

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Evonik is one of the world's leading specialty chemicals companies. Our specialty chemicals products make an indispensable contribution to the benefits of our customers' products, which generate their success in global competition. Close cooperation with our customers enables us to build up a deep knowledge of their business, so that we can offer products tailored to their specifications and extensive technical service. With core competencies in biotechnology, catalysis, particle design, interface chemistry, process engineering and data-based advice systems and our understanding customer challenges, we contribute system solutions that help our customers to succeed in the sustainability driven transformation of the 40 different value chains we serve. We have for Sustainability Focus Areas: "Fight Climate Change", "Drive Circularity", "Safeguard Ecosystems", and "Ensure Health & Wellbeing", which guide our business and innovation efforts to deliver solutions that make a difference.

Sustainability is an integral part of our strategic management process to guide allocation of capital expenditures, innovation portfolio management, product portfolio development. Our goal are 50% "Next Generation Solutions" (products with a credible, positive sustainability impact compared to nowadays market standard) and to reduce our carbon footprint in alignment with science based targets .

Our specialty chemicals operations are divided into four chemical manufacturing divisions: "Specialty Additives", "Nutrition & Care", "Smart Materials", and "Performance Materials". They are supported by the Technology & Infrastructure division.

The Specialty Additives, Nutrition & Care, and Smart Materials divisions operate in fast growing markets with products that allow a very specific performance of our customer's products and are tailored in application or composition to specific customer needs.

The Performance Materials division is characterized by large scale chemical products and processes that make intensive use of energy and raw materials. It therefore concentrates on integrated, cost-optimized production platforms, efficient workflows, and economies of scale.

Most of our customers are industrial companies that use our products for further processing.

Evonik has a presence in more than 100 countries, and 83 percent of sales are generated outside Germany. We have production facilities at 102 locations in 27 countries on six continents and are therefore close to our markets and our customers. Our largest production sites, for example, in Marl, Wesseling, and Rheinfelden (Germany), Antwerp (Belgium), Mobile (Alabama, USA), Shanghai (China), and Singapore, have integrated technology platforms, most of which are used by several operating units. Consequently, our procurement activities also have a global focus. Raw materials and supplies, technical goods and services, energy, and other operating supplies are sourced either regionally or globally.

Forward-Looking Statements: The following answers to the questions of the Carbon Disclosure Project prepared by Evonik include forward-looking statements that are subject to risks and uncertainties, including those pertaining to the anticipated benefits to be realized from the proposals described herein. Evonik has based these forward-looking statements on its views with respect to future events and financial performance. Actual financial performance could differ materially from that projected. Forward-looking statements represent estimates and assumptions only as of the date that they were made. The information contained in these answers is subject to change without notice and Evonik does not undertake any duty to update the forward-looking statements, and the estimates and assumptions associated with them, except to the extent required by applicable laws and regulations.

W-CH0.1a

(W-CH0.1a) Which activities in the chemical sector does your organization engage in?

- Specialty organic chemicals
- Specialty inorganic chemicals

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	January 1 2021	December 31 2021

W0.3

(W0.3) Select the countries/areas in which you operate.

- Argentina
- Australia
- Austria
- Belgium
- Canada
- China
- France
- Germany
- Hungary
- India
- Indonesia
- Italy
- Japan
- Netherlands
- New Zealand
- Poland
- Portugal
- Singapore
- Slovakia
- South Africa
- Spain
- Sweden
- Taiwan, China
- Thailand
- Turkey
- United Kingdom of Great Britain and Northern Ireland
- United States of America

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

EUR

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

Yes

W0.6a

(W0.6a) Please report the exclusions.

Exclusion	Please explain
due to subordinate importance (<5% in total)	Very small leased office spaces and production sites (fewer than 10 employees) where water use is minimal. It is provided through the lease and managed by our landlord. Our divisions and regions are subject to annual audits to monitor compliance with DIN EN ISO 14001 validation at our production locations. In 2021 54 internal and external ESHQ audits were conducted worldwide. The proportion of output covered by this validation varies because of the addition of newly acquired units. However, it is always between 95 and 100 percent; associated companies, joint ventures and companies whose influence on the asset, financial and earnings situation individually and as a whole is of subordinate importance (<5% in total), are not considered.

W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, an ISIN code	DE000EVNK013

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Vital	Primary use in direct operations: Evonik mainly uses water for cooling and for process purposes in production facilities, to generate steam in power plants, and for sanitary requirements. Around 97 percent of our total water intake was for cooling purposes in energy generation and production. This includes our use of seawater for cooling purposes about 1/3. 2/3 of our cooling water demand is sourced from freshwater. Reason for chosen importance in direct operation: Without well functioning cooling processes no production could take place. Primary use in indirect operations: The main use of freshwater within the supply chain is for the production of raw materials. Reason for chosen importance in indirect operation: It is ranked as vital because a lack of availability could influence the security of supply. We expect our future dependency in direct and indirect operations to remain the same as freshwater will remain vital for our production and raw material supply.
Sufficient amounts of recycled, brackish and/or produced water available for use	Not very important	Not very important	Direct use in operation: Wherever possible we do use recycled water for cooling purposes Use in indirect operation: Usually surface or municipal water is used along the value chain upstream e.g. for irrigation in agriculture based raw materials production like sugar for our fermentation processes or chemical processes. Reason for chosen importance in direct operation: We are committed to responsible use of water and want to save water wherever possible in order to achieve a further reduction in our emissions into water. However currently water intake sourced from recycled water is less than 1% of water intake in total. Therefore we do consider the availability of non-freshwater as not very important. Reason for chosen importance in indirect operation: As water recycling is no important issue in our indirect operation currently and we do not have other indication from our suppliers for the years to come we selected "not very important". We expect our future dependency in direct and indirect operations to remain the same as we do expect a comparable water availability situation across the majority our sites as of today based on forecasts and we expect our suppliers to continue using surface or municipal water. However as some of our sites are located in water scarce areas we assume the reuse of water is becoming more important in future site-specifically. (closed cooling cycles) or use seawater instead.

