Evonik Strategy: Targeting excellence in three strategic focus areas

Profitable Growth

Portfolio:
More balanced &
more specialty

Leading in
innovation

Open &
performance-oriented
culture
Our sustainability management

Executive Board – Overall responsibility for sustainability

Executive Board member in charge – Chief Human Resources Officer (CHRO)

Segments

Corporate Divisions

Regions

Executive Committee HR

Corporate Responsibility Panel

Global Corporate Responsibility Committee

CR Expert Circles

Thomas Wessel
Executive Board Member responsible for sustainability
Sustainability Highlights

**Excellent Rankings**

- "A" MSCI ESG rating¹, EcoVadis "Gold" rating, "B"-ISS Oekom² and "B" CDP rating³

**Sustainable Development Goals**

- >50% of sales contribute to SDGs
- SDGs “Responsible consumption & production”, “Climate Action”, “Good Health” and “Clean Water” identified as being particularly relevant to Evonik

**Environmental targets**

- Ambitious environmental targets
  - Evonik’s sustainability strategy 2020+ with ambitious climate and water targets

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¹ Rating on a scale of AAA to CCC
² Rating on a scale of A+ to D-
³ Rating on a scale of A+ to D-
Our sustainability strategy

1) adopted February 2019 2) using WBCSD Portfolio Sustainability Assessment method, business activities are weighted at the level of PARCs; PARC = product-application-region combination

1. CO₂
   -50% absolute, Scope 1 & 2
   2008 - 2025
   2008 - 2019: -42%

2. Water
   Further reduction of specific water intake
   Global water management system: development of site-specific action plans

3. Portfolio
   Strategic focus on growth engines with high sustainability benefits
   Implementation of sustainability analysis according to new method

CO₂ pricing as additional planning premise for investments

€ per t CO₂

Evonik
Leading Beyond Chemistry

Public | 2020 | Corporate Responsibility | Société Générale ESG-SRI Conference, 24.03.2020
Evonik committed to Paris Agreement on Climate Change

**SDG 13**
One of the four most relevant SDGs for the Evonik Group

**Climate Action**

**2008 - 2025**

**2008 – 2019:** -42%

**Carbon Pricing**
-50% absolute, Scope 1 & 2

**Carbon Pricing**
as additional planning premise for investments since fall 2019
Our assumption:
In ≤10 years, all regions relevant for Evonik will be covered by CO₂-regimes of ≥50 €/t CO₂

**Scope 3**
Reduce absolute scope 3 emissions from upstream value chain by 15% by 2025 (reference base: 2020)

**CO₂**

**R&D for “green” energy**

**Joint project by Siemens and Evonik on artificial photosynthesis**

Generation of high-value specialty chemicals from carbon dioxide and eco-electricity

Test facility to start operating at Evonik’s Marl site in 2020
New gas and steam turbine power plant in Marl

- Modernization of Evonik’s power plant park as key element in achieving our targeted CO₂ reduction

- Replacement of last coal-fired power plant at Marl Chemical Park by a flexible gas and steam turbine power plant

- Total power output of 180 megawatts with an efficiency exceeding 90%

- Global scope 1 GHG emissions to be cut by ~20%, mainly due to annual reduction of 1 million metric tons CO₂

- Plant expected to come on stream by 2022

Scope 1 and Scope 2 emissions¹

<table>
<thead>
<tr>
<th>Year</th>
<th>Scope 1 (1,000 tons CO₂eq)</th>
<th>% Change</th>
<th>Scope 2 (1,000 tons CO₂eq)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>9,029</td>
<td></td>
<td>5,689</td>
</tr>
<tr>
<td>2018</td>
<td>5,689</td>
<td>-50 %</td>
<td>4,923</td>
</tr>
<tr>
<td>2019</td>
<td>4,923</td>
<td></td>
<td>2,985</td>
</tr>
<tr>
<td>2025</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹ In thousand tons CO₂eq
## Portfolio management via sustainability criteria

