." The SAP ARIBA risk tool – which integrates, for example, the EcoVadis supplier assessment and EcoVadis IQ+ – was used to assess IROs in the value chain.

Matrix for Classifying Opportunities and Risks



Physical climate risks

Physical risks include both acute and chronic physical risks. They result from nature-related or physical conditions (extreme weather events) and lead to potential damage. LANXESS pursues an integrative approach according to which physical climate risks are recorded and processed both centrally and locally at the sites. For central recording, we used a natural hazards portfolio analysis from an international insurance company. This data set contains a comprehensive climate risk analysis of the potential climate-related hazards of all sites that takes into account both short-term and long-term risks until 2050 (time horizon after 10 years). As we did not yet have any data for the medium-term analysis in this reporting year, the results of the short-term analysis were used for this purpose. The time horizons on which the climate risk analysis was based can exceed the estimated useful life of our assets and our planning horizon. Other assumptions can also diverge from those stated in the consolidated financial statements.

The analysis focused on acute climate-related hazards that can be allocated to the following categories according to the EU taxonomy classification system (Delegated Regulation (EU) 2021/2139 of the European Commission): temperature-related (heat waves, cold waves), wind-related (strong winds, hail and thunderstorms, tornadoes) and water-related (flooding, storm surges, heavy precipitation). Sites in geographically similar regions were assessed on an aggregated basis. Assessed were the likelihood of occurrence and the severity of climate-related hazards at the sites, as well as the sites' vulnerability in the event of a climate-related hazard. The climate-projections are based on site-specific coordinates and include local forecasts. The financial assessment includes both potential property damage and the potential costs of a production interruption (insurance values). The SSP5-8.5 scenario of the IPCC (Intergovernmental Panel on Climate Change) – a state-of-the-art scenario that forecasts a global temperature rise of more than 4°C by 2100, which would lead to substantial physical climate risks – was applied here. SSP5-8.5 thus represents the most serious potential climate impacts among the possible development paths. A decentralized identification of physical climate-related hazards by our business units takes place parallel to this process. The business units independently identify climate-related physical risks in their respective areas of responsibility and also report their findings via the risk management system.

Transitional opportunities and risks

LANXESS takes into account both physical climate risks and transitional opportunities and risks. According to the Task Force on Climate-related Financial Disclosures (TCFD), climate-related transitional opportunities and risks can be classified, for example, within the categories policy and legal, market and reputation. They result from the transition to a low-emissions economy.

Transitional opportunities and risks in the category policy and legal

LANXESS continuously assesses the development of country-specific regulatory requirements and analyzes their direct or indirect financial impacts on the sites, production, the value chain, and the products, and derives suitable actions from this information. Regulatory risks were once again assessed based on a comprehensive scenario analysis in the reporting year that encompassed all sites and assessed short-, medium- and long-term regulatory risks (until 2030 and 2050). In the scenario analysis, the climate scenarios of the International Energy Agency (IEA) – Net Zero Emissions by 2050, Announced Pledges and Stated Policies – were applied. The Stated Policies Scenario is based on currently adopted political regulations. The Announced Pledges Scenario encompasses all climate protection pledges made to date by governments and industry worldwide. The Net Zero Emissions by 2050 Scenario of the IEA applies to the energy sector and corresponds to the targets of the Paris Agreement. By applying these scenarios, LANXESS concludes that all plausible risks and uncertainties are covered.

Transitional opportunities and risks in the category market

As a specialty chemicals company, we participate in long value chains and produce starting materials for downstream production processes. We constantly identify, analyze, assess and manage future developments in the area of sustainability and climate-neutral technologies in downstream markets. The introduction of the European Green Deal in particular could significantly alter our sales markets, for example, as regards recycling.

Transitional opportunities and risks in the category reputation

For each identified opportunity or each identified risk, a potential impact on our reputation has to be additionally assessed in our risk management system. The classification is qualitative and assesses, for example, the impacts on the trust of our stakeholders. It is expected, for example, that LANXESS, as a global specialty chemicals company, proactively works to reduce its carbon footprint. The company's reputation can be jeopardized if we do not consistently develop our business activities toward sustainability and climate neutrality. That could result in declining sales and lower market valuations.

E2 IRO-1 – Description of the Processes to Identify and Assess Material Pollution-Related Impacts, Risks and Opportunities

For information on our materiality assessment, including particularly the process for identifying material impacts, risks and opportunities, please see section "IRO-1 – Description of the Processes to Identify and Assess Material Impacts, Risks and Opportunities" in the chapter "ESRS 2 General Disclosures." For details on how we account for the interests of stakeholders, please see section "SBM-2 – Interests and Views of Stakeholders" in the chapter "ESRS 2 General Disclosures."

E3 IRO-1 – Description of the Processes to Identify and Assess Material Water and Marine Resources-Related Impacts, Risks and Opportunities

LANXESS maintains an active dialogue with stakeholders at both the company and local level as regards the issue of water availability. The water stewardship program at the water risk sites involved local residents and obtained extensive information on local characteristics. Within the scope of a comprehensive water risk analysis, LANXESS also combines externally available water data with site-specific internal data to assess risks with regard to water stress, availability, quantity and quality as well as regulatory and reputation-related criteria. For information on conducting the materiality assessment and the associated stakeholder survey, see section "IRO-1 – Description of the Processes to Identify and Assess Material Impacts, Risks and Opportunities" in the chapter "ESRS 2 General Disclosures."

Through the water stewardship program, LANXESS systematically worked on better understanding the impact of water use along the value chain (for example, in the context of the sale of products), the volume of water used, and the context in which the water is being used. LANXESS works with its partners along its upstream value chain on evaluating and auditing their use of water, and shares lessons learned and best practices. In the context of the industry initiative "Together for Sustainability" (TfS), LANXESS collaborates with other chemicals companies to enhance the environmental, social and business conduct performance of the chemical value chain. The TfS program is based on the principles of the UN Global Compact and Responsible Care® initiative.

E4 IRO-1 – Description of the Processes to Identify and Assess Material Biodiversity and Ecosystem-Related Impacts, Risks and Opportunities

As a specialty chemicals company, LANXESS acknowledges the importance of ecosystem services such as clean water, energy and natural protection against landslides and floods for its operations.

The biodiversity assessment forms a central basis for identifying impacts, opportunities and risks in connection with biodiversity and its relevance for the business model and corporate strategy. This approach enables LANXESS to focus its efforts, develop site-specific actions and contribute to the conservation of ecosystems.

LANXESS has carried out a materiality assessment to better understand the impacts, opportunities and risks of its operations with regard to biodiversity. That also involved the participation of local community members within the context of stakeholder surveys on biodiversity-relevant issues. This assessment was supplemented and validated by a sector-specific assessment with the analysis tool ENCORE (Exploring Natural Capital Opportunities, Risks and Exposures). ENCORE is considered the industry standard for the assessment of biodiversity.

E5 IRO-1 – Description of the Processes to Identify and Assess Material Resource Use and Circular Economy-Related Impacts, Risks and Opportunities

For information on our materiality assessment, especially on the process for identifying the material IROs, please see section "IRO-1 – Description of the Processes to Identify and Assess Material Impacts, Risks and Opportunities" in the chapter "ESRS 2 General Disclosures." Details on how we account for the interests of stakeholders can be found in section "SBM-2 – Interests and Views of Stakeholders" in the chapter "ESRS 2 General Disclosures."

G1 IRO-1 – Description of the Processes to Identify and Assess Material Impacts, Risks and Opportunities

Fundamental success factors in connection with the business activity of LANXESS are the employees' personal commitment and performance as well as their values-based, responsible and legally compliant action in accordance with the company culture. As a multinational enterprise, we have global responsibility for ensuring that our employees behave ethically and in compliance with laws and regulations.

Through our Group-wide compliance management system, which is an integral part of our corporate culture, the company is committed to ensuring compliance with all binding legal requirements and internal rules concerning the LANXESS Group and its employees. Moreover, we are committed to the internationally recognized principles of business activity as set out in the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the United Nations Convention against Corruption. LANXESS also expects its business partners along the value chain to comply with the legal requirements and the specified directives. Along with the principles of the Responsible Care® Global Charter, these include the ILO labor standards and the Ten Principles of the United Nations Global Compact.

LANXESS sees systematic and effective risk and opportunity management as an integral component of its value-driven corporate governance. A systematic, Group-wide process has been put in place that helps the Board of Management to identify, assess and manage risks and opportunities. In addition, a compliance risk assessment most recently conducted in 2023 provided an in-depth look at potential company- and business-specific compliance risks. As part of the Group-wide assessment, the risk and potential losses are considered for relevant risk areas to identify hazards and the potential impact on the company. Specific actions are then developed to further reduce compliance risks.

IRO-2 – Disclosure Requirements in ESRS Covered by the Undertaking's Sustainability Report

The following table shows which disclosure requirements are satisfied and in which section they can be found.

Disclosure requirement in the ESRS	Section in the Sustainability Report
ESRS 2 BP–1	ESRS 2 BP–1
ESRS 2 BP–2	ESRS 2 BP–2
ESRS 2 GOV–1	ESRS 2 GOV–1
ESRS 2 GOV–2	ESRS 2 GOV–2
ESRS 2 GOV–3	ESRS 2 GOV–3
ESRS 2 GOV–4	ESRS 2 GOV–4
ESRS 2 GOV–5	ESRS 2 GOV–5
ESRS 2 SBM–1	ESRS 2 SBM–1
ESRS 2 SBM–2	ESRS 2 SBM–2
ESRS 2 SBM–3	ESRS 2 SBM–3, E1 SBM–3, E2 SBM–3, E3 SBM–3, E4 SBM–3, E5 SBM–3, S1 SBM–3, S2 SBM–3, G1 SBM–3
	Tables at the beginning of each chapter
ESRS 2 IRO–1	ESRS 2 IRO–1
ESRS 2 IRO–2	ESRS 2 IRO–2
ESRS 2 MDR-P	E1–2, E2–1, E3–1, E4–2, E5–1, S1–1, S2–1, G1–1
ESRS 2 MDR-A	E1–1, E1–3, E2–2, E3–2, E4–3, E5–2, S1–4, S2–4
ESRS 2 MDR-T	E1–4, E2–3, E3–3, E4–4, E5–3, S1–5, S2–5
ESRS E1 GOV–3	E1–3
ESRS E1–1	E1–1
ESRS E1 SBM–3	E1 SBM–3
ESRS E1 IRO–1	ESRS 2 IRO–1
ESRS E1–2	E1–2
ESRS E1–3	E1–3
ESRS E1–4	E1–4
ESRS E1–5	E1–5
ESRS E1–6	E1–6
ESRS E1–7	E1–7
ESRS E1–8	E1–8
ESRS E1–9	–
ESRS E2 IRO–1	ESRS 2 IRO–1, ESRS 2 SBM–2
ESRS E2–1	E2–1
ESRS E2–2	E2–2
ESRS E2–3	E2–3
ESRS E2–4	E2–4
ESRS E2–5	E2–5
ESRS E2–6	–

Disclosure requirement in the ESRS	Section in the Sustainability Report
ESRS E3 IRO–1	ESRS 2 IRO–1, ESRS 2 SBM–2
ESRS E3–1	E3–1
ESRS E3–2	E3–2
ESRS E3–3	E3–3
ESRS E3–4	E3–4
ESRS E3–5	–
ESRS E4–1	E4 SBM–3, E4–2, E4–3
ESRS E4 SBM–3	E4 SBM–3
ESRS E4–2	E4–2
ESRS E4 IRO–1	ESRS 2 IRO–1
ESRS E4–3	E4–3, E4–4
ESRS E4–4	E4–3, E4–4
ESRS E4–5	E4–5
ESRS E4–6	–
ESRS E5 IRO–1	ESRS 2 IRO–1
ESRS E5–1	E5–1
ESRS E5–2	E5–2
ESRS E5–3	E5–3
ESRS E5–4	E5–4
ESRS E5–5	E5–5
ESRS E5–6	–
ESRS S1 SBM–2	ESRS 2 SBM–2
ESRS S1 SBM–3	S1 SBM–3
ESRS S1–1	S1–1
ESRS S1–2	S1–2
ESRS S1–3	S1–3
ESRS S1–4	S1–4
ESRS S1–5	S1–5
ESRS S1–6	S1–6
ESRS S1–7	–
ESRS S1–8	S1–8
ESRS S1–9	S1–9
ESRS S1–10	S1–10
ESRS S1–11	–
ESRS S1–12	–
ESRS S1–13	–
ESRS S1–14	S1–14

Disclosure requirement in the ESRS	Section in the Sustainability Report
ESRS S1–15	–
ESRS S1–16	S1–16
ESRS S1–17	–
ESRS S2 SBM–2	ESRS 2 SBM–2
ESRS S2 SBM–3	S2 SBM–3
ESRS S2–1	ESRS S2–1
ESRS S2–2	ESRS S2–2
ESRS S2–3	ESRS S2–3
ESRS S2–4	ESRS S2–4
ESRS S2–5	–
ESRS S3 SBM–2	–
ESRS S3 SBM–3	–
ESRS S3–1	–
ESRS S3–2	–
ESRS S3–3	–
ESRS S3–4	–
ESRS S3–5	–
ESRS S4 SBM–2	–
ESRS S4 SBM–3	–
ESRS S4–1	–
ESRS S4–2	–
ESRS S4–3	–
ESRS S4–4	–
ESRS S4–5	–
ESRS G1 GOV–1	ESRS 2 GOV–1
ESRS G1 IRO–1	ESRS 2 IRO–1
ESRS G1–1	G1–1
ESRS G1–2	–
ESRS G1–3	–
ESRS G1–4	–
ESRS G1–5	–
ESRS G1–6	–

The following overview shows in which section of the Sustainability Report the datapoints can be found that result from other EU legislation.

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section in the Sustainability Report
ESRS 2 GOV–1 Gender diversity Board's gender diversity paragraph 21 (d)	Indicator number 13 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		ESRS 2 GOV–1
ESRS 2 GOV–1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		ESRS 2 GOV–1
ESRS 2 GOV–4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				ESRS 2 GOV–4
ESRS 2 SBM–1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk , and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		not applicable
ESRS 2 SBM–1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		ESRS 2 SBM–1
ESRS 2 SBM–1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/181829, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		not applicable
ESRS 2 SBM–1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		not applicable
ESRS E1–1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	ESRS E1–3
ESRS E1–1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		not material
ESRS E1–4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics			ESRS E1–4

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section in the Sustainability Report
ESRS E1–5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator number 5 Table #2 of Annex 1				ESRS E1–5
ESRS E1–5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				ESRS E1–5
ESRS E1–5 E Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				ESRS E1–5
ESRS E1–6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		ESRS E1–6
ESRS E1–6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics			ESRS E1–6
ESRS E1–7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	ESRS E1–7
ESRS E1–9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		not material
ESRS E1–9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1–9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk.			not material
ESRS E1–9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2:Banking book – Climate change transition risk: Loans collateralized by immovable property – Energy efficiency of the collateral			not material
ESRS E1–9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		not material
ESRS E2–4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, , paragraph 28	Indicator number 8 Table #1 of Annex 1, Indicator number 2 Table #2 of Annex 1, Indicator number 1 Table #2 of Annex 1, Indicator number 3 Table #2 of Annex 1				ESRS E2–4
ESRS E3–1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				
ESRS E3–1 Dedicated policy paragraph 13	Indicator number 8 Table #2 of Annex 1				not material
ESRS E3–1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				not material

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section in the Sustainability Report
ESRS E3–4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				ESRS E3–4
ESRS E3–4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				ESRS E3–4
ESRS 2 – SBM–3 – E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				ESRS E4 SBM–3
ESRS 2 – SBM–3 – E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				ESRS E4 SBM–3
ESRS 2 – SBM–3 – E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				ESRS E4 SBM–3
ESRS E4–2 Sustainable land/agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				ESRS E4–2
ESRS E4–2 Sustainable oceans/seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				ESRS E4–2
ESRS E4–2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				ESRS E4–2
ESRS E5–5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				ESRS E5–5
ESRS E5–5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				ESRS E5–5
ESRS 2 SBM3– S1 Risk of incidents of forced labor paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				not material
ESRS 2 SBM3 – S1 Risk of incidents of child labor paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				not material
ESRS S1–1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				ESRS S1–1
ESRS S1–1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		ESRS S1–1
ESRS S1–1 Processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				ESRS S1–1
ESRS S1–1 Workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				ESRS S1–1
ESRS S1–3 Grievance/complaints handling mechanisms, paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				ESRS S1–3
ESRS S1–14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		ESRS S1–14
ESRS S1–14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				not material
ESRS S1–16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		S1–16

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section in the Sustainability Report
ESRS S1–16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				S1–16
ESRS S1–17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				not material
ESRS S1–17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator number 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		not material
ESRS 2 SBM3 – S2 Significant risk of child labor or forced labor in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				ESRS S2 SBM–3
ESRS S2–1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				ESRS S2–1
ESRS S2–1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				ESRS S2–1
ESRS S2–1 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		ESRS S2–1
ESRS S2–1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		not material
ESRS S2–4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				ESRS S2–4
ESRS S3–1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				not material
ESRS S3–1 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		not material
ESRS S3–4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				not material
ESRS S4–1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				not material

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section in the Sustainability Report
ESRS S4–1 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		not material
ESRS S4–4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				not material
ESRS G1–1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				not material
ESRS G1–1 Protection of whistle-blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				not material
ESRS G1–4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		not material
ESRS G1–4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				not material

The transition of the material sustainability matters and the associated IROs from the materiality assessment to the disclosure requirements was based on an allocation according to the EFRAG Implementation Guidance 3 and EFRAG ID 177 – "Links between AR16 and Disclosure requirements." With this procedure, LANXESS made the rebuttable presumption for each datapoint that the datapoint is also relevant for LANXESS provided the sustainability matter allocated by EFRAG for the datapoints is material. This means it was first assumed that the condition of ESRS 1.31(a) or (b) and thus of ESRS 1.34(a) is met. The respective experts with topic responsibility assessed the materiality of those datapoints for which an allocation by EFRAG was not available.

In a second step, the respective experts with topic responsibility also assessed whether – contrary to the assumed materiality presumption – the datapoints was irrelevant for LANXESS according to the criteria of ESRS 1.31 or ESRS 1.34. The experts with topic responsibility stated a justification for these cases.

ENVIRONMENTAL INFORMATION

DISCLOSURES PURSUANT TO ARTICLE 8 OF REGULATION (EU) 2020/852 (TAXONOMY REGULATION)

INTRODUCTION

A central element in the European Union's Green Deal is the strategy for sustainable financing. It aims to channel financing flows into investments that support sustainable development in the future. In this context, a classification system for economic activities – the EU taxonomy (Regulation (EU) 2020/852) – is to help investors assess whether investments contribute to political targets or obligations such as the Paris Agreement on climate change at the same time as meeting specified environmental and social standards. To this end, the EU has defined six categories, or objectives:

1. Climate change mitigation (CCM)
2. Climate change adaptation (CCA)
3. Sustainable use and protection of water and marine resources (WTR)
4. Transition to a circular economy (CE)
5. Pollution prevention and control (PPC)
6. Protection and restoration of biodiversity and ecosystems (BIO)

The relevance of an economic activity for one of these environmental objectives depends on how the activity influences the respective environmental objective.

In order to assess an economic activity, a two-step analysis must be performed with regard to eligibility and alignment. According to the EU Taxonomy Regulation, economic activities are taxonomy-eligible if they match the activity descriptions in the delegated acts of the Taxonomy Regulation and potentially contribute to the achievement of one of the six environmental objectives. To determine alignment, it must be assessed for each activity in a first step whether all technical screening criteria of an EU taxonomy objective are met. A substantial contribution must therefore be made to an environmental objective while doing no significant harm (DNSH) to any of the other objectives. Moreover, minimum safeguards for compliance with human rights including labor and consumer rights and in the fields of bribery and corruption prevention, taxation, science, technology and innovation, and fair competition must be guaranteed for each activity. For each of the six environmental objectives, the European Commission issued delegated acts with technical screening criteria for relevant economic activities. The initial focus was on the climate objectives (CCM, CCA). The criteria for the other four environmental objectives (WTR, CE, PPC, BIO) were defined in 2023. The Climate Delegated Act was also amended in 2023. As part of this amendment, new economic activities were included and selective changes made to technical screening criteria for existing economic activities.

LANXESS took into account Regulation (EU) 2020/852 of June 18, 2020, as well as the following delegated regulations in its taxonomy reporting: (EU) 2021/2139 of June 4, 2021, (EU) 2021/2178 of July 6, 2021, (EU) 2022/1214 of March 9, 2022, (EU) 2023/2486 of June 27, 2023 and (EU) 2023/2485 of June 27, 2023.

REPORTABLE METRICS

Companies that fall within the scope of the EU taxonomy must disclose the defined KPIs sales, capital expenditures (CapEx) and operating expenditures (OpEx) for their share of taxonomy-eligible or taxonomy-aligned economic activities. These ratios must be itemized according to the respective taxonomy-eligible or taxonomy-aligned economic activity. The disclosures must specify the environmental objective to which this activity contributes and whether it is a transitional or an enabling economic activity. Climate-related environmental objectives (climate change mitigation, climate change adaptation) have been subject to taxonomy eligibility and alignment reporting requirements since 2022. For the other four environmental objectives and the newly included activities in the Climate Delegated Act, only taxonomy eligibility reporting was required for fiscal year 2023; taxonomy alignment reporting has been additionally required since 2024.

There were no changes compared with the previous year in the methodology for calculating the metrics.

Sales

The metric relating to the relative share of sales with taxonomy-eligible or taxonomy-aligned products consists of two sales figures: The numerator is the sum of all sales that we have generated in the reporting year with taxonomy-eligible or taxonomy-aligned activities. The denominator is the value of the external sales as reported under "Sales" in the income statement of our consolidated financial statements (Note [21] in the notes to the consolidated financial statements) pursuant to the relevant IFRS requirements as presented in the notes to the consolidated financial statements. The sales result from production, the company's main business activity. These external sales do not account for in-house services.

Capital expenditures and operational expenditures

We report the proportion of expenditures and expenses incurred in connection with the operation of our plants in order to manufacture taxonomy-eligible or taxonomy-aligned products as taxonomy-eligible or taxonomy-aligned capital expenditures and operational expenditures. The relevant value chain begins with the production of products that match the activity descriptions in the delegated acts of the Taxonomy Regulation and are therefore taxonomy-eligible.

On the one hand, relevant capital expenditures comprise our capital expenditures to maintain our production plants for taxonomy-eligible or taxonomy-aligned products, including production plants added via business acquisitions.

On the other, relevant expenditures and expenses for non-sales-generating activities are also to be taken into account and are described in the delegated acts.

The numerator is the share of additions from investments and business acquisitions that relate to taxonomy-eligible or taxonomy-aligned activities. The denominator of the ratio is the sum of additions to property, plant and equipment and intangible assets from investments and acquisitions, adjusted for acquired goodwill, which can be found in the notes to the consolidated financial statements (Note [1]). The recognition criteria and measurement methods as presented in the notes to the consolidated financial statements apply accordingly.

Relevant operating expenditures are direct non-capitalized costs relating to research and development, building renovation measures, short-term leases, maintenance and repair. These must be covered by the ratio's denominator. Any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the company itself or by third parties must also be included.

There were no changes in the calculation of the metrics compared to the previous year.

At LANXESS, operational expenditures comprise all non-capitalized costs incurred in the reporting period in connection with research and development and the maintenance of our plants and buildings. According to the LANXESS Group Financial Statements directive, these also include direct expenditures relating to day-to-day servicing, through which we ensure the continued and effective functioning of such assets. Short-term leases or leases of low-value assets are not of material importance for LANXESS and therefore not included in the denominator (see section 1.3 "Leases" in the notes to the consolidated financial statements).

The operational expenditures in connection with research, development and patents include for example costs for our scientific departments and laboratories. These expenditures are reported in the notes to the consolidated financial statements (Note [24]) in accordance with IAS 38.126 et seq. Maintenance includes all operating expenses for maintenance measures, overhauls of production plants, the implementation of legal requirements and plant downtimes in the relevant reporting period, which according to our accounting guidelines cannot be capitalized and are therefore not a component of capital expenditures. This also includes direct expenses for maintenance materials as well as external and internal maintenance services. Costs for building modernization that cannot be capitalized are below 1% of the total operating expenditures, and are thus immaterial and not reported separately.

The ratio's numerator covers those expenses for fiscal year 2025 that relate to taxonomy-eligible or taxonomy-aligned activities. The denominator covers all non-capitalizable expenses for research, development and maintenance.

TAXONOMY-ELIGIBLE ACTIVITIES

With regard to the environmental objectives "climate change mitigation" and "climate change adaptation," the Taxonomy Regulation covers activities of selected economic sectors that have the greatest potential for helping to significantly reduce greenhouse gas emissions. These activities are described as "taxonomy-eligible." This means that the activities make a relevant contribution to the EU's greenhouse gas emissions and thus have significant reduction potential. LANXESS's focus as a specialty chemicals company does not lie on the production of products (or economic activities) that contribute significantly to greenhouse gas emissions. Therefore, only a small part of our portfolio is taxonomy-eligible.

With regard to the other four environmental objectives (WTR, CE, PPC, BIO), the Taxonomy Regulation accounts for activities that only pertain to the chemical industry to a very limited extent. These are essentially activities that do not generate sales, such as remediation measures. In order to identify the taxonomy-eligible economic activities at LANXESS, we analyzed all economic activities at central level. The respective products and activities were assigned to the activity descriptions in the delegated acts on the climate objectives and the other four environmental objectives. The sales, operating and capital expenditures for the corresponding products and activities were able to be directly allocated to an economic activity. The data-gathering process took place centrally on the basis of consolidated data. A unique category from the statistical classification of economic activities in the EU (NACE) is allocated to each product. In addition, each capital expenditure and operating expenditure item is allocated to only a single economic activity. In this way, we ruled out the double counting of sales, capital expenditures and operational expenditures.

Economic activities that LANXESS classifies as taxonomy-eligible:

- CCM 3.17. "Manufacture of plastics in primary form": LANXESS produces plastics for a broad range of applications – from water treatment to the electrical/electronics industries.
- CCM 3.14. "Manufacture of other organic basic chemicals": This activity covers our adipic acid. It is a precursor in the plastics industry, for example, to produce polyamides or polyurethanes.
- CCM 3.4. "Manufacture of batteries": LANXESS produces components for battery manufacturing that are used in electric vehicles.

As well as the sales-generating activities, the following economic activities are also taxonomy-eligible:

- CCM 6.5. “Transport by motorbikes, passenger cars and light commercial vehicles”
- CCM 7.7. “Acquisition and ownership of buildings”.

Economic activities with immaterial capital expenditures and operational expenditures below 1% of the total capital expenditures and operational expenditures are not reported.

TAXONOMY-ALIGNED ACTIVITIES

We analyze whether our taxonomy-eligible economic activities make a substantial contribution to the achievement of one or more environmental objectives while doing no significant harm (DNSH) to other environmental objectives and also whether they provide the minimum safeguards according to Article 18 of the Taxonomy Regulation. The 2023 review had related only to the activities defined as part of the climate objectives. A compliance review was required for the first time in fiscal year 2024 for activities covered by environmental objectives three to six.

For fiscal year 2025, LANXESS examined activities classified as taxonomy-eligible to determine their taxonomy alignment based on the screening criteria described in the current legal acts. The DNSH criteria and the minimum safeguards were not specifically reviewed in connection with EU taxonomy in the reporting year. Analyses pertaining to taxonomy eligibility and alignment are carried out annually.

In fiscal year 2024, LANXESS had not reported any economic activities as taxonomy-aligned.

Due to an amended interpretation of the criteria for a substantial contribution to at least one environmental objective, LANXESS had reported the economic activity CCM 3.17. in fiscal year 2024 as taxonomy-eligible only. Full verifications of the fulfillment of all DNSH criteria for the economic activity CCM 3.4. had not been provided because their share of sales was immaterial at below 1%. The economic activity CCM 3.4. therefore had only been reported as taxonomy-eligible as well. No economic activities are reported as taxonomy-aligned in 2025 either.

However, LANXESS continued to make a contribution to climate protection by reducing its carbon footprint through the use of green caustic soda in the production of plastics at the Leverkusen, Germany, site and the production of battery components for electric vehicles.

RESULTS

Sales

In fiscal year 2025, LANXESS generated 6.2% of its external sales with products allocable to taxonomy-eligible activities. The remaining 93.8% of sales relate to products that are not included in the taxonomy’s activity categories. The sale of the Urethane Systems business completed on April 1, 2025, led to a slight decrease in taxonomy-eligible sales compared with 2024. The sales resulted from production, the company’s main business activity.

As LANXESS’s taxonomy-eligible sales resulted exclusively from production, the company’s main business activity, we disclosed the figures at Group level and did not otherwise present them in clusters. In the reporting year, LANXESS generated total sales of €354 million classified as taxonomy-eligible.

Capital expenditures

The share of taxonomy-eligible capital expenditures in the fiscal year was 7.9%. The capital expenditures were attributable to additions from property, plant and equipment, internally generated intangible assets and capitalized right-of-use assets. Capital expenditures were slightly lower than in the previous year due primarily to reduced capital expenditures for buildings. The share of taxonomy-non-eligible activities in our capital expenditures was 92.1%. Due to the sale of the Urethane Systems business with effect from April 1, 2025, the capital expenditures of this business are only included for the first quarter.

Operational expenditures

In the reporting year, the share of operational expenditures for taxonomy-eligible products amounted to 7.1% of the total operating expenditures. Therefore, the share of taxonomy-non-eligible operating expenditure was 92.9%. Operating expenditure comprised expenses for maintenance measures and for research and development. As operating expenditure for the Urethane Systems business was only included for the first quarter of the reporting year due to the divestment of that business as of April 1, 2025, operating expenditure was down slightly against the previous year. In addition, operating expenditure for the acquisition and ownership of buildings amounted to less than 1% of total operating expenditure and therefore was not reported.

Sales

Financial year 2025		2025		Substantial Contribution Criteria						DNSH criteria ("do no significant harm") (h)									
Economic Activities (1)	**Code (a) (2)**	**Sales (3)**	**Proportion of Sales (4)**	**Climate Change Mitigation (5)**	**Climate Change Adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular economy (9)**	**Biodiversity (10)**	**Climate Change Mitigation (11)**	**Climate Change Adaptation (12)**	**Water (13)**	**Pollution (14)**	**Circular economy (15)**	**Biodiversity (16)**	**Minimum Safeguards (17)**	**Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) Sales, 2024 (18)**	**Category enabling activity (19)**	**Category transitional activity (20)**
		Currency	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Sales of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**€0**	**0.0%**	**0.0%**	N/EL	N/EL	N/EL	N/EL	N/EL	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0.0%**		
of which Enabling		€0	0.0%	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%	E	
of which Transitional		€0	0.0%	0.0%													0.0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
3.4 Manufacture of batteries	CCM 3.4.	€5,696,542	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.2%		
3.14. Manufacture of other organic basic chemicals	CCM 3.14.	€49,337,715	0.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.9%		
3.17. Manufacture of plastics in primary form	CCM 3.17.	€299,066,077	5.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								7.2%		
Sales of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**€354,100,334**	**6.2%**	**6.2%**													**8.3%**		
A. Sales of Taxonomy-eligible activities (A.1 + A.2)		**€354,100,334**	**6.2%**	**6.2%**													**8.3%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Sales of Taxonomy-non-eligible activities		**€5,318,899,666**	**93.8%**																
Total		**€5,673,000,000**	**100%**																

Proportion of Sales/Total Sales:

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.0%	6.2%
CCA	–	–
WTR	–	–
CE	–	–
PPC	–	–
BIO	–	–

Y Yes: activity is taxonomy-eligible and taxonomy-aligned with the relevant environmental objective
N No, activity is taxonomy-eligible but not taxonomy-aligned with the relevant environmental objective
EL Activity is eligible for the relevant environmental objective
N/EL Activity is not eligible for the relevant environmental objective

CapEx

Financial year 2025		2025		Substantial Contribution Criteria						DNSH criteria ("do no significant harm") (h)									
Economic Activities (1)	**Code (a) (2)**	**CapEx (3)**	**Proportion of CapEx (4)**	**Climate Change Mitigation (5)**	**Climate Change Adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular economy (9)**	**Biodiversity (10)**	**Climate Change Mitigation (11)**	**Climate Change Adaptation (12)**	**Water (13)**	**Pollution (14)**	**Circular economy (15)**	**Biodiversity (16)**	**Minimum Safeguards (17)**	**Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, 2024 (18)**	**Category enabling activity (19)**	**Category transitional activity (20)**
		Currency	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**€0**	**0.0%**	**0.0%**	N/EL	N/EL	N/EL	N/EL	N/EL	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0.0%**		
of which Enabling		€0	0.0%	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%	E	
of which Transitional		€0	0.0%	0.0%													0.0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
3.14. Manufacture of other organic basic chemicals	CCM 3.14.	€4,583,395	1.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.7%		
3.17. Manufacture of plastics in primary form	CCM 3.17.	€10,787,427	3.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								4.1%		
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5.	€5,670,426	1.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.0%		
7.7 Acquisition and ownership of buildings	CCM 7.7.	€7,435,487	2.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3.1%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**€28,476,735**	**7.9%**	**7.9%**													**8.9%**		
A. CapEx of Taxonomy-eligible activities (A.1x+ A.2)		**€28,476,735**	**7.9%**	**7.9%**													**8.9%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		**€333,875,052**	**92.1%**																
Total		**€362,351,787**	**100%**																

Proportion of CapEx/Total CapEx

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.0%	7.9%
CCA	–	–
WTR	–	–
CE	–	–
PPC	–	–
BIO	–	–

Y Yes: activity is taxonomy-eligible and taxonomy-aligned with the relevant environmental objective
N No, activity is taxonomy-eligible but not taxonomy-aligned with the relevant environmental objective
EL Activity is eligible for the relevant environmental objective
N/EL Activity is not eligible for the relevant environmental objective

OpEx

Financial year 2025		2025		Substantial Contribution Criteria						DNSH criteria (“do no significant harm”) (h)									
Economic Activities (1)	**Code (a) (2)**	**OpEx (3)**	**Proportion of OpEx (4)**	**Climate Change Mitigation (5)**	**Climate Change Adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular economy (9)**	**Biodiversity (10)**	**Climate Change Mitigation (11)**	**Climate Change Adaptation (12)**	**Water (13)**	**Pollution (14)**	**Circular economy (15)**	**Biodiversity (16)**	**Minimum Safeguards (17)**	**Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, 2024 (18)**	**Category enabling activity (19)**	**Category transitional activity (20)**
		Currency	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**€0**	**0.0%**	**0.0%**	N/EL	N/EL	N/EL	N/EL	N/EL	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0.0%**		
of which Enabling		€0	0.0%	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%	E	
of which Transitional		€0	0.0%	0.0%													0.0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
3.14. Manufacture of other organic basic chemicals	CCM 3.14.	€3,023,189	0.8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.9%		
3.17. Manufacture of plastics in primary form	CCM 3.17.	€24,313,418	6.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								8.2%		
7.7 Acquisition and ownership of buildings	CCM 7.7.	€0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.0%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**€27,336,607**	**7.1%**	**7.1%**													**10.1%**		
A. OpEx of Taxonomy-eligible activities (A.1 + A.2)		**€27,336,607**	**7.1%**	**7.1%**													**10.1%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		**€359,148,331**	**92.9%**																
Total		**€386,484,938**	**100%**																

Proportion of OpEx/Total OpEx

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.0%	7.1%
CCA	–	–
WTR	–	–
CE	–	–
PPC	–	–
BIO	–	–

Y Yes: activity is taxonomy-eligible and taxonomy-aligned with the relevant environmental objective
N No, activity is taxonomy-eligible but not taxonomy-aligned with the relevant environmental objective
EL Activity is eligible for the relevant environmental objective
N/EL Activity is not eligible for the relevant environmental objective
Operating expenditure for the economic activity CCM 7.7. was below 1% in 2025 and therefore is not reported for 2025.

Gas and nuclear activity

Line	Nuclear energy activities	
1.	The company is active in the research, development, demonstration and use of innovative power generation plants that produce energy from nuclear processes with minimum waste from the fuel cycle, finances such activities or holds risk positions in connection with these activities.	NO
2.	The company is active in the construction and safe operation of new nuclear energy plants for the production of electricity or process heat – including for the supply of districting heating or industrial processes such as hydrogen production – and in their safety-related improvement using the best available technologies, finances such activities or holds risk positions in connection with these activities.	NO
3.	The company is active in the safe operation of existing nuclear energy plants for the production of electricity or process heat – including for the supply of districting heating or industrial processes such as hydrogen production – and in their safety-related improvement, finances such activities or holds risk positions in connection with these activities.	NO
	Fossil gas activities	
4.	The company is active in the construction or operation of plants for the production of electricity from fossil gaseous fuels, finances such activities or holds risk positions in connection with these activities.	NO
5.	The company is active in the construction, modernization and operation of plants for combined heat/cooling and power processes using fossil gaseous fuels, finances such activities or holds risk positions in connection with these activities.	NO
6.	The company is active in the construction, modernization and operation of plants for heat generation that produce heat/cooling from fossil gaseous fuels, finances such activities or holds risk positions in connection with these activities.	NO

ESRS E1 CLIMATE CHANGE

The material impacts, risks and opportunities (IROs) of LANXESS were identified through the double materiality assessment. They are shown in the table below and allocated to the corresponding policies, actions and targets.

