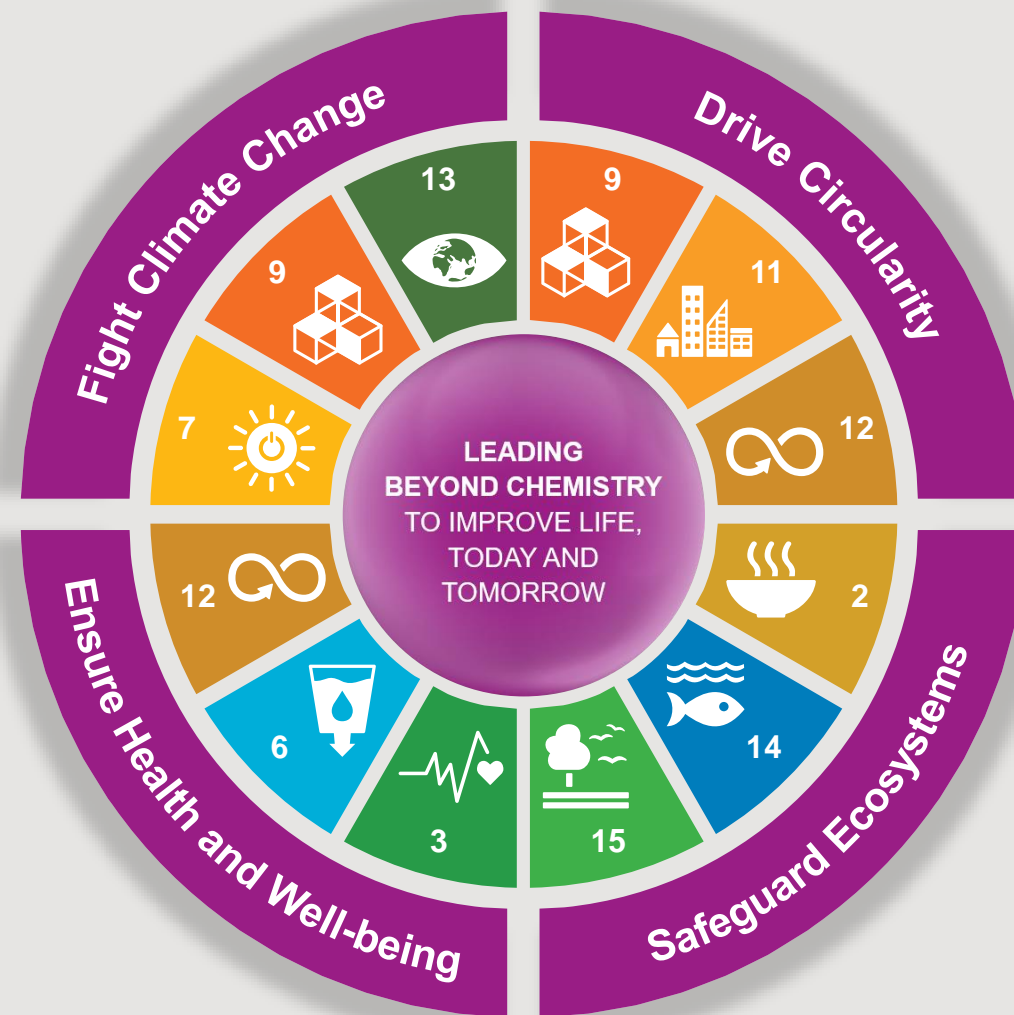


Sustainability at Evonik.

2024

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

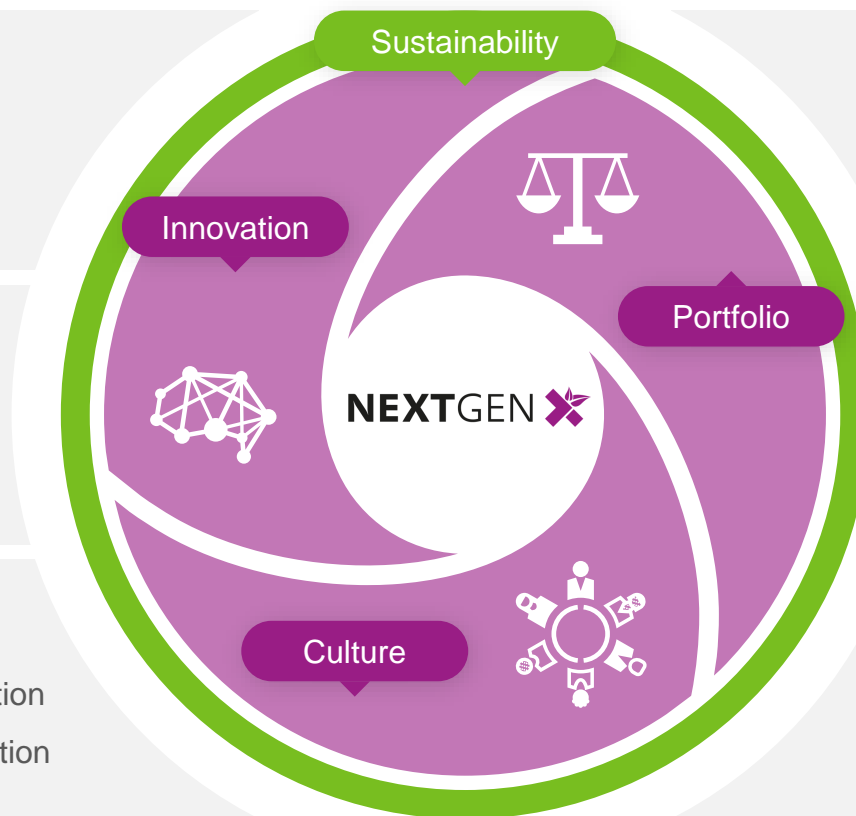
- + Exit Performance Materials
- + Full focus on three attractive growth divisions