<table>
<thead>
<tr>
<th>Method</th>
<th>Analysis and results</th>
<th>Strategic measures</th>
</tr>
</thead>
</table>
| ▪ WBCSD¹ sector **standard approach** aligned to specific requirements of Evonik | ▪ **Classification** of product portfolio according to its **sustainability performance** (A++ to C--): 99% of sales covered by Sustainability analysis | ▪ Analysis part of **strategic portfolio management** e.g. for:  
  - Investments  
  - Innovation  
  - M&A |
| ▪ Approach **audited** by PWC | | |

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1. Portfolio Sustainability Assessments (PSA) from World Business Council for Sustainable Development
>30% of Evonik’s portfolio with superior sustainability benefits

~90% generated with products or solutions above or on market reference in terms of sustainability

€13.2 bn sales¹

Challenged (C−) 1%
Transitioner (C-) 9%
Performer (B) ~60%

>30%

“Next Generation Solutions”²

▪ … address globally increasing demand for sustainable solutions
▪ .. deliver above-average growth
▪ … are highly profitable (in or above margin target range of 18-20%)

Target to further increase “Next Generation Solutions”

Challenged and transitioner products:
Evaluation of strategic options (transform/exit/divest) within 5 years

1. 2018 sales continuing operations | 2. “Next Generation Solutions” include “Leader” (A++) and “Driver” (A+) products and solutions

9 | Public | 2020 | Corporate Responsibility | Société Générale ESG-SRI Conference, 24.03.2020
Summary: Our sustainability strategy

1. Sustainability is part of Evonik’s market proposition

2. Evonik is committed to foresighted resource management

3. Evonik has defined growth engines with a clear focus on sustainability

4. Evonik integrates sustainability into its strategic management processes

5. Evonik sets high standards for continuous improvement of reporting

1) Adopted by the executive board, February 2019
Ambitious environmental targets 2004 – 2020

Specific GHG emissions¹

20% from 2004-2014

12% from 2013-2020

Specific water intake²

20% from 2004-2014

10% from 2013-2020

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1) Energy- and process-related emissions as defined by the Greenhouse Gas Protocol, scope 2 emissions calculated using market-based method 2) Reporting on specific water intake has been recalculated retrospectively. Based on our regular analytical verification - checks on random samples of reported data and audits - gaps in reporting in one organizational unit were identified and corrected 3) Start-up of hydrogen peroxide facility in Jilin (China).

12 | Public | 2020 | Corporate Responsibility | Société Générale ESG-SRI Conference, 24.03.2020
Managing Evonik’s carbon footprint

**Carbon footprint**

**Evonik Carbon Footprint in 2018 (27,6 Mt CO₂e)**

- Purchase of raw materials and indirect goods (Scope 3)
- Disposal and recycling of sold products (Scope 3)
- Direct emissions (Scope 1)
- Emissions due to purchased energy (net, Scope 1)
- Transport of purchased raw materials and sold products (Scope 3)
- Energie-related activities outside of Scope 1 and 2 (Scope 3)
- Capital goods (Scope 3)
- Disposal and recycling of waste (Scope 3)
- Other emissions (Scope 3)

Total: 27.7 Mt CO₂e

**Avoided emissions**

108 million metric tons CO₂eq¹ avoided emissions

by use of selected Evonik products² compared to conventional alternatives on the market

**CO₂eq¹ in million metric t**

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>92,5</td>
<td>92,2</td>
<td>95,2</td>
<td>101,8</td>
<td>108</td>
</tr>
</tbody>
</table>

FY 2018 | 1) Carbon dioxide equivalents 2) „green tire“ technology, amino acids in animal feed, foam stabilizers for insulation materials, and oil additives in hydraulic oils

13 | Public | 2020 | Corporate Responsibility | Société Générale ESG-SRI Conference, 24.03.2020
Gate to gate: Sustainability evaluation part of our R&D

