

Policy Statement on Human Rights of Evonik Operations GmbH

NOVEMBER 2023



Our commitment

Leadership and management processes at Evonik are rooted in the belief that behaving responsibly is essential for the long-term success of any company. Our corporate claim and purpose—Leading beyond chemistry to improve life, today and tomorrow—describes how we deliver on this responsibility: through our products and our contribution to society.

Respecting human rights is a core element of corporate responsibility. We are committed to respecting internationally recognised human rights in our own business operations and we advocate for ensuring that they are observed along our supply chain. For us, this includes the following international agreements and standards:

- The United Nations [International Bill of Human Rights](#)
- The International Labour Organization's [Declaration on Fundamental Principles and Rights at Work](#)
- The [Ten Principles](#) of the UN Global Compact
- The [OECD Guidelines](#) for Multinational Enterprises.

In the implementation of our human rights due diligence obligations, we act on the basis of the United Nations [Guiding Principles on Business and Human Rights](#) and explicitly focus on the rights of the groups that are (potentially) affected. In doing so, we will pay special attention to the corresponding rights of vulnerable and possible higher-risk groups and parts of the population.

Our commitment to respecting human rights is also shown by the voluntary initiatives of which the Evonik Group is already a member:

- United Nations Global Compact
- World Business Council for Sustainable Development
- Together for Sustainability
- Responsible Care Global Charter

Our policy statement on human rights highlights our general commitment to respecting human rights and to an intact environment, as reflected in other Group policies, for example:

- The Evonik Code of Conduct
- The Evonik Global Social Policy
- The ESHQE-Policy of Evonik Industries AG
- The Evonik Code of Conduct for Suppliers

We comply with the applicable laws everywhere we operate. In countries where local laws differ from internationally accepted human rights, we look for ways to implement the above international standards without coming into conflict with local legislation.

Scope and expectations

This policy statement applies to Evonik Industries AG, Evonik Operations GmbH, and all companies over which Evonik Industries AG or Evonik Operations GmbH exercises a controlling influence (Evonik Group), insofar as it does not conflict with mandatory local laws. Evonik Industries AG and Evonik Operations GmbH are obligated parties under the German Supply Chain Due Diligence Act (LkSG).

Moreover, at all other companies in which we are invested, we work to ensure that the above internationally recognized standards are observed.

We expect our employees to be familiar with this policy statement and to respect and actively support it in their daily work. We expect managers to ensure that the standards defined in this policy statement are implemented effectively in their sphere of influence. We will inform all employees about these standards and actively support them in implementing them. In particular, the Evonik Code of Conduct specifies our expectations in this regard.

As a basis for successful cooperation, we expect our suppliers and other business partners to comply with these standards and to implement appropriate processes to respect human rights. That includes providing information on

Policy Statement on Human Rights

request on how compliance with the defined principles is ensured in their sphere of influence and how they ensure compliance. In particular, the Evonik Code of Conduct for Suppliers specifies our expectations in this regard.

We are committed to ensuring that there are no breaches of human rights in our business relationships and value chains. We define appropriate preventive and remedial measures. Wherever we become aware of a violation of human rights, we work to remedy this. If this is not effective, we reserve the right, as a last resort, to terminate the business relationship.

Human rights in Evonik's business area and in the supply chain

Human rights and environmental standards and processes in our own business operations and at our suppliers are based on the pillars described below.

Right to health, safety, and a clean environment

As a chemical company, occupational safety and health protection are right at the top of our agenda. That includes protecting the health, safety, and employability of our employees and preventing accidents and incidents at work, in the operation of our production facilities, during transportation, and on the way to and from work. We explicitly include contractors' employees, suppliers' employees and partner companies at our sites worldwide in this.

Protecting the environment is of the highest importance for us as a specialty chemicals company. We implement a wide range of [measures](#) to minimize our impact on natural resources and the basis of life and reduce our consumption of resources and emissions. These include timely identification, evaluation, and minimization of the potential health and environmental risks in our portfolio. As well as complying with all statutory requirements, that includes [voluntary commitments](#) that go beyond these requirements.

We strive to offer products that contribute to sustainable development and to meeting the UN Sustainable Development Goals (SDGs).

We are also committed to the Minamata, Stockholm and Basel conventions.

We have put in place extensive standards, processes, and systems to ensure the safety of our employees, our sites, and local communities, as well as the transportation of raw materials, packaging, and other goods and products to and from our sites. We impose high requirements on our own security personnel and external safety and security service providers. These include respecting human rights.

