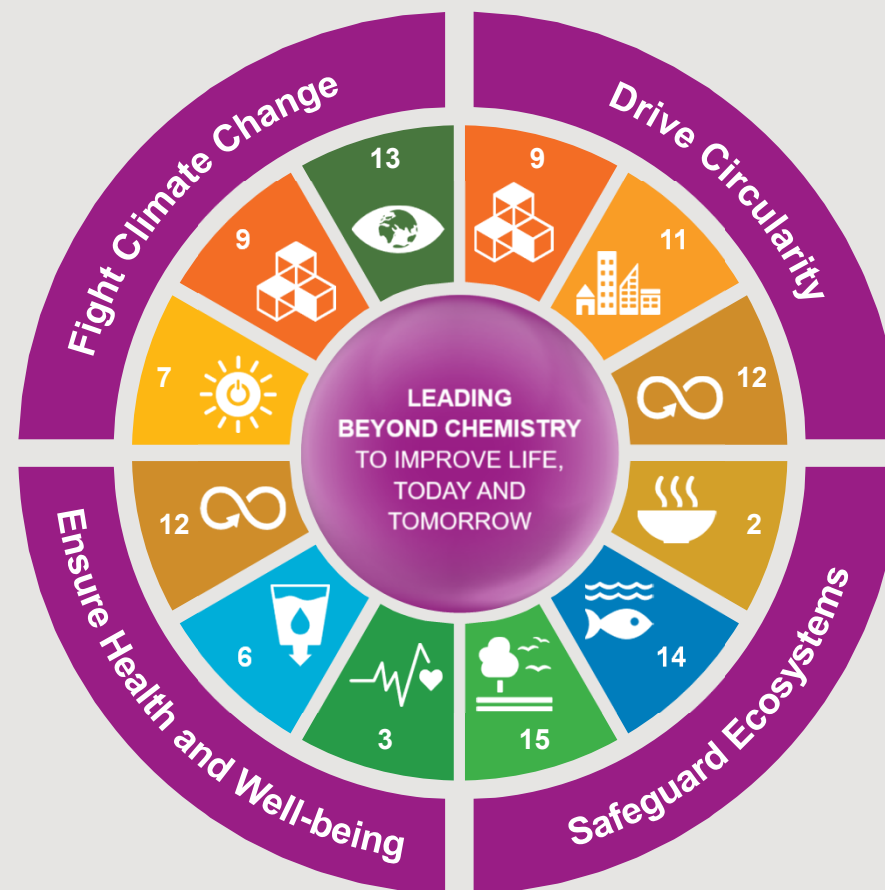


Sustainability at Evonik.

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

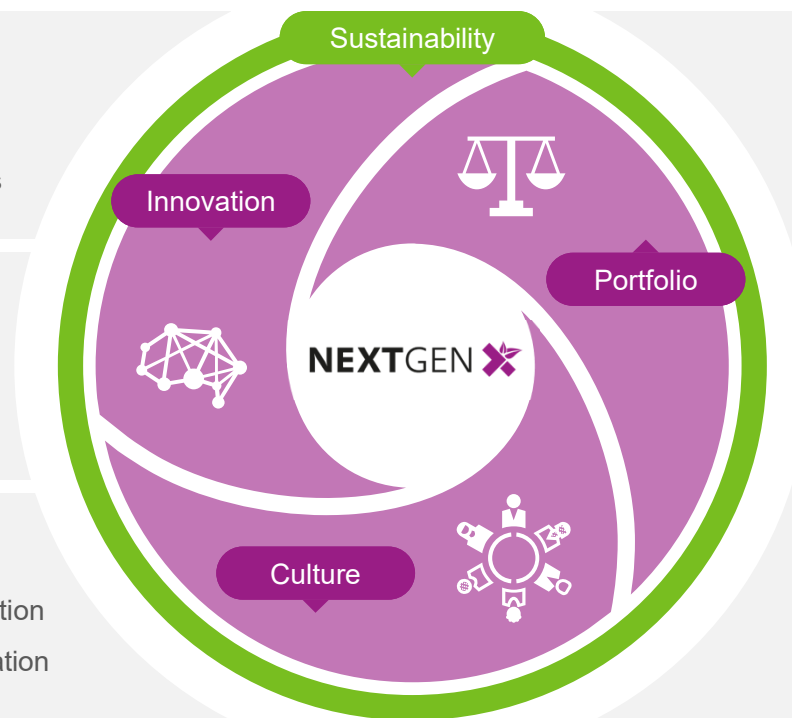
- + Exit Performance Materials
- + Full focus on three attractive growth divisions

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 reduction¹, e.g. via **NEXTGEN Technologies** ✖

Financial Targets

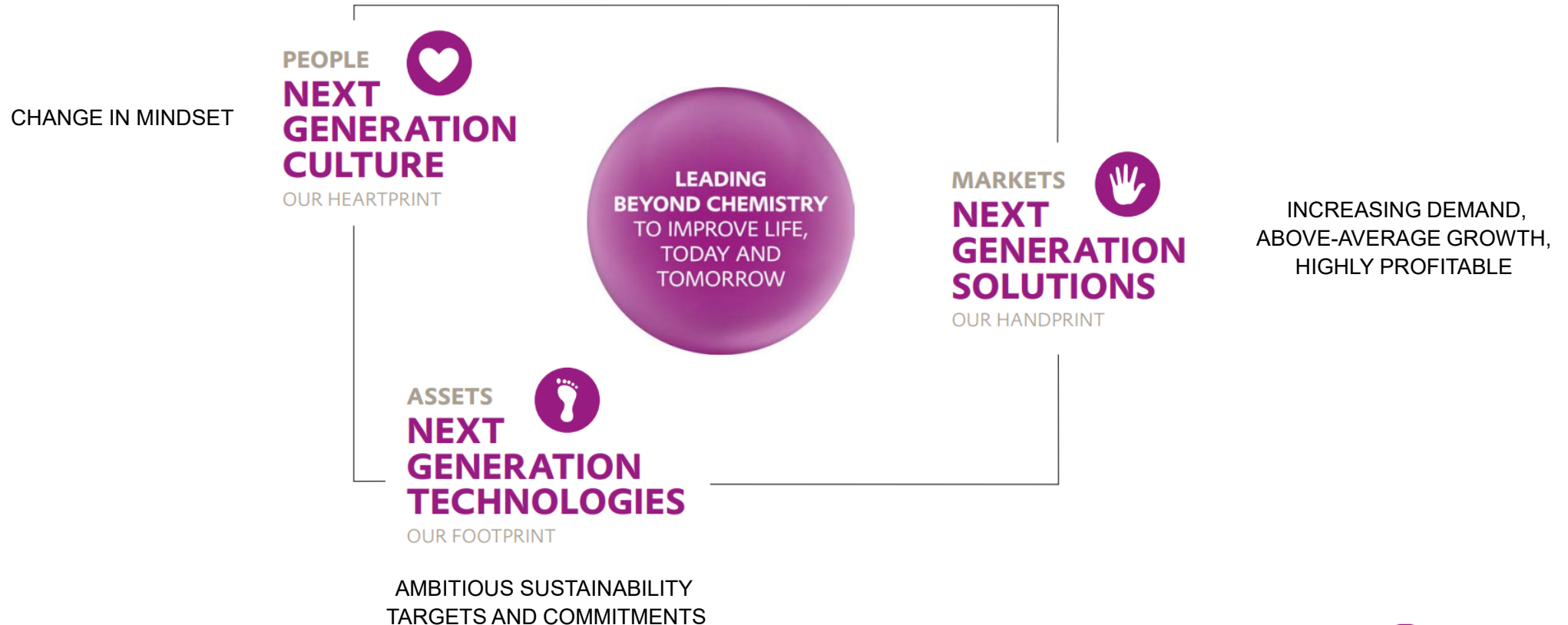
- + Organic growth >4%
- + EBITDA margin 18-20%
- + ROCE ~11%
- + FCF Conversion >40%

1. SBTi confirmed target on Scope 1 & 2 emissions

2 | Sustainability at Evonik

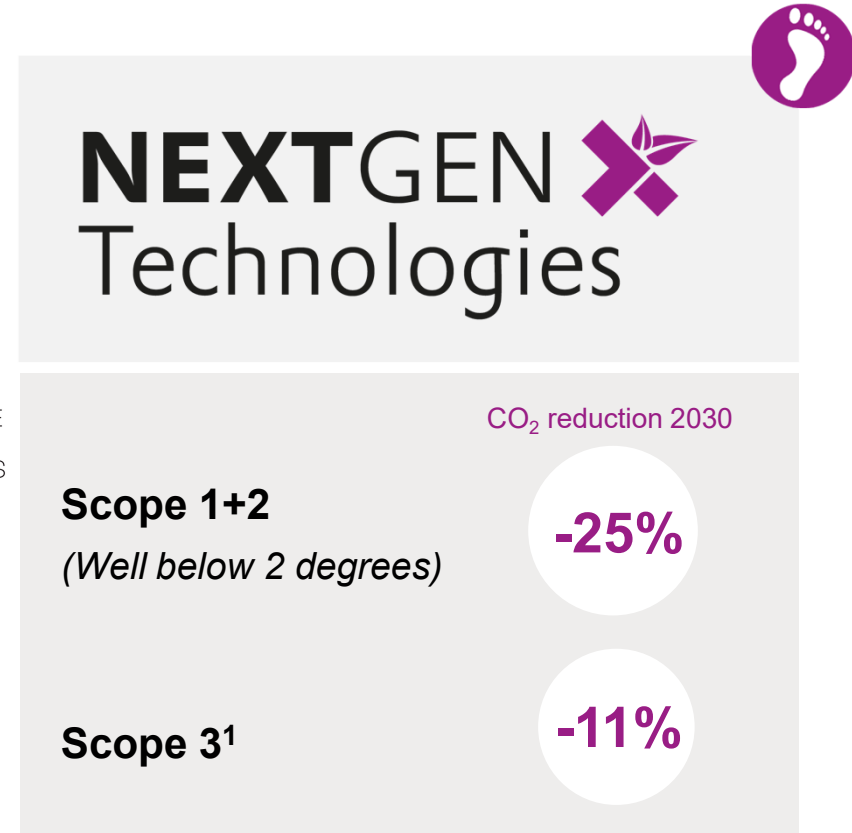
Sustainability as backbone of Evonik's purpose and strategy

Setting the frame



Ambitious commitments on handprint and footprint

In line with Science Based Targets

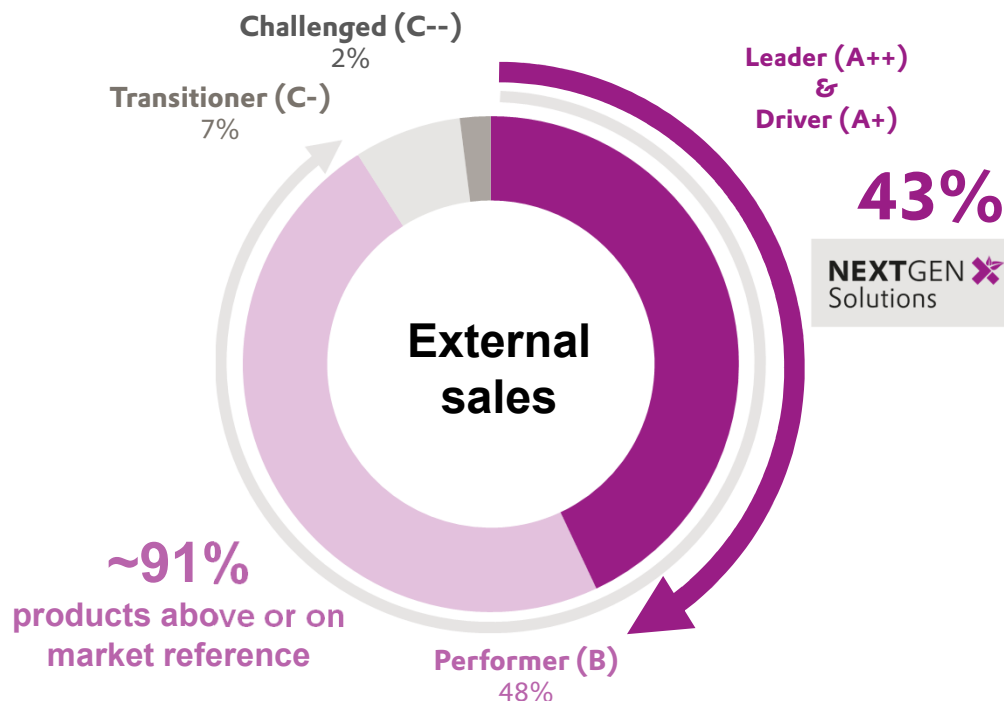


1. Exact target for Scope 3: -11.07 percent

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

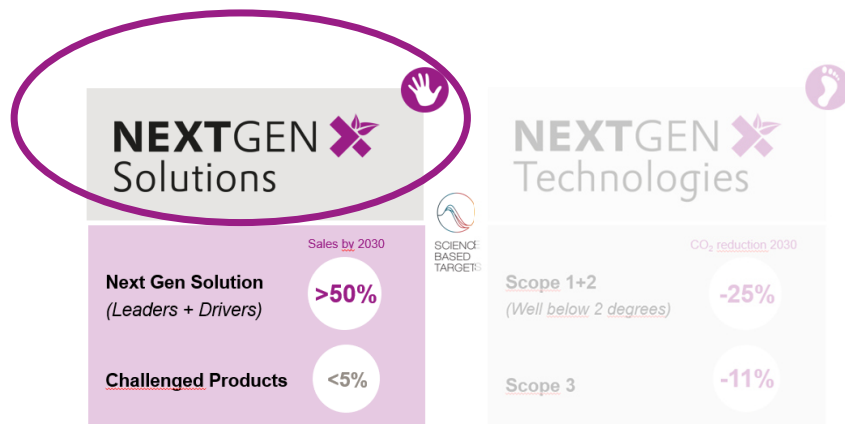
...deliver **superior sustainability benefits** to our customers

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

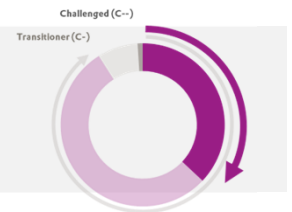
1 Superior sales growth rates of existing “Next Generation Solutions”



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



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



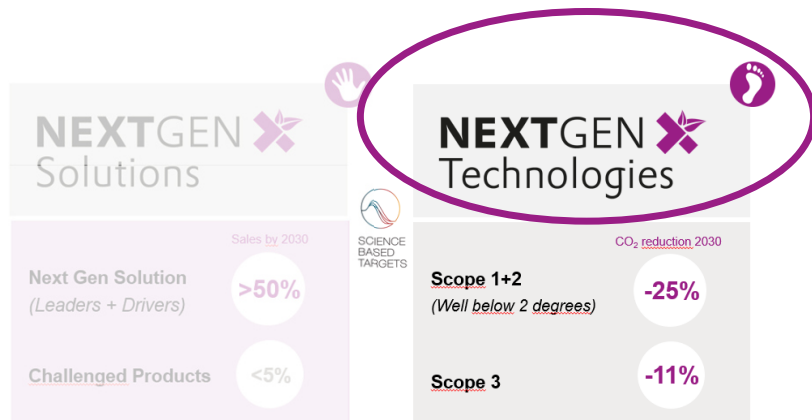
Handprint: Superior sales growth rates of existing “NGS” Portfolio circled around our four “Sustainability Focus Areas”



Footprint: Our commitments to reaching the Paris Climate Agreement

Site-driven transformation

Next Generation Technologies

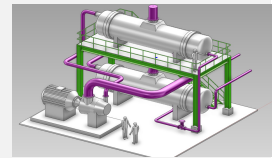


€700 million of investments¹ until 2030

1. Capex for selected projects between 2022 and 2030

Key levers

1 Strong Sites



2 Process Efficiency



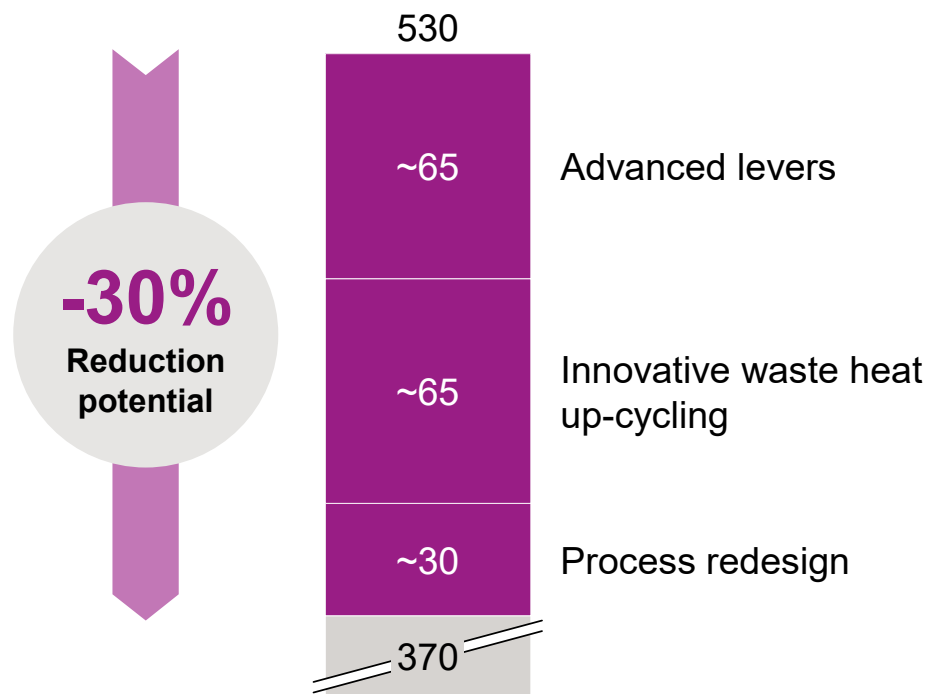
3 Renewable energy



Footprint: “Next Generation Technologies”

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

Reduction¹ by economically attractive measures



1. Gross emissions in kt CO₂e

“Next Generation Technologies” (selected examples)

