

F0. Introduction

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F0.1

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**(F0.1) Give a general description of and introduction to your organization.**

Evonik is one of the world's leading specialty chemicals companies. Our strengths include the balanced spectrum of our business activities, end-markets, and regions. Around 80 percent of sales come from market-leading positions 1, which we are systematically expanding. This strong competitive position is based on collaboration with customers, innovative capability, and integrated technology platforms. 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. Our technology centers and customer competence centers play an important role in this around the world. Market-oriented research and development is an important driver of profitable growth. This is based on our strong innovation culture, which is rooted in our innovation management and management development. Highly trained employees are a key success factor.

As preconditions for Evonik's future viability, we consider sustainable business activities and responsible conduct to be the cornerstones of our business model. Sustainability is an integral part of our strategic management process. Our goal for the future is to substantially increase the proportion of attractive growth businesses in our portfolio with a clear focus on sustainability (Next Generation Solutions). Foresighted resource management is another key element in our sustainability strategy. In addition, we systematically examine the positive and negative effects of our business activities along the value chain. Early identification of future opportunities and risks makes our business model more resilient and sharpens understanding of the long-term value that our activities create for society.

Our specialty chemicals operations are divided into four chemical manufacturing divisions, which operate close to their markets and customers. The chemicals divisions—Specialty Additives, Nutrition & Care, Smart Materials, and Performance Materials—are clearly aligned to our technology platforms to allow more selective management. They are supported by the Technology & Infrastructure division.

The Specialty Additives, Nutrition & Care, and Smart Materials divisions operate in attractive markets with above-average growth rates.

The Performance Materials division is characterized by processes that make intensive use of energy and raw materials. It therefore concentrates on integrated, cost-optimized technology 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.

F0.2

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**(F0.2) 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

F0.3

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**(F0.3) Select the currency used for all financial information disclosed throughout your response.**

EUR

F0.4

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**(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on (including any that are sources for your processed ingredients or manufactured goods); and for each select the stages of the supply chain that best represents your organization's area of operation.**

	Commodity disclosure	Stage of the value chain	Explanation if not disclosing
Timber products	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>
Palm oil	Disclosing	Processing	<Not Applicable>
Cattle products	Not disclosing	Processing	Tallow based raw materials are used for one specific product line. Topic is addressed and in progress to be partially substituted with other renewable sources, e.g. SG palm derivatives.
Soy	Not disclosing	Processing	Less than 1 % of Evonik's total procurement budget (< 5000 t/a) is attributed to soybean oil.
Other - Rubber	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>
Other - Cocoa	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>
Other - Coffee	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>

## F0.5

**(F0.5) Are there any parts of your direct operations or supply chain that are not included in your disclosure?**

No

## F0.6

**(F0.6) 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

## F1. Current state

### F1.1

**(F1.1) How does your organization produce, use or sell your disclosed commodity(ies)?**

#### Palm oil

##### Activity

Using as input into product manufacturing

##### Form of commodity

Palm oil derivatives  
Palm kernel oil derivatives

##### Source

Multiple contracted producers  
Contracted suppliers (processors)  
Contracted suppliers (manufacturers)

##### Country/Area of origin

Indonesia  
Malaysia

##### % of procurement spend

1-5%

##### Comment

1-5% of Evonik's total procurement spend budget was spent for palm (kernel) oil derivatives in 2021.

### F1.2

**(F1.2) Indicate the percentage of your organization's revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.**

	% of revenue dependent on commodity	Comment
Timber products	<Not Applicable>	<Not Applicable>
Palm oil	6-10%	For the calculation, total sales of all products based on palm (kernel) oil derivatives were divided by the total sales of Evonik.
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

**F1.5**

**(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?**

	Data availability/Disclosure
Timber products	<Not Applicable>
Palm oil	Consumption data available, disclosing
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

**F1.5a**

**(F1.5a) Disclose your production and/or consumption figure, and the percentage of commodity volumes verified as deforestation- and/or conversion-free.**