Material Impacts, Risks and Opportunities Related to Climate Change

Impacts, risks and opportunities[1]	actual/potential	negative/positive	Time horizon	Value chain	Targets	Actions	Policies				
							LANXESS Corporate Policy	Systematic Energy Management	Recording and Reporting HSE Performance Data & Performance Indicators within LANXESS	Environmental Protection Management	"Climate" Background Paper
CLIMATE PROTECTION AND ENERGY CONSUMPTION											
I1: **Impact** Greenhouse gas emissions (Scope 1, Scope 2 and Scope 3)	actual	negative	<1 year (short term)	own operations	Climate neutrality for the entire Group by 2040 42% reduction of Scope 1 and 2 emissions by 2030 (base year 2021)	Climate Neutral 2040 strategy (Scope 1 and 2)	×		×	×	×
				upstream/ downstream	Climate neutrality for the value chain by 2050 25% reduction of Scope 3 emissions by 2030 (base year 2021)	Net Zero Value Chain strategy (Scope 3)			×		×
I2: **Impact** Energy consumption	actual	negative	<1 year (short term)	own operations	Climate neutrality for the entire Group by 2040 42% reduction of Scope 1 and 2 emissions by 2030 (base year 2021)	"Climate Neutral 2040" strategy (Scope 1 and Scope 2)	×	×	×		×
I3: **Impact** Energy consumption for the provision of raw materials and intermediates	actual	negative	<1 year (short term)	upstream	Climate neutrality for the value chain by 2050 25% reduction of Scope 3 emissions (base year 2021) by 2030	Net Zero Value Chain strategy (Scope 3)					×
O4: **Opportunity** Increased demand for climate-friendly products			6–10 years (long term)	own operations	Climate neutrality for the value chain by 2050 25% reduction of Scope 3 emissions by 2030 (base year 2021)	Net Zero Value Chain strategy (Scope 3)	×				×
CLIMATE CHANGE ADAPTATION											
R5: **Risk** Physical climate risks Flooding and heavy precipitation			>10 years (long term)	own operations							×

1) I = impact, R = risk and O = opportunity

With the Paris Climate Agreement, the international community committed to limiting global warming ideally to 1.5°C above the pre-industrial level.

LANXESS records its Scope 1 and Scope 2 emissions, reports transparently on them and has defined science-based reduction targets in compliance with the Science Based Targets initiative (SBTi). Actions are also implemented to reduce our emissions to net zero by 2040. Furthermore, LANXESS calculates, reports and manages emissions that occur in the upstream and downstream value chain (Scope 3 emissions). There is an ambitious reduction target for these emissions as well: net zero by 2050.

In a world impacted by climate change, LANXESS assesses both physical and transitional climate risks for its production sites to identify any potential risks at an early stage and take precautions if necessary.

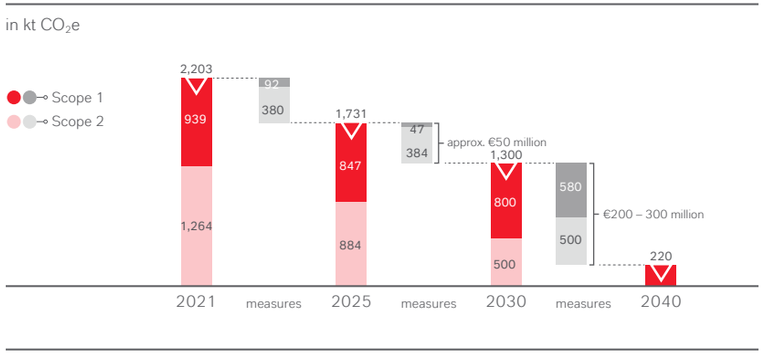
E1-1 – Transition plan for climate change mitigation

"Climate Neutral 2040" (Scope 1 and Scope 2): clear strategy for reducing emissions

Through a clear strategy and targeted climate protection projects, LANXESS wants to transition its own operations to climate neutrality by 2040, thus focusing on Scope 1 and Scope 2 emissions. The transition plan comprises Scope 1 and Scope 2 emissions and is fully integrated into the financial and strategic planning through the respective Group processes for risks, CapEx allocation and the five-year planning of the business units. The "Climate Neutral 2040" strategy supports the differentiation of products toward more sustainable products to strengthen our profile as a specialty chemicals producer. Sales achieved with more sustainable products and the capital expenditure costs necessary for this are integrated into the financial planning. The term more sustainable products refers to all products that receive a lower carbon footprint due to the emissions reduction measures. For more information on our targets and their conformity with the Paris Climate Agreement, please see the section "E1-4 – Targets Related to Climate Change Mitigation and Adaptation" in this chapter. LANXESS is concentrating on three defossilization levers for Scope 1 and Scope 2 emissions and developed targeted actions and projects to effectively implement its goals, as described in more detail in section "E1-3 – Actions and Resources in Relation to Climate Change Policies" in this chapter. Although the defossilization levers themselves have been fully developed, some of the associated actions are still under development. For example, it has not yet been conclusively specified in what order and to what degree the plants will be converted to carbon-reduced electricity because this depends on future customer demand and other factors.

In the 2025 financial year, there was no single action with significant (>€3 million) capital or operational expenditures. Due to the tense economic situation, only smaller efficiency projects were maintained and implemented in 2025 without significant expenditure. However, in the Climate Transition Plan (CTP) that was further concretized in 2025, we present a clear plan explaining how we aim to attain our objectives and what level of capital expenditure we require for this. The completed plan helps us to further optimize the order and type of our actions in this regard. In addition, a CTP makes it possible to more accurately assess costs, optimize the planning of budgets that will be necessary in the future and allocate them to the individual defossilization levers. This will enable even better management and more targeted tracking of emissions reduction. The revised CTP was initially discussed within the Climate & Energy subcommittee and then presented to and adopted by the Sustainability Committee.

We had expected slightly higher volumes for the 2025 reporting year and thus emissions comparable to those of the previous year. However, as production volumes did not increase due to the continued tense economic situation and further reduction measures are proving effective, we recorded carbon emissions below those of the previous year. The reduction of Scope 1 and Scope 2 emissions by 156 thousand metric tons compared to the previous year was largely attributable to efficiency programs, the sale of the Urethane Systems business unit and the subsidiary LANXESS (Liyang) Polyols Co., Ltd., Liyang, China, the closure of the hexane oxidation plant and the expanded procurement of low-carbon electricity at our U.S. sites.



The separation according to Scope 1 and 2 especially as regards 2030 is still in the planning stage and therefore is not final because shifts between Scope 1 and Scope 2 cannot currently be reliably predicted due to the dependency on the project sequence.

We are budgeting for approximately €50 million in CapEx through 2030 with savings potential of around 100 thousand metric tons of CO_2e. From 2030 until 2040, we expect to undertake €200-300 million in capital expenditures largely to reduce Scope 1 emissions through electrification and the reduction of natural gas combustion.

We plan to reduce Scope 1 and Scope 2 emissions by 431 thousand metric tons by 2030, mainly thanks to the procurement of low-carbon electricity, energy-efficiency measures, the impacts of divestments such as those of the Urethane Systems business unit and the subsidiary LANXESS (Liyang) Polyols Co., Ltd., Liyang, China, and of plant closures such as that of the hexane oxidation plant in Uerdingen, as well as the withdrawal from coal by the energy supplier at the Lower Rhine sites. The withdrawal from coal combustion will reduce the carbon emissions factor of these energy supplies.

Our planning includes direct electric heat, heat pumps and hydrogen as an alternative to natural gas in exhaust air treatment as potential technologies for avoiding carbon emissions. We believe this plan is realistic due to the technologies already available on the market and the availability of green energy at competitive prices, as no greenhouse gas emissions are associated with the company's most important assets and products that would exceed the remaining emissions of 220 thousand metric tons of CO_2e expected by 2040 according to the illustration above.

Carbon capture and storage (CCS) currently is not included as a component of our defossilization strategy. This technology currently is primarily designed for large-scale, selective carbon sources, while our emissions profile is characterized by numerous smaller and more distributed emissions sources. Additional challenges are posed by the high capital expenditure costs and limited availability of suitable transport and storage infrastructures. We currently also do not take hydrogen into consideration for heat generation. The infrastructure required for this is currently not available in a sufficient scope and we therefore do not consider hydrogen-based heat generation to be economically feasible at the present time.

The targets on which the planning is based comply with the 1.5 degree target of the Paris Climate Agreement and were validated accordingly by the SBTi.

E1 SBM–3 – Material Impacts, Risks and Opportunities and their Interaction with Strategy and Business Model

Energy consumption and greenhouse gas emissions

This section deals with the impacts I1 to I3. In line with the chemical industry as a whole, also LANXESS consumes energy in order to produce its products. Like the use of resources, this energy consumption also has negative environmental impacts when energy production results in greenhouse gas emissions and air pollutants. LANXESS is aware that its own production and energy supply (Scope 1 and Scope 2) and the upstream and downstream value chain (Scope 3) currently contribute to global greenhouse gas emissions and is actively working to reduce these emissions through targeted actions and innovations. By implementing its climate strategy with the "Climate Neutral 2040" and "Net Zero Value Chain 2050" initiatives, the company counteracts the negative impacts through emissions reduction (see section "E1-3 – Actions and Resources in Relation to Climate Change Policies" in the chapter "E1 Climate Change"). The climate strategy also involves energy efficiency projects and the further development of the energy management system to reduce energy consumption and emissions. Energy management systems help to reduce negative environmental impacts by contributing to both a reduction in total energy consumption and the increased alignment of the energy mix toward low-carbon or non-fossil energy sources. The optimization of energy consumption not only reduces negative environmental impacts, but also improves economic efficiency. LANXESS emphasizes a cost-efficient and reliable energy supply, whereby the standardized management of energy procurement and consumption are of crucial importance. Globally, we base our actions on the international standards ISO 9001 and ISO 14001 for quality and environmental management and on ISO 50001 for energy management in Germany and Belgium. In this way, LANXESS strategically integrates this issue into all its business processes in a standardized manner.

Climate-friendly products

This section deals with opportunity O4. "Sustainable chemistry" plays an important role in mitigating climate change. It encompasses various aspects such as reducing the use of hazardous chemicals or lowering the carbon footprint of chemical products. One opportunity identified by LANXESS in this context is rising demand for sustainable chemicals, which have a smaller carbon footprint than conventional alternatives. LANXESS develops such sustainable product alternatives under the label Scopeblue®[1]. With climate-friendly and circular products from our Scopeblue® series, we are steadily evolving our portfolio and will do so in the future to reduce raw material input and the product carbon footprint (PCF). The Scopeblue® product portfolio clearly shows how our own production activities improve the carbon footprint of our products in accordance with activities in the value chain. LANXESS has identified a time horizon of six to ten years for the realization of this opportunity and the increase in sales of Scopeblue® products.

1) See criteria for Scopeblue® products in section "E5 SBM-3 – Material Impacts, Risks and Opportunities and their Interaction with Strategy and Business Model" of the chapter "ESRS E5 – Resource Use and Circular Economy."

Physical climate risks

This section deals with risk R5. Physical climate risks can lead to material financial risks at the global sites of LANXESS due to changes in the climate and their consequences. The materialization of physical climate risks can lead to production interruptions or infrastructure damage, which is consequently associated with a financial risk within our own activities. The analysis of the physical climate risks found that we include flooding and heavy precipitation as material risks for our company in the long-term period of more than ten years. Within the scope of our risk management, we continuously monitor potential risks and implement targeted actions to minimize them where needed. Risks of this type are currently covered by insurance.

Resilience analysis

LANXESS used the assessments of the physical and transitional climate risks undertaken during the scenario analysis (see section "E1 IRO-1 – Description of the Processes to Identify and Assess Material Climate-Related Impacts, Risks and Opportunities" in the chapter "ESRS 2 General Disclosures") as a basis for a resilience analysis. With this resilience analysis, we review how resilient the strategies and business model of LANXESS are with regard to the impacts of climate change and describe how we manage them. We conducted this analysis once again in 2025. The analysis was based on the same assumptions as the climate scenario analysis (see section "IRO-1 – Description of the Processes to Identify and Assess Material Impacts, Risks and Opportunities" in the chapter "ESRS 2 General Disclosures").

The focus as regards the **transitional risks** lies particularly on the development of carbon pricing in the countries in which LANXESS operates. This centers around the prices per emitted metric ton of CO_2 and the introduction, tightening, amendment or discontinuation of carbon pricing systems at the global level. LANXESS systematically compares its global Scope 1 and Scope 2 carbon emissions with the existing CO_2 pricing systems to estimate the potential financial burden resulting from regulatory requirements. For emissions that are currently not subject to pricing, LANXESS uses the carbon prices forecast by the International Energy Agency (IEA) for 2030 for the risk assessment. Here LANXESS takes into account the "Stated Policies," "Announced Pledges" and "Net Zero Emissions by 2050" scenarios. The critical assumptions as to how the transition to a lower-carbon and more resilient economy impact the surrounding macroeconomic trends, energy consumption and the energy mix, and the technology deployment assumptions are described there and were not amended by LANXESS. The scenario analysis encompasses all global sites and assesses risks on a short-, medium and long-term basis (until 2030 and 2050). The analysis of the transitional risks did not yield any material risks that exceeded the materiality thresholds of the materiality assessment.

The **physical climate risk analysis** includes both short-term and long-term physical risks for the sites of LANXESS to obtain a comprehensive picture of the potential challenges. Our value chain was not included in the analysis due to its high level of complexity. The time horizon through 2050 was selected for the assessment of long-term climate risks. The SSP5-8.5 scenario of the IPCC (Intergovernmental Panel on Climate Change) was applied here. This scenario forecasts a global temperature increase of more than 4°C by 2100, which leads to significant physical climate risks. SSP5-8.5 therefore represents the development pathway with the most serious potential climate impacts among the available development paths. The analysis identified the climate-related physical risks flooding and heavy precipitation as material risks for the evaluated LANXESS sites worldwide. The results of this analysis also help LANXESS to identify, assess and mitigate physical climate-related risks at the sites and adapt the company to current and future climate risks.

Uncertainties associated with the resilience analysis include the future development of carbon pricing, political measures to reduce emissions, technological breakthroughs and market conditions. These factors are taken into account in the definition of the LANXESS strategy and in capital expenditure decisions. Within the scope of its sustainability strategy, LANXESS has comprehensively analyzed the impacts of its greenhouse gas emissions and defined clear reduction targets (see section "E1-4 – Targets Related to Climate Change Mitigation and Adaptation" in the chapter "ESRS E1 Climate Change"). In this way, LANXESS addresses the identified risks of climate change and actively helps to mitigate its causes. Current and planned mitigation actions such as energy efficiency programs and the intensified use of renewable energies are aimed at strengthening resilience and addressing the risks of climate change. LANXESS has thus taken actions to adapt its strategy and business model in the short and medium term to climate change if necessary. That includes adapting the time schedules and priorities for climate protection initiatives such as energy efficiency programs through the ongoing refinement of the Climate Transition Plan, the expanded sourcing of climate-neutral energies and emissions reduction at the company level.

To counter the financial risks climate change presents for the company, LANXESS focuses on financial hedging measures such as the conclusion of suitable insurance coverage to safeguard against damage through climate-related events. Although short-term climate risks are covered by insurance, we cannot make any statements about future coverage (e.g. 2050) as this depends on continuously changing external framework conditions. LANXESS also adapts its strategy to regulatory and market-driven changes where necessary. The Stakeholder Expectations and Reporting Standards and the Sustainable Product Portfolio subcommittees are especially but not exclusively responsible for monitoring and processing market-related and regulatory conditions, and present them to the Sustainability Committee for a decision if needed. These actions strengthen LANXESS's ability to avoid and specifically mitigate potential risks at an early stage, which ensures the company's resilience in a rapidly changing environment.

Due to our diversified product range and global market presence, LANXESS is less dependent on developments in specific regions or segments. This diversification enables LANXESS to react flexibly to external challenges and safeguard its long-term resilience. The climate risk analysis integrates carbon pricing into the business plans in order to effectively mitigate risks and set strategic priorities in carbon reduction. LANXESS lastingly strengthens the resilience of its business model by identifying especially at-risk regions and developing suitable actions.

LANXESS also assesses its climate risks through the risk-bearing capacity analysis (see chapter "Opportunity and Risk Report"). Based on the current findings of the risk management process, the Board of Management at the present time cannot identify any sufficiently likely risks or risk combinations that could jeopardize the continued existence of LANXESS.

E1-2 – Policies Related to Climate Change Mitigation and Adaptation

All general information on our policies according to ESRS 2.65 is provided in section "G1-1 – Corporate Culture and Business Conduct Policies" of the chapter "ESRS G1 Business Conduct".

Internal directives

The “Recording and Reporting HSE Performance Data & Performance Indicators within LANXESS” directive ensures the systematic and reliable capture of HSE (Health, Safety and Environment) performance data and performance indicators for LANXESS organizations and their site-based provision to the executive management of the respective business units. It comprises, for example, process descriptions for collecting data and obtaining climate-change- and energy-relevant metrics, and defines the responsibilities of the individual organizational units. The directive was produced on the basis of the Global Reporting Initiative (GRI) 300 and with the participation of the affected business units and Group functions.

The Systematic Energy Management directive describes the minimum standards for energy management at LANXESS and the processes for ensuring energy and economic efficiency, which contribute to the company’s sustainable development worldwide. This helps us to identify and assess efficiency potential and the implementation of energy efficiency measures. In this way, LANXESS implements the requirements of the ISO 50001:2018 standard for energy management systems together with the processes and structures of the integrated management system.

The Environmental Protection Management directive describes the environmental protection management system of LANXESS and the minimum requirements for the processes with which the fulfillment of the environmental protection targets throughout the Group is lastingly ensured worldwide. Environmental protection management is geared toward meeting statutory requirements, preventing environmental incidents and minimizing the impacts when an incident occurs. The Environmental Protection Management directive is in place to ensure the implementation of the requirements of the ISO 14001 standard. The aim is to improve the company’s environmental performance. In addition to the careful handling of waste and emissions, environmental protection management at LANXESS is aimed at minimizing waste and the emission of pollutants.

Corporate policy

In the LANXESS Corporate Policy directive, LANXESS commits to pursuing both climate protection targets and the objective of decoupling organic growth from energy consumption by continuously improving energy efficiency.

Background papers

In its “Climate” Background Paper, LANXESS has defined its climate strategy and greenhouse gas management both within the company and along the upstream and downstream value chain. In this paper, LANXESS refers to requirements such as the TCFD, the Greenhouse Gas Protocol, the SBTi, the Paris Climate Agreement, the Sustainable Development Goals (SDGs), as well as ISO 50001 and the ISCC (International Sustainability and Carbon Certification). The paper describes the net zero climate protection targets for Scope 1 and Scope 2 by 2040 and for Scope 3 by 2050. It also describes LANXESS’s commitment to developing together with its customers the chemical products needed to better adapt to climate change and mitigate its consequences. It explains the need to make production processes more efficient and to more rapidly transition to renewable energies. The strategy for a climate-neutral value chain highlights the importance of sustainable raw materials and climate-neutral products, with recycling in particular playing a supporting role. The background paper also describes the approach to dealing with physical and transitional climate risks.

E1-3 – Actions and Resources in Relation to Climate Change Policies

“Climate Neutral 2040” (Scope 1 and Scope 2): clear strategy for reducing emissions

Through a clear strategy and targeted climate protection projects, LANXESS wants to transition its own operations to climate neutrality by 2040, thus focusing on Scope 1 and Scope 2 emissions. To achieve its objective, LANXESS is concentrating on three defossilization levers for Scope 1 and Scope 2 emissions and developing targeted actions and projects to effectively implement its goals and fulfill its strategic requirements. In the 2025 financial year, there was no single action with significant (>€3 million) capital or operational expenditures.

The basic objective of reducing greenhouse gas emissions is also accounted for in the compensation system for the Board of Management. The reduction of CO_2e emissions from internal processes and from purchased energy (Scope 1 and Scope 2 emissions) is included in the Sustainability Performance Plan (SPP) as a performance criterion for long-term variable compensation. The assessment period is four years. On the basis of the trajectory for achieving the interim target published by LANXESS for 2030, target attainment for 2028 was set at 1,600 thousand metric tons in fiscal year 2025. In fiscal year 2025, the variable compensation expense attributable to the SPP amounted to 31% of expenses for the total compensation of the members of the Board of Management. Climate-related performance criteria are not taken into account in the compensation components of the members of the Supervisory Board.

Defossilization lever 1: process excellence

We invest continuously in the expansion of existing production capacities and the establishment of new capacities, emphasizing state-of-the-art, climate-friendly technologies for more sustainable production processes. The focus here is on both reducing energy consumption through improved efficiency and reducing production process emissions. Taxonomy-eligible economic activities accounted

for €28.7 million of our capital expenditures. The carbon roadmap addresses a much broader spectrum of our economic activities than is currently covered by the Taxonomy Regulation, as less than 10% of our sales are subject to EU taxonomy.

LANXESS is continuously optimizing its energy consumption with targeted energy-efficiency programs and our operational excellence projects. That includes programs to implement investment in new energy-efficient plants, processes and technologies. We orient our global activities in this connection around ISO 50001, which we have also certified at all relevant production sites in Belgium and Germany. They help us to continuously identify and implement energy efficiency improvement potential. That not only reduces greenhouse gas emissions and conserves valuable energy resources, but also increases our competitiveness. This is integral to LANXESS's continuous improvement process. In 2025 we implemented more than 61 actions to reduce energy and resource consumption and thus increase our competitiveness that led to an emissions reduction of approximately 15 thousand metric tons of CO_2. One example of an energy efficiency measure is the integration of a more efficient heat recovery system into a thermal oxidation furnace at a plant in Brunsbüttel, Germany. This system cools the exhaust air more effectively and uses the recovered heat to produce steam.

Energy consumption depends on several variables such as the production level, product mix and production technologies. LANXESS monitors absolute and relative energy consumption to assess the effectiveness of its energy conservation and greenhouse gas reduction measures. Since 2021, we have reduced total energy consumption – in other words primary and secondary energy consumption – by a considerable 17%. As energy consumption per metric ton of production varies considerably within LANXESS's diverse product portfolio, it is difficult to compare specific energy consumption from one year to the next. Due to the different energy requirements of the various product lines, changes in the product mix substantially impact this metric and limit its meaningfulness as an independent performance indicator.

LANXESS is converting its energy supply at the Indian production sites to a mix of biomass and solar energy, which is expected to reduce CO_2e emissions by around 150,000 metric tons annually. The degree of conversion for example at the site in Jhagadia, India, had reached 100% already by December 31, 2025. Direct land use change (LUC) and indirect land use change (iLUC) emissions currently are not taken into account. For more than five years, zero-emissions steam has been produced from renewable sources in Jhagadia, India, and Porto Feliz, Brazil. The replacement of coal with biomass and to a lesser extent natural gas for steam production is an important measure for LANXESS to reduce Scope 1 emissions. LANXESS has made considerable progress here since 2018, and replaced coal consumption completely in Jhagadia, India, and Porto Feliz, Brazil. LANXESS plans to also further reduce coal consumption in Nagda, India, the last site with coal consumption, and replace it with biomass by 2030.

To become climate-neutral by 2040, LANXESS is revising existing production processes and plans to further improve its network structures, e.g. when it comes to heat exchange between plants and air purification. Technological efficiency measures – such as waste heat recovery, the replacement of machinery (such as motors) through more energy-efficient equipment or the insulation of plants and buildings – are aimed at achieving lower energy consumption and thus reducing the associated emissions. However, further procedures must first be developed on a large industrial scale. We therefore plan to focus our research activities more closely on climate-neutral process and technological innovation. The ability to implement the actions depends particularly on the availability of resources to fund product and process development. By 2025, we had already reduced Scope 1 emissions by 92 thousand metric tons compared with the 2021 baseline. We expect to be able to reduce the Scope 1 emissions to the maximum remaining volume of 220 thousand metric tons in 2040 with this defossilization lever.

Defossilization lever 2: carbon-neutral electricity

More than 75% of our Scope 1 and Scope 2 emissions are attributable to energy demand in the form of electricity and steam at our production sites. A central component of our CTP is therefore the conversion of our energy supply from fossil to low-emission sources; this applies particularly to our electricity supply. The actions we have taken to achieve this objective include the development of new supply plans and the signing of purchase agreements for low-emissions energy, including especially electricity. The ratio of electricity consumption from low-emissions sources to total electricity consumption at LANXESS increased from 17% in the previous year to 22% in 2025. Our electricity consumption will increase considerably in the future due to the planned, gradual electrification of our steam production and the partial transition from natural-gas-based to electricity-based, low-emissions production processes. In the conversion of our energy supply, we pursue a make-and-buy approach in the short, medium and long term. In other words, LANXESS assesses at each site whether it makes sense economically and ecologically to produce our own energy. LANXESS already produces energy at its own renewable energy facilities in Jhagadia, India, and Porto Feliz, Brazil. We are also focusing on the purchase of low-emissions electricity in the market through long-term supply contracts with green electricity producers or certificates for low-emissions energy, depending on the region and market regulations. Cost effectiveness is an important criterion here.

The implementation of this defossilization lever depends on the availability of carbon-neutral electricity at competitive prices in the respective countries of the LANXESS sites in 2040.

In addition to the existing agreements to procure electricity from low-emissions sources in the United States, we concluded a further agreement in fiscal year 2025 to supply five German sites with 100% renewable energy from hydroelectric power. Here LANXESS made use of special electricity procurement agreements and electricity certificates (such as Guarantees of Origin in the United States). These measures should contribute to reducing the carbon footprint in LANXESS's production and products and in the applications of our customers.

The aim is to gradually replace these temporary measures with our own power plants or long-term supply agreements. LANXESS plans to reduce emissions especially in the United States by a total of about 100 thousand metric tons by 2030 through purchased electricity. The objective is for emissions from purchased electricity to be reduced to zero by 2040. The carbon footprint of purchased electricity was about 0.25 metric tons of CO_2 per MWh (market-based approach) in 2025. For fiscal year 2025, we reduced our greenhouse gas emissions through the procurement of electricity from low-emissions sources by around 10 thousand metric tons of CO_2. By 2025, we had already reduced Scope 2 emissions from purchased electricity by 180 thousand metric tons compared with the 2021 baseline.

Defossilization lever 3: sustainable steam supply

In addition to electricity, steam is a key component of our energy supply. In the medium to long term, new technologies should make a significant contribution to CO_2 reduction, for example through the recovery of waste heat in our production and infrastructure plants. In this connection, both we and our steam suppliers examine various concepts for electrifying our steam production, such as the use of electric heat pumps, vapor-compression evaporation and electric boilers.

The implementation of this defossilization lever depends on the availability of carbon-neutral steam at competitive prices in the respective countries of the LANXESS sites in 2040.

No major capital expenditures were undertaken in fiscal year 2025. In connection with the aforementioned measures, a reduction of around 85 thousand metric tons CO_2 is planned for this defossilization lever by 2030; the company intends to reduce emissions from steam to zero by 2040.

The reduction of Scope 2 emissions through purchased low-emissions steam will also help reduce greenhouse gas emissions. In this process, LANXESS cooperates closely with its suppliers to determine the best option for generating green (zero-emissions) steam.

“Net Zero Value Chain” (Scope 3): clear strategy to lower indirect emissions

LANXESS established the “Net Zero Value Chain” strategy already in 2022 to lower indirect emissions from the entire value chain (Scope 3). These emissions, for example from purchased raw materials or generated in logistics and when producing end products, are to be cut to 11.0 million metric tons of CO_2e by 2030. This corresponds to a 25% reduction compared with the base year 2021 (14.745 million metric tons). It is also planned to reduce indirect emissions in the entire value chain (Scope 3) to net zero by 2050. Specifically, this means that LANXESS plans to achieve a 90% reduction in absolute Scope 3 greenhouse gas emission by 2050 relative to the base year 2021. The remaining 10% will be compensated through actions such as compensation and investment in permanent carbon removal. In the 2025 financial year, there was no single action with significant (>€3 million) capital or operational expenditures. LANXESS is focusing on three different defossilization levers to attain its Scope 3 target:

Defossilization lever 4: sustainable raw materials

LANXESS is adjusting its raw materials purchasing and is increasingly sourcing sustainable raw materials that are bio-based, originate from a recycling process or are produced with renewable energy. Current examples include BAYFERROX© iron oxide pigments, which are made of more than 90% recycled raw materials, or ion exchange resins made partly of sustainable raw materials in accordance with the mass balance approach. Implementation of the actions depends on whether we and our customers have adequate resources to bear the higher price level for environmentally friendly raw materials and promote partnerships for sustainable raw materials. We expect that with this defossilization lever and defossilization lever 6, we can significantly reduce Scope 3 emissions in the categories 1 (Purchased Goods and Services), 5 (Waste Generated in Operations), 11 (Use of Sold Products) and 12 (End-of-Life Treatment of Sold Products) compared with the base year of the associated target, and thus attain our Scope 3 targets. We had already reduced CO_2e emissions by 3,802 thousand metric tons (previous year: 3,726 thousand metric tons) in the affected categories by the reporting date compared with the base year 2021.

Defossilization lever 5: green logistics

LANXESS uses various modes of transport to ship its products. In this connection, LANXESS also strives to use innovative solutions such as “green” lake and ocean logistics with sustainable drive types. An additional aim is to improve freight capacity utilization, optimize cooperation between different carriers and reduce transport requirements through improved logistics planning. The ability to implement the actions depends particularly on the availability of “green” transportation modes, funding and manpower to pay the price premium for green transportation. We expect that with this defossilization lever, we can significantly reduce Scope 3 transportation emissions in the categories 4 (Upstream Transportation and Distribution) and 9 (Downstream Transportation and Distribution) compared with the base year of the associated target, and thus attain our Scope 3 targets. CO_2e emissions have been reduced by 270 thousand metric tons here compared with 2021.

Defossilization lever 6: climate-neutral products

LANXESS is expanding its range of Scopeblue® products and solutions with a small carbon footprint. Our calculations here are based on the ISO 14067 standard and the IPCC AR6 Report. These products have featured the Scopeblue® brand label since the fall of 2021. In the medium term, LANXESS plans to offer lower-emissions and climate-neutral variations of all its products. LANXESS aims to have exclusively climate-neutrally produced products in its portfolio by 2050. The ability to implement the actions depends particularly on the availability of climate-neutral raw materials, funding and manpower to pay the price premium and advance partnerships for climate-neutral products. We expect that with this defossilization lever and defossilization lever 4, we can significantly reduce Scope 3 emissions in the categories 1 (Purchased Goods and Services), 5 (Waste Generated in Operations), 11 (Use of Sold Products) and 12 (End-of-Life Treatment of Sold Products) compared with the base year of the associated target, and thus attain our Scope 3 targets. We had already reduced CO_2e emissions by 3,802 thousand metric tons (previous year: 3,726 thousand metric tons) in the affected categories by the reporting date compared with the base year 2021.

E1-4 – Targets Related to Climate Change Mitigation and Adaptation

Within its climate neutrality strategy, LANXESS has established medium- and long-term climate targets for greenhouse gas management both within the company (Scope 1 and Scope 2 emissions) and along the upstream and downstream value chain (Scope 3 emissions). Through this target package for the reduction of greenhouse gases, we are preparing our strategy for the transition to a sustainable economy.

LANXESS's targets are aligned with the SBTi requirements to ensure compliance with the Paris Agreement and the 1.5°C path. This means the average global temperature should not be more than 1.5°C higher in 2100 than the average of the period 1850 until 1900. Our targets were most recently validated at the end of 2023. There is no difference between the SBTi-validated targets and those described in this section. The validation of the LANXESS climate targets ensures the broad approval of our stakeholders and underscores our ambitions and the credibility of our targets. Our investors and a number of our customers in particular have demanded scientifically sound climate targets.

The SBTi is a collaboration between CDP (formerly Carbon Disclosure Project), the UN Global Compact, the World Resources Institute (WRI) and the WWF. The SBTi validates climate targets on the basis of the most recent scientific fundamentals with regard to their conformity with the 1.5°C path of the Paris Agreement. LANXESS's climate targets are oriented around the general path of the SBTi, whereby all targets are validated by the SBTi and based on the cross-sector emissions paths of the IPCC, which serve as the foundation for the SBTi methodology and are therefore based on acknowledged scientific findings. The methodology is regularly revised and adapted to new findings on the progression of climate change. This applies particularly to the forward-looking emission paths, which are designed to ensure the attainment of the 1.5°C target. The ambition level of these paths and thus also of our targets (through new validations) is regularly reviewed and adjusted if necessary to ensure 1.5°C conformity. The specific defossilization path for the chemical industry is currently being developed by a group of experts in cooperation with the SBTi. LANXESS was part of this expert advisory group and actively supported the development of the reduction paths.

The scenario analysis took into consideration, for example, scenarios pertaining to the limitation of global warming to 1.5°C and 2°C. According to the SBTi methodology, targets must be adjusted as soon as the underlying baseline changes by more than 5%. As this threshold was not met through the divestments of the Urethane Systems business unit and the subsidiary LANXESS (Liyang) Polyols Co., Ltd., Liyang, China, the 2021 baseline and the targets were not adjusted. Contributing the High Performance Materials business unit to the Envalior joint venture necessitated an adjustment that LANXESS made in 2023. The figures for 2021 were adjusted to the current portfolio – in other words, the High Performance Materials business unit was excluded while the acquisitions of the Microbial Control business of U.S. company International Flavors & Fragrances Inc. and of Emerald Kalama Chemical were taken into account. Accordingly, the targets for Scope 1, Scope 2 and Scope 3 were updated in line with the adjusted base year 2021, which led especially to a reduction of the target value of 2030. The fundamental logic of the targets remains unchanged and there have been no significant changes to the strategy. The methodology for measuring emissions was not adjusted. The targets are regularly reviewed. Should portfolio changes lead to shifts of more than 5% in emissions of the base year, the base year and targets are adjusted accordingly.

Changes in the sales volume are included in the absolute targets. As LANXESS has several thousand products that are frequently used in numerous end markets and applications, changes in supply and demand as well as in regulatory requirements will of course occur in many areas that cannot currently be fully estimated due to their large number. These effects are to be taken into account in target attainment without restrictions, which means they may have to be offset through reduction measures.

The net zero targets consist of at least a 90% reduction in emissions and the subsequent compensation of the remaining 10% at most (relative to the base year 2021). The base year data for the targets are updated at least every five years according to the SBTi guidelines. The base year 2021 is representative for LANXESS with a plant capacity utilization rate normal for the chemical industry. The 2021 emissions were not further modified. Scope 2 emissions are calculated according to the market-based approach, and the target thresholds fully cover all reported greenhouse gas emissions in Scopes 1, 2 and 3 without deviating from the values published in the Annual Report.

The Sustainability Committee is responsible for climate- and energy-related matters. The Climate & Energy subcommittee is responsible for Scope 1 and Scope 2 targets, while the Sustainable Product Portfolio committee is responsible for Scope 3 targets. The subcommittees prepare decisions and then forward these for approval to the Sustainability Committee, on which all members of the Board of Management are represented. All targets were approved by the Sustainability Committee and the Board of Management of LANXESS and are reviewed annually by the respective subcommittees to gauge their progress so that targeted adjustments to the actions can be made if needed. The Scope 1, Scope 2 and Scope 3 targets pertain to 100% of the numbers published in the Annual Report. In Scope 3, we report the values for all categories apart from Category 10, as the intermediates of LANXESS can be used for numerous applications with various GHG emissions profiles, which rules out a meaningful derivation of values.

LANXESS monitors the attainment of its climate targets using its environmental metrics. The underlying data for the Scope 1, Scope 2 and Scope 3 targets are shown in the tables contained in section "E1-6 – Gross Scopes 1, 2, 3 and Total GHG Emissions" in the chapter "ESRS E1 Climate Change". Information on the data collection frequency, underlying assumptions and applied methodology is given in the same section.

Climate Neutral 2040: climate neutrality for the entire Group

LANXESS aims to achieve Scope 1 and 2 climate neutrality by 2040. We have developed a clear strategy in this regard and already initiated major projects. With the target newly established in 2023, LANXESS is building on its existing, successful commitment to climate protection. The portfolio-adjusted figure of approximately 2,200 thousand metric tons of CO_2e from 2021 was established as a base value. Here we strive to reduce absolute Scope 1 and -2 emissions to 220 thousand metric tons of CO_2e by 2040, representing a 90% reduction relative to the base year. The remaining volume of no more than 220 thousand metric tons of CO_2e will be offset through compensation measures. We have decided to establish a joint target for Scopes 1 and 2 as a separate approach does not seem meaningful

Shifts between these scopes are possible – such as when emissions-reduced steam is not available at certain sites and we have to produce it ourselves. In this case, emissions would shift from Scope 2 to Scope 1. This depends on the further development of our processes and especially on the cost of climate-neutral solutions. We anticipate that our Scope 2 emissions will decline more significantly than our Scope 1 emissions through 2030, as many of our current measures are primarily targeted at reducing Scope 2. The share of emissions attributable to Scope 2 will likely have been reduced to nearly zero by 2040, as the remaining, unavoidable emissions will mainly be allocated to Scope 1. The targets comprise all emissions from our own operating activities in Scope 1 and 2. Within this assessment, Scope 2 emissions are calculated at LANXESS according to a market-based approach. To attain the target, LANXESS employs different defossilization levers (see section "E1-3 – Actions and Resources in Relation to Climate Change Policies" in the chapter "ESRS E1 Climate Change") and has established the following interim target:

Interim target 2030: 42% reduction in Scope 1 and Scope 2 CO_2e emissions relative to 2021

LANXESS has specified the absolute interim target of a 42% reduction in Scope 1 and Scope 2 CO_2e emissions to 1,300 thousand metric tons of CO_2e by 2030 relative to the base year 2021 (approximately 2,200 thousand metric tons of CO_2e). This figure is based on the emission paths of the Intergovernmental Panel on Climate Change (IPCC), which also serve as a basis for the SBTi methodology, and is thus scientifically established. The portfolio-adjusted figure of approximately 2,200 thousand metric tons of CO_2e from 2021 serves as a base value. The target applies for all operating activities worldwide within Scopes 1 and 2 and pertains exclusively to our own operating emissions. The base year 2021 and the target were adjusted and validated by the SBTi once again following the divestment of the High Performance Materials business unit. {Scope 1 and Scope 2 emissions in the 2025 reporting year amounted to 1,731 thousand metric tons (previous year: 1,887 thousand metric tons)} We have therefore reduced our emissions by 21% since the base year 2021.

