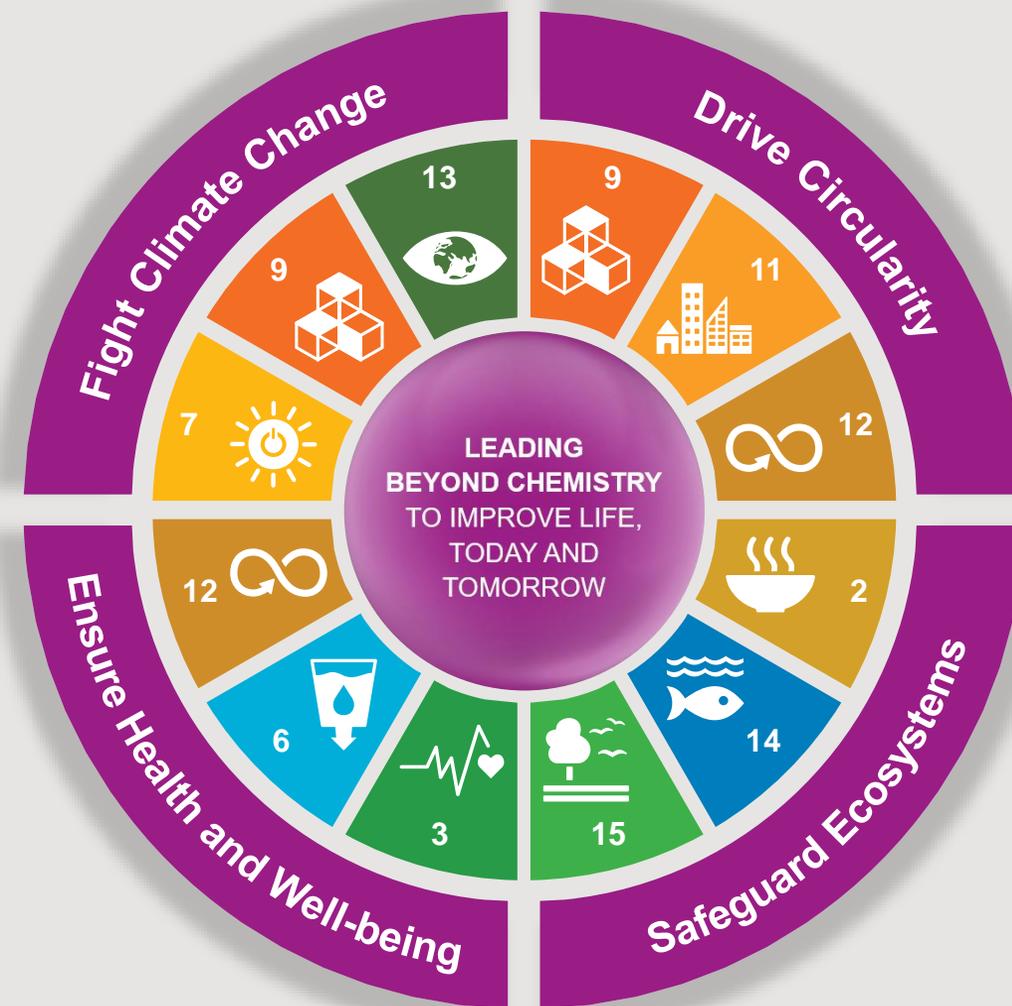


Sustainability at Evonik.

2023

NEXTGEN 



Sustainability fully integrated in corporate strategy

Next phase of transformation in all three strategic levers

Three major strategic levers...

... with sustainability fully integrated ...