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	The ecological data for 2021 comprise emissions and consumption data for 102 production sites in 27 countries and thus cover our entire production volume (The proportion of output varies because of the addition of newly acquired units. However, it is always between 95 and 100 percent); The data are compiled using sustainability reporting software developed specially for this purpose. Water withdrawals are measured and recorded continuously by water meters on site during controlled operation, monitored monthly on-site and reported to corporate center for company-wide aggregation and evaluation quarterly.
Water withdrawals – volumes by source	100%	The ecological data for 2021 comprise emissions and consumption data for 102 production sites in 27 countries and thus cover our entire production volume (The proportion of output varies because of the addition of newly acquired units. However, it is always between 95 and 100 percent); The data are compiled using our internal developed and SAP-based SuRe-System (sustainability reporting) which is verified annually by an external auditor. All sites do report their site-specific environmental data online thus evaluation of environmental data can take place centralized according to business level, facility-wise, region-wise etc. Water withdrawals - volumes by source - are measured and recorded continuously by water meters on site during controlled operation, monitored monthly on-site and reported to corporate center for company-wide aggregation and evaluation quarterly.
Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sector]	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>
Water withdrawals quality	100%	The ecological data for 2021 comprise emissions and consumption data for 102 production sites in 27 countries and thus cover our entire production volume (The proportion of output varies because of the addition of newly acquired units. However, it is always between 95 and 100 percent); Water withdrawals quality is analysed partly continuously and partly daily in Evonik-owned laboratories on-site according to applicable water chemistry standards and recorded by water analysis systems on site during controlled operation, monitored daily on-site and reported to corporate center for company-wide aggregation and evaluation quarterly. The data are compiled using sustainability reporting software developed specially for this purpose.
Water discharges – total volumes	100%	The ecological data for 2021 comprise emissions and consumption data for 102 production sites in 27 countries and thus cover our entire production volume (The proportion of output varies because of the addition of newly acquired units. However, it is always between 95 and 100 percent); The data are compiled using our internal developed and SAP-based SuRe-System (sustainability reporting) which is verified annually by an external auditor. All sites do report their site-specific environmental data online thus evaluation of environmental data can take place centralized according to business level, facility-wise, region-wise etc. Water discharges - total volumes - are measured and recorded continuously by water meters on site during controlled operation, monitored monthly on-site and reported to corporate center for company-wide aggregation and evaluation quarterly.
Water discharges – volumes by destination	Please select	The ecological data for 2021 comprise emissions and consumption data for 102 production sites in 27 countries and thus cover our entire production volume (The proportion of output varies because of the addition of newly acquired units. However, it is always between 95 and 100 percent); The data are compiled using our internal developed and SAP-based SuRe-System (sustainability reporting) which is verified annually by an external auditor. All sites do report their site-specific environmental data online thus evaluation of environmental data can take place centralized according to business level, facility-wise, region-wise etc. Water discharge volumes are measured and recorded continuously by water meters on site during controlled operation, monitored monthly on-site and reported to corporate center for company-wide aggregation and evaluation quarterly.
Water discharges – volumes by treatment method	Please select	The ecological data for 2021 comprise emissions and consumption data for 102 production sites in 27 countries and thus cover our entire production volume (The proportion of output varies because of the addition of newly acquired units. However, it is always between 95 and 100 percent); The data are compiled using our internal developed and SAP-based SuRe-System (sustainability reporting) which is verified annually by an external auditor. All sites do report their site-specific environmental data online thus evaluation of environmental data can take place centralized according to business level, facility-wise, region-wise etc. Water discharges by treatment method are measured and recorded continuously by water meters on site during controlled operation, monitored monthly on-site and reported to corporate center for company-wide aggregation and evaluation quarterly.
Water discharge quality – by standard effluent parameters	100%	The ecological data for 2021 comprise emissions and consumption data for 102 production sites in 27 countries and cover our entire production volume (The proportion of output varies because of the addition of newly acquired units. However, it is always between 95 and 100 percent); The data are compiled using our internal developed and SAP-based SuRe-System which is verified annually by an external auditor. All sites do report their site-specific environmental data online thus evaluation of environmental data can take place centralized according to business level, facility-wise, region-wise etc. Water discharge quality (by standard effluent parameters) is analysed partly continuously and partly daily and recorded by water analysis systems on site and reported to corporate center for company-wide aggregation and evaluation quarterly. We monitor water discharge quality by standard effluent parameters at the facility level using automatic water samplers and lab testing.
Water discharge quality – temperature	100%	The ecological data for 2021 comprise emissions and consumption data for 102 production sites in 27 countries and thus cover our entire production volume (The proportion of output varies because of the addition of newly acquired units. However, it is always between 95 and 100 percent); Water discharge temperature is analysed continuously and recorded by thermometers of our water analysis systems on site during controlled operation, monitored daily on-site and reported to corporate center for company-wide aggregation and evaluation quarterly. The data are compiled using sustainability reporting software developed specially for this purpose.
Water consumption – total volume	100%	The ecological data for 2021 comprise emissions and consumption data for 102 production sites in 27 countries and thus cover our entire production volume (The proportion of output varies because of the addition of newly acquired units. However, it is always between 95 and 100 percent); Water consumption is calculated continuously as the difference of water intake and water discharge, recorded by water analysis systems on site during controlled operation, monitored daily on-site and reported to corporate center for company-wide aggregation and evaluation quarterly. The data are compiled using sustainability reporting software developed specially for this purpose.
Water recycled/reused	100%	The ecological data for 2021 comprise emissions and consumption data for 102 production sites in 27 countries and thus cover our entire production volume (The proportion of output varies because of the addition of newly acquired units. However, it is always between 95 and 100 percent); Water recycling volume especially reuse in closed cooling circles is metered and recorded continuously by water meters on site during controlled operation, monitored daily on-site and reported to corporate center for company-wide aggregation and evaluation quarterly. The data are compiled using sustainability reporting software developed specially for this purpose.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Health and safety of our employees are very important aspects. Our divisions and regions are subject to annual audits to monitor compliance with DIN EN ISO 14001 validation at our production locations. In 2021, 58 internal and external ESHQ audits were conducted worldwide. We constantly monitor and assess our HSE performance on a monthly basis including the existence of fully-functioning wash services through our internal audits worldwide, according to annual HSE Audit programs. Since our operations include many small sites and audits are conducted on a random basis, we are not able to guarantee 100% coverage.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	600000	Higher	Evonik's total withdrawals increased in the in reporting period. Evonik's consumption of freshwater—the total of recycled water, drinking water, groundwater, and surface water—increased from 322 million m3 to 394 million m3 in the reporting period. Group-wide, the groundwater required for once-through cooling increased to 312 million m3 (+30 percent). This was mainly due to production increases in Jilin (China) and Antwerp (Belgium). Salt water used for cooling purposes was reduced by 14 percent as a consequence of production optimization at the methionine complex in Singapore. The consumption of drinking water and groundwater was unchanged from the previous year. Future surface water intake is supposed to decrease as our coal-fired power plant in Marl will be substituted by a gas-fired high-efficiency plant with 90%less cooling water demand. Operation is planned to start in 2022.
Total discharges	595000	Higher	About 90% of Evonik's total withdrawals is used for cooling purposes. As the water intake increased mainly due to production increases in Jilin (China) and Antwerp (Belgium) total water discharges also increased. As Evonik currently plans to substitute a coal-fired power plant at its largest site in Marl (Germany) by a modern IGCC power plant Evonik expects lower water discharges volumes in future as cooling water demand for the IGCC is planned to be lower by 90% compared to the coal-fired unit. Operation is planned to start in 2022.
Total consumption	5000	About the same	The difference of 5000 megaliters between water intake and discharge mainly comprises water used to replace evaporation losses. Considering the total volume of water intake total consumption amounts less than 1%. Compared to last years total consumption we consider the volume unchanged. As Evonik currently plans to substitute a coal-fired power plant at its largest site in Marl (Germany) by a modern IGCC power plant Evonik expects lower water consumption volumes in future as evaporation losses based on cooling water demand for the IGCC is planned to be lower by 90% compared to the coal-fired unit.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	26-50	Lower	WRI Aqueduct	Water withdrawal in areas with water stress decreased by more than 10% compared to 2020 as seawater demand for cooling purposes at Jurong Island could be reduced as a consequence of production optimization at the methionine complex in Singapore. To identify the sites in water-scarce regions we have applied the water stress measurement method of the World Resources Institute (WRI) Aqueduct. We analyzed all sites which are considered environmentally relevant and thus monitored in SuRe, the sustainability reporting system of Evonik in 2021 again. We mapped the total water use to each site that was located in a water-scarce region according to the Aqueduct Tool and defined those sites as "large user", which used more than 0.1% of our total water use. Based on site portfolio modifications in 2021 currently 20 sites are located in a water-scarce region and are large water users (more than 0.1%) and are thus relevant for us.

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	316000	Higher	Evonik's consumption of freshwater from surface water increased from 243million m3 to 316 million m3 in the reporting period. Group-wide, the water required for once-through cooling increased by about +30 percent mainly due to production increases in Jilin (China) and Antwerp (Belgium). As Evonik currently plans to substitute a coal-fired power plant at its largest site in Marl (Germany) by a modern IGCC power plant Evonik expects lower water consumption volumes in future as evaporation losses based on cooling water demand for the IGCC is planned to be lower by 90% compared to the coal-fired unit.
Brackish surface water/Seawater	Relevant	206000	Lower	Most of the water available on our planet is salt water. Salt water used for cooling purposes was reduced by 14 percent as a consequence of production optimization at the methionine complex in Singapore.
Groundwater – renewable	Relevant	57000	About the same	Consumption of groundwater was unchanged from the previous year (60.000 in 2020). We expect renewable groundwater use to remain at the same level in future.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	As in previous years, non-renewable groundwater is not relevant in 2021 as we do not use non-renewable groundwater in our operations. We do not have any sites in regions with non-renewable groundwater aquifers. Therefore we do expect unchanged "non-relevance" for our operations in future.
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	As in previous years, "produced water" is not relevant in 2021 as we do not use produced water in our operations. Therefore we do expect unchanged "non-relevance" for our operations in future.
Third party sources	Relevant	21000	About the same	No significant change in demand took place (19000 in 2020). In future we do not expect significant changes

W1.3

(W1.3) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	14900000000	600000	24833.333333333	

(W-CH1.3) Do you calculate water intensity for your activities in the chemical sector?

Yes

W-CH1.3a

(W-CH1.3a) For your top five products by production weight/volume, provide the following water intensity information associated with your activities in the chemical sector.**Product type**

Specialty organic chemicals

Product name

MTBE (methyl tert-butyl ether). Average water consumption for the different production sites.

Water intensity value (m3)

5.5

Numerator: water aspect

Other, please specify (Blue Water intensity (scope 1, 2 and 3 incl. end of life) (kg water per kg product))

Denominator

Other, please specify (kg/kg)

Comparison with previous reporting year

This is our first year of measurement

Please explain

Blue Water Consumption (BWC) is calculated for the whole company and can be broken down to products/sites/business lines etc as absolute or specific. Blue Water refers to surface and groundwater. BWC is calculated for the whole life cycle of the product. It takes into account water consumption required for the raw materials used in the manufacturing process, transports, water used for the own process (water evaporated, water to river etc.), tap water, water consumed in cooling systems, water consumed for energy production and water consumed at the end of life of the product life cycle. Absolute Blue Water consumption for the product for the year 2021 was divided by the production volume of the year 2021 of the related product to have the Blue Water intensity. Data provided here are average data for MTBE produced at different sites of Evonik. Comparison with previous year: As the BWC at product level is calculated for the first time in 2021, we do not have any comparison with previous years. In addition we are still improving our LCA modelling regarding BWC and regionalization. Use of metrics internally: This indicator is used in the scope of the PSA (Portfolio Sustainability Assessment) in order to identify products having a high absolute and/or specific blue water consumption. BWC is calculated for each product of our portfolio (specific LhICA or approximation). Where relevant in term of materiality in the value chain, water related topic is discussed within the sustainability and strategy dialogue. e.g. to identify measures for reducing water consumption. Description of anticipated future trends: in our strategy dialogue the sustainability performance of our product portfolio is also assessed for the year 2032 looking at water alongside other environmental and social indicators. Strategy to reduce water intensity: water related topics are considered in assets strategy, investment and growth plans. Evonik is currently identifying carbon reduction measures to reach our climate goals. The potential of these measure to save water is also evaluated. Supply chain: water intensity of raw materials is evaluated for our Top 100 raw materials, spread into fossil and bio based raw materials. We also consider how water related topics influence market developments.