Net Zero Value Chain: climate neutrality for the value chain by 2050

LANXESS also strives to achieve net zero status in its entire value chain by 2050. The net zero target encompasses the reduction of Scope 3 emissions, which include all indirectly generated emissions – and especially those from purchased raw materials, logistics and the use and disposal of our end products. The target for climate neutrality in the entire value chain is measured in thousand metric tons of CO_2e. The portfolio-adjusted figure of 14,745 thousand metric tons CO_2e from 2021 was established as the base value. The scope of application comprises all Scope 3 emissions from our value chain worldwide. The target is in line with the requirements of the SBTi and conforms with the 1.5°C target of the Paris Agreement by reducing Scope 3 emissions in the upstream and downstream value chain to 1,475 thousand metric tons CO_2e by 2050, corresponding to at least a 90% reduction relative to the base year 2021. The target is based on the emission paths of the Intergovernmental Panel on Climate Change (IPCC), which also serve as a basis for the SBTi methodology, and is thus scientifically based. We have set the following interim target in order to achieve our target:

Interim target 2030: 25% reduction in Scope 3 CO_2e emissions relative to 2021

LANXESS's interim target for 2030, which also conforms with the SBTi methodology, supports the international climate goals by reducing Scope 3 emissions in the upstream and downstream value chain. The target aims for a reduction in absolute Scope 3 emissions to 11,000 thousand metric tons of CO_2e, corresponding to a 25% reduction relative to the base year. We strive to attain the target by 2030. The portfolio-adjusted figure of approximately 14,745 thousand metric tons of CO_2e from 2021 serves as the baseline value. The target is based on the emission paths of the Intergovernmental Panel on Climate Change (IPCC), which also serve as a basis for the SBTi methodology, and is thus scientifically based. The 2030 reduction target is based on a "well below 2°C" scenario and is validated by the SBTi. [1] The difference in the underlying scenarios compared with the target for 2050 results from the direct dependency of the reduction paths on participating partners in the value chain. A Scope 3 reduction compliant with the 1.5°C goal cannot be ensured at the global level through our sphere of influence but is expected due to increasing pressure to act by 2050. Scope 3 emissions in the 2025 reporting year amounted to 10,294 thousand metric tons of CO_2e (previous year: 10,372 thousand metric tons). We have therefore reduced our emissions by 30% since the base year 2021.

1) The LANXESS 2030 Scope 3 reduction target is not compliant with the 1.5°C goal, but the 2050 Scope 3 reduction target is.

{E1-5 – Energy Consumption and Mix

Energy consumption, energy mix, energy production and energy intensity

in MWh	2024	2025
Total energy consumption related to own operations	**6,731,551**[1]	**6,215,590**
Total energy consumption from fossil sources	**5,688,971**[1]	**5,250,721**
Fuel consumption from coal and coal products	29,885	116,072
Fuel consumption from crude oil and petroleum products	373,124	354,149
Fuel consumption from natural gas	2,236,977	2,158,047
Fuel consumption from other fossil sources	–	–
Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources	3,048,985[1]	2,622,452
Share of non-renewable sources in total energy consumption (%)	84.5[1]	84.5
Total energy consumption from nuclear sources	**117,051**	**164,644**
Share of nuclear sources in total energy consumption (%)	1.7[1]	2.6
Total energy consumption from renewable sources	**925,529**	**800,226**
Fuel consumption from renewable sources (including biomass)	820,989	702,473
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	104,072	97,270[2]
Consumption of self-generated non-fuel renewable energy	468	483
Share of renewable sources in total energy consumption (%)	13.7[1]	12.9
Production of non-renewable energy	348,860	334,002
Production of energy from renewable sources	468	483
Energy intensity in connection with activities in high climate impact sectors (MWh/€ million)	1,057[1]	1,096
Net revenue from activities in high climate impact sectors in € million	6,366	5,673
Net revenue from activities not taking place in high climate impact sectors in € million	–	–

1) Prior-year figure restated.
2) As the statutory deadlines are not set to expire until after the preparation of the 2025 Annual Report, the depreciation/invalidation of a subset that was not yet depreciated/invalidated when the Annual Report was prepared cannot take place in a proper and timely manner until 2026. This depreciation/invalidation ensures that the reported total volume of electricity from renewable sources is at least attained.

Methodology description E1-5

To systematically record key data worldwide in the area of energy, LANXESS uses an electronic data-entry system that enables us to determine a comprehensive range of HSE (Health, Safety & Environment) performance data for each business unit, site and plant. The information is collected on a quarterly basis. Each metric can be either measured, calculated or estimated on a metric-specific basis (e.g. based on measurements, service lives or reference values). The measurement methods are not validated by an external third party. Our reporting takes place on the basis that all our economic activities can be allocated to high climate impact sectors. Specific energy consumption is calculated as the ratio of total energy consumption (in MWh) to net sales (in €).

Energy consumption is determined for processes owned or controlled by the company; the same scope of validity as for Scope 1 and 2 greenhouse gas emissions is applied. The reports exclude raw materials and fuels that are not used for energy purposes. Energy data are uniformly stated in MWh. Data available in units such as Million British Thermal Units (MMbtu) or weight and volume units are uniformly converted. The quantitative energy-related information refers to the upper heating value. We use the GHG Protocol method to convert this information into the lower heating value. We want to ensure all quantitative energy-related information is reported as final energy consumption. To calculate actual energy consumption, energy provided to third parties (such as in the form of steam) is deducted from total energy consumption. We strive to avoid the duplicate ascertainment of energy consumption, particularly in the case of self-generated energy. In chemical parks and network structures, internally passed on energy is not counted as "purchased." Waste heat from third parties is accounted for as "purchased" energy. The prior-year figures were restated accordingly as the methodology was updated in fiscal year 2025. Renewable hydrogen is reported as a renewable energy source, while non-renewable hydrogen is reported as energy from fossil fuels. Energy is reported as renewable if its origin can be verified through contracts or certificates (e.g. Guarantee of Origins). The calculation of energy intensity is based on the formula total energy consumption (MWh)/net sales (in €).}

E1-6 – Gross Scopes 1, 2, 3 and Total GHG Emissions

Greenhouse gas intensity in the LANXESS Group

in tons CO_2e/€ million	2024	2025
Greenhouse gas intensity (location-based)	1,967	2,140
Greenhouse gas intensity (market-based)	1,926	2,120

Gross Scopes 1, 2, 3 and Total GHG emissions

	Retrospective			Milestones and target years		
in thousand metric tons CO_2e	Base year 2021	2024	2025	2030	2040	2050
{**Scope 1 and Scope 2 GHG emissions**						
Gross Scope 1 GHG emissions and market-based gross Scope 2 GHG emissions	2,203	1,887	1,731	1,300	220 (net zero)	
Scope 1 GHG emissions						
Gross Scope 1 GHG emissions	939	854	847			
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)		45	41			
Scope 2 GHG emissions						
Location-based gross Scope 2 GHG emissions	1,514	1,296	1,002			
Market-based gross Scope 2 GHG emissions	1,264	1,033	884			}
Significant Scope 3 GHG emissions						
Total indirect gross (Scope 3) GHG emissions	14,745	10,372	10,294	11,000		1,475 (net zero)
Cat. 1 Purchased goods and services	6,398	4,209	4,401			
Cat. 12 End-of-life treatment of sold products	6,161	4,880	4,655			
Share of Scope 3 GHG emissions based on primary data (%)		8	10			
Total GHG emissions						
Total GHG emissions (location-based)	**17,198**	**12,522**	12,143			
Total GHG emissions (market-based)	**16,948**	**12,259**	12,025	**12,300**		

Methodology description E1-6

LANXESS collects and reports Scope 3 data for all categories apart from Category 10. To systematically record greenhouse gas emissions, LANXESS uses an electronic data-entry system in the respective suitable process steps. Each metric can be either measured, calculated or estimated on a metric-specific basis (e.g. based on measurements, service lives or reference values). The calculation of greenhouse gas emissions is site-based and comprises Scope 1, Scope 2 and Scope 3. LANXESS reports greenhouse gas emissions according to the requirements of the ESRS and in compliance with the Greenhouse Gas (GHG) Protocol Corporate Standards, utilizing the concept of financial and operational control. The measurement methods are not validated by an external third party. Total emissions were calculated according to established formulas, separated according to location- and market-based emissions, and include Scope 1 to Scope 3 emissions. Greenhouse gas intensity is calculated by dividing greenhouse gas emissions in metric tons of CO_2e by net revenue in euros. Greenhouse gas intensity describes the ratio of emissions to net sales. The net revenue on which the calculation is based corresponds to the item sales in the income statement of the consolidated financial statements of the LANXESS Group, which is stated in millions of euros. LANXESS AG and its fully consolidated subsidiaries accounted for Scope 1 greenhouse gas emissions of 838 thousand metric tons of CO_2e (previous year: 843 thousand metric tons of CO_2e) and Scope 2 greenhouse gas emissions of 865 thousand metric tons of CO_2e (previous year: 981 thousand metric tons of CO_2e). Scope 1 greenhouse gas emissions of 9 thousand metric tons CO_2e (previous year: 11 thousand metric tons CO_2e) and Scope 2 greenhouse gas emissions of 19 thousand metric tons CO_2e (previous year: 52 kt CO_2e) were attributable to associates, joint ventures and non-consolidated subsidiaries over which LANXESS AG exerts operational control.

{Biogenic Scope 1 emissions amounted to 237 thousand metric tons CO_2 (previous year: 279 thousand metric tons CO_2) in absolute terms in the 2025 reporting year and are disclosed separately from total Scope 1 emissions. As was the case in the previous year, we currently do not have any information on the relevant biogenic emissions volumes of our suppliers (Scope 2 emissions).} If this changes in the future, we will report these volumes separately. Biogenic emissions indirectly generated in the value chain amounted to 108 thousand metric tons CO_2 (previous year: 97 thousand metric tons CO_2) in absolute terms in the 2025 reporting year and are disclosed separately from total Scope 3 emissions.

For **Scope 1 emissions** greenhouse gas emissions are directly measured wherever possible. Wherever emissions – for example from the use of fuels – cannot be measured, greenhouse gas emissions are calculated using standard factors. At the Lower Rhine sites, we use the emissions factors from the German Emissions Trading Authority (DEHSt); at all other sites, the factors of the U.S. Environmental Protection Agency (EPA) are used for comparability and standardization purposes. To determine total greenhouse gas emissions in CO_2 equivalents, we use Global Warming Potential (GWP) values from the Sixth IPCC Assessment Report based on a 100-year time horizon throughout the Group. All seven relevant greenhouse gases (CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3) are recorded.

Scope 2 emissions are calculated according to the location-based method based on indirect energy consumption. Whenever possible, we use factors from local authorities or – if these are not available – apply factors from the International Energy Agency (IEA), which pertain to CO_2e emissions from CO_2, CH_4 and N_2O. In addition to indirect energy consumption, the respective energy providers' factors are used for the calculation according to the "market-based" method. Contractual instruments with "green" attributes in the 2025 reporting year accounted for a 1.6% share (previous year 1.3%) of total energy consumption.

Scope 3 emissions are calculated on the basis of data from the LANXESS enterprise resource planning system (SAP) or HSE data, supplemented with factors from third-party databases (e.g. GABI or Carbon Minds) or the tables of the U.K. Department for Environment, Food & Rural Affairs (DEFRA). Based on the Scope 3 emissions, it becomes clear that categories 1 (Purchased Goods and Services) and 12 (End-of-Life Treatment of Sold Products) are significant for LANXESS because they account for most of the emissions. The reporting boundaries here correspond to those described in the section "BP-1 – General Basis for Preparation of the Sustainability Report of the LANXESS Group" in the chapter "ESRS 2 General Disclosures." Both activity-based and hybrid methods (several different activity-based methods) were used for the calculation in Category 1. A method specific for the type of waste was applied for Category 12. All calculations were carried out with standard tools. Emissions according to Scope 3.12 are calculated by first determining sales volumes, destination countries and end markets based on the ERP system and the industry analysis. Durable polymers are identified using the NACE code, while the carbon content is individually calculated internally for each product. The regional disposal routes (recycling, incineration, landfilling) are then allocated based on OECD data. Building on this, the emissions for each disposal route are calculated with the help of corresponding emissions factors and finally a total value for Scope 3.12 aggregated across all regions and products. Carbon capture, traded carbon credits and emissions allowances are excluded from the Scope 3 emissions. Wherever possible, we used data based on the specific activities of our suppliers and partners for the calculation. Utilized third-party data (emissions factors) can be based on the GWP factors of IPCC AR6, as well as possibly factors of earlier assessment reports.

E1-7 – GHG Removals and GHG Mitigation Projects Financed through Carbon Credits

LANXESS is currently analyzing the potential and possibilities of carbon capture and storage (CCS) but does not presently participate in any such projects particularly due to the complex situation in the carbon offset market. LANXESS also is not currently involved in any projects to purchase carbon credits (often referred to as CO_2 certificates). In conformity with the rules of the SBTi, LANXESS plans to achieve at least the first 90% of CO_2 reduction relative to the base year without carbon credits and will use these at most for the remaining 10% of the reduction. As LANXESS does not currently use carbon credits and does not plan to amend this in the short term, we do not currently believe it is necessary to analyze the credibility of the various credits.

E1-8 – Internal Carbon Pricing

Carbon pricing is taken into account in the internal assessment of major capital expenditure projects (such as carbon reduction and energy efficiency measures) and M&A projects within the framework of a structured process. In this connection, both the base case for the project and alternative scenarios are assessed. In this way, it directly impacts the assessment of the economic viability of capital expenditures. The carbon shadow price pertains to Scope 1 and Scope 2 emissions worldwide for all units and activities. 100% of our Scope 1 and Scope 2 greenhouse gas emissions are covered by our internal carbon shadow price, while Scope 3 emissions are not covered. It is proposed by Energy Procurement, approved by the Board of Management and communicated by the Global Procurement and Logistics Group function during the annual target setting process. The EU's Emissions Trading System (ETS) price is accounted for in the establishment of the targets. The EU's ETS prices result from trading on the market. LANXESS's internal shadow price is determined based on Energy Procurement's assessment of market developments. The prices are set with regional and time differences while accounting for the IEA's Net Zero Emissions (NZE) by 2050 scenario. Scenarios accounting for prices of €0 and €150 per metric ton and scientifically sound prices according to the IEA's NZE -2050 scenario are calculated. The bases of the IEA's NZE 2050 scenario are also used to specify the critical assumptions and methodology. The carbon price is stated in euros, which is the same currency reported in the consolidated financial statements. As our plants produce numerous products respectively for numerous end industries, it is not possible to determine the net effect of opportunities and risks on the basis of CO_2 pricing for the Group as a whole. The metric is not validated by an external third party. However, it was assessed within the scope of the Corporate Sustainability Analysis (CSA) of Standard & Poor's and by the CDP.

ESRS E2 POLLUTION

The material impacts, risks and opportunities (IROs) of LANXESS were identified through the double materiality assessment. They are shown in the table below and allocated to the corresponding policies, actions and targets.

Material impacts, risks and opportunities related to pollution

							Policies							
Impacts, risks and opportunities[1)]	**actual/potential**	**negative/positive**	**Time horizon**	**Value chain**	**Targets**	**Actions**	**LANXESS Corporate Policy**	**Central Product Surveillance**	**Recording and Reporting HSE Performance Data & Performance Indicators within LANXESS**	**Product Safety Management at LANXESS**	**Environmental Protection Management**	**"Value Chain Responsibility" Background Paper**	**"Water" Background Paper**	**"Product Portfolio" Background Paper**
POLLUTION OF AIR														
I6: Impact Pollution of air during regular operations	actual	negative	<1 year (short term)	own operations upstream/ downstream	Reduction of emissions of non-methane volatile organic compounds (NMVOC) by 25% (base year 2015) by 2025 Reduction of nitrogen oxides (NO_x) by 10% by 2030 compared to base year 2024		×		×		×	×		
I7: Impact Other emissions: NO_x, SO_x, (excluding CO_2e)	actual	negative	<1 year (short term)	own operations upstream/ downstream	Reduction of nitrogen oxides (NO_x) by 10% by 2030 compared to base year 2024		×		×		×	×		
POLLUTION OF WATER														
I8: Impact Pollution of water during regular operations	actual	negative	<1 year (short term)	own operations upstream/ downstream	Reduction of organic carbon (TOC) by 10% by 2030 compared to base year 2024	Water treatment Water treatment	×		×		×		×	
I9: Impact TOC wastewater pollution	actual	negative	<1 year (short term)	own operations upstream/ downstream	Reduction of organic carbon (TOC) by 10% by 2030 compared to base year 2024		×		×		×		×	

1) I = impact, R = risk and O = opportunity

Material impacts, risks and opportunities related to pollution

Impacts, risks and opportunities[1]	actual/potential	negative/positive	Time horizon	Value chain	Targets	Actions	Policies: ILANXESS Corporate Policy	Policies: Central Product Surveillance	Policies: Recording and Reporting HSE Performance Data & Performance Indicators within LANXESS	Policies: Product Safety Management at LANXESS	Policies: Environmental Protection Management	Policies: "Value Chain Responsibility" Background Paper	Policies: "Water" Background Paper	Policies: "Product Portfolio" Background Paper
I10: **Impact** Pollution of water through heavy metals	actual	negative	>10 years (long term)	own operations; upstream/ downstream			×		×		×		×	
I11: **Impact** Pollution of water through nitrogen and phosphorous	actual	negative	<1 year (short term)	own operations; upstream/ downstream			×		×		×		×	
I12: **Impact** Pollution of water through AOXs/POPs	actual	negative	<1 year (short term)	own operations; upstream/ downstream			×		×		×		×	
POLLUTION OF SOIL AND WATER														
R13: **Risk** Existing regulations for soil and water remediation			<1 year (short term)	own operations			×				×			

1) I = impact, R = risk and O = opportunity

Material impacts, risks and opportunities related to pollution

Impacts, risks and opportunities[1]	actual/potential	negative/positive	Time horizon	Value chain	Targets	Actions	Policies: ILANXESS Corporate Policy	Policies: Central Product Surveillance	Policies: Recording and Reporting HSE Performance Data & Performance Indicators within LANXESS	Policies: Product Safety Management at LANXESS	Policies: Environmental Protection Management	Policies: "Value Chain Responsibility" Background Paper	Policies: "Water" Background Paper	Policies: "Product Portfolio" Background Paper
SUBSTANCES OF CONCERN														
I14: **Impact** Substances of concern (SoCs)	potential	negative	<1 year (short term)	own operations		LANXESS Product Sustainability Monitor	×	×		×				×
				upstream/ downstream			×	×		×				×
SUBSTANCES OF VERY HIGH CONCERN														
I15: **Impact** Substances of very high concern (SVHCs)	potential	negative	<1 year (short term)	own operations	Roadmap 2024–2026 development of action plans for all chemical end-products newly identified in 2023 that contain more than 0.1% substances of very high concern (SVHCs)	LANXESS Product Sustainability Monitor	×	×		×				×
				upstream/ downstream		Implementation of the 2021–2023 roadmap	×	×		×				×
R16: **Risk** Sales decline for products potentially classified as SVHCs (6–10 years)			6–10 years (long term)	downstream				×		×				×
R17: **Risk** Sales decline for products potentially classified as SVHCs (>10 years)			>10 years (long term)	downstream				×		×				×

1) I = impact, R = risk and O = opportunity

Protecting the environment and conserving our protected natural resources of water, air and soil are important for LANXESS.

Our wide range of products requires the use of many different chemical and technical processes. Group-wide directives and uniform standards for planning, building and operating plants ensure a high level of process, plant and occupational safety. Experts examine the implementation of LANXESS directives and local regulations for the safe operation of our plants. The frequency of audits including on-site targeted spot checks is geared toward the respective risk profile. Nevertheless, handling chemical substances and working with technical equipment involves potential hazards. LANXESS uses an electronic reporting system to record accidents and incidents worldwide in accordance with uniform regulations and reports a summary of the impacts in the sustainability report.

E2 SBM–3 – Material Impacts, Risks and Opportunities and their Interaction with Strategy and Business Model

LANXESS is aware of the impacts of its operational emissions and is committed to continuous compliance with local standards. We regulate and monitor emissions to air, water and soil in accordance with local legal requirements and the requirements of operating licenses. The results are reported both locally and in the Pollutant Release and Transfer Register (PRTR) reporting. For us as a specialty chemicals company, the identified impacts and risk are generally of importance for all sites and business activities. We also consider potential environmental impacts in our upstream value chain and address these through our Business Partner Code of Conduct, which defines clear requirements for environmental standards.

Pollution of air

This paragraph relates to the impacts I6 to I7: The emission of pollutants from chemical plants, such as nitrogen oxides (NO_x), sulfur oxides (SO_x) or volatile organic compounds (VOCs), has an impact on the air quality in surrounding areas from a certain level. In such a case, this has a negative impact on human health and local ecosystems. As part of our mitigation policies, LANXESS has set the NO_x target of reducing emissions of nitrogen oxides by 10% by the end of 2030 compared with the base year of 2024. We achieved our previous target of reducing emissions of non-methane volatile organic compounds (NMVOCs) by 25% by the end of 2025 compared with the base year of 2015.

Pollution of water

This paragraph relates to the impacts I8 to I12: The discharge of pollutants from chemical plants, such as total organic carbon (TOC), heavy metals, nitrogen, phosphorus, adsorbable organic halides (AOX) and persistent organic pollutants (POPs), affects local water quality from a certain level. Any such discharge has a negative impact on human health and aquatic ecosystems. Our efforts to reduce these impacts include the operation of our own waste water treatment plants or connection to external plants. A core component of our policy to reduce water emissions is our target of decreasing total organic carbon (TOC) by 10% by the end of 2030 relative to the base year 2024.

Existing regulations on remediation of soils and water

This paragraph relates to the risk R13: LANXESS recognizes provisions for obligations of uncertain amount or timing. The existing provisions for environmental remediation costs largely concern contaminated sites and re-cultivation and water-protection actions. Remediation actions help to restore and thus sustainably improve environmental conditions. The provisions for environmental remediation costs are stated at the present value of the expected commitments where environmental assessments or clean-ups are probable, the costs can be reasonably estimated and no future economic benefit is expected to arise from these actions. The cost estimates take account of, for example, past experience in similar cases, environmental assessments, current costs, new developments affecting costs, and current environmental laws and regulations. It is, however, difficult to estimate the future costs of environmental protection and remediation particularly because of many uncertainties concerning the legal requirements and the information available about conditions in the various countries and at specific sites. LANXESS believes the existing provisions to be sufficient based on the information currently available. However, the possibility that additional costs may arise beyond the amounts already accrued cannot be ruled out. LANXESS nevertheless estimates that such additional costs, should they occur, would not materially impact the Group's earnings, asset and financial position. Changes in the level of the provisions arose in the financial year. The provisions for environmental remediation costs amounted to €133 million on December 31, 2025 (previous year: €167 million).

Critical substances

This paragraph relates to the impacts I14 to I15: Substances of concern (SoC) and substances of very high concern (SVHC) may pollute air, water and soil and have negative impacts on ecosystems and society. LANXESS purchases, uses or sells products and raw materials containing amounts of substances of concern and substances of very high concern. However, these substances are not released into the environment in the course of standard operations but remain in the approved state within closed facilities and are chemically converted into products with other properties under strictly controlled conditions. LANXESS also purchases raw materials for production that may contain substances in the SoC or SVHC categories. The Group's roadmap process also includes the review and optimization of this raw material sourcing. LANXESS monitors the sourcing, production and sale of all products or raw materials that currently contain substances of concern.

This paragraph pertains to the risks R16 and R17: Financial risks can result from the possible classification of certain substances as substances of very high concern. These risks result especially from potentially declining demand as customers choose substitute products or take regulatory requirements into account along the value chain. This can result in sales declines for impacted products.

E2-1 – Policies Related to Pollution

All general information on our policies pursuant to ESRS 2.65 can be found in section "G1-1 Corporate Culture and Business Conduct Policies" of the chapter "ESRS G1 Business Conduct".

Corporate policy

Our "LANXESS Corporate Policy" reaffirms our commitment to continuously reducing emissions to air, water and soil and comprehensively protecting the environment. In addition, our research and development activities target the development of environmentally friendly products and processes and thus the avoidance of a negative environmental impact. Responsibility for our products means the ongoing improvement of product safety for people and the environment. To this end, we monitor the health, social and environmental impact of our product portfolio worldwide in order to gradually replace critical products and promote safe alternatives. We also use management systems in accordance with ISO 9001 and ISO 14001 to achieve continuous improvements in quality and environmental performance. LANXESS promotes and demands compliance with strict safety, health and environmental directives worldwide and strengthens its employees' sense of responsibility through targeted training. The highest level of responsibility for implementing our "LANXESS Corporate Policy" is held by the LANXESS AG Board of Management. The document is accessible to all and can be viewed on the LANXESS website.

Internal directives

The "Environmental Protection Management" directive concentrates on four targets: meeting legal requirements, avoiding environmental incidents (wastewater, exhaust air, other emissions, waste), minimizing damage in the event of an environmental incident, and improving environmental performance. The directive defines responsibilities and describes the minimum standards for the processes we use to ensure that the targets are met worldwide on an ongoing basis. This includes dealing with wastewater, exhaust air and other emissions, improving environmental performance, avoiding environmental incidents, minimizing environmental risks, and limiting damage in the event of an environmental incident. Further information on our "Environmental Protection Management" directive can be found in section "E1-2 – Policies Related to Climate Change Mitigation and Adaptation" of the chapter "ESRS E1 Climate Change".

The "Recording and Reporting HSE Performance Data & Performance Indicators within LANXESS" directive stipulates the systematic recording and provision of HSE information across the Group. The directive defines the processes for recording and collecting data on metrics relevant to environmental protection and the responsibilities of the units involved in the process.

The aim of the "Product Safety Management at LANXESS" directive is to ensure that the relevant laws and regulations are complied with at all stages of the product life cycle (R&D, production, storage, transportation, marketing, use and disposal), that relevant obligations are derived and implemented, and that compliance with these is monitored. This directive describes the binding standard for all processes at LANXESS in the context of global product safety management. Classification in accordance with hazardous substance legislation and determination of the labeling is carried out centrally at country level by the Product Safety, Regulation & Sustainability department within the Production, Technology, Safety and Environment Group function in accordance with applicable national and local legislation. This action is intended to ensure that risks for people and the environment are avoided during sourcing, production, transportation, storage, use and disposal. LANXESS is required by law to prepare a safety data sheet for any hazardous substances and mixtures. In accordance with the chemical industry's voluntary commitment, we also prepare safety data sheets for all nonhazardous substances and mixtures. The directive is intended to ensure that the Group only places products on the market if their safety can be guaranteed, taking into account all available scientific and technological information. This applies to all the products we sell. The directive refers to the following agreements:

- the Montreal Protocol on Substances That Deplete the Ozone Layer
- the Rotterdam Convention on the prior informed consent (PIC) procedure for certain hazardous chemicals and pesticides in international trade
- the Stockholm Convention (on Persistent Organic Pollutants, POPs) with the ban on or restriction of persistent, environmentally damaging substances
- the Responsible Care Global Charter
- the Global Product Strategy of the ICCA (International Council of Chemical Associations)
- For further information on the "Product Safety Management at LANXESS" directive, see the section "S2-1 – Policies Related to Value Chain Workers" in the chapter "ESRS S2 Workers in the Value Chain".

In the "Central Product Surveillance" directive, we commit to carefully investigating and assessing the risks of health or environmental hazards that may arise as a result of our products or consumer products made from them and, where necessary, taking appropriate precautionary measures. In the event of an incident caused by a LANXESS product, corrective actions and steps are taken that are set out in the "Corrective Actions" policy and are intended to ensure that the incident does not recur. The guidelines on quality assurance management pursuant to ISO 9001 stipulate the obligation of all LANXESS employees to report incidents. They also regulate actions such as product recalls. Incidents in which a health hazard or harmful effects on the environment can be assumed are subject to central product surveillance.

Background papers

The “Value Chain Responsibility” Background Paper underscores our commitment to responsible action along the value chains and the associated management approaches. These include actions to prevent or control the negative impacts from air, water and soil pollution but also actions intended to help to prevent incidents and emergencies or limit their impact on people and the environment. With regard to the content, the Group makes reference to the UN Global Compact, the Sustainable Development Goals (SDGs) and the Responsible Care® initiative.

The “Product Portfolio” Background Paper describes our target of improving our product portfolio’s sustainability performance, replacing critical products and developing safe alternatives. By continually making our product portfolio more sustainable, climate-neutral and circular, we aim to counteract negative environmental impacts such as pollution of air, water and soil and the use of critical substances. Of the stakeholders concerned (LANXESS business units, the Production, Technology, Safety and Environment, and Global Procurement and Logistics Group functions and customers, suppliers and NGOs) the internal stakeholders were involved in developing the paper through the Sustainability Committee and the Sustainable Product Portfolio subcommittee. The “Product Portfolio” Background Paper applies to the entire Group and the Group’s own operations. It is publicly available on the LANXESS website and has been communicated over the intranet, on the website, at stakeholder meetings and in press releases. In the directive, we refer to:

- the Sustainable Development Goals
- the 14067, 14026, 14040 and 14044 ISO standards
- the Responsible Care® initiative
- the EU REACH Regulation
- the Montreal Protocol
- the Stockholm and Rotterdam conventions
- the ChemSec Substitute-It-Now (SIN) List
- the International Agency for Research on Cancer (IARC) Monographs
- the UN’s SAICM List (Strategic Approach to International Chemicals Management) on endocrine disrupters
- the WBCSD’s Portfolio Sustainability Assessment (PSA)
- the 12 Principles of Green Chemistry
- the UBA’s recommendations in the Guide on Sustainable Chemicals
- the Aqueduct Water Risk Atlas tool of the World Resources Institute (WRI)
- the American Chemistry Council’s Prioritization Screening Method
- the UN’s Globally Harmonized System (GHS) for classifying and labeling chemicals

The “Water” Background Paper with reference to SDG 6 “Clean water and sanitation for all” explains our three-step water program. One step describes the clear regulatory framework and transparent reporting, the development of metrics, and the targets for water quantity and quality. It explains the handling and monitoring of wastewater pollution as well as the loads of discharged water quantities at all our sites. Further information on the Water Background Paper can be found in section “E3-1 – Policies Related to Water and Marine Resources” of the chapter “ESRS E3 Water and Marine Resources”.

E2-2 – Actions and Resources Related to Pollution

LANXESS Product Sustainability Monitor

The LANXESS Product Sustainability Monitor is the strategic management tool that LANXESS uses to align its portfolio with sustainability and address critical substances. In this way, we aim to have a positive effect on the impacts I14 and I15. The Group started the LANXESS Product Sustainability Monitor in 2016 and continues to develop it. It enables LANXESS to analyze risks and potential for improvement and to systematically improve its sustainability performance, taking account of environmental, social and economic impacts.

The continuously optimized system analyzes the benefits and impact of LANXESS’s products based on nine criteria with relevance for LANXESS and society: climate change, water use and water risk, waste efficiency, environmental risk, human health risk, product benefit, demand trend, profitability, legislative and reputational risk. LANXESS assesses its entire product portfolio based on these criteria. LANXESS divides its portfolio into five categories: energizer, performer, transitioner, 2024–2026 roadmap and phase-out.

The “roadmap” category covers products containing substances of concern or substances of very high concern in excess of 0.1%. These are chemical end products containing substances with at least one of the following properties of substances of very high concern: carcinogenic (cat. 1A and 1B), mutagenic (cat. 1A and 1B), toxic to reproduction (cat. 1A and 1B), persistent, bioaccumulative and toxic, very persistent and very bioaccumulative or comparable substances of high concern (for example, endocrine-disrupting or ozone-depleting). LANXESS manages these products in its roadmap process, in which it examines in particular whether critical substances in the chemical end products concerned could be replaced with safe and sustainable alternatives. LANXESS does not market new chemical end products in this category.

The “phase-out” category pertains to roadmap products for which action plans were established between 2021 and 2023 with the target of replacing them with sustainable alternatives by 2030. If using sustainable alternatives is not possible, LANXESS will withdraw the products from the market by 2026 and not replace them.

LANXESS continuously improves its product portfolio and invests in product innovations. In the 2025 financial year, there was no single action with significant (>€3 million) capital or operational expenditures.

Implementation of the 2021–2023 roadmap

Action plans for chemical end products containing substances of very high concern were developed with the 2021–2023 product roadmap. LANXESS intends to develop sustainable alternatives for these products by 2030. If this is not possible, production of these products will be discontinued by 2026. The implementation status of the Roadmap 2021–2023 is regularly reported on within the Sustainable Product Portfolio subcommittee. Based on the reference year 2021, LANXESS plans to stop marketing for 21% of sales generated with products from the 2021–2023 roadmap by the end of 2026 and offer non-critical alternatives for a further 69% by 2030. For the remaining 10% of sales of roadmap products that LANXESS is currently unable to replace, the analysis has shown that they are only used under controlled and safe conditions.

In our product roadmap process we look into developing safe and sustainable alternatives for critical products in the portfolio and do not switch to other substances that experts believe could have comparable hazardous properties but are not yet subject to regulatory restrictions. No new products are developed with properties of substances of very high concern.

Examples of implemented actions from the 2021–2023 roadmap

Substitution of Vulkanox® 4020/6PPD (N-1,3-dimethylbutyl-N’-phenyl-p-phenylenediamine)

6PPD is used as a polymer additive and is so far considered the industrial standard and a key product in the manufacture of vehicle tires. This reprotoxic substance has been linked to mass salmon deaths in the U.S. Vulkanox® 4020, N,N’-Dicyclo-hexyl-p-phenylendiamin (CCPD) has been developed as an alternative substance with a much better hazard profile and one that is not classified as a substance of very high concern.

Phase-out of BAYOWET® C4 in 2023

Potassium perfluorobutane sulfonate, the active ingredient in the LANXESS product BAYOWET® C4, a flame retardant for transparent plastics, was added to the EU Candidate List of Substances of Very High Concern in 2020 due to its high persistence, high mobility and endocrine-disrupting properties. Production and distribution of BAYOWET® C4 were discontinued at the end of 2023.

Water treatment

LANXESS has equipped the first mobile water treatment plant with its Lewatit® TP 108 DW ion exchange resin. The aim is to increase water quality and reduce the contamination of drinking water. The plant uses the specially developed Lewatit® TP 108 DW ion exchange resin, which is used, in particular, for reducing PFAS from wastewater/effluents. During the project, LANXESS provided advice on and support for the pilot project, continuously recorded the performance data and supported the optimization of the processing. The project was implemented according to schedule between May 2024 and October 2025. The mobile unit was then decommissioned. In the 2025 financial year, there was no single action with significant (>€3 million) capital or operational expenditures.

E2-3 – Targets Related to Pollution

We monitor the effectiveness of our policy and actions by regularly measuring and evaluating our environmental indicators in the area of pollution and the targets we have set in the areas of pollution of water and air and critical substances.

Reduction of total organic carbon (TOC) by 10% by 2030 compared to base year 2024

LANXESS aims to continuously reduce its wastewater load and set itself the target in fiscal year 2025 of decreasing the total organic carbon (TOC) originating from its own activities and operations by 10% by 2030. LANXESS measures the progress using absolute TOC emissions expressed in metric tons. The target is steered based on absolute Group-wide emissions. By contrast, the data reported in the section “E2-4 – Pollution of Air, Water and Soil” correspond to the PRTR threshold values and therefore are not directly comparable. With a baseline value of 861 metric tons, the base year of 2024 forms the basis for this target. The target will remain in place until the end of 2030 and no intermediate targets have been defined. The target achievement is based on the calculation of the TOC using the HSE indicator collection process in accordance with the “Recording and Reporting of HSE Performance Data and Performance Indicators within LANXESS” directive. LANXESS aims to attain the target through reduction projects and the continuous improvement of production standards. The target is not based on specific frameworks and is not legally binding. Only fully consolidated companies are taken into account here. Internal stakeholders, particularly employees from the business units and Group functions, were involved in developing this target. Compared with the previous year, the target was adjusted from a continuous and annually forward-rolling 2% target to a medium-term 10% target. This enables better technical and financial planability of the sites’ corresponding measures. For the financial year, this resulted in a reduction of 17% compared to the base year.

