Creating the future is our business

15th HSBC ESG Conference, 05.02.2020
Table of contents

1  Evonik – a global leader in specialty chemicals

2  Our sustainability commitments, strategy and targets

3  Value chain and products

4  Our focus in 2020

5  Annex
Building a best-in-class specialty chemicals company

- **Targeting excellence in three strategic areas**
  - More specialty and balanced portfolio
  - Customer-focused innovation
  - Open & performance-oriented culture

- **Portfolio with four growth engines**
  - Specialty Additives
  - Health & Care
  - Smart Materials
  - Animal Nutrition

- **Strong track record in strategy execution**
  - Successful divestment of Methacrylates Verbund; targeted acquisitions APD Specialty Additives, Huber Silica, Dr. Straetmans, PeroxyChem
  - Complexity reduction via portfolio streamlining
  - €200 m cost savings p.a. until 2021; €50 m in 2018 and in 2019
  - Corporate values as guidelines for cultural change

**Overall objective:** Adj. EBITDA-margin rising from 16 – 18% to 18 – 20%; GDP+ volume growth
Table of contents

1  Evonik – a global leader in specialty chemicals
2  Our sustainability commitments, strategy and targets
3  Value chain and products
4  Our focus in 2020
5  Annex
Our sustainability management

Thomas Wessel
Executive Board Member responsible for sustainability

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
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 - 2018: -30%
   € per t CO₂

2. Water
   Further reduction of specific water intake
   Introduction of global water management system

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

---

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
Evonik committed to Paris Agreement on Climate Change

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

**CO₂**

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

2008 - 2025

2008 - 2018: -30% ✓

**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 early 2020

**R&D for “green” energy**

Our assumption: In ≤10 years, all regions relevant for Evonik will be covered by CO₂-regimes of ≥50 €/t CO₂

**FY 2018**

7 | Public | 2020 | Corporate Responsibility | 15. HSBC ESG Conference, 05.02.2020
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 reduced by ~20%, mainly due to annual reduction of 1 million metric tons CO₂

- Plant expected to come **on stream by 2022**
Our goal:
By end of 2020, completion of sustainability analysis 2.0
Summary: Our sustainability strategy¹

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
Our sustainability targets 2019 and beyond

<table>
<thead>
<tr>
<th>Strategy and Growth</th>
<th>Governance and Compliance</th>
<th>Employees</th>
<th>Value chain and Products</th>
<th>Environment</th>
<th>Safety</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Anchor sustainability in strategy dialogues</td>
<td>▪ 20% women at 1st and 2nd management levels below executive board (year-end 2019)</td>
<td>▪ Analyze results of global employee survey</td>
<td>▪ Conduct sustainability analysis of our businesses</td>
<td>▪ Reduce absolute scope 1 &amp; 2 emissions by 50 percent (2025)</td>
<td>▪ Accident frequency rate ≤ 1.30</td>
</tr>
<tr>
<td>▪ Review SDGs of relevance for Evonik (from 2020)</td>
<td>▪ Review SDGs of relevance for Evonik (from 2020)</td>
<td>▪ Further support for diversity</td>
<td>▪ ≥ 20 supplier sustainability audits according to TfS</td>
<td>▪ Introduce a global water management system, including site-specific action plans</td>
<td>▪ Incident frequency rate ≤ 1.10</td>
</tr>
<tr>
<td>▪ ▪ Analyze results of global employee survey</td>
<td>▪ ▪ Further support for diversity</td>
<td>▪ ▪ Occupational Health Performance Index ≥ 5</td>
<td>▪ ▪ &gt; €1 bn additional sales in six innovation growth fields (2025)</td>
<td>▪ ▪</td>
<td>▪ ▪</td>
</tr>
<tr>
<td>▪ ▪</td>
<td>▪ ▪</td>
<td>▪ ▪</td>
<td>▪ ▪</td>
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<td>▪ ▪</td>
</tr>
</tbody>
</table>

Table of contents

1 Evonik – a global leader in specialty chemicals

2 Our sustainability commitments, strategy and targets

3 Value chain and products

4 Our focus in 2020

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

- Setting a global standard for sustainable supply chains in the chemical industry.
- Minimizing efforts for suppliers and customers by replacing multiple individual assessments by a single evaluation.
- Shared supplier engagement program of leading global chemical companies.
- Third party assessments and audits managed by selected partner EcoVadis. Shared results on web-based collaborative platform showing the suppliers’ scorecard.
- Official partnership with European Chemical Industry Council (Cefic) and TfS.
- Cooperation with CPCIF\(^1\); in 2019 Wanhua Chemical joined TfS as 23rd member and first China-based chemical company.