... delivering on ambitious targets

Next Generation Portfolio

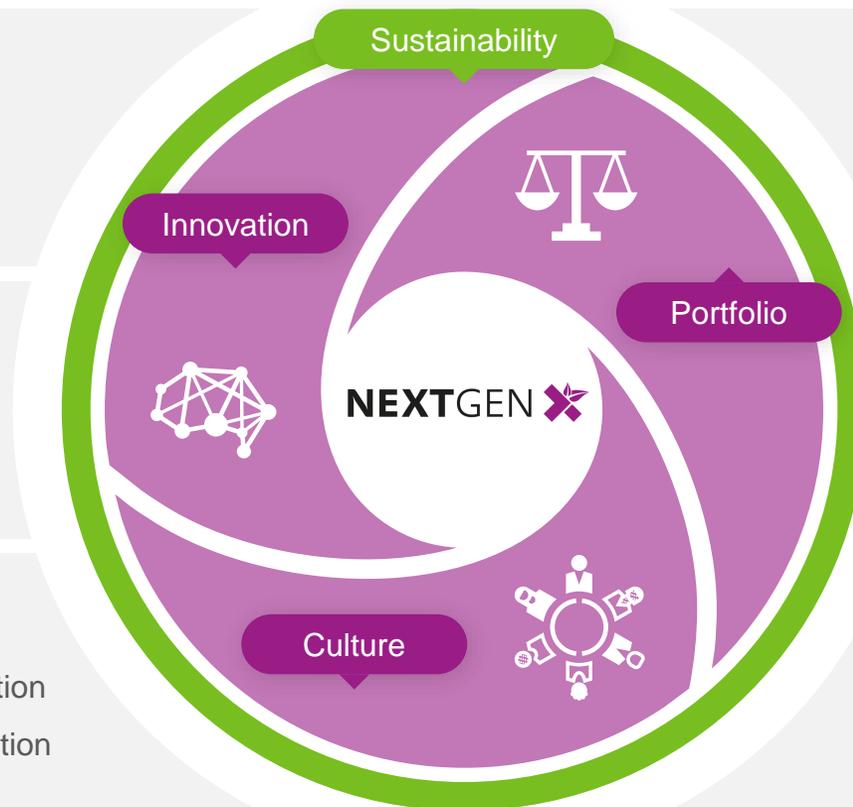
- + Exit Performance Materials
- + Full focus on three attractive growth divisions

Next Generation Innovation

- + €1 bn new sales well on track
- + Growth areas beyond 2025 already launched

Next Generation Culture

- + Diversity as key to successful strategy execution
- + ESG targets integrated into mgmt. compensation



ESG Targets

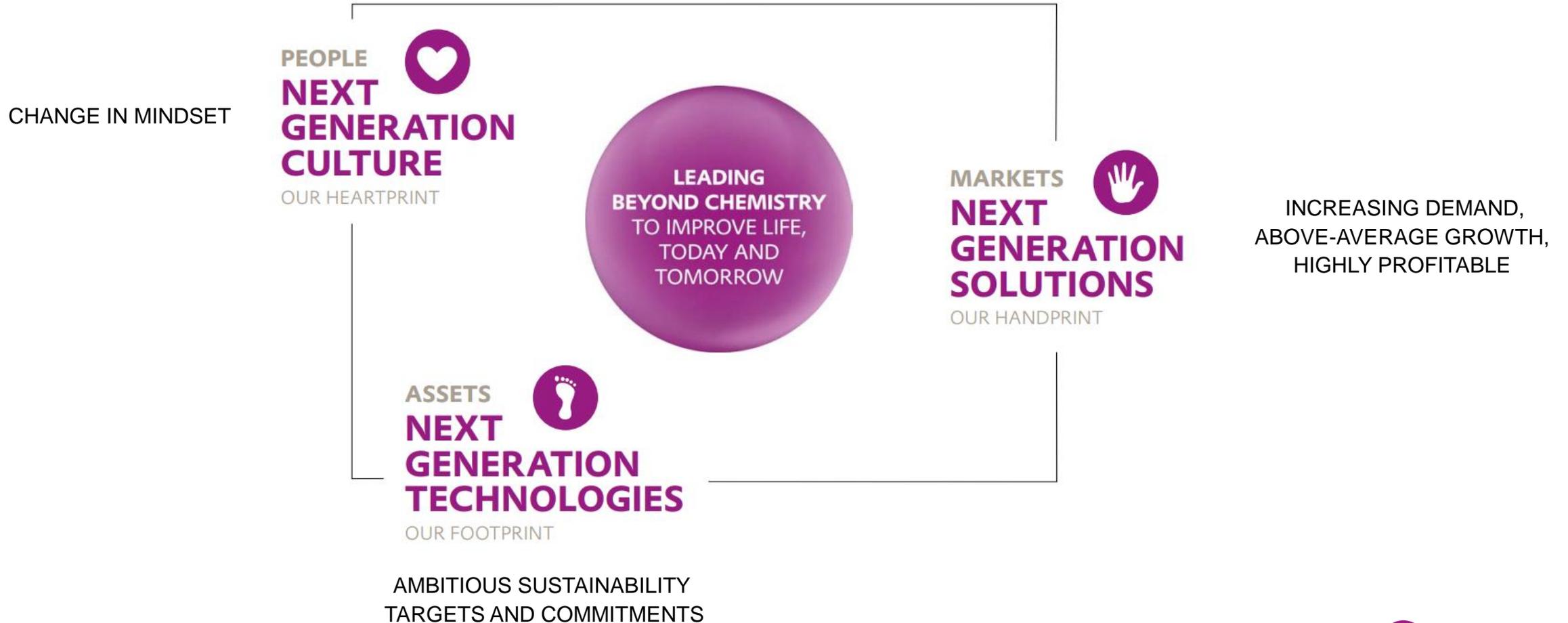
- + >50% sales share of **NEXTGEN Solutions** ✦
- + -25% CO₂ emission reduction, e.g. via **NEXTGEN Technologies** ✦