Product type

Specialty inorganic chemicals

Product name

Hydrogene Peroxide. Average water consumption for the different production sites and kind of hydrogene peroxide (Hydrogen Peroxide 70 Conc, HYPROX Peroxychem etc.).

Water intensity value (m3)

9.6

Numerator: water aspect

Other, please specify (Blue Water intensity (scope 1, 2 and 3 incl. end of life) (kg water per kg product))

Denominator

Other, please specify (kg/kg)

Comparison with previous reporting year

This is our first year of measurement

Please explain

Blue Water Consumption (BWC) is calculated for the whole company and can be broken down to products/sites/business lines etc as absolute or specific. Blue Water refers to surface and groundwater. BWC is calculated for the whole life cycle of the product. It takes into account water consumption required for the raw materials used in the manufacturing process, transports, water used for the own process (water evaporated, water to river etc.), tap water, water consumed in cooling systems, water consumed for energy production and water consumed at the end of life of the product life cycle. Absolute Blue Water consumption for the product for the year 2021 was divided by the production volume of the year 2021 of the related product to have the Blue Water intensity. Data provided here are average data for hydrogene peroxide produced at different sites of Evonik and for different kind of hydrogen peroxide. Comparison with previous year: As the BWC at product level is calculated for the first time in 2021, we do not have any comparison with previous years. In addition we are still improving our LCA modelling regarding BWC and regionalization. Use of metrics internally: This indicator is used in the scope of the PSA (Portfolio Sustainability Assessment) in order to identify products having a high absolute and/or specific blue water consumption. BWC is calculated for each product of our portfolio (specific LhICA or approximation). Where relevant in term of materiality in the value chain, water related topic is discussed within the sustainability and strategy dialogue. e.g. to identify measures for reducing water consumption. Description of anticipated future trends: in our strategy dialogue the sustainability performance of our product portfolio is also assessed for the year 2032 looking at water alongside other environmental and social indicators. Strategy to reduce water intensity: water related topics are considered in assets strategy, investment and growth plans. Evonik is currently identifying carbon reduction measures to reach our climate goals. The potential of these measure to save water is also evaluated. Supply chain: water intensity of raw materials is evaluated for our Top 100 raw materials, spread into fossil and bio based raw materials. We also consider how water related topics influence market developments.

Product type

Specialty inorganic chemicals

Product name

Precipitated silica. Average water consumption for the different production sites and kind of precipitated silica (Ultrasil® 7000 GR, SIPERNAT® 22 , SIPERNAT® D 10, etc.)

Water intensity value (m3)

8.2

Numerator: water aspect

Other, please specify (Blue Water intensity (scope 1, 2 and 3 incl. end of life) (kg water per kg product))

Denominator

Other, please specify (kg/kg)

Comparison with previous reporting year

This is our first year of measurement

Please explain

Blue Water Consumption (BWC) is calculated for the whole company and can be broken down to products/sites/business lines etc as absolute or specific. Blue Water refers to surface and groundwater. BWC is calculated for the whole life cycle of the product. It takes into account water consumption required for the raw materials used in the manufacturing process, transports, water used for the own process (water evaporated, water to river etc.), tap water, water consumed in cooling systems, water consumed for energy production and water consumed at the end of life of the product life cycle. Absolute Blue Water consumption for the product for the year 2021 was divided by the production volume of the year 2021 of the related product to have the Blue Water intensity. Data provided here are average data for precipitated silica produced at different sites of Evonik and for different kind of precipitated silica. Comparison with previous year: As the BWC at product level is calculated for the first time in 2021, we do not have any comparison with previous years. In addition we are still improving our LCA modelling regarding BWC and regionalization. Use of metrics internally: This indicator is used in the scope of the PSA (Portfolio Sustainability Assessment) in order to identify products having a high absolute and/or specific blue water consumption. BWC is calculated for each product of our portfolio (specific LhiCA or approximation). Where relevant in term of materiality in the value chain, water related topic is discussed within the sustainability and strategy dialogue. e.g. to identify measures for reducing water consumption. Description of anticipated future trends: in our strategy dialogue the sustainability performance of our product portfolio is also assessed for the year 2032 looking at water alongside other environmental and social indicators. Strategy to reduce water intensity: water related topics are considered in assets strategy, investment and growth plans. Evonik is currently identifying carbon reduction measures to reach our climate goals. The potential of these measure to save water is also evaluated. Supply chain: water intensity of raw materials is evaluated for our Top 100 raw materials, spread into fossil and bio based raw materials. We also considere how water related topics influence market developments.

Product type

Specialty organic chemicals

Product name

Methionine (MetAMINO) produced at different sites. Average water consumption for the different production sites.

Water intensity value (m3)

7.5

Numerator: water aspect

Other, please specify (Blue Water intensity (scope 1, 2 and 3 incl. end of life) (kg water per kg product))

Denominator

Other, please specify (kg/kg)

Comparison with previous reporting year

This is our first year of measurement

Please explain

Blue Water Consumption (BWC) is calculated for the whole company and can be broken down to products/sites/business lines etc as absolute or specific. Blue Water refers to surface and groundwater. BWC is calculated for the whole life cycle of the product. It takes into account water consumption required for the raw materials used in the manufacturing process, transports, water used for the own process (water evaporated, water to river etc.), tap water, water consumed in cooling systems, water consumed for energy production and water consumed at the end of life of the product life cycle. Absolute Blue Water consumption for the product for the year 2021 was divided by the production volume of the year 2021 of the related product to have the Blue Water intensity. Data provided here are average data for methionine produced at different sites of Evonik. Comparison with previous year: As the BWC at product level is calculated for the first time in 2021, we do not have any comparison with previous years. In addition we are still improving our LCA modelling regarding BWC and regionalization. Use of metrics internally: This indicator is used in the scope of the PSA (Portfolio Sustainability Assessment) in order to identify products having a high absolute and/or specific blue water consumption. BWC is calculated for each product of our portfolio (specific LhiCA or approximation). Where relevant in term of materiality in the value chain, water related topic is discussed within the sustainability and strategy dialogue. e.g. to identify measures for reducing water consumption. Description of anticipated future trends: in our strategy dialogue the sustainability performance of our product portfolio is also assessed for the year 2032 looking at water alongside other environmental and social indicators. Strategy to reduce water intensity: water related topics are considered in assets strategy, investment and growth plans. Evonik is currently identifying carbon reduction measures to reach our climate goals. The potential of these measure to save water is also evaluated. Supply chain: water intensity of raw materials is evaluated for our Top 100 raw materials, spread into fossil and bio based raw materials. We also considere how water related topics influence market developments.

W1.4**(W1.4) Do you engage with your value chain on water-related issues?**

Yes, our suppliers

W1.4a

(W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?

Row 1

% of suppliers by number

76-100

% of total procurement spend

76-100

Rationale for this coverage

Evonik expects its suppliers to share the Evonik principals and to act correctly in all respects, which means accepting responsibility towards their employees, business partners, society, and the environment. Validation is the first step in every onboarding process for every new supply relation. For this purpose, Evonik uses a validation process based on the values defined in our code of conduct for suppliers. In 2021, Evonik evaluated approximately 1700 new suppliers. Furthermore, Evonik evaluates suppliers based on a combination of country, raw material supplied to Evonik and procurement spent to individual suppliers is made. Those additional online assessments are carried out on Evonik's behalf by the service provider EcoVadis. More than 2,800 suppliers have been evaluated by end of 2021. The audit criteria include both the specifications of our code of conduct and industry-specific requirements that we have jointly laid out in the industry initiative Together for Sustainability (TfS). The initiative is intended to help standardize the sustainability requirements of suppliers in the chemical industry. Suppliers receive access to trainings and extensive information material, e.g. on responsible use of water, as offered by capability building conferences and information platforms from "Together for Sustainability" (TfS) where Evonik is a member. Based on our LCAs we have identify hotspots in our product portfolio and supply chains regarding water stress and initiate a dialogue with our suppliers to manage these issues.

Impact of the engagement and measures of success

The information requested includes HSE and sustainability aspects, e.g. water consumption or water reduction programs. The online assessments are analyzed and documented in order to define specific improvement measures in case of unsatisfactory results. In case of critical results, Evonik requests the suppliers to rectify the identified weaknesses within an appropriate period of time based on specific action plans. By requesting water related information from our suppliers, suppliers become more aware of sustainability topics.

Comment

W1.4b

(W1.4b) Provide details of any other water-related supplier engagement activity.

Type of engagement

Innovation & collaboration

Details of engagement

Encourage/incentivize innovation to reduce water impacts in products and services
Encourage/incentivize suppliers to work collaboratively with other users in their river basins
Educate suppliers about water stewardship and collaboration

% of suppliers by number

Unknown

% of total procurement spend

Unknown

Rationale for the coverage of your engagement

We monitor the BWC and water stress of our bio and fossil based raw materials and have started a dialogue with our suppliers for the identified hotspots (i.e. high water consumption or sourcing in a water stress area).

Impact of the engagement and measures of success

Dialogue has been initiated for the identified hotspot but it is still too early to measure success or impact of engagement.

Comment

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

No

W3. Procedures

(W-CH3.1) How does your organization identify and classify potential water pollutants associated with its activities in the chemical sector that could have a detrimental impact on water ecosystems or human health?