2a

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

2b

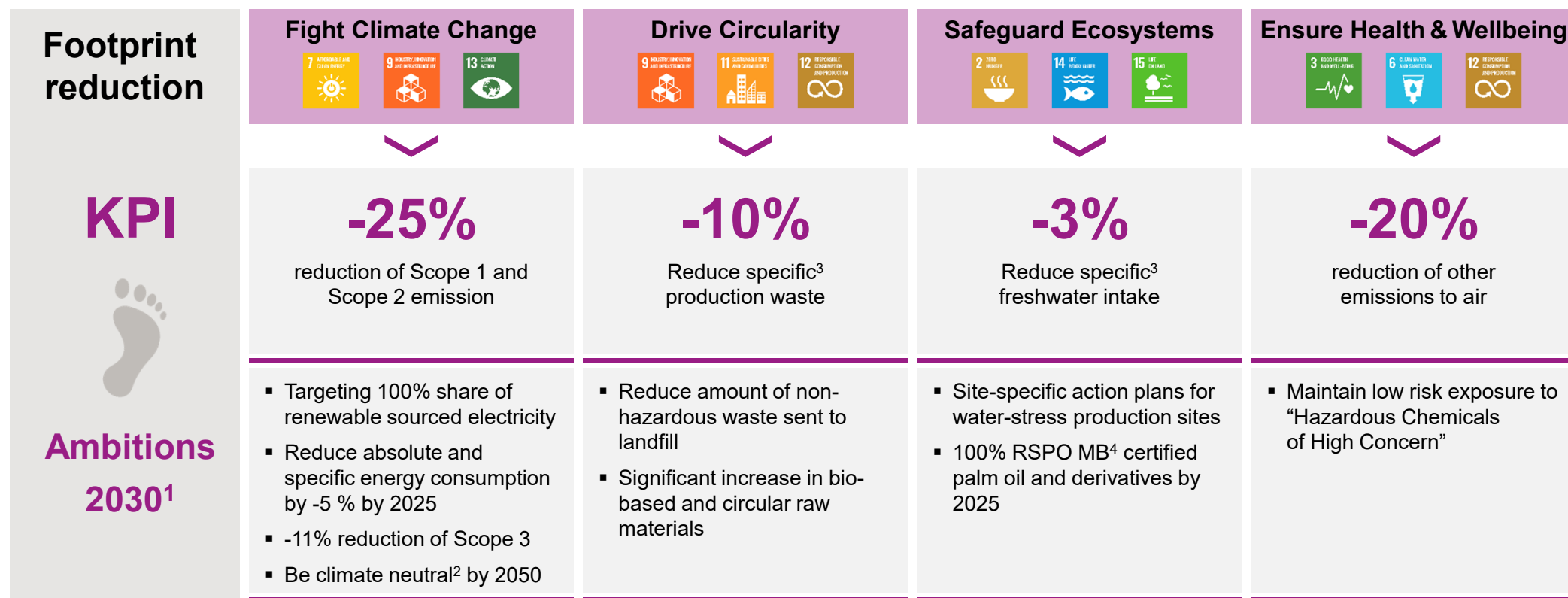
- High temperature heat pumps for vaporization of waste heat
- Mechanical vapor recompression

2c

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

Footprint: Reduction targets in all our sustainability focus areas

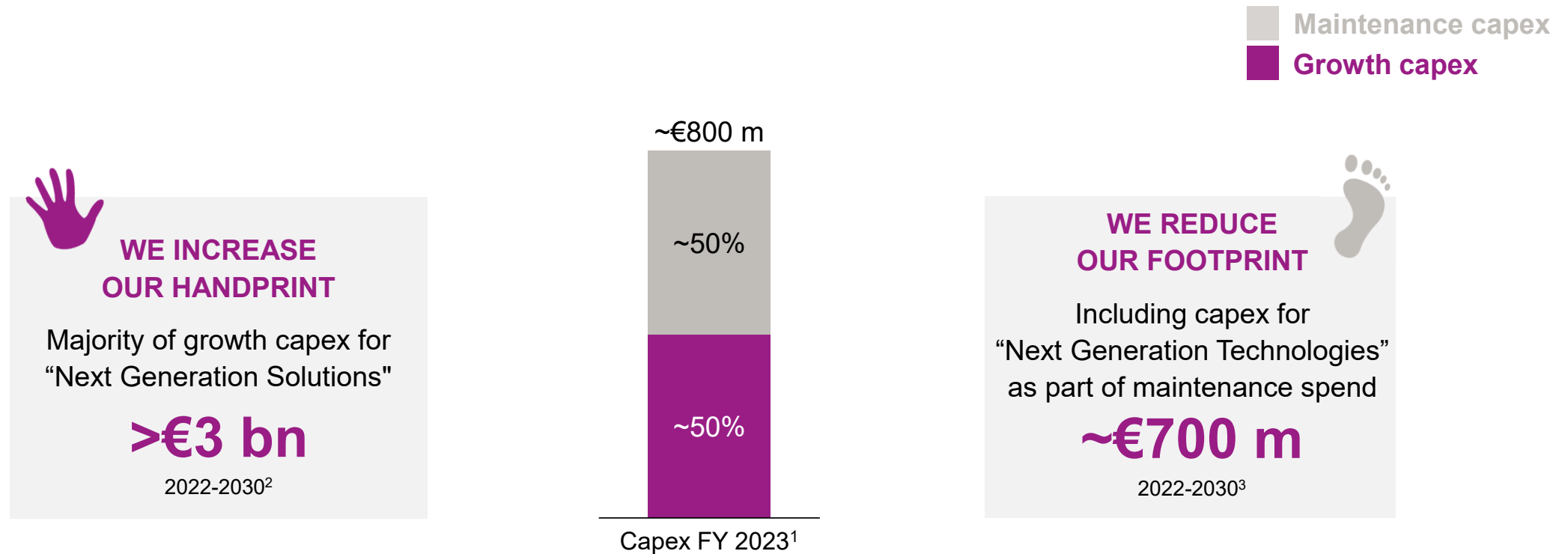
Measurable set of KPIs in place



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



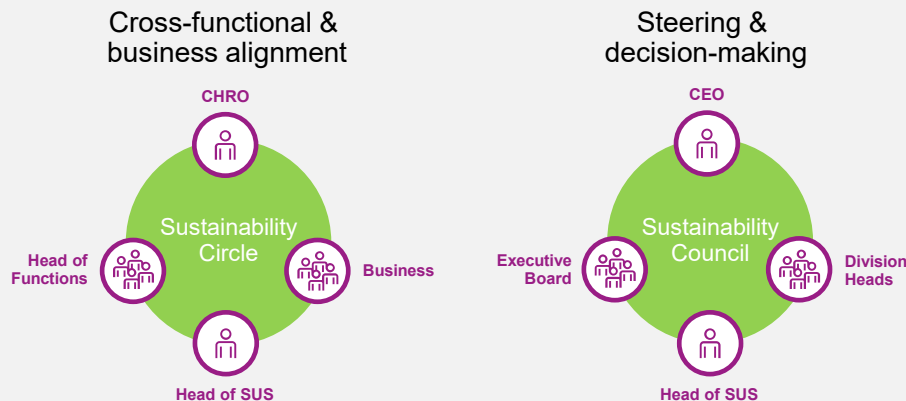
1. Incl. ~€35 m for Performance Materials | 2. ~€350 m p.a. | 3. ~€80 m p.a. on average incl. ~€15 m p.a. for PM, ramping up gradually over the coming years

Complementing the governance on ESG

Reflected in organizational set-up and remuneration

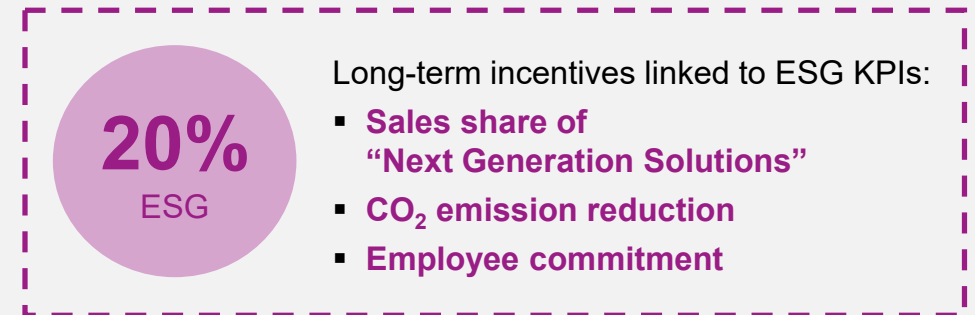
Clear responsibilities

- **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



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

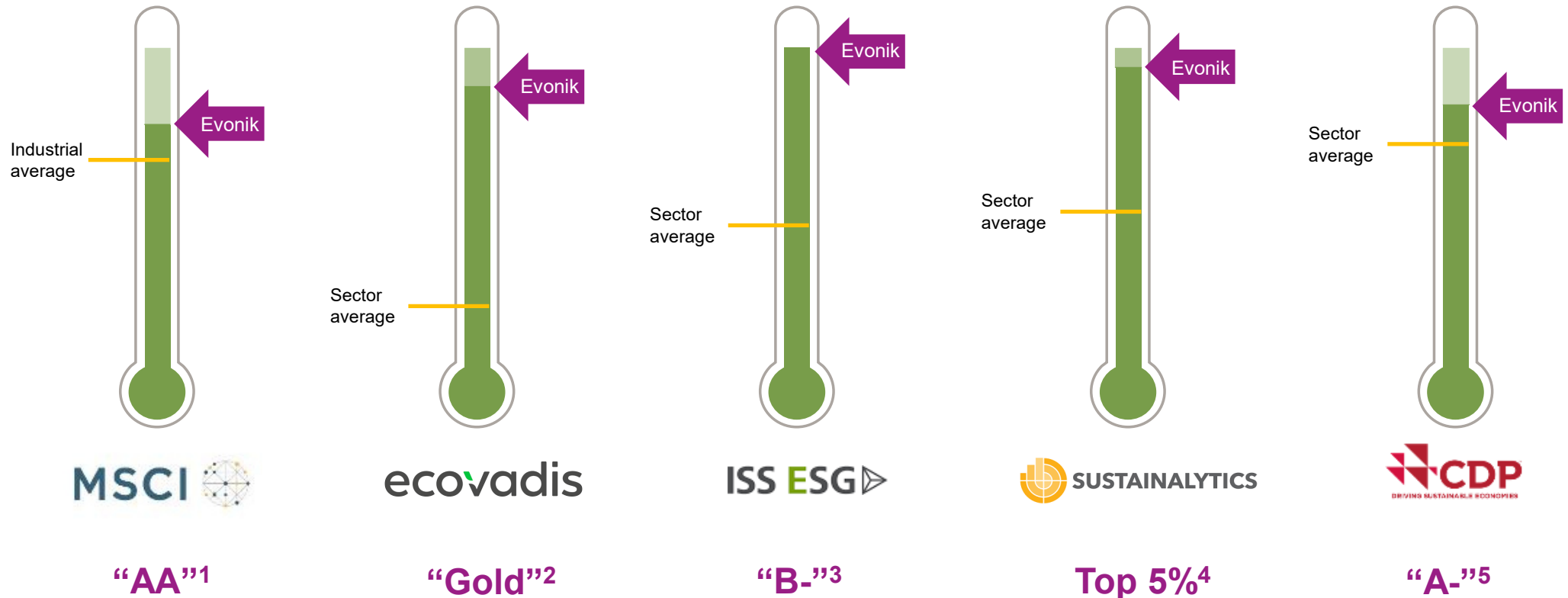


EVONIK

Leading Beyond Chemistry

Sustainability Rankings

Evonik best-in-class within chemicals sector

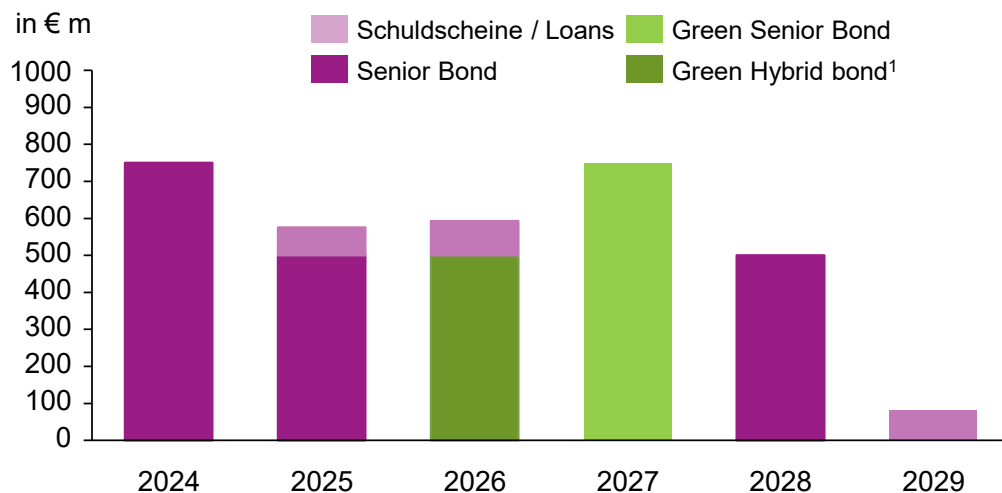


1: Rating on a scale of AAA to CCC | 2: Top 5% of companies assessed | 3: Rating on a scale of A+ to D- | 4: out of ~600 companies ranked in the chemical sector | 5: Rating on a scale of A+ to D-

Green Finance supporting Evonik's sustainability strategy

Green bonds firmly established as financial instrument

Well-balanced bond maturity profile



Green Bond Issuance

Hybrid Bond

€500 m
August 2021

Senior Bond

€750 m
May 2022

Use of proceeds...








- ...according to **Green Finance Framework**, mainly allocated to **NextGen Solutions and NextGen Technologies** capex
- In addition, **green RD&I opex** for NextGen Solutions and expenses for **energy efficiency** and **renewable energy** (e.g. Green PPA)

Green Finance firmly established

- Sustainability strategy** well **accepted** by reputable ESG-investors
- Green Finance can be an important **differentiating factor**, especially in **difficult market situations**
- Contribution** to achieving **sustainability targets**, e.g. increase sales share of **Next Generation Solutions to >50%**

1: Formal lifetime 60 years; first redemption right for Evonik in 2026

Our top ESG targets

		Status 2023	Target
 Strategy and growth	▪ Sales share to be generated from “Next Generation Solutions” by 2030	43%	>50%
	▪ Proportion of sales from challenged products should be permanently <5 percent	~€2%	<5%
	▪ Generate at least €1 billion in additional sales with circular products and technologies by 2030	--	~€1 bn
 Value chain and products	▪ TfS assessments of all raw materials suppliers (with annual procurement volume >€100k) by year-end 2025	67%	100%
	▪ RSPO MB certified palm oil and derivatives by 2025	60%	100%
 The environment	▪ Reduce greenhouse gas emissions		
	– absolute scope 1 and scope 2 emissions by 2030 (reference: 2021)	-15%	-25%
	– absolute scope 3 emissions by 2030 (reference: 2021)	-17%	-11%
	▪ Reduce specific freshwater intake ² by 2030 (vs. 2021)	+12%	-3%
	▪ Reduce specific production waste by 2030 (vs. 2021)	+8%	-10%
	▪ Reduce both absolute and specific energy consumption by 5 percent between 2020 and 2025	-8% abs. / +10% spec..	-5%
 Employees	▪ Increase of share of green sourced electricity to 100% by 2030	35%	100%
	▪ Intercultural mix ³ in top management by 2026	18,4%	25%
	▪ Women in top and senior management by 2023	22.2% / 18.5%	30%
 Safety	▪ Safety		
	– Accident frequency rate (LTI-R) ⁴	0.21	≤0.26
	– Incident frequency rate (PSI-R) ⁵	0.43	≤0.40
 Governance and compliance	▪ Occupational health performance index	5.5	≥5.0
	▪ 20% of Long-Term Incentive linked to Sustainability targets	--	

1. With products introduced in or after 2015 | 2. See table T09 in Sustainability Report | 3. Non-German Employees | 4. New reference parameter from 2021 | 5. Modified calculation basis from 2021

Agenda

Sustainability fully integrated into all three strategic levers

1

Portfolio

- Handprint: “Next Generation Solutions”
- Footprint: CO₂ emission reduction as key KPI

2

Innovation

- Sustainability fully integrated into innovation portfolio steering
- Clear alignment with our four Sustainability Focus Areas

3

Culture

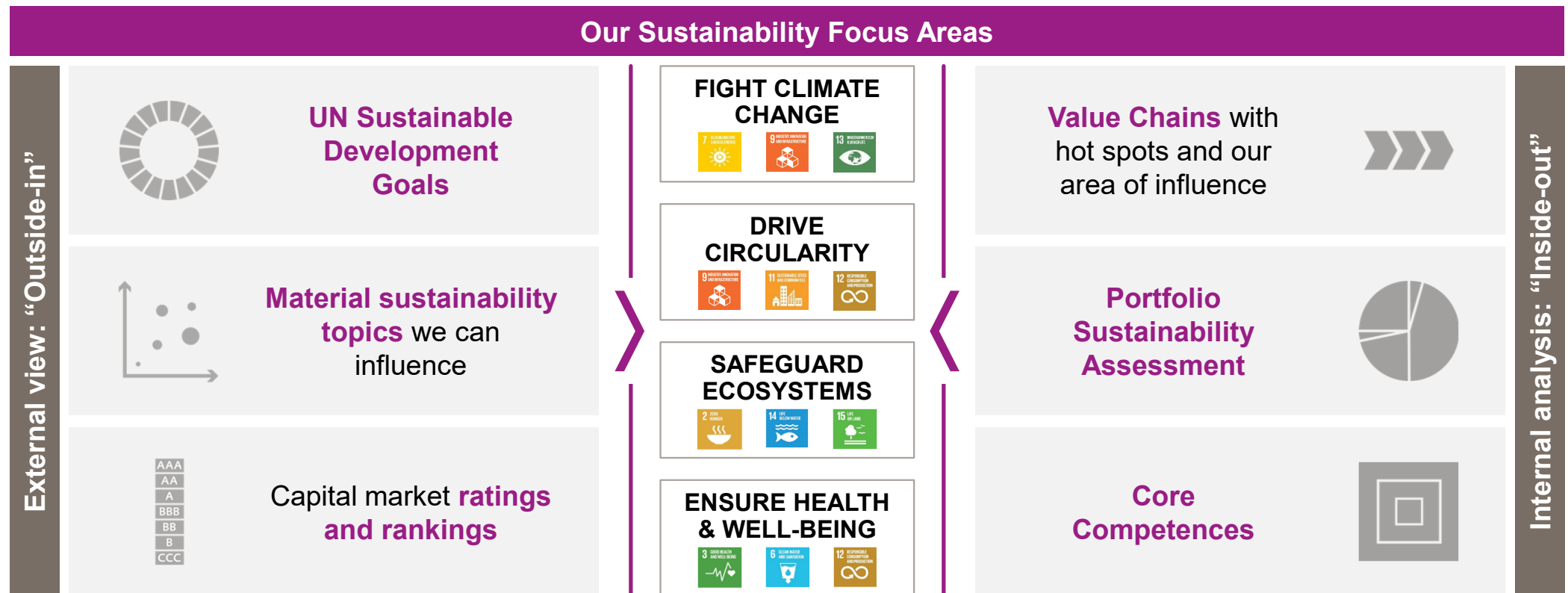
- Safety and health protection are top of our agenda
- Strengthen diversity to lead in a complex world