Financial Targets

- + Organic growth >4%
- + EBITDA margin 18-20%
- + ROCE ~11%
- + FCF Conversion >40%

Sustainability as backbone of Evonik's purpose and strategy

Setting the frame

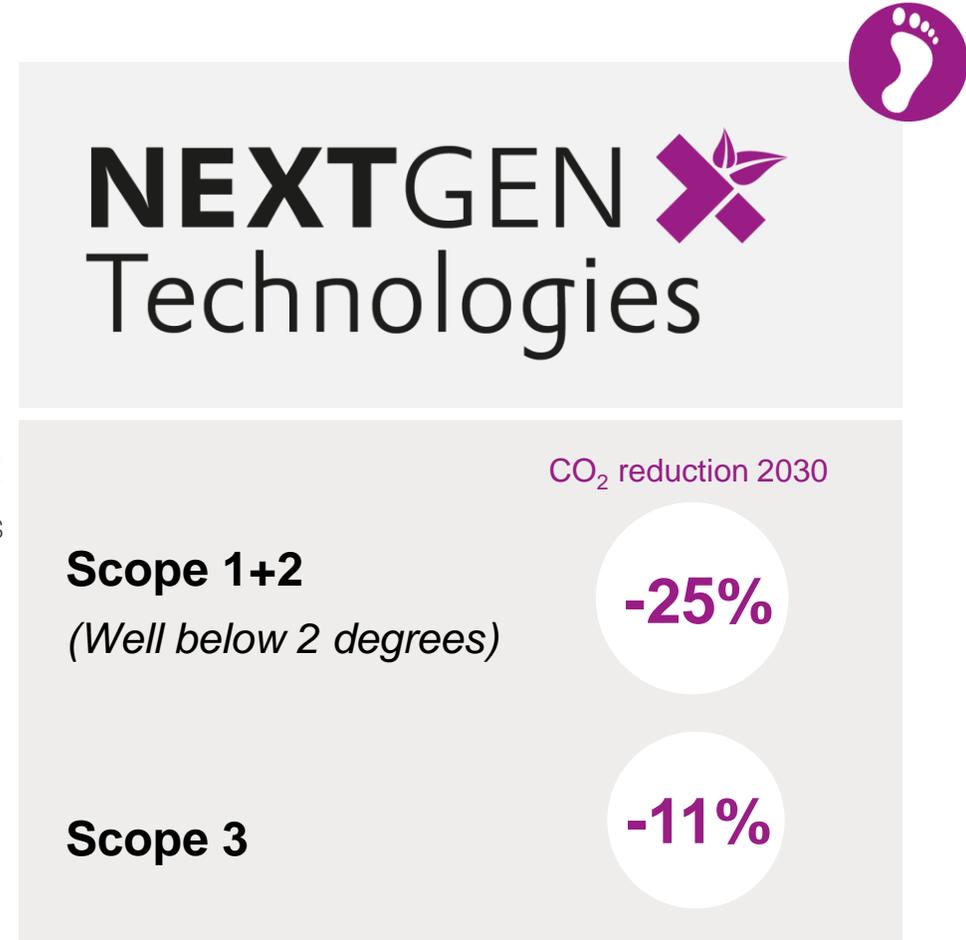


Ambitious commitments on handprint and footprint