Our Corporate Policy "Responsibility for Environment, Safety, Health and Quality in the Evonik Group" expresses our commitment to protect and use water responsibly within the company and beyond. This policy shows that water is an important aspect for us and therefore is integrated in our risk assessment together with other non-financial risks. Our ESHQ values with its integrated water policy and the related operational procedure guidelines help to identify, evaluate, monitor and handle safely the products we work with.

Potential water pollutants are addressed in our supply chain, in our manufacturing environment and in the product use phase / end-of life as part of the Portfolio Sustainability Assessment.

With respect to all chemical substances we do work with "Binding technical documents (BTD)". These BTD's do provide a guideline to assess severity classes for each chemical substance depending on the amount of potentially released chemical substance. We do differentiate between severity class "5" which means "very low risk level" for water and environment up to severity class "1" which is defined as potentially "disastrous". Based on the result of our assessments technical measures are put in place for risk mitigation. e.g. for the production of our feed additive methionine we do need to control the chemical reaction with hydrocyanic acid, a very toxic chemical. Based on our BTDs very comprehensive measures to avoid any incident are in place; e.g. regular and intensive trainings for the personell in charge, high quality personal protective equipment is provided and highly sensitive technical sensor are installed. We follow specific standards, including ISO 14001; This applies to the whole of the Evonik Group and is based on legal requirements, internal policies, and standard operating procedures. We have, for example, developed a No-Drip-Program that provides self-assessments for plants and collections of best practices on how to prevent chemical releases. In addition, we require our manufacturing sites to be validated as conforming to ISO 14001, the internationally recognized environmental management standard. German and US environmental protection standards are the basis for our central engineering departments in Germany and the US that contribute this know-how on state-of-the-art retainment and water treatment for engineering projects globally. Our divisions and regions are subject to annual audits to monitor compliance with DIN EN ISO 14001 validation at our production locations. Any failure of complying with legal requirements has to be presented to the board as part of our annual management review for further consideration. In 2021, 58 internal and external ESHQ audits were conducted worldwide. The proportion of output covered by this validation varies because of the addition of newly acquired units. However, it is always between 95 and 100 percent. Our discharge water conforms to standards set by the local municipality for each site and managed locally by EHS managers. This involves the control of physical and chemical parameters such as pH, BOD, COD, TSS and other pollutants as dictated by their local regulation. We consider water-related impacts on ecosystems and toxic effects on local aquatic life, and human health, such as risk of toxin exposure, caused by and/or associated with these pollutants in our assessments and monitoring. Each site measures these pollutants and other relevant parameters based on local regulations, which may include using monitoring methods that incorporate sensors, the colorimetric method, or a winkler titration. The data is collected and tracked annually at the corporate level. As input legislative changes and academic research are monitored worldwide by our HSEQ and Sustainability Managers. Environmental risks are identified and reviewed continuously as part of the HSEQ management system. BOD (Biological Oxygen Demand) is the amount of dissolved oxygen needed for aerobic digestion. It is used as a gauge for wastewater treatment and is listed as a conventional pollutant. BOD must remain within an acceptable range for that region to support proper water quality. A high BOD indicates high pollution or aerobic activity. COD (Chemical Oxygen Demand) is the amount of oxidizable organic material in the water stream. It is used as a gauge for wastewater treatment and is listed as a conventional pollutant. COD must remain within an acceptable range for that region to support proper water quality. A high COD indicates high pollution. TSS (Total Suspended Solids) is suspended particles that are not dissolved, in the water stream. It is used as a gauge for wastewater treatment and is listed as a conventional pollutant. Suspended solids can carry metals and pathogens into the water stream. All new products undergo a comprehensive environment, health and safety review that includes testing when necessary.

(W-CH3.1a) Describe how your organization minimizes adverse impacts of potential water pollutants on water ecosystems or human health. Report up to ten potential pollutants associated with your activities in the chemical sector.

Potential water pollutant	Value chain stage	Description of water pollutant and potential impacts	Management procedures	Please explain
Chemical Oxygen demand	Direct operations Supply chain Distribution network Product use	In supply chain: raw materials coming from natural extraction or recycling operations. In product use-phase and end of life, biodegradability of substances entering the water cycle is an important sustainability assessment criteria. In manufacturing Chemical oxygen demand (COD) accounts for the highest proportion of wastewater loads. This is the concentration of all substances in the wastewater that can be oxidized under certain conditions. A very high concentration COD may lead to a low content of oxygen in the water. An extreme low oxygen content of water may lead to death of fish habitat and bacteria.	Compliance with effluent quality standards Measures to prevent spillage, leaching, and leakages Providing best practices instructions on product use Providing best practice guidance to suppliers R&D into less harmful alternative products	We have R&D programs to enable access to recycled raw materials, eliminating the need for natural extraction (for example metals for catalysts and battery materials). We also develop bio-degradable ingredients for personal and home-care application and work with our customers to reformulate their products to eliminate microplastic and other not readily biodegradable chemicals from their products. In production we report any unintentional chemical spill or leakage and set targets as part of the integrated management system. Production effluent undergoes multi-step chemical and physical treatment in our wastewater treatment facilities. Separate drainage systems prevent production effluent and cooling water becoming mixed. This means that cooling water can be discharged into rivers with rainwater without treatment. We have also built high-performance collector systems as part of our water protection measures. These are used for intermediate storage of peak wastewater loads which could overburden the wastewater treatment facilities. In this way, wastewater can subsequently be fed gradually to the treatment plants. Wastewater discharged from our sites is carefully monitored by regular sampling and continuous measuring equipment. Procedures are implemented successfully if sites are not subject to any violation of legal requirements. Efficiency and success of the process is evaluated by randomized internal audits (at least every three years) checking also legal compliance and annual third parties' audits during the process of verifying the limited assurance engagement on the chapters of environmental performance in the sustainability report.
Nitrogen and phosphorus	Direct operations Supply chain Product use	Reduction of excess N and P flows is part of our sustainability focus area "Safeguard Ecosystems". It is relevant for the sourcing of bio-based raw materials and our animal nutrition and aquaculture products lead to a significant reduction of nitrogen excretion in poultry, swine, salmon and shrimp production. In our manufacturing plants Nitrogen and Phosphorus are additional standard effluent parameters. A high concentration may lead to eutrophication i.e. un-controlled growth of water plants	Compliance with effluent quality standards Measures to prevent spillage, leaching, and leakages Providing best practices instructions on product use Providing best practice guidance to suppliers R&D into less harmful alternative products	A large service portfolio for the animal feed / animal farming/aquaculture industry to reduce nitrogen excretion. Developing alternative feed additives and different feed formulations is a major aspect of our Animal Nutrition business. In our production process for nitrogen-containing products (amino acids, amines), we operate at highest N conversion rates, which maintains the nitrogen levels in waste water at a minimum. In our production effluent undergoes multi-step chemical and physical treatment in our wastewater treatment facilities. Separate drainage systems prevent production effluent and cooling water becoming mixed. This means that cooling water can be discharged into rivers with rainwater without treatment. We have also built high-performance collector systems as part of our water protection measures. These are used for intermediate storage of peak wastewater loads which could overburden the wastewater treatment facilities. In this way, wastewater can subsequently be fed gradually to the treatment plants. Wastewater discharged from our sites is carefully monitored by regular sampling and continuous measuring equipment. Procedures are implemented successfully if sites are not subject to any violation of legal requirements. Efficiency and success of the process is evaluated by randomized internal audits (at least every three years) checking also legal compliance and annual third parties' audits during the process of verifying the limited assurance engagement on the chapters of environmental performance in the sustainability report.
Hazardous substances	Direct operations Supply chain Product use	The release of hazardous substances can result in serious impact on the environment e.g. surface water or groundwater. With respect to direct operation major incidents may lead to an interruption of production. Thus, we ensure no out of plant toxicity in our operations handling hazardous substances. We ensure that we source only from suppliers with a proper management of hazardous substances. An we ensure that hazardous substances are not released into the water cycle in the product use phase.	Compliance with effluent quality standards Measures to prevent spillage, leaching, and leakages Providing best practices instructions on product use Providing best practice guidance to suppliers Auditing supplier compliance to industry standards R&D into less harmful alternative products	We have developed the safety at Evonik initiative into a group-wide management approach to implement a safety culture in all areas of occupational, plant and transportation safety. It defines binding principles of action that give our managers and employees reliable guidance on safety-compliant conduct in their daily work. Together with substance specific hazard analysis measures to prevent any spilling or leaking of hazardous substances are put in place. Procedures are implemented successfully if sites are not subject to any violation of legal requirements. Efficiency and success of the process is evaluated by randomized internal audits (at least every three years) checking also legal compliance and annual third parties' audits during the process of verifying the limited assurance engagement on the chapters of environmental performance in the sustainability report.