Fair treatment and protection against discrimination

All personnel—full- and part-time employees, agency staff, temporary employees, apprentices, and interns—must be treated with respect and dignity. Abuse and harassment are not tolerated. We stand for equality of opportunity and do not tolerate any form of discrimination or unjustified inequality, for example, on the basis of ethnic origin, skin color, religion or beliefs, political, social or trade union activity, age, gender, sexual identity or orientation, physical constitution, or appearance.

Right to fair pay and regular working hours

We pay fair and performance-oriented compensation and act in accordance with the principle of equal pay for equal work. Our remuneration complies with or exceeds national statutory requirements or common sector standards. Our aspiration is that all employees in the supply chain receive a living wage.

We are committed to regular working hours that do not entail health risks. This is implemented within the applicable legislative framework with the aim of complying with the standards on working hours defined by the International Labour Organization (ILO) and promoting them everywhere in the supply chain. In our own operations, working hours may not exceed the maximum set by local law, and all ILO agreements on working hours, breaks, and paid vacation applicable for the location must be observed. We expect the same of our suppliers and other business partners.

Freedom of association and collective bargaining

We acknowledge that basic right to form and join trade unions or to consider such steps and to bargain collectively. We are committed to trustful collaboration with employee representatives. Establishing, joining, or membership of a

Policy Statement on Human Rights

trade union may not result in unequal treatment or disadvantages.

Ban on forced labor, human trafficking, and child labor

We are strictly opposed to any form of exploitation of labor, forced or compulsory labor, bonded labor, involuntary or exploitative prison labor, human trafficking, and other forms of modern slavery. The collection and retention of identity documents and the application of any form of mental or physical abuse is strictly forbidden. Employment contracts must be concluded in writing (including electronically). Employment relationships must be voluntary and termination by both the employee and employer must be possible, subject to appropriate periods of notice.

We are strictly opposed to all forms of child labor within the meaning of ILO conventions numbers 138 and 182. For Evonik, this means that young people must be protected so that their health is not put at risk and they can develop freely.

Rights of local communities and indigenous peoples

We respect the rights of local communities and indigenous peoples who could be affected by our business activities and those of our business partners. We recognize the UN Declaration on the Rights of Indigenous Peoples.

Procurement of raw materials, precursors, indirect goods, packaging, and services, including logistics

We are aware that we are exposed to human rights and environment-related risks in the procurement of raw materials, precursors, indirect goods, packaging, and services, including logistics services, from our direct suppliers and from lower tiers in the supply chain. Accordingly, we have created a standardized process to identify and prioritise risks and to define and implement appropriate and effective preventive and remedial measures (see "Priority risks").

Collaboration with other business partners

We have also developed appropriate processes for reviewing human rights and environmental risks in relation to our collaboration with business partners outside of our suppliers and take these into account appropriately in our decisions. This applies in particular to M&A and investment projects, as well as to the use of external intermediaries.

Priority risks

Based on a comprehensive risk analysis of our own business operations and in relation to our supply chain (see also "Human rights due diligence processes - risk analysis"), we have identified priority human rights and environmental risks for Evonik.

Own business operations:

We have included all Evonik sites throughout the Group in the risk analysis, focusing on the risks to various vulnerable groups at these sites and on the relevant processes and systems.

The following priority topics were identified in our own business operations for further assessment and - where necessary - the development and implementation of additional measures:

- Environment: Due to the high severity (extent/irreversibility) of the risk and the frequent presence of local communities around our production sites worldwide
- Security forces: Due to the very high severity of the risk, the use of private and - in one case - public security forces at our sites, as well as the frequent presence of local communities around our production sites
- Hazardous waste: Due to the high severity of the risk as well as the increased amount of hazardous waste generated in Evonik's production processes.

Suppliers:

In the risk analysis, we focussed on the systematic and Group-wide survey of risk issues at direct and indirect suppliers that had already been identified in the previous year. The annual review took place in addition to the ongoing supplier-specific risk management for direct suppliers. We will successively include any further risk areas in the deeper supply chain in the analysis.

In the supply chain, the following priority topics were identified for further assessment and - where necessary - the development and implementation of additional measures:

Policy Statement on Human Rights

- Metallic and mineral raw materials: Due to the very high human rights risks, particularly in the extraction and processing of these materials
- Renewable raw materials: Due to the very high human rights risks, particularly in the cultivation of certain raw materials
- Services: Due to the high human rights risks for employees, particularly in connection with low-skilled and/or low-paid labour and the use of subcontractors
- Logistics: Due to the high to very high human rights risks associated with certain modes of transport such as sea freight or road transport.

Human rights due diligence processes

In order to fulfil our commitment to respect human rights, we implement the following systems and due diligence processes, which we regularly review and improve. Our aim is to systematically identify, minimise and - where relevant - remedy risks and negative impacts.