€428 million
R&D expenses
R&D expenses to sales ratio: 3.3%

~225
New patent applications filed

~24,000
Patents and pending patents

47%
of sales patent-protected

DSM and Evonik combine expertise in JV Veramaris for omega-3 fatty acids from natural marine algae for animal nutrition in aquaculture

Tissue Engineering project house in Singapore

Global R&D network:

~2,600 employees
~38 sites

~2,600 employees
38 sites

Current market growth\(^1\) of ~30% p.a.; market volume\(^1\) of US $3 bn by 2021

Systematic sustainability assessment for strategic R&D projects\(^2\)

13%
of sales with products and applications less than 5 years old

Biosurfactants on industrial scale: Evonik and Unilever teamed up

Innovation Award: AEROSIL® E2D

FY 2019 | 1) Estimations 2) Idea-to-People-Planet-Profit (I2P³)
14 | Public | 2020 | Corporate Responsibility | Société Générale ESG-SRI Conference, 24.03.2020
Gate to gate: Our innovation targets

R&D expenses to sales ratio
Group level: 3.3%
Growth engines: 4–6%

Sales with new¹ products and applications
Medium term target: 16% of sales
2019: ~13% of sales

Corporate Venturing
~ 30 investments since 2012
2019: 2nd venture capital fund launched
(€150 million), more than doubling amount under management to €250 million

Evonik Innovation Growth Fields: 25% p.a. CAGR

- Sustainable Nutrition
- Advanced Food Ingredients
- Healthcare Solutions
- Cosmetic Solutions
- Membranes
- Additive Manufacturing

Additional contribution to sales
by 2025: > €1 billion; 2019: ~ €300 million

¹ Developed in the past 5 years
15 | Public | 2020 | Corporate Responsibility | Société Générale ESG-SRI Conference, 24.03.2020
## Downstream: Sustainability as growth driver

<table>
<thead>
<tr>
<th>Growth engines</th>
<th>Growth trends and drivers</th>
<th>„Sustainable“ products</th>
<th>Market growth in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specialty Additives</td>
<td>- Rising requirements on additive effects</td>
<td>- Additives for eco-friendly coatings</td>
<td>5 – 6</td>
</tr>
<tr>
<td>“Small volume, big impact“</td>
<td>- Need for increased product performance and efficiency</td>
<td>- PU additives for insulation</td>
<td></td>
</tr>
<tr>
<td>Health &amp; Care</td>
<td>- Increasing health awareness</td>
<td>- Oil additives for fuel savings</td>
<td>5 – 6</td>
</tr>
<tr>
<td>Preferred partner in Pharma and Cosmetics</td>
<td>- Bio-based products and eco-safe cosmetics</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Smart Materials</td>
<td>- Trend towards resource efficiency in highly-demanding applications</td>
<td>- Pharma polymers</td>
<td>4 – 7</td>
</tr>
<tr>
<td>Tailored functionalities for sustainable solutions</td>
<td>- Engineered materials to fulfill high performance requirements</td>
<td>- Oleochemicals</td>
<td></td>
</tr>
<tr>
<td>Animal Nutrition</td>
<td>- Sustainable nutrition</td>
<td>- Advanced biotechnology</td>
<td>5 – 7</td>
</tr>
<tr>
<td>Comprehensive portfolio for sustainable food chain</td>
<td>- Improving food quality and safety</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1) Examples 2) HPP: High Performance Polymers
## Products with significant contributions to sustainable development