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Value chain stage

Direct operations
Supply chain
Other stages of the value chain

Coverage

Full

Risk assessment procedure

Water risks are assessed as part of other company-wide risk assessment system

Frequency of assessment

Annually

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market
Other

Tools and methods used

EcoVadis
WRI Aqueduct
External consultants
Other, please specify (AWARE factors)

Contextual issues considered

Water availability at a basin/catchment level
Water quality at a basin/catchment level
Implications of water on your key commodities/raw materials
Water regulatory frameworks
Status of ecosystems and habitats
Other, please specify (water related stakeholder ambitions along the entire value chain of a "PARC" (Product-Application-Region-Combination) part of the annual Portfolio Sustainability Assessment)

Stakeholders considered

Customers
Employees
Investors
Local communities
NGOs
Regulators
Suppliers
Water utilities at a local level

Comment

Water risks are evaluated at different levels: - At site levels (direct operations, including local community and utility relationships) to identify sites that are located in or near a water scarce watershed using the AWARE scarcity factors and the WRI Aqueduct tool to identify potential future water risks at or near the sites (see details below 3.3b). - In the value chain (upstream in our supply chain as well as downstream in the markets and regions, our products are used in) within the scope of the annually conducted "Portfolio Sustainability Assessment" (PSA). In the PSA, the sustainability performance of products for a specific application and region are assessed regarding 5 Signal categories (SC 1: chemical hazard and exposure along the value chain, SC 2: expected regulatory trends, SC 3: sustainability ambitions along the value chain, SC 4: ecolabels and SC 5: environmental and social impact along the life cycle in comparison to a market reference.) Water can be addressed via the SC1, SC 3 if it is a relevant stakeholder ambition and/or via the SC 5 . Then, water quality, implication of water regarding raw materials, water regulatory frameworks and satus of ecosystems and habitat might be considered and assessed from a risk and chance perspective.

W3.3b

(W3.3b) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

Tools and Methods used:

We use different methods as part of our holistic approach to assess water risk in our own operations (WBCSD Tool/WRI definition, Stakeholder Check; AWARE Tool; Aqueduct) and in the supply chain (e.g. EcoVadis) and along the entire product life cycle (product cradle to grave LCAs, PSA). To discuss the results of our water scarcity analysis and their relevance for Evonik we also use internal company knowledge and tools. SuRe our environmental site ESHQ reporting system covered all manufacturing sites and is integrated into the sustainability assessment. We also integrate audits and web-based monitoring methods (e.g. EcoVadis) in our supply chain management. EcoVadis offers a standardized assessment method for an extensive scope of suppliers. RiskManagementTool 360° by logistic company DHL helps to stay informed about incidents regarding waterways globally.

Tools are applied company-wide. Re-assessing our internal water stress analysis in 2019 results in 23 potentially affected production sites within the next 20years according to the Aqueduct tool. Site specific product stewardship plans are under development.

The risk owners decide on a targeted risk level based on a cost-benefit analysis and define a risk management strategy as well as risk management measures. These include risk avoidance, risk reduction, risk transfer and risk acceptance. We address site-level risks e.g. flooding through our local crisis organization. We have implemented early warning systems, ensure continuous reporting and carry out regular crisis simulation exercises. Business Continuity Management assesses risks and defines appropriate measures together with the responsible specialist units. Supplier online assessments and audits are analyzed and documented in order to define improvement measures in case of unsatisfactory results.

Water is integrated into our risk assessment using a long-term perspective i.e. likelihood of occurrence is calculated based on a period of 10years.

On the one side, the AWARE methodology is used to identify which Evonik production sites are in or near a water scarce watershed. The AWARE methodology is recommended by the UNEP SETAC Life Cycle Initiative, the PEF/OECD Program of the European Commission and the international EPD system. AWARE factors are first calculated as the water Availability Minus the Demand (AMD) of humans and aquatic ecosystems and is relative to the area. In a second step, the value is normalized with the world average result and inverted, and hence represents the relative value in comparison with the average m3 consumed in the world (the world average is calculated as a consumption-weighted average). Once inverted, 1/AMD can be interpreted as a surface-time equivalent to generate unused water in this region. The indicator is limited to a range from 0.1 to 100, with a value of 1 corresponding to the world average, and a value of 10, for example, representing a region where there is 10 times less available water remaining per area than the world average.

However, there are no official classification of the scarcity class i.e. a system providing which scarcity can be judged as low, high etc. Evonik is also using an internal company method to classify the scarcity based on a rational developed by thinkstep/Sphera (LCA software provider and consultant): All AWARE values were divided into six scarcity classes: Low < 2.6, 2.6 < moderate < 7.3, 7.3 < medium < 14.1, 14.1 < high < 77.1 and 77.1 < extreme.

On the other side, the Aqueduct tool (version 3) developed by the World Resources Institute is used to assess water risks as the tool includes projection into the future in order to identify future water scarce sites. 5 indicators are considered in the Aqueduct tool to assess water risk: baseline water stress, inter-annual variability, seasonal variability, flood occurrence, and drought severity

Use in decision making process: Water related topics are used for raw materials selection especially in RDI, water risks are evaluated when the location of new plants is decided and for investments.

Contextual issues considered: Water is not considered as stand alone topic but included to our roadmap to carbon neutrality.

Stakeholders considered: Water related issues might be discussed with customers depending of the materiality of the topic in the value chain, with investors, customers or with the local community at site when new plants are planned.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

No

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

We have different time horizons, where we consider water related topics: Mid-term Planning and Financial Risks Assessment cover a 3-year time horizon. Our strategy process covers a 10-year time horizon for all businesses. Our corporate foresight process develops scenario spaces for a 20-year time horizon, and our sustainability strategy looks ahead to 2050. Water related risks can be identified after a 3 year horizon, especially in the USA and Brazil .

SUBSTANTIVE FINANCIAL IMPACT (3 years mid term planing):

Evonik defines risks and opportunities exceeding 100 Mio. € (expected value or following the risk matrix) over a period of three years as substantial. Risks with a potential above 500 Mio. € are considered endangering for the existence of the company. Those thresholds apply risks resulting from direct operations and supply chain. In 2021, substantial risks for Evonik, are the threat of cyberattacks, changes in exchange rate and the development of margins on C4 chemicals and non substantial water-related risks.

ASSESSMENT

In order to make a meaningful analysis of identified risks, the risk must be described in terms of cause and effect appropriately. A risk owner ensures that the risk is handled and monitored adequately. Risks are assessed based on comprehensible and uniform criteria. The purpose of the assessment is to prioritize identified risks and thereby shine a clear light on the most important topics concerning the company's success. A netting of risks and opportunities is not allowed. Risks are assessed according to their net potential impact and likelihood of occurrence after implementation of mitigation actions. The assessment is done based on the criteria probability of occurrence and impact. As shown in our financial report we classify the probability of occurrence as low (1 – 10%), medium low (11 – 25%), medium (26 - 50%), medium high (51 - 75%) and high (76-100%) and the impact as low (0– 10 Mio. €), medium low (10– 100 Mio. €), medium (100– 250 Mio. €), medium high (250– 500 Mio. €) and high (> 500Mio. €) over a period of 3 years.

Impact is rated either quantitative or qualitative. The quantitative assessment reflects mainly impact on adj. EBITDA; if adj. EBITDA is no adequate KPI other impacts such as adjustments or taxes are assessed. A qualitative assessment is mainly based on pre-defined criteria (if applicable): attaining company goals, damage to reputation, required management time and obligatory report authorities. For all categories an individual description for each classification from low to high is provided. Hypothetical risks, that is, risks with an extremely low probability of occurrence, are classified as irrelevant, regardless of their potential effect. These include, for example, natural events such as earthquakes that, statistically, occur only once every 100 years.

STRATEGIC IMPACT ASSESSMENT:

Evonik has analyzed the water scarcity at its production sites with the Global Water Tool for the first time in 2013 with its latest update in in 2021 using the Available WAtER REMaining (AWARE) tool recommended by the EU.

Additionally Evonik decided to apply the Aqueduct tool developed by the the World Resources Institute which also includes future projections based on climate change models.

The tool models the change in four key parameters to 2020, 2030 and 2040 including water stress, seasonal variability, water supply, and water demand. These parameters balance projected climate-related changes in supply (e.g. decrease in rainfall) with monthly water withdrawal and consumption projections from the domestic, industrial and agricultural sectors combined (a non-irrigation option for the chemical industry does not exist).

102 production sites were analyzed first using the projection tool for the indicators water supply and water demand. These indicators were considered in order to determine whether changes in climate (supply) or socio-economic factors (demand) are the primary drivers of changes in water stress.

As a result of this analysis 25 sites out of 102 i.e. 24.5%(including latest acquisitions and divestments) are considered to be potentially water stressed within the next two decades. All 25 sites are currently under evaluation with respect to their detailed water demand and potential technological/infrastructural alternatives to reduce water dependency according the new Evonik water goal defined in 2019. According to AWARE-methodology production sites in water stressed areas are classified from "extreme" to "moderate" with respect to potential impact. In 2021 all sites with classification "extreme" (one site in China) and all sites with classification "high" (11 sites) all over the world were evaluated with respect to decreasing dependency on water availability by defining potential technological / infrastructural alternatives to reduce water intake. Remaining site, "medium" and "moderate" classified will be finalized during 2022.