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 2030

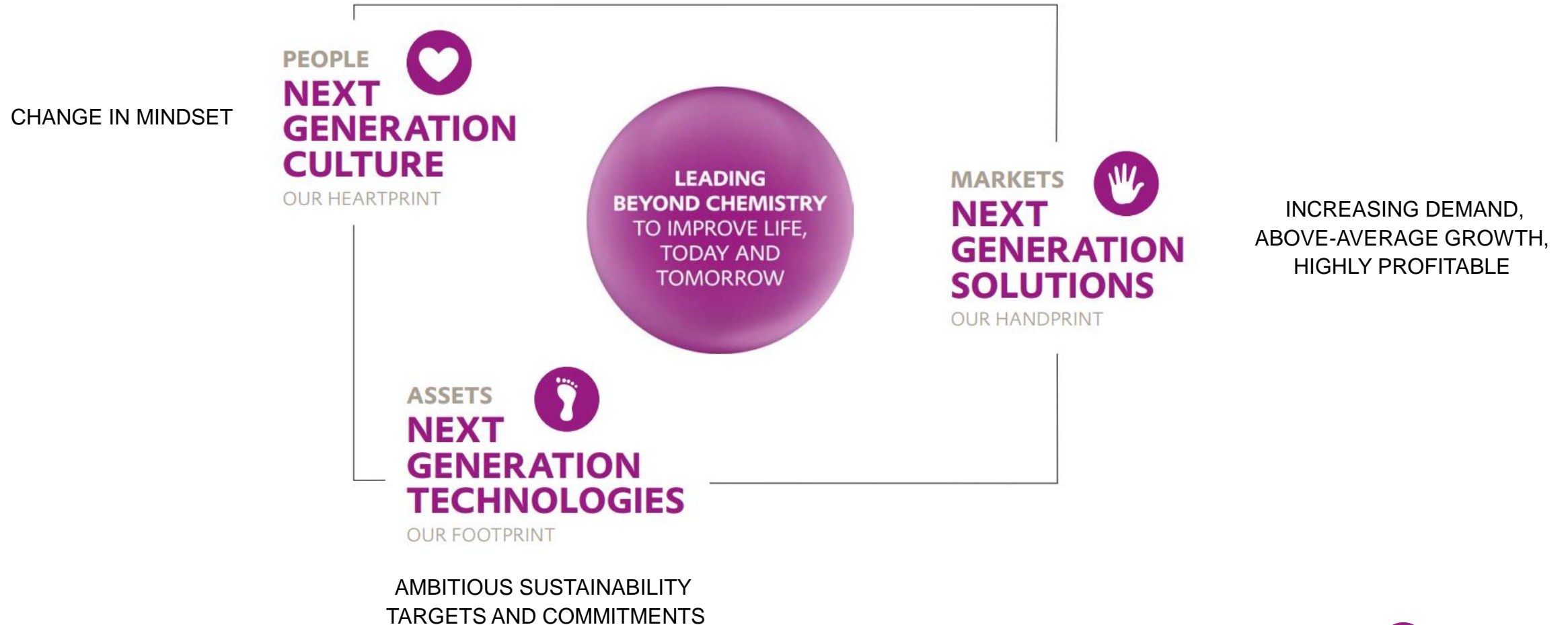
- + >50% sales share of **NEXTGEN Solutions** ✨
- + -25% CO₂ emission reduction, e.g. via **NEXTGEN Technologies** ✨