### Insulation & Circular Economy

**POLYVEST® HT**  
for sealing compounds for insulating glass windows (triple glazing)

**VESTENAMER®**  
process additive allows rubber waste to be processed to low-noise asphalt

**PU-Additives**  
for furniture applications and the automotive industry (low VOC)

**CALOSTAT®**  
purely mineral high-performance insulation material; fully recyclable; incombustible

### Mobility

**Silica-organosilane**  
reinforcing system for “green tire“ technology

**DYNAVIS®**  
oil additives for energy-efficient hydraulic fluids

**ROHACELL®**  
light-weight technology for automotive and aircraft industry

**DRIVON™**  
technology for cost-efficient engine oils and transmission fluids

### Renewable Energies

**Catalyst NM 30**  
for cost-efficient biodiesel production

**Crosslinkers, silica, oil additives, silicone epoxy resins** for wind power

**SEPURAN®**  
customized hollow-fibre membranes for efficient biogas purification

**TAICROS® Crosslinkers**  
for photovoltaic cell encapsulation
UN Sustainable Development Goals (SDGs)

2017
Our contributions to the SDGs

2018
Most relevant SDGs for the Evonik Group

2019/2020
Inclusion in sustainability analysis of business


18 | Public | 2020 | Corporate Responsibility | Société Générale ESG-SRI Conference, 24.03.2020
Our positive impact on the SDGs of most relevance for Evonik

Our contribution to SDG 12
- High safety standards
- Responsible supply chain management
- Responsible management of chemicals and waste
- Products for resource efficiency in highly demanding applications

Our contribution to SDG 13
- Ambitious CO₂ reduction targets
- Silica-silane technology for „green“ tires
- Oil additives to extend life of hydraulic machines and save fuel
- Membranes for biogas upgrading
- DL methionine for animal nutrition
- High-performance insulation materials

Our contribution to SDG 6
- Global water management system: development of site-specific action plans within Evonik Group
- Oxidation agents, waste water treatment
- Biosurfactants

1) Examples 2) API = Active Pharmaceutical Ingredient
We create value for society\(^1,\,2\)

1. Impact valuation of our business in 2019 along the value chain (excluding the methacrylates business) covering Germany, the rest of Europe, USA, Canada, Mexico, Asia-Pacific, Middle-East, Africa, and Central & South America on the basis of currently available data.
2. Data outside the scope of the limited assurance review.
3. The total includes Evonik’s direct impact.

€1 : €4.27\(^3\)

Every €1 value added by Evonik creates a total of €4.27 added value for society.

1 : 7.9 jobs\(^3\)

One Evonik employee secures an average of 7.9 jobs in the value chain.

€1 : €1.82\(^3\)

Every €1 value added by Evonik results in public revenue of €1.82.
Biosurfactants are the next game changer in Evonik’s innovation portfolio

A unique process resulting in a unique product

Raw materials → Sugars → Fermentation → Biosurfactants (rhamnolipids) → cosmetics & cleaning agents

Fulfilling today’s and tomorrow’s consumer needs

**Origin**
- 100% renewable
- No tropical oils
- Natural ingredient

**Sensorials**
- Mild to the skin
- Pleasant skin feel
- Creamy foam

**Performance**
- Excellent foaming
- High cleansing/degreasing
- Hard water resistant

**Environmental**
- Bio-processed
- 100% bio-degradable
- Low aquatox

“Biosurfactants are looked to with some enthusiasm by users and manufacturers alike. Recent investments by companies like Evonik and Unilever in commercialising biosurfactant-based consumer products have attracted a lot of attention”

Surfactant Community Report 2020, Neil Burns
## Biosurfactants vs. Biobased Surfactants