W4.2b

(W4.2b) Why does your organization not consider itself exposed to water risks in its direct operations with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	Rational: As a result of our 2021 updated water stress analysis 25 Evonik sites out of 102 i.e. 24.5% (including latest acquisitions and divestments) are considered to be potentially water stressed within the next two decades. All 25 sites are currently under evaluation with respect to their detailed water demand and potential technological / infrastructural alternatives to reduce water dependency according the new Evonik water goal defined in 2019. According to AWARE-methodology production sites in water stressed areas are classified from "extreme" to "moderate" with respect to potential impact. In 2021 all sites with classification "extreme" (one site in China) and all sites with classification "high" (12 sites all over the world) have been evaluated with respect to decreasing dependency on water availability by defining potential technological alternatives to reduce water intake. Remaining site, "medium" and "moderate" classified (13 sites) will be finalized during 2022. However according to our assessment of technological alternatives in combination with our "substantive financial impact" definition (Scarcity classes "high" (12 sites) and "extreme"(1 site) were considered as ">50% probability"; Site-specific EBITDA contribution calculated on financial figures 2021) none of these sites have to be considered as exposed to substantive financial or strategic impact. Even though no potential substantive financial impact due to water stress could be identified adaptation and mitigation strategies are under development site-specifically to avoid any negative impact on Evonik's business. Through our procurement volume, we have a not inconsiderable influence on society and the environment. We are aware of the associated responsibility. In 2021, again, supplier assessments were conducted by a leading web-based service platform (EcoVadis) for sustainability performance monitoring. This allows us to identify water-related supply chain risks. No direct rawmaterial based risks e.g. rawmaterial availability could be identified. Furthermore Evonik evaluated all relevant waterways for raw material supply as well as outbound logistic with respect to potential low water level risk in 2021. Potential risks have been identified for the river Rhine (Germany), the river Yangtze (China) and two more sites in the US. However due to alternative infrastructure/logistic strategies put in place we expect no substantive risk..

W4.2c

(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	The security of supply with raw materials is one of the essential tasks of Evonik's procurement department. In order to minimize possible risks related to single sourcing strategies regular strategy meetings with the risk management are held based on risk-scorecards. Beside aspects of potential liquidity crisis of suppliers the evaluation of the risk-scorecards do consider potential supply bottleneck due to sole-source, single-source or critical supplier country. Risk analyses are additionally conducted by ERIS i.e. industrial insurances an affiliated company of Evonik Industries AG. ERIS mandated KA Köln Assekuranz Agentur GmbH, an agency of ERGO (Munich Re Group), to carry out a high level global risk evaluation and ranking study and received a "K.A.R.L. Portfolio Analysis" for all production sites worldwide. K.A.R.L. is an expert system developed by KA Köln Assekuranz Agentur GmbH to precisely identify whether and to what extent locations are threatened by natural hazards like hurricanes, hailstorm, earthquake and of course water risks and to classify the risks on site by using extensive scientific databases such as NATHAN, Munich Re Globe of Natural Hazards, by using the wind and weather data collected by over 5,000 weather stations worldwide and a digital elevation model spanning the entire world. ERIS is now capable of ranking all Evonik facilities according to their risk category in respect of natural hazards in order to prioritize next steps if necessary. Furthermore Evonik evaluated all relevant waterways for raw material supply as well as outbound logistic with respect to potential low/high water level risk in 2019 updated in 2021. As a result potential risks have been identified for the river Rhine (Germany) the river Yangtze (China) and recently for the US. Alternative infrastructure/logistic strategies have been developed and put in place. EXAMPLE Infrastructure: Flooding severely as a result of freezing and extreme snowmelt may effects raw materials supply to US-sites (rail and truck) and endangers continuity in operations. However a ">50% likelihood" in combination with site-specific EBITDA contribution does not lead to substantive financial or strategic impact. EXAMPLE Raw material: Locally sourced corn needs to be irrigated to secure crop yields and thus leads to higher costs. However a ">50% likelihood" in combination with site-specific EBITDA contribution does not lead to substantive financial or strategic impact.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity

Products and services

Primary water-related opportunity

Sales of new products/services

Company-specific description & strategy to realize opportunity

Evonik's green biosurfactants are fermentation-made, highly effective and 100% biodegradable.

Estimated timeframe for realization

1 to 3 years

Magnitude of potential financial impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact

Type of opportunity

Products and services

Primary water-related opportunity

Increased sales of existing products/services

Company-specific description & strategy to realize opportunity

Animal Nutrition: Low crude protein diet for lower nitrogen emissions and higher feed conversion ratio in monogastric feed and for aquaculture . Indirect effects for reduction of eutrophication and acidification.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential financial impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1500000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact

Financial impact displays sales with related products.

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

Yes, we have a documented water policy, but it is not publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain
Row 1	Company-wide	<p>Description of business dependency on water</p> <p>Description of business impact on water</p> <p>Description of water-related performance standards for direct operations</p> <p>Description of water-related standards for procurement</p> <p>Reference to international standards and widely-recognized water initiatives</p> <p>Company water targets and goals</p> <p>Commitment to align with public policy initiatives, such as the SDGs</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to water-related innovation</p> <p>Commitment to safely managed Water, Sanitation and Hygiene (WASH) in the workplace</p> <p>Commitment to safely managed Water, Sanitation and Hygiene (WASH) in local communities</p> <p>Acknowledgement of the human right to water and sanitation</p> <p>Recognition of environmental linkages, for example, due to climate change</p>	<p>Our Corporate Policy "Responsibility for Environment, Safety, Health and Quality in the Evonik Group" expresses our commitment to protect and use water responsibly within the company and along our value chains. Our ESHQ values with its integrated water policy and the related operational procedure guidelines help to identify, evaluate, monitor and handle our operational impact on the resource water. Global rules, standards, and procedures are defined alongside. Furthermore water related goals and targets on company level are being addressed. (1) Dependency: Since water is needed for the chemical production we are committed to its responsible use along the entire value chain.(2) Impact: Evonik's production sites impact water by emitting thermal energy (cooling water) and discharge of substances which are subject to regulatory requirements. (3) Performance standards: Evonik's production sites are subject to laws and regulations. Internal global standards are set by our Responsible Care Management System. (4) Standards for procurement: We are member of the Together for Sustainability initiative where evaluation and monitoring of suppliers environmental performance is addressed. Our Supplier Code of Conduct expects suppliers e.g. to use resources efficiently, apply energy-efficient, reduce emissions to water, and minimize impacts on biodiversity and water scarcity. (5) International standards and water policy: In 2021 Evonik conducted a comprehensive comparison on the European Water Stewardship (EWS) initiative and Alliance for Water Stewardship (AWS) for membership considerations. Our water policy is aligned with the UN SDGs, focusing on those issues where Evonik can make a significant contribution (e.g. sustainable production as well as on the human right to water and sanitation). (6) Beyond regulatory compliance: Our standards fulfill or exceed existing laws and regulations and take globally recognized principles into account (e.g. UNGC principles, Responsible Care Global Charter). (7) Innovation: Our ESHQ Policy and Technical guidelines include the core requirement of constantly reviewing performance, improving processes, implementing measures, checking their effectiveness. (8) Environm. linkages/Climate change: In 2021 Evonik started a comprehensive analysis on participation in the SBTi (Science-based target initiative) and applied for joining SBTi in 2022.</p>

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual	Please explain
Director on board	<p>The highest level of direct responsibility for climate change topics lies with the C-HRO, member of the Board of Management responsible for Human Resources, Sustainability and HSEQ (Health, Safety, Environment and Quality) RATIONALE: Sustainability including water security is a core element within Evonik's business strategy and risk management. As the corporate structure of Evonik consists of three different business units supported by a fourth one providing infrastructure services only on board level can be assured that an overarching approach takes place with respect to sustainability. Thus Evonik has established a sustainability council with representatives from all strategic functions and businesses. All members of the board do join the quarterly meetings. Decisions about production, water efficiency and water scarcity initiatives can go hand in hand. This Board Member mentioned above is one of four corporate directors on the board. The position was selected for oversight of all climate-related issues to ensure climate-related targets and measures are driven on a Group level to ensure a comprehensive and cohesive approach to water security. CONTRIBUTION OF GOVERNANCE MECHANISMS TO BOARD OVERSIGHT: The governance mechanisms selected ensure that the Board has a comprehensive view on water security issues and can ensure a coherent and Group-wide response, if needed. In 2021 CHRO decided to review Evonik's current water goals together with an external consult with respect to stakeholder acceptance and adaptation needs to Science-based target for Nature initiative. The reason behind is a potential alignment with Evonik's commitment to Science-based target initiative in 2022 with respect to greenhouse gas reduction targets.</p>

W6.2b

(W6.2b) Provide further details on the board’s oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Overseeing acquisitions and divestiture Overseeing major capital expenditures Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing and guiding corporate responsibility strategy Setting performance objectives	Water-related strategic decisions are brought up in board discussions by the Head of Corporate Environment, Safety, Health and Quality (ESHQ). The ESHQ Head informs all members of the board as well as heads of strategic functions and businesses on the occasion of the quarterly sustainability council meetings. e.g. water-related KPIs and target achievement. The Head of ESHQ monthly reports ESHQ KPIs to the CHRO. Members of the Supervisory Board are being informed about water-related topics twice a year by the CHRO, the highest level of responsibility for water topics at Evonik. The governance mechanisms selected contribute to an informed view of the Board on water-related issues and ensure a coherent and Groupwide response, if needed. e.g. through the reporting of water-related KPIs, the Board can ensure a Group-wide response in case of any deviations of water parameters from the required values. Through the integration of water-related issues in major investment decisions, the regular review of water-related risks, and the integration of water-related issues in the review of strategic decisions or R+D priorities, the Board can ensure e.g. an adequate inclusion of water risks and opportunities in our business, sustainability or risk management strategy. E.g. all significant capital expenditures undergo an ecological assessment.