**Forest risk commodity**

Palm oil

**Data type**

Consumption data

**Commodity production/ consumption volume**

103739

**Metric for commodity production/ consumption volume**

Metric tons

**Data coverage**

Full commodity production/consumption

**Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?**

Yes

**% of reported volume verified as deforestation- and/or conversion-free**

77

**Please explain**

Evonik is a founding member of the Action for Sustainable Derivatives (ASD) initiative. The goal of the ASD initiative is to ensure the traceability of palm oil derivatives to mills and plantations. Its risk analysis methods and joint action plans aim to help counter progressive deforestation. As one major pillar, Evonik annually investigates the regional origin of its palm (kernel) oil derivatives with the help of ASD. In 2021, the transparency level for the volumes in scope of the investigation could be significantly increased due to better company feedback: - 97,3% traceable up to refineries (integrating crushing facilities) - 96,7% traceable up to mills (integrating crushing facilities) - 30,1% traceable up to plantations - Other sourcing locations were also identified but with medium to low probability of actual connection to Evonik's supply chain. For the risk assessment, the SPOTT analysis tool is used and the Global Forest Watch Pro tool is applied to the mills identified in the supply chain investigation. 23% of the volume, which was in scope of the investigation, was classified to be of high deforestation risk.

**F1.5b**

**(F1.5b) For your disclosed commodity(ies), indicate the percentage of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin.**

**Forest risk commodity**

Palm oil

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (North Sumatra)

**% of total production/consumption volume**

15

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (West Kalimantan)

**% of total production/consumption volume**

9

**Please explain**

Evonik is a founding member of the Action for Sustainable Derivatives (ASD) initiative. The goal of the ASD initiative is to ensure the traceability of palm oil derivatives to mills and plantations. Its risk analysis methods and joint action plans aim to help counter progressive deforestation. As one major pillar, Evonik annually investigates the regional origin of its palm (kernel) oil derivatives with the help of ASD. In 2021, the transparency level for the volumes in scope of the investigation could be significantly increased due to better company feedback: - 97,3% traceable up to refineries (integrating crushing facilities) - 96,7% traceable up to mills (integrating crushing facilities) - 30,1% traceable up to plantations - Other sourcing locations were also identified but with medium to low probability of actual connection to Evonik's supply chain. From the 96,7% traceable volumes up to mill-level, a share of 9% originated from the province West Kalimantan. Method for supply chain investigation: 1. Data collection from direct & indirect suppliers 2. Supply chain mapping (list of refineries, crushers & mills in the chain, associated geographical maps) 3. Percentage of transparent derivatives to refineries, crushers, mills & plantations 4. Map of sourcing areas linked to the chain (proportion of sourcing per country/province considering volumes)

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Malaysia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Sabah)

**% of total production/consumption volume**

9

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Central Kalimantan)

**% of total production/consumption volume**

7

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Jambi)

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**% of total production/consumption volume**

6

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Riau)

**% of total production/consumption volume**

5

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Aceh)

**% of total production/consumption volume**

5

**Please explain**

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Malaysia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Sarawak)

**% of total production/consumption volume**

5

**Please explain**

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**(F1.5e) How does your organization produce or consume biofuel derived from palm oil?**

**Does your organization produce or consume biofuel derived from palm oil?**

No

**Data type**

<Not Applicable>

**Volume produced/consumed**

<Not Applicable>

**Metric**

<Not Applicable>

**Country/Area of origin**

<Not Applicable>

**State or equivalent jurisdiction**

<Not Applicable>

**% of total production/consumption volume**

<Not Applicable>

**Does the source of your organization's biofuel material come from smallholders?**

<Not Applicable>

**Comment**

Evonik does not neither produce nor consume biofuel derived from palm oil.

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**F1.6**

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**(F1.6) Has your organization experienced any detrimental forests-related impacts?**

Yes

**F1.6a**

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**(F1.6a) Describe the forests-related detrimental impacts experienced by your organization, your response, and the total financial impact.**

**Forest risk commodity**

Palm oil

**Impact driver type**

Reputational and markets

**Primary impact driver**

Increased commodity prices

**Primary impact**

Supply chain disruption

**Description of impact**

Reported grievances of suppliers in subsequent Withhold Release Orders led to subsequent shortages of palm (kernel) oil based raw materials in some regions. These shortages in turn lead to supply constraints and production outages as well as increased prices.

**Primary response**

Engagement with suppliers

**Total financial impact**

10000000

**Description of response**

The total financial impact of 10 Mio. € is an estimated value describing the increased prices due to the shortages. Following the impact, Evonik has continued even further to engage with suppliers including examination of their sustainability performance.