Financial Targets

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

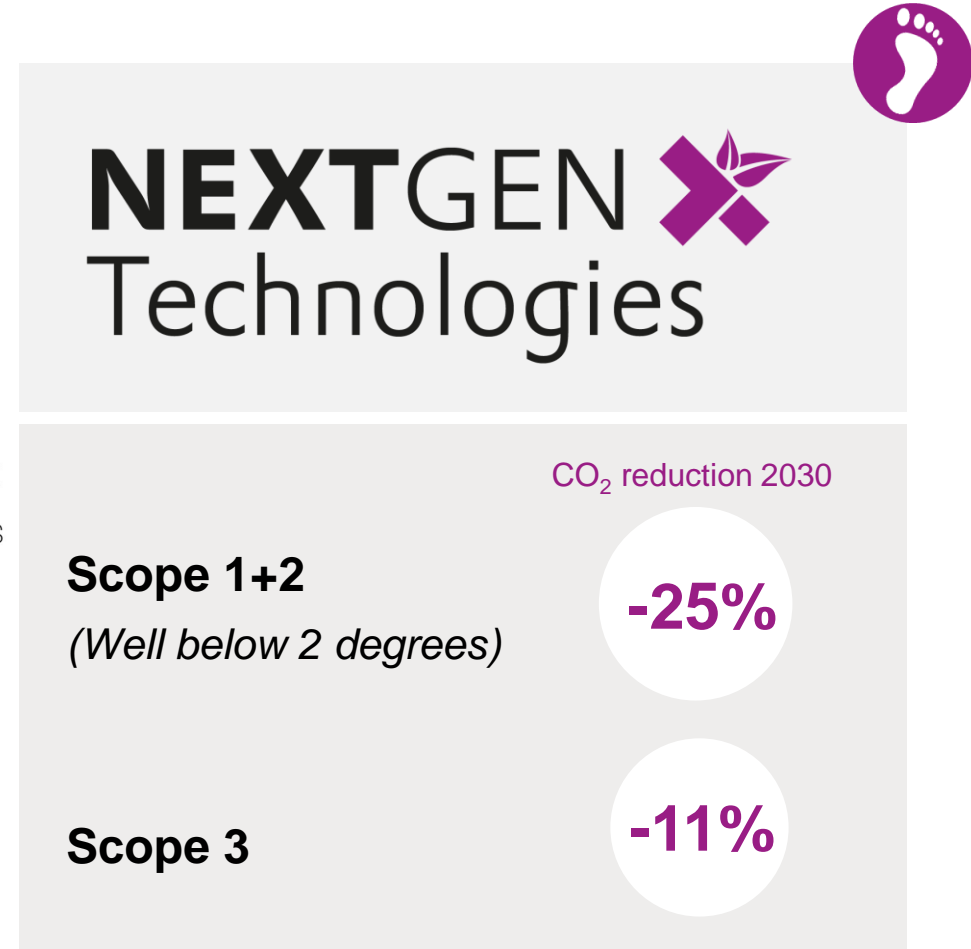
Sustainability as backbone of Evonik's purpose and strategy