Social & Governance

- Social commitments & responsible supply-chain management
- Sustainability KPIs as integral part of management compensation

Our Sustainability Focus Areas defining footprint & handprint measures

Result of external views and Evonik portfolio and competencies

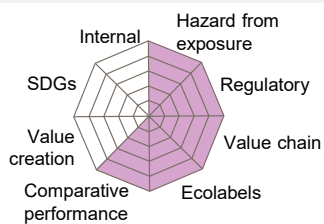


Sustainability fully integrated in corporate strategy

PSA and Emission Data Cube: core tools for strategic management process

“Portfolio Sustainability Analysis” (PSA)

Assessing products vs. market signals

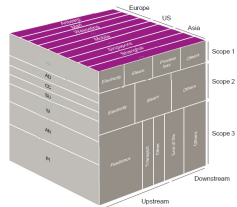


Categorization of product portfolio

- >500 PARC¹s analyzed
- Classification into 5 product sustainability clusters with ranking from C-- to A++

“Emissions Data Cube” (Evonik GHG summary)

Emissions' analysis



3-dimensional emission data

- By business lines and divisions
- By type: scope 1-3 emissions, up- & downstream
- By site and region

Outcomes for Strategic Management Process

- Clear strategic roles of product groups acc. to sustainability cluster, managing “Next Generation Solutions”
- Portfolio guidelines for product and innovation steering



- Reduction targets considered in asset strategy and accounted for in resource planning
- Simulation of scenarios in all dimensions (e.g. portfolio moves, regional choices)

Portfolio management

Innovation management

Capital allocation

1. PARC: product-application-region combinations

Agenda

Sustainability fully integrated into all three strategic levers

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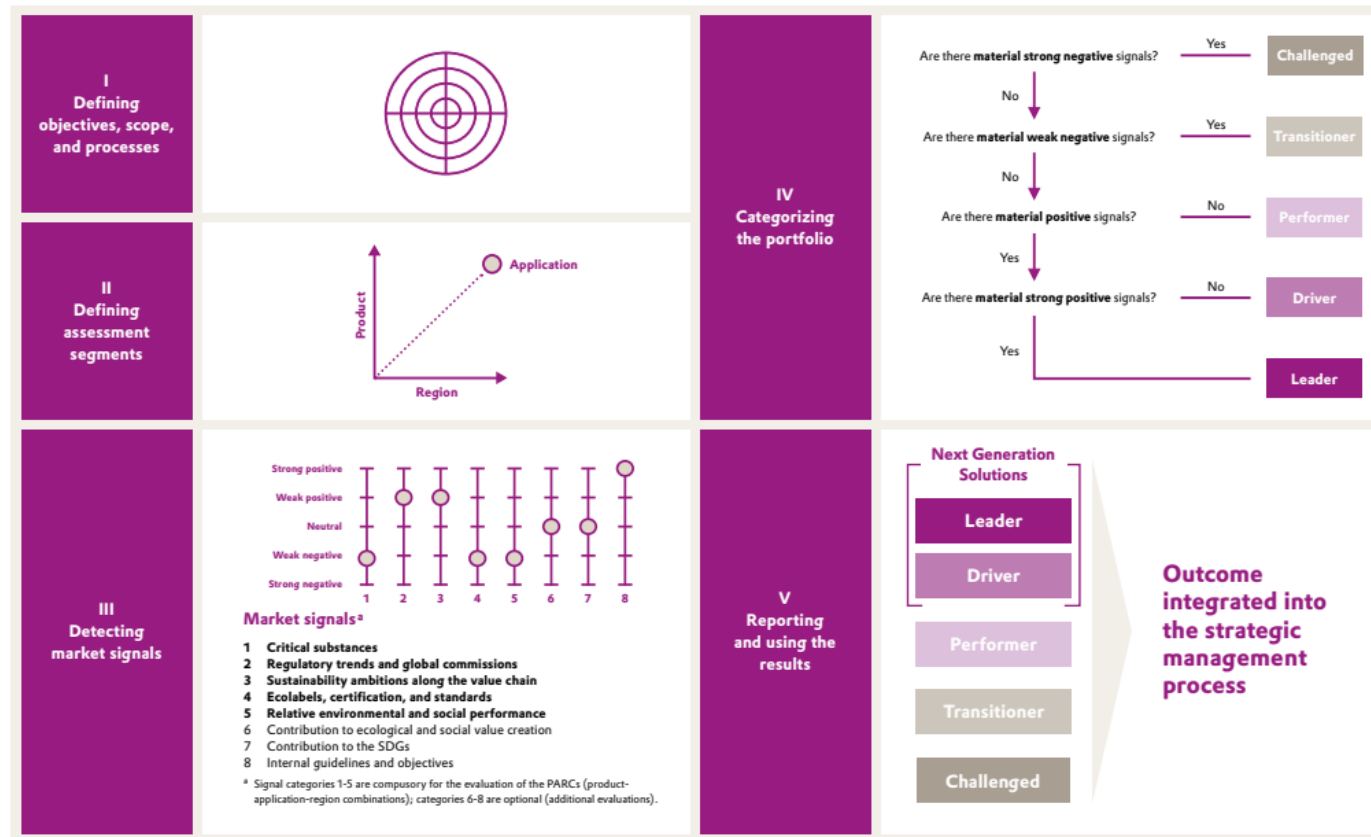
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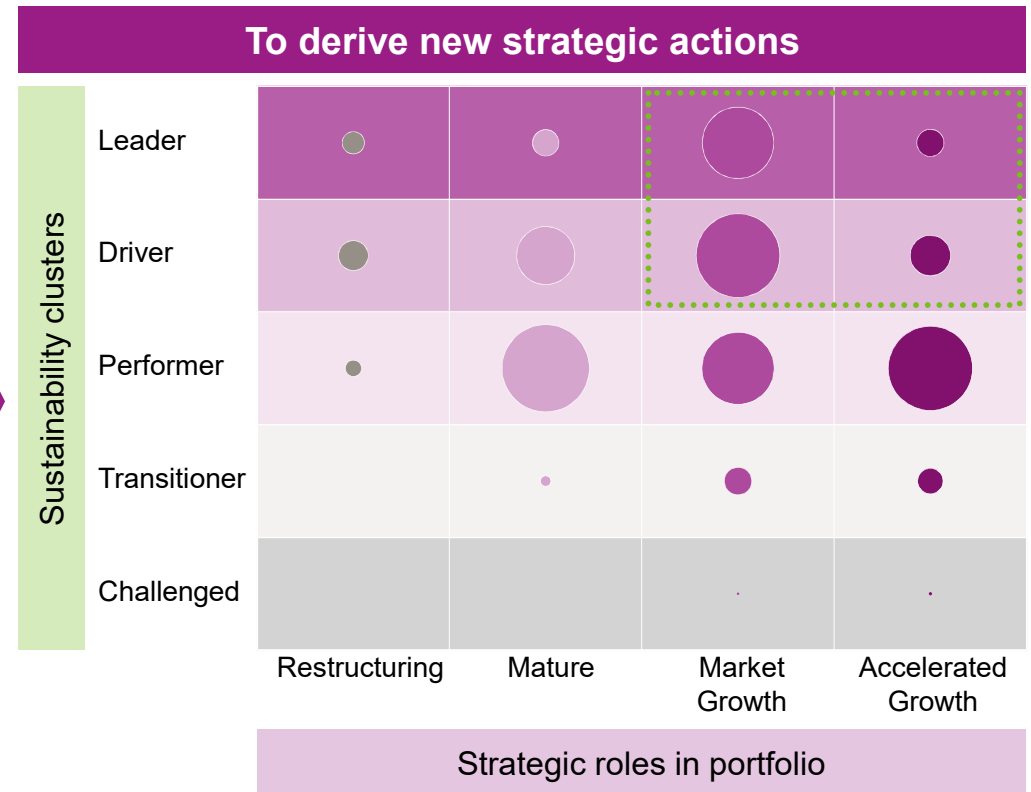
Portfolio Sustainability Analysis (PSA)

Categorization of product portfolio, integrated in Strategic Management Process



Portfolio management: Adding sustainability as integral dimension

Alignment of sustainability clusters and strategic roles in strategy dialogues




Next Generation Solutions

Clean-tech market opportunities and impacts in Sustainability Focus Areas

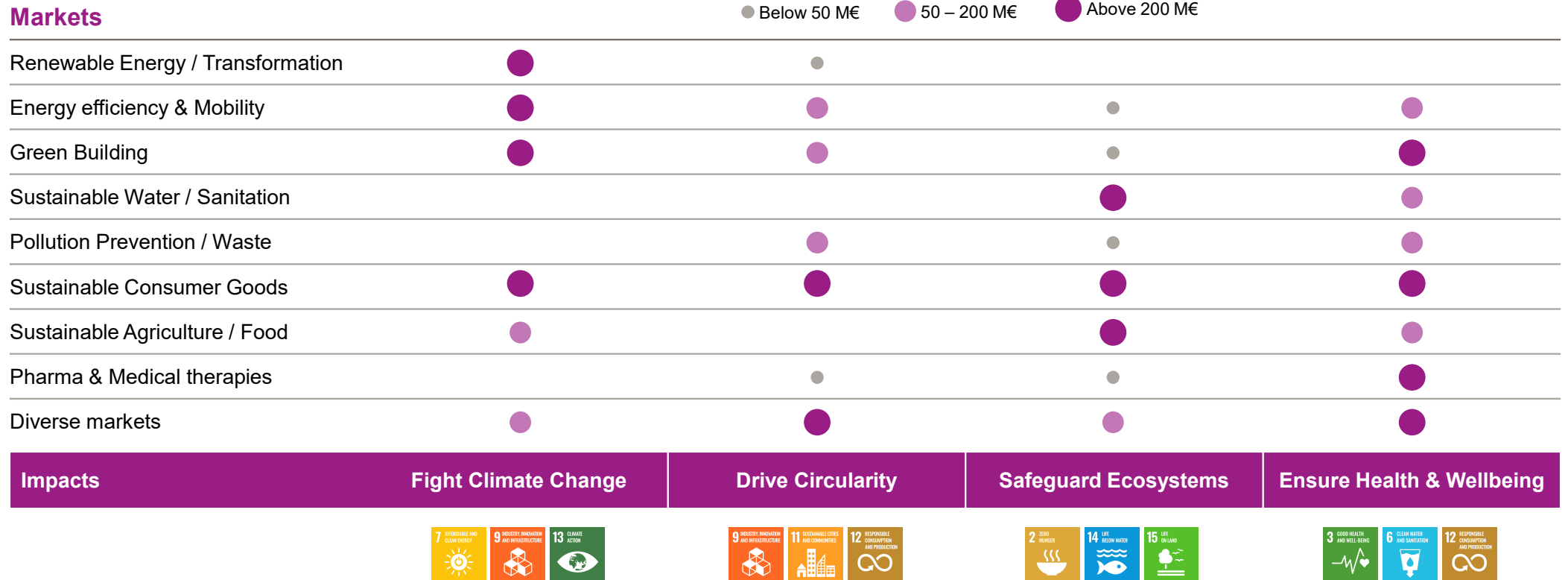
Markets

Renewable Energy / Transformation	Biogas, Biofuel, Wind, Solar, Hydrogen, Energy Storage/Distribution		
Energy efficiency & Mobility	Advanced Materials, E-mobility, Batteries		
Green Building	Insulation, Advanced Construction Materials		Low VOC, safe materials
Sustainable Water / Sanitation	Wastewater Prevention & Treatment		
Pollution Prevention / Waste	CCS, CCU	Enable recycling	Pollution prevention & control, Environmental Remediation
Sustainable Consumer Goods	Circular Carbon-Based Ingredients		Low VOC, safe materials
Sustainable Agriculture / Food	Resource-efficient, low pollution, and safe nutrition		
Pharma & Medical therapies	Drug & vaccine delivery, Cell-culture based therapy		

Impacts	Fight Climate Change	Drive Circularity	Safeguard Ecosystems	Ensure Health & Wellbeing
	  	  	  	  
	Energy Efficiency Emission Reduction Climate Adaptation	Circular Materials Reduce, Recycle, Reuse Repurpose, Repair Remanufacture, Refurbish, Renature	Water & terrestrial Ecosystems Preservation Reduce emission & leaching of disputed and persistent chemicals	Reduce hazard exposure Replace disputed chemicals More effective therapies

Next Generation Solutions across markets and Sustainability Focus Areas

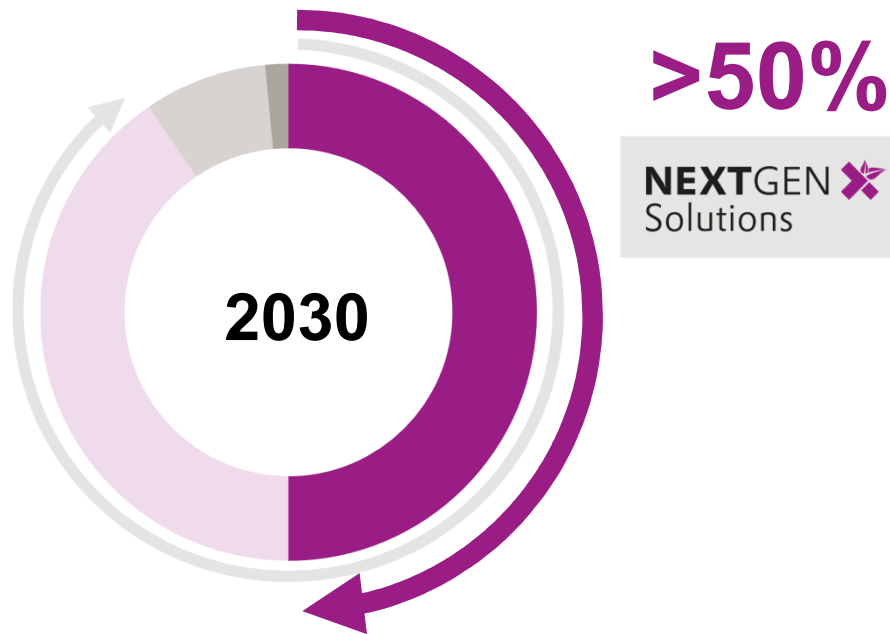
43 % sales in 2023



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

Ambitious new sales share target to be achieved through three levers

Increase “Next Generation Solutions”



Three levers to increase the share of NGS

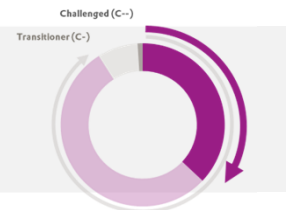
- 1 Superior sales growth rates of existing “Next Generation Solutions”



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



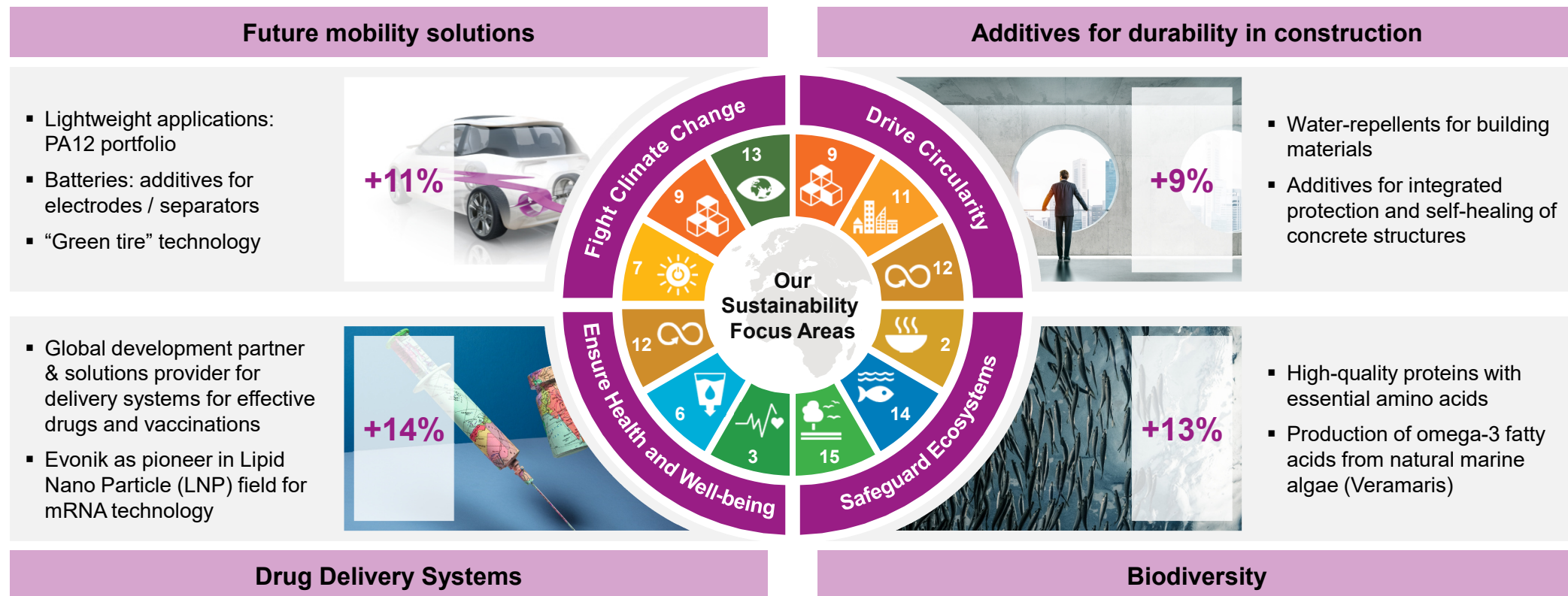
- 3 “**Challenged**” and “**Transitioner**” products exiting or with new formulations



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

Superior sales growth rates of existing “Next Generation Solutions”

Selected examples addressing our four Sustainability Focus Areas

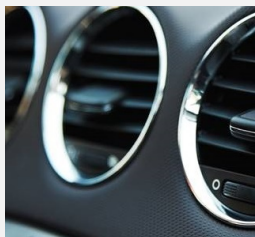


% values: Target CAGR 2021-2030 defined in Strategy Dialogue

Handprint: Fight Climate Change

Focus “Future mobility”

Cooling and A/C



Lightweight through metal / rubber replacement

- Weight reduction supports CO₂ and NO_x reduction
- Smart battery temperature management

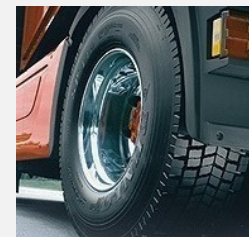
Materials for Li-Ion-Batteries



Nanostructured high-quality metal oxide and silicon particles improve safety, lifetime and energy density

- Metal oxides extend cathode lifetime by ~50%

Silica / Silane “green tires”