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**F1.7**

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**(F1.7) Indicate whether you have assessed the deforestation or conversion footprint for your disclosed commodities over the past 5 years, or since a specified cutoff date, and provide details.**

**Forest risk commodity**

Palm oil

**Have you monitored or estimated your deforestation/conversion footprint?**

Yes, we estimate deforestation/conversion footprint based on sourcing area

**Coverage**

Partial consumption volume

**Reporting deforestation/conversion since a specified cutoff date or during the last five years?**

Since a specified cutoff date, please specify year (2019)

**Known or estimated deforestation/ conversion footprint (hectares)**

5000

**Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint**

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## F2. Procedures

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### F2.1

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**(F2.1) Does your organization undertake a forests-related risk assessment?**

Yes, forests-related risks are assessed

### F2.1a

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**(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.**

**Palm oil**

**Value chain stage**

- Direct operations
- Supply chain

**Coverage**

- Full

**Risk assessment procedure**

- Assessed as a standalone issue

**Frequency of assessment**

- Annually

**How far into the future are risks considered?**

- 1 to 3 years

**Tools and methods used**

- External consultants
- Global Forest Watch Pro
- Sustainability Policy Transparency Toolkit (SPOTT)
- IBAT for Business

**Issues considered**

- Impact of activity on the status of ecosystems and habitats

**Stakeholders considered**

- Customers
- Investors
- Local communities
- NGOs
- Regulators
- Suppliers

**Please explain**

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**F2.2**

**(F2.2) For each of your disclosed commodity(ies), has your organization mapped its value chains?**

	Value chain mapping	Primary reason for not mapping your value chain	Explain why your organization does not map its value chain and outline any plans to introduce it
Timber products	<Not Applicable>	<Not Applicable>	<Not Applicable>
Palm oil	Yes, we have partially mapped the value chain	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>

**F2.2a**



**(F2.2a) Provide details of your organization's value chain mapping for its disclosed commodity(ies).**

**Forest risk commodity**

Palm oil

**Scope of value chain mapping**

Other, please specify (The scope of the supply chain mapping includes the whole supply chain down to refinery, mill, and plantation level. )

**% of total suppliers covered within selected tier(s)**

<Not Applicable>

**Description of mapping process and coverage**

<Not Applicable>

**Your own production and primary processing sites: attach a list of facility names and locations (optional)**

Certificate\_V15.pdf

**Your suppliers' production and primary processing sites: attach a list of names and locations (optional)**

**F3. Risks and opportunities**

**F3.1**

**(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?**

	<b>Risk identified?</b>
Timber products	<Not Applicable>
Palm oil	Yes
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

**F3.1a**

### (F3.1a) How does your organization define substantive financial or strategic impact on your business?

All categories of risks and opportunities including forests risks/ opportunities are assessed using the same metrics regarding their financial or strategic impact. We define substantive financial or strategic impact on our business as every negative/ positive deviation from plan exceeding defined threshold values.

Risks/opportunities are all events, internal or external to the company, that can negatively/positively influence the achievement of business goals, to include quality and brand image in a specified time period (e.g., current year or mid-term future). Point of departure is the net risk, which corresponds to the value of risk that the company is actually exposed to today which means risk remaining after taking previously established measures and controls into account. Therefore, as a rule, a risk constitutes a negative deviation from the plan.

If possible the magnitude of impact is quantified as a point value or range. If this is not the case verbal assessment based on categories or purely narrative is requested. If applicable the impact shall be assessed as deviation to adj. EBITDA. If the impact does not affect the adj. EBITDA other suitable KPIs are used and explained.

Risks are to be assessed using uniform, comprehensible criteria. Its purpose is to prioritize identified risks and thereby shine a clear light on the most important topics concerning the corporation's success.

Risks/ Opportunities are considered as significant if a deviation from the respective (business line level) management unit's plan by 10 million euro with reference to the mid-term horizon is identified. Non-quantifiable risks are to be taken into consideration when they could negatively effect the unit's substantial goals. In so doing Corporate Center units are to use Evonik Industries' goals. A qualitative/ verbal assessment of impact can include factors such as management attention or damage to reputation. Risks/ Opportunities exceeding 100 Mio. € (expected value) are classified as material/ substantial and risks exceeding 500 Mio. € (Impact) as Going Concern Risk.