<table>
<thead>
<tr>
<th><strong>Biosurfactants (Rhamnolipids)</strong></th>
<th><strong>Biobased Surfactants</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Natural surfactants produced by fermentation</strong></td>
<td><strong>Synthetic surfactants from renewable raw materials</strong></td>
</tr>
<tr>
<td>Derived from plant based sugars</td>
<td>Derived from (tropical) oils</td>
</tr>
<tr>
<td>Bio-processing (fermentation)</td>
<td>High temperature/pressure involved</td>
</tr>
<tr>
<td>No hazardous feedstocks</td>
<td>May use hazardous raw materials</td>
</tr>
<tr>
<td>Nature identical structures</td>
<td>Synthetic structures</td>
</tr>
<tr>
<td>Consumer perceivable mildness benefit</td>
<td>Examples: Alkyl polyglucosides, Glucamides, nonionic surfactants made from biobased ethylene oxide</td>
</tr>
<tr>
<td>Best in class environmental profile</td>
<td></td>
</tr>
</tbody>
</table>
LCA TÜV Rheinland\textsuperscript{1} of Evonik’s amino acids for animal nutrition

**Improvement factors**

- **Global Warming**
  - CO\textsubscript{2} 27 13
  - If an amino acid mixture is added to feed instead of supplementary soy or rape seed, the greenhouse gas effect in poultry farming decreases by a factor of 27. In pig farming, the reduction factor is a respectable 13.

- **Eutrophication Potential**
  - PO\textsubscript{4} 39 16
  - Over-fertilization potential is decreased by a factor of 39 for poultry and by a factor of 16 for pigs.

- **Acidification Potential**
  - SO\textsubscript{2} 35 19
  - The effect on acidification potential was determined as a factor 35 for poultry farming and a factor of 19 for pig farming.

\textsuperscript{1} Life cycle assessment by German standardization body TÜV Rheinland, 2015
Substantially lower resource consumption & emissions

With 1 kg of DL-Methionine, up to 260 kg of soybean meal can be replaced in feed. The use of 100,000 t DL-Methionine\(^1\) means:

- **\(-1,000,000\) t**
  - Less consumption of resources (crude oil equivalents)

- **\(-790,000\) t**
  - Reduced nitrate emissions into ground waters

- **\(-800,000\) t**
  - Reduced ammonia emissions into the air

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1) The calculation is based on LCA Methionine 2003
Algae to produce omega-3 fatty acids, skipping over the food chain in the ocean

Specialist in developing industrial biotechnology processes and in operating large scale manufacturing sites for fermentative processes

Specialist for the cultivation of marine organisms including algae

A combination of complementary expertise

- **Start-up of new plant in July 2019**
- **Market-pull** from the feed value chain, consumers and NGOs
- **Committed customers** like Norwegian salmon farmer Lingalaks & German retailer Kaufland
- **Initial sales potential** of ~€150 - 200 m from first plant

1: 50:50 JV Evonik & DSM
Tissue Engineering Project House following Medical Devices

- Biodegradable Bone Screw
- Biodegradable Stent

- Network with more than 15 universities and institutes
- More than 10 customer projects launched
- More than 10 patents filed
- First product launched

- Evonik’s right to play: eg materials (amino acids, growth factors, resorbable polymers)
- CAGR 30%
- Evonik addressable markets: 3B (2021)

Next Project House

Bioactive construct
Sterile packaging
Storage/bioreactor
Media

Skin grafts for wound healing (burns, ulcers)
Sustainability as a growth driver: efficiency in construction

Silica
Non-combustible high-performance insulation materials are recyclable and allow for slim insulation at new and refurbished buildings.

Binding agents
Durable road markings improve road safety and save more than 33% of the CO₂ footprint over the life cycle compared to other technologies.

Silanes
Best practice anti-corrosion systems avoid maintenance costs caused by corrosion over a time period of more than 35 years.

Processing aid
Efficient use of ground tire rubber in asphalt, along with reduction of lane grooves, crack formation and noise generation.
Sustainability as a growth driver: wind power

Crosslinkers

Composite materials in rotor blades have gained wide acceptance due to their high carrying capacity and their low weight.

Silica

High-performance adhesives enable the sustainable construction and stability of glued rotor blades longer than 75 m.

Oil additives

Wind turbine gear oils with high reliability reduce lubricant cost by 20%.