W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues	Primary reason for no board-level competence on water-related issues	Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future
Row 1	Yes	Criteria: - long-term experience in decision-making position on corporate level - at least five years of experience in responsible position on environmental topics - at least three years of experience as member of the sustainability council or comparable decision-making committee Evonik’s CHRO (Chief Human resource officer) does meet the criteria mentioned above and is the appointed responsible person for climate-related issues at the board of Evonik. The position of the CHRO at Evonik covers the responsibility for - Function "Human resources", - Function "ESHQ" (Environmental, Safety, Health and Quality and Security) - Function "Sustainability". Evonik’s current CHRO does provide a proven track record on the topics mentioned above for the last ten years. However, all members of the board are attending the regular meetings of the sustainability council since 2020. RATIONALE: Sustainability including water protection is a core element within Evonik’s business strategy and risk management. Thus the sustainability council of Evonik was established some years ago with members consisting of "senior vice presidents" and higher positions as a sounding board for long-term strategic alignment of Evonik. Two members of the board are participating regularly in this meetings. Decisions about production, resource efficiency and water security initiatives can go hand in hand as all members of the council do have decision making responsibilities. The sustainability council is supported by the sustainability circle representing internal experts and specialists from relevant fields i.e. chemists, (process) engineers, physicists, economists, life-cycle-management et.al.. These experts and specialists do inform the sustainability council regularly, at least four times a year, about societal and economic developments around sustainability on regional and global level (which is water security a part of) and do propose internal activities and/or measures to the sustainability council for decision. Hence, members of the sustainability council are not necessarily subject matter experts in the field of "water security" but do provide a wide range of expertise on sustainability and water topics with its impact on economic development. The decision of the CHRO 2021 to review current water targets according to Science-based targets for nature with external support was prepared and discussed comprehensively about 6month in the sustainability council prior to the contract.	<Not Applicable>	<Not Applicable>

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)

Other C-Suite Officer, please specify (C-HRO Chief Human resource officer, member of the board of Evonik)

Responsibility

Assessing future trends in water demand
Assessing water-related risks and opportunities
Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Quarterly

Please explain

Evonik’s CHRO (Chief Human resource officer; member of the board) is the highest responsibility at Evonik on water topics. However, all members of the board are attending the regular, quarterly meetings of the sustainability council since 2020. RATIONALE: Sustainability including water related topics is a core element within Evonik’s business strategy and risk management. Water related topics as water-use efficiency improvement, water footprint of products or water stress on sites are updated regularly to the council and discussed with respect to a holistic sustainability approach. The sustainability council is supported by the sustainability circle representing internal experts and specialists from relevant fields i.e. chemists, (process) engineers et.al. and do propose internal activities and/or measures to the sustainability council for decision. In 2022 CHRO was responsible for signing off the CDP Water Security questionnaire.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	No, and we do not plan to introduce them in the next two years	

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

- Yes, trade associations
- Yes, other

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

Evonik’s organizational processes are designed to ensure a common approach for all direct and indirect engagement activities, consistent with our policy on sustainable water use - across divisions and geographies.

Sustainability including water related topics is a core element within Evonik’s business strategy and risk management. Thus the sustainability council of Evonik chaired by the CHRO was established some years ago with members from all strategic functions consisting of "senior vice presidents" and higher positions as a sounding board for long-term strategic alignment of Evonik. However, all members of the board are attending the regular quarterly meetings of the sustainability council since 2020. Decisions about production or water efficiency initiatives can go hand in hand as all members of the council do have decision making responsibilities.

The sustainability council is supported by the sustainability circle representing internal experts and specialists from relevant fields i.e. chemists, (process) engineers, physicists, economists, life-cycle-management et.al..

The involvement of these representatives mentioned ensures the consideration of our overall water security strategy in all political activities and the alignment of the activities with our strategy. Any known inconsistency is managed by expert circles which do consist of members from the Business lines and strategic functions.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

Yes (you may attach the report - this is optional)

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	> 30	As a leading, globally operating specialty chemistry company we believe that a leading sustainability performance is a precondition for a long-term financial performance, as stated in our LEADING BEYOND CHEMISTRY purpose. Thus, we have integrated sustainability assessments concerning our footprint and our handprint into our annual Strategy & Planning Process. By considering sustainability topics in strategic decisions on capital allocation, innovation focus and portfolio development, we ensure resilient growth above the growth of our end-market. INTEGRATION OF WATER RELATED DECISIONS IN STRATEGIC BUSINESS PLANNING: - Adjusting regional market growth rates for market with a known, high water-footprint if affected by water stress or extreme weather frequencies on a water basin level - Adjusting our manufacturing asset strategies, if sites are affected by cooling water scarcity, extreme weather frequency, etc. - Adjusting our innovation focus if we see the need for more water efficient manufacturing processes or for solutions that enable consumers and farmers consume less water or to avoid any pollution of the water cycle - Actively engage our customers in a strategic dialogue to reduce water related externalities by reformulating their products and applying different technologies. - Consider water stress for our main raw materials in for supply chain set-up and manufacturing asset strategy decisions.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	5-10	STRATEGIC PLANNING PROCESS: Evonik has developed a holistic approach on integrating sustainability into its strategic planning based on the guard railings of WBCSD (World Business Council for sustainable development) and SDGs of the UN (Sustainable Development goals) to achieve its long-term objectives. GOVERNANCE: The highest level of direct responsibility for water related topics lies with the C-HRO, member of the Board of Management responsible for Human Resources, Sustainability and HSEQ. VALUE CHAIN ENGAGEMENT: A second wave of Evonik's sustainability supplier engagement program addressed our top 40 suppliers by Procurement spend in 2021, covering almost 40% of the Procurement spend. POLICY ENGAGEMENT: Evonik is involved in many national and international competency networks in the area of sustainability, e.g. the World Business Council for Sustainable Development, econsense (Forum for Sustainable Development of German Business e.V.) and Chemistry4Climate (dialogue platform aiming at chemical industry's climate neutrality in 2045). RISKS & OPPORTUNITIES: Evonik's opportunity and risk management forms a central element in the management of the company and is aligned to international standards and principles such as COSO ERM. TARGETS: Evonik pays special attention to water scarce sites currently. However an additional water target addressing absolute reduction potentials is under development.
Financial planning	Yes, water-related issues are integrated	5-10	Water related topics are integrated into financial planning and scenario exercise. Water resource considerations are factored into location planning for new operations impacting our investment decisions. According to Evonik's guideline for investments all investments to be decided by the board (> €10 million) must be evaluated with regard to their environmental impact by a separate ESHQ-Questionnaire. The assessment includes both a product and process evaluation. The process evaluation assesses the impacts of the new investment projects on the local environment which are specific to the location and the facility (e.g. water use and emissions into water). We are convinced that this extended risk assessment contributes to secure long-term investments. The time-horizon of 5-10 years is in line with Evonik's investment cost calculations over a period of 10 years. FINANCIAL PLANNING: €3 billion growth CAPEX will be spent from 2022-2030 in order to increase the sales share of "Next Generation Solutions" from 37% to >50% (products with superior sustainability performance). €700 million additional CAPEX will be spent from 2022-2030 in order to decrease GHG emissions as well as water intake demand e.g. by decreased cooling water demand resulting in >€100 m OPEX savings (p.a.). COST PROJECTIONS: Cost increases through the internalization of water related externality are considered with 10-year projections of major energy and raw material sources.

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

5

Anticipated forward trend for CAPEX (+/- % change)

5

Water-related OPEX (+/- % change)

0

Anticipated forward trend for OPEX (+/- % change)

0

Please explain

Water-related CAPEX : Increase is part of the additional 700 M € committed CAPEX for NGS. Often it is related to GHG emission reduction, but not always, so we anticipate the water-related number to be lower. Anticipated forward trend for CAPEX : In the capital market communication in 2022 we have stated that we see an additional 700 M € for NGS from 2022 to 2029 on top of our annual 900 M € CAPEX for asset preservation and growth. Modifications of exiting assets need be carefully prepared, aligned with planned down-times and for key equipment we see long lead time. Water-related OPEX : Process and cooling water cost are neglectable for our manufacturing cost. If we have a water issue, it will be addressed via a CapEx investment for reduced waste-water, lower freshwater withdrawal, in most cases aligned with our integrated heat and energy management to get the maximum benefit for GHG emission reduction. Anticipated forward trend for OPEX is neglectable.

W7.3

(W7.3) Does your organization use scenario analysis to inform its business strategy?

	Use of scenario analysis	Comment
Row 1	Yes	To identify the sites in water-scarce regions we have applied the water stress measurement method of the World Resources Institute (WRI) Aqueduct. We mapped the total water use to each site that was located in a water-scarce region according to the Aqueduct Tool and defined those sites as "large user", which used more than 0.1% of our total water use. SCENARIO ANALYSIS Summary: Qualitative and quantitative scenario analyses were performed with their potential impact on water availability at all 102 production sites worldwide with site-specific actions derived. About one quarter of our production sites were identified which are located in a potentially water-scarce region and are large water users (more than 0.1%) and are thus relevant for us.

W7.3a

(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization's business strategy.