Setting the frame



Ambitious commitments on handprint and footprint

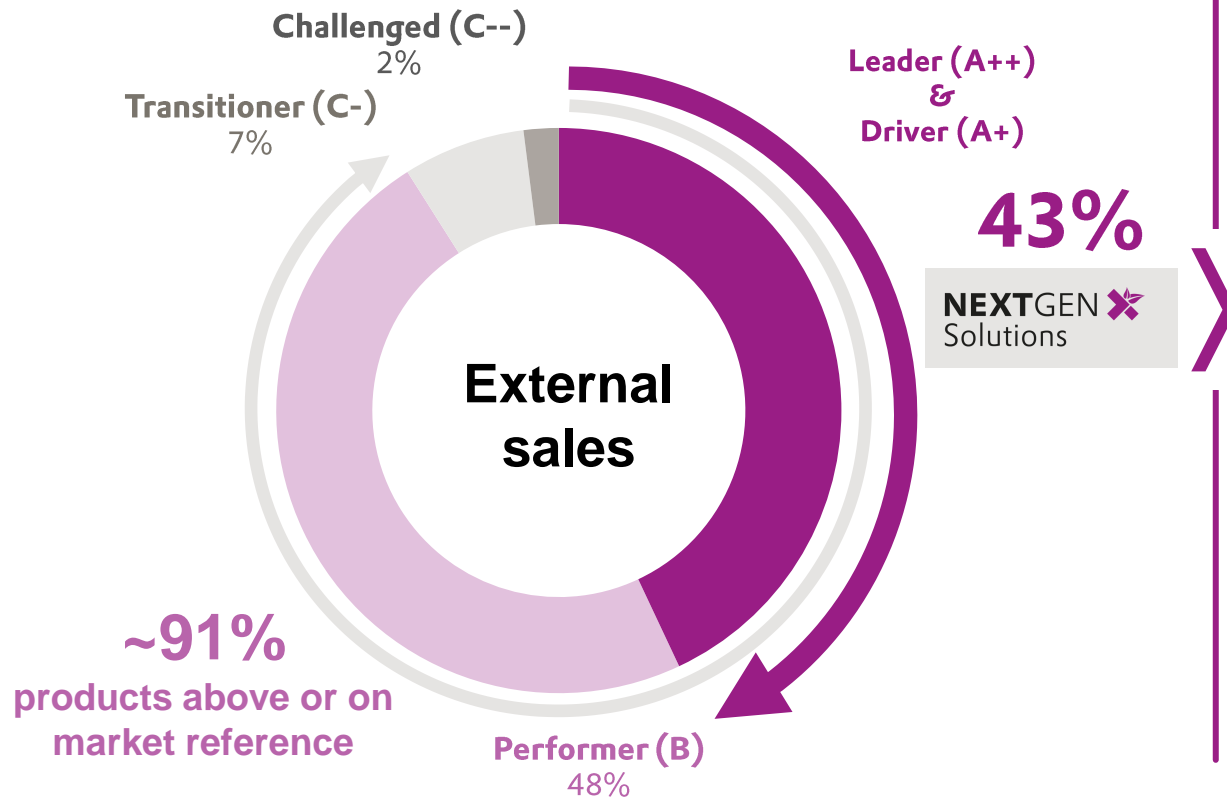
In line with Science Based Targets



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

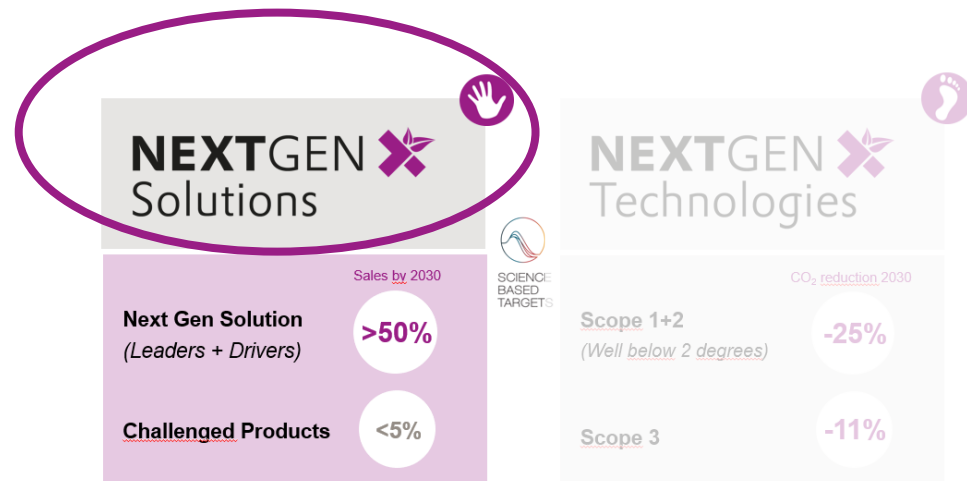
...deliver **superior sustainability benefits** to our customers

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 investments¹ until 2030

1. Capex for selected projects between 2022 and 2030

Three levers to increase the share of NGS

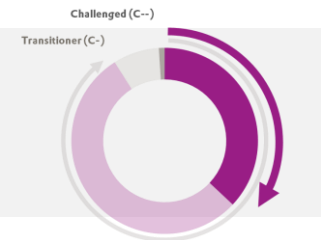
1 Superior sales growth rates of existing “Next Generation Solutions”



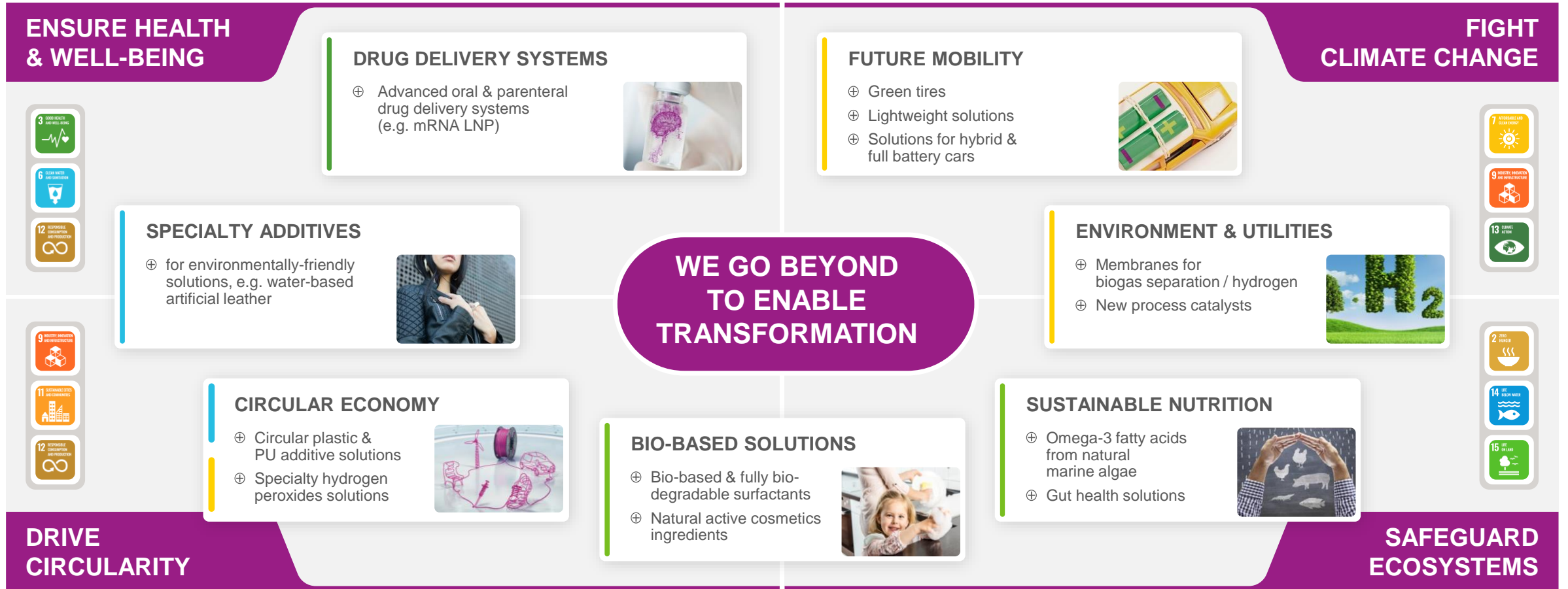
2 New sales from innovations becoming “Next Generation Solutions”