Reduction of emissions of non-methane volatile organic compounds (NMVOCs) by 25% by 2025 compared to base year 2015

As a globally active specialty chemicals company, LANXESS believes it has a responsibility to actively reduce air pollutants and has set a clear target for reducing emissions of non-methane volatile organic compounds (NMVOCs) originating from its own activities and operations. All organic compounds (generally steam pressure greater than or equal to 0.01 kPa at 20°C) are regarded as VOCs; methane and acetone are not taken into account. LANXESS measures the progress using absolute NMVOC emissions expressed in thousand metric tons and is targeting a reduction of 25% compared with the base year of 2015. The target is steered based on absolute Group-wide emissions. By contrast, the data reported in the section "E2-4 – Pollution of Air, Water and Soil" correspond to the PRTR threshold values and therefore are not directly comparable. The base year of 2015, having a baseline value of 5.4 thousand metric tons, forms the basis for this target. The target will remain in place until the end of 2025 and no intermediate targets have been defined. The NMVOC values are calculated using the HSE indicator collection process in accordance with the "Recording and Reporting HSE Performance Data & Performance Indicators within LANXESS" directive. This target is not based on specific frameworks and is voluntary – in other words, not legally binding. In order to advance the reduction of NMVOC emissions, internal stakeholders, in particular employees, were involved in developing the targets. In particular, changes in the product portfolio and increasing specialization and profiling as a specialty chemicals company have already made a significant contribution to reducing NMVOC emissions. For the financial year, this resulted in a reduction of 90% (previous year: 89%) compared to the base year. We thus attained our target.

Reduction of nitrogen oxides (NO_x) by 10% by 2030 compared to base year 2024

Following the expiration of the previous target for reducing air emissions of volatile organic compounds (excluding methane) (NMVOC) in 2025, we defined a new target for the reduction of nitrogen oxide (NO_x) emissions that reflects our continued efforts to minimize our own environmental impacts. LANXESS measures the progress using absolute NO_x emissions expressed in metric tons and is targeting a reduction of 10% compared with the base year of 2024. The target is steered based on absolute Group-wide emissions. By contrast, the data reported in the section "E2-4 – Pollution of Air, Water and Soil" correspond to the PRTR threshold values and therefore are not directly comparable. With a baseline value of 820 metric tons, the base year of 2024 forms the basis for this target. The target will remain in place until the end of 2030 and no intermediate targets have been defined. The NO_x values are calculated using the HSE indicator collection process in accordance with the "Recording and Reporting HSE Performance Data & Performance Indicators within LANXESS" directive. This target is not based on specific frameworks and is voluntary and therefore not legally binding. Only fully consolidated companies are taken into account here. In order to advance the reduction of NO_x emissions, internal stakeholders, in particular employees, were involved in developing the targets. LANXESS aims to attain the target through continuous improvement of production standards. In addition, the calculation method for emissions from the combustion of biomass was improved by replacing literature values with actual measurement values. For the financial year, this resulted in a reduction of 17% compared to the base year.

Development of the 2024–2026 roadmap

LANXESS has committed to continuously improving its product portfolio's sustainability performance, eliminating critical substances and developing safer alternatives. To achieve this, the Group has developed a roadmap process and set the following target.

2024–2026 roadmap target: developing action plans by the end of 2026 for all newly identified chemical end products (identified in 2023) that include more than 0.1% substances of very high concern (SVHCs).

At the end of 2023, other chemical end products which contain substances of very high concern were identified in the portfolio. LANXESS will develop action plans for possible substitution of these products by the end of 2026. In 2025, specific strategy plans were developed for as many as 60% of these roadmap products (2024–2026). The relevant phase-out is also defined when the substitution plans are being developed. This information is therefore not yet available.

There were no changes to targets or related metrics in the reporting period.

The targets were defined based on reliable scientific data, namely substituting products that have at least one of the following properties of substances of very high concern: carcinogenic (cat. 1A and 1B), mutagenic (cat. 1A and 1B), reprotoxic (cat. 1A and 1B), persistent, bioaccumulative and toxic, very persistent and very bioaccumulative or comparable substances of high concern (for example, endocrine-disrupting or ozone-depleting).

E2-4 – Pollution of Air, Water and Soil

Pollution of air, water and soil in 2024

in kg	Air	Water	Soil	Total
1,2-dichloroethane (EDC)	1,102	15	14	**1,131**
Arsenic and compounds (as As)	–	28	–	**28**
Benzene	9.888[1)]	–	–	**9.888[1)]**
Carbon monoxide (CO)	1,262,270	*	*	**1,262,270**
Chlorides (as total Cl)	*	126,256,070	–	**126,256,070**
Chlorine and inorganic compounds (as HCl)	10,367	*	*	**10,367**
Dichloromethane (DCM)	32,657	–	–	**32,657**
Fluorine and inorganic compounds (as HF)	6,405	*	*	**6,405**
Halogenated organic compounds (as AOX)	–	12,236	–	**12,236**
Halons	55	*	*	**55**
Hydrochlorofluorocarbons (HCFCs)	1,382	*	*	**1,382**
Chlorofluorocarbons (CFCs)	3	*	*	**3**
Copper and compounds (as Cu)	–	63	–	**63**
Naphthalene	555[1)]	–	–	**555[1)]**
Nickel and compounds (as Ni)	380	249	–	**629**
Nitrogen oxides (NO_x/NO_2)	556.801[1)]	*	*	**556.801[1)]**
Particulate matter (PM10)	69,081	*	*	**69,081**
Phenols (as total C)	*	84	–	**84**
Polycyclic aromatic hydrocarbons (PAH)	102[1)]	–	–	**102[1)]**
Total nitrogen	*	231,774	–	**231,774**
Total organic carbon (TOC) (as total C or COD/3)	*	600,343	*	**600,343**
Total phosphorous	*	25,940	–	**25,940**
Zinc and compounds (as Zn)	–	267	–	**267**

An asterisk * indicates that the parameter and medium in question do not trigger a reporting requirement in accordance with Annex II to Regulation (EC) No. 166/2006.
1) Value adjusted based on updated data.

Pollution of air, water and soil in 2025

in kg	Air	Water	Soil	Total
1,2-dichloroethane (EDC)	1,101	15	–	**1,116**
Arsenic and compounds (as As)	–	29	–	**29**
Benzene	6,452	–	–	**6,452**
Carbon monoxide (CO)	1,373,374	*	*	**1,373,374**
Chlorides (as total Cl)	*	115,044,398	–	**115,044,398**
Chlorine and inorganic compounds (as HCl)	10,289	*	*	**10,289**
Dichloromethane (DCM)	35,414	–	–	**35,414**
Fluorine and inorganic compounds (as HF)	5,724	*	*	**5,724**
Halogenated organic compounds (as AOX)	–	6,994	–	**6,994**
Halons	40	*	*	**40**
Hydrochlorofluorocarbons (HCFCs)	781	*	*	**781**
Naphthalene	238	–	–	**238**
Nickel and compounds (as Ni)	929	310	–	**1,239**
Nitrogen oxides (NO_x/NO_2)	221,750	*	*	**221,750**
Polycyclic aromatic hydrocarbons (PAH)	69	–	–	**69**
Total nitrogen	*	324,819	–	**324,819**
Total organic carbon (TOC) (as total C or COD/3)	*	477,639	*	**477,639**
Total phosphorous	*	24,846	–	**24,846**
Zinc and compounds (as Zn)	256	566	–	**822**
Sulfur oxides (SO_x/SO_2)	210,900	–	–	**210,900**
Xylenes	*	1,023	–	**1,023**

An asterisk * indicates that the parameter and medium in question do not trigger a reporting requirement in accordance with Annex II to Regulation (EC) No. 166/2006.

In its reporting, LANXESS is guided by the requirements of Regulation (EC) No 166/2006 (PRTR), in particular Annex II, which contains a comprehensive list of potential pollutants. This list was provided to all sites worldwide to ensure consistent data collection. The sites first identify the pollutants relevant to their operations and the release points in question (air, water, soil). The total annual emissions per pollutant are then recorded and reported. At Group level, the reported values per company and site are combined and compared with the limits in Annex II. Pollutant emissions that exceed the defined limits are included in the LANXESS Group reporting and published in consolidated form. Emissions are measured at facility level in accordance with the approved, facility-specific measurement plan, which is defined individually for each pollutant. The measurement plan defines the sampling locations, the frequency of measurements and the extrapolation methods used, where these are required. The measurement of the metrics depends on the respective license and must comply with legal requirements that specify the frequency of measurement, possible extrapolations, etc. Each metric can be either measured, calculated or estimated on a metric-specific basis (e.g. based on measurements, service lives or reference values). In the various countries, different types of pollution are regularly monitored by local and national authorities in accordance with the legal requirements there. In the EU, for example, pollution levels are reported to the Pollutant Release and Transfer Register (PRTR) and reviewed by the relevant authorities.

E2-5 – Substances of Concern and Substances of Very High Concern

Substances of Concern and Very High Concern by Main Hazard Class in 2024

	2024													
Amounts of substances of concern in t	carcinogenicity categories 1 and 2	germ cell mutagenicity categories 1 and 2	reproductive toxicity categories 1 and 2	endocrine disruption for human health	endocrine disruption for the environment	Persistent, mobile and toxic (PMT) or very persistent and very mobile (vPvM) properties	Persistent, bioaccumulative and toxic (PBT) or very persistent, very bioaccumulative properties (vPvB)	respiratory sensitisation category 1	skin sensitisation category 1	chronic hazard to the aquatic environment categories 1 to 4	hazardous to the ozone layer	specific target organ toxicity, repeated exposure categories 1 and 2	specific target organ toxicity, single exposure categories 1 and 2	**Total[1] in 2024**
that were procured	**231,115**	**199,875**	**402,531**	**467**	**3,726**	**–**	**3**	**20,087**	**82,714**	**165,386**	**49**	**488,798**	**56,852**	**851,380**
of which SVHC	30,372	24,714	23,500	467	3,726	–	3	1,595	–	78	–	–	78	41,264
that were generated	**506,102**	**240,596**	**82,284**	**–**	**2,915**	**–**	**2**	**174,700**	**381,363**	**426,867**	**4,120**	**580,367**	**10,439**	**1,246,602**
of which SVHC	60,602	213	4,045	–	2,915	–	2	20,227	–	175	–	–	175	87,964
that left the facilities	**122,500**	**34,987**	**12,331**	**36**	**1,245**	**–**	**40**	**172,407**	**230,978**	**155,667**	**3,740**	**237,070**	**501**	**530,159**
of which SVHC	34,076	19	6,715	36	1,245	–	40	18,866	–	32	–	–	32	60,939
as emissions	39	3	1	–	–	–	1	–	1	–	–	2	–	39
of which SVHC	2	1	–	–	–	–	1	–	–	–	–	–	–	2
as products	121,287	34,770	12,067	33	1,206	–	35	170,968	229,081	154,607	3,739	235,245	137	526,336
of which SVHC	34,062	6	6,631	33	1,206	–	35	18,866	–	32	–	–	32	60,799
as parts of products	1,174	214	263	3	39	–	4	1,439	1,896	1,060	1	1,823	364	3,784
of which SVHC	12	12	84	3	39	–	4	–	–	–	–	–	–	138

1) A single substance may belong to one or multiple hazard classes. To avoid double counting our total is the amount of substances and not the sum of all the hazard classes.

Substances of Concern and Very High Concern by Main Hazard Class in 2025

Amounts of substances of concern in t	2025 carcinogenicity categories 1 and 2	germ cell mutagenicity categories 1 and 2	reproductive toxicity categories 1 and 2	endocrine disruption for human health	endocrine disruption for the environment	Persistent, mobile and toxic (PMT) or very persistent and very mobile (vPvM) properties	Persistent, bioaccumulative and toxic (PBT) or very persistent, very bioaccumulative properties (vPvB)	respiratory sensitisation category 1	skin sensitisation category 1	chronic hazard to the aquatic environment categories 1 to 4	hazardous to the ozone layer	specific target organ toxicity, repeated exposure categories 1 and 2	specific target organ toxicity, single exposure categories 1 and 2	**Total[1] in 2025**
that were procured	**209,587**	**190,204**	**336,045**	**–**	**70**	**–**	**2,274**	**13,620**	**68,414**	**115,327**	**22**	**412,061**	**55,931**	**700,754**
of which SVHC	29,368	23,015	18,491	–	70	–	2,274	1,340	2,476	10,294	–	211	–	39,244
that were generated	**403,916**	**178,050**	**50,198**	**–**	**775**	**–**	**0**	**180,886**	**424,974**	**397,732**	**3,958**	**487,718**	**153,876**	**1,257,118**
of which SVHC	48,090	3	4,358	–	775	–	0	19,345	24,530	24,535	–	22	–	72,568
that left the facilities	**97,128**	**15,921**	**13,729**	**–**	**1,049**	**–**	**3,175**	**172,759**	**276,349**	**176,196**	**3,692**	**207,359**	**1,741**	**548,153**
of which SVHC	29,604	67	5,647	–	1,049	–	3,175	17,440	17,515	25,115	–	222	2	56,821
as emissions	46	8	2,622	–	–	–	–	–	1	–	–	2,631	465	3,134
of which SVHC	1	–	–	–	–	–	–	–	–	–	–	–	–	1
as products	96,630	15,779	10,897	–	986	–	3,175	171,991	275,150	175,382	3,691	203,637	807	542,038
of which SVHC	29,589	53	5,638	–	986	–	3,175	17,440	17,515	25,111	–	221	2	56,733
as parts of products	452	134	210	–	64	–	0	768	1,199	814	0	1,091	469	2,981
of which SVHC	14	14	9	–	64	–	0	–	0	5	–	1	0	87

1) A single substance may belong to one or multiple hazard classes. To avoid double counting our total is the amount of substances and not the sum of all the hazard classes.

Substances of concern/very high concern

LANXESS carries products and raw materials containing amounts of substances of concern and substances of very high concern. LANXESS uses the ECHA's harmonized data sources, such as the SVHC list and Annex VI of the CLP Regulation for reporting the amounts of SoC and SVHC. These are regularly updated, imported into our central database and made available for reporting via standardized views. The reporting distinguishes between amounts purchased, produced and sold. Purchased substances are recorded in the ERP systems and compared with the relevant lists. Amounts produced and sold are analyzed using the substance compositions from SAP EHS and further processed in SAP BW. The parameters are not validated by external bodies. To enable a clearer and more informative presentation of the data, SVHCs were reported for the first time in fiscal year 2025 as a subset of SoCs; the reference data for 2024 were adjusted and summarized in connection with this change. In the 2024 reporting year, the classification of SVHCs was undertaken based on the respective reason for the substances' inclusion. In 2025, the classification was adjusted in line with the SoCs to ensure its uniformity. This adjustment led to changes in some hazard classes. The total volume of SVHCs throughout the hazard classes is not affected by this. Retroactive adjustment of the data for 2024 is not possible.

Substances of concern/very high concern as emissions

To determine the amounts of SoC and SVHC as emissions, a comparison was made with the emissions registered in the Pollutant Release and Transfer Register (PRTR). All substances on the PRTR list were systematically assessed and reviewed for their classification as an SoC or SVHC. In addition, our global sites were surveyed on whether other SoC or SVHC were released into the air, water or soil in addition to the emissions already recorded in PRTR reporting. The results from the comparison and the site survey were consolidated into a total amount. Emissions were stated as SoCs including SVHCs. The SVHCs were also reported separately. The parameters were not validated by external bodies.

ESRS E3 WATER AND MARINE RESOURCES

The material impacts, risks and opportunities (IROs) of LANXESS were identified through the double materiality assessment. They are shown in the table below and allocated to the corresponding policies, actions and targets.

Material impacts, risks and opportunities related to water and marine resources

Impacts, risks and opportunities[1]	actual/potential	negative/positive	Time horizon	Value chain	Targets	Actions	Policies			
							LANXESS Corporate Policy	Recording and Reporting HSE Performance Data & Performance Indicators within LANXESS	Environmental Protection Management	"Water" Background Paper
WATER										
WATER CONSUMPTION										
I18: **Impact** Water consumption at sites with local water risks/water stress	actual	negative	<1 year (short term)	own operations	Reduction of specific water consumption by 10% by 2030 9% absolute reduction of water withdrawals at sites with water stress and water risks by 2028 (base year 2019) Implementation of the WASH Pledge actions by 2028 (WASH4Work)	Water stewardship program WASH pledge actions	×	×		×
				upstream/ downstream			×	×		×
I19: **Impact** Water consumption	actual	negative	<1 year (short term)	own operations	Reduction of specific water consumption by 10% by 2030	Water stewardship program	×	×		×
WATER WITHDRAWALS										
I20: **Impact** Water withdrawals at sites with local water risks/water stress	actual	negative	<1 year (short term)	own operations	9% absolute reduction of water withdrawals at sites with water stress and water risks by 2028 (base year 2019)	Water stewardship program	×	×		×
				upstream/ downstream			×	×		×
I21: **Impact** Water withdrawals	actual	negative	<1 year (short term)	own operations	9% absolute reduction of water withdrawals at sites with water stress and water risks by 2028 (base year 2019)	Water stewardship program	×	×		×

1) I = impact, R = risk and O = opportunity

For LANXESS as a specialty chemicals company, water is a resource for production and is mainly used for cooling (83%), in chemical processes (15%) or in the form of steam (2%). In addition, rivers are an important mode of transportation. LANXESS is aware of water's ecological and social relevance beyond its importance as an economic resource. Water availability and quality are global challenges that we can and must address locally. We recognize access to clean water as a human right. LANXESS is therefore committed to the responsible use of water, particularly in areas with extremely high water stress. Water stress refers to the ability (or lack thereof) to meet human and ecological demand for fresh water. In our own operations and along the downstream value chain, we use our water treatment products to support SDG 6 "clean water and sanitation for all."

E3 SBM-3 – Material Impacts, Risks and Opportunities and their Interaction with Strategy and Business Model

LANXESS is committed to the responsible use of water. At our production sites, we systematically record and monitor water withdrawal, consumption and the discharge of wastewater. In the process, we meet high standards and consistently adhere to the limits specified in the operating licenses. Depending on where water is extracted and consumed – for instance, water-stress areas – different impacts on society and the aquatic ecosystems result.

Water consumption in general (including water withdrawal)

This paragraph relates to impacts I19 and I21. The chemical industry relies on the withdrawal of water from surface waters, groundwater or on provision by third parties. As a company in the chemical industry, LANXESS primarily uses water for once-through cooling, which makes up around 80% of the water withdrawn. This water is returned to the water cycle after use. Thus, it is not consumed. We understand water consumption to refer to the share of water that is withdrawn but not returned. This includes evaporation losses through the use of cooling systems, integration into products and other processes. This has negative impacts on aquatic ecosystems and society. If water is not consumed, it is returned to the environment after use in compliance with legal requirements, local thresholds, and high standards. In order to break the link between growth and water consumption, LANXESS has set a target at Group level of reducing specific water consumption by 10% by 2030 compared with the base year 2024.

Water withdrawal and consumption in stress and risk areas

This paragraph relates to impacts I18 and I20. LANXESS assesses water stress and sites with water risks. Water stress is a direct consequence of climate change and the increasing demand for water overall. Current data from the Aqueduct Water Risk Atlas of the World Resources Institute (WRI) were used to identify water stress sites. A water risk analysis of all LANXESS production sites was also conducted, utilizing the WRI data and those of the WWF Water Risk Filter. This analysis identified 14 production sites in water risk areas including water stress areas at the beginning of fiscal year 2025. Only 10 of these sites still remained at the end of fiscal year 2025 due to portfolio effects. Due to their business activities, chemicals companies also withdraw and consume water at water stress sites for cooling and process purposes. However, these activities may be associated with negative impacts on the local environment and society. Excessive water consumption in stress and risk areas depletes local water sources, exacerbates water scarcity and reduces the availability of water for other users. To counter this impact, LANXESS has committed to reducing absolute water withdrawal at water risk and water stress sites (based on an analysis of 2019) by 9% by 2028 compared with 2019. In this way, we ensure consistency in our water efforts and enable the planability of measures at the respective sites.

E3-1 – Policies Related to Water and Marine Resources

The regulations specified below apply to all LANXESS sites. This also includes all production sites in water stress areas. All general information on our policies pursuant to ESRS 2.65 can be found in section "G1-1 Corporate Culture and Business Conduct Policies" of the chapter "ESRS G1 Business Conduct".

Corporate policy

Our "LANXESS Corporate Policy" reflects our responsible approach to the use of water resources. With it, we recognize the right to water and sanitation as a fundamental human right and commit to the responsible use of water. We work together with other stakeholders, particularly in the context of local water stewardship programs. We are aware of our responsibility to contribute to water security and are committed to the responsible use of this resource.

Directives

The basis for recording environmental indicators is our "Recording and Reporting HSE Performance Data & Performance Indicators within LANXESS" directive. It also describes processes for recording and collecting data for metrics relevant to water protection and documents target achievement. LANXESS records metrics on water withdrawal, water discharge and parameters related to the pollution of water. Further information on this directive can be found in section "E1-2 – Policies Related to Climate Change Mitigation and Adaptation" of the chapter "ESRS E1 Climate Change".

The protection of water resources is regulated as one of several environmental aspects in the "Environmental Protection Management" directive. It describes the minimum process requirements for handling contaminated and uncontaminated

wastewater and stipulates that wastewater specifications with all parameters and the associated limits must be monitored. Further information on our "Environmental Protection Management" directive can be found in section "E1-2 – Policies Related to Climate Change Mitigation and Adaptation" of the chapter "ESRS E1 Climate Change".

"Water" Background Paper

The Water Background Paper describes our three-step water program. The first two steps relate to the Group's own operations, while step three also takes the value chain into account. The background paper describes how water withdrawals and discharges are regulated, what risk-based approach we have chosen for analyses of the sites (water risk analysis) and what targets we are pursuing. The water withdrawals are subject to strict regulatory requirements. To reduce the pollution of water, we operate treatment plants directly at the sites, or the sites are connected to an appropriate external treatment plant. We are also pursuing water reuse and water recycling projects with the aim of breaking the link between our economic growth and water consumption. Sustainable water management requires a risk-based and local approach, which we pursue through our water stewardship activities and through the specific targets that we have set for sites in water stress areas. Our water stewardship framework is based on the requirements of the Alliance for Water Stewardship (AWS) standards.

E3-2 – Actions and Resources Related to Water and Marine Resources

Water risk analysis

We conduct the LANXESS water risk analysis for our sites with internal resources in order to estimate site-specific water risks more accurately. Using the WWF Water Risk Filter, this analysis identifies the interplay of physical risks (water stress, availability and quality) as well as regulatory and reputation-related risks as the most important reference values. LANXESS uses this approach to review its portfolio to identify water risk sites. A total of 14 sites were identified as water risk sites including water stress sites at the beginning of fiscal year 2025 (10 sites at the end of fiscal year 2025), that however do not lead to a material financial risk.

Water stewardship program

The water stewardship program is part of the LANXESS water program (step 2: "Local water stewardship") and is aimed at selected sites of the company. The water risk sites were selected in a first run (2020 to 2023) based on the analysis from 2019. A new run currently is not planned; should one take place, sites will be selected based in each case on the most up-to-date water risk assessment. We have developed a specific framework: the LANXESS water stewardship framework. Questions on water quality, water quantity, the WASH situation (Water for Sanitation and Hygiene), best practice approaches and water costs are answered for each site and river basin. The assessment also includes regulatory and reputational risks. The information provided is then used to develop action plans for each site individually. These are intended to bring about concrete improvements and give employees at water risk sites a systematic understanding of the local water situation and how their activities impact it.

LANXESS achieved its target of introducing site-specific water stewardship programs at the water risk sites by the end of 2023 (based on the 2019 analysis). LANXESS's main aim with its local water stewardship efforts was to reduce water withdrawal at the identified water risk sites.

WASH pledge actions

LANXESS plans to implement the WASH Pledge actions from the WASH4Work initiative at its own production sites by 2028. The term WASH encompasses all activities that go beyond the mere management of water quality and quantity and focus on people. As a company in the chemical industry, LANXESS is bound by strict regulations on the use of water in production, but also the use of sanitary water and wastewater. Adequate sanitary facilities and access to clean drinking water form the foundation for the health and safety of our employees and neighboring communities. With our commitment to WASH, we not only want to reach our own employees but also have a positive impact on society. Making a contribution to the challenges in this area can contribute to stability and social justice in these regions in the long term. By signing the WASH Pledge, LANXESS is underlining the relevance of this issue and also making its efforts transparent and verifiable. LANXESS signed the WASH Pledge in fiscal year 2025 and will conduct an initial gap analysis. If gaps are identified, actions will be defined and the sites will be required to close these gaps by 2028 to meet the requirements necessary for the WASH Pledge. Accordingly, LANXESS will conduct a final evaluation of the implementation in the second half of the target year of 2028. The implementation primarily requires human resources.

In the 2025 financial year, there was no single action with significant (>€3 million) capital or operational expenditures.

E3-3 – Targets Related to Water and Marine Resources

Handling scarce water resources in a conscious and careful manner at the LANXESS production sites is an investment in the future. In order to break the link between economic growth and water consumption and potential stresses from wastewater discharge, LANXESS has set targets at Group level that the company will continue to pursue in the future.

Reduction of specific water consumption by 10% by 2030 compared to base year 2024

LANXESS wants to reduce the whole Group's specific water consumption by 10% by 2030. This target is measured on the basis of water consumption in cubic meters per thousand euros of net sales. The base year used by LANXESS is 2024, in which the starting value of specific water consumption amounted to 1.44 m³/€ thousand. No intermediate targets or milestones have been defined. The target is part of the LANXESS water program (first step) and contributes to breaking the link between water consumption and economic growth through efficiency increases – for example, through using withdrawn water multiple times. The derived efficiency improvement of 10% was assessed by our HSE (Health, Safety, Environment) subcommittee as ambitious and attainable. The target is not based on specific frameworks; however, internal stakeholders were involved in the process. In this case, this concerns the business units and the whole Board of Management. Following extensive discussions in the HSE Subcommittee, they adopted the target in the Sustainability Committee. Compared with the previous year, the target was adjusted from a continuous and annually forward-rolling 2% target to a medium-term 10% target. This enables better technical and financial planability of the sites' corresponding measures. Efficiency increases such as the use of closed-circuit cooling help to reduce water consumption. One example of this is the site in Nagda, India, which, as a wastewater free site, does not produce any wastewater. LANXESS also uses alternative water sources to conserve groundwater resources. This target is voluntary and not legally binding. Only fully consolidated companies are taken into account here. LANXESS will conclusively assess the attainment of the target in 2030. Specific water consumption increased by 6% in fiscal year 2025 compared with the base year 2024 because net sales declined disproportionately to water consumption.

9% absolute reduction of water withdrawal at water stress and water risk sites by 2028 (base year 2019)

The target for the absolute reduction of water withdrawal at water stress and water risk sites is 9% by 2028 (base year 2019). It is a core component of the LANXESS water program (second step). This target is measured in terms of absolute water withdrawal in cubic meters. The deadline set for achieving the target is 2028. For the base year, LANXESS is using the year 2019 – adjusted for the sale of the Urethane Systems business unit and the subsidiary LANXESS (Liyang) Polyols Co., Ltd., Liyang, China – when the baseline value for water withdrawal was 4.3 million m³. We have decided not to define any intermediate targets or milestones. The LANXESS water risk analysis of 2019 is used to identify water stress and water risk sites. In this analysis, sites were considered as water stress sites if their baseline water stress level was assessed as high or extremely high (according to the World Resources Institute Aqueduct tool). The future water stress in a pessimistic scenario through 2030 and the water withdrawal rate were also included to assess the water risk sites. To determine the target, all identified water stress and water risk sites were sorted according to their water withdrawal and asked about possible savings projects. Based on this information, a 9% reduction in water withdrawal by 2028 was derived as a realistic and simultaneously ambitious target. LANXESS aspires to break the link between water withdrawal and economic growth. Wherever possible, the Group uses withdrawn water multiple times, either in the same process (recycling) or in another process within the plant (reuse). When setting this target, LANXESS actively involved the relevant stakeholders, particularly the local production sites, to ensure a transparent and integrative approach. The target is based on the assessment logic from 2019 and is being maintained to ensure consistency in our water efforts and enable planability of the measures at the respective sites. Unlike with CO_2 emissions, the local context is highly relevant when it comes to water. LANXESS's efforts therefore focus primarily, but not exclusively, on sites in water stress areas and its water risk sites. By reducing water withdrawal at the affected sites, we are helping to relieve the pressure on river basins and prevent a further exacerbation of water stress resulting from increasing withdrawals. We strive to protect the river basins in which we operate through our water stewardship activities at risk sites. The target is voluntary and not legally binding. Absolute water withdrawal for the financial year was reduced by 41% at water risk sites compared with the base year 2019.

Water stewardship program

The water stewardship program has already been successfully implemented once with the target year 2023. As the selection of water risk sites changed significantly during the water risk analysis in 2025, we are currently not committed to reassessing the Water Stewardship Program for the water risk sites identified in 2019. All further information on the action "Water Stewardship Program" is described in the previous chapter.

Implementation of the WASH Pledge actions by 2028 (WASH4Work)

As a company in the chemical industry, LANXESS is bound by strict regulations regarding the use of water for production, but also sanitary water and wastewater. With its efforts on behalf of WASH (Water for Sanitation and Hygiene), LANXESS aims to underscore its positive impact on its employees and make a positive social contribution. We have set ourselves the target of implementing the requirements of the WASH Pledge (WASH4Work) by 2028. Implementation may also help to reduce water consumption through more efficient use and increased awareness. By signing

the WASH Pledge in the current fiscal year, we are underscoring the importance of this issue and giving it binding character. The WASH4Work initiative has developed a self-assessment process, which LANXESS follows with the aim of implementing the actions necessary by 2028. In an initial gap analysis, all sites shall undertake a self-assessment and eliminate all the gaps identified by 2028 in order to meet the minimum standards. The target will be achieved when all LANXESS production sites have implemented the minimum standards. The target is voluntary and not legally binding. LANXESS will conclusively assess the attainment of the target in 2030.

Target for improving water quality

In addition to the targets described above, we have set ourselves a further target specifically addressing water quality: By 2030, we want to reduce the volume of specific Total Organic Carbon (TOC) by 10% compared with the base year 2024. This target contributes to improving our environmental impacts, particularly on water quality. However, due to its relevance for pollution, we do not list this target in the chapter "ESRS E3 Water and Marine Resources" but the chapter "ESRS E2 Pollution."

E3-4 – Water Consumption

Water use

in m³	2024	2025
Total water consumption	10,565,594	8,669,915
Water consumption in water risk areas including water stress areas	1,290,351	946,414
Recycled and reused water	303,444,399	288,119,142
Water intensity (in m3/€ million)	1,660	1,528
Total water withdrawals	167,668,095	164,222,063
Total water withdrawals in water risk areas including water stress areas	3,198,825	8,769,639
Total water withdrawals outside water risk areas, including water stress areas	164,469,270	155,452,424
Total water discharges	158,489,588	158,087,105

To record key data on water systematically worldwide, LANXESS uses an electronic data-entry system. This enables the Group to calculate a wide range of metrics in the area of HSE (health, safety, environment) for each business unit, site and operation worldwide. To calculate these metrics, information is collected quarterly or annually. Each metric can be either measured, calculated or estimated on a metric-specific basis (e.g. based on measurements, service lives or reference values). The water metrics are regularly monitored in the various countries by local and national authorities in accordance with the legal requirements there.

In line with the ESRS definition based on the GRI, **total water consumption** comprises the difference between water withdrawal, including purchased steam, and water discharge, including once-through cooling water, and water supplied to third parties. Water withdrawal versus water discharge is accounted for at business unit/location level. The metric is referred to as total water consumption.

Total water withdrawal and water consumption in water risk areas incl. water stress areas is calculated for sites assessed according to the WRI Aqueduct as having "high" or "extremely high" water stress, as well as for those from the current water risk analysis. The methodology is based on the annual analysis of these sites and is also applied by analogy for total water consumption. The metrics are referred to as "Total water withdrawals in water risk areas incl. water stress areas" and "Water consumption in water risk areas incl. water stress areas."

LANXESS defines **recycled and reused water** in accordance with the definitions of ESRS E3 based on the GRI as water that has been recycled or reused within the plant or has been supplied to another plant for use after its first use. This refers to water and wastewater (treated or untreated) that has been used more than once before being discharged, so that water withdrawal is reduced. This may be the same process (recycling) or the water may be used in another process within the same plant or in another LANXESS plant (reuse). Closed-circuit cooling water volumes are also regarded as reused water. The data is recorded quarterly through the global system. The metric shows the extent to which we reduce our freshwater withdrawal by keeping water in internal cycles. The amount of water is therefore recorded for each cycle. The metric is referred to as "recycled and reused water."

Water intensity measures total water consumption as a ratio of net sales (m³ per € million). The calculation is based on total water consumption and net sales in the financial year. The metric is defined as "Water intensity in m³ per million euros of net sales."

ESRS E4 BIODIVERSITY AND ECOSYSTEMS

The material impacts, risks and opportunities (IROs) of LANXESS were identified through the double materiality assessment. They are shown in the table below and allocated to the corresponding policies, actions and targets.

DIVERSITY AND ECS

Material impacts, risks and opportunities related to biodiversity and ecosystems

							Policies									
Impacts, risks and opportunities[1)]	actual/potential	negative/positive	Time horizon	Value chain	Targets	Actions	LANXESS Corporate Policy	Central Product Surveillance	Product Safety Management at LANXESS	Recording and Reporting HSE Performance Data and Performance Indicators within LANXESS	Environmental Protection Management	Procurement of Goods and Services in the LANXESS Group	"Biodiversity" Background Paper	"Value Chain Responsibility" Background Paper	"Climate" Background Paper	"Water" Background Paper
DIRECT IMPACT DRIVERS OF BIODIVERSITY LOSS																
CLIMATE CHANGE																
I22: **Impact** Greenhouse gas emissions (Scope 1, 2 and 3)	actual	negative	<1 year (short term)	own operations	Climate neutrality for the entire Group by 2040 42% reduction of Scope 1 and 2 emissions by 2030 (base year 2021)	Climate Neutral 2040 strategy (Scope 1 and 2)	×			×	×		×		×	
				upstream/ downstream	Climate neutrality for the value chain by 2050 25% reduction of Scope 3 emissions by 2030 (base year 2021)	Net Zero Value Chain strategy (Scope 3)				×		×	×		×	
I23: **Impact** Biomass for energy production	actual	negative	<1 year (short term)	upstream												
I24: **Impact** Pollution of air during regular operations	actual	negative	<1 year (short term)	own operations	25% reduction of emissions of non-methane volatile organic compounds (NMVOC) by 2025 (base year 2015) Reduction of nitrogen oxides (NO_x) by 10% by 2030 compared to base year 2024		×			×	×		×	×		
				upstream/ downstream								×	×			
LAND-USE CHANGE, FRESH WATER-USE CHANGE AND SEA-USE CHANGE																

1) I = impact, R = risk and O = opportunity

Material impacts, risks and opportunities related to biodiversity and ecosystems

Impacts, risks and opportunities[1]	actual/potential	negative/positive	Time horizon	Value chain	Targets	Actions	Policies									
							LANXESS Corporate Policy	Central Product Surveillance	Product Safety Management at LANXESS	Recording and Reporting HSE Performance Data and Performance Indicators within LANXESS	Environmental Protection Management	Procurement of Goods and Services in the LANXESS Group	"Biodiversity" Background Paper	"Value Chain Responsibility" Background Paper	"Climate" Background Paper	"Water" Background Paper
I25: **Impact** Water consumption and withdrawals	actual	negative	<1 year (short term)	own operations	Reduction of specific water consumption by 10% by 2030 compared to base year 2024	Water stewardship program	×			×			×			×
I26: **Impact** Pollution of water during regular operations	actual	negative	<1 year (short term)	own operations upstream/ downstream	Reduction of organic carbon (TOC) by 10% by 2030 compared to base year 2024	Water treatment	×			×	×	×	×	×		×
I27: **Impact** Landfilling	actual	negative	<1 year (short term)	own operations	Reduction of total waste by 10% in absolute terms by 2030 compared with base year 2021 Implementation of an expanded waste management system by 2028	Optimizing material flows	×			×	×		×	×		
I28: **Impact** Sourcing bio-based raw materials	actual	negative	1–5 years (medium term)	upstream									×			
IMPACTS ON THE STATE OF SPECIES																
I29: Impact Product-related impact	actual	negative	>10 years (long term)	downstream	Development of the 2024–2026 roadmap	LANXESS Product Sustainability Monitor Implementation of the 2021–2023 roadmap		×	×		×		×			

1) I = impact, R = risk and O = opportunity

Biodiversity refers to the diversity of life forms on Earth, including all species of plants, animals, fungi and microorganisms, and the ecosystems they collectively form. The protection of these ecosystems is essential for the well-being of humans, animals and plants, as set out in the Global Biodiversity Framework at the 15th UN Biodiversity Conference. As a specialty chemicals company, LANXESS acknowledges the importance of ecosystem services such as clean water, energy and natural protection against landslides and floods for its operations. However, LANXESS is aware that some of its operations affect biodiversity and therefore places importance on implementing responsible practices to minimize these impacts.