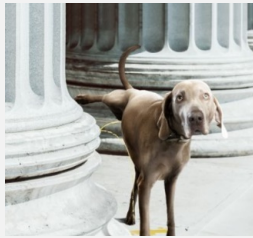
First Silica/Silane system for natural-rubber-based truck tires

- Fuel savings as high as 8%
- Roadtest completed
- Pilot plant quantities available soon

Handprint: Drive Circularity

Focus “Durability”

TEGOVISIN®



Water-repellents for building materials:

- Strong reduction of water uptake and efflorescence
- Long lasting stability and aesthetics reduce the need for resource and emission intensive maintenance

SITREN®



Additives for integral protection of concrete structure:

- Durability for new and renovated concrete surfaces by protection against environmental influences
- Less emissions and reduced resource use by longer lifetime of constructions

WallCraft – Upcoming launch



Self-healing concrete:

- Bacteria-based additive extends the longevity of concrete by stimulating its self-healing properties
- Cracks can grow together again resulting in a durable construction

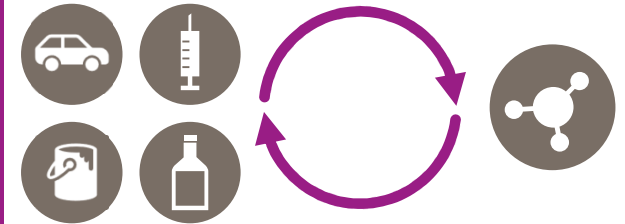
Handprint: Drive Circularity

MECHANICAL RECYCLING



- During separation/washing, **our additives help to make recycling processes more efficient** – resulting in higher quality of recyclates
- During compounding, **our additives improve processing** leading to competitive costs and quality

CHEMICAL RECYCLING



- **Technologies & additives to enable chemical recycling**
- Additives enabling for example
 - use of recycled polyurethanes
 - silicone recycling

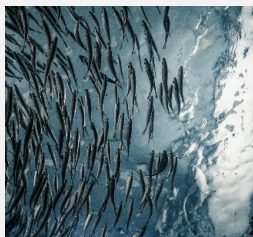
>€1 bn

sales potential of Evonik Circular Economy Program by 2030

Handprint: Safeguard Eco-systems

Focus “Biodiversity”

Essential amino acids



The key to high quality proteins

- Modern, environmentally sound formulation techniques based on nutrient value, on supplementation with crystalline EAAs, and on animal nutrient requirement

Veramaris



Production of omega-3 fatty acids from microalgae

- Potential to reduce the fish-in-fish-out ratio to zero
- 1 ton EPA DHA replaces 60 Tons wild-caught fish


Peracetic Acid



Effective alternative to biocides for disinfecting wastewater

- Due to its low oxidant demand in wastewater, lack of harmful disinfection by-products, low ecotoxicity, and efficacy, peracetic acid offers a cost-effective alternative to chlorine, UV, and ozone

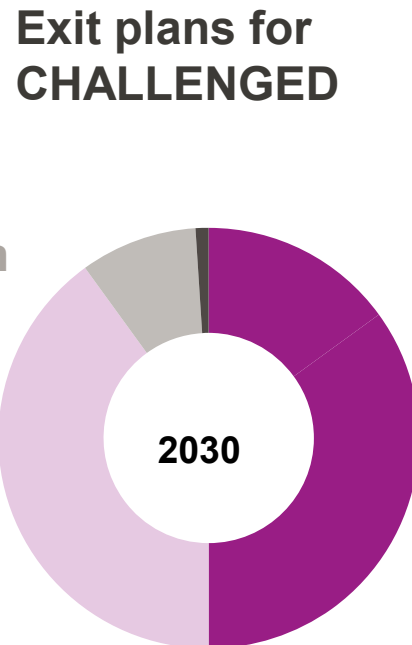
Handprint: Ensure Health & Well-Being

Focus “Drug Delivery Systems”	
Drug Delivery Systems	Next generations of LNP-based gene therapies
 <ul style="list-style-type: none">▪ Global development partner & solutions provider for delivery systems for effective drugs and vaccinations▪ Evonik as pioneer in Lipid nanoparticles (LNP) field for mRNA technology	Vaccines Cancer immunotherapy expected to be the next breakthrough of mRNA therapeutics
	Protein therapeutics mRNA-based therapies can potentially treat hereditary diseases
	Gene editing In-vivo modification of genes to prevent diseases expected to be commercial within the next years

Actively managing “Transitioners” & phase-out “Challenged” products

Either improvement or exit

TRANSITIONER
trigger innovation



“Challenged” products addressed with exit strategies

- Alternative, new product solutions without any negative signals are offered
- “Challenged” products included in financial risk-management

“Transitioners” as driver for innovation

- Early identification of negative sustainability signals
- Valuable trigger for innovation and customer engagement in reformulation

Further products will be exposed to negative signals as higher sustainability requirements develop

Agenda

Sustainability fully integrated into all three strategic levers

1

Portfolio

- Handprint: “Next Generation Solutions”
- Footprint: CO₂ emission reduction as key KPI

2

Innovation

- Sustainability fully integrated into innovation portfolio steering
- Clear alignment with our four Sustainability Focus Areas

3

Culture

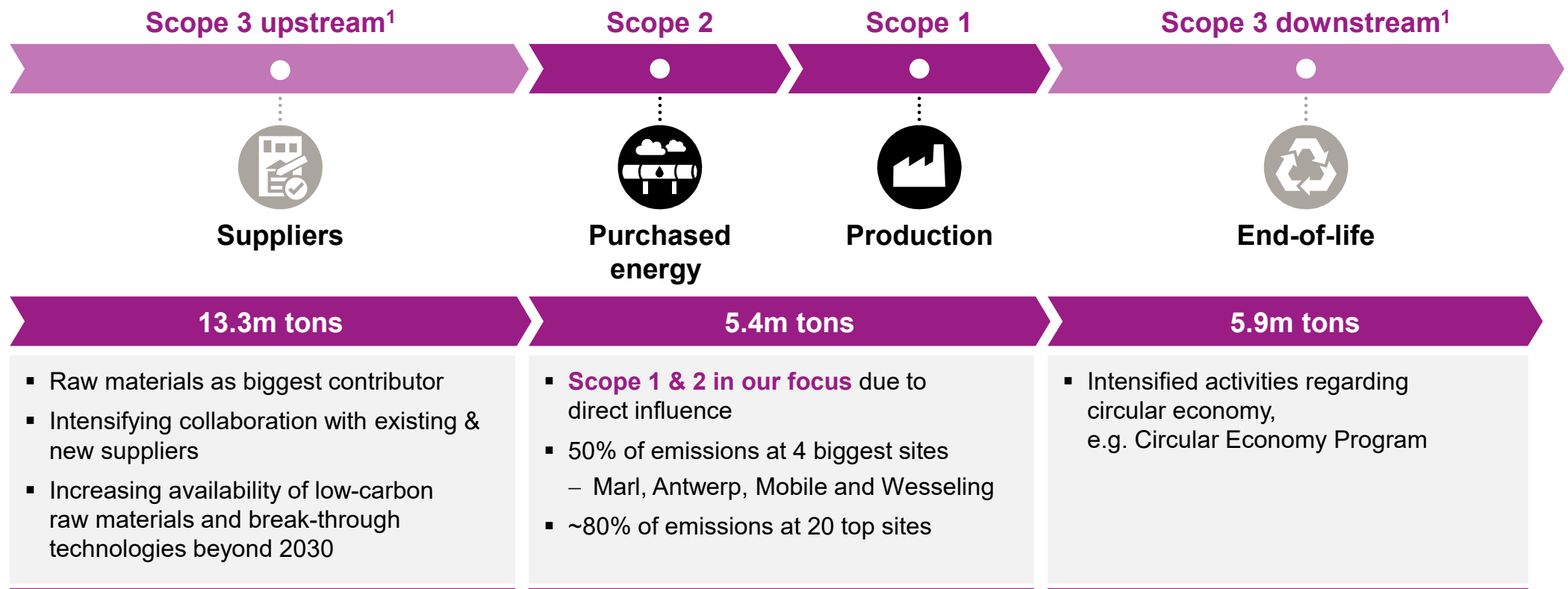
- Safety and health protection are top of our agenda
- Strengthen diversity to lead in a complex world

Social & Governance

- Social commitments & responsible supply-chain management
- Sustainability KPIs as integral part of management compensation

Footprint: Evonik Carbon Footprint 2023

Focus on Scope 1&2, intensifying efforts on Scope 3

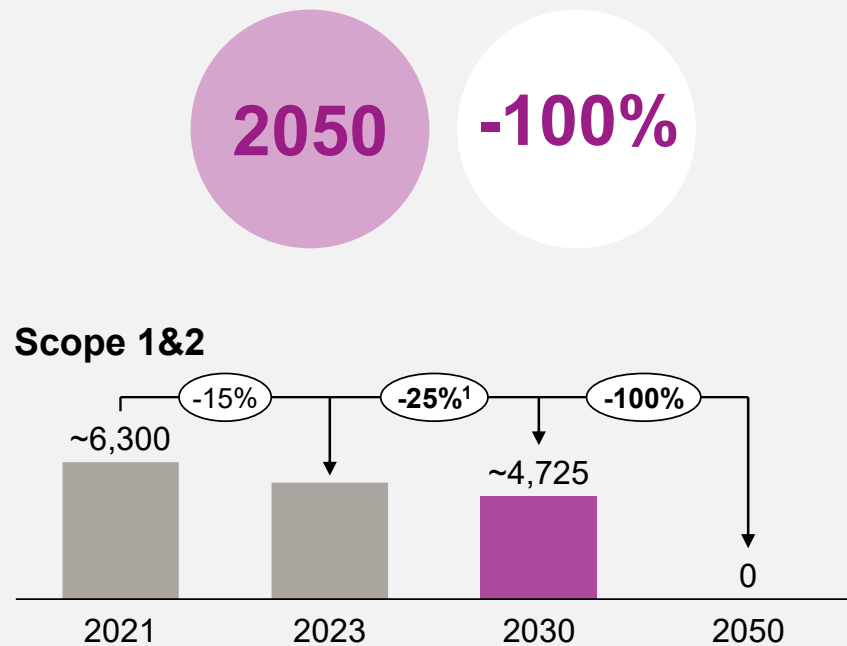


1. Scope 3 figures according to fast close estimate

Our commitments to reaching the Paris Climate Agreement

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

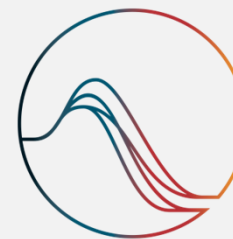
Our path to climate neutrality



New targets for GHG emissions' reduction

Scope 1&2
Well below 2°C²

Scope 3



2030

-25%

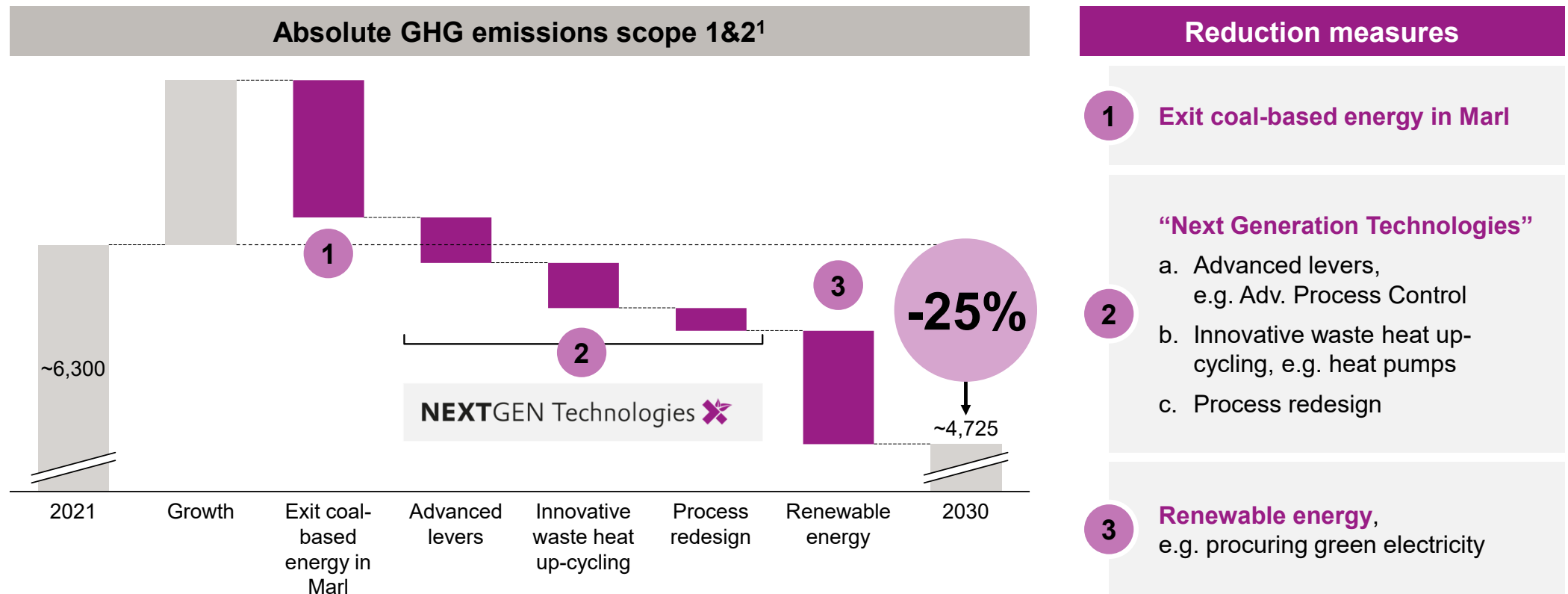
2030

-11%

1. Gross emissions; reference year 2021, target year 2030. ² Scope 3 figures according to fast close estimate

Footprint: Clear roadmap to achieve Scope 1 & 2 targets by 2030

Three clusters with economically attractive measures defined



1. Gross emissions in kt CO₂e

1 Exit coal-based energy in Marl



Modernization of Evonik's power plant park with two new power plants

Plan to replace the last coal-fired power plant at Marl Chemical Park by a **flexible combined cycle gas and steam power plant in April 2024**

Global **scope 1** GHG emissions to be cut **by ~20%**, mainly due to **annual reduction of up to 1 million metric tons**

Additional turbine plant connected to the grid end of 2022, replacing an old reserve gas-fired power plant

Total power output of 270¹ megawatts with an **efficiency exceeding 90%**

Exit of coal worldwide mid of this year

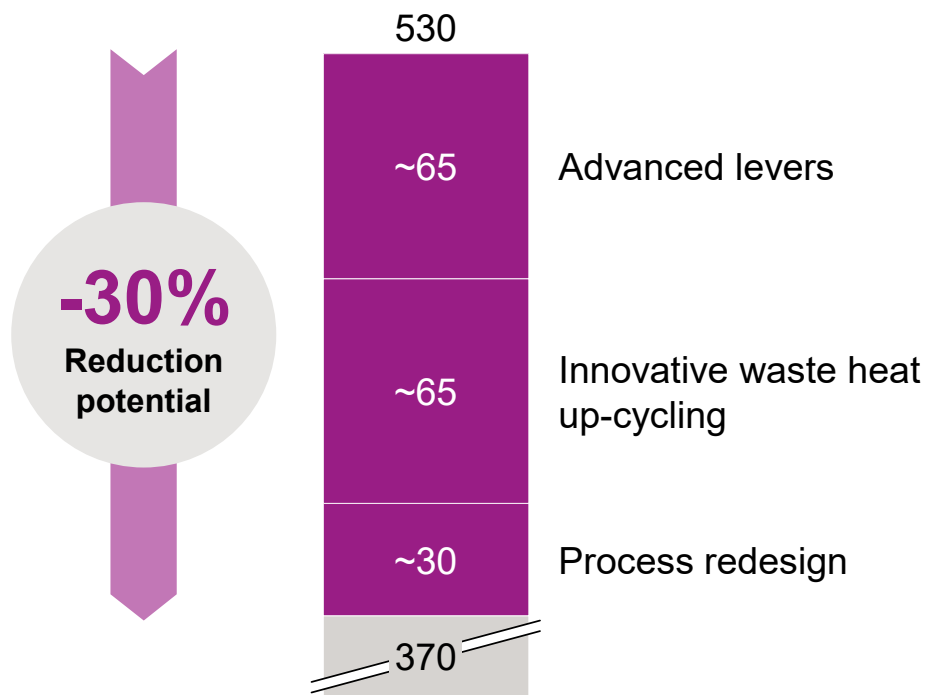
Temporary prolongation of runtime of coal-fired power plant in order to increase security of supply, before readopting initial plan to replace coal with gas to end in April

1. 2x blocks in first power plant, 1x block in second plant, each generating 90 MW electricity and 220 tons of steam per hour

2 “Next Generation Technologies”

Example Antwerp as blueprint for other sites

Reduction¹ by economically attractive measures



1. Gross emissions in kt CO₂e

“Next Generation Technologies” (selected examples)

2a

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

2b

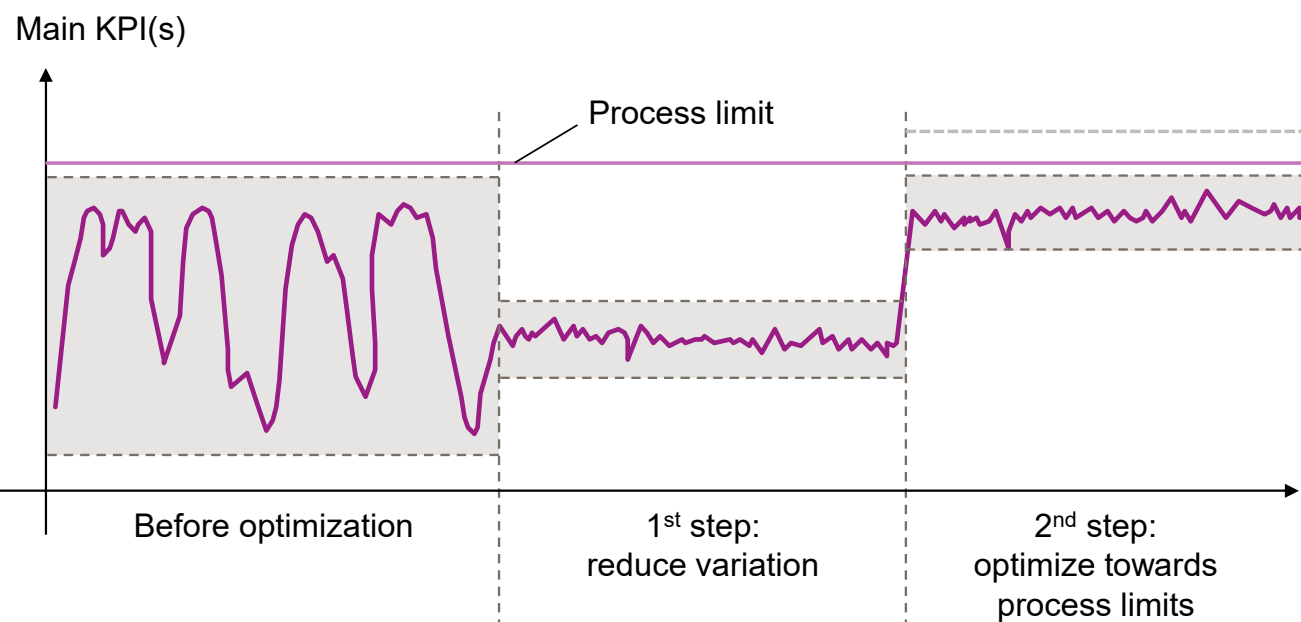
- High temperature heat pumps for valorization of waste heat
- Mechanical vapor recompression