#### ASSESSMENT

In order to make a meaningful analysis of identified risks possible, the risk must be described appropriately. The cause and effect of the risk are also to be described. A risk owner must be named to ensure that the risk is handled and monitored adequately in the following process steps. The risk owner must have the required authorities and competences. 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 two criteria, probability of occurrence and impact.

Risks can be assessed as point values or ranges and for some exceptions a purely verbal assessment is allowed. 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 three 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. The classification of risks as hypothetical should always be done on the basis of commercial prudence.

### F3.1b

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**(F3.1b) For your disclosed forest risk commodity(ies), provide details of risks identified with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.**

**Forest risk commodity**

Palm oil

**Type of risk**

Reputational and markets

**Geographical scale**

Global

**Where in your value chain does the risk driver occur?**

Supply chain

**Primary risk driver**

Increased stakeholder concern or negative stakeholder feedback

**Primary potential impact**

Disruption to sales

**Company-specific description**

Evonik defines critical raw materials as all raw materials that could potentially involve a supply risk or reputational risk, such as conflict minerals and renewable raw materials, including palm oil. One potential impact of these risks, e.g. potential deforestation practices, is a disruption to sales as well as limited growth potential in some markets. Some customers have already made certified products an obligation to qualify as a supplier. Therefore, Evonik aims to ensure that by 2023 only RSPO-certified palm oil and palm kernel oil are used in its products.

**Timeframe**

1-3 years

**Magnitude of potential impact**

Medium-high

**Likelihood**

Virtually certain

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact (currency)**

<Not Applicable>

**Potential financial impact figure - minimum (currency)**

200000000

**Potential financial impact figure - maximum (currency)**

500000000

**Explanation of financial**

The estimated range is derived from the potential financial impact, if a certain share of business with palm (kernel) oil based products is lost or constrained to grow due to increased stakeholder concern or negative stakeholder feedback.

**Primary response to risk**

Increased use of sustainably sourced materials

**Description of response**

Evonik aims to ensure that by 2023 only RSPO-certified palm oil and palm kernel oil are used in its products. In 2021, 38% of all palm (kernel) oil based raw materials were RSPO-certified either by the Mass Balance (MB) or segregated (SG) scheme.

**Cost of response**

8000000

**Explanation of cost of response**

The above figure is a rough estimate of the added costs that are due to price premiums for certified material.

**F3.2**

**(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

	Have you identified opportunities?
Timber products	<Not Applicable>
Palm oil	Yes
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

**F3.2a**

**(F3.2a) For your selected forest risk commodity(ies), provide details of the identified opportunities with the potential to have a substantive financial or strategic impact on your business.**

**Forest risk commodity**

Palm oil

**Type of opportunity**

Markets

**Where in your value chain does the opportunity occur?**

Direct operation

**Primary forests-related opportunity**

Increased demand for certified materials

**Company-specific description & strategy to realize opportunity**

While palm (kernel) oil based raw materials can bear risks, actively countering these also offers several opportunities. Products using RSPO certified raw materials can grant access to otherwise not accessible markets and business opportunities, e.g. in the cleaning and cosmetic industry. Therefore, Evonik's time bound plan is to use RSPO certified starting materials in all respective regions upon 2023 on top of its engagements in community projects, e.g. participation in the Action for Sustainable Derivatives (ASD) initiative and individual field projects. The expected outcome of these efforts is not only maintaining market share, but also broaden market access.

**Estimated timeframe for realization**

1-3 years

**Magnitude of potential impact**

Medium-low

**Likelihood**

Very likely

**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 figure**

A financial impact figure is difficult to define as sales erosion due to uncertified material and sales increase due to certified products must both be taken into account. However, using certified material enables Evonik to maintain and broaden market access.

**Forest risk commodity**

Palm oil

**Type of opportunity**

Markets

**Where in your value chain does the opportunity occur?**

Direct operation

**Primary forests-related opportunity**

Increased availability of products with reduced environmental impact (other than certified products)

**Company-specific description & strategy to realize opportunity**

Evonik's climate targets include cutting scope 1 and 2 greenhouse gas emissions by 50 percent in absolute terms by 2025 (reference base: 2008). Furthermore, by 2025 Evonik wants to cut scope 3 emissions from our upstream value chain—basically our "raw material backpack"—by 15 percent compared with 2020. On top of that, low carbon footprint products are increasingly being demanded by markets. Switching to more sustainable raw materials, in this case RSPO-certified palm (kernel) oil based raw materials, is a major lever to achieve not only Evonik's climate targets, but also to be able to offer better products on markets.