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



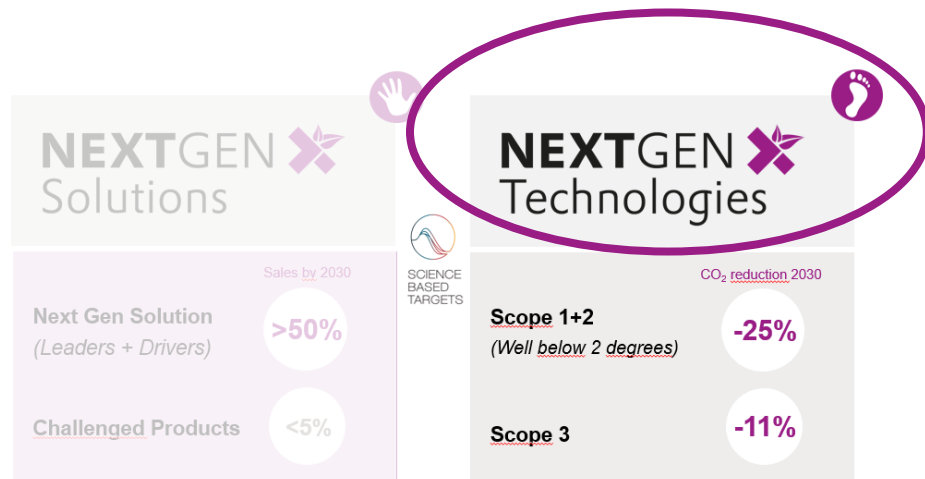
Handprint: Superior sales growth rates of existing “NGS” Portfolio circled around our four “Sustainability Focus Areas”