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Water-related Climate-related Socioeconomic	Evonik has analyzed the water scarcity at its production sites with the Global Water Tool for the first time in 2013 with its latest update in 2021 using the Available Water Remaining (AWARE) tool recommended by the EU Commission. Additionally Evonik decided to apply the Aqueduct tool developed by the World Resources Institute which also includes future projections based on climate change models. The tool models the change in four key parameters to 2020, 2030 and 2040 including water stress, seasonal variability, water supply, and water demand. These parameters balance projected climate-related changes in supply (e.g. decrease in rainfall) with monthly water withdrawal and consumption projections from the domestic, industrial and agricultural sectors combined (a non-irrigation option for the chemical industry does not exist) 102 Evonik production sites were analyzed first using the projection tool for the indicators water supply and water demand. These indicators were considered in order to determine whether changes in climate (supply) or socio-economic factors (demand) are the primary drivers of changes in water stress. As a result of this analysis 25 Evonik sites out of 102 i.e. 24.5%(including latest acquisitions and divestments) are considered to be potentially water stressed within the next two decades. All 25 sites are currently under evaluation with respect to their detailed water demand and potential technological/infrastructural alternatives to reduce water dependency according to the new Evonik water goal defined in 2019. According to AWARE-methodology production sites in water stressed areas are classified from "extreme" to "low" with respect to potential impact. In 2021 all sites with classification "extreme" (one site in China) and all sites with classification "high". 12 sites all over the world have already been evaluated with respect to decreasing dependency on water availability by defining potential technological / infrastructural alternatives to reduce water intake. Remaining site, "medium" and "moderate" classified will be finalized during 2022.	As the availability of water is vital for our production and some of our supply chains. Special attention is paid on long-term availability of water as well as for existing sites as well for new investments. A water stress analysis conducted at all production sites (102 sites) presented about one quarter of our sites may be possibly impacted by water stress within the next two decades (-2030 / -2040): •Existing designated water scarce Evonik production sites do not see significant changes w.r.t. basin water supply. •Changes in water supply due to climate change projections do not appear to be a major driver of water scarcity in the future •Effect on local corn supply chains (i.e. the need for irrigation) yet unclear, require further analysis Water Demand: •Evonik production sites will see increases in water demand implying greater competition for remaining water resources in the future due to stable or decreasing water stocks •Changes in water demand due to projected socio-economic factors appear to drive most of the future water scarcity for Evonik production sites Water Stress: •Most Evonik production sites already designated as water scarce will see increases in water stress or no change from present conditions. All sites in water stressed areas are subject to special attention by the risk management effective 2019. Sites in water stressed areas have been required to bring in de-risking measures into the EAGER program, so they can be considered in the "NGS" roadmap.	Inclusion of manufacturing sites water measures in the "NEXT GENERATION TECHNOLOGIES" roadmap for 2030. Involving suppliers, local authorities and scientific community on the long-term effects on our raw material supply chain for large scale biotech process in the US and in BR.

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, and we do not anticipate doing so within the next two years

Please explain

Evonik has discussed internally the possibility of introducing an internal price of water. As a result of this discussion process shadow pricing does not seem to be an appropriate or meaningful approach as supplier prices for water do vary substantially than shadow prices available in literature. This may lead to bias the profitability of Investments unjustified under current real conditions. We have seen that GHG emission reduction and water use reduction go hand in hand. Thus, we prioritize "NEXT GENERATION TECHNOLOGY" measures based on CO2 abatement cost and flag the few "water-only" measures, to be included in the roadmap but falling out the CO2 abatement cost.

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Definition used to classify low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	Yes	Products defined as low water impact are those having a positive impact upstream or downstream in comparison to a market reference. Here are a few examples regarding a positive impact on water consumption in product application: - Evonik animal feed additives (amino acids) enable water savings thanks to the lower amount of ingredients required to feed animals (higher feed conversion ratio) in comparison to feeding systems with less or no amino acids. An additional benefit is the significantly lower nitrogen emission from livestock farming. - Evonik is investing in the Danish hydrogen peroxide company HPNow that develops decentralized systems for electrochemical production of H2O2. HPNow mainly addresses the market for agricultural drip irrigation water treatment. Drip irrigation uses water very efficiently in the irrigation of plants and is used as a solution to the problem of increasingly inadequate water supply. HPNow helps customers with increased crop yields and reduced irrigation system maintenance. Here are a few examples regarding improved water quality in the product application: - Some cosmetic ingredients like esterquats have a better biodegradability that market reference what has a positive impact on freshwater quality. Evonik also produced home cleaning ingredients fully biodegradable (biosurfactants). - Evonik also introduced new structure modified silica type for Anti-Fouling Coatings to enable the reduction of biocide release.	<Not Applicable>	

W8. Targets

W8.1

(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Site/facility specific targets and/or goals	Targets are monitored at the corporate level	We have identified water-related targets rather to be site-specific than globally. Evonik analyzes the water scarcity at its production sites annually with its latest update in 2021 using the Available WAter REmaining (AWARE) tool recommended by the EU Commission. Additionally Evonik decided to apply the Aqueduct tool developed by the the World Resources Institute which also includes future projections based on climate change models. The tool models the change in four key parameters to 2020, 2030 and 2040 including water stress, seasonal variability, water supply, and water demand These parameters balance projected climate-related changes in supply (e.g. decrease in rainfall) with monthly water withdrawal and consumption projections from the domestic, industrial and agricultural sectors combined (a non-irrigation option for the chemical industry does not exist) 102 Evonik production sites were analyzed first using the projection tool for the indicators water supply and water demand. These indicators were considered in order to determine whether changes in climate (supply) or socio-economic factors (demand) are the primary drivers of changes in water stress As a result of this analysis 25 Evonik sites out of 102 i.e. 24.5%(including latest acquisitions and divestments) are considered to be potentially water stressed within the next two decades. All 25 sites are under evaluation with respect to their detailed water demand and potential technological / infrastructural alternatives to reduce water dependency according the Evonik water goal defined in 2019. According to AWARE-methodology production sites in water stressed areas are classified from "extreme" to "low" with respect to potential impact. In 2021 all sites with classification "extreme" (one site in China) and all sites with classification "high" (12 sites all over the world) have already been evaluated with respect to decreasing dependency on water availability by defining potential technological / infrastructural alternatives to reduce water intake. Remaining site, "medium" and "moderate" classified will be finalized during 2022.

W8.1a

(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.

Target reference number

Target 1

Category of target

Other, please specify (Development of site-specific water reduction plans)

Level

Site/facility

Primary motivation

Risk mitigation

Description of target

Development of site-specific adaptation and mitigation plans to fight/avoid water stress in potentially affected regions according to Aqueduct water tool / AWARE

Quantitative metric

Other, please specify (number of sites in water stressed areas with water intake reduction plans)

Baseline year

2019

Start year

2019

Target year

2025

% of target achieved

52

Please explain

We revised our water stress analysis in the reporting period because of portfolio changes. As a result 25 Evonik sites out of 102 are considered to be potentially water stressed within the next two decades. All 25 sites are currently under evaluation with respect to their detailed water demand and potential technological / infrastructural alternatives to reduce water dependency according the Evonik water goal defined in 2019. According to AWARE-methodology production sites in water stressed areas are classified from "extreme" to "low" with respect to potential impact. In 2021 all sites with classification "extreme" (one site in China) and all sites with classification "high" (12 sites all over the world) have already been evaluated with respect to decreasing dependency on water availability by defining potential technological / infrastructural alternatives to reduce water intake. Remaining site, "medium" and "moderate" classified will be finalized during 2022.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

Yes

Evonik_Sustainability_Report_2021 (1).pdf

W9.1a

(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module	Data verified	Verification standard	Please explain
W1 Current state	Total water withdrawal for all environmentally relevant sites worldwide	ISAE 3000	Total water withdrawals are described in Evonik's sustainability report 2021. Thus they are included in the verification process by the auditor KPMG. Please note: Figures provided within the sustainability Report partly are based on projections for q4 as agreed with the Auditor to meet the sustainability Report publication timeline. Thus figures in sustainability report may vary from measured figures reported in WaterCDP. Please do check T13 page 85 of attached report - Auditors statement on pages 135/136
W8 Targets	Water target	ISAE 3000	Water target is described in Evonik's sustainability report 2021. Thus they are included in the verification process by the auditor KPMG. Please do check pages 83/84 of attached report - Auditors statement on pages 135/136

W10. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

nothing to add

W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	Evonik's CDP climate change response has been signed off by the highest level of direct responsibility for climate change, the Chief Human resource officer (C-HRO), member of the Board of Evonik.	Other C-Suite Officer

W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

No

SW. Supply chain module

SW0.1

(SW0.1) What is your organization's annual revenue for the reporting period?

	Annual revenue
Row 1	14955000000

SW1.1

(SW1.1) Could any of your facilities reported in W5.1 have an impact on a requesting CDP supply chain member?

No facilities were reported in W5.1

SW1.2

(SW1.2) Are you able to provide geolocation data for your facilities?

	Are you able to provide geolocation data for your facilities?	Comment
Row 1	No, this is confidential data	

SW2.1

(SW2.1) Please propose any mutually beneficial water-related projects you could collaborate on with specific CDP supply chain members.

SW2.2

(SW2.2) Have any water projects been implemented due to CDP supply chain member engagement?

No

SW3.1

(SW3.1) Provide any available water intensity values for your organization's products or services.

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

The European Climate Pact Submission

Please indicate your consent for CDP to showcase your disclosed environmental actions on the European Climate Pact website as pledges to the Pact.

No, we do not wish to pledge under the European Climate Pact at this stage

Please confirm below

I have read and accept the applicable Terms