Silicone Epoxy Resins

Anti-corrosion coatings are approx. 50% thinner, at the same performance.
Sustainability as a growth driver: efficiency in mobility

**Polymer powder**

*Additive Manufacturing (3D printing)* enables new design freedom, light weight components, rapid prototyping and more efficient spare parts logistics.

**Silica/Silane system**

The *Green Tire* with lower rolling resistance reduces fuel consumption and CO₂ emissions by **up to 8%**, compared to conventional automobile tires. Road safety is improved due to reduced braking distance on wet roads.

**Membranes**

*Energy carriers methane and hydrogen* from renewable sources emit significantly less CO₂ over the life cycle than petrol and diesel.

**Crosslinkers, polymers, resins**

*Light weight solutions* reduce the weight of selected components with the same function by **up to 60%** in comparison to aluminum.
Sustainable mobility: „Green tire“

- Sustainable mobility more and more important to consumers worldwide
- Low resistance tires lead to fuel reduction by up to 8%\(^1\); silica/silane systems as essential components of the rubber mixture of these tires
- Since 2010, market for "green tires" has grown by 30% p.a.; labeling requirements as growth driver
- Evonik is improving “green tires” even further, bringing a new silane on the market in the near future

\(^1\) compared to conventional passenger car tires

VOC = volatile organic compounds

Development of rubber silanes follows market demands

- VOC\(^2\)-free,
- without ethanol emissions during the silica reaction or from the finished tire
DYNAVIS® additive technology for hydraulic fluids

**DYNAVIS® technology: More power, less fuel**

- Up to **30%** less fuel consumption for the same amount of work
- Up to **30%** more hydraulic power under full-load conditions

**Calculate your savings directly on the DYNAVIS® website**

- **BENEFIT**
  - Fuel Savings: 14,338 l
  - Increase in Hydraulic Fluid Cost: 1,200 EUR
  - Total Savings: 20,207 EUR
  - Reduction of CO2 Emissions: 38.4 MT

- **COST**
  - Cost of Diesel Fuel: 1,30 EUR/l
  - Cost of your Monograde Hydraulic Fluid: 2,20 EUR/l
  - Cost of Hydraulic Fluid with DYNAVIS® Technology: 3,00 EUR/l

- **EXCAVATOR**
  - How many machines do you operate? 5
  - Fluid Drain Interval: 2500 h
  - Fluid Changeout Volume: 300 l
Membranes for efficient separation of gas mixtures

Polyimide membrane modules for efficient and energy-saving gas separation, tailoring selectivity and permeability exactly to the specific application

2011: SEPURAN® Green for upgrading biogas to biomethane; today: >300 biogas upgrading installations operating worldwide, reducing CO₂-emissions by nearly 2 million metric tons p.a.

2015: SEPURAN® Noble for energy efficient helium recovery from source gas

2016: SEPURAN® N₂ for energy efficient nitrogen generation from air

2016: Reference plant for helium upgrading in Mankota (Canada)

2018: Exclusive cooperation agreement on the use of membranes for natural gas processing

- Already mid-double digit million € business¹ in BL High Performance Polymers (Resource Efficiency Segment)
- Strongly growing with 20% CAGR

1) Sales 2018
Evonik is expanding its business with environment-friendly oxidation agents

- Acquisition of PeroxyChem (Philadelphia, USA) with attractive hydrogen peroxide (H$_2$O$_2$) and peracetic acid (PAA) businesses in February 2020
- Sales of approx. US$300 million, adj. EBITDA of >US$64 million in 2019
- Focus on high-margin specialty applications in the environmental, food safety, and electronics semiconductor industries
- Businesses with low cyclicalty, unlocking additional growth opportunities. Demand driven principally by need for sustainable disinfectants
- Successful start-up of wastewater treatment plant using PAA in Memphis (Tennessee, USA) in 2019; long-term supply agreement with City of Memphis
- PAA biodegradable in water; H$_2$O$_2$ as environmentally friendly and resource-efficient “green” chemical
Animal welfare