Risk management system, governance, and responsibilities

Human rights are a pillar of the "House of Compliance," where Evonik brings together the compliance areas of specific relevance to the group. The Chief Compliance Officer registers and monitors the relevant rules and regulations and Evonik's voluntary commitments in the area of human rights.

A Human Rights Officer was appointed for the first time in 2022. The Human Rights Officer is managing a cross-functional roundtable established by the executive board that coordinates the implementation of the human rights' due diligence processes in the relevant corporate functions. We are constantly working to implement aspects of human rights through central and decentralized structures in all day-to-day business processes.

An extensive human rights compliance management system (CMS) aims to identify the corresponding risks, avoid breaches of the regulations, investigate critical issues, and remedy any proven violations.

The Chief Compliance Officer is responsible for ensuring that the CMS is appropriate and effective.

A tool-based risk management system covering all Evonik sites worldwide is designed to identify human rights and environment-related risks and impacts to the groups affected and to initiate and track appropriate preventive and remedial measures.

The management is informed regularly—at least once a year—of the work of the Chief Compliance Officer and the Human Rights Officer. This is ensured through appropriate processes for standard and ad-hoc reporting.

Further information on the structure and implementation of the compliance management system can be found in the annual [sustainability report](#).

Policy statement on human rights

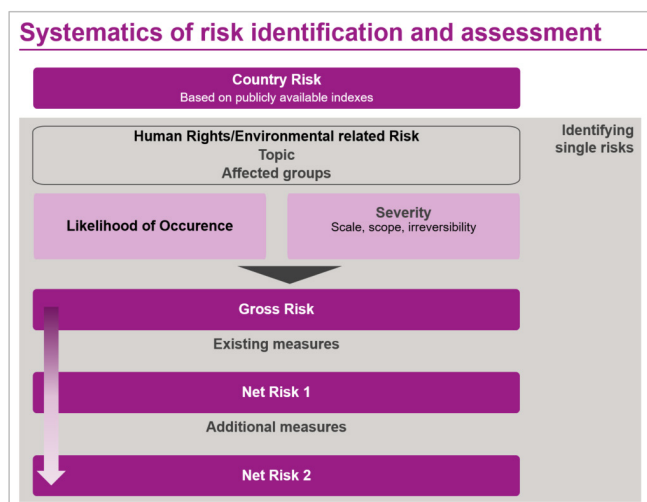
The following documents are related to human rights and support this policy statement on human rights. They contain details of our voluntary commitment and the expectations we place in our business partners and other stakeholders:

- Evonik Code of Conduct
- Evonik Global Social Policy
- The ESHQE-Policy of Evonik Industries AG
- Evonik Code of Conduct for Suppliers

Risk analysis

Within our scope of our risk analyses, which we carry out annually for our own business operations, our supply chain and our services and products, as well as on an ad hoc basis, we identify topics and risks that we consider to be priorities due to their potential severity, this can include necessary additional measures.

Our annual company-wide human rights risk analysis for our own business operations and in relation to the supply chain aims to identify risks and risk areas and to evaluate the associated management systems. The analysis covers all Evonik sites worldwide and is carried out using an IT tool.



We weight and prioritize the risks identified by severity (extent, scope, irremediability) and likelihood. The determination of the net risks takes into account both existing preventive and remedial measures and the necessary supplementary measures.

The annual analysis is supplemented by ongoing supplier-specific risk management for direct suppliers (see "Preventive measures").

We incorporate the results of our risk analyses into all relevant business processes and implement appropriate and effective preventive and corrective measures in our own business operations and in relation to our suppliers in accordance with our scope of influence.

Preventive measures

We have put appropriate preventive measures in place both in our own business operations and in collaboration with direct and indirect suppliers. These are derived from the results of the risk analysis in combination with existing general measures, origin (caused by, contributed to, directly involved in) and—where relevant—our ability to influence the direct originator of a breach of human rights.

In our **own business operations**, we already have solid measures, which we will successively extend and continuously improve. In particular, we will sharpen our "global" perspective on human rights and environment-related risks and measures; in the coming years we will strengthen the knowledge and resources required by our regional structures to implement these measures.

The [code of conduct for suppliers](#) documents the demands we make on our **direct suppliers** and sets out the expectation that our suppliers in turn require their suppliers to comply with corresponding standards. It is supported by a risk-based system for supplier validation, evaluation, and development. We define our expectations in risk-based contractual agreements and monitor compliance with our standards through supplier self-assessments and evidence-based assessments and audits.