Footprint: Our commitments to reaching the Paris Climate Agreement

Site-driven transformation

Next Generation Technologies

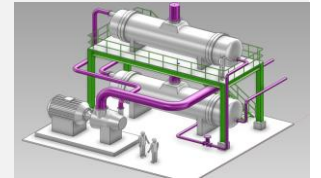


€700 million of investments¹ until 2030

1. Capex for selected projects between 2022 and 2030

Key levers

1 Strong Sites



2 Process Efficiency



3 Renewable energy



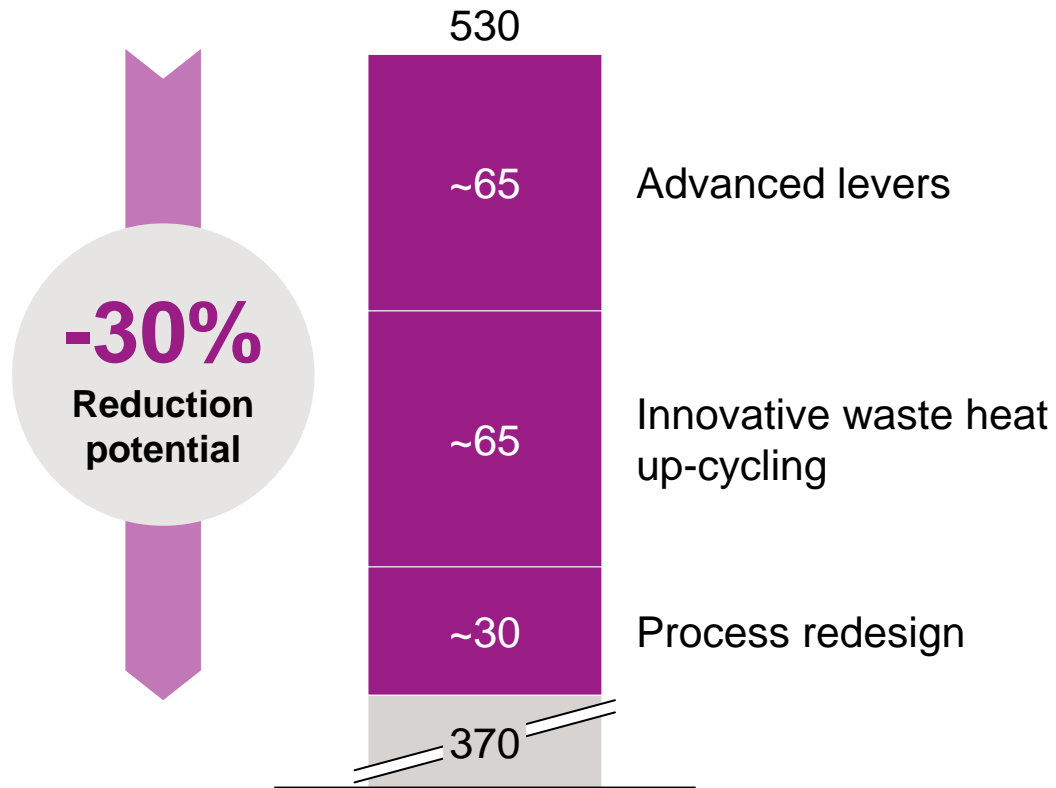
4 Sustainability Data Management



Footprint: “Next Generation Technologies”

Site-driven transformation: Example Antwerp as blueprint for other sites

Reduction¹ by economically attractive measures



“Next Generation Technologies” (selected examples)

2a

- Advanced Process Control (APC) ensuring production at ideal operating point
- Heat exchangers for improved heat integration

2b

- High temperature heat pumps for valorization of waste heat
- Mechanical vapor recompression

2c

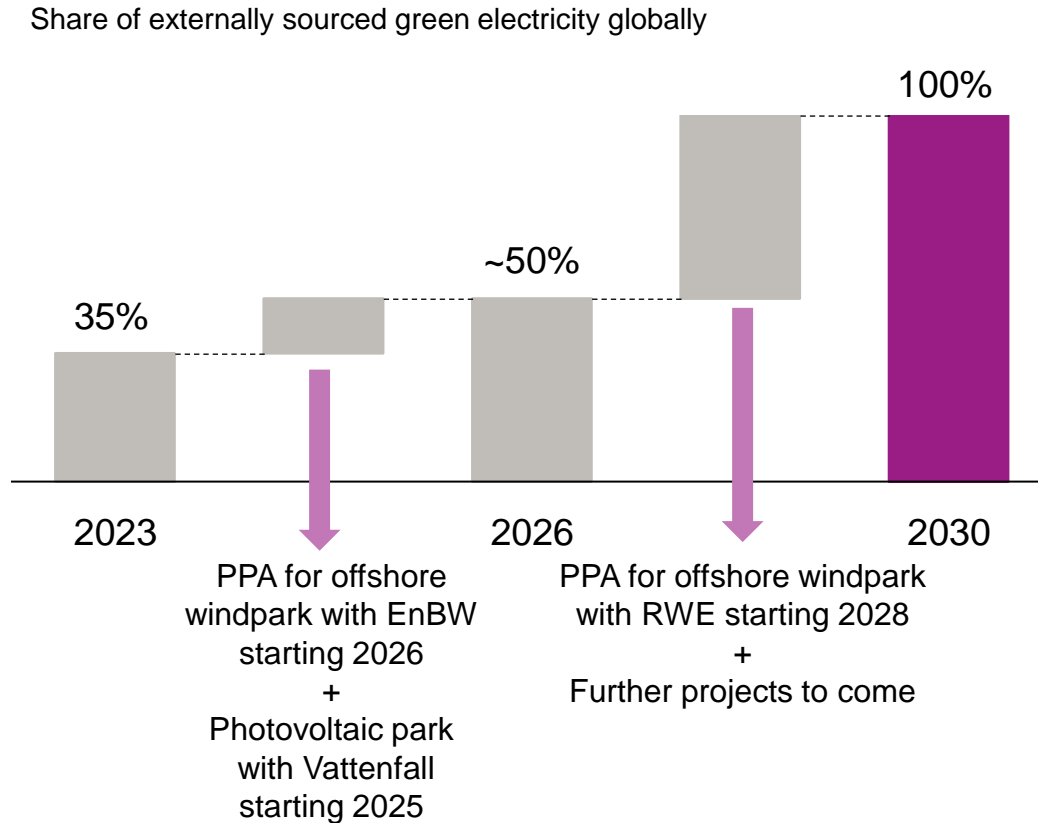
- CO₂ reuse in production processes
- Adaptation of reaction conditions for increased energy efficiency