- Wherever possible, usage of published data to minimize animal testing
  - Teaming up with other companies to carry out joint tests
  - Taking read-across, grouping and in-silico/in-vitro approaches
  - Active involvement in EPAA\(^1\), SET Foundation\(^2\)

- Toxicological/ecotoxicological data still needed to assess safety of Evonik products
  - Tests on animals in many cases only way of reliably generating these data
  - Under national/international regulations (e.g. REACH) animal testing still required

- Evonik exclusively selects certified contract research organizations with high animal welfare standards

- Within Evonik Group, animal protection guidelines and animal protection officers installed

1) European Partnership for Alternative Approaches to Animal Testing 2) Foundation for the promotion of alternate and complementary methods to reduce animal experiments
Sustainable use of palm oil

Evonik member of Roundtable on Sustainable Palm Oil (RSPO) since 2010

All main Evonik sites\(^1\) processing palm oil certified according to RSPO Standard (MB\(^2\), SG\(^3\))

Share of RSPO certified raw materials amounts to ~25% for the Evonik Group, 65% for BL Care Solutions

Our goals: We intend to purchase only certified palm-based raw materials by 2023. Moreover, we will further expand our certified product portfolio.

1) 20 2) MB = Mass Balance Supply Chain certification 3) SG = Segregated Supply Chain certification

Since 2014 RSPO-certified products offered such as emulsifiers, consistency enhancers for creams and lotions.

Today, BL Care Solutions offers >100 ingredients for the cosmetic industry according to MB supply chain rules.
Safety is at the top of our agenda

Incorporation of safety performance in remuneration systems; culture initiative “Safety at Evonik” firmly established. Implementation of ESTER covering core ESHQ work processes.

FY 2018 1) Number of work-related accidents involving Evonik employees and employees under the direct supervision of Evonik per 1 million working hours 2) Number of work-related accidents involving non-Evonik employees resulting in absence from work per 1 million working hours 3) Process Safety Performance Indicator according to Cefic, covering incidents involving the release of substances, fire or explosion, even if there is little or no damage. It is calculated from the number of incidents per 1 million working hours of Evonik employees 4) ESTER = Evonik Standard Tool ESHQ and reporting

<table>
<thead>
<tr>
<th>Year</th>
<th>Accident frequency rate¹ for Evonik employees</th>
<th>Accident frequency rate² for contractors' employees</th>
<th>Incident frequency rate³ at very good level</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>1.18</td>
<td>3.6</td>
<td>1.40</td>
</tr>
<tr>
<td>2015</td>
<td>0.97</td>
<td>2.9</td>
<td>1.29</td>
</tr>
<tr>
<td>2016</td>
<td>1.24</td>
<td>3.2</td>
<td>0.95</td>
</tr>
<tr>
<td>2017</td>
<td>1.16</td>
<td>3.5</td>
<td>1.11</td>
</tr>
<tr>
<td>2018</td>
<td>0.87</td>
<td>2.8</td>
<td>1.08</td>
</tr>
</tbody>
</table>

1) Incidence frequency rate of Evonik employees considerably improved; target 2018 (≤1.30)
2) Accident frequency rate of contractors' employees considerably improved; target 2018 (≤1.10)
3) At very good level; target 2018 (≤1.10)

<table>
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<th>Accident frequency rate² for contractors' employees</th>
<th>Incident frequency rate³ at very good level</th>
</tr>
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<tr>
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<td>1.40</td>
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<tr>
<td>2015</td>
<td>2.9</td>
<td>1.29</td>
</tr>
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</tr>
</tbody>
</table>
## Our sustainability commitments