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1) CPCIF = Chinese Petroleum and Chemical Industry Federation
13 | Public | 2020 | Corporate Responsibility | 15. HSBC ESG Conference, 05.02.2020
Upstream: Responsible supply chain management

Before entering into a business relationship

- Supplier validation
- TfS assessments

During the business relationship

- TfS audits
- Supplier evaluation
- Risk evaluation
- Supplier development

Evonik Code of Conduct for Suppliers

Our targets 2019

- Conduct ≥20 supplier sustainability audits p.a. under the shared audit principle of the “Together for Sustainability” (TfS) initiative
- Continue analysis of suppliers by reviewing ≥ 80 TfS assessments
- Evaluate sustainability performance of 90% of suppliers of critical raw materials by 2020 (year-end 2018: 83%)

FY 2018 | 1) Alternatives
14 | Public | 2020 | Corporate Responsibility | 15. HSBC ESG Conference, 05.02.2020
€459 million
R&D expenses
R&D expenses to sales: 3.1%

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

- Global R&D network:
  - ~2,800 employees
  - 40 sites

- **Tissue Engineering project house in Singapore**

- ~240 New patent applications filed

- ~26,000 Patents and pending patents

- 50% of sales patent-protected

- 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\(^2\)

- **Biosurfactants on industrial scale:** Evonik and Unilever teamed up

- 12% of sales with products and applications less than 5 years old

- Innovation Award: AEROSIL® E2D

**FY 2018** | 1) Estimations 2) Idea-to-People-Planet-Profit (I2P³)
15 | Public | 2020 | Corporate Responsibility | 15. HSBC ESG Conference, 05.02.2020
Gate to gate: Our innovation targets

R&D expenses to sales

Group level: 3.1%
Growth engines: 4–6%

Sales with new¹ products and applications

Medium term: 16% of sales
2018: ~12% 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; 2018: > €250 million

¹ Developed in past 5 years
## 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>
</table>
| Specialty Additives             | ▪ Rising requirements on additive effects  
▪ Need for increased product performance and efficiency                             | ▪ Additives for eco-friendly coatings  
▪ PU additives for insulation  
▪ Oil additives for fuel savings                                                   | 5 – 6               |
| “Small volume, big impact”      |                                                                                          |                                                        |                    |
| Health & Care                   | ▪ Increasing health awareness  
▪ Bio-based products and eco-safe cosmetics                                                 | ▪ Pharma polymers  
▪ Oleochemicals  
▪ Advanced biotechnology                                                              | 5 – 6               |
| Preferred partner in Pharma and Cosmetics |                                                                                      |                                                        |                    |
| Smart Materials                 | ▪ Trend towards resource efficiency in highly-demanding applications  
▪ Engineered materials to fulfill high performance requirements                        | ▪ Silica & silanes („green“ tire)  
▪ HPP\(^2\) for lightweight applications or 3D-printing  
▪ Membranes for biogas upgrading                                                    | 4 – 7               |
| Tailored functionalities         |                                                                                          |                                                        |                    |
| for sustainable solutions       |                                                                                          |                                                        |                    |
| Animal Nutrition                | ▪ Sustainable nutrition  
▪ Improving food quality and safety                                                       | ▪ Amino acids for animal nutrition  
▪ Probiotics                                                                         | 5 – 7               |
| Comprehensive portfolio for sustainable food chain                                 |                                                                                          |                                                        |                    |
# Products with significant contributions to sustainable development