E4 SBM-3 – Material Impacts, Risks and Opportunities and their Interaction with Strategy and Business Model

The biodiversity assessment forms a central basis for identifying impacts, opportunities and risks in connection with biodiversity and its relevance for the business model and corporate strategy. This approach enables LANXESS to focus its efforts, develop site-specific actions and contribute to the conservation of ecosystems. In the following, LANXESS sets out the positive and negative impacts and dependencies of its operations and the upstream and downstream value chains on biodiversity and the condition of ecosystems. For us as a specialty chemicals company, these are generally of importance for all sites and business activities. The biodiversity risks and opportunities are also described.

Assessment of biodiversity

LANXESS has carried out a materiality assessment to better understand the impacts, opportunities and risks of its operations on biodiversity. That also involved the participation of local community members within the context of stakeholder surveys on biodiversity-relevant issues. This assessment was supplemented and validated by a sector-specific assessment with the analysis tool ENCORE (Exploring Natural Capital Opportunities, Risks and Exposures). ENCORE is considered the industry standard for the assessment of biodiversity.

Impacts

This paragraph relates to the impacts I22 and I24 to I27. As part of the materiality assessment and the ENCORE tool's evaluation, material negative impacts were identified that are already covered in depth in other topic standards and are therefore not listed here in detail again. These are: greenhouse gas emissions (see "E1 Climate Change"), pollution of air and water (see "E2 Pollution"), water consumption and withdrawal (see "E3 Water and Marine Resources") and raw material sourcing and waste (see "E5 Resource Use and Circular Economy"). For us as a specialty chemicals company, the identified impacts, risks and opportunities are generally of importance for all sites and business activities. A description of the impacts, risks and opportunities and associated policies, also in relation to biodiversity, can be found in the respective standards. Furthermore, impacts were identified as material in this standard and are set out in more detail below:

Sourcing of bio-based raw materials and biomass for energy production

This paragraph relates to impacts I23 and I28. LANXESS relies on a circular and sustainable sourcing policy to minimize the carbon footprint and other environmental impacts of raw material sourcing. The use of biomass for energy production provides an opportunity to replace fossil fuels and thus help to reduce CO_2. Biomass is successfully used at three LANXESS sites (Jhagadia and Nagda (India) and Porto Feliz (Brazil)). In particular, using waste products as biomass has the advantage that no additional farmland is required and natural habitats are preserved. At the same time, the cultivation and use of bio-based raw materials can lead to challenges, such as the conversion of natural habitats and deforestation, particularly in the upstream value chain. LANXESS has committed to using secondary (circular) raw materials to promote and ensure compliance with recognized sustainability standards in the use of renewable raw materials.

Product-related impact

The paragraph relates to impact I29. Pesticides, fungicides and herbicides play an important role for our customers in the crop protection industry, as they effectively control pests, fungi and weeds and thus help to ensure yields and the quality of crops. At the same time, it is common knowledge that the use of such chemicals can have a negative impact on biodiversity, particularly through changes in ecosystems. LANXESS produces products that can be used to manufacture these substances and are thus part of the downstream value chain. LANXESS uses the Product Sustainability Monitor, which addresses the parts of products that cause this sustainability impact, to align its portfolio with sustainability requirements, and has set itself the target of developing action plans for all newly identified products with an SVHC content in excess of 0.1% by 2026 with, among other things, the 2024–2026 roadmap.

Proximity of Group sites to biodiversity-sensitive areas and protected areas

The WWF (World Wide Fund For Nature) Biodiversity Risk Filter assesses site-specific biodiversity risks in various sectors, including the production of chemicals and materials. LANXESS has used this analysis tool to assess biodiversity risks at all its sites. The assessment is based on 33 biodiversity-related indicators that take account of both the condition of the ecosystems and the industry's impacts and dependencies. We take account of the "Protected/Conserved Areas", "Key Biodiversity Areas", "Land, Freshwater and Sea Use Change Indicator" and, "Range Rarity Indicator" categories.

In accordance with the WWF guidelines, LANXESS reports on all high and very high risks identified. We acknowledge the responsibility, in particular in the areas affected by our activities. While most of our production sites are located in industrialized regions, a few are near Key Biodiversity Areas (KBAs). KBAs are important areas for species and their habitats and underscore the importance of conserving these regions. LANXESS has also analyzed the proximity of its sites to protected areas [1] that are legally protected due to their importance for the preservation of biodiversity. These

1) International Union for Conservation of Nature (IUCN) categories I–IV for protected areas.

areas include national parks, nature reserves and wildlife sanctuaries, whose protection status varies depending on the legal regulations. The proximity of a production site to protected areas or KBAs does not automatically mean negative environmental impacts on this area. Further information on our analysis and the results can be found in section "E4-5 – Impact Metrics Related to Biodiversity and Ecosystems Change" of the chapter "ESRS E4 Biodiversity and Ecosystems."

Assessing the condition of ecosystems is critical to understanding whether the natural environment around LANXESS sites remains intact and connected – a key factor in supporting biodiversity. The analysis, which is based on the WWF Risk Filter indicators and the indicators for land-use change, freshwater-use change and sea-use change, has confirmed that LANXESS's business activities do not materially contribute to the destruction or fragmentation of habitats. These results show that LANXESS sites are not exposed to high risks from activities such as agricultural expansion, river fragmentation or pressures on marine environments, which ensures minimal impacts on the integrity of ecosystems.

Furthermore, the protection of endemic species is of vital importance, as these are often particularly vulnerable to changes in their habitats. The range rarity indicator assesses the risk for these species based on their degree of endemicity at production sites. The analysis did not reveal any sites with very high or high risk assessments. This indicates that the activities at the assessed sites do not pose a threat to endemic species.

According to the ENCORE framework, the chemical industry has a low materiality assessment for land use, as it operates predominantly in established industrial areas. This means that hardly any land conversion is necessary, and significant environmental consequences such as degradation of soils or soil sealing are largely avoided. For this reason, LANXESS does not have any relevant metrics relating to land-use change.

Opportunities and risks

In addition to our impacts and dependencies, we have also analyzed risks and opportunities associated with biodiversity. As part of our double materiality assessment, we performed an outside-in analysis (financial materiality) and did not identify any material biodiversity risks or opportunities for the short, medium or long term. The double materiality assessment process is described in section "IRO-1 Description of the Process to Identify and Assess Material Impacts, Risks and Opportunities" of the chapter "ESRS 2 General Disclosures".

In addition to our IROs, we have also analyzed our dependencies:

Dependencies

As a specialty chemicals company, our business activities are based on a number of ecosystem services. Ecosystem services include provisioning services (for example, food, water), regulating services (for example, climate regulation, flood protection), supporting services (for example, pollination, soil formation) and cultural services (for example, recreation, spiritual values). To obtain a comprehensive understanding of the specific dependencies of the chemical industry and thus of our value chain, LANXESS uses the ENCORE tool, which was specially developed for sector-specific assessments. The tool rates dependencies according to their materiality (very high, high, medium, low, very low) and makes it easier to identify and prioritize critical ecosystem services.

LANXESS's analysis focuses on dependencies with a rating of medium or higher, particularly with regard to the chemical manufacturing sector (International Standard Industrial Classification, Division: Manufacture of chemicals and chemical products). This assessment provided valuable insights into material ecosystem services that support the Group's activities. The results show that LANXESS's dependencies on ecosystem services are generally in the lower range and are classified as medium at most. This makes it clear that LANXESS's business activities are supported by these services without any critical dependencies.

Furthermore, LANXESS carried out a site-specific risk analysis on biodiversity in 2024. The focus here was on assessing the proximity of our sites to biodiversity-sensitive areas and national and international protected areas.

E4-2 – Policies Related to Biodiversity and Ecosystems

LANXESS's approach to environmental responsibility

By integrating the key drivers of biodiversity loss – climate change, pollution, water and resource use – into our management approach, we address the complex, interlinked challenges of ecological conservation. This not only strengthens the ability to achieve sustainability objectives but should also increase the resilience of global value chains and contribute to the well-being of communities. Protecting biodiversity thus remains an important aspect of our commitment to a sustainable future. Our efforts to protect biodiversity are in line with the Sustainable Development Goals (SDGs), in particular SDG 14 (life below water) and SDG 15 (life on land), which emphasize the protection of aquatic and terrestrial ecosystems. We use the LANXESS Product Sustainability Monitor to align our portfolio with our sustainability goals and emphasize action on climate change, pollution, water and resource use, and, specifically, the protection of biodiversity at our production sites. To this end, we

use the WWF Biodiversity Risk Filter to analyze the proximity of the sites to vulnerable areas. The results are used for monitoring and reporting in order to systematically track changes in biodiversity. Some of the environmental concepts relevant for this chapter are already covered in other ESRS topic standards and described there in detail. The associated policies therefore are not described again here in detail, but rather reported in the following chapters:

E1 Climate Change: LANXESS Corporate Policy, Recording and Reporting HSE Performance Data & Performance Indicators within LANXESS, Environmental Protection Management, "Climate" Background Paper.

E2 Pollution: Central Product Surveillance, Product Safety Management at LANXESS and "Value Chain Responsibility" Background Paper.

E3 Water and Marine Resources: "Water" Background Paper.

E5 Resource Use and Circular Economy: Procurement of Goods and Services in the LANXESS Group.

The "Biodiversity" Background Paper describes LANXESS's management approach: our **Biodiversity Background Paper** reinforces our commitment to the responsible stewardship of ecosystems along our value chain and explains the associated management approaches. We are guided by global and regional biodiversity frameworks, such as the Kunming-Montreal Global Biodiversity Framework and the EU Biodiversity Strategy for 2030, and we use tools such as ENCORE and the WWF Risk Filter to assess dependencies and impacts. The paper describes our biodiversity impact and dependency assessment, our expectations of environmental stewardship and the associated management approach. We consider climate change, freshwater-use change, sea-use change and pollution to be the main categories, although there is no current focus on specific actions regarding land use and deforestation. We also provide an overview of our sustainability objectives and actions, initiatives and the progress we have made on environmental issues that impact biodiversity. We combine our biodiversity strategy with social matters by taking actions such as using Lewatit® resins to ensure clean water. This benefits both people and ecosystems.

E4-3 – Actions and Resources Related to Biodiversity and Ecosystems and E4-4 – Targets Related to Biodiversity and Ecosystems

LANXESS monitors its dependencies and impacts on biodiversity. At the same time, LANXESS also addresses the upstream value chain through active supplier management and the downstream value chain through its commitment to product responsibility. Our background paper is updated annually to take account of the material impacts on biodiversity and to present progress. We did not set any biodiversity-specific targets or initiate any actions in the 2025 financial year; however, relevant references to biodiversity are covered by our targets and actions for the primary environmental impacts. We already address these extensively in our other environmental standards:

- Impact I22: ESRS E1 – Climate and Energy
- Impacts I24 and I26: ESRS E2 – Pollution
- Impact I25: ESRS E3 – Water and Marine Resources
- Impact I27: ESRS E5 – Circular Economy and Resource Use

Sourcing bio-based raw materials

LANXESS endeavors to contribute to a resource-efficient, climate-neutral society by producing products with a reduced carbon footprint and developing climate-neutral products. LANXESS promotes low-carbon solutions in order to reduce emissions from purchased goods (Scope 3.1). The plans include the transition from fossil to bio-based, recycled or power-to-X materials that use renewable energy to convert CO_2 or water into chemicals. The switch from conventional, often fossil raw materials to bio-based and circular resources not only results in a greenhouse gas emission reduction but also makes value chains less dependent on limited resources. However, the use of bio-based organic raw materials entails challenges and potential conflicts, such as competition with food production or impact on biodiversity. LANXESS takes these factors into account in strategic decisions on the use of raw materials. When it comes to the production of biomass for LANXESS's own purposes, the Group works with its suppliers to ensure that the biomass used is renewable, does not compete with food production, and does not cause biodiversity loss or deforestation. In addition, when it uses sustainable raw materials, LANXESS utilizes ISCC+ certification (International Sustainability and Carbon Certification) to ensure raw materials have a sustainable origin. LANXESS supports the use of circular raw materials from all recycling options, including open and closed loop recycling, and is committed to promoting both mechanical and chemical recycling.

Product-related impact

LANXESS is committed to minimizing risks to human health and the environment throughout the entire life cycle of its products. This commitment encompasses safe practices for sourcing, production, storage, logistics, use and disposal. The continuous improvement of product safety is a core component of our "LANXESS Corporate Policy" in order to enshrine these measures deeply in our operating processes and to constantly develop them further. The main tool for aligning the portfolio with sustainability goals is the LANXESS Product Sustainability Monitor. This tool enables LANXESS to assess risks and identify potential for improvement by taking environmental, social and economic impacts into account. In addition to indirect factors such as climate change, water consumption and waste management, the Group also assesses direct environmental impacts such as the aquatic and ecological toxicity of chemical end products. One example of this is our Vulkanox® 4060 antidegradant, which is demonstrably more easily biodegradable and less toxic for aquatic organisms.

LANXESS develops products that are designed to be sustainable from the start. The holistic approach of “sustainability by design” encompasses safety, circular economy, energy efficiency and functionality. The work on closed loops and avoiding waste and pollution, for example, through plastic loss or solid waste, is not only crucial for climate change mitigation but also for protecting ecosystems and biodiversity as a whole.

E4-5 – Impact Metrics Related to Biodiversity and Ecosystems Change

To identify all the sites near protected areas or Key Biodiversity Areas, all global production sites were analyzed using the WWF Biodiversity Risk Filter (WWF BRF). All the sites with a high or very high risk in the categories “Key Biodiversity Areas” and “Protected Areas” were evaluated separately using a geoinformation system and data sets on protected areas. A buffer zone with a radius of three kilometers was defined, and an investigation of whether there were any overlaps between the buffer zone and protected areas was carried out. All protected areas corresponding to IUCN categories I–IV[1)] were included. The metric was not externally validated. The analysis is reviewed each year to check whether the data is up to date and is adjusted if necessary. Disclosure of the data is voluntary and not required by law. Our metrics on biodiversity are aligned to relevant international frameworks such as the Kunming-Montreal Global Biodiversity Framework and the EU Biodiversity Strategy for 2030. Globally, six production sites with a total area of 94.37 ha were identified that are near protected areas (IUCN categories I–IV) and meet the criteria of our methodology. A breakdown of the sites is shown in the table below. The condition of the areas at these sites was also analyzed using the WWF Risk Filter, with a “very low risk” indicating a largely intact ecosystem. The assessment revealed a very low risk for Krefeld-Uerdingen, Germany, a low risk for Bergkamen, Dormagen, Leverkusen and Mannheim, Germany, and a medium risk for Sydney, Australia.

Overview of biodiversity-sensitive areas near our production sites

Site	Name of the protected area	IUCN category
Bergkamen (Germany)	Conservation area wetland complex between Landwehrstrasse and Datteln-Hamm Canal	IV
	NSG Lippeaue von Werne bis Heil	IV
Dormagen (Germany)	NSG Rheinufer Monheim	IV
Krefeld-Uerdingen (Germany)	NSG Rheinaue Ehingen	IV
	NSG Rheinaue Friemersheim	IV
Leverkusen (Germany)	NSG Rheinaue Langel-Merkenich	IV
	NSG Flittarder Rheinaue	IV
	NSG Am Grünen Kuhweg	IV
Mannheim (Germany)	Backofen-Riedwiesen	IV
	Horreninsel	IV
Sydney (Australia)	Newington	Ia

At present, the Group refrains from using biodiversity offsets and instead concentrates on direct, site-specific actions to minimize negative environmental impacts in a targeted and effective manner. LANXESS does not have any relevant metrics relating to land-use change.

1) Category IV protected areas were included where the overlap was greater than one square kilometer.

ESRS E5 RESOURCE USE AND CIRCULAR ECONOMY

The material impacts, risks and opportunities (IROs) of LANXESS were identified through the double materiality assessment. They are shown in the table below and allocated to the corresponding policies, actions and targets.

Material impacts, risks and opportunities related to resource use and circular economy

							Policies					
Impacts, risks and opportunities[1)]	**actual/potential**	**negative/positive**	**Time horizon**	**Value chain**	**Targets**	**Actions**	**LANXESS Corporate Policy**	**Recording and Reporting HSE Performance Data & Performance Indicators within LANXESS**	**Product Safety Management at LANXESS**	**Environmental Protection Management**	**Procurement of Goods and Services in the LANXESS Group**	**"Value Chain Responsibility" Background Paper**
RESOURCE INFLOWS, INCLUDING RESOURCE USE												
I30: **Impact** Negative environmental impacts through the sourcing of primary raw materials from non-renewable resources	actual	negative	>10 years (long term)	own operations	30% reduction of Scope 3.1 emissions by 2030 (base year 2021) Climate neutrality for the value chain by 2050 25% of Scope 3 emissions by 2030 (base year 2021)	Selected procurement actions to reduce Scope 3 emissions Net Zero Value Chain strategy (Scope 3)	×				×	
I31: **Impact** Negative environmental impacts through the procurement of energy from non-renewable sources	actual	negative	>10 years (long term)	own operations	Climate neutrality for the entire Group by 2040 42% reduction of Scope 1 and 2 emissions by 2030 (base year 2021)	Selected procurement measures to reduce Scope 2 emissions Climate Neutral 2040 strategy (Scope 1 and 2)						
I32: **Impact** Greenhouse gas emissions through transport logistics	actual	negative	1–5 years (medium term)	own operations	Climate neutrality for the value chain by 2050 25% reduction of Scope 3 emissions by 2030 (base year 2021)	Selected procurement measures in connection with green logistic solutions Net Zero Value Chain strategy (Scope 3)					×	
O33: **Opportunity** Raw materials security through recycling and recovery			6–10 years (long term)	own operations								
RESOURCE OUTFLOWS RELATED TO PRODUCTS AND SERVICES												
I34: **Impact** Conservation of natural resources through the offer of Scopeblue® products	actual	positive	<1 year (short term)	own operations		Further development of the product range with regard to climate-neutral and circular solutions	×		×			×
I35: **Impact** Negative environmental impacts through the continued sale of unsustainable products	actual	negative	1–5 years (medium term)	own operations		Further development of the product range with regard to climate-neutral and circular solutions	×		×			×

1) I = impact, R = risk and O = opportunity

Material impacts, risks and opportunities related to resource use and circular economy

Impacts, risks and opportunities[1]	actual/potential	negative/positive	Time horizon	Value chain	Targets	Actions	Policies					
							LANXESS Corporate Policy	Recording and Reporting HSE Performance Data & Performance Indicators within LANXESS	Product Safety Management at LANXESS	Environmental Protection Management	Procurement of Goods and Services in the LANXESS Group	"Value Chain Responsibility" Background Paper
WASTE												
I36: **Impact** Hazardous waste in production	actual	negative	<1 year (short term)	own operations	10% reduction of absolute total waste by 2030 (base year: 2021) Implementation of an expanded waste management system by 2028	Optimizing material flows	×	×		×		×
				upstream/ downstream			×					
I37: **Impact** Non-hazardous waste in production	actual	negative	<1 year (short term)	own operations	10% reduction of absolute total waste by 2030 (base year: 2021) Implementation of an expanded waste management system by 2028	Optimizing material flows	×	×		×		×
				upstream/ downstream			×					
I38: **Impact** Landfilling of waste	actual	negative	<1 year (short term)	own operations	50% reduction of total landfilled waste by 2030 (base year: 2021) Implementation of an expanded waste management system by 2028	Optimizing material flows	×	×		×		×
				upstream/ downstream			×					
I39: **Impact** Pollution of air through the incineration of waste	actual	negative	<1 year (short term)	own operations	Implementation of an expanded waste management system by 2028	Optimizing material flows	×	×		×		×
				upstream/ downstream			×					

1) I = impact, R = risk and O = opportunity

E5 SBM–3 – Material Impacts, Risks and Opportunities and their Interaction with Strategy and Business Model

The transition to a circular economy, which replaces linear production processes, requires a fundamental transformation of the entire value creation system to ensure a sustainable future.

We present the positive and negative impacts on resources and the circular economy, both for our own operations and for the upstream and downstream value chain. For us as a specialty chemicals company, these are of importance for all sites and business activities. We also describe an opportunity for our business that arises from the circular economy. Currently, there is no relevant impact on the business model and strategy.

The IROs shown in the table above are divided into the following topic clusters: Resource inflows and resource outflows including waste.

Resource inflows

Purchasing and using raw materials (I30) and energies (I31) from non-renewable sources has a negative impact on the environment. The extraction of these resources is often associated with the destruction of natural habitats and pollution, thus contributing to climate change. Because our resource inflows largely consist of the raw materials and energies we procure, the focus is on the upstream areas of our value chain, where resource use, risks and impacts are concentrated.

The sourcing of raw materials is particularly important for our efforts to become climate-neutral in terms of our Scope 3 emissions by 2050. This is because their procurement is responsible for a relevant share of these emissions. We are therefore working to reduce the proportion of raw materials from non-renewable sources.

All of our Scope 2 emissions originate in the procurement of energies. The level of these emissions is due to the fact that we primarily purchase energies from non-renewable sources. This means that the way we purchase our energies is a key factor in achieving our climate targets.

LANXESS ships more than 216,000 metric tons of products every month through various modes of transport. Negative environmental impacts due to greenhouse gas emissions occur if the means of transportation are powered by fossil fuels (I32). In order to achieve our Scope 3 climate neutrality target, we have identified the transition to sustainable logistics as a building block for and contribution to this.

Recycling and recovery promote sustainable circular processes and raw material security

LANXESS has identified an opportunity (O33) that is geared toward strengthening the circular economy and promoting the sustainable use of resources. In battery recycling, we want to recover valuable components from lithium-ion batteries, such as lithium, and return them to the recycling loop. This process makes the production of electrolytes and solvents much more sustainable and efficient. Another strategic project is the recovery of phosphorus from waste streams, particularly sewage sludge. This initiative supports independence in the supply of critical raw materials and creates the basis for an economically attractive business model.

Resource outflows

Products

Under the Scopeblue® brand, we offer products that enable climate-friendly solutions and contribute to a circular economy and thus have a positive impact on the environment (impact I34). These products must meet at least one of the following two criteria:

1. They consist of at least 50% circular raw materials and have a carbon footprint that is at least 10% lower.

2. The carbon footprint is at least 50% lower than for conventional products.

The Scopeblue® products are still being developed and currently make up only a proportion of the product portfolio in the low single-digit percentage range. We intend to develop them further and increase their proportion.

We continue to sell products that do not meet the criteria for the Scopeblue® range and therefore have a greater impact on the environment (I35). This is in line with the plans to replace chemical end products containing substances of very high concern with sustainable alternatives by 2030.

Scopeblue® products differ from our conventional products in that they are more sustainable. In comparison, they consume fewer resources, generate less waste and have lower CO_2 emissions. They may also be safer for people because they do not need to contain substances of very high concern or chemicals and materials that are potentially hazardous to health.

Scopeblue® products enable climate-friendly solutions, support the transition to a circular economy and offer our customers a tangible sustainability benefit. With these products, we contribute to a resource-efficient and CO_2-neutral economy. Further information on the process can be found in section "E5-5 – Resource Outflows" of the chapter "ESRS E5 Resource Use and Circular Economy."

Waste

The following statements relate to impacts I36 to I39. The topic of waste also plays an important role in the holistic view of our sustainable positioning. Chemical production generates waste that has a negative impact on the environment if discharged. Through the introduction of an expanded global waste management system by 2028 and our reduction targets, we recognize our responsibility as a production company. The HSE performance data we collect as part of our global waste monitoring are designed to ensure that disposal data are recorded and monitored, and results communicated transparently.

The release of pollutants into the air, soil and water not only has an environmental impact but also an impact on society. We have identified the waste categories of hazardous and non-hazardous waste and the disposal methods of landfilling and incineration as having a negative impact. In addition to consistently complying with legal requirements, we are guided by the waste hierarchy within the circular economy: avoid, recycle, dispose. We want to make an important contribution to this through our measures to optimize material flows.

E5-1 – Policies Related to Resource Use and Circular Economy

All general information on our policies according to ESRS 2.65 is provided in section "G1-1 – Corporate Culture and Business Conduct Policies" of the chapter "ESRS G1 Business Conduct". Our policies do not yet cover topics such as prioritizing waste prevention and minimization over waste treatment.

Corporate policy

Our highest-level policy, the "LANXESS Corporate Policy", also deals with the topic of the circular economy. It requires the reduction of waste, the promotion of waste recycling and the avoidance of hazardous waste emissions as far as possible. In this key policy, we also affirm our support for the transformation to a sustainable, resource-efficient, climate-neutral and circular economy. The "LANXESS Corporate Policy" has a particular focus on the use of secondary (circular) or renewable raw materials. Care must be taken to comply with recognized sustainability standards when using renewable raw materials.

Directives

Our "Procurement of Goods and Services in the LANXESS Group" directive serves as a guideline for procurement in our upstream value chain. The directive calls for sustainable procurement, the assessment of environmentally friendly alternatives for materials, the reduction of resource and energy consumption, the consideration of the environmental impact of logistics processes and the creation of environmentally friendly disposal options for materials that are no longer required. The directive was developed by the Global Procurement and Logistics and Legal & Compliance Group functions with the involvement of the Board of Management. It does not expressly refer to specific standards or initiatives and is taught as part of our purchasing training. The directive addresses central purchasing requirements but does not include any specific requirements on the topic of waste.

One focus of the "Environmental Protection Management" directive is on requirements for the safe disposal of waste and for its prevention and reduction. Further information on our "Environmental Protection Management" directive can be found in section "E1-2 – Policies Related to Climate Change Mitigation and Adaptation" of the chapter "ESRS E1 Climate Change".

The basis for recording environmental indicators is the "Recording and Reporting HSE Performance Data & Performance Indicators within LANXESS" directive. We use the waste indicators to monitor the continuous improvement and effectiveness of our actions and the achievement of our targets. The metrics that we collect on the basis of the directive cover various levels of the waste hierarchy, but above all the metrics on recovery operations (preparation for reuse, recycling and other recovery operations) and waste disposal (landfilling, incineration and other types of disposal). Further information on this directive can be found in section "E1-2 – Policies Related to Climate Change Mitigation and Adaptation" of the chapter "ESRS E1 Climate Change".

The aim of the "Product Safety Management at LANXESS" directive is to ensure that environmental protection and the safe handling of all chemical products and processes are clearly regulated. We are aware of our responsibility for the products we handle and set binding standards aimed at maximum product safety. The directive is designed to ensure that the relevant laws and regulations are complied with at all stages of the product life cycle (research and development, production, storage, shipment, marketing, use and disposal), that relevant obligations are derived from these and implemented, and that compliance with these requirements is monitored. Further information on our "Product Safety Management at LANXESS" directive can be found in section "E2-1 – Policies Related to Pollution" of the chapter "ESRS E2 – Pollution."

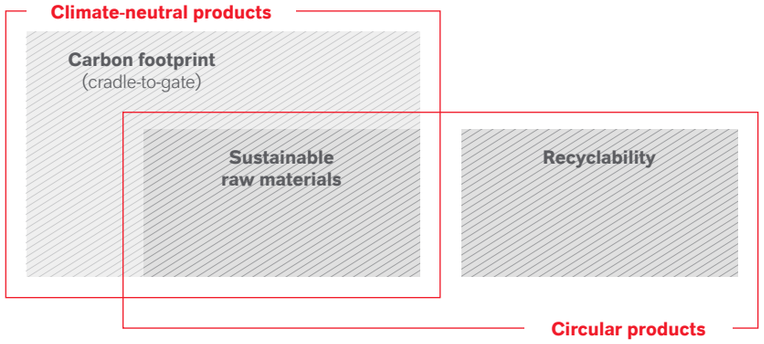
The Background Paper "Value Chain Responsibility" underscores our commitment to acting responsibly along our value chains and sets out the associated management approaches. They include our policies for this on how we minimize negative environmental impacts from our resource use and reduce waste. Further information on our Background Paper "Value Chain Responsibility" can be found in section "E2-1 – Policies Related to Pollution" of the chapter "ESRS E2 – Pollution."

E5-2 – Actions and Resources in Relation to Resource Use and Circular Economy

Circular products

We want to help transform the entire value creation system into a resource-efficient and climate-neutral society. We divide the path to climate-neutral and circular products into three partially overlapping action areas: carbon footprint, sustainable raw materials and recyclability.

Three Elements for Climate-Neutral and Circular Products



We sell most of our products to industrial customers. Only they or customers even further downstream use them to produce end products for a wide range of markets. Even chemical end products, which remain chemically unchanged in the further value chain, are first processed by our customers before being turned into final products. With regard to completing cycles, this means that there may be very long periods between production and the end of our products' lifecycles. In the first step, it is important to ensure the recyclability of all our products and to understand what function they have in their final use and in which cycles (biological or technical) they circulate.

Allocation of LANXESS products to cycles according to their use (examples)

Technical cycle		Biological cycle
Materials **Plastics** or **intermediates** for the production of plastics that can be used in a variety of ways. They are returned to technical cycles and are essential for a functioning circular economy.	**Additives** **Antioxidants** or **pigments** that are added to products and determine their physical properties. When used in paints, plastics and other materials, they become a part of technical cycles. When used in cosmetics or food products, they are fed into the biological cycle through wastewater.	**Active ingredients** **Fertilizers, crop protection products, insect repellents, disinfectants, animal feed additives or aromas.** These substances are used in farming or food production. They biodegrade naturally through their use and pass into the biological cycle.
Goal: recyclable materials, suitable for return to the technical cycles.	**Goal:** Additives that are suitable for their relevant cycles.	**Goal:** degradable active substances that pass into the biological cycle through their use.

In our "Net Zero Value Chain" strategy, which aims for climate neutrality along the entire value chain,[1)] we want to promote the procurement of sustainable raw materials, the use of green logistics solutions and the development of climate-neutral products. We are therefore realigning our procurement of raw materials and increasingly source sustainable raw materials that originate from a recycling process, are plant-based or are produced with renewable energy. Since 2022, we have used a calculation tool to monitor the proportion of bio-based, circular, renewable and recycled raw materials and to identify room for improvement.

1) without category 10. See also restriction in section "E1-4 – Targets Related to Climate Change Mitigation and Adaptation" of the chapter "E1 Climate Change."

Procurement of raw materials with a low carbon footprint reduces our carbon emissions. This impacts the end products' carbon footprint and brings us closer to our Net Zero Value Chain target.

Further information on our "Net Zero Value Chain" strategy is provided in section "E1-3 Actions and Resources in Relation to Climate Change Policies" of the chapter "ESRS E1 Climate Change."

Sustainable Products

For a functioning circular economy, it is alternative raw materials and environmentally friendly recycling at the end of the lifecycle that are important. Products are also required that help materials to be used for longer or enable materials to be reused at all. In particular, appropriate additives can extend the product life cycle of plastics. When renewable materials such as wood are used, material protection solutions can extend their useful life. If products have reached the end of their life cycle, it is important that they can be recycled in an environmentally friendly way.

The manufacture, transportation and distribution of new products are major contributors to greenhouse gas emissions. Extending product life reduces the need for production, lowers overall carbon emissions and contributes to our carbon neutrality targets.

The new product Lewatit S 1567 Scopeblue® expands our portfolio of sustainably produced ion exchange resins. The strongly acidic cation exchange resin, produced in a solvent-free process, softens drinking water in industrial plants and in standard household filter cartridges.

The monomer used in Lewatit S 1567 Scopeblue® is styrene, which is derived from renewable or waste-based feedstocks. This makes it possible to replace more than 90% of fossil raw materials and reduce the carbon footprint by up to 63% compared with conventionally produced resins.

We have developed UltraPure 1296 MD PLUS for semiconductor production, a new mixed-bed resin for ultra-pure water with a far lower content of metals such as iron, zinc and sodium compared to standard products.

Optimizing material flows

LANXESS is taking various actions to prevent both hazardous and non-hazardous waste and break the link between economic growth and waste production. We are currently developing a concrete action plan.

Our business units and sites are constantly working on preventing and reducing waste. Rigorous material-flow management from raw material input to finished product is aimed at ensuring that resources are used as efficiently as possible and waste volumes are minimized. In turn, the networked sites, particularly in Germany, enable us to reuse many by-products as a raw material directly in neighboring plants – both our own as well as those of other chemicals companies – to create closed loops and thus avoid waste. We are also active beyond our networked sites. Examples of our material flow management that affect both our own production and the downstream value chain can be found at our sites in Bergkamen and Krefeld-Uerdingen, Germany:

Our site in Bergkamen, Germany, is conducting a partially publicly funded research project to convert a significant waste stream into a valuable sales product. If successful on the market, this will significantly reduce the site's carbon footprint and the consumption of raw materials. These actions encompass the Group's own production. The research project was launched in 2024 and is expected to be completed in 2027.

The Inorganic Pigments business unit produces iron oxides at the Uerdingen, Germany, site in accordance with the Laux process. Here, iron raw materials, mainly cast iron filings, are reacted with nitrobenzene in an acidic medium to produce aniline and iron oxide pigments. Due to the reaction process, excess iron raw material needs to be used. At the end of the reaction, the unreacted iron is separated from the reaction products aniline and iron oxide. Its chemical-physical properties mean that the unreacted iron can no longer be returned to the production process and, in the past, was disposed of as waste. In recent years, the Inorganic Pigments business unit has opened up recovery routes in the metal industry so that up to 75% of the iron produced no longer had to be sent to landfill but could be returned to the raw material cycle. The project was launched in 2022 and is ongoing.

The "optimizing material flows" measure supports the "LANXESS Corporate Policy" by using resources more efficiently and helping to reduce waste, which directly supports our strategic targets of reducing total waste. There were no individual actions in the 2025 financial year with significant (>€3 million) capital or operating expenditures.

LANXESS is also involved in intensive discussions on the major transformation topic of the circular economy and actively contributes to dialog and cooperation formats through its membership of associations and initiatives. For example, we are one of only a few founding members of the Circular Economy initiative of the Federation of German Industries (BDI), a platform for dialog between business, politics, science and society, in order to develop the market for recycled raw materials and unlock potential for waste prevention. In addition, at our networked sites we work in close collaboration with the chemical park operators and other companies to continuously develop these processes.

In order to bundle the measures more closely and embed them in a defined framework, we set ourselves a comprehensive set of waste targets for the first time in the 2024 financial year.

E5-3 – Targets Related to Resource Use and Circular Economy

Reduction of Scope 3.1 emissions by 30% by 2030 (base year 2021)

One of our most important targets is to become climate neutral for Scope 1 and 2 emissions by 2040 and by 2050 for Scope 3.[1)] The Scope 3.1 category includes greenhouse gas emissions that are caused by our purchased raw materials and thus significantly contribute to our total Scope 3 emissions. Reducing Scope 3.1 emissions by 30% by 2030 compared with the base year 2021 will make a major contribution to reducing our total Scope 3 emissions. We set this target at the end of 2024, so monitoring and evaluation have not yet been completed. Figures on target achievement are not yet available. This target is in line with the "LANXESS Corporate Policy" and the "Procurement of Goods and Services in the LANXESS Group" directive and contributes to supporting the transition to a sustainable, resource-efficient, climate-neutral circular economy.

The SBTi has determined that the LANXESS short-term emission targets (by 2030) for production and energy procurement (Scope 1 and 2) are in line with the 1.5°C reduction pathway. The long-term target (by 2050) for the entire value chain (Scopes 1, 2 and 3) is in line with the ambitious 1.5°C target according to the SBTi.

1) without category 10. See also restriction in section "E1-4 – Targets Related to Climate Change Mitigation and Adaptation" of the chapter "ESRS E1 Climate Change."

The affected stakeholders were involved in setting the targets in a working team in which representatives of all stakeholder groups participated.

To further reduce our Scope 3 levels, we want to reduce our Scope 3.1 emissions by 30% by 2030 (base year 2021). We achieve this by improving our raw material basis, for example, by replacing primary raw materials with circular, bio-based or renewable raw materials.

We have not set a target for material impact I35.

Waste targets

In the 2024 financial year, we defined concrete waste targets for the first time in order to further advance our strategy and continue to reduce environmental impacts in connection with waste disposal. This is how we will further develop our waste management, record our waste streams even better and report on the outcome. In addition, we have set ourselves the targets of reducing the total amount of waste overall and, in particular, significantly decreasing waste that is disposed of in landfills. In this way, we contribute to our policies of using raw materials efficiently, conserving natural resources and avoiding emissions and waste as part of our environmental responsibility. We have set ourselves the targets voluntarily, and they are not tied to any legal requirements.

Implementation of an expanded waste management system by 2028

In addition to our waste management, LANXESS has set itself the target of implementing an expanded waste management system at our own production sites by 2028. Our target is based on the reference year 2024, in which we began defining the binding requirements and rolling out the system successively through 2028. We measure the progress of implementation based on the degree of coverage of the expanded system. No intermediate targets or milestones have been defined.

No significant assumptions were made for the development of this target, nor is it based on specific frameworks. Employees were involved in developing the target. It was presented both in the Health, Safety & Environment subcommittee and in the Sustainability Committee and adopted by the Board of Management. The target relates to all levels of the waste hierarchy and covers prevention, reduction, recycling and disposal of waste. Target attainment cannot be conclusively evaluated until 2028.