1. Gross emissions in kt CO₂e

Footprint: renewable energy

Targeting 100% renewable sourced electricity until 2030

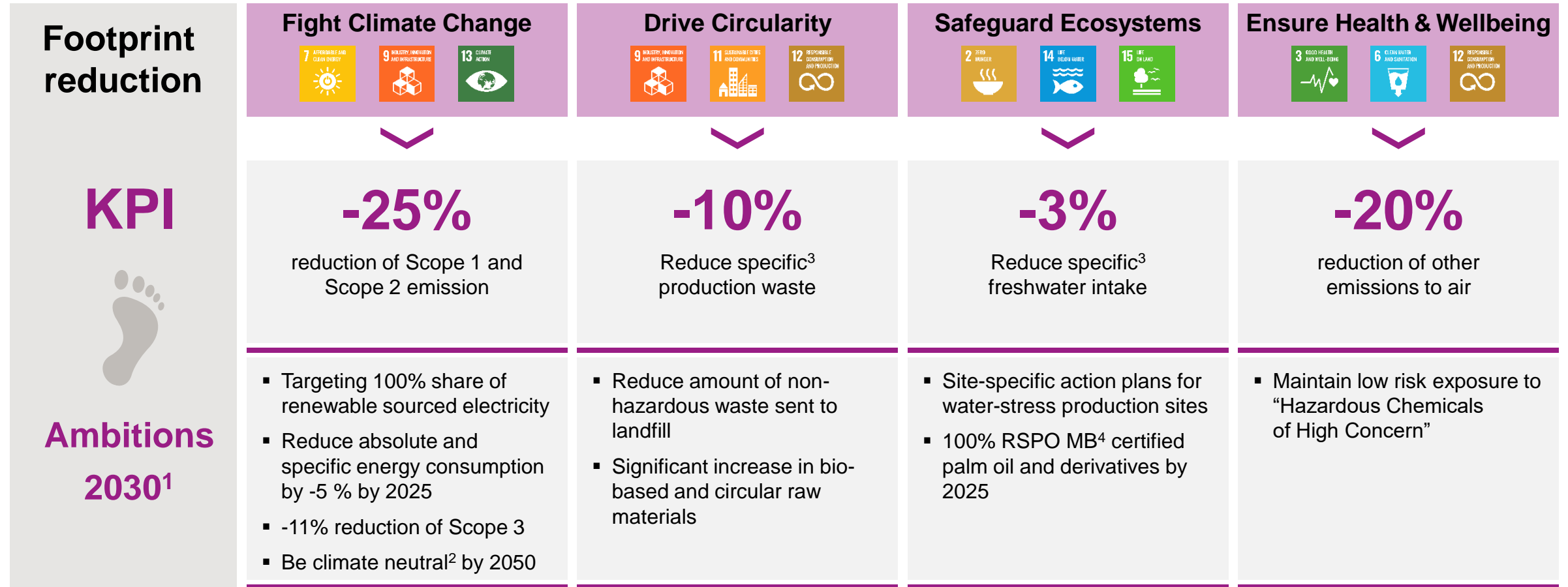
Increase of share of green sourced electricity to ~50% in 2026 with recent PPAs



1. CO₂ reduction occurs in GHG protocol scope 1 or 3, dependent on selected accounting methodology (incl. or excl. biogenic carbon removals and emissions)

Footprint: Reduction targets in all our sustainability focus areas

Measurable set of KPIs in place



1. Reference year 2021; 2. On all scopes 1, 2, 3; 3. Corresponding to the production volume; 4. RSPO MB: Roundtable on Sustainable Palm Oil Mass Balance

Ambitious sustainability targets backed by financial commitment

Capex as key element for investments into handprint & footprint

■ Maintenance capex
■ Growth capex



WE INCREASE OUR HANDPRINT

Majority of growth capex for
“Next Generation Solutions”

>€3 bn

2022-2030²

~€800 m

NGT

~50%

~50%

Capex FY 2023¹



WE REDUCE OUR FOOTPRINT

Including capex for
“Next Generation Technologies”
mainly on top of maintenance

~€700 m

2022-2030³

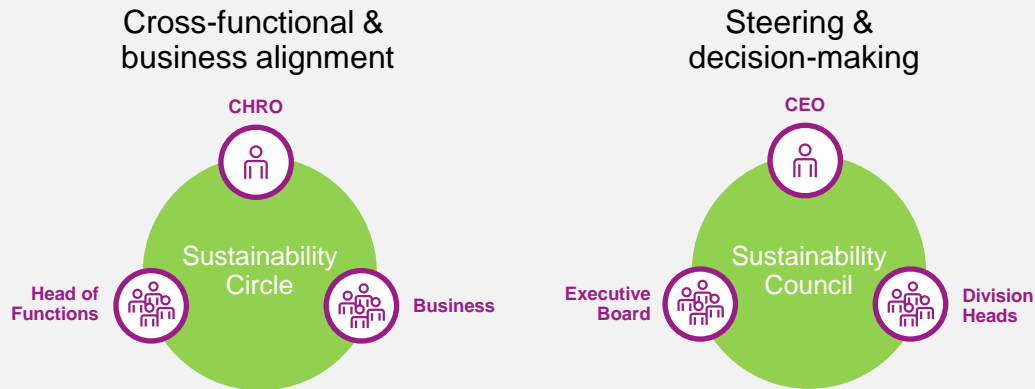
1. Incl. ~€35 m for Performance Materials | 2. ~€350 m p.a. | 3. ~€80 m p.a. on average incl. ~€15 m p.a. for PM, ramping up gradually over the coming years