2c

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

2a “Next Generation Technologies”: Advanced levers Example

Advanced Process Control (APC)



APC optimizes complex production processes under consideration of many process parameters and ensures production at the **ideal operating point**

- Before optimization: High fluctuation
- 1st step: Reduce variation up to 50%
- 2nd step: Optimize towards process limits, typical benefit 5 % (throughput increase, specific energy/raw material consumption)

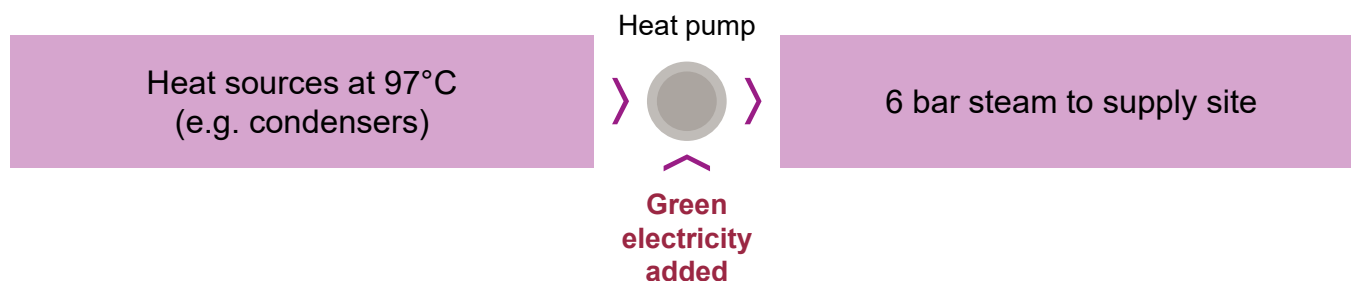
2b “Next Generation Technologies”: Innovative waste heat up-cycling Example

Heat Pump deployment to switch entire site to renewable steam generation

Today



Future



- **High-temperature heat pumps** for steam generation out of waste heat at chemical multi-user sites
- **65% energy saving** by heat recovery
- Substantial **CO₂ reduction** through total avoidance of natural gas boiler
- Central step for **CO₂ neutral production site**
- Project under discussion with Siemens Energy

2c “Next Generation Technologies”: Process redesign Example

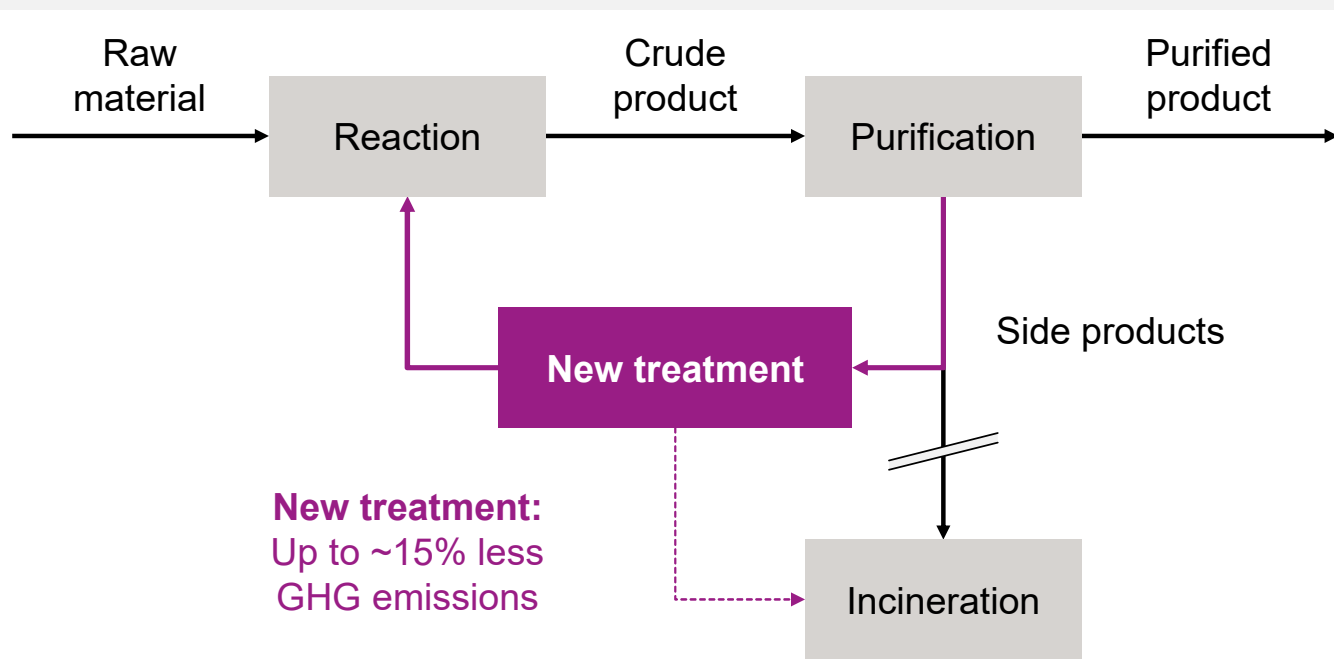
Sustainable processes via electrochemical pH-shift



- Development of **sustainable processes** avoiding acids, bases and salt containing waste streams
- pH induced reactions by applying electrochemical process steps – **“electrons replace chemicals”**
- Technology as enabler to minimize carbon footprint

2c “Next Generation Technologies”: Process redesign Example

Increased re-use of side products at our Herne site



- In the current process, all side products are incinerated
- A new side product treatment – as experimentally demonstrated for a single stream – would lead to GHG emission reduction of up to ~15 % in this process step
- Further CO₂ reduction potential by holistic network optimization

2 EAGER program to assess main CO₂ emitting sites

Definition of 2030 implementation plan with reduction measures

2021: Starting point

- Detailed analysis of options for Antwerp and Rheinfelden sites
- Definition of most important reduction levers with necessary investments
- Blueprint for other sites



2022-2030

- Identification of potential to reduce GHG, Water and Waste emissions
- Focus on our top 20 sites, accounting e.g. for 80% of GHG emissions
- Implementation plan defined by cross-functional working group

NEXTGEN 
Technologies

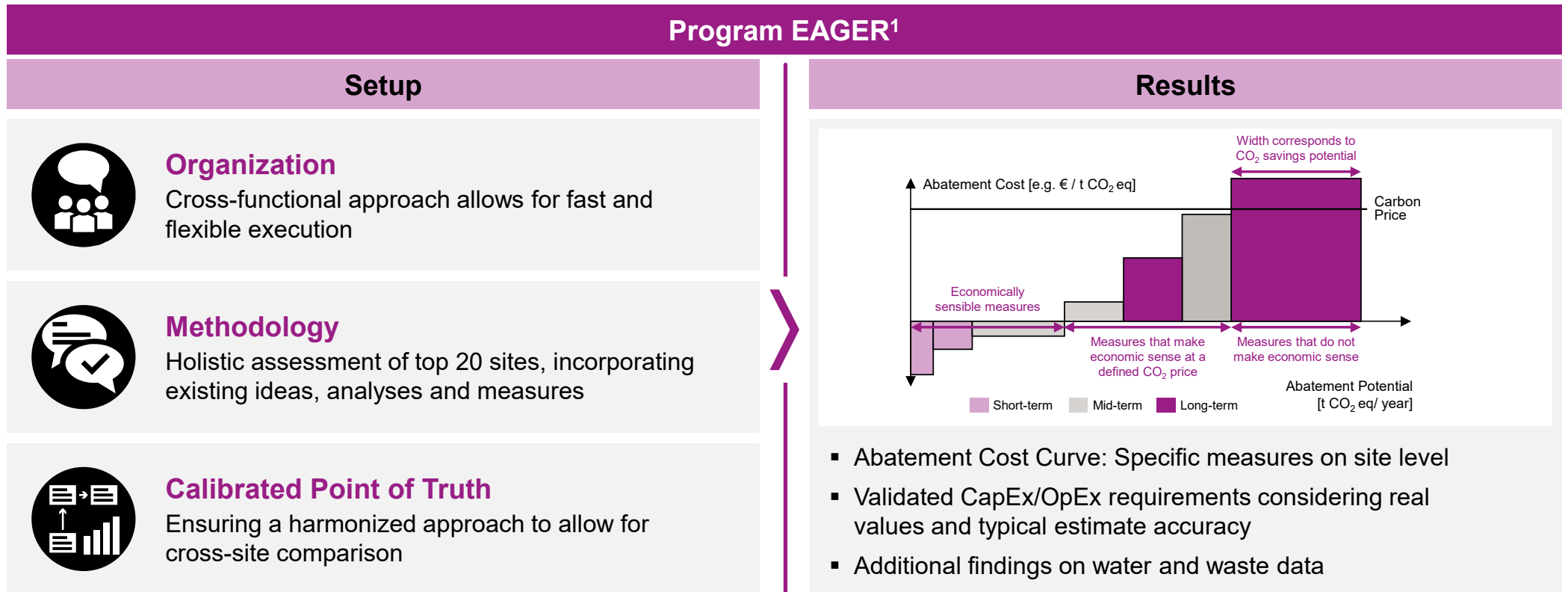
IMPLEMENTATION PLAN

2023/2024: First projects

- First investments into selected projects
- ~€81 m spend in 2023
- e.g. new facility in Singapore for carbon-neutral production of alkoxides



2 EAGER to support sound decision making on site investments

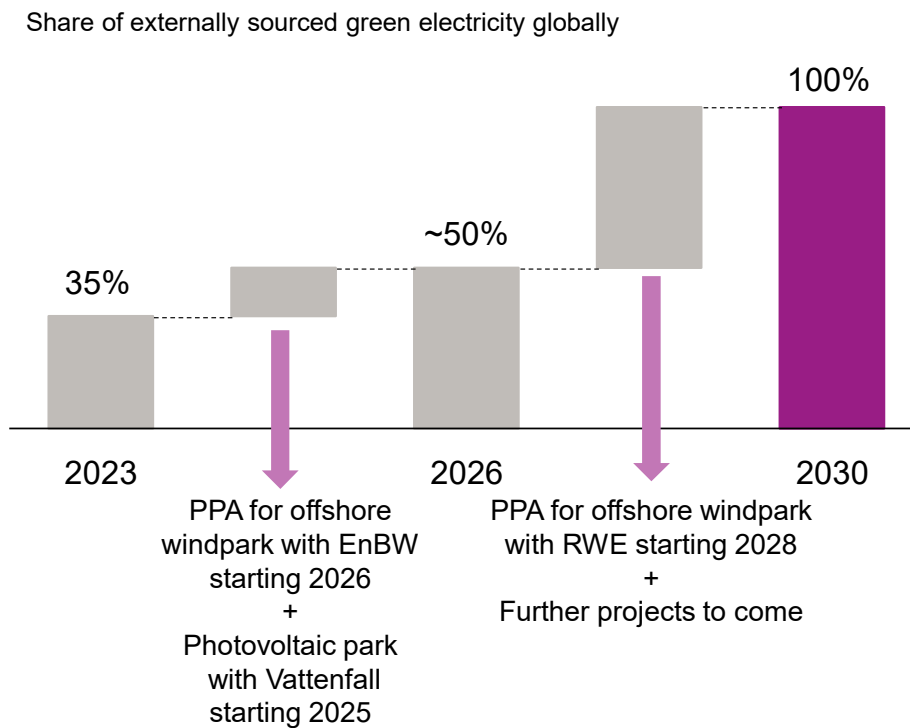
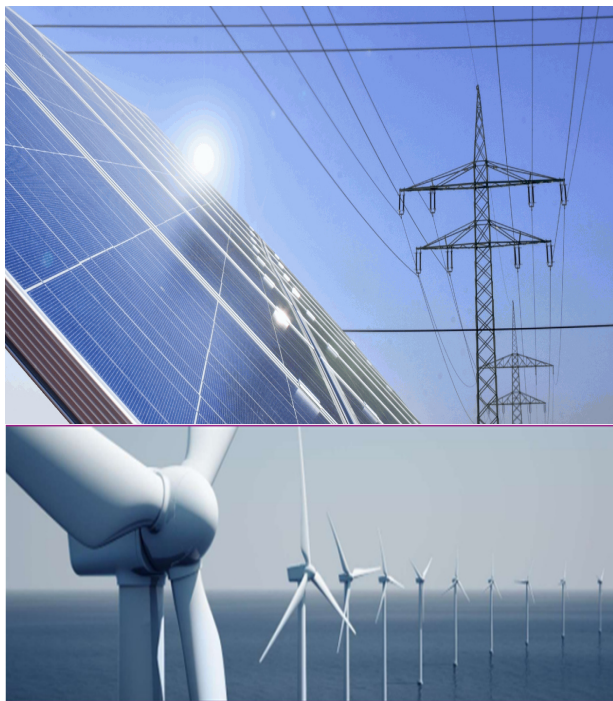


1. EAGER: Evonik Assessment of Greenhouse Gas Emission Reduction

3 Renewable energy

Targeting 100% renewable sourced electricity until 2030

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



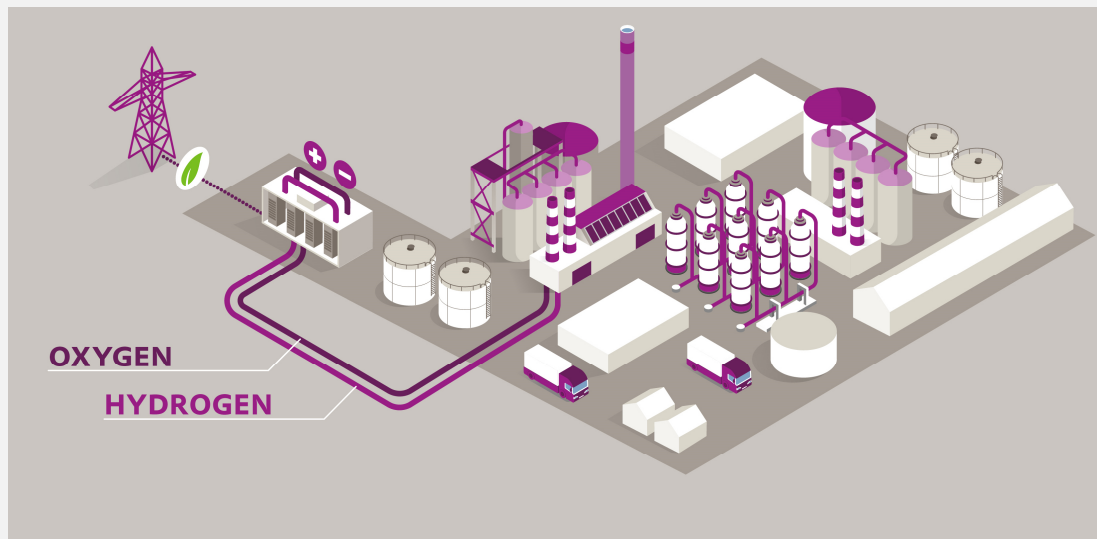
1. CO₂ reduction occurs in GHG protocol scope 1 or 3, dependent on selected accounting methodology (incl. or excl. biogenic carbon removals and emissions)

3 Renewable energy

Green Hydrogen for green wind energy

Partnering with Siemens to produce green hydrogen

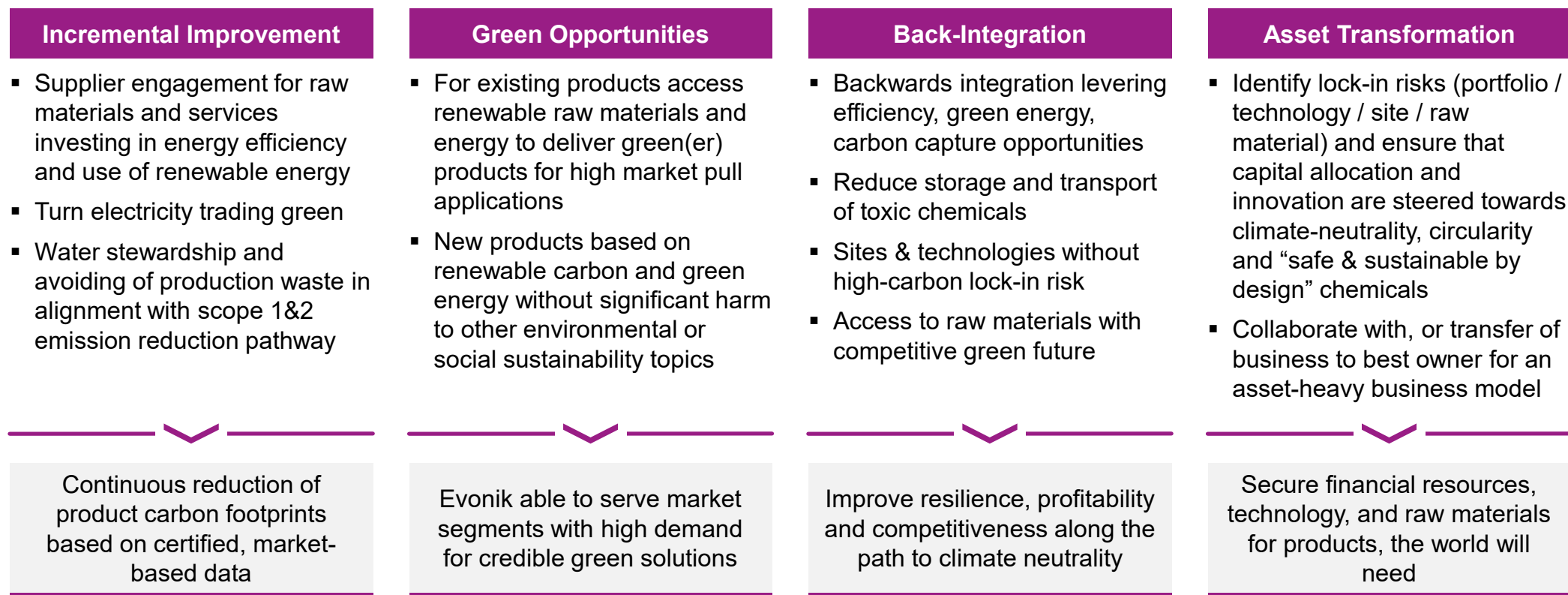
Green hydrogen production by Siemens and Evonik in Herne, Germany