Reduction of total waste by 10% in absolute terms by 2030 compared with base year 2021

LANXESS has set itself the target of reducing total waste (measured in metric tons) at its sites by 10% by 2030, based on the baseline of 2021. The relative target is based on the upper levels of the waste hierarchy and focuses on preventing and reducing waste. All waste categories reported under incineration, landfilling, recycling, or other disposal methods are affected. The target is outcome-oriented and defined in absolute terms. The target is to be achieved by 2030. 2021 was used as the base year for calculating progress, with a baseline of 207.9 thousand metric tons. No specific milestones or intermediate targets have been defined for the target of reducing the total amount of waste, as the focus is on achieving the final reduction target by 2030. To save waste, LANXESS relies on various waste reduction actions, which it continuously further develops. These include approaches such as material flow management or recycling. Our reduction target is not based on a specific framework but was defined by internal policies and actions. Relevant stakeholders, particularly the various business units, were actively involved in developing the target. It was adopted by the Board of Management both in the Health, Safety & Environment subcommittee and in the Sustainability Committee. Total waste was already reduced by 21% in fiscal year 2025 compared with the base year 2021.

Reduction of total landfilled waste by 50% by 2030 compared with base year 2021

LANXESS has set itself the target of reducing landfilled waste at its sites by 50% by 2030 compared with the base year 2021, when the volume was 50.8 thousand metric tons. This target is measured in metric tons to ensure clear and transparent monitoring of progress. The target is outcome-oriented and focuses on an absolute reduction of total landfilled waste. The date targeted for full implementation of the target is 2030. No specific milestones or intermediate targets have been defined, as the focus is on achieving the final target by 2030. To make progress, we use projects to reduce waste, reuse and recycle. Relevant stakeholders, particularly the various business units, were actively involved in setting the target. The target was adopted by the Board of Management both in the Health, Safety & Environment subcommittee and in the Sustainability Committee. The target is based on the waste hierarchy and focuses on reducing and preventing waste. Targets are set voluntarily and are not based on a specific framework. Total landfilled waste was already reduced by 38% in fiscal year 2025 compared with the base year 2021.

E5-4 – Resource Inflows

Resource Inflows in 2024

	Weight (in t)	Proportion of total raw materials (%)
Secondary reused or recycled components	160,000	5
Secondary intermediary products	0	0
Secondary materials	0	0

Prior-year figure restated.

Resource Inflows in 2025

	Weight (in t)	Proportion of total raw materials (%)
Secondary reused or recycled components	164,000	5
Secondary intermediary products	0	0
Secondary materials	0	0

Our raw materials are divided into organic and inorganic raw materials. Organic raw materials originate from natural sources such as plants, animals and micro-organisms and are obtained through agriculture, harvesting and biotechnological processes. These materials include essential oils, natural fibers and bio-based and petroleum-based chemicals. Inorganic raw materials that come from minerals, ores and chemical compounds are obtained through mining, quarrying and synthetic production methods. Examples of these products include metals, salts and industrial chemicals. In principle, both organic and inorganic raw materials can contain fossil sources.

In fiscal year 2025, LANXESS procured a total of 3,160,604 metric tons of raw materials (previous year: 3,404,050 metric tons). Of this amount, 9,079 metric tons (0.3% of the total amount) was classifiable as biodegradable, sustainable material. The total volume of procured biodegradable materials in fiscal year 2024 was 10,276 metric tons (0.3% of the total raw materials procured).

In addition, within the amounts we procured, we used a total of 154,000 metric tons of secondary scrap for production in our Inorganic Pigments business unit. We used a total of 150,000 metric tons of secondary scrap in fiscal year 2024.

The database for classifying raw materials was updated and improved in fiscal year 2025. During this process, the reference data for 2024 were adjusted accordingly. This change leads to an increase in the reported volumes.

Please see the section "E5-5 – Resource Outflows" in this chapter for a description of the methodology.

E5-5 – Resource Outflows

Methodology

LANXESS has developed an internal tool for calculating the raw material Scope 3 emissions, which can be used to track and report all raw materials purchased from suppliers. The main aim is to manage the product carbon footprint (PCF) of the procured raw materials and, in this context, to classify and categorize the purchased raw materials as biobased, circular or renewable according to their origin. The tool has clear structures, and products can only be classified in the "biobased," "circular" or "renewable" categories described to avoid overlaps or double counting.

The tool always takes account of primary data if an actual PCF figure for the procured raw material is available from our suppliers. If this is not the case, our purchased items and quantities are compared with databases from third-party providers (for example, Gabi or Carbon Minds) to calculate a PCF for the procured raw material.

The information in this tool is a fundamental datapoint for calculating our Scope 3 figures. The calculation method for the PCF Engine is certified by TÜV Rheinland. The specially developed and certified Product Carbon Footprint Engine calculates the product carbon footprints on this basis together with other input factors. Raw materials account for by far the most significant share here. In addition to the CO_2 values, the carbon content of the raw materials is allocated for the products. This enables the proportion remaining in waste to be calculated.

In the LANXESS Product Sustainability Monitor, the Product Safety, Regulation & Compliance in Operations department within the Production, Technology, Safety and Environment Group function has created a strategic management tool to systematically assess and improve the sustainability performance of LANXESS's product portfolio. Further information on the LANXESS Product Sustainability Monitor can be found in section "E2-2 – Actions and Resources Related to Pollution" of the chapter "ESRS E2 – Pollution." Only products with a sustainability performance that have a very low or low environmental impact and contribute to at least one sustainable development goal (SDG) are approved in this pre-selection process for products with the Scopeblue® label.

LANXESS promotes the circular economy through recyclable products, chemical recycling and additives such as Baynox®, Bayferrox® 303T and Aktiplast® 79, which give materials a longer life, improve recyclability and enable their return to cycles.

Waste metrics

Waste metrics in 2024

in thousand metric tons	EU	Non-EU	Total in 2024
Total amount of waste	**138.7**	**584.2**	**722.9**
Total amount of hazardous waste	**109.6**	**535.1**	**644.7**
Total amount of waste generated that is diverted before disposal	**10.2**	**8.8**	**19.0**
Preparation for reuse	–	–	–
Recycling	10.2	8.8	19.0
Other recovery operations.	–	0.0	0.0
Total amount of waste generated that is destined for disposal	**99.4**	**526.3**	**625.7**
Incineration	63.6	13.6	77.2
Landfilling	0.7	10.8	11.5
Other disposal operations	35.1	501.9	537.0
Radioactive waste	–	–	–
Total amount of non-hazardous waste	**29.1**	**49.1**	**78.2**
Total amount of waste generated that is diverted before disposal	**8.5**	**13.2**	**21.7**
Preparation for reuse	–	–	–
Recycling	8.5	13.2	21.7
Other recovery operations.	–	–	–
Total amount of waste generated that is destined for disposal	**20.6**	**35.9**	**56.5**
Incineration	8.1	8.2	16.3
Landfilling	6.2	15.2	21.4
Other disposal operations	6.3	12.5	18.8

Waste metrics in 2025

in thousand metric tons	EU	Non-EU	Total in 2025
Total amount of waste	**99.7**	**558.8**	**658.5**
Total amount of hazardous waste	**76.6**	**508.4**	**585.0**
Total amount of waste generated that is diverted before disposal	**9.0**	**9.0**	**18.0**
Preparation for reuse	0.0	0.0	0.0
Recycling	9.0	9.0	18.0
Other recovery operations.	0.0	0.0	0.0
Total amount of waste generated that is destined for disposal	**67.6**	**499.4**	**567.0**
Incineration	52.2	12.9	65.1
Landfilling	0.6	8.0	8.6
Other disposal operations	14.8	478.5	493.3
Radioactive waste	0.0	0.0	0.0
Total amount of non-hazardous waste	**23.1**	**50.4**	**73.5**
Total amount of waste generated that is diverted before disposal	**4.8**	**14.1**	**18.9**
Preparation for reuse	0.0	0.0	0.0
Recycling	4.8	14.1	18.9
Other recovery operations.	0.0	0.0	0.0
Total amount of waste generated that is destined for disposal	**18.3**	**36.3**	**54.6**
Incineration	9.5	6.5	16.0
Landfilling	5.6	17.1	22.7
Other disposal operations	3.3	12.7	16.0

Our waste is largely aqueous waste or waste from chemical processes, such as filtration residues, salts, solvents or the like. These waste streams are generated continuously, depending on the capacity utilization of the plants. However, other waste streams, such as products that do not meet the standards or quality requirements, or construction waste from maintenance, inspection or demolition activities, tend to occur as one-off effects. We specify the waste indicators for all the sites worldwide. LANXESS divides waste into the following categories: waste for material recovery (preparation for reuse, recycling, other recovery operations) and for waste treatment (incineration, landfilling and other disposal), each subdivided into hazardous and non-hazardous waste.

The distinction between hazardous and non-hazardous is initially made in line with national/regional legislation. This is due to country-specific approval processes. This assessment is made based on the composition and associated chemical-physical and toxicological properties of the waste streams. Each country/region specifies which properties result in the waste being classified as hazardous. In the EU, for example, this is governed by the European Waste Framework Directive. Depending on the classification of the waste, specific disposal processes may be stipulated by the authorities and laid down in the relevant operating licenses. Taking a broader view than the local/national perspective, we examined whether, due to potential divergence between local/national definitions and the EU level, material adjustments needed to be made in the classification between hazardous and non-hazardous waste. This was not the case. In total, 622 thousand metric tons of waste (previous year: 682 thousand metric tons) were not fed into a recycling process; this yields a non-recycled waste share of 94% (previous year: 94%).

LANXESS is committed to lawful waste disposal that is organized locally and in line with the national requirements. The metrics are collected as part of the HSE indicator reporting and undergo a standardized collection, review and approval process. As the source of the raw data is generally invoices from disposal companies, most data – other than calculations and estimates (such as those based on measurements, service lives or reference values) – can be regarded as direct measurements. The waste data reported by LANXESS is audited by public institutions in various countries. For example, in Germany, the country with the largest LANXESS sites, the entire disposal process, from registration to final disposal, is monitored by the relevant environment agencies. In the U.S., for example, all hazardous waste is reported to the Environmental Protection Agency (EPA) and may be audited by the authority.

SOCIAL INFORMATION

ESRS S1 OWN WORKFORCE

The material impacts, risks and opportunities (IROs) of LANXESS were identified through the double materiality assessment. They are shown in the table below and allocated to the corresponding policies, actions and targets.

Material impacts, risks and opportunities related to the company's own workforce

							Policies								
Impacts, risks and opportunities[1]	actual/potential	negative/positive	Time horizon	Value chain	Targets	Actions	LANXESS Corporate Policy	Code of Conduct	Declaration of Principles on Respect for Human Rights and Related Environmental Standards	Working Conditions and Equal Treatment of Employees	Occupational Safety Management	Occupational Health and Safety at LANXESS	Xwork Flexibility Principles	Process and Plant Safety	"Working at LANXESS" Background Paper
WORKING CONDITIONS															
SECURE EMPLOYMENT															
I40: **Impact** Layoffs due to weak economy	actual	negative	<1 year (short term)	own operations		Cost reduction measures	×								×
I41: **Impact** Employment and its positive impacts on societal development	actual	positive	<1 year (short term)	own operations		Recruiting HR development Compensation and benefits									×
WORKING TIME, WORK-LIFE BALANCE															
I42: **Impact** Work-life balance	actual	positive	<1 year (short term)	own operations		Working conditions and benefits			×				×		×
ADEQUATE WAGES															
I43: **Impact** Compensation package	actual	positive	<1 year (short term)	own operations		Compensation and benefits	×		×						×
SOCIAL DIALOGUE, FREEDOM OF ASSOCIATION, EXISTENCE OF WORKS COUNCILS, CO-DETERMINATION AND COLLECTIVE BARGAINING															
I44: **Impact** Social dialogue and employee representation/unions	actual	positive	<1 year (short term)	own operations		Employee co-determination Corporate co-determination	×	×	×						×

1) I = impact, R = risk and O = opportunity

Material impacts, risks and opportunities related to the company's own workforce

Impacts, risks and opportunities[1]	actual/potential	negative/positive	Time horizon	Value chain	Targets	Actions	Policies								
							LANXESS Corporate Policy	Code of Conduct	Declaration of Principles on Respect for Human Rights and Related Environmental Standards	Working Conditions and Equal Treatment of Employees	Occupational Safety Management	Occupational Health and Safety at LANXESS	Xwork Flexibility Principles	Process and Plant Safety	"Working at LANXESS" Background Paper
HEALTH AND SAFETY															
I45: **Impact** Damage due to accidents	actual	negative	<1 year (short term)	own operations	Continuous decrease in the LTIFR by >50% by 2025 (2016 reference value: LTIFR 2.0); absolute LTIFR ≤ 0.8 by 2025; absolute RIR ≤ 0.6 by 2025	Occupational health and safety	×				×	×		×	×
I46: **Impact** Risk of injury due to accidents	potential	negative	<1 year (short term)	own operations	Continuous decrease in the LTIFR by >50% by 2025 (2016 reference value: LTIFR 2.0); absolute LTIFR ≤ 0.8 by 2025; absolute RIR ≤ 0.6 by 2025	Occupational health and safety					×	×		×	
I47: **Impact** Risk of long-term health damage due to chemical exposure/direct contact with chemicals	potential	negative	<1 year (short term)	own operations	Continuous decrease in the LTIFR by >50% by 2025 (2016 reference value: LTIFR 2.0); absolute LTIFR ≤ 0.8 by 2025; absolute RIR ≤ 0.6 by 2024	Occupational health and safety					×	×		×	
EQUAL TREATMENT AND OPPORTUNITIES FOR ALL															
GENDER EQUALITY AND EQUAL PAY FOR WORK OF EQUAL VALUE															
I48: **Impact** Gender pay gap	actual	negative	<1 year (short term)	own operations		Compensation and benefits									×
TRAINING AND SKILLS DEVELOPMENT															
I49: **Impact** HR development/training/ apprenticeship	actual	positive	<1 year (short term)	own operations	Annual retention rate of apprentices in Germany of at least 80% annually (continuous through 2026)	Recruiting HR development Vocational training	×								×
DIVERSITY AND EMPLOYMENT & INCLUSION OF PEOPLE WITH DISABILITIES															
I50: **Impact** Equal opportunities	potential	positive	<1 year (short term)	own operations	Increase in the proportion of women at the first and second management levels below the Board of Management to 25% and 28%, respectively, by 2027 Increase in the proportion of women in management to 30% by 2030	Diversity and inclusion	×	×	×	×					×

1) I = impact, R = risk and O = opportunity

S1 SBM-3 – Material Impacts, Risks and Opportunities and their Interaction with Strategy and Business Model

We anticipate that the positive impacts on our workforce (for example, work-life balance, compensation package, social dialogue, freedom of association, co-determination and collective bargaining or employee development/training/education) will also have a positive impact on our business model and strategy, in as much as all these aspects can contribute to a positive employer brand (for example, in terms of family-friendliness as a company), employee willingness to work, employee satisfaction and potentially greater motivation and performance. We believe that this also benefits our power of innovation and competitiveness as a Group.

Just as the aforementioned positive impacts on the workforce can have a positive impact on the business model and strategy, the negative impacts, such as I40 (layoffs due to economic weakness) have a potentially negative impact on, for example, our employer brand, employee motivation, satisfaction and willingness to work and thus, ultimately, also possibly on our innovation and competitiveness. The People Strategy and the human resources (HR) strategy derived from it were therefore revised in the previous year. I45 (damage due to accidents) and I46 (risk of injury due to accidents) and I47 (long-term health damage due to chemical exposure/direct contact with chemicals) are consequences of the Group's strategic direction. The safety performance of the individual plants and their improvement are regularly reviewed and evaluated.

The risk of demographic change and a shortage of skilled workers that we had reported on last year under R60 is not reported this year because the materiality threshold was not met due to a modified calculation method.

However, we consider our strategy and business model to be resilient enough to overcome the aforementioned negative impacts (I40: layoffs due to economic weakness, I48: gender pay gap). This is evidenced by our low voluntary turnover rate, an indicator of employee satisfaction and loyalty, which, despite cost reduction measures, remains low and is below the 4.5% threshold set as part of our material corporate targets. We also consider our strategy and business model to be resilient in respect of I45 (damage due to accidents) and I46 and I47 (risk of injury due to accidents and risk of long-term health damage due to chemical exposure/direct contact with chemicals). The rate of incidents has been kept stable at a low level in the last few years by means of existing measures and ongoing initiatives. This is reflected in a low number of accidents with days lost and a low number of incidents that require recording. Based on the results of audits and site inspections, discussions are held on possible improvements and implementation options.

Layoffs due to economic weakness (I40)

The continuing weak economic situation and challenging market conditions mean our sector and thus also LANXESS and our employees face major challenges. The job cuts in our own workforce as part of the FORWARD! action plan and further cost reduction measures, which began in 2023 and continued in 2024 and 2025, were necessary to strengthen LANXESS's long-term competitiveness. Although the economic situation in fiscal year 2025 resulted in lower job security for our employees overall, the implemented measures are designed to safeguard employment within the company over the long term and give LANXESS a stable position in a challenging market environment. Nevertheless, this can temporarily be associated with lower employee satisfaction, motivation and performance.

Employment and its positive impacts on social development (I41)

For us, sustainable corporate development also means tackling existing and future challenges such as the general shortage of skilled workers. For example, we contribute to UN Sustainable Development Goal 4 "Quality Education" through our in-house training and a wide range of further training and development programs.

Work-life balance (I42)

Our flexible working time models (such as flextime or part-time) facilitate a work-life balance for our employees (for example, in connection with returning to work after parental leave) and thus contribute to UN Sustainable Development Goal 3 "Good Health and Well-Being."

Our options for working remotely contributes to a better work-life balance for our employees and thus also to UN Sustainable Development Goal 3 "Good Health and Well-Being".

Maternity and paternity leave, parental leave and leave to care for relatives are by no means standard around the world. Through the options we provide, we want to live up to our social responsibility and, in view of the increasing shortage of skilled workers and demographic change, increase our attractiveness as an employer and boost our competitiveness. In countries with increasing demographic change, such as Germany, the average age continues to rise and with it the number of people needing care. This means that more and more employees have to act as a carer for a person in their personal environment. We as an employer want to provide support for this.

Compensation package (I43)

By providing remuneration that is high by industry standards, we contribute to the Sustainable Development Goal No. 8 “Decent Work and Economic Growth” of the United Nations. Collective agreements on remuneration cover more than half of our employees worldwide.

We share the company’s success with our employees and reward their performance through attractive bonus systems that are aligned with the long-term success of the company. In doing so, we contribute to an appreciative corporate culture and well-paid work.

Through our company pension schemes, which are tailored to each country’s state pension system, we aim to address potential gaps in retirement provision. Other offerings, such as the long-term account and supplementary long-term care insurance in Germany, facilitate the transition to retirement and provide extra protection against the risks and burdens of long-term care. These extend beyond statutory coverage, benefiting employees and their families.

Social dialogue and employee representation/unions (I44)

Through regular dialogue with employees and their representatives about goals, organizational changes and working conditions, we strengthen trust in business conduct, boost the acceptance of changes, and strengthen satisfaction, motivation and commitment in our own workforce.

The presence of works councils, serving as a link between the workforce and company management, fosters conflict prevention and resolution and thereby contributes to a more harmonious working environment. Employee codetermination in important company issues fosters greater involvement in decision-making processes, which can strengthen their commitment and loyalty to our company. We currently have works councils only in countries where they are required by law (such as in Germany and some European countries); however, in some cases, we inform and/or involve the works councils in these countries about company situations beyond what is required by law. In accordance with various globally applicable directives, we are committed to upholding the freedom of association for our employees worldwide.

Consultation with employee representatives can lead to more informed decision-making, helps to prevent conflicts (by identifying potential issues at an early stage) and fosters a better working atmosphere by including different perspectives and experiences. We adhere to the legal requirements and exceed them in some cases. In Germany, for example, regular meetings are held between members of the Board of Management and heads of the employee representative bodies; this would not be required by law, but is aligned with our aim of exchanging ideas on an equal footing.

Fair and transparent collective bargaining agreements can help to prevent conflicts and contribute to a positive working atmosphere. Through our various company agreements and regular wage increases (particularly in Germany, but also at various sites in other countries such as Brazil and Argentina), we aim to further improve the working conditions of our employees (focusing on areas such as remuneration, health, social protection and work-life balance). We adhere to the legal requirements and exceed them in some cases. In Germany, for example, we also extend the benefits of collective bargaining agreements to non-union members. This also applies in part to other countries such as Brazil or Argentina.

Damage due to accidents (I45)

As a specialty chemicals company, it is our responsibility to provide our employees with a safe and healthy working environment. Protecting the health of our employees is a top priority at LANXESS, extending beyond the handling of hazardous substances. In addition to the personal well-being of employees, this also encompasses impacts on the immediate environment and the overall social responsibility, including the strain on the healthcare system. Safety is one of our values and an integral part of our corporate culture.

Risk of injury due to accidents (I46)

Accidents can occur in the course of daily work, leading to employee injuries. This risk is generally higher in production than in administration. However, the health and safety of employees is always our top priority. Nevertheless, accidents can occur that result in significant health impairments and long-term injuries, as well as substantial financial implications for the company. These include direct costs for medical care and compensation, along with potential reputational damage.

Risk of long-term health damage due to chemical exposure/ direct contact with chemicals (I47)

Given the use of hazardous chemicals in production, there is a risk of long-term health damage for production employees due to chemical exposure. This includes possible long-term health damage to employees as well as direct costs for medical care and compensation, along with reputational damage. Due to a range of measures designed to prevent direct contact, for example through unintentional releases, along with hazard-related monitoring of potential exposure, the risk of actual harm is considered to be low.

In accordance with the safety directives at LANXESS, every organizational unit, for example, a plant, is required to carry out regular risk assessments and define suitable actions to protect against potential hazards. Employees are trained accordingly, and the training and the actions are checked regularly. We thus meet the legal requirements and protect employees, contractual partners and visitors to the plant alike. Through additional actions such as our Xact safety initiative, we aim to raise safety awareness and identify health and safety risks, with the goal of minimizing hazards for all employees, particularly those in production areas (see section “S1-4 – Taking Action on Material Impacts on Own Workforce, and Approaches to Mitigating Material Risks and Pursuing Material Opportunities Related to Own Workforce, and Effectiveness of those Actions” of the chapter “ESRS S1 Own Workforce”).

Gender pay gap (I48)

Another important aspect for LANXESS is equal opportunities for all, regardless of gender. Women's employment histories are often marked by fewer working years on average compared to men. This not only results in a lower income, but also raises the likelihood of experiencing poverty in old age. A gender pay gap can further exacerbate this problem. It can negatively affect the sense of fairness among those impacted, fostering feelings of discrimination, lowering self-esteem, and ultimately diminishing motivation, satisfaction, and performance at work. A gender pay gap thus also reduces the incentive to work or increase one's efforts. Our goal is to eliminate the gender pay gap entirely. Through our actions in the areas of diversity and inclusion, and compensation and benefits (see section "S1-4 – Taking Action on Material Impacts on Own Workforce, and Approaches to Mitigating Material Risks and Pursuing Material Opportunities Related to Own Workforce, and Effectiveness of those Actions" of the chapter "ESRS S1 Own Workforce"), we want to promote greater equality of opportunity and are working to prevent gender-related pay gaps in our own workforce. We are confident that equal opportunities have a positive impact on the satisfaction, motivation and performance of our employees, and thereby strengthen our competitiveness. Our measures also contribute to the United Nations Sustainable Development Goal No. 8.5 "(..) equal pay for work of equal value (..)" and to Sustainable Development Goal No. 5 "Gender Equality."

Personnel development/training/education (I49)

The increasing average age of our employees in conjunction with the scarcity of young talent in some regions means that the competition for qualified employees is growing fiercer. Despite the challenging situation at present, we are continuing to work on retaining young staff at our company. Accordingly, we offer a wide range of development opportunities that help us to attract, retain and develop the potential of motivated and talented employees, close knowledge gaps and optimize work results. Our global talent programs allow us to support particularly high-performing employees, retain them in our company and identify successors for key positions at an early stage. We thus offer our employees a wide range of opportunities to identify, promote and develop their own skills and talents, which boost both their own satisfaction and their self-esteem.

By training young people, LANXESS is safeguarding the future of the company by securing the next generation of employees and making a contribution to society. In particular, our extensive company training program in Germany supports the United Nations Sustainable Development Goal No. 4 "Quality Education." The program also helps address the growing challenges of recruiting and retaining skilled workers, driven by demographic changes and the ongoing shortage of skilled workers.

Equal opportunities (I50)

Diversity, equal opportunities and inclusion are very important to LANXESS. By creating an inclusive environment for people with disabilities to thrive and reach their full potential (such as providing special screens for people with visual impairments), we contribute to the UN's Sustainable Development Goal No. 10 "Reduce Inequalities." We thereby promote an open, appreciative and non-discriminatory culture, which we believe enhances employee satisfaction, motivation and performance, ultimately contributing to our long-term success as a company.

A corporate culture that is open equally to all people helps us to become more innovative and efficient and to attract and retain promising talents. To achieve a healthy corporate culture, it is important to provide all employees with a safe space ensuring they have the best conditions to fully develop their abilities. LANXESS is firmly committed to fostering tolerance and inclusion within its own workforce. Respect is one of the five key values of our culture of success, promoting positive and considerate interactions, and helping to break down prejudices and stereotypes. This mindset among our employees not only shapes how we treat each other as colleagues, but also has a positive impact on society as a whole beyond company boundaries. Our measures also support the United Nations Sustainable Development Goal No. 10, "Reduce Inequalities."

We value diversity and regard it as a strategic advantage, driving greater satisfaction, motivation, and commitment within our own workforce. This, in turn, fosters increased innovation and competitiveness for our company. We are committed to further developing diversity at LANXESS and utilizing its positive impact for both our company and our employees. Recognizing and valuing diversity is firmly anchored in our values and in our principles of action and leadership (see section "S1-1 – Policies" of the chapter "ESRS S1 Own workforce"). We have set specific targets for the promotion of gender diversity in the company and pursue them consistently with our "Diversity & Inclusion" (D&I) strategy (see section "S1-4 – Taking Action on Material Impacts on Own Workforce, and Approaches to Mitigating Material Risks and Pursuing Material Opportunities Related to Own Workforce, and Effectiveness of those Actions" of the chapter "ESRS S1 Own Workforce"). The proportion of women at both the first and second level below the Board of Management has increased significantly over the last five years. By working to gradually improve gender diversity within the company and giving women the same career opportunities as men (for example, by integrating D&I into all personnel processes; see section "S1-4 – Taking Action on Material Impacts on Own Workforce, and Approaches to Mitigating Material Risks and Pursuing Material Opportunities Related to Own Workforce, and Effectiveness of those Actions" of the chapter "ESRS S1 Own Workforce"), we contribute to the United Nations Sustainable Development Goal No. 5 "Gender Equality."

Our materiality analysis considered the entire LANXESS workforce.

The majority of our workforce is employed on full-time or part-time permanent contracts. Less than 10% of employees work on the basis of temporary contracts. There are no non-guaranteed hours employees at LANXESS without an agreed basic salary (see section "S1-6 – Characteristics of the Company's Employees" of the chapter "ESRS S1 Own workforce").

Through regular dialogue with our employees, works councils, employee representatives and various stakeholders from politics, research, business, and society, we are aware that certain groups of employees are exposed to an increased risk of harm. Regular analyses of the composition of our workforce (such as contract type, gender, region, age or nationality) and the collection of key metrics (such as diversity, turnover) have also highlighted potential disadvantages and imbalances. For example, employees in production areas are exposed to a higher health and safety risk than employees in administration. We try to minimize health and safety risk for production employees as much as possible through a wide range of health and safety measures, such as our Xact safety initiative. Other potentially disadvantaged groups are female employees or employees with disabilities, who are exposed to a greater risk of discrimination in terms of pay or employment. We strive to prevent this through our actions in the area of Diversity & Inclusion (see section "S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions" of the chapter "ESRS S1 Own workforce").

The negative impacts I45, I46 and I47 concern individual incidents that are not systemic or widespread.

The positive impacts I41, I42, I43 and I44 concern direct employees and the positive impacts I49 and I50 concern both direct and indirect employees.

Presently, we have no material impacts on the workforce resulting from transition plans aimed at reducing negative environmental impacts and achieving a more environmentally friendly and carbon-neutral operation.

Fulfilling our responsibility for the well-being of our employees is one of our top priorities. Accordingly, none of our operations, regardless of type or geographic area, pose a significant risk of forced labor or child labor. LANXESS has implemented appropriate internal processes and control systems to regularly review this.

S1-1 – Policies Related to Own Workforce

As a global company with 11,709 employees worldwide, LANXESS holds significant responsibility. We are committed to creating the best possible working conditions for all of our employees. To achieve this, we have developed various directives that outline our actions as a responsible employer and define the development, opportunities and scope for action of our employees.

We have set out these guidelines for our actions in the "LANXESS Corporate Policy", which reflects our values, highlights the importance of employees to the company, and provides guidance on key topics such as working conditions, safety, health, and diversity. The general information on the "LANXESS Corporate Policy" according to ESRS 2.65 is provided in section "G1-1 – Corporate Culture and Business Conduct Policies" of the chapter "ESRS G1 Business Conduct".

In our "Declaration of Principles on Respect for Human Rights and Related Environmental Standards," we state our Group commitment to respecting human rights, in particular: Prohibition of child and forced labor and all forms of slavery including human trafficking, compliance with occupational health and safety, right to fair remuneration, respect for freedom of association, right to collective bargaining, protection against discrimination. The contents of the "Declaration of Principles on Respect for Human Rights and Related Environmental Standards" is reviewed at least once a year. The document is used for internal and external communication worldwide. It is overseen by the Board of Management. It is based on established guidelines and standards such as the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the principles of the United Nations Global Compact (UN Global Compact), the Responsible Care© Global Charter of the International Council of Chemical Associations (ICCA) and the United Nations Women's Empowerment Principles. The main departments responsible for the topics are involved in coordinating the content. The valid "Declaration of Principles on Respect for Human Rights and Related Environmental Standards" is publicly available on our website.

Our Group-wide "Code of Conduct" requires all employees to act with integrity and in compliance with the rules. It is issued to all new employees with their employment contract or at the start of their employment. General information on the Code of Conduct in accordance with ESRS 2.65 are outlined in section "G1-1 – Corporate Culture and Business Conduct Policies" of the chapter "ESRS G1 Business Conduct."

In conjunction with the Group directive, the "Process and Plant Safety" directive regulates procedures for risk management in plants and chemical processes. The goal is to maintain a consistently high level of safety within the LANXESS Group, continuously improve safety and update existing plants to include technical advancements where necessary. LANXESS is committed to safety and environmental protection by meeting

the requirements of the directive. Compliance is verified by means of audits (see the statements in section "S1-3 – Processes to Remediate Negative Impacts and Channels for Own Workers to Raise Concerns" of the chapter "ESRS S1 Own workforce"). In addition, we regulate the basic requirements for occupational health and safety at LANXESS through the "Occupational Health and Safety Management" directive. This directive aims to prevent accidents, health hazards and occupational illnesses. With this directive we also meet local statutory occupational health and safety requirements. Both are part of the global integrated management system. Accident prevention is addressed operationally through risk assessments, followed by the implementation of the derived technical, organizational, and personal safeguards. Relevant instructions are set out in the "Occupational Health and Safety at LANXESS" standard. The internal directives and the standard on occupational safety are the responsibility of the Board of Management; they are valid for all employees and can be obtained via Xdirect. The risk assessment and safeguards are monitored by operations management in accordance with the directive "Plant Management at LANXESS." They are then monitored by the Production & Technology (P&T) managers of the business units. The process is reviewed as part of our compliance checks. Business units, safety experts and employee representatives were involved in development of the directives.

The Human Resources "Working Conditions and Equal Treatment of Employees" directive regulates the basic requirements relating to working time, minimum age, diversity, equal opportunities and inclusion, including the employment of persons with disabilities as a particularly vulnerable group. The aim of the regulations is to establish a uniform minimum standard for all LANXESS companies and employees. If local legislation set forth stricter requirements and/or higher standards that conflict with this HR standard, the local legislation will take precedence. The directive is particularly relevant for impacts I43 and I50. Through this standard, LANXESS once again underscores its commitment to compliance with national and international standards, in particular the ILO (International Labor Organization) conventions on human and labor rights, the United Nations Guiding Principles on Business and Human Rights (UN Guiding Principles) and the International Bill of Human Rights. The following discriminatory bases are specifically addressed in the directive: race and ethnic origin, skin color, gender, sexual orientation, gender identity, disability, age, religion, political opinion, national origin and social origin. The needs of the stakeholders were thereby included in the directive. This HR standard is the responsibility of the Human Resources Group function and is approved by its head. The HR standard is valid for all employees and is freely accessible to them via the global document management system Xdirect. The standard was adopted in 2024 and is reviewed every three years by the Human Resources Group function to ensure it is up to date. The Human Resources Group function has established various actions as part of the Diversity & Inclusion Strategy to promote diversity, equal opportunities and inclusion in accordance with the HR standard and to prevent discrimination. The Legal & Compliance Group function has established processes to report cases of discrimination and to respond appropriately as an organization (see section "S1-3 – Processes to Remediate Negative Impacts and Channels for Own Workers to Raise Concerns" of the chapter "ESRS S1 Own Workforce").

The Background Paper "Working at LANXESS" contains more detailed information on human resources-related topics and addresses almost all material impacts, opportunities and risks regarding the company's own workforce (the remainder are addressed by at least one of the other directives mentioned here). It was revised in 2025 and expanded to include additional information. General information on the background paper document type in accordance with ESRS 2.65 are outlined in section "G1-1 – Corporate Culture and Business Conduct Policies" of the chapter "ESRS G1 Business Conduct."

We also have a global directive on flexible working. In line with our office-based employees' desire for more flexible working and working-time models, we introduced "Xwork – Flexible Work" and global flexibility principles six years ago. These were developed by the Human Resources Group function and approved by the Labor Director. They are accessible to all employees worldwide via our intranet site. The central focus is the ability to work from any location. The past few years have demonstrated that many of our employees' office-related activities can be carried out from home. At the same time, being present at the office is essential for creative activities and teamwork to ensure the joint success and well-being of employees. Accordingly, a decision by the Board of Management allows an average of up to eight days of mobile working per month in addition to office-based work – provided that the activity is suitable for mobile working. Relevant local guidelines have been adopted based on this overarching directive from the Board of Management.

In addition, our "Business Partner Code of Conduct" contains provisions relating to the safety of workers, hazardous employment, human trafficking, forced labor and child labor. General information on the "Business Partner Code of Conduct" in accordance with ESRS 2.65 are outlined in section "G1-1 – Corporate Culture and Business Conduct Policies" of the chapter "ESRS G1 Business Conduct."

LANXESS also implements local directives; for example, in Germany this includes various company agreements on topics such as occupational pensions, corporate integration management, the APP (Annual Performance Payment) and IPP (Individual Performance Payment) bonus systems, mobile working, flextime, caring for relatives and work-life balance. Similar local directives exist in almost all countries in which we operate.

S1-2 – Processes for Engaging with Own Workforce and Workers' Representatives about Impacts

LANXESS collects the perspectives and opinions of employees through various initiatives, actions and working groups, tailored to the topic, to actively involve them in defining and developing solutions. In Germany, for example, there is a representative body for persons with severe disabilities. This dialogue generally takes place via the employee representative bodies (see section "S1 SBM-2 – Interests and views of stakeholders" of the chapter "ESRS S1 Own workforce"). In addition, the Board of Management and senior management regularly provide opportunities for employees to engage in direct discussions during the quarterly information meeting (QIM), site visits or works meetings. Depending on the format, employees can participate in these events either in person or online. Recordings of the events can be accessed on the intranet. In addition, our global women's network WInX, sponsored by our Labor Director, provides LANXESS with the opportunity to engage with women and gain deeper insights into their perspectives. The women's network organizes global, regional and local events on a regular basis, often with participation from management representatives. In the USA, there are also other network groups such as X-arise (Against Racial Injustice and Social Exclusion). In addition to the actions mentioned above, these networks help us to gain insights into the views of employee groups that may be particularly vulnerable to impacts and/or marginalized.

Dialogue between the employees and their representatives – which can be used for information, consultation or co-determination purposes – is offered several times a month in Germany. Across Europe, the dialogue takes place on a quarterly basis. In addition, a major conference, the Europe Forum, is held once a year. In India and China, employees or their representatives meet as required for various topics. In the USA and Canada, meetings are held as required or on a monthly basis.

For co-determination topics (such as the FORWARD! action plan or IT agreements), agreements are concluded with the workers' representatives and must be published via our document management system Xdirect.

The activities for participation occur at all organizational levels, depending on the topics and the individuals or groups involved. The works councils report on ongoing activities at the works meetings.

LANXESS covers the costs associated with the activities of the works council. The company provides the necessary rooms, material resources, information and communication technology, and office staff for meetings, consultation hours and ongoing management.

The Human Resources Group function ensures that co-determination processes are carried out effectively, fostering dialogue between employer and employee representatives to achieve the best possible solutions and results. The ultimate responsibility lies with our Labor Director.

We have established various agreements with workers' representatives, grounded in our commitment to respecting the human rights of our workforce. Regarding fair remuneration for our employees, we have a collective wage agreement in Germany as well as a federal collective wage agreement. For appropriate working hours, we also have the framework collective agreement (which includes provisions such as the 37.5-hour week for employees covered by collective agreements or vacation entitlement). Additionally, various works agreements are in place, such as flextime agreements at the sites and the general works agreement on the new 5-shift system. The workers' representatives communicate the views of the workforce in discussions with the employer, which are then incorporated in the final agreements. In addition, the quarterly information meetings (QIM) for employees and works meetings in particular provide an opportunity to gain insights into the perspectives of our own workforce.