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 commitment**

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%



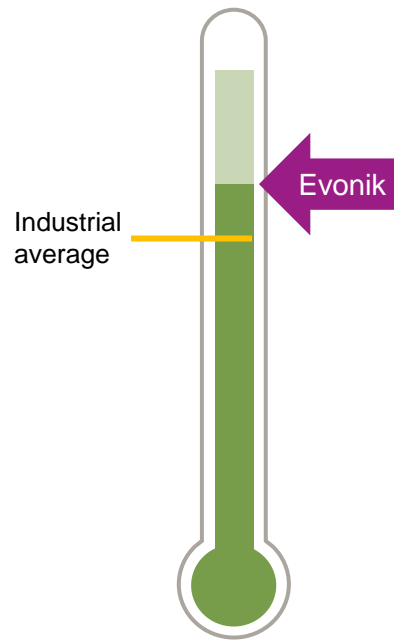
-25%

1. NGS: "Next Generation Solutions"

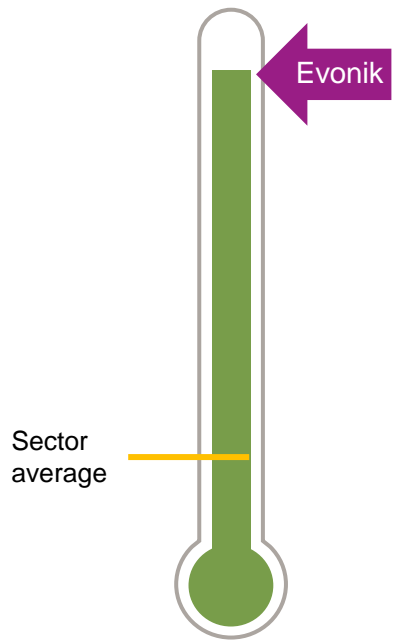
2. Confirmed SBTi target for Scope 1 & 2 ("well below 2 °C"); gross emissions reduction with reference year 2021, target year 2030

Sustainability Rankings

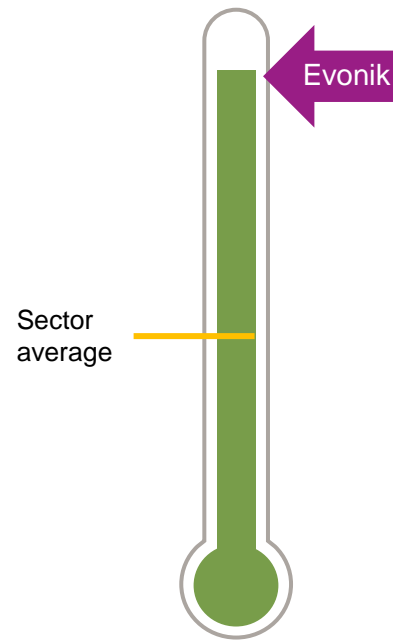
Evonik best-in-class within chemicals sector



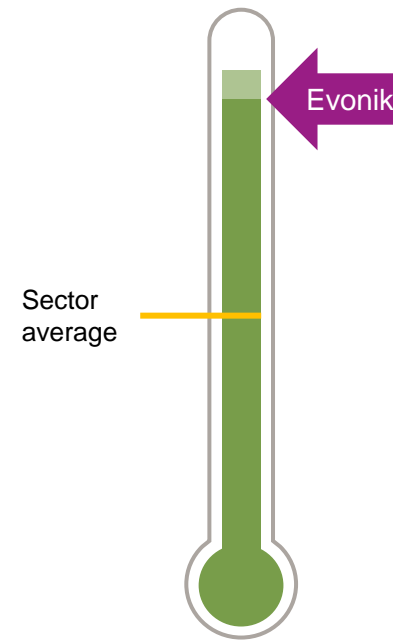
“AA”¹



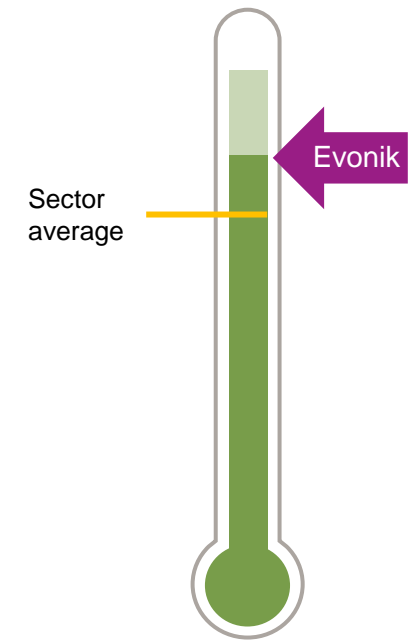
“Platin”²



“B-”³



Top 5%⁴



“A-”⁵

1: Rating on a scale of AAA to CCC | 2: Top 1% of companies assessed | 3: Rating on a scale of A+ to D- | 4: out of ~600 companies ranked in the chemical sector | 5: Rating on a scale of A+ to D-



EVONIK

Leading Beyond Chemistry