In line with Science Based Targets



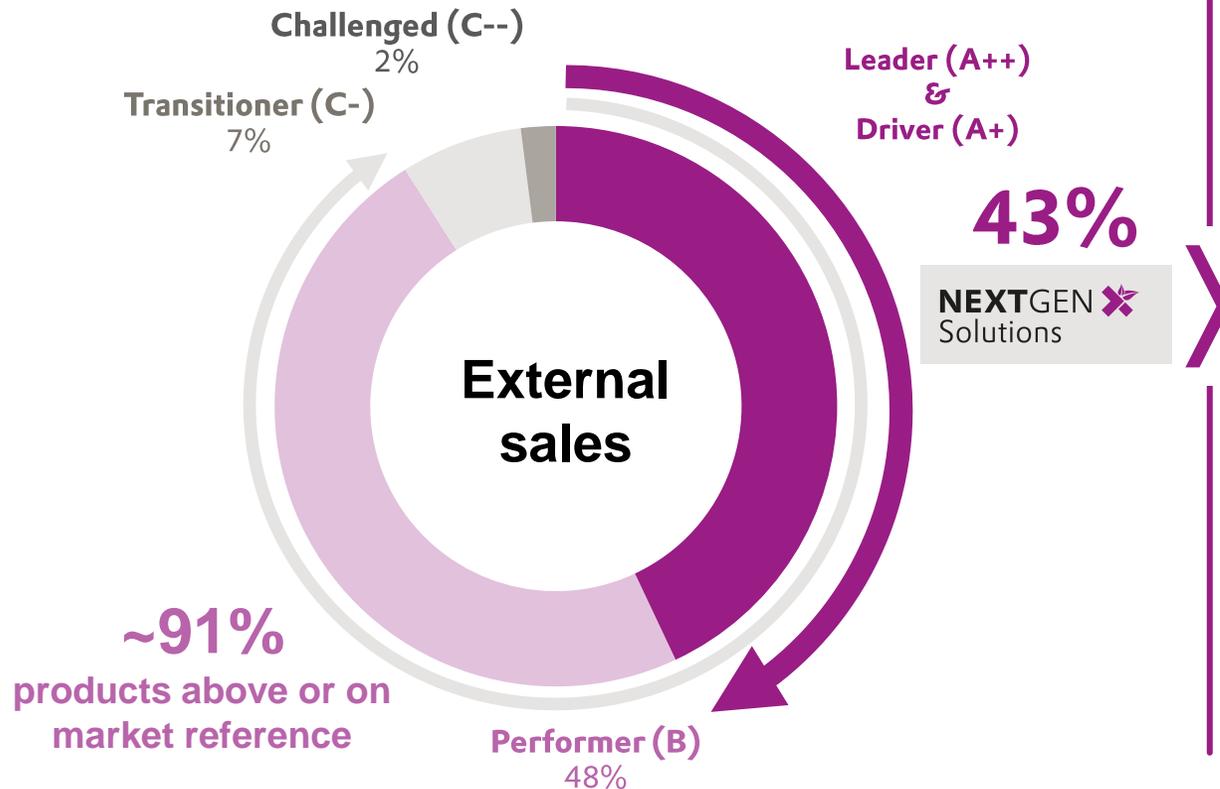
SCIENCE
BASED
TARGETS



Handprint: “Next Generation Solutions”

43% of Evonik’s portfolio with superior sustainability benefits

Result of PSA analysis



Best-in-class products in Evonik’s portfolio which...