The large number of company and Group works agreements, particularly in Germany, is evidence of our close and regular dialogue and successful cooperation between LANXESS and the workers' representatives. New agreements were also concluded in 2025. This involved an open, focused dialogue aimed at establishing agreements on various topics in a timely manner. Therefore, we measure the effectiveness of the dialogue primarily by the extent to which agreements are reached in a focused and timely manner.

S1-3 – Processes to Remediate Negative Impacts and Channels for Own Workers to Raise Concerns

An internal control system and appropriate monitoring activities, along with audits from Group Internal Audit and from areas with special compliance responsibilities, are designed to ensure that requirements are met. Our Compliance department is available to our employees and external persons in the event that violations or complaints are suspected. The external whistleblower platform "SpeakUp" (speakupfeedback.eu) gives our employees and external persons the ability to submit information (anonymously if desired) by telephone or online, around the clock, in over 70 languages. The information is sent to our Compliance department in encrypted form. Information or grievances about potential misconduct, violations of legal provisions, internationally recognized basic principles, LANXESS directives such as our "Code of Conduct" or other internal LANXESS regulations can be submitted through the aforementioned channels. Concerns pertaining to issues such as compliance with human rights, occupational health and safety or occupational and plant safety can also be communicated to us in this way. Suspected violations by direct or indirect business partners of LANXESS can also be reported. Incoming information or grievances are processed by the Compliance department, if necessary in cooperation with the relevant specialist departments. The "LANXESS Complaints Procedure" contains further information on the process and is available on our website. Employees and their workers' representatives have access to at least one of the above-mentioned channels for submitting complaints.

S1-4 – Taking Action on Material Impacts on Own Workforce, and Approaches to Mitigating Material Risks and Pursuing Material Opportunities Related to Own Workforce, and Effectiveness of those Actions

We have taken various actions to prevent or mitigate material negative impacts on our own workforce. Actions to mitigate the negative impact on employees due to job cuts as part of cost reduction programs can be found in this section under the notes on the "cost reduction measures" (for example, socially responsible downsizing). Under "HR development" in this section, we also discuss how we support our employees with their personal and professional development. In doing so, we strengthen the position of our employees in the labor market, even in uncertain times, and boost their satisfaction, motivation and willingness to perform. We aim to prevent negative impacts from a gender pay gap through measures in the area of "Compensation and benefits" and indirectly through our actions in the area of "Diversity and inclusion." We aim to prevent negative impacts from accidents through our measures in the area of "Occupational health and safety."

We have also put various actions and initiatives in place with the primary aim of creating a positive impact on our own workforce. We are confident that this ultimately will also have a positive impact on our company. In particular, these include our measures in the areas of diversity and inclusion and working conditions and benefits, which are described in detail below. We also began introducing an AI-based skill management software in 2025. We expect this to significantly improve the recruitment process, for example by enhancing the candidate experience through use of a chatbot on the careers page, or by raising the internal staffing rate by automatically sending suitable vacancies to internal employees. The software also facilitates the automatic creation of career paths, the delivery of personalized learning recommendations to address skill gaps, the identification of suitable candidates for succession planning, as well as skills-based workforce planning and learning needs analysis. We are confident that our employees will benefit greatly from the launch of this software, particularly in terms of personal and professional development, and with regard to their satisfaction, motivation and performance.

In order to determine appropriate actions with respect to actual negative impacts (job cuts, damage due to accidents and gender-specific pay gaps), we obtained input from our technical experts, including employees from the Human Resources Group function and the Production, Technology, Safety and Environment Group function. Their suggestions for topics subject to co-determination were discussed with the workers' representatives so that we could obtain final approval from the respective business unit or heads of the relevant Group function and, if necessary, approval of the Board of Management.

Cost reduction measures

To stay competitive in a persistently challenging economic environment, LANXESS initiated the FORWARD! action plan in 2023. Through global job cuts and a hiring freeze in Europe, we have achieved significant cost savings. A total of around 870 jobs were to be cut worldwide. 99% of these were cut by the end of 2025. The remaining jobs will be eliminated in 2026, as these are mainly pension-related departures. The headcount reduction measures resolved in 2023 under the FORWARD! program were thus largely completed in 2025. The precise structure of the downsizing program was closely coordinated with the various workers' representative bodies. LANXESS took care to ensure that the job cuts were done in a socially responsible manner that minimized the negative impacts on our employees. Subsequent to the FORWARD! action plan, further cost reduction measures were implemented in fiscal year 2025 that also included layoffs, albeit to a significantly lesser extent than those under FORWARD!

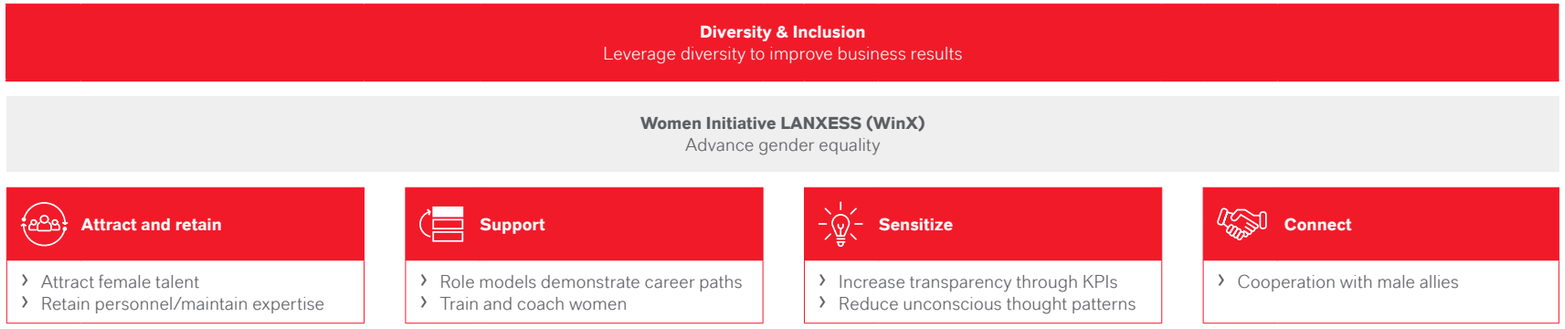
In fiscal year 2025 as in the previous year, short-term savings measures were implemented within the scope of cost reduction actions. After mid-September 2025, this included particularly the suspension of the IPP program, a global moratorium on hiring and travel restrictions.

We regularly review the implemented measures with a focus on cost savings and cost base reduction. Accordingly, the IPP program will also be suspended for fiscal year 2026. This should not be taken to imply that the suspension will continue in subsequent years. The adjustments made under the FORWARD! action plan and other cost reduction measures are an exception, reflecting the particularly challenging business situation since fiscal year 2023.

Diversity and inclusion

We continued to follow our strategic "Diversity & Inclusion" (D&I) concept for promoting diversity and inclusion in fiscal year 2025. We are working steadily to make all HR processes D&I-compliant. We take a holistic view of D&I, focusing on aspects such as gender, nationality, age, disability and sexual orientation.

Diversity and inclusion



Promoting gender diversity

Gender diversity remains an important focus issue for us. In addition, the German Act on Equal Participation of Women and Men in Executive Positions in the Private and the Public Sector commits us to set targets in Germany for aspects such as increasing the share of women at the two management levels below the Board of Management. Accordingly, in April 2022 LANXESS set the Group-wide target of increasing the proportion of female employees to at least 25% at the first level and 28% at the second level below the Board of Management by June 30, 2027. In the financial year, women made up 23.7% (previous year 24.4%) of the first management level below the Board of Management and 28.7% (previous year 27.5%) of the second level below the Board of Management. The targets underscore our commitment to gender diversity, which are set out in the Human Resources Policy on "Working Conditions and Equal Treatment of Employees" (as described above), among other things. The targets were established by those responsible for Diversity & Inclusion, taking into account our directives, internal data on gender diversity, external benchmarks, recent studies and international standards. External data was included to ensure the targets are ambitious. Internal data on gender diversity, including historical data, was also analyzed to ensure that the targets were not unrealistic though. The Board of Management approved the final targets. Employees and their representatives were not directly involved in setting the targets. Since being established, no changes have been made to the targets, their calculation method, underlying assumptions or data collection processes. Target and target achievement pertaining to the proportion of women on the Board of Management and at top management levels

Distribution of employees at top management level[1] by gender (absolute and percentage)

	2024		2025	
	Female	Male	Female	Male
Number of employees at top management level	60	163	57	148
Proportion of employees at top management level	27%	73%	28%	72%

1) Proportion of women overall at the 1st and 2nd management levels below the Board of Management

To attain the required objectives, we strive to increase the proportion of women in management positions to at least 30% by the end of 2030. At the December 31, 2025, the proportion was 26.8% (previous year: 26.1%). The quota is continuously tracked and reported to the Board of Management and managers twice a year through the internal HR management report ("HR dashboard"). The targets were established by those responsible for Diversity & Inclusion, taking into account internal data on gender diversity, external benchmarks, recent studies and international standards. The Board of Management approved the final targets. Employees and their representatives were not directly involved in setting the targets.

Proportion of women on the Board of Management and at top management levels	2021	2022	2023	2024	2025	Target	Target date
First level below the Board of Management in %	18.2	22.5	23.1	24.4	23.7	25	June 30, 2027
Second level below the Board of Management in %	25.7	24.8	28.4	27.5	28.7	28	June 30, 2027
Board of Management (number of women)	1	0	1	1	1	n.a.	n.a.

Target and target achievement pertaining to the proportion of women in management

	2024	2025	Target	Target date
Proportion of women in management in %	26.1	26.8	30	2030

Networks can make an important contribution to the promotion of diversity and inclusion. WInX – our global "Women Initiative LANXESS" – has been connecting employees at LANXESS across national borders since 2021. With four "Male Ally Workshops" to date, the German women's network showed that the engagement of male employees is also important for gender diversity and equality. The "HeForWInX" network group offers workshop alumni a space for dialogue. We plan to continue these actions.

Anti-discrimination and anti-harassment e-learning

LANXESS's corporate culture is based on five central values: respect, ownership, trust, professionalism and integrity. These values apply always and everywhere and to all employees. We seek to foster a corporate culture in which responsible and morally irreproachable actions and striving for performance complement each other.

An environment that is free from discrimination and harassment, and is characterized by respectful and fair treatment, forms the foundation of our commitment to diversity and inclusion. Prohibition of discrimination and harassment is also a core element of our Code of Conduct. To raise employees awareness of anti-discrimination and anti-harassment issues, we launched an e-learning course in 2024 that is available worldwide via the central learning platform and supplemented by local training initiatives. All new employees were made aware of e-learning in 2025. There is no time limit to the action.

Embedding D&I in HR processes

We continue to view the anchoring of D&I within our human resources processes as a key driver of diversity and inclusion in our company. D&I continues to be integrated in our "Start to Lead" management development program in Germany and the Americas region. This issue remains part of our global and regional onboarding. In the coming years, we will continue to strengthen D&I within our HR processes (with no time limitation). This includes efforts to prevent or address potential negative impacts on employee satisfaction, motivation, and performance arising from salary disparities between men and women (gender pay gap); if negative impacts are already present, we aim to remedy them. We use a combination of external studies and our own data analyses to identify appropriate actions.

We regularly assess the progress and effectiveness of our D&I initiatives through ongoing data analysis, such as in our HR dashboard, which is presented and discussed during Board of Management meetings.

Employment and inclusion of people with disabilities

Diversity and inclusion are very important to us. As part of this commitment, we aim to create the necessary framework conditions at all our locations to ensure that people with disabilities can work with us and realize their full potential. This can include special equipment, such as special screens for people with visual impairments. This (minimum) requirement is set in the HR Policy on Working Conditions and Equal Treatment of Employees (as described above), which is valid worldwide.

Recruiting

Even in challenging times, we invest in a clear employer brand in order to highlight the advantages of LANXESS as a global and socially responsible employer. Our employer brand centers on authenticity, diversity and, increasingly, sustainability which we communicate on social media.

Digital onboarding

The recruitment process at LANXESS is highly digitalized. A software platform covers all processes from recruiting to onboarding to the signing of employment contracts. The software platform enables extensive usage analyses, which we can use to analyze the effectiveness of the recruiting and onboarding process. A seamless recruiting and onboarding process that ensures a positive user experience also contributes to maintaining – or, if necessary, restoring – a favorable perception of our employer brand. This is particularly important, as the cost reduction measures could potentially negatively impact public perception and our competitiveness in attracting skilled talent.

Trainee program

Our annual international trainee program is designed to secure young talent in Germany. Master's graduates are prepared for specialist and management roles, with opportunities to gain both national and international experience. LANXESS offers entry-level opportunities to graduates from various disciplines through its trainee program. Our junior employees receive practical learning opportunities and opportunities to network internally. In 2025, we were able to recruit 15 young talents. It remains our goal to take them on after they have successfully completed their management training and develop them into management positions in the medium to long term. LANXESS also offers its employees trainee programs in other countries, such as the USA. We plan to continue this program in the future.

Vocational training

By training young people, LANXESS safeguards the future of the company while making a contribution to our social obligations. It is our aim to retain at least 80% of our apprentices at LANXESS in Germany after successful completion of their training. We have pursued this target continuously since 2017. Since being established, no changes have been made to the target, its calculation method, underlying

assumptions or data collection process. Due to the difficult economic conditions and structural changes, we once again fell short of this target in the financial year at 75% (previous year: 71%). The target was defined by the Human Resources Group function, taking into account internal training data and external benchmarks. The Board of Management approved the final targets. No stakeholders other than the technical experts were involved in the target-setting process. The target has since been calculated once per year. Through this target, we are also making a contribution to the UN's Sustainable Development Goals.

Retention rate of trainees and dual Bachelor students at LANXESS

	2024	2025	Target	Target date
Retention rate of trainees and dual Bachelor students at LANXESS (in Germany) in %	71%	75%	at least 80%	continuously until 2027 (p.a.)

157 (previous year 164) apprentices on seven technical and scientific career paths and young talents in five (previous year: four) dual-study programs started their apprenticeships at LANXESS Deutschland GmbH in September 2025. Taking the new intake into account, 579 (previous year: 592) apprentices are employed at LANXESS Deutschland GmbH. We invested around €23 million (previous year: €22 million) in the vocational training of young talents in 2025. We plan to continue this program in the future.

In order to ensure the effectiveness of the programs, our HR program managers are in close contact with the trainees and apprentices and with the specialist departments where they are deployed.

HR development

HR conferences

The increasing average age of our employees in conjunction with the scarcity of young talent in some regions means that the competition for qualified employees is growing fiercer. Despite the challenging situation at present, we are continuing to work on retaining young staff at our company. Accordingly, we offer a wide range of development opportunities. The HR conferences that took place in all Business Units and at top management in 2025 play an important role in this. There are currently no plans to end this measure.

Transfer of knowledge

To pass on the knowledge of our employees entering retirement to subsequent generations, we successfully rolled out a knowledge transfer program in 2021. It is aimed at production and technology staff in German companies and in the Americas region. The program identifies departing knowledge carriers at an early stage, systematically records their implicit knowledge, and ensures its structured transfer to subsequent generations. There are currently no plans to end this measure.

"Start to Lead" manager development program

Strategic manager development again played a central role last year. Our development programs promote the key skills required in a constantly changing business world. The year-round management development program "Start to Lead" is aimed at employees taking on a management role for the first time or with up to two years of management experience. The aim of our programs is to embed our leadership principles more deeply worldwide and to strengthen our leadership culture. There are currently no plans to end this measure.

"compass" and "eXplorer" talent programs

With our global, cross-divisional and cross-hierarchical "compass" and "eXplorer" talent programs, we support particularly high-performing employees, retain them within the company and identify suitable successors for key positions at an early stage. "compass" for employees at the start of their career offers guidance for their future career path. The format encourages development measures. "eXplorer" is aimed at employees who have the potential to develop toward leadership roles at LANXESS in the next few years. Key topics include dealing with complexity, new forms of collaboration and digital and agile leadership principles. In 2025, work was undertaken on a new edition of the "compass" program and on another talent program focused on advanced professionals. There are currently no plans to discontinue these talent programs.

LinkedIn Learning

In 2025, usage of our digital learning platform "LinkedIn Learning" – which we rolled out worldwide in 2021 – was similar to that of the previous year. All employees worldwide can register for LinkedIn Learning and benefit from more than 20,000 digital learning opportunities for professional and interdisciplinary development and to build future skills. In addition, our internal LinkedIn Learning curators create customized learning paths to enhance the quality of digital learning. There are currently no plans to end this measure.

The effectiveness of the personnel development programs is regularly evaluated by the relevant department through corresponding data analyses.

Compensation and benefits

Our remuneration policy provides highly competitive pay worldwide, exceeding industry standards. Compensation is determined based on relevant external benchmarks, professional experience, and work quality – regardless of the employee's gender. We regularly reassess the fixed annual salary of our non-pay-scale employees on the basis of these factors in our annual salary review. Salary increases for our pay-scale employees follow the applicable collective agreements. The market conformity of our salaries and the pay ratio between women and men are regularly reviewed.

Gender equality

The annual determination of the gender pay gap serves as the foundation for ensuring a fair and non-discriminatory remuneration system. In the financial year, the difference across all employees was 3.2% (previous year: 3.9%) (see section "S1-16 – Remuneration Metrics (Pay Gap and Total Remuneration)" of the chapter "ESRS S1 Own Workforce"). These salary differences are influenced by further, non-gender-specific variables – such as position level, professional experience, salary differences due to geography or function, or differing work histories. The aim of our HR policy is to prevent pay differences based on gender. Our Diversity & Inclusion measures also contribute to this.

Bonus systems

As part of the transparent remuneration in line with market conditions, LANXESS offers most of its employees bonus systems geared toward the company's long-term success. In total, 95.1% (previous year: 95.0%) of LANXESS employees worldwide participated in our variable compensation systems in fiscal year 2025.

The central performance-based remuneration component is the Annual Performance Payment (APP). We offer this bonus to non-pay-scale employees and, in most countries, also to pay-scale employees. The APP is provided in addition to a fixed salary and is contingent on the Group achieving a defined EBITDA pre exceptionals target. Further individual targets in areas such as safety and sustainability additionally apply to the Board of Management and senior leadership. In April 2025, we shared around €49 million of our profits for fiscal year 2024 with our employees worldwide (2024: €4 million). The volume was above that of the previous year, as target attainment of the financial performance indicators in fiscal year 2024 increased year-on-year.

With the Individual Performance Payment (IPP), managers can also reward employees' extraordinary individual achievements during the year in a prompt and unbureaucratic way. About 92% (previous year: 91%) of our employees worldwide are currently entitled to receive the IPP. Around €4.3 million (previous year: €6.8 million) was awarded in fiscal year 2025.

In addition, we offer a long-term incentive program for our managers in Germany. There are similar programs in the U.S. and India. The Long-Term Stock Performance Plan (LTSP) consists of four tranches commenced each year and tracks the performance of the LANXESS share compared with FTSEurofirst 300 Eurozone Chemicals Index, over a period of four years in each case. In addition, there is a Share Ownership Guideline (SOG) for the Board of Management and our top-level managers in order to emphasize trust in the strategy and long-term success of LANXESS.

Senior executives (heads of Business Units and Group functions) who report directly to the Board of Management also participate in the Sustainability Performance Plan (SPP), which takes into account a non-financial sustainability criterion. Starting in 2024, for the assessment period of 2025 and 2026, the Supervisory Board has established CO_2 emissions from own processes and purchased energy (Scope 1 and 2) as a performance criterion for the SPP.

The contents of the short- and long-term bonus systems at LANXESS were reviewed and adjusted for 2026, particularly with regard to the performance criteria. No changes were undertaken as regards the definition of those entitled to participate in the systems or the target bonus amount.

Company pension plan

Another core element of our offering is the company pension plan for plugging potential gaps in provision in old age. The design of the company pension plan differs from country to country depending on the state pension system. LANXESS's pension commitments often go beyond what is required by law. They are funded by employer and/or employee contributions. In Germany, employees can voluntarily increase their pension and receive an additional grant from LANXESS. Other offerings facilitate the transition into retirement, such as the long-term account for pay-scale employees in Germany. There are currently no plans to end the actions.

The effectiveness of the above actions pertaining to pensions and remuneration is regularly reviewed by the relevant department through appropriate data analyses.

Working conditions and benefits

Flexi part-time/flextime

In Germany, the aim of our "Flexi part-time" model is to enable non-pay-scale employees at various management levels to work part-time. In the Flexi-95 model, the level of employment is reduced to 95% with a corresponding adjustment to remuneration, meaning that a full-time worker is entitled to 13 additional days off per year. Models with levels of employment of 90% and 85% are also possible. Flextime has been available to all non-pay-scale employees since the beginning of 2021. There are currently no plans to end this action.

Balancing family and career

LANXESS is addressing demographic change and the growing shortage of skilled workers, along with the associated risks, through forward-looking initiatives across six key areas of the "You Matter – You Are Important to Us" program: Family & Health, Flexible Working, Financial Security, Remuneration, Learning and Development, and Other Benefits. The voluntary turnover rate (in other words, turnover on the basis of resignations) serves as an indicator of our attractiveness as an employer. It is an important indicator of our employee satisfaction and helps us assess the overall attractiveness and effectiveness of our initiatives and offerings. As a company, we have established a target to maintain the voluntary turnover rate below 4.5% every year until the end of 2026. This target is linked to our goal of being an attractive employer, which we have set out in our "LANXESS Corporate Policy." A voluntary turnover rate target has been in place since 2017. In the financial year, the global voluntary turnover rate was 2.8% (previous year: 3.6%), meaning that we met our target for this year. The target was defined by the Human Resources Group function.

Employees and their representatives were not directly involved in setting the target. The Board of Management approved the final target. The target is calculated once per year and reported to the Board of Management.

Turnover on the basis of resignations

	2024	2025	Target	Target date
Turnover on the basis of resignations in %	3.6%	2.8%	below 4.5%	continuously until 2026 (p.a.)

The legal framework for maternity and parental leave taken for granted in Germany and similar models in the European Union are by no means standard worldwide. We regularly review possibility of introducing or expanding country-specific models for our employees at non-European locations, with no planned end date for the review. In Brazil and the U.S., for example, we offer parental leave programs that go beyond the respective legal requirements and allow our employees to spend time with their children on full pay.

Against a backdrop of demographic change, care is a major issue in Germany. The centerpiece of the LANXESS care model is caregiver leave. It allows our employees to reduce their working hours by more than their pay while caregiving for relatives. They can make up the working hours commensurate with the pay received after their return.

In addition, employees in Germany can obtain CareFlex supplementary long-term care insurance. This offers additional protection against the risks and strains that arise for those affected and their families when care is required but are not covered by statutory long-term care insurance. The costs of the additional insurance cover are borne entirely by LANXESS.

The effectiveness of the above actions in terms of working conditions and benefits is regularly reviewed by the specialist department through appropriate data analyses.

Occupational health and safety

Health management

Our occupational health management is intended to create a safe and healthy working environment, to raise all employees' awareness of their own health and to motivate them to act on their own initiative and adopt healthy behaviors in their professional and private lives. It is structured differently in each country.

In Germany, occupational health management (OHM) works in three action areas:

- Occupational health promotion (OHP) with offerings for all employees,
- Company integration management (CIM) for employees with long-term illnesses,
- Division-specific OHM for plants and departments.

For example, as part of a (OHP) campaign week centered around "World Day for Safety and Health at Work" in April 2025, LANXESS presented various events on the topics of self-care and conscious self-awareness, as well as attentiveness. During the "Mental Health Action Week" in October, various events were held to raise awareness of emotional challenges and mental health. The seminar program for senior executives, "Leading yourself and others in a healthy way," set up in 2023, was continued in 2025.

In company integration management (CIM), LANXESS continued in the financial year to collaborate with an external service provider for case management. We are pursuing our goal of establishing uniform quality standards at all LANXESS sites throughout Germany. We also want to provide timely guidance and lasting reintegration for the growing number of employees who return to work after an illness.

The site-specific OHM was continued in 2025 with the already participating plants. Its goal is to enhance prevention and health-promoting working conditions and to firmly establish appropriate working behavior. These tasks were carried out in particular by internal health groups, whose role involves training employees as health promoters. There were also measures aimed at improving ergonomics in company-specific activities and enhancing mental health in the workplace.

There are currently no plans to end the actions in these areas.

The effectiveness of the health measures is regularly reviewed by the specialist department through appropriate data analyses.

Xact safety initiative

LANXESS addresses the topic of occupational safety with its global safety initiative Xact. It pursues the goal of gradually lifting the safety culture of LANXESS to an even higher level. Starting with top management, all employees are expected to work together to improve safety in the Group. We are doing this because we firmly believe that all industrial accidents are avoidable. We will continue to drive this initiative forward with determination, with no time limit, as safety remains a top priority for us at all times. This commitment is embedded in our "LANXESS Corporate Policy", and we have set various targets to strengthen occupational safety.

As a specific target for occupational safety, we aim to reduce the lost time injury frequency rate (LTIFR) by more than half by the end of 2025 compared with the reference year of 2016 (LTIFR 2.0). The LTIFR is the ratio of the number of accidents with calendar days lost due to work-related injuries to the number of hours worked, expressed as multiples of a million hours worked. {In 2025, the rate was 0.4 (previous year: 0.6)}. We established this target for the first time in 2017. We have since reported our progress yearly in the annual report. At the time, the targets was defined by the HSEQ (Health, Safety, Environment, Quality) managers, taking into account internal HSEQ data and external benchmarks (American Chemistry Council – ACC). The Board of Management approved the final target. Employees and their representatives were not directly involved in setting the target. Through this target, we are making a contribution to the UN's Sustainable Development Goals, among other things. Since being established, no changes have been made to the target, its calculation method, underlying assumptions or data collection process.

In addition, we have established annual targets related to safety for both LTIFR and the Recordable Incident Rate (RIR) according to OSHA (Occupational Safety and Health Administration). In 2025, the LTIFR should be a maximum of 0.8 in absolute terms. The recordable incident rate according to OSHA per 200,000 working hours (RIR) should be a maximum of 0.6 in absolute terms. {In fiscal year 2025, the LTIFR was 0.4} and the RIR 0.7. We thus only attained our targets for the LTIFR.

The global HSEQ targets are determined in the Health, Safety & Environment subcommittee with representatives from the business units and the Board of Management, and then approved by the Sustainability Committee. The targets are part of the global HSEQ targets and posted on the LANXESS intranet. No changes have been made to the calculation method, the underlying assumptions or the data collection process since these annual LTIFR and RIR targets were first set. All of the above occupational safety targets refer to the company's own workforce.

Employees and their representatives were not directly involved in setting the targets.

In 2025, there were no fatal accidents worldwide. The number of accidents with days lost due to work-related injuries declined once again in 2025. However, the number of recordable incidents according to OSHA regulations increased year-on-year.

Accidents with days lost due to work-related injuries:

- 2024: 16
- 2025: 11

Recordable incidents according to OSHA regulations:

- 2024: 66
- 2025: 86

Development of safety culture

The work of the Xact team also focused in 2025 on stabilizing and fostering a positive culture of safety. In 2019, LANXESS launched the Safety Culture Development Process (SCD Process) worldwide to support this. The six-stage process is centered on a full-day, focus group workshop led by the Xact team, at which representatives of all hierarchy levels engage in an in-depth discussion on the safety culture in their own plant. A follow-up workshop will be held several months later to discuss how the measures have been implemented at the company. The Xact team evaluates the results centrally in order to determine global, regional or department-specific trends. Internal communication, training measures and useful processes and tools are the aspects with the greatest potential for development.

The first wave of the SCD process for operating units was largely completed in 2025. Of the 120 operating units reported, 119 had completed workshops by the end of the year. The final plant will conduct its focus group workshop in the first quarter of 2026. Due to the positive feedback from the participants and the tangible impact on the evolution of our safety culture, a second wave of the SCD process was piloted and initiated for the operating units in the third quarter of 2025. An SCD process for local headquarters and administrative areas was piloted in Mexico City, Mexico, at the beginning of 2024. In 2025, workshops were held in São Paulo, Brazil, Pittsburgh, United States, and Bratislava, Slovakia, to anchor the safety culture issue in the administrative areas as well.

An interim assessment showed that the greatest potential for improvement lies in addressing the cultural and behavioral factors contributing to unsafe behavior. The characteristics that define our LANXESS safety culture play a fundamental role here. These are:

- Leadership – role model for safety
- Attitude to safety/taking responsibility
- Learning and sharing/error culture
- Mindfulness/vigilance
- Positive reinforcement of safe behavior
- Communication/feedback culture

Digital Xact learning pathway: "How to Make Safety Culture Observable?"

The Xact initiative has summarized these six cornerstones in a guidebook called "How to Make Safety Culture Observable?". It was introduced worldwide in six languages in early 2021 and is a key element of our communication about safety. In order to make the content of the Xact guidebook more visual, the global Xact-Community developed

digital flashcards in which employees present their own examples and experiences in video messages. Knowledge is imparted and consolidated in interactive exercises. All six digital flashcards have already been created and are available to employees in eleven languages on local e-learning platforms. As in the previous year, more than 6,000 employees have already used this learning opportunity. There are currently no plans to discontinue the e-learning course.

CEO Safety Award

The safety of our employees, facilities and processes is our top priority. With the international CEO Safety Award, which was bestowed for the seventh time in the financial year, we recognize particularly successful initiatives and contributions to occupational safety at LANXESS.

A team from the Lubricant Additives business unit in Elmira, Canada, received the award in 2025.

The effectiveness of our safety measures is regularly reviewed by the specialist department through audits, including on-site compliance checks.

The Human Resources Group function, with over 200 employees worldwide, is primarily dedicated to managing the impact on the workforce. Additionally, the Production, Technology, Safety, Environment Group function (PTSE), particularly the HSEQ (Health, Safety, Environment, Quality) team, plays a vital role in occupational safety and health management across plants, with over 100 employees globally. Within PTSE, a four-person team from the Xact safety initiative is also dedicated to the advancement of our safety culture. The team draws on a global network, the Xact community, to provide and maintain initiative. It is made up of representatives from the Group functions, business units and regions.

All of the actions described refer to the company's own workforce.

All of the aforementioned risks affecting our own workforce are documented in our Group-wide risk management system and reviewed twice yearly to ensure the accuracy of their assessment and the effectiveness of relevant actions.

S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Stakeholders were indirectly involved in the target agreements on gender diversity, training and voluntary turnover. HR subject matter experts, familiar with the interests of various stakeholders, including employees, society, legislators, non-governmental organizations, proposed targets that were reviewed and approved by the head of HR and ultimately by the Board of Management.

For occupational safety targets (LTIFR/RIR), the Sustainability subcommittee, responsible for HSEQ topics, adopted the proposals. This committee includes representatives from various Group functions and business units, bringing diverse perspectives and insights into stakeholder interests, enriching the target-setting discussions. Ultimately, the Board of Management also approved the occupational safety targets.

Progress toward all targets is assessed at least once a year and reported to the Board of Management. In this process, detailed analyses are conducted to serve as a basis for discussions, providing insights and informing the development of further measures.

S1-6 – Characteristics of the Undertaking's Employees

Employee distribution by gender

Gender	2024	2025
Male	9,666	9,156
Female	2,672	2,553
Other	0	0
Not specified	0	0
Total number of employees	**12,338**	**11,709**

Distribution of employees by country (for countries with more than 50 employees representing at least 10% of the total workforce)

Country	2024	2025
Germany	6,724	6,591
U.S.	1,871	1,678

Distribution of employees by type of employment and gender in 2024

	Female	Male	Other	Not specified	Total
Number of employees	**2,839**	**10,433**	**0**	**0**	**13,272**
Number of permanent employees	2,672	9,666	0	0	12,338
Number of temporary employees	167	767	0	0	934
Number of employees with non-guaranteed working hours	0	0	0	0	0

Distribution of employees by type of employment and gender in 2025

	Female	Male	Other	Not specified	Total
Number of employees	**2,726**	**9,909**	**0**	**0**	**12,635**
Number of permanent employees	2,553	9,156	0	0	11,709
Number of temporary employees	173	753	0	0	926
Number of employees with non-guaranteed working hours	0	0	0	0	0

Distribution of employees by type of employment and regions in 2024

	Americas	APAC	EMEA excluding Germany	Germany	Total
Number of employees	**2,851**	**1,710**	**1,216**	**7,495**	**13,272**
Number of permanent employees	2,797	1,633	1,184	6,724	12,338
Number of temporary employees	54	77	32	771	934
Number of employees with non-guaranteed working hours	0	0	0	0	0

Distribution of employees by type of employment and regions in 2025

	Americas	APAC	EMEA excluding Germany	Germany	Total
Number of employees	**2,648**	**1,577**	**1,064**	**7,346**	**12,635**
Number of permanent employees	2,585	1,490	1,043	6,591	11,709
Number of temporary employees	63	87	21	755	926
Number of employees with non-guaranteed working hours	0	0	0	0	0

Fluctuation in absolute terms (number of departures) and as a percentage

Fluctuation (in %) and number of departures (absolute)	2024	2025
absolute	1,178	847
%	9.5 %	7.1 %

The data provided is based on the global LANXESS HR reporting system. The figures show the headcount at the end of the reporting period (December 31). Unless otherwise noted, the analyses refer to the company's core workforce (employees with an active employment relationship and permanent contract).

The number of departures was calculated by aggregating all departures within the respective year. Calculation of total turnover was based on the average number of employees in the four quarterly financial statements (March 31, June 30, September 30, December 31). As described above, the voluntary turnover rate (turnover based on resignations), which is particularly relevant for us, remains below our target of less than 4.5% p.a. at 2.8% (previous year: 3.6%).

Germany and the U.S. have the largest number of employees and are the most significant for key financial data (for example, sales).

Unless otherwise noted, the numbers refer to the company's core workforce (employees with an active employment relationship and permanent contract). Temporary employees (in other words, employees with an active employment relationship and a temporary contract) are not included in most of the key figures, as their inclusion would negatively impact the accuracy and historical comparability of the data.

S1-8 – Collective Bargaining Coverage and Social Dialogue

Collective bargaining coverage and social dialogue in 2024

	Collective bargaining coverage	Social Dialogue
Coverage Rate	Employees (for countries with >50 employees representing >10% total employees)	Workplace representation (EEA only) (for countries with >50 employees representing >10% total employees)
0–19%	U.S.	
20–39%		
40–59%		
60–79%		
80–100%	Germany	Germany

Collective bargaining coverage and social dialogue in 2025

	Collective bargaining coverage	Social Dialogue
Coverage Rate	Employees (for countries with >50 employees representing >10% total employees)	Workplace representation (EEA only) (for countries with >50 employees representing >10% total employees)
0–19%	U.S.	
20–39%		
40–59%		
60–79%		
80–100%	Germany	Germany

There is workers' representation at European level (European Forum), which is based on relevant internal agreements with the workers' representatives.

The analyses refer to the company's core workforce (in other words, employees with an active employment relationship and permanent contract). This provides more informative value and historical comparability with previously published data.

S1-9 – Diversity Metrics

Distribution of employees by age group (absolute and as a percentage) in 2024

Employees by Age Group	absolute	%
<30	1,351	11
30–49	5,956	48
≥50	5,031	41
Total	**12,338**	**100**

Distribution of employees by age group (absolute and as a percentage) in 2025

Employees by Age Group	absolute	%
<30	1,204	10
30–49	5,753	49
≥50	4,752	41
Total	**11,709**	**100**

The analyses refer to the company's core workforce (in other words, employees with an active employment relationship and permanent contract). This provides more informative value and historical comparability with previously published data.

S1-10 – Adequate Wages

We offer all employees worldwide adequate wages in line with locally applicable benchmarks.

ESRS defines an "adequate wage" as a wage that provides for the satisfaction of the needs of the workers and their family in the light of national economic and social conditions.

The annual salary as at December 31, 2025 was used to assess the adequate wages and, depending on the benchmark, it was calculated based on weekly working hours and 52 weeks per year, either to an hourly wage or a full-time monthly salary. A subsequent review was conducted to ensure all values exceeded the locally applicable minimum reference thresholds.

Employees from two companies, whose compensation data is not available in the global system, as well as employees on international assignments, were not included in the analysis due to their special compensation packages. As in the previous year, these employees made up less than 1% of the workforce.

S1-14 – Health and Safety Metrics

100% of employees are covered by the company's health and safety management system, in accordance with legal requirements and/or recognized standards or guidelines (based on headcount analysis).

In 2025, there were no fatalities due to work-related injuries or work-related illnesses at any production or administrative sites at which LANXESS operates.

Number and rate of reportable incidents with work-related injuries: We collect the Recordable Incident Rate (RIR), the number of reportable incidents in accordance with Occupational Safety and Health Administration (OSHA) regulations (per 200,000 working hours). In the reporting year, there were 86 (previous year: 66) recordable incidents with work-related injuries in the company's own workforce; this results in a rate of 0.7 (previous year: 0.5) based on 200,000 hours worked.