<table>
<thead>
<tr>
<th>Insulation &amp; Circular Economy</th>
<th>Mobility</th>
<th>Renewable Energies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>POLYVEST® HT</strong>&lt;br&gt;for sealing compounds for insulating glass windows (triple glazing)</td>
<td><strong>Silica-organosilane</strong>&lt;br&gt;reinforcing system for “green tire” technology</td>
<td><strong>Catalyst NM 30</strong>&lt;br&gt;for cost-efficient biodiesel production</td>
</tr>
<tr>
<td><strong>VESTENAMER®</strong>&lt;br&gt;process additive allows rubber waste to be processed to low-noise asphalt</td>
<td><strong>DYNAVIS®</strong>&lt;br&gt;oil additives for energy-efficient hydraulic fluids</td>
<td><strong>Crosslinkers, silica, oil additives, silicone epoxy resins</strong> for wind power</td>
</tr>
<tr>
<td><strong>PU-Additives</strong>&lt;br&gt;for furniture applications and the automotive industry (low VOC)</td>
<td><strong>ROHACELL®</strong>&lt;br&gt;light-weight technology for automotive and aircraft industry</td>
<td><strong>SEPURAN®</strong>&lt;br&gt;customized hollow-fibre membranes for efficient biogas purification</td>
</tr>
<tr>
<td><strong>CALOSTAT®</strong>&lt;br&gt;purely mineral high-performance insulation material; fully recyclable; incombustible</td>
<td><strong>DRIVON™</strong>&lt;br&gt;technology for cost-efficient engine oils and transmission fluids</td>
<td><strong>TAICROS® Crosslinkers</strong>&lt;br&gt;for photovoltaic cell encapsulation</td>
</tr>
</tbody>
</table>

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1) Examples

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18 | Public | 2020 | Corporate Responsibility | 15. HSBC ESG Conference, 05.02.2020
Table of contents

1 Evonik – a global leader in specialty chemicals

2 Our sustainability commitments, strategy and targets

3 Value chain and products

4 Our focus in 2020

5 Annex
In 2020, our focus is on...

- **Sustainability analysis of business 2.0**: To be completed by end of 2020
- **Management processes**: Further integration of sustainability into strategic processes
- **Impact valuation**: Database 2018 to be updated
- **UN Sustainable Development Goals (SDGs)**: Ongoing work on SDGs
- **Transparency/Reporting**: Continuous refinement of Sustainability Report (GRI Standards)
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.
Table of contents

1 Evonik – a global leader in specialty chemicals

2 Our sustainability commitments, strategy and targets

3 Value chain and products

4 Our focus in 2020

5 Annex
   – Specific sustainability topics
   – Evonik products increasing sustainability in their application
We create value for society¹, ²

1) Impact valuation of our business activities along the value chain for Germany, the rest of Europe, USA, Canada, Mexico, and the Asia-Pacific region in 2016, based on the data currently available.
2) Data outside the scope of the limited assurance review. 3) The total includes Evonik’s direct impact. Germany: added value: €1 : €2.50, jobs 1 : 3.7, public revenue €1 : €1.14

€1 : €3.60³
Every €1 value added by Evonik creates a total of €3.60 added value for society

1 : 7.1 jobs³
One Evonik employee secures an average of 7.1 jobs in the value chain

€1 : €1.37³
Every €1 value added by Evonik results in public revenues of €1.37
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


25 | Public | 2020 | Corporate Responsibility | 15. HSBC ESG Conference, 05.02.2020
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
Our sustainability commitments

<table>
<thead>
<tr>
<th>External</th>
<th>Internal</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>UN Global Compact</strong></td>
<td><strong>Global Social Policy</strong></td>
</tr>
<tr>
<td>Aligning companies’ operations and strategies with 10 universally</td>
<td>Evonik’s internal commitment to human rights, core labor standards,</td>
</tr>
<tr>
<td>accepted principles in the areas of human rights, labor, environment</td>
<td>international standards and principles of conduct</td>
</tr>
<tr>
<td>and anti-corruption</td>
<td></td>
</tr>
<tr>
<td><strong>Responsible Care</strong></td>
<td><strong>ESHQ Values</strong></td>
</tr>
<tr>
<td>The global chemical industry’s initiative to improve health,</td>
<td>Protecting people and the environment, treating partners fairly, and</td>
</tr>
<tr>
<td>environmental performance, enhance security, and to communicate with</td>
<td>focusing on the needs of customers as core beliefs for everyone at</td>
</tr>
<tr>
<td>stakeholders about products and processes</td>
<td>Evonik</td>
</tr>
<tr>
<td><strong>Chemie³</strong></td>
<td><strong>Code of Conduct</strong></td>
</tr>
<tr>
<td>An alliance of VCI, IG BCE and BAVC underpinning sustainability as a</td>
<td>Containing corporate values and principles, governing conduct of all</td>
</tr>
<tr>
<td>guiding principle of the chemical industry in Germany and providing</td>
<td>Evonik employees; externally operated whistleblower system</td>
</tr>
<tr>
<td>inspiration for the international community</td>
<td></td>
</tr>
</tbody>
</table>
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.