...deliver **above-average growth**

...address **increasing customer demand** for sustainable solutions

NEXTGEN 
Solutions

...deliver **superior sustainability benefits** to our customers

NGS: “Next Generation Solutions” include “Leader” (A++) and “Driver” (A+) products and solutions

Handprint: “Next Generation Solutions” to grow beyond 50% by 2030

Market-driven transformation

Increase “Next Generation Solutions”



€3 billion of growth investments until 2030

NGS: “Next Generation Solutions” include “Leader” (A++) and “Driver” (A+) products and solutions

Three levers to increase the share of NGS

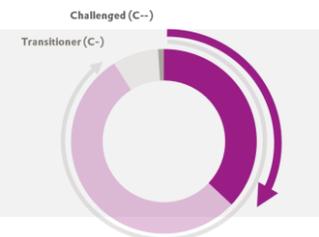
1 Superior sales growth rates of existing “Next Generation Solutions”



2 New sales from **innovations** becoming “Next Generation Solutions”



3 “Challenged” and “Transitioner” products exiting or with new formulations



Handprint: Superior sales growth rates of existing “NGS” Portfolio circled around our four “Sustainability Focus Areas”

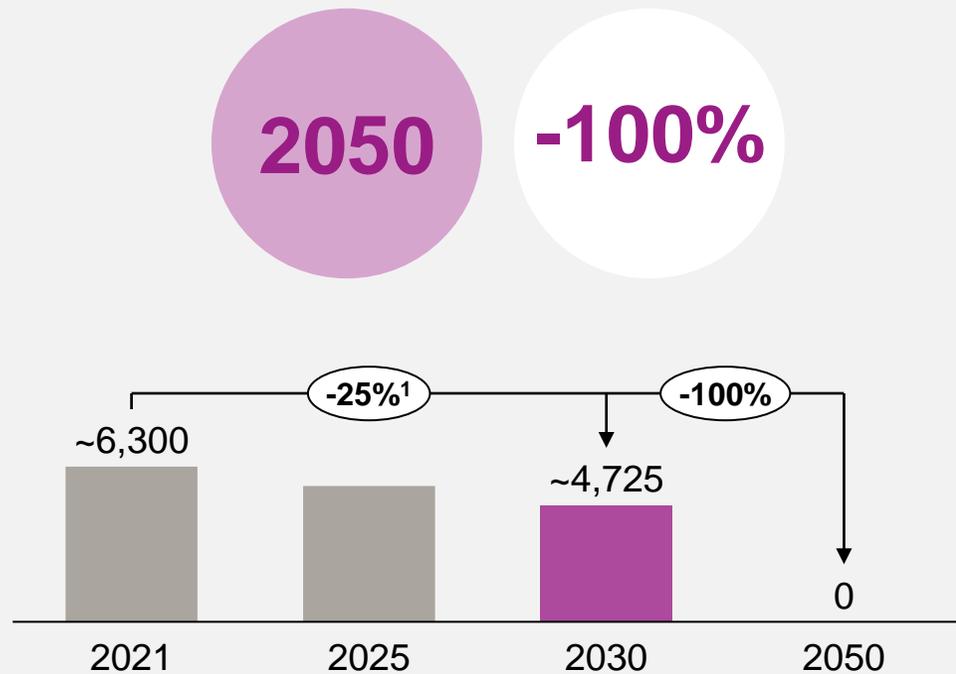


Our commitments to reaching the Paris Climate Agreement

Evonik will be climate neutral by 2050. Committed to SBTi.