Reported hours worked refers to our entire own workforce according to ESRS S1 including employees of the company as well as non-contracted workers and persons employed through personnel leasing. {The LTIFR (lost time injury frequency rate) is an additional company-specific metric. The LTIFR is the ratio of the number of accidents with days lost due to work-related injuries to the number of hours worked, expressed as multiples of a million hours. In the financial year, there were 11 (previous year: 16) incidents with days lost by our own employees. The resulting LTIFR is 0.4 (previous year: 0.6).}

To record key data on safety and environmental protection systematically worldwide, we use an electronic data-entry system. The LTIFR and RIR occupational safety key figures take into account all sites in which we hold an investment stake of at least 50%. In the case of 50% joint ventures, accidents and working hours are included exclusively for production units whose output is fully assumed by LANXESS and whose activities are therefore clearly assignable. Production units whose output is only partially assumed and over the safety processes of which LANXESS does not have an operational influence are not included. In fiscal year 2025, this applies to Rubicon LLC.

S1-16 – Remuneration Metrics (Pay Gap and Total Remuneration)

At LANXESS worldwide, the gender pay gap, the percentage difference between the average income of female and male employees relative to the average male employee income, is 3.2% (previous year: 3.9%), considering all remuneration components across all employee groups. The CEO and the Board of Management are excluded from the calculation of the gender pay gap to avoid a statistical distortion and limited comparability of salary structures with other employee groups.

The total remuneration of the highest-paid employee is 59 times (previous year: 56 times) the median remuneration of all permanent employees worldwide, excluding the highest-paid individual. The moderate increase in the compensation parameter does not result from the adjustment of the target compensation package of the best-compensated individual employee, but rather is based on improved target attainment with regard to the financial and non-financial performance indicators defined in the compensation system.

The total compensation figures were calculated using the annual salary as of December 31, 2025, supplemented by short-term bonus payments made in 2025, long-term bonus payments granted in 2025 at fair value at the time of allocation, as well as benefits in kind, pensions, additional one-time payments, bonuses and supplements (for countries outside Germany, an estimated supplement was used for benefits in kind, pensions, additional one-time payments, bonuses and supplements; this applies to less than 45% of the total workforce and accounted for about 10% of total compensation for this group). The result was used to calculate an hourly wage based on weekly working hours and a 52-week year.

The gender pay gap has already been reported in previous annual reports. However, methodological adjustments were undertaken this year. For Germany, the actual values for benefits in kind, pensions, additional one-time payments, bonuses and supplements are now used. For countries in the Americas region, the available actual values as of the October 31 were used and then extrapolated. In China, the payroll data as of October 31 were used to derive a supplement rate that was applied to all additional countries in the APAC region. In the same way, the German actual values as of December 31 were used to derive the regional supplement rate in EMEA. These methodological adjustments led to much more specific results overall than in the previous year.

Including shift allowances can distort the results, as the majority of production employees are men, meaning they receive a larger share of these allowances; however, shift allowances are granted based on the working time model and are not influenced by gender.

For the long-term compensation components (LTSP and SPP), the bonus granted in the fiscal year is applied with a fair value of 100%. This procedure was uniformly applied for all entitled employees including the best-compensated employee.

Employees from two companies, whose compensation data is not available in the global system, as well as employees on international assignments, were not included in the analysis due to their special compensation packages. As in the previous year, these employees made up less than 1% of the workforce.

ESRS S2 WORKERS IN THE VALUE CHAIN

The material impacts, risks and opportunities (IROs) of LANXESS were identified through the double materiality assessment. They are shown in the table below and allocated to the corresponding policies, actions and targets.

Material impacts, risks and opportunities related to value chain workers

Impacts, risks and opportunities[1]	actual/potential	negative/positive	Time horizon	Value chain	Targets	Actions	Policies: Business Partner Code of Conduct	Policies: Procurement of Goods and Services in the LANXESS Group	Policies: Product Safety Management at LANXESS	Policies: Central Product Surveillance
WORKERS IN THE VALUE CHAIN										
I51: **Impact** Child labor	potential	negative	1–5 years (medium term)	upstream	No child labor cases	Annual human rights risk assessment Supplier selection process Training measures Supplier visits	×	×		
I52: **Impact** Forced labor	potential	negative	1–5 years (medium term)	upstream	No forced labor cases	Annual human rights risk assessment Supplier selection process Training measures Supplier visits	×	×		
I53: **Impact** Deficient health protection and deficient occupational safety	potential	negative	1–5 years (medium term)	upstream downstream	No cases of deficient health protection and deficient occupational safety	Annual human rights risk assessment Supplier selection process Training measures Supplier visits	×	×	×	×
I54: **Impact** Violence and harassment in the workplace	potential	negative	1–5 years (medium term)	upstream	No cases of violence and harassment at the workplace	Annual human rights risk assessment Supplier selection process Training measures Supplier visits	×	×		

1) I = impact, R = risk and O = opportunity

S2 SBM-3 – Material Impacts, Risks and Opportunities and their Interaction with Strategy and Business Model

LANXESS is a specialty chemicals company present in over 30 countries, with customer and supplier relationships in over 150 countries. We produce and sell chemical intermediates, additives, specialty chemicals and consumer protection products. We source our raw materials from over 10,000 suppliers.

23.5% (previous year: 11.94%) of our suppliers are based in countries in South America, Africa and Asia and employ workers in the following industrial sectors in particular: Extraction of raw materials and precursors, services (such as assembly and maintenance), logistics services (transportation, packaging, repackaging and filling) as well as cleaning and disposal activities.

In alignment with our values and operational guidelines such as the "Code of Conduct," and our "LANXESS Corporate Policy," we are committed to upholding human rights across our markets and supply chains. We consistently work to prevent all forms of child and forced labor, workplace discrimination or violence, and health and occupational safety risks. At LANXESS, human rights and ethical principles apply without restriction, even if they are not stipulated in the legislation of individual countries. LANXESS carefully selects its business partners and conducts regular, event-driven analyses to ensure compliance with key human and environmental rights for employees of business partners (see also section "S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions" of the chapter "ESRS S2 Workers in the value chain").

As part of the materiality assessment process reviewed in 2025 to determine the IROs that are material for us in connection with "ESRS S2 Workers in the value chain," we have identified the potential environmental and social impacts described below in connection with our global supply chains.

Child and forced labor (I51, I52)

Child and forced labor represent a serious violation of human rights with immediate and long-term consequences for those affected and for society. These practices not only violate human dignity, they also contribute to health risks, significant educational risks and a decline in societal development in the respective country. In its "Business Partner Code of Conduct," LANXESS has therefore included regulations against child and/or forced labor in its supply chain.

Occupational health and safety (I53)

In addition to safeguarding these very important human rights, LANXESS also prioritizes occupational health and safety for workers in the upstream value chain. Violations or non-compliance with applicable laws and regulations for occupational health and safety can lead to accidents, fatalities or environmental pollution and have far-reaching immediate and long-term consequences for those affected and for society. LANXESS is therefore committed to continuously improving occupational health and safety not only for workers in the upstream value chain, but also for our service providers (contractors and external specialists), and integrates these processes in our safety culture.

In addition, potential health risks and life-threatening hazards can occur in the downstream value chain if products are not properly handled. This includes safety risks resulting from defective personal protective equipment as well as the improper handling of hazardous materials, substances of very high concern (SVHCs) or substances with high hazard potential. Impact I53, pertaining to the downstream value chain, was reported in the previous year in the chapter "ESRS S4 Consumers and End-Users" and is reported starting with fiscal year 2025 in the chapter "ESRS S2 Workers in the value chain."

Violence and discrimination (I54)

All forms of violence and/or discrimination in the workplace cause psychological stress such as anxiety, depression and low self-esteem in those affected, often accompanied by stress-related illnesses. They impair job performance, increase absenteeism and increase social isolation. On a company level, they negatively impact the working atmosphere and foster mistrust and conflict. LANXESS is dedicated to maintaining a supply chain free of violence and discrimination and is committed to ensuring high standards of decent working conditions along the entire value chain.

Because our global purchasing activities also involve procurement of goods from high-risk countries in Asia, Africa and South America, among others, there is the possibility that human rights of workers in the upstream value chain could be affected in terms of child and forced labor, occupational safety, and violence and harassment in the workplace. In general, cases of child and forced labor occur more frequently in these regions than in Europe, and not every country has high standards for occupational health and safety measures and working conditions.

Because of the industry in which LANXESS operates, where chemical production processes often involve the handling of toxic, explosive or otherwise hazardous substances, occupational safety also plays an important role in our value chain. Inadequate safety standards in the value chain can result in accidents with negative impacts for employees. Because of our global business activities, particularly in the upstream value chain in risk countries, such as in Asia, Africa or South America,

there may be potential environmental and social impacts in the aforementioned areas (see also section "S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions" of the chapter "ESRS S2 Workers in the value chain").

LANXESS has therefore established a Group-wide risk management system that also covers serious human rights risks, among other things. Its systems and processes are implemented throughout the Group to identify and assess relevant human rights risks (chapter "ESRS S2 Workers in the value chain", section "S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action".

To uphold our values and human rights standards, we conduct annual and event-driven risk analyses across our own operations and direct suppliers. Based on the risk analyses, we develop actions that are incorporated into relevant business processes, particularly our supplier management system.

For example, we have implemented the principle of "select, train, support and evaluate" for our service providers at our German sites and plants. We require our partners to provide evidence of a safety management system and proof that the employees who work for us have received safety training. Regardless of this, we regularly provide personal safety briefings at our partner companies.

If we become aware of human rights violations, we develop a corrective action plan based on the severity of the potential or actual violation. This is implemented and monitored together with the business partner. In cases of severe violations, cooperation with the business partner is terminated.

In 2025, as in the previous year, we were not made aware of any cases of child or forced labor, systematic discrimination or violence in the workplace, or systematic violations in occupational health and safety that would have resulted in the immediate termination of the business relationship.

Our products are processed by production employees from the chemical industry who receive information on how to use them safely (product safety data sheets). LANXESS has committed to continuously improving its product portfolio's sustainability performance, eliminating critical substances and developing safer alternatives. With this goal in mind, LANXESS has developed an action plan for dealing with critical products. LANXESS is developing healthier alternatives for products sold by the company that are particularly hazardous to health and are processed in the downstream value chain into products used by consumers and end-users, thereby posing a potential risk to these users. If sustainable alternatives cannot be used and if our scientists or the regulatory authorities consider the concerns or risks to be beyond an acceptable level, we will stop using the products in question (see section "E2-2 – Actions and Resources Related to Pollution" and "E2-3 – Targets Related to Pollution" of the chapter "ESRS E2 – Pollution").

S2-1 – Policies Related to Value Chain Workers

As a globally active specialty chemicals company, LANXESS recognizes its responsibility to conduct business ethically and safeguard people and the environment throughout our value chain.

To fulfill this commitment, we align our business activities with the following international conventions and basic principles:

- United Nations Universal Declaration of Human Rights
- United Nations Guiding Principles on Business and Human Rights (UN Guiding Principles)
- International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work
- Principles of the United Nations Global Compact (UN Global Compact)
- United Nations Sustainable Development Goals (SDGs)
- Responsible Care© Global Charter of the International Council of Chemical Associations (ICCA)
- Women's Empowerment Principles of the United Nations
- Minamata Convention on Mercury of October 10, 2013 (Minamata Convention)
- Stockholm Convention of May 23, 2001 on Persistent Organic Pollutants (POPs Convention)
- Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal of March 22, 1989 (Basel Convention)

The principles outlined here apply to all our employees and business partners and are set out in Group-wide directives. General information on the documents below in accordance with ESRS 2.65 are outlined in section "G1-1 – Corporate Culture and Business Conduct policies" of the chapter "ESRS G1 Business Conduct."

The “LANXESS Corporate Policy” lays out principles of responsible business operations and sustainable development and defines our general corporate philosophy and the expected conduct of all employees in relation to our stakeholders. Our “Code of Conduct” includes unambiguous instructions regarding the respect of human rights. Respect for human rights is a binding element in our global “Procurement of Goods and Services in the LANXESS Group” directive for supplier selection and development. We have summarized our commitment and the measures established across the Group to respect human rights in the policy “Statement on Respect for Human Rights and Related Environmental Standards” and published it on our website.

We also expect our business partners, including for example suppliers, customers, and sales partners, to conduct their business responsibly and to uphold human and environmental rights.

These expectations are clearly outlined in our “Business Partner Code of Conduct.” Our business partners commit to compliance with the principles outlined in the Code when working with LANXESS. They are also expected to communicate these principles or equivalent standards to the partners they engage while working with LANXESS and to promote compliance with them. The “Business Partner Code of Conduct” also explicitly addresses the prevention of any form of child or forced labor, human trafficking, violence or discrimination in the workplace and mandates compliance with occupational health and safety regulations. This primarily centers on employees of direct suppliers, customers and other business partners, such as service providers including contractors, logistics companies and distributors. Employees of business partners are directly addressed, especially those working at our sites as external staff. Indirect coverage, such as workers along the indirect value chain, is also considered, since non-compliance by indirect contractual partners can impact the respective direct business partner. We regularly review our risk assessment in alignment with requirements of the German Act on Corporate Due Diligence Obligations in Supply Chains and our internal risk analyses.

The “Product Safety Management at LANXESS” directive stipulates how product stewardship is to be implemented throughout the Group. This directive, which is intended for the entire Group, describes the binding standard for all internal processes in global product safety management. It is accessible to all employees via the Xdirect document management system available throughout the Group. The heads of the business units or legal entities are responsible for implementing and ensuring compliance with the legal regulations and internal guidelines on product safety worldwide in collaboration with the Group functions, which were also involved in coordinating the content.

The constant improvement of product safety, which is enshrined as a core aspect of our corporate policy and in the Group-wide management system, is part of our product stewardship. Examples of this include the creation of safety data sheets even for substances not subject to labeling requirements, which are communicated in the value chain, and our product roadmaps for a sustainable product portfolio.

Safe handling of LANXESS products is a key component of the Company’s product stewardship. LANXESS is committed to monitoring and assessing potential risks to human health and the environment that could arise from its products (this is regulated in the “Central Product Surveillance” directive). The Production, Technology, Safety & Environment Group function records and evaluates all information regarding the potential hazards of LANXESS products. Continuous product monitoring includes ongoing research and evaluation of scientific, toxicological and environmental information (study data). This also includes timely updating of registration dossiers, updating and distribution of relevant safety data sheets and customer information, monitoring of LANXESS products and their uses in the market, and tracking of information on hazards (for example, from the press, consumer organizations or industry associations) that become known in connection with the products distributed by LANXESS. The safe use of LANXESS products, along both its own and the downstream value chain, is an essential part of the company’s product stewardship.

Our products are processed by workers from the chemical industry. Safety data sheets are used to communicate with the users of our products. Product stewardship actions such as assessing possible health and safety risks associated with our products and providing up-to-date safety information and instructions for correct use can prevent accidents, injuries and illnesses, thus helping to uphold the human rights of those who use our products.

S2-2 – Processes for Engaging with Value Chain Workers about Impacts

We implement various ongoing procedures to engage with our own employees and those along the value chains. In addition to direct communication, such as through employees in the Global Procurement and Logistics Group function, this also includes incorporating external data sources through our involvement in the Together for Sustainability initiative (TfS).[1)] TfS is a global initiative by chemical companies whose goal is to support and coordinate the assessment of sustainability performance across the chemical industry and its supply chains. The results are provided to all TfS members. The TfS sustainability assessment is also incorporated into our strategy process, which must be applied to every contract negotiation or renewal with a purchasing volume of more than €5 million. This process is known as XCORE. As well as the XCORE strategy process, we use the SCORE process, which is similar to the XCORE process but geared toward purchasing volumes between €1 million and €5 million or over €250,000 in regions outside Europe.

1) The assessments carried out by the external company EcoVadis SAS, the Together for Sustainability AISBL and the European Chemical Industry Council (Cefic) were not in the scope of the audit conducted by KPMG AG Wirtschaftsprüfungsgesellschaft, Düsseldorf.

With an average EcoVadis sustainability score of 58.8 points, our suppliers are above the EcoVadis benchmark[1] of 49.4 points. The analysis also addresses environmental and social issues. We have described the relevant procedures and communication channels for inclusion in detail in section "S2-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions" of the chapter "ESRS S2 Workers in the value chain."

We also offer direct communication channels by providing a global SpeakUp hotline and access to the central compliance helpdesk for workers along our value chains; this is described below.

S2-3 – Processes to Remediate Negative Impacts and Channels for Value Chain Workers to Raise Concerns

All LANXESS employees, as well as workers of suppliers and customers within our value chain, have access to various channels to report concerns or grievances. Our global whistleblowing hotline "SpeakUp" is available 24/7 throughout the year and supports over 70 languages. Reports can be submitted to the LANXESS Compliance Helpdesk via the LANXESS website, or individuals can directly contact Global Procurement and Logistics or the purchasing staff in their respective countries.

Information on these reporting channels is freely accessible and actively communicated to our employees, customers, suppliers and other partners. One way it is communicated is through our "Business Partner Code of Conduct," which is included in all supplier contracts. LANXESS has included regulations in our "Code of Conduct" to protect whistleblowers from possible retaliation when a report is made in good faith. The whistleblower or reporter of the grievance will be protected against retaliation to the greatest extent possible.

Grievances or indications of violations, particularly those related to human rights abuses in our value chain, are received by the LANXESS Compliance Department and processed through a coordinated procedure following the requirements of the "LANXESS Complaints Procedure" rules. The relevant steps and principles are posted in the above-mentioned document on our website.

The whistleblower platform "SpeakUp" and the established procedure for reports/grievances at LANXESS are reviewed at least once a year or as needed to ensure they are functional and effective.

S2-4 – Taking Action on Material Impacts on Value Chain Workers, and Approaches to Managing Material Risks and Pursuing Material Opportunities Related to Value Chain Workers, and Effectiveness of those Actions

By taking the actions described below, we commit to ensuring that there are no breaches of human rights in all areas which LANXESS can influence. Direct responsibility for ensuring that human rights and associated environmental rights are respected lies with the respective management at our sites. Our corporate compliance organization (supported by the regional and local compliance officers) and Group functions – especially Global Procurement & Logistics and Production, Technology, Safety & Environment – provide assistance with implementing the actions.

Annual risk analysis

We carry out human rights risk analyses on an annual and event-driven basis across the Group to ensure compliance with human rights due diligence obligations. These take full account of the requirements of the German Act on Corporate Due Diligence in Supply Chains.

In our annual risk analysis, we first perform an abstract risk analysis of our direct suppliers with the aid of a supplier risk management system, drawing on external data sources. The second step entails a more detailed analysis and assessment of the remaining suppliers (for example using information from the existing supply relationship). The outcome will determine any further steps to be taken. These may involve obtaining voluntary information from the suppliers themselves, carrying out site visits or having our Global Procurement and Logistics Group function perform on-site audits.

Where a direct supplier has violated a human rights-related or environmental obligation, or where such a violation is imminent, we will take appropriate remedial action without delay. Such action encompasses all suitable measures for prompt rectification of the identified violation. These measures will be agreed with the supplier concerned and their implementation will be subsequently followed up.

Supplier screening and training

Our Global Procurement & Logistics Group function takes into account the protection of human rights, among other things, when sourcing goods and services by drawing up guidelines for the supplier screening process. These are laid down in our global "Procurement of Goods and Services in the LANXESS Group" directive. The supplier screening process is supported by the connection of external databases, which have a significant influence on the selection and evaluation of suppliers. In addition to that only suppliers who have accepted our "Business Partner Code of Conduct" or have introduced their own comparable regulation and associated management systems in accordance with the U.N. Global Compact or have issued corresponding compliance declarations will be selected. We reserve the right to verify compliance with our "Business Partner Code of Conduct." In addition, we use extended contractual assurances to obligate our direct suppliers to comply with internationally recognized human and environmental rights, and to ensure that they appropriately address compliance with these rights throughout their supply chain.

The "ProTrain" training program informs our strategic buyers about our "Business Partner Code of Conduct" and other guidelines. In addition to the supplier information questionnaire, we currently use a detailed sustainability risk analysis as an additional check. For this purpose, we have introduced a Group-wide IT system that includes a strategic assessment of our suppliers' economic, regulatory, environmental and social performance in order to identify potential risks at an early stage. Based on more than 600,000 data sources, the tool prepares individual supplier risk profiles.[1)] By the end of 2025, we had integrated over 26,000 suppliers into the risk system and are continuing to work on adding more suppliers.

Our supplier screening is based not only on the data mentioned above, but also directly on detailed TfS reports. The TfS sustainability assessment is incorporated into our strategy process, which must be applied to every contract negotiation or renewal with a purchasing volume of more than €5 million. This is known as XCORE. The TfS assessments include environmental, social, business conduct as well as business-related aspects. The TfS assessment covers all of the above-mentioned impacts, in addition to a large number of other human rights, for example the right to collective bargaining.[1)] The methodology for supplier screening includes country-specific, sector-specific and commodity-specific risks.[1)]

The TfS audits review event-driven criteria in the areas of management, environment, health, safety, labor and human rights, and business conduct. If the TfS audits detect anomalies, the suppliers develop corrective action plans, and implementation of these is re-reviewed by the auditor within 12 months in the case of important or critical findings.[1)] In addition, training for the company's buyers and/or internal stakeholders is supported by the TfS Academy. The TfS Academy provides hundreds of multilingual training modules to "Together for Sustainability" (TfS) members and their suppliers across all aspects of the issues sustainability, procurement, assessment and audit, as well as a corrective action plan.[1)] In this way, information and training courses on the company's ESG programs, processes and requirements are delivered and suppliers receive assistance in implementing corrective action plans. Furthermore, these training options provide in-depth technical support programs to build capacity and ESG performance.[1)]

In the 2025 fiscal year, we carried out TfS audits on the premises of 66 suppliers. The TfS audits did not reveal any serious violations in the impacts I51-54. There were also no reports of serious problems or incidents involving human rights within the value chain.

Communication in the downstream value chain

Constant improvement of product safety is part of our product stewardship. To ensure the safe handling of LANXESS products, we provide information (product safety data sheets) for the safe use of our products within the supply chain. As part of a voluntary self-commitment, LANXESS also supplies safety data sheets for non-hazardous products. These measures are implemented by the Product Safety, Regulation & Sustainability (PSR) department within the Production, Technology, Safety and Environment Group function.

LANXESS maintains continuous dialogue with important non-governmental organizations (NGOs) such as the International Chemical Secretariat (ChemSec) and takes their feedback into consideration. ChemSec has made it its mission to accelerate the replacement of hazardous chemical substances. With this purpose in mind, ChemSec publishes the Substitute It Now (SIN) list, a directory of all substances that products should not contain according to ChemSec's evaluation. This assessment influences the selection of LANXESS's roadmap products, for which the company is working to find alternatives. LANXESS has reduced the number of critical substances on the SIN list by half over the last three years. The product safety data sheets distributed to our customers point out the actual and potential hazards of our products. LANXESS also regularly exchanges ideas with its main stakeholders and incorporates their feedback into its actions. Details on how we take stakeholders into account are provided in section "SBM-2 – Interests and Views of Stakeholders" of the chapter "ESRS 2 General Disclosures."

1) The assessments carried out by the external company EcoVadis SAS, the Together for Sustainability AISBL and the European Chemical Industry Council (Cefic) were not in the scope of the audit conducted by KPMG AG Wirtschaftsprüfungsgesellschaft, Düsseldorf.

S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

LANXESS endeavors to avoid the potential negative impacts in our existing and future global value chain listed in the IRO overview at all times and thus to prevent such cases from occurring at all.

The goal for our value chain in this respect is in line with the principles defined in our “LANXESS Corporate Policy” and with the Group directive “Procurement of Goods and Services in the LANXESS Group” adopted by the Group Board of Management. This is why LANXESS is a founding member of the “Together for Sustainability” initiative (TfS).[1)] TfS has established itself in the chemicals industry as a frequently applied sector standard for sustainable supply chains. The focus here is on environmental protection, workers’ rights and human rights including the prevention of child labor, labor standards, occupational safety, business ethics and sustainable procurement practices.

Internationally recognized frameworks such as the United Nations Sustainable Development Goals (SDGs), the OECD Guidelines for Multinational Enterprises and the principles of the U.N. Global Compact have been taken into account when setting targets. Targets are formulated based on the assumption that economic and environmental sustainability can only be achieved if social standards are also upheld. Local conditions and industry-specific risks are considered in the process. Corresponding risk scenarios are based, for example, on reports and studies by NGOs, which are also a suitable data source for setting targets. Targets are set based on international standards and the provisions of national and EU-wide legal requirements, such as the German Act on Corporate Due Diligence in Supply Chains.

When targets are being defined, stakeholders interests are considered by providing them with direct reporting channels to LANXESS. No indications of significant human rights violations in our supply chain were identified via the reporting channels or by other means, such as audits, during fiscal year 2025.

1) The assessments carried out by the external company EcoVadis SAS, the Together for Sustainability AISBL and the European Chemical Industry Council (Cefic) were not in the scope of the audit conducted by KPMG AG Wirtschaftsprüfungsgesellschaft, Düsseldorf.

GOVERNANCE INFORMATION

ESRS G1 BUSINESS CONDUCT

The material impacts, risks and opportunities (IROs) of LANXESS were identified through the double materiality assessment. They are shown in the table below and allocated to the corresponding policies, actions and targets.

Material impacts, risks and opportunities related to business conduct

Impacts, risks and opportunities[1]	actual/potential	negativ/positiv	Time horizon	Value chain	Ziele	Actions	Policies: LANXESS Corporate Policy	Policies: Code of Conduct	Policies: LANXESS Compliance Management System
CORPORATE CULTURE									
I55: **Impact** Lack of or non-observation of corporate culture and values	potential	negative	1–5 years (medium term)	own operations	Corporate culture and value-compliant conduct	Compliance management system Compliance culture Compliance organization Compliance help desk Channels for reporting tips or violations Compliance training	✖	✖	✖

1) I = impact, R = risk and O = opportunity

G1 SBM–3 – Material Impacts, Risks and Opportunities and their Interaction with Strategy and Business Model

The lack of a corporate culture, or a corporate culture that is not practiced, is considered a potential negative impact for our own global operations that may lead to a lack of orientation and values for employees, fostering problematic behavior. Without a practiced culture, uncertainty could arise as to which behavior is acceptable and which is not. In a worst-case scenario, this may lead to conflicts, harassment and bullying, as well as to fraud and unethical conduct. In addition to formulating values and directives, LANXESS puts the onus on its senior executives in particular to lead by example and to act in a responsible and compliant manner. The LANXESS "Code of Conduct" provides guidance on this matter, and the compliance organization's advisory services and reporting channels are available to employees Group-wide.

Fundamental success factors in connection with the business activity of LANXESS are the employees' personal commitment and performance as well as their values-based, responsible and legally compliant action in accordance with the company culture. As a multinational enterprise, we have global responsibility for ensuring that our employees behave ethically and in compliance with laws and regulations.

Through our Group-wide compliance management system, which is an integral part of our corporate culture, the company is committed to ensuring compliance with all binding legal requirements and internal rules concerning the LANXESS Group and its employees. Moreover, we are committed to the internationally recognized principles of business activity as set out in the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the United Nations Convention against Corruption. LANXESS also expects its business partners along the value chain to comply with the legal requirements and the specified directives. Along with the principles of the Responsible Care© Global Charter, these include the ILO labor standards and the Ten Principles of the United Nations Global Compact.

LANXESS sees systematic and effective risk and opportunity management as an integral component of its value-driven corporate governance. A systematic, Group-wide process has been put in place that helps the Board of Management to identify, assess and manage risks and opportunities. In addition, a compliance risk assessment, which was last performed in 2023, is used to take an in-depth look at potential company- and business-specific compliance risks. As part of the Group-wide assessment, the risk and potential losses are considered for relevant risk areas to identify hazards and the potential impacts on the company. Specific actions are then developed to further reduce compliance risks.

G1-1 – Corporate Culture and Business Conduct Policies

LANXESS's corporate culture is based on five central values: respect, ownership, trust, professionalism and integrity. These values apply to all employees. They and corresponding guidelines concerning compliance are set out in the "Code of Conduct". The "Working at LANXESS" Background Paper also comprises actions and mechanisms that promote values, such as the performance dialog.

LANXESS's central values, supplemented by operational guidelines and organizational structures, enable its employees to act responsibly in their day-to-day work.

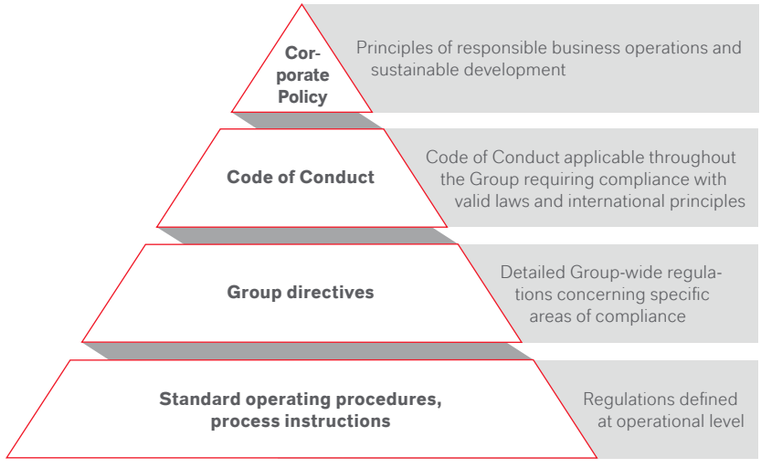
At LANXESS, this is manifested in a values-based corporate culture, management systems and a commitment to internationally recognized principles of responsible business conduct, such as the principles of the U.N. Global Compact. Responsible business conduct is also supported at LANXESS through a committee structure geared towards sustainability management (see section "GOV-1 – The Role of the Administrative, Management and Supervisory Bodies" of the chapter "ESRS 2 General Disclosures") and with the integrated management system that provides for the necessary global structures in all business processes and business relationships. Globally, we base our actions on the international standards ISO 9001 and ISO 14001 for quality and environmental management and ISO 50001 for energy management. Confirmation of compliance with the standards ISO 9001 and ISO 14001 is provided in global matrix certificates.

Internal guidelines and regulations

The "LANXESS Corporate Policy" lays down principles of responsible conduct and sustainable development for the benefit of employees, business partners, shareholders, society and the environment. It defines the general corporate philosophy and the expected conduct of all employees in relation to stakeholders. The positions set out in the "LANXESS Corporate Policy" are in line with the corporate strategy. They apply to all of our business activities, from purchasing to production, distribution and maintenance right up to research and new projects. They cover ESG topics, describe the basis of our action to promote the corporate culture and define our collaboration with partners such as contract manufacturers, service providers, and in joint ventures. They are a basis for evaluation in the event of structural change in the company, for example as a result of acquisitions (due diligence).

The content of the document must be reviewed at least every three years. The "LANXESS Corporate Policy" applies to all employees of the LANXESS Group worldwide. It lies within the scope of responsibility of the Board of Management and makes reference to established guidelines and standards such as the Responsible Care® initiative, the United Nations Sustainable Development Goals, the standards ISO 9001 and ISO 14001, and the ILO (International Labour Organisation) Convention. The main departments responsible for the topics are involved in coordinating the content. The valid "LANXESS Corporate Policy" is accessible to all employees via the Xdirect document management system available throughout the Group and is publicly available on the LANXESS website.

Clear Rules Provide Guidance



Our "Code of Conduct" requires all employees – across all organizational units, regions and hierarchy levels of the company – to behave lawfully and with integrity. Through appropriate conduct, each employee is responsible for helping to prevent harm to LANXESS and increase the company's value over the long term. The Code covers topics such as human rights, antitrust law, anti-corruption, bribery, data protection, occupational, product and plant safety, and environmental protection, and calls for respectful and fair treatment of employees in order to promote the corporate culture.

The content of the document must be reviewed at least every three years. The "Code of Conduct" applies to all LANXESS Group employees worldwide. It lies within the scope of responsibility of the Board of Management and makes reference to established guidelines and standards such as the principles of the Responsible Care© Global Charter, the ILO labor standards and the Ten Principles of the United Nations Global Compact. The main departments responsible for the topics are involved in coordinating the content. The "Code of Conduct" is accessible to all employees via the Xdirect document management system available throughout the Group and can be downloaded from our website. All new employees also receive it with their employment contract.

Group directives, supplemented in some cases by Group-wide standards, such as the anti-corruption standard, elaborate on the individual principles set out in the "LANXESS Corporate Policy" and the compliance areas specified in the "Code of Conduct". The organizational measures and regulations for setting up the compliance management system are defined in the "LANXESS Compliance Management System" Group directive, with allocation of responsibilities for the implementation, support and continuous monitoring of the system.

The content of the Group directives must be reviewed at least every three years. The documents apply to all employees of the LANXESS Group worldwide. They lie within the scope of responsibility of the Board of Management and make reference to established regulations and standards, depending on the subject area. The main departments responsible for the topics are involved in coordinating the content. The valid Group directives are accessible to all employees via the Xdirect document management system available throughout the Group.

On the basis of these LANXESS Group directives, more detailed regulations are defined at the operational level in standard operating procedures and process instructions, among other things.

Our Background Papers provide a deep dive into selected ESG topics and detailed information on established processes, actions and systems for ensuring our sustainability performance.

Background Papers are subject to annual review, coordinated by Investor Relations. These documents are used for internal and external communication worldwide. They lie within the scope of responsibility of the Board of Management and make reference to established regulations and standards, depending on the subject area. The main departments responsible for the topics under the direction of the topic-specific sub-committee of the Sustainability Committee are involved in coordinating the content. The Background Papers are publicly available on our website.

The "Business Partner Code of Conduct" contains requirements that are consistent with the "Code of Conduct" on the topics of anti-corruption, bribery, fair competition, human rights, environmental protection, information security and data protection. LANXESS requires its business partners to ensure compliance with the principles contained in this "Business Partner Code of Conduct" as well as with all applicable laws and regulations along their supply chain wherever they operate.

The Code is regularly reviewed by the relevant Group functions. It is applicable to all of our business partners worldwide. By accepting the Code, the business partner also undertakes to communicate these principles or equivalent ones to its own business partners that it engages in the context of its business relationship with LANXESS and to promote compliance with them. Responsibility for the "Business

Partner Code of Conduct" rests with the Board of Management. It makes reference to established guidelines and standards, such as the U.N. Sustainable Development Goals, the global Responsible Care® program of the chemical industry, the Universal Declaration of Human Rights, the U.N. Global Compact and the core labor standards of the International Labour Organization (ILO). Along with Purchasing, the main departments responsible for the topics are involved in coordinating the content. The "Business Partner Code of Conduct" is publicly available on our website.

For LANXESS, responsible business conduct particularly implies compliance with legal and internal standards and ethical principles to which all employees must adhere. To help our employees comply with guidelines, we have set up a global compliance management system (CMS) and defined a corresponding Group directive. One of the fundamental elements of the CMS is a compliance culture based on the five corporate values. It is shaped by the clear commitment and dedication of the LANXESS Board of Management and the Supervisory Board. All senior executives at LANXESS have a duty to not only communicate this compliance culture to the workforce but also embody it, so that all LANXESS employees live by this compliance culture. To this end, our employees and senior executives receive regular training and further information, for example via our intranet.

Compliance organization

The global compliance organization – comprising the Group Compliance Officer, the Compliance Group function, the regional Compliance Officers, and a network of local Compliance Officers – supports all areas of the company in implementing appropriate measures to counter unlawful or unethical conduct within the LANXESS Group at an early stage and to prevent misconduct. For appointing local and regional Compliance Officers, LANXESS has developed a specific profile of requirements that is used to assess the suitability of candidates. Newly appointed Compliance Officers are given an extensive job description and take part in specialized training that includes instruction on the global whistleblowing system.

The compliance organization is available as a contact for all employees – but also for external partners and stakeholders – on all compliance-related issues. One of the main tasks of the compliance organization is to ensure that reporting channels are set up for employees and external third parties to get in contact with the organization. Where indications of compliance violations exist, the Compliance Helpdesk and the global whistleblowing platform "SpeakUp" allow reports about suspected violations to be made (anonymously if desired). "SpeakUp" is available in over 70 languages. Irrespective of the reporting channel, any reports received are investigated by the compliance organization in line with the established process for dealing with tip-offs.

The "Complaints Procedure" document, for which the global compliance organization is responsible, clearly describes how reports and complaints can be submitted in accordance with the German Whistleblower Protection Act, which reporting channels are available, and how complaints and reports are processed promptly, independently and objectively. Our reporting platform "SpeakUp" is available online for this purpose. As set out in our "Complaints Procedure", the compliance organization strives to conduct the investigation of the report/complaint quickly. LANXESS places great importance on ensuring that both the person providing information and employees who are affected by an allegation are treated fairly, while also ensuring that each party's legitimate interests are protected. The document is publicly available on the company's website.

The reporting channels and the associated processes are communicated transparently over the "Xnet" intranet. Information on reporting channels is also included in the "Code of Conduct," which forms part of training courses and is given to new employees with their employment contract. In addition, all business partners receive the necessary information on how to submit reports in an accessible and anonymous manner via the aforementioned "Business Partner Code of Conduct".

To enhance employees' awareness of these rules of conduct, the regulations of our "Code of Conduct" are covered by compliance training. Furthermore, we hold specific anti-corruption training aimed at exposed countries and professional groups such as Purchasing, Marketing or Sales. In the financial year 2025, LANXESS recorded more than 3,000 participations in compliance training sessions worldwide.

The actions mentioned do not require significant capital or operational expenditure.