**Estimated timeframe for realization**

Current - up to 1 year

**Magnitude of potential impact**

High

**Likelihood**

Virtually certain

**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 figure**

It is difficult to derive financial impact figures from successful corporate climate targets.

## F4. Governance

### F4.1

#### (F4.1) Is there board-level oversight of forests-related issues within your organization?

Yes

#### F4.1a

#### (F4.1a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.

Position of individual	Please explain
Board-level committee	At Evonik, the Sustainability Council, which is comprised of the Chief Human Resources Officer (CHRO), Chief Sustainability Officer (CSO) and business line heads (Vice Presidents), is responsible for all sustainability topics including forests-related issues. In July 2021, this Sustainability Council decided Evonik's public commitment on responsible supply chains of palm oil (found under "Recommendations for Responsible Use of Palm Oil, Palm Kernel Oil, and Derivatives" on the Evonik website).

#### F4.1b

#### (F4.1b) Provide further details on the board's oversight of forests-related issues.

	Frequency that forests-related issues are a scheduled agenda item	Governance mechanisms into which forests-related issues are integrated	Please explain
Row 1	Sporadic - as important matters arise	Monitoring implementation and performance Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding strategy Reviewing innovation / R&D priorities	Forests-related risks and opportunities are an essential part of Evonik's sustainability strategy comprising footprints and portfolio analysis including forest related risk and opportunities are integrated in the business analysis, investment strategy and innovation pipeline for portfolio transformation. E.g. PARCs analysis, Carbon Footprint strategy and sustainable palm oil Index evaluation.

#### F4.1d

#### (F4.1d) Does your organization have at least one board member with competence on forests-related issues?

##### Row 1

##### Board member(s) have competence on forests-related issues

Yes

##### Criteria used to assess competence on forests-related issues

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 RATIONALE: Sustainability including forests-related issues is one 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. Business decisions related to sustainability, such as handling of palm oil based raw materials 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 climate protection 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 forests-related issues, but do provide a wide range of expertise on sustainability with its impact on economic development.

##### Primary reason for no board-level competence on forests-related issues

<Not Applicable>

##### Explain why your organization does not have at least one board member with competence on forests-related issues and any plans to address board-level competence in the future

<Not Applicable>

### F4.2

**(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).**

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on forests-related issues	Please explain
Chief Sustainability Officer (CSO)	Both assessing and managing forests-related risks and opportunities	As important matters arise	Forest-related topics are subject to the highest level council (Sustainability Council). Analysis and suggested action plans are provided by an expert circle with alignment to the business lines and RSPO core team headed by corporate sustainability. In July 2021, this Sustainability Council decided Evonik's public commitment on responsible supply chains of palm oil (found under "Recommendations for Responsible Use of Palm Oil, Palm Kernel Oil, and Derivatives" on the Evonik website).

F4.3

**(F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?**

	Provide incentives for management of forests-related issues	Comment
Row 1	No, and we do not plan to introduce them in the next two years	There is a performance-related remuneration plan for Evonik's executives and members of the executive board in place. The resulting obligations are settled in cash and expensed in accordance with IFRS 2 Share-based Payment. The structure of this remuneration plan is as follows: about 1/3 as fixed salary; about 1/3 bonus payment related to KPI's related to mid-term strategic targets e.g. free cash-flow or EBITDA growth; about 1/3 long-term incentive plan which is based on the Evonik share price by 80% and which is based on strategic ESG KPI's by 20%. CO2 emission reduction has been chosen explicitly as one of these ESG KPI's and has been presented to investors on Evonik's Capital market day in May 2022 in the context of committing to setting near-term science-based emissions reductions targets in alignment with the SBTi. Forests-related issues are currently not in focus.