Occupational safety & plant safety

<table>
<thead>
<tr>
<th>Year</th>
<th>Accident frequency rate(^1) for Evonik employees considerably improved; target 2018 (≤1.30) ✓</th>
<th>Accident frequency rate(^2) for contractors’ employees considerably improved</th>
<th>Incident frequency rate(^3) at very good level target 2018 (≤ 1.10) ✓</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>

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
## Management compensation: Executive Board

<table>
<thead>
<tr>
<th>Element</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed salary</strong></td>
<td>~1/3</td>
</tr>
</tbody>
</table>
| **Bonus** | ~1/3 | Pay-out calculated on the basis of the achievement of focused KPIs; aligned to mid-term strategic targets:  
1. Progression towards EBITDA margin target  
2. EBITDA growth (yoy)  
3. Contribution to FCF target  
4. Accident performance (frequency and severity of accidents) | 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 |
| **Long-term incentive plan** | ~1/3 | Granted LTI target amount is calculated in virtual shares (4-year lock-up)  
Value of LTI to mirror the development of Evonik’s share price (incl. dividends)  
Amount payable is determined by two performance elements | 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 |
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)
Opportunity and risk management

**Opportunity and risk management as central element in the management of Evonik**

**Risk management system based on internationally recognized COSO Enterprise Management standard**

**In 2017, we took steps to integrate non-financial risks even more closely into our conventional risk reporting. Our established risk management system now systematically captures and monitors non-quantifiable sustainability risks.**

**At the same time, we raised the awareness of risk officers throughout the Group to enable them to identify sustainability risks.**

---

**Risk categories:** planning/market, legal/compliance and processes/organization. In each category, opportunities and risks allocated to sub-categories.

Within these sub-categories, individual risks allocated to **risk and opportunity classes** (high, moderate, low etc.) based on potential impact/probability of occurrence. Evaluation based on a **net view**, taking into account risk limitation measures.

Evaluation of risks based on mid-term planning (3 years); opportunities and risks defined as positive and negative **deviations from plan**
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)

- CTA: >50% of liquid assets overlapping with renowned sustainability indices such as FTSE4Good etc.

**Funding level at ~70%**

**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 on 50% women in PKD Board of Management

- 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 investment process

FY 2018 | 1) DBO – Defined Benefit Obligations | Pension funding overview as of Dec 31, 2018
32 | Public | 2020 | Corporate Responsibility | 15. HSBC ESG Conference, 05.02.2020
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.

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.

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

34 | Public | 2020 | Corporate Responsibility | 15. HSBC ESG Conference, 05.02.2020
Ambitious environmental targets 2004 – 2020

Specific GHG emissions\(^1\)

- 20% from 2004-2014
- 12% from 2013-2020

Specific water intake\(^2\)

- 20% from 2004-2014
- 10% from 2013-2020

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).

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35 | Public | 2020 | Corporate Responsibility | 15. HSBC ESG Conference, 05.02.2020
Managing Evonik’s carbon footprint

Evonik Carbon Footprint in 2018 (27.6 Mt CO\(_2\)e)

<table>
<thead>
<tr>
<th>Category</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of raw materials and indirect goods (Scope 3)</td>
<td>92.5</td>
<td>92.2</td>
<td>95.2</td>
<td>101.8</td>
<td>108</td>
</tr>
<tr>
<td>Capital goods (Scope 3)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disposal and recycling of sold products (Scope 3)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transport of purchased raw materials and sold products (Scope 3)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy-related activities outside of Scope 1 and 2 (Scope 3)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disposal and recycling of waste (Scope 3)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other emissions (Scope 3)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

108 million metric tons CO\(_2\)eq\(^1\) avoided emissions by use of selected Evonik products\(^2\) compared to conventional alternatives on the market