Our path to climate neutrality

Scope 1&2



New targets for GHG emissions' reduction

Scope 1&2
Well below 2°C²

2030

-25%



Scope 3
Committed²

2030

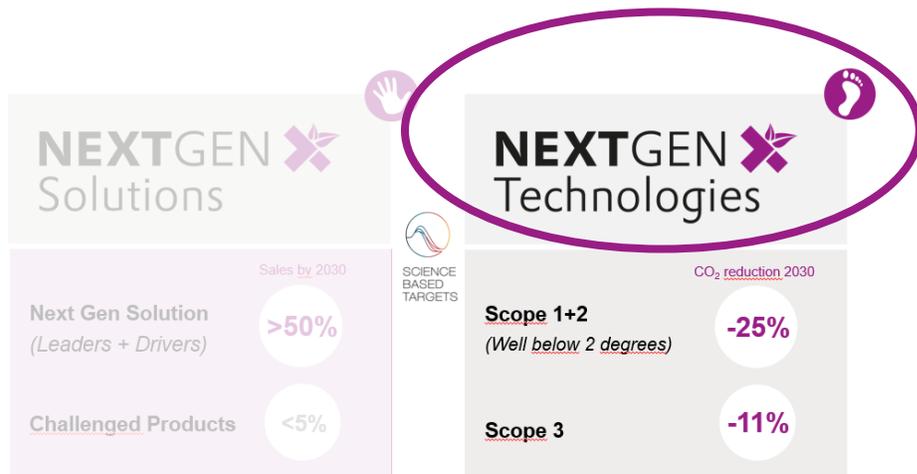
-11%

1. Gross emissions; reference year 2021, target year 2030
2. Commitment letter signed and handed in for SBTi, 25th April 2022

Footprint: Our commitments to reaching the Paris Climate Agreement

Site-driven transformation

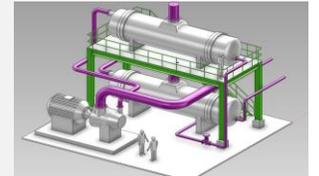
Next Generation Technologies



€700 million of investments until 2030

Key levers

1 Strong Sites



2 Process Efficiency



3 Renewable energy



4 Sustainability Data Management

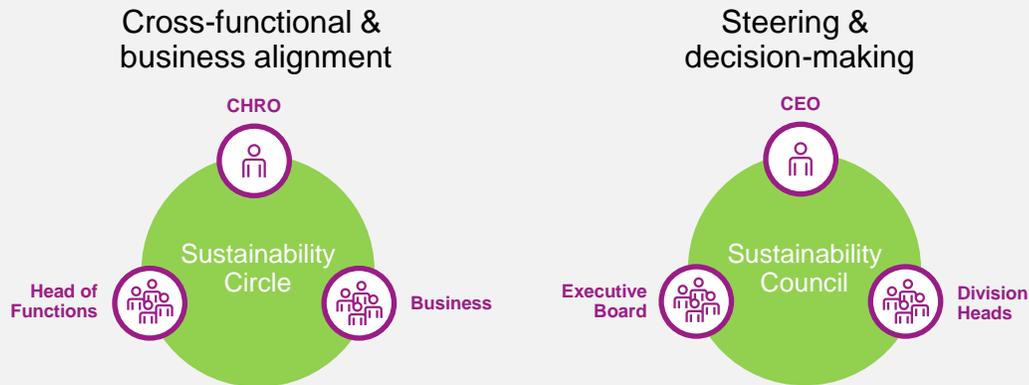


Complementing the governance on ESG

Reflected in organizational set-up and remuneration

Clear responsibilities

- **Executive Board** has overall **responsibility** for sustainability
- Setting **strategic framework** and **executing measures** in close cooperation with operating divisions



Part of remuneration

- Occupational safety part of remuneration of the executive board since more than a decade
- New ESG goals **integrated in remuneration schemes** of Executive Board

20%
ESG

Long-term incentives linked to ESG KPIs:

- **Sales share of “Next Generation Solutions”**
- **CO₂ emission reduction**
- **Employee index (e.g. Diversity, Health)**

Sustainability strategy - Key take-aways

To improve life, today and tomorrow.

Sustainability is an **integral part of our purpose** – four Evonik focus areas as guiding framework for Evonik

Sustainability is fully integrated into strategic management processes: portfolio & innovation steering, capital allocation

Handprint: increase NGS¹ sales share to **>50% by 2030**

Footprint: reduce CO₂ emissions by **25% by 2030²**

Driving **Next Generation Culture** & complementing **governance**

NEXTGEN ✦
Solutions

>50%



-25%

1. NGS: "Next Generation Solutions"

2. Commitment letter signed and handed in for SBTi, 25th April 2022, gross emissions reduction with reference year 2021, target year 2030



EVONIK

Leading Beyond Chemistry