- Evonik is investing in a pilot electrolyzer in Herne (Germany) to produce green hydrogen as a starting product for isophorone diamine (IPDA), a key raw material for the rotor blades for wind turbines.
- In the electrolysis process, water is split into green hydrogen and green oxygen with the aid of green electricity.
 - It will be able to meet about 45 percent of the hydrogen required by this site each year
 - 100 percent of its oxygen requirements
 - Reduction of 12,500 metric tons CO₂ a year
 - Local production makes operation of the facilities at the site more reliable
 - Start of production is planned for 2025

Evonik's Scope 3 approach

Different levers to deliver outcome that matters to our customers



Evonik's Scope 3 approach

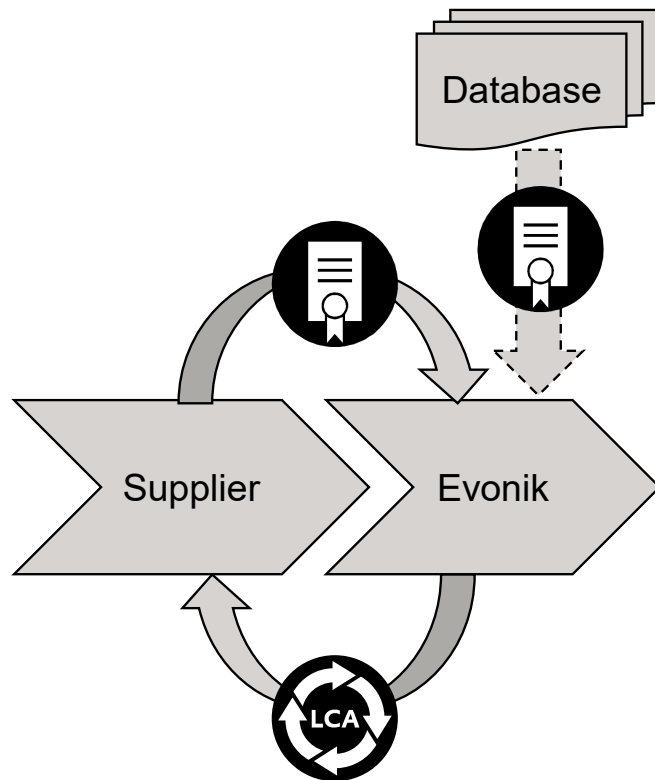
Continuously improving the data quality on Scope 3 emissions

Incremental
Improvement

Green
Opportunities

Back-Integration

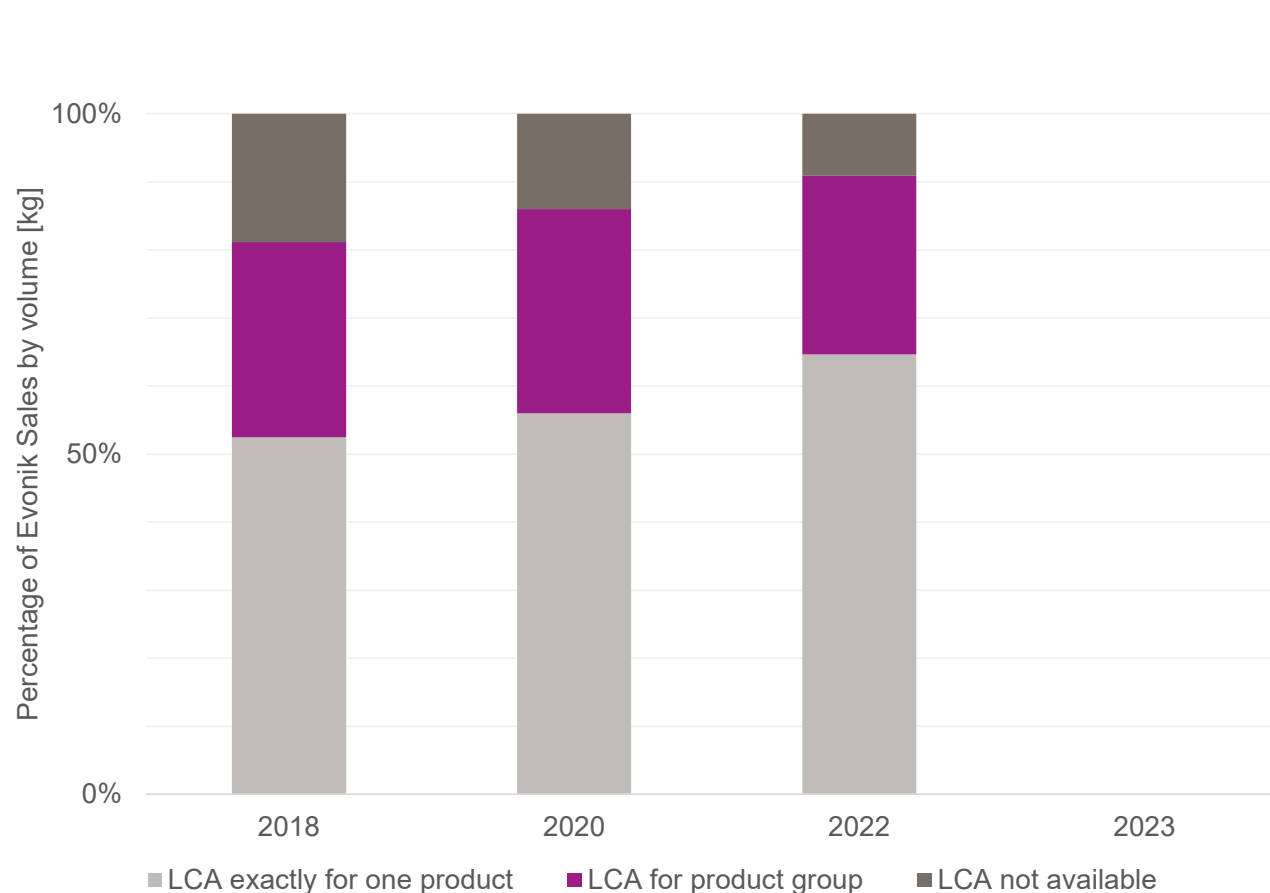
Asset
Transformation



- Evonik motivates suppliers to provide primary (“real”) emission factors for the actual purchased raw material
- Proxies from public databases are only used if the supplier does not provide a real emission factor
- Supplier commitment to deliver primary emission factors mandatory as of 2025
- Strong involvement in TfS development of digital formats to exchange sustainability data across value chains
- Evonik experts support suppliers in calculating Life Cycle Analyses (LCAs) for raw materials purchased by Evonik to be able to provide real emission factors

Evonik's Scope 3 approach

Continuously increasing the coverage of own product by LCAs



1. LCA = Lifecycle Assessment; 2023 figures available as of April 2024

Incremental
Improvement

Green
Opportunities

Back-Integration

Asset
Transformation

- Continuous increase of coverage of LCA¹s for own products
- > 90% of sales volume covered with LCAs for the exact or a similar product in 2022
- Good understanding of environmental impact of own products
- Ability to respond quickly to customer requests for LCAs

Evonik's Scope 3 approach

Taking a selective approach on GHG reductions with green opportunities

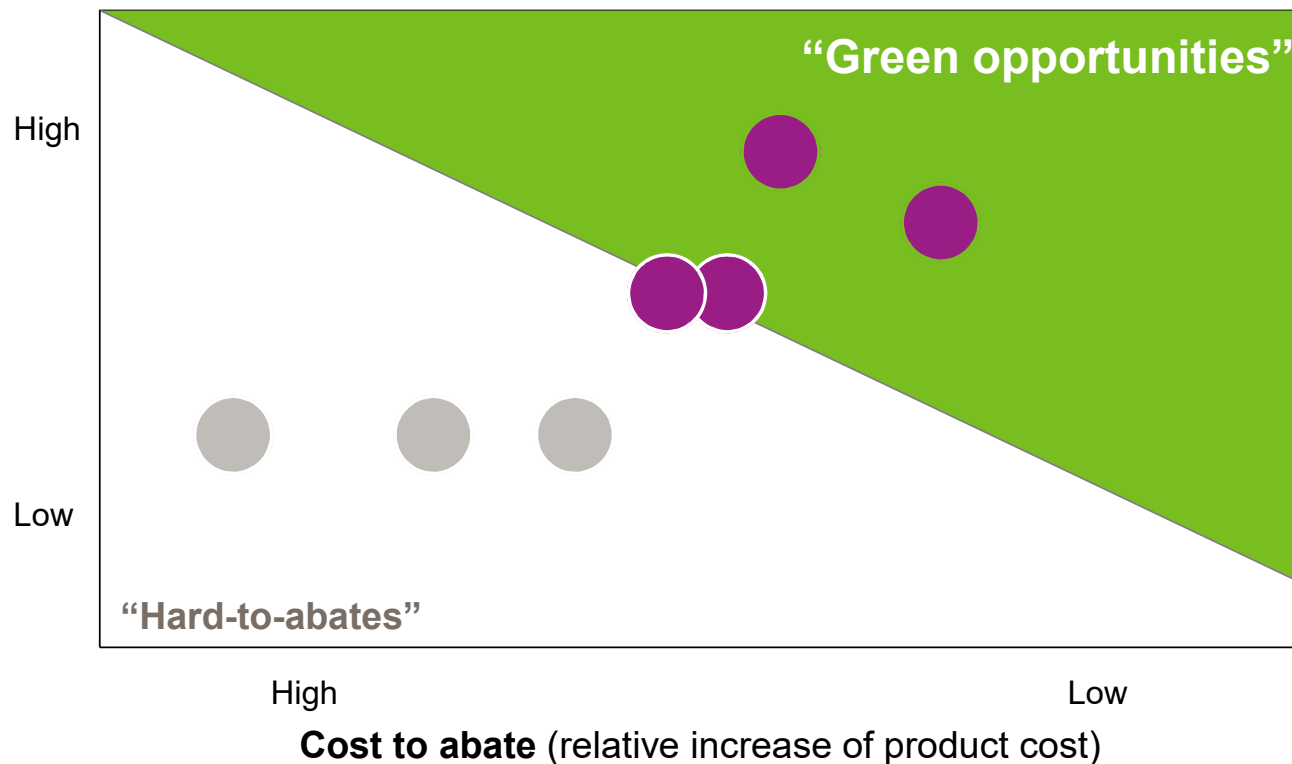
Incremental
Improvement

Green
Opportunities

Back-Integration

Asset
Transformation

End market pull¹



Green opportunities are e.g.,

- Rhamnolipids (bio-based feedstocks)
- Silica (bio-based or recycled feedstocks)
- Eco Products (circular feedstocks instead of virgin fossil ones)

Evonik's Scope 3 approach

Leveraging market opportunities resulting from value chain transformations

Incremental
Improvement

Green
Opportunities

Back-Integration

Asset
Transformation

In various products and markets, Evonik replaces virgin fossil raw materials with circular feedstocks to meet demand for green alternatives

Vestamid Eco

Sports and Engineering applications

Dynacoll Eco

Adhesives

Vestoplast Eco

Adhesives

Polyvest Eco

Polybutadiene in various applications

Trogamid Mycx Eco

Optics

Vestamin IPD Eco

Epoxy systems, e.g., in Windmill blades

Vestanat IPDI Eco

Epoxy systems, e.g., in Windmill blades

Vestasol IP Eco

Solvents in various applications



Evonik's Scope 3 approach

Actively redesigning value chains to secure access to circular feedstocks

Incremental
Improvement

Green
Opportunities

Back-Integration

Asset
Transformation



Rhamnolipids

New technology to produce sustainable tensides based on circular feedstock



Silica

Rice husk ash and sand processing residues as circular feedstock



Polyurethane recycling

Partnerships with all relevant steps in the value chain to close a circular value chain



Backward integration

Backward integration in Methionine value chain to secure low-emission feedstocks

Evonik's Scope 3 approach

Active portfolio management reducing the emission profile of own assets

Incremental
Improvement

Green
Opportunities

Back-Integration

Asset
Transformation

Divestment of high emission assets done or in progress

Functional Solutions



Performance
Intermediates



Superabsorber



Carve-out of infrastructure services, incl. power plants in Marl, Wesseling and Antwerp under preparation

Site Services in Marl,
Antwerp and Wesseling



Sustainable use of palm oil

- Evonik member of *Roundtable on Sustainable Palm Oil (RSPO)* and cross-industry industry platform *Action for Sustainable Derivatives (ASD)*
- Our annual **demand** for palm-based derivatives is approx. 100 kilo tons, primarily used by Business Lines Care Solutions and Oil Additives
- For Evonik employees, we developed **recommendations for action** for the responsible handling of palm oil, palm kernel oil and their derivatives
- **Target:** By 2025, Evonik aims to ensure only RSPO-certified palm oil and palm kernel oil are used in its products.

TEGO® Betain P 50 C

The cost-efficient, concentrated Cocamidopropyl Betaine based on RSPO certified palm kernel oil.



Evonik's Personal Care Business

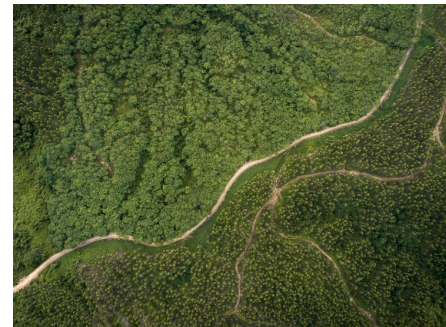
- ~60% of our cosmetic ingredients are made up of at least 50% renewable feedstocks
- Palm oil raw materials basket contains 60% RSPO-MB palm-based feedstocks
- Production of >40 cosmetic ingredients using CO₂-optimized processes

Promotion of sustainable palm oil production in Malaysia

Evonik and Beiersdorf support WWF project

- Beiersdorf and Evonik committed to a sustainable palm oil economy for many years, being both members of RSPO¹⁾ and ASD²⁾
- Conservation and sustainable development project launched in Sabah's Tabin landscape in late 2020
- Goal is to certify local palm-oil farmers for sustainable production (RSPO), restore ecological connectivity and protect wildlife habitats
- Tabin's wildlife reserve safeguards many threatened species such as orangutans or Borneo elephants

Tabin's ecosystem faces enormous challenges



1) RSPO = Roundtable on Sustainable Palm Oil 2) ASD = Action for Sustainable Derivatives

Highlight – Water

Methodology

- Distinction between water Scarcity Sites and Water Intensive Sites
- Introduction of the Sustainable Baseline Water Stress methodology in addition to AWARE¹
- Holistic assessment of water risks by using WWF² Water Risk Filter
- Assessment according to Physical, Regulatory and Reputational Risks

Understand water as a place dependent and shared resource
(Basin risks)

Understand Evonik's impact on local basins
(Operational risks)

Assess and prioritize water-related risks

Optimize water governance, improve water efficiency and reduce pollution and footprint

Reduce water demand in water-stress areas to a sustainable level

Example

Multi-User Site Shanghai (MUSC)



- Demineralization of purge water from a cooling unit
- Usage in chemical processes
- Replacement of 250.000 m³ freshwater

-3%



Reduction of specific freshwater intake by 2030²

- Site-specific action plans for water-stress production sites



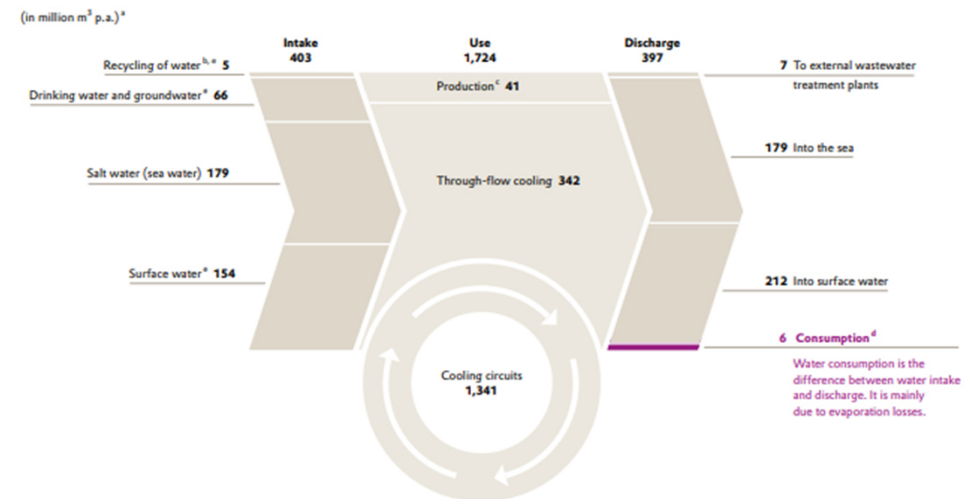
1. AWARE: available water remaining, 2. corresponding to the production volume, reference year 2021; 2. new tool used to analyze various physical risk aspects such as water stress, flooding, and water quality

Water data 2023

Only 2% used for production

- Total water intake was 403 m m³ in 2023, while discharges amounted to 397 million m³
 - Difference of 6 m m³ mainly comprises water used to replace evaporation losses
- ~98% of our total water use (including water consumption) was for cooling purposes in energy generation and production
- Only ~2% used for production purposes

Evonik's water data 2023



Highlight – Waste

Methodology

- Alignment with two of our sustainability focus areas

DRIVE CIRCULARITY



ENSURE HEALTH & WELL-BEING



Goal for waste management:

- Promote the environmentally sound treatment of waste generated by Evonik

Goal for waste reduction:

- Reduction of waste generated at Evonik

Example

Hanau-Wolfgang



- Recycling of solvent from a chemical process
- Usage in other chemical processes
- Adapted by other Evonik site in China

-10%



Reduction of specific production waste by 2030¹

- Reduce amount of non-hazardous waste sent to landfill

1. corresponding to the production volume, reference year 2021

Agenda

Sustainability fully integrated into all three strategic levers

1

Portfolio

- Handprint: “Next Generation Solutions”
- Footprint: CO₂ emission reduction as key KPI

2

Innovation

- Sustainability fully integrated into innovation portfolio steering
- Clear alignment with our four Sustainability Focus Areas