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
Table of contents

1  Evonik – a global leader in specialty chemicals

2  Our sustainability commitments, strategy and targets

3  Value chain and products

4  Our focus in 2020

5  Annex
   - Specific sustainability topics
   - Evonik products increasing sustainability in their application
LCA TÜV Rheinland\(^1\) of Evonik’s amino acids for animal nutrition

**Improvement factors**

<table>
<thead>
<tr>
<th>Impact Category</th>
<th>CO(_2)</th>
<th>PO(_4)</th>
<th>SO(_2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Warming</td>
<td>27</td>
<td>39</td>
<td>35</td>
</tr>
<tr>
<td>Eutrophication Potential</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acidification Potential</td>
<td>13</td>
<td>16</td>
<td>19</td>
</tr>
</tbody>
</table>

- 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.
- Over-fertilization potential is decreased by a factor of 39 for poultry and by a factor of 16 for pigs.
- The effect on acidification potential was determined as a factor 35 for poultry farming and a factor of 19 for pig farming.

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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
- 790,000 t
- 800,000 t

- Less consumption of resources (crude oil equivalents)
- Reduced nitrate emissions into ground waters
- Reduced ammonia emissions into the air

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1) The calculation is based on LCA Methionine 2003

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39 | Public | 2020 | Corporate Responsibility | 15. HSBC ESG Conference, 05.02.2020
Innovation example Veramaris
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 plant¹
- Evonik site in Blair offers flexibility and opportunity for further investments to expand production

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

- 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: e.g., materials (amino acids, growth factors, resorbable polymers)
- CAGR 30%
- Evonik addressable markets: 3B (2021)
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.

Oil additives

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

Silica

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

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

Development of rubber silanes follows market demands

1) compared to conventional passenger car tires 2) VOC = volatile organic compounds
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**

- Fuel savings
- Increase in Hydraulic Fluid Cost
- Total Savings
- Reduction of CO2 Emissions

**BENEFIT**

- Fuel Savings: **14,333 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: **1.50 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**

Calculate your savings directly on the DYNAVIS® website

<table>
<thead>
<tr>
<th>Savings</th>
<th>Return on investment</th>
<th>Switch to USD / gul</th>
<th>Switch to l/US gal</th>
<th>1,200 EUR</th>
<th>20,207 EUR</th>
<th>38.4 MT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel Savings 21,607 EUR</td>
<td>Total Savings 20,207 EUR</td>
<td>1,200 EUR</td>
<td>Increase in Hydraulic Fluid Cost</td>
<td>1,200 EUR</td>
<td>20,207 EUR</td>
<td>38.4 MT</td>
</tr>
</tbody>
</table>
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

47 | Public | 2020 | Corporate Responsibility | 15. HSBC ESG Conference, 05.02.2020
Biosurfactants are the next game changer in Evonik’s innovation portfolio
Large-scale production of world’s first “green” biosurfactant (rhamnolipids)

A unique process resulting in a unique product

- 100% renewable natural resource & biodegradable
- Plant based sugars as only carbon source — no oils used
- Unique product properties, especially cleansing & foaming (comparable products usually made from petrochemicals)
  → First large-scale biosurfactant for cosmetics and cleaning

Commercialization to capture future growth

- Unilever has successfully launched a product in Chile in 2019
- Next step in commercializing Evonik’s leading biotechnology capabilities: designs of a global scale production plant
- Evonik will be the first company to produce biosurfactants on industrial scale with focus on attractive markets in personal and home care
RHEANCE® One – completely natural raw material for cosmetics

First ever glycolipids product, launched during in-cosmetics tradeshow in Amsterdam in April 2018.

Glycolipids are made up of sugar and fatty acids, avoiding use of tropical oils. RHEANCE® One is 100 percent based on renewable raw materials and manufactured using a fermentation process.

RHEANCE® is fully biodegradable and offers extremely good environmental compatibility.

Glycolipids stand out for generating a dense, creamy foam and having a pleasant, natural skin feel.

In skin, hair and oral care products, RHEANCE® One ensures effective yet gentle cleansing – and is ideally suited for even the most demanding skin types.

RHEANCE® One: 2019 Ringier Innovation Award for Personal Care in China
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