If shortcomings are identified, we initiate specific improvements and track them. We organize workshops where required for selected, especially strategic, suppliers. In the next years we will be stepping up our risk-based approach to supplier training.

We will perform further in-depth risk analyses of our **indirect suppliers** in the coming years, especially with regard to raw materials, precursors, indirect goods, packaging, and services (including logistics) that entail particularly high risk exposure and take appropriate preventive measures.

Examples are greater transparency of the deeper supply chain beyond Tier 1 suppliers, improved dialog with relevant suppliers and service providers, and stepping up collaboration with other companies through sector initiatives to jointly address systemic risks and, where relevant, those involving strong dependency where our scope to exert influence is less direct.

If there are specific indications of a possible breach of human rights or environment-related obligations at indirect suppliers, we will immediately perform a risk analysis and initiate any appropriate preventive measures or remedial action.

We will review the effectiveness of our preventive measures annually and as required.

Further information on supply chain management can be found in our annual [sustainability report](#)

Raising awareness of human rights and training

As part of the development of the human rights CMS, we have introduced a uniform global human rights training

Policy Statement on Human Rights

concept. The training formats are risk based. Employees with high exposure to human rights issues, especially in high-risk countries and areas, will be required to take mandatory classroom training and e-learning modules. For all other employees, the training formats are available on a voluntary basis.

We are also working to improve the integration of human rights topics into existing forums and processes (e.g., onboarding activities, procurement academy).

As part of the development and rollout of training activities, we will also be establishing processes and systems to measure the effectiveness of the training.

Complaints procedure and remedial action

Complaints procedure: violations of human rights at or in connection with Evonik can be reported via internal channels and a [whistleblower system](#) operated by an external service provider. Both employees and external stakeholders such as business partners, suppliers, and local inhabitants in the vicinity of Evonik sites can use this system, which is available in 20 languages, to report violations or potential violations to Evonik. If required, this can be done anonymously.

An internal regulation ensures that whistleblowers may not suffer disadvantages as a result of such reports, provided that the system is not abused.

Remedial action: We take action to mitigate and remedy any potential or actual breaches of human rights identified in our activities or business relationships. If we cause harm or contribute to such harm, we will take remedial action ourselves or, where necessary, with relevant partners. If we are indirectly involved in harm through our business relationships or our products, we will use our influence to take appropriate remedial action. If we do not see any improvement, we reserve the right, as a last resort, to terminate the business relationship.

Review of effectiveness

For the annual and ad-hoc review of the effectiveness and continuous improvement of our complaints procedure and the preventive measures and remedial action in our business area and at direct and indirect suppliers, we will (continue to) develop appropriate processes and success factors in

alignment with the requirements of the German Act on Corporate Due Diligence Obligations in Supply Chains and the UN Guiding Principles.

Reporting and communication

Transparent representation of our human rights activities is an important part of our duty of care. We provide information via various channels, such as our combined non-financial statement, our [sustainability report](#), and our responsibility website.

Dialog with groups that are (potentially) affected

To meet our due diligence obligations, we focus specifically on the risks of those groups that are (potentially) at specific risk, especially groups that are vulnerable and possible higher-risk groups or sections of the population. We aspire to establish a dialog with those affected, the relevant groups or their representatives so that their interests can be taken into consideration appropriately.

We are aware that systemic problems, in particular, cannot be solved in isolation; collaboration with others is normally necessary. We are therefore an active member of [various initiatives](#) that support socially and environmentally responsible business activity. In the future, we will continue to examine membership of further relevant sector initiatives, especially with regard to risks at lower tiers in the supply chain.

We are committed to continuous and cooperative development of our human rights due diligence activities and will regularly review this policy statement to ensure it remains up-to-date.

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Essen, November 2023

The management board of Evonik Operations GmbH

Previous version: Dezember 2022

Evonik has set up the following reporting and complaints channels in order to reach as many as possible of those potentially affected:

- An [electronic whistleblower system](#) operated by an independent external provider (“BKMS”), which is accessible 24/7 via the intranet and Evonik’s website. The system is available to internal and external whistleblowers at all times in more than 20 languages and also enables reports to be made anonymously. The system is certified as conforming with European data protection legislation. Technical security measures mean that neither Evonik nor the external provider can draw conclusions about the identity of the whistleblower if they prefer to submit their report anonymously. If whistleblowers set up a “postbox” in the system, Evonik can communicate with them
- confidentially—and anonymously.
- Furthermore, Evonik employees and leased employees working for Evonik can contact internal Compliance Officers in person or by phone. You can find the responsible Compliance Officer by entering your company ID in the [EasyContacts](#) tool.
- Internal and external persons can submit reports by email to: compliance-officer@evonik.com.

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