3

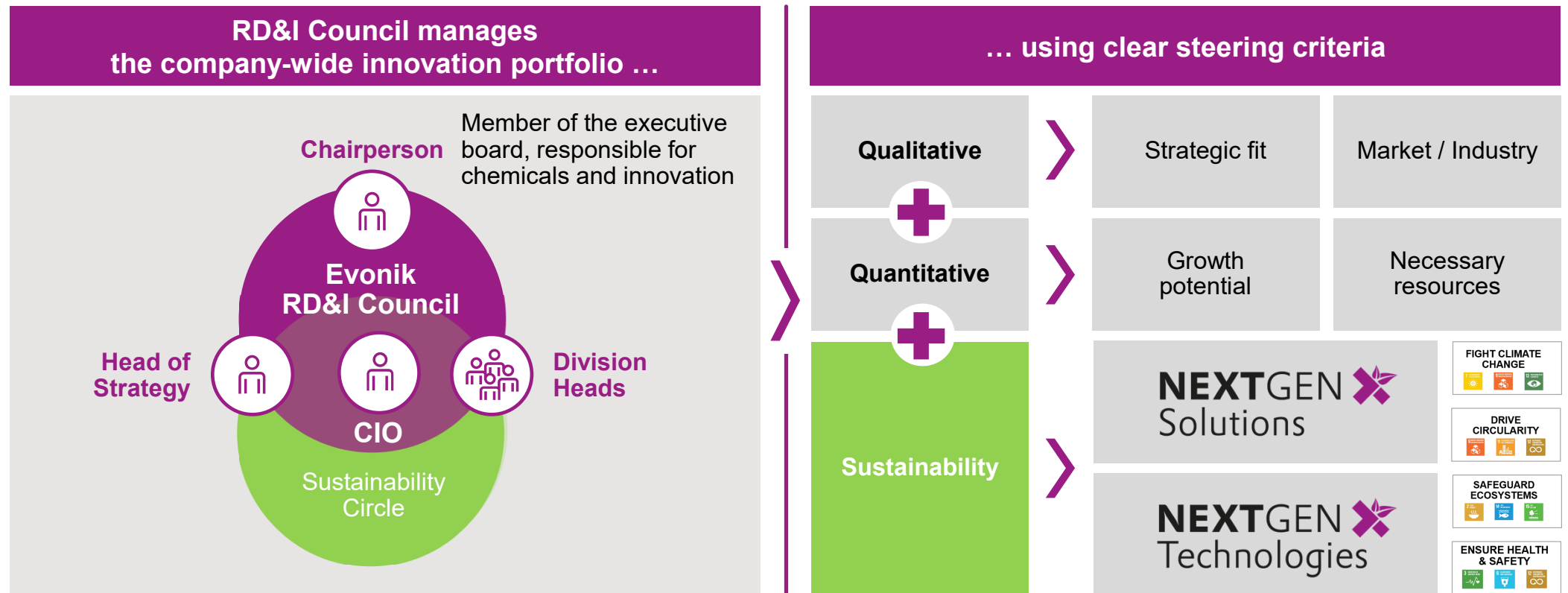
Culture

- Safety and health protection are top of our agenda
- Strengthen diversity to lead in a complex world

Social & Governance

- Social commitments & responsible supply-chain management
- Sustainability KPIs as integral part of management compensation

Sustainability is fully integrated into innovation portfolio steering



RD&I at a glance

Facts & Figures

RD&I AT EVONIK

>€443 m SPENT

**>€650 M SALES IN 2023 FROM
INNOVATION GROWTH FIELDS**

~23,000 PATENTS¹

>€2,700 EMPLOYEES

100% SUSTAINABILITY-INTEGRATED

FIGHT CLIMATE CHANGE



DRIVE CIRCULARITY



SAFEGUARD ECOSYSTEMS



ENSURE HEALTH & SAFETY



1. Patents and patents pending

Leading in Innovation – Growth fields and sales target

On track to achieve target of >€1 bn sales from innovation

Innovation Growth Fields



Advanced Food
Ingredients



Additive Manufacturing



Sustainable Nutrition



Cosmetic
Solutions



Membranes



Healthcare
Solutions



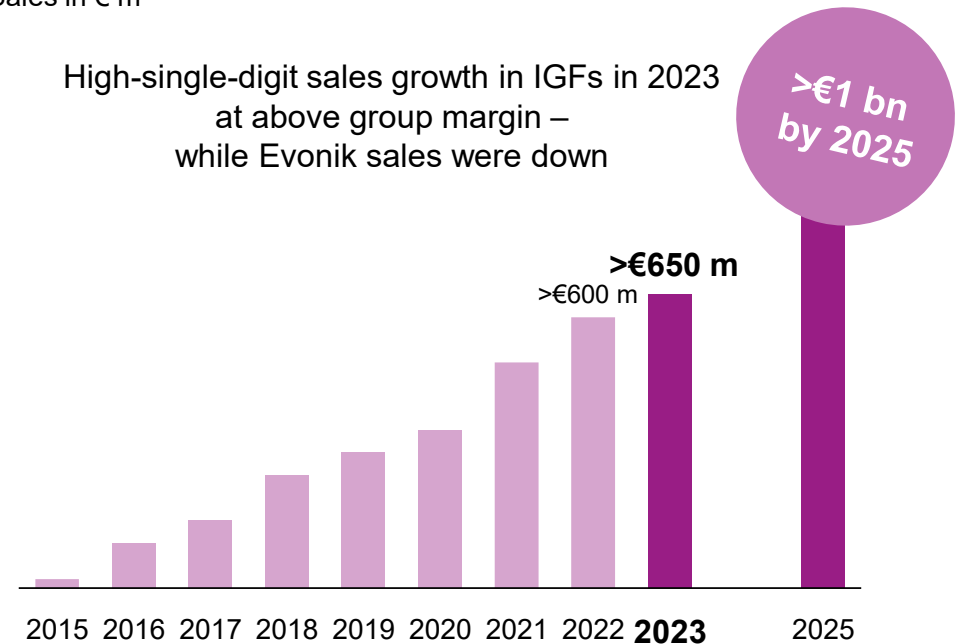
Sizeable sales base established
in all growth fields

Above-average margin contribution

Increase of Sales also in difficult markets

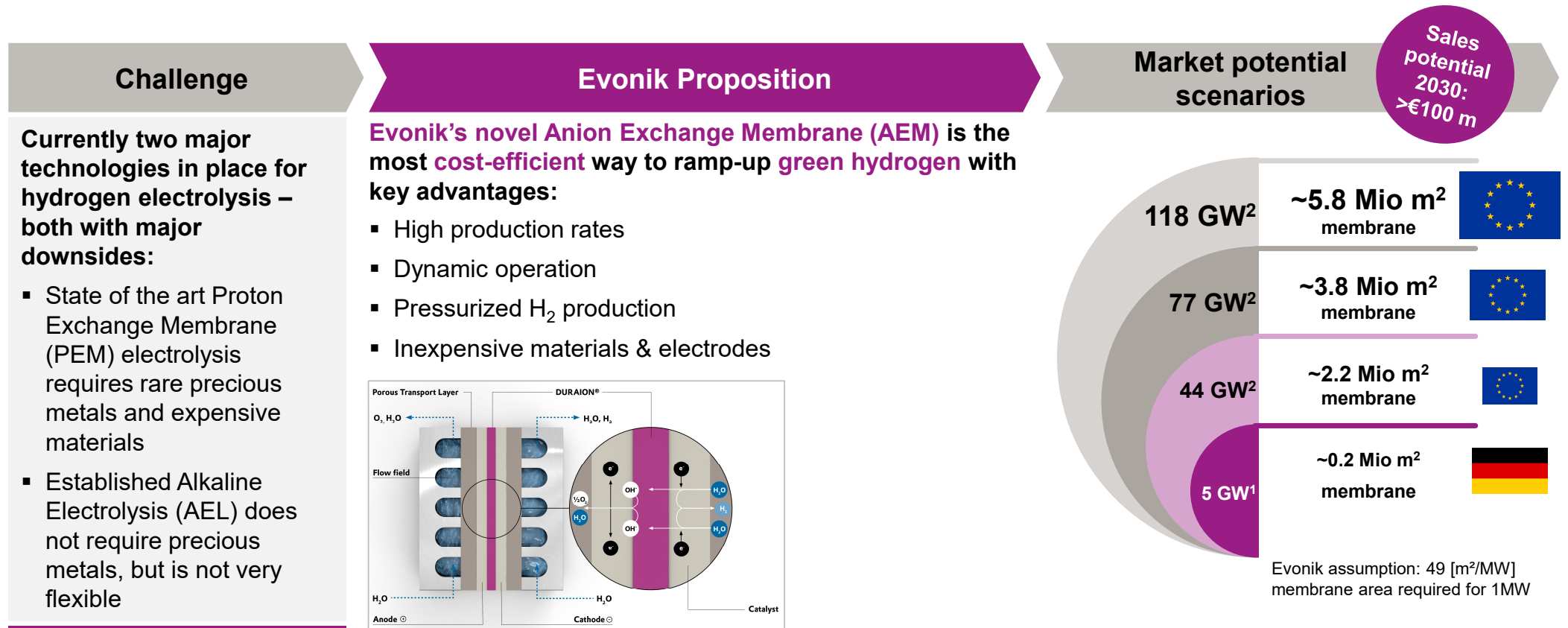
Sales in € m

High-single-digit sales growth in IGFs in 2023
at above group margin –
while Evonik sales were down



Example for New Growth Area: Hydrogen Economy

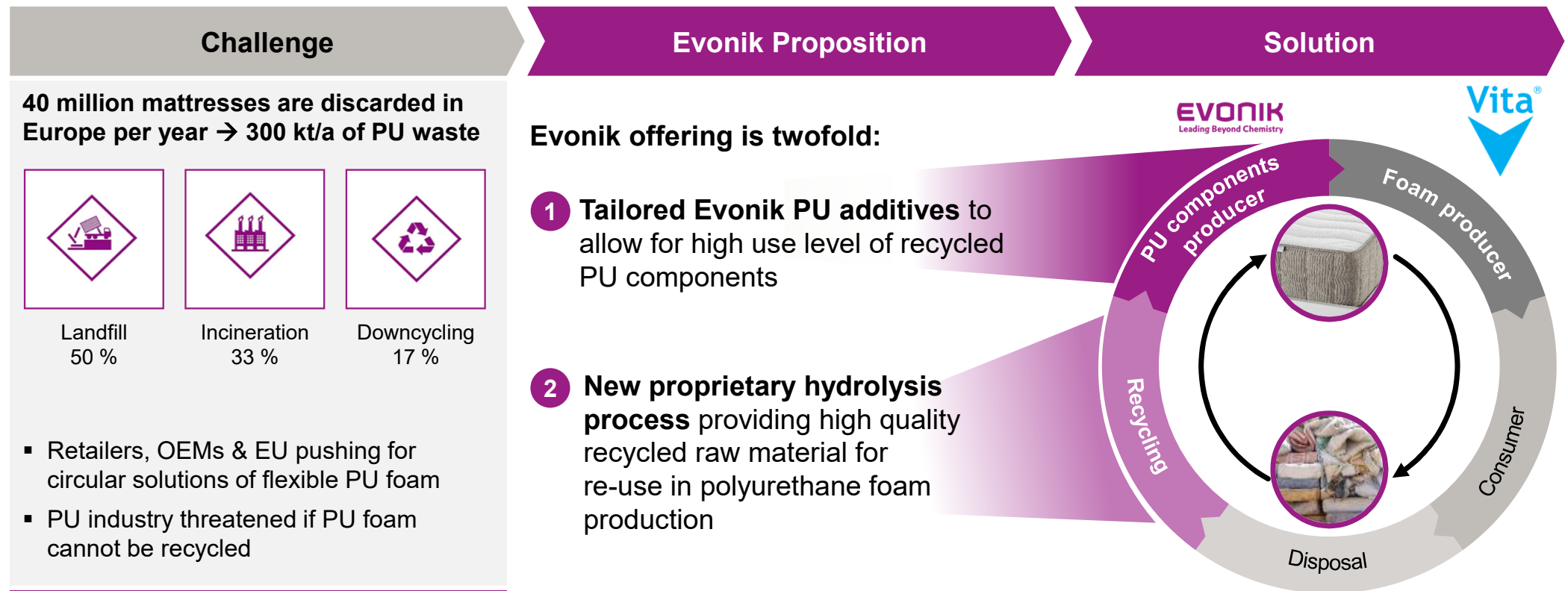
Tapping into a major opportunity with our DURAION® membrane



1. Study IndWEde– NOW GmbH, 2018 2 Green Hydrogen for a European Green Deal A 2 x 40 GW Initiative, Hydrogen Europe; Translation with internal assumptions (Creavis)

Example for New Growth Area: Circularity

Novel PU additives enabling chemical recycling of flexible foam



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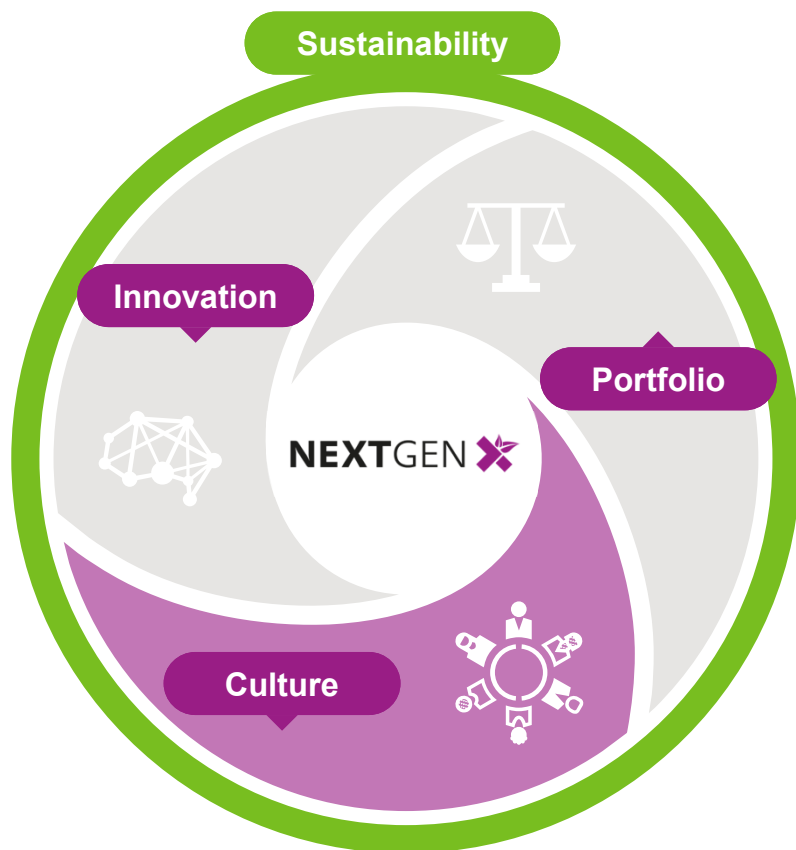
- Safety and health protection are top of our agenda
- Strengthen diversity to lead in a complex world

Social & Governance

- Social commitments & responsible supply-chain management
- Sustainability KPIs as integral part of management compensation

Driving “Next Generation Culture“

Shifting mindset in the entire organization



Safety first as foundation:

- Accident frequency as part of management compensation
- Low level secured over the last years¹

Diversity as basis of our economic success:

- Ambitious targets defined
- Inclusive mindset and behavior foster diversity

Attractive employer:

- Employee commitment with increase of 5pp in latest employee survey
- Integrating sustainability stronger into HR core processes

1. below upper limit of 0.21 (number of accidents per 200,000 working hours)

Our sustainability commitments

External



UN Global Compact

Aligning companies' operations and strategies with 10 universally accepted principles in the areas of human rights, labor, environment and anti-corruption



Responsible Care

The global chemical industry's initiative to improve health, environmental performance, enhance security, and to communicate with stakeholders about products and processes



Chemie³

An alliance of VCI, IG BCE and BAVC underpinning sustainability as a guiding principle of the chemical industry in Germany and providing inspiration for the international community

Internal



Global Social Policy

Evonik's internal commitment to human rights, core labor standards, international standards and principles of conduct



ESHQ Values

Protecting people and the environment, treating partners fairly, and focusing on the needs of customers as core beliefs for everyone at Evonik



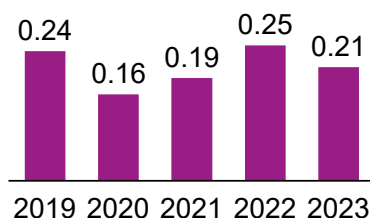
Code of Conduct

Containing corporate values and principles, governing conduct of all Evonik employees; externally operated whistleblower system

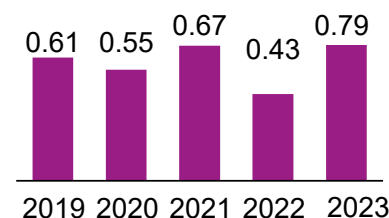
Safety is at the top of our agenda



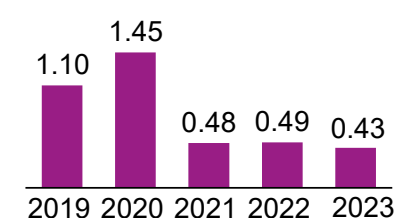
Occupational safety & plant safety



Lost time injury rate¹ for Evonik employees
low level helped by home office;
no fatal accident.
Upper limit: ≤ 0.21



Lost time injury rate¹ for contractors
above previous year level;
caused by workers tripping,
slipping, or falling;
no fatal accident.



Process safety incident rate²
decreased due to targeted countermeasures.
Target: ≤ 0.40

Incorporation of safety performance in remuneration systems. Culture initiative "Safety at Evonik" firmly established. Roll-out of new global server-based platform ESTER³

1) This indicator contains all work-related accidents (excluding traffic accidents) resulting in absences of at least one full shift per 200,000 working hours.

2) Number of incidents per 1 million working hours up to 2020, Number of incidents per 200,000 working hours as from 2021 in acc. with Cefic 2016 3) ESTER = Evonik Standard Tool ESHQ and Reporting

Diversity goes far beyond quantitative targets

We approach diversity with diversity



Diversity is key to economic success

- Evonik ranks among **top European companies** in terms of diversity
- We address **diversity** strategically, culturally and with an eye toward our business processes
- **Top management** as prominent **role model** in embracing diversity, e.g. in Diversity Council



Specific goals with highest priority (by 2023)

- **Gender diversity:** e.g. **30%** of executive, senior management and on manager level (2023: 22%/19%/30%)
- **Intercultural mix:** e.g. **25%** of executive and **35%** of senior management positions (2023: 18%/26%)

Diversity goes far beyond quantitative targets!