### External

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>UN Global Compact</strong></td>
<td>Aligning companies’ operations and strategies with 10 universally accepted principles in the areas of human rights, labor, environment and anti-corruption</td>
</tr>
<tr>
<td><strong>Responsible Care</strong></td>
<td>The global chemical industry’s initiative to improve health, environmental performance, enhance security, and to communicate with stakeholders about products and processes</td>
</tr>
<tr>
<td><strong>Chemie³</strong></td>
<td>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</td>
</tr>
</tbody>
</table>

### Internal

<table>
<thead>
<tr>
<th>Policy</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Global Social Policy</strong></td>
<td>Evonik’s internal commitment to human rights, core labor standards, international standards and principles of conduct</td>
</tr>
<tr>
<td><strong>ESHQ Values</strong></td>
<td>Protecting people and the environment, treating partners fairly, and focusing on the needs of customers as core beliefs for everyone at Evonik</td>
</tr>
<tr>
<td><strong>Code of Conduct</strong></td>
<td>Containing corporate values and principles, governing conduct of all Evonik employees; externally operated whistleblower system</td>
</tr>
</tbody>
</table>
Ratings & Rankings: Evonik well-positioned

- **Oekom Research** (Prime Standard B-)
- **Sustainalytics** (among Top 10 of chemicals sector)
- Together for Sustainability/EcoVadis (“Gold Standard”)
- **Dow Jones Sustainability Index Europe**
- **FTSE4Good Europe, FTSE4Good Global**
- **STOXX® Global ESG Leaders**
- **MSCI World ESG Leaders Index; Socially Responsible Index MSCI Europe**
- **Vigeo Eiris** Euronext Index (Europe 120, Eurozone 120)
- **CDP** Climate Change: B; CDP Water: B
Evonik member of newly launched\textsuperscript{1} DAX® 50 ESG index

This makes Evonik one of the 50 largest and most sustainable companies in Germany.

The DAX® 50 ESG index combines the two most popular sustainable approaches for equity investing:

– negative exclusions and
– individual ESG scores, as calculated by Sustainalytics’ rating model.

Market capitalization and stock exchange turnover as further criteria.

\textsuperscript{1)} March 4, 2020
# Management compensation: Executive Board

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed salary</strong></td>
<td>To be paid in cash for each financial year on a monthly basis</td>
</tr>
<tr>
<td>~1/3</td>
<td></td>
</tr>
</tbody>
</table>

| **Bonus** | Pay-out calculated on the basis of the achievement of focused KPIs; aligned to mid-term strategic targets: |
| ~1/3 | Factor of between 0.8 and 1.2 to take into account the achievement of further individual targets |
| | Bonus capped at 200% of initial target |
| 1. Progression towards EBITDA margin target |  |
| 2. EBITDA growth (yoy) |  |
| 3. Contribution to FCF target |  |
| 4. **Accident performance (frequency and severity of accidents)** |  |

| **Long-term incentive plan** | Granted LTI target amount is calculated in virtual shares (4-year lock-up) |
| ~1/3 | Absolute performance: Real price of the Evonik share |
| | Relative performance against external index benchmark (MSCI Chemicals) |
| | Bonus capped at 300% of initial amount |
| | To be paid out in cash after lock-up period |
|  | Value of LTI to mirror the development of Evonik’s share price (incl. dividends) |
|  | Amount payable is determined by two performance elements |
Shareholder structure

RAG-Stiftung (RAG Foundation)

- Obligation to finance the perpetual liabilities arising from the cessation of hard-coal mining in Germany

- Evonik as integral and stable portfolio element with attractive and reliable dividend policy

- Clear intention to remain significant shareholder

- RAG-Stiftung capable to cover annual cash-out requirements with Evonik dividend (~€363 million dividend in 2018)
Disclaimer

In so far as forecasts or expectations are expressed in this presentation or where our statements concern the future, these forecasts, expectations or statements may involve known or unknown risks and uncertainties. Actual results or developments may vary, depending on changes in the operating environment. Neither Evonik Industries AG nor its group companies assume an obligation to update the forecasts, expectations or statements contained in this release.