- Diversity is not only a numeric game but a **matter of culture**
- An **inclusive mindset and behavior** ultimately determine if we can utilize diversity successfully

Diversity creates growth

Diversity creates innovation

Diversity brings us closer to our customers

Diversity is our future

Agenda

Sustainability fully integrated into all three strategic levers

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- Sustainability fully integrated into innovation portfolio steering
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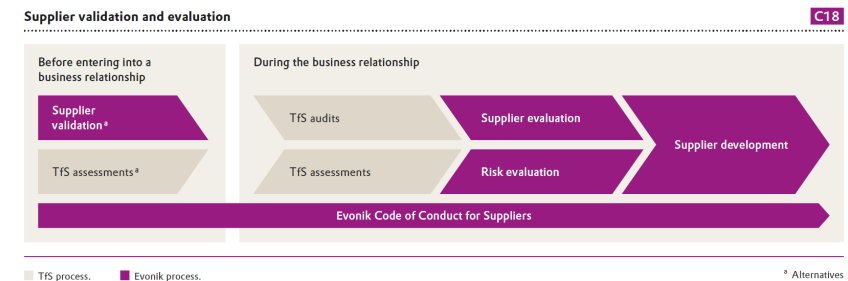
- Safety and health protection are top of our agenda
- Strengthen diversity to lead in a complex world

Social & Governance

- Social commitments & responsible supply-chain management
- Sustainability KPIs as integral part of management compensation

Taking a broad view on human rights throughout our value chains

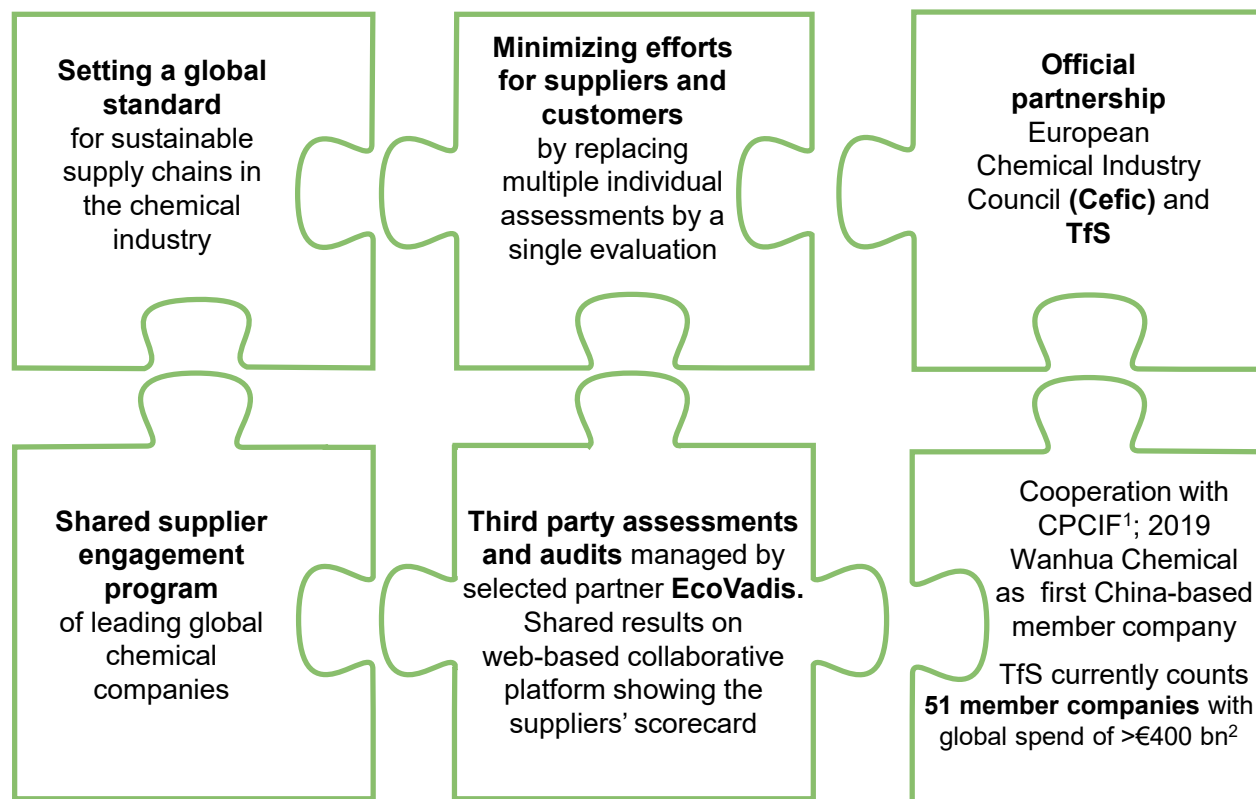
- Evonik commits to respecting human rights in line with the “Guiding Principles on Business and Human Rights” of the United Nations across its complete value chain.
- Our policy statement on human rights is based on
 - the International Bill of Human Rights,
 - the International Labor Organization’s Declaration on Fundamental Principles and Rights at Work
 - the ten principles of the United Nations Global Compact.
- We also respect the OECD Guidelines for Multinational Enterprises.
- Evonik complies with applicable laws and regulations wherever it operates. In countries where local laws and regulations conflict with internationally recognized human rights, we seek ways to honor the above-mentioned international standards while not violating local law.



Responsible supply chain management

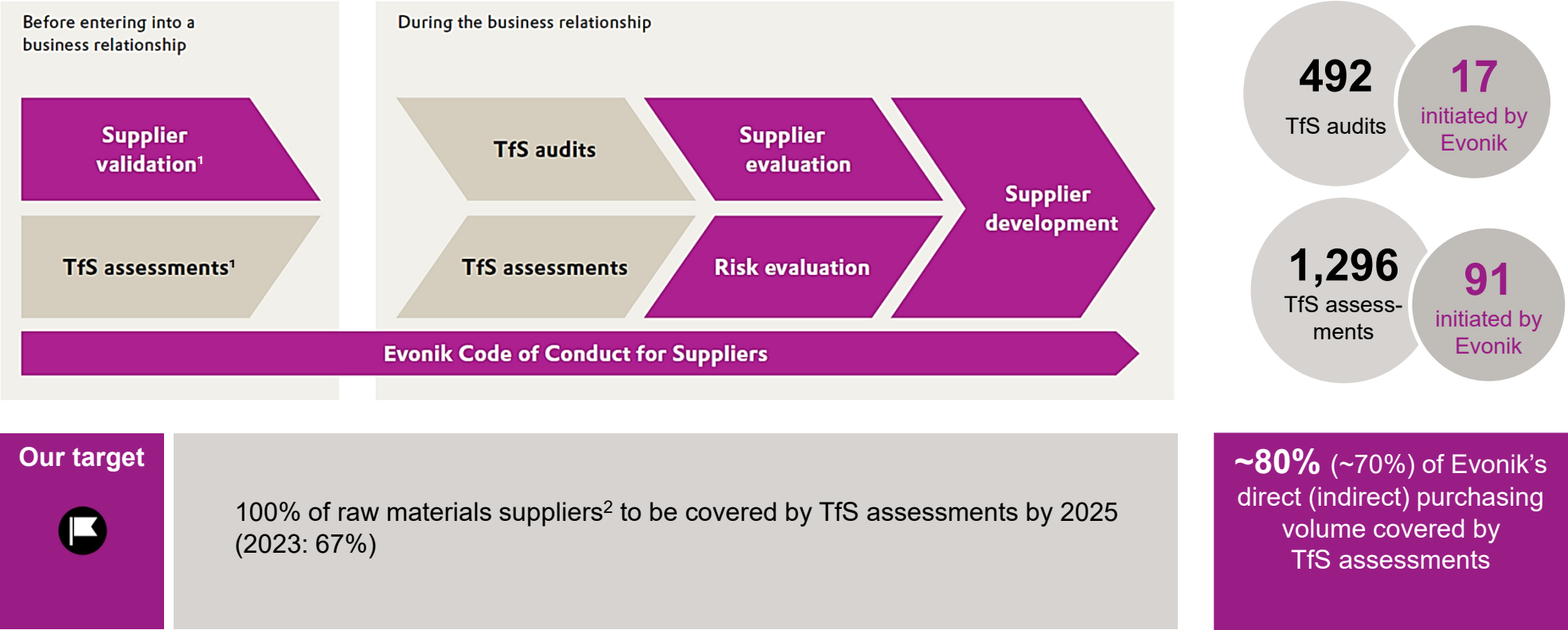


Evonik **founding member** of “Together for Sustainability” (TfS) initiative of chemical industry driving transparency and sustainability along the supply chain.



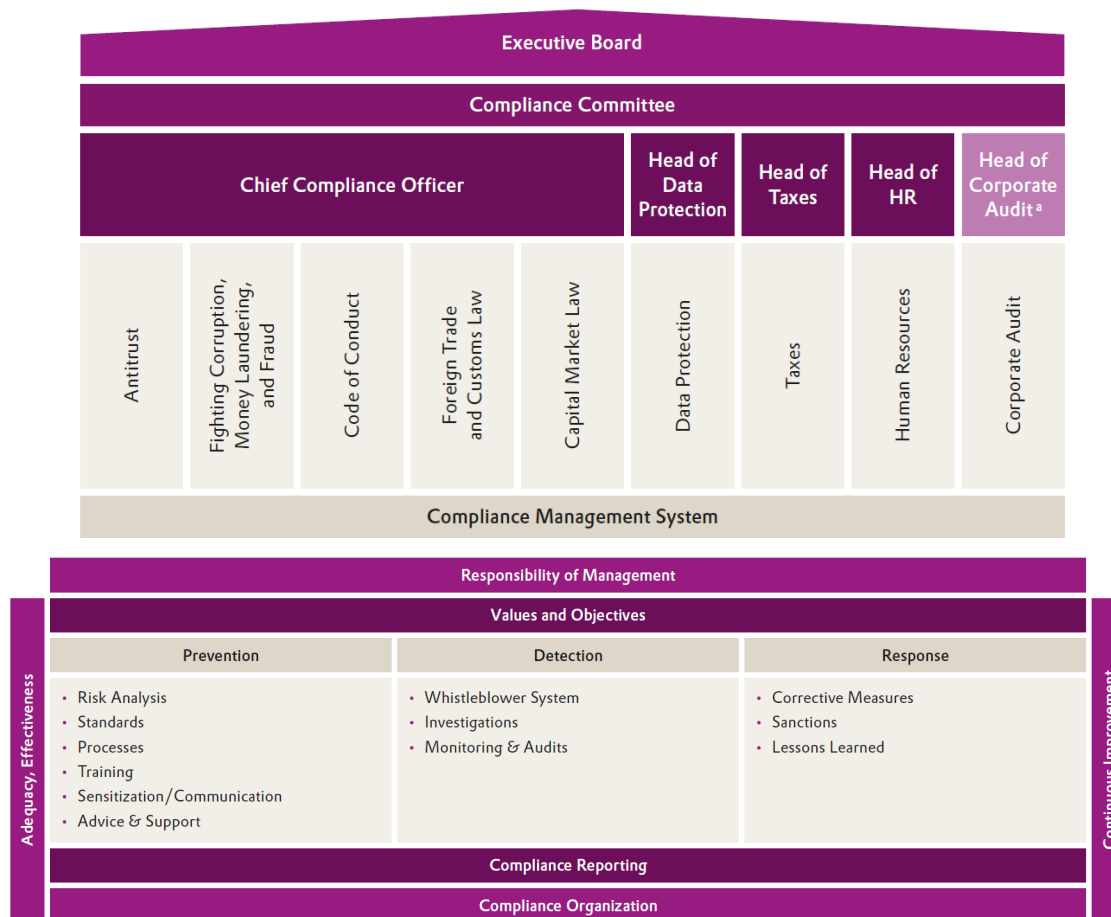
1.CPCIF = Chinese Petroleum and Chemical Industry Federation 2) estimated figure for the chemical industry

Responsible supply chain management



FY 2023 | 1. Alternatives; 2. with annual procurement volume of >€100k

Compliance: Watching responsible business practices



House of compliance

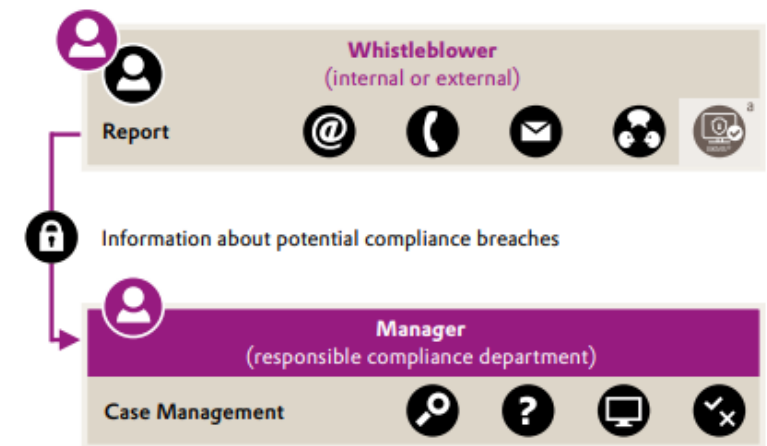
- The House of Compliance has been established to define minimum Group-wide standards for the relevant compliance management systems in relation to the topics specified above and to ensure that these standards are implemented
- Decision-making, exchange of experience, and coordination of the joint activities all take place in the Compliance Committee, which is comprised of the heads of the individual departments, who are independently responsible for their subject area, and the head of Corporate Audit

Compliance management system

- The compliance management system comprises, on the basis of defined values and objectives, the instruments shown in the chart and any measures to be taken accordingly

Compliance. Whistleblower hotline.

- All employees are required to report possible or actual violations of the code of conduct to the responsible department or compliance officer without delay
- In addition to internal reporting channels, electronic whistleblower hotlines operated by independent external providers are available group-wide
- Both employees and external stakeholders such as business partners and their employees, local residents near our sites, and employees' families can report suspected compliance violations
- Reports are possible on all key compliance issues and are automatically forwarded to the department responsible for the relevant compliance topic
- The whistleblower hotline is certified as conforming with European data protection legislation
- Evonik takes up all allegations and investigates them
- To protect whistleblowers, the general principles set out in the policy on internal investigations include security measures such as forbidding putting them at any disadvantage



^a External Whistleblower System. Guarantees anonymity, if desired by whistleblower.

Sustainability integrated into management compensation scheme

20% of long-term incentive based on strategic ESG KPI's

Fixed salary ~1/3	To be paid in cash for each financial year	
Bonus ~1/3	KPIs aligned to mid-term strategic targets 1. Progression towards EBITDA margin target 2. EBITDA growth (yoy) 3. Contribution to FCF target	... and integrating Safety First mindset: 4. Accident performance
Long-term incentive plan ~1/3	 <ul style="list-style-type: none">▪ Granted LTI target amount calculated in virtual shares (4-year lock-up)▪ Absolute performance: Real price of the Evonik share▪ Relative performance against external index benchmark (MSCI Chemicals)	 <div>LTI based on strategic ESG KPI's, e.g.:</div> <ul style="list-style-type: none">▪ Sales share of "Next Generation Solutions"▪ CO₂ emission reduction▪ Employee Commitment

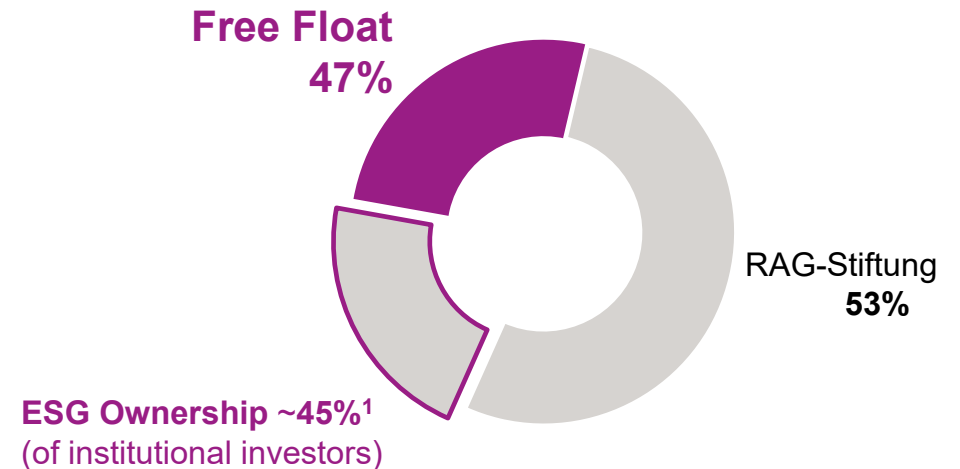
Shareholder structure

“RAG-Stiftung”, long-term shareholder with focus on total shareholder return

RAG Stiftung

- RAG-Stiftung manages a portfolio of ~€19 bn assets under management, one of the biggest foundations in Europe
- Portfolio consists of publicly traded securities, private equity, direct holdings, real estate and bonds of various types
- RAG-Stiftung focuses on investments with high total shareholder return and strong cash/distribution profiles
- Underlying goal is to finance/cover the perpetual liabilities arising from hard-coal mining in Germany
- >60% of total portfolio invested in assets other than Evonik
- RAG-Stiftung with strong interest in Evonik's profitable growth, resulting in significant shareholder returns
- Clear intention to remain significant shareholder

Ownership structure



1. as of January 2023

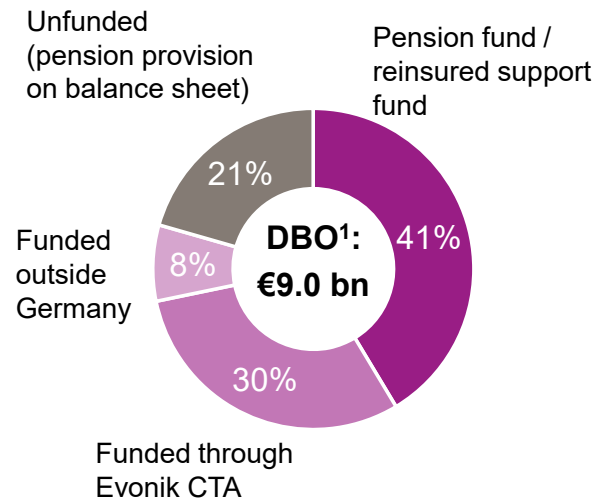
Sustainability embedded in pension asset management

Evonik Pensionstreuhand e.V. (CTA)

Sustainability process initially developed for portfolio held directly by Evonik Industries AG and thus directly under Corporate control (Contractual Trust Agreement, **CTA**)

- CTA: **>80%** of total plan assets under management supervised by managers committed to UN Principles for Responsible Investment (UN PRI)
- Segregated Accounts with minimum ESG guardrails (Art. 8 eligible)
- ESG monitoring

Funding level at 79%



Pensionskasse Degussa VVaG (Pension fund)

As one of the first pension funds in Germany, Pensionskasse Degussa VVaG (**PKD**) with own **ESG strategy** since April 2019

- Main focus on Governance requirements (compliance, audits, risk management, cyber security etc.)
- From 2020 to 2023 on, 50% women in PKD-Board of Management (fluctuation in 2024 can change this ratio)
- Investment criteria: managers required to have signed UN PRI; focus on democratic countries, respect for human rights, anti-corruption etc.
- Asset Class Specific: Suitable ESG factors taken into account in riskmanagement process
- ESG monitoring

FY 2023 | 1) DBO = Defined Benefit Obligations | Pension funding overview as of Dec 31, 2023

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