F4.4

**(F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?**

Yes (you may attach the report – this is optional)  
 Evonik\_Financial\_Report\_2021.pdf

F4.5

**(F4.5) Does your organization have a policy that includes forests-related issues?**

Yes, we have a documented forests policy that is publicly available

F4.5a

**(F4.5a) Select the options to describe the scope and content of your policy.**

	Scope	Content	Please explain
Row 1	Company-wide	<p>Commitment to eliminate conversion of natural ecosystems</p> <p>Commitment to eliminate deforestation</p> <p>Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE)</p> <p>Commitment to best management practices for soils and peat</p> <p>Commitment to take action beyond own supply chain to tackle environmental issues</p> <p>Commitment to resolving both social and environmental issues in own operations and supply chain</p> <p>Commitment to protect rights and livelihoods of local communities</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to transparency</p> <p>Recognition of the overall importance of forests and other natural ecosystems</p>	<p>In July 2021, Evonik published its commitment on responsible supply chains of palm oil (found under "Recommendations for Responsible Use of Palm Oil, Palm Kernel Oil, and Derivatives" on the Evonik website). Evonik intends to apply the following criteria for the use of palm oil, palm kernel oil, and their derivatives: 1. Traceability Identification of supply chain partners and specification of the source of the raw materials and their region of origin. 2. Compliance with legal requirements Direct suppliers must confirm compliance with the law, especially anticorruption laws and land tenure rights, at all stages in their regional supply chain. 3. Conservation of the environment Expanding palm plantations must ensure the protection and, where necessary, restoration of high conservation and carbon stock areas and peatlands. 4. Local compliance and consent Compliance and the informed consent of indigenous people affected by the new agricultural areas must be ensured, with a focus on land grabbing procedures and the labor and social standards of the International Labour Organization (ILO). 5. Compliance with standardized procurement criteria Direct suppliers of palm-based raw materials need to be members of the RSPO or organizations with equivalent, validated principles and obligations. 6. RSPO-certified supply chains for raw materials and products Evonik evaluates the use of RSPO-certified palm oil-/palm kernel oilbased raw materials. Evonik aims to ensure that by 2023 it only markets products based on RSPO-certified palm oil, palm kernel, and their derivatives. 7. Responsible supply chains to protect and conserve valuable forest areas Realistic, public declaration of intent on implementing responsible supply chains. Support projects to ensure the availability and integration of palm oil, palm kernel oil, and their derivatives into Evonik's supply chains, taking into account the protection and conservation of valuable forest areas.</p>

**F4.5b**

**(F4.5b) Do you have commodity specific sustainability policy(ies)? If yes, select the options that best describe their scope and content.**

	Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Timber products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

	Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Palm oil	Yes	Company-wide	<p>Commitment to eliminate conversion of natural ecosystems</p> <p>Commitment to eliminate deforestation</p> <p>Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE)</p> <p>Commitment to protect rights and livelihoods of local communities</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to transparency</p> <p>Commitment to best management practices for soils and peat</p> <p>Commitment to take action beyond own supply chain to tackle environmental issues</p> <p>Commitment to resolving both social and environmental issues in own operations and supply chain</p> <p>Recognition of the overall importance of forests and other natural ecosystems</p> <p>List of timebound commitments and targets</p>	<p>More than 70 percent of the palm-based raw materials used by the Care Solutions business line are already RSPO-certified. In 2021, Oil Additives drew up a stepwise plan for RSPO certification of the raw materials it uses. This includes a phased transition to certified starting products. The intention is to increase this to around 50 percent in 2022 and achieve a full transition in 2023. In addition, Evonik aims to ensure that by 2023 only RSPO certified palm oil and palm kernel oil are used in its products. In July 2021, Evonik published its commitment on responsible supply chains of palm oil (found under "Recommendations for Responsible Use of Palm Oil, Palm Kernel Oil, and Derivatives" on the Evonik website) containing the following criteria: 1. Traceability Identification of supply chain partners and specification of the source of the raw materials and their region of origin. 2. Compliance with legal requirements Direct suppliers must confirm compliance with the law, especially anticorruption laws and land tenure rights, at all stages in their regional supply chain. 3. Conservation of the environment Expanding palm plantations must ensure the protection and, where necessary, restoration of high conservation and carbon stock areas and peatlands. 4. Local compliance and consent Compliance and the informed consent of indigenous people affected by the new agricultural areas must be ensured, with a focus on land grabbing procedures and the labor and social standards of the International Labour Organization (ILO). 5. Compliance with standardized procurement criteria Direct suppliers of palm-based raw materials need to be members of the RSPO or organizations with equivalent, validated principles and obligations. 6. RSPO-certified supply chains for raw materials and products Evonik evaluates the use of RSPO-certified palm oil-/palm kernel oilbased raw materials. Evonik aims to ensure that by 2023 it only markets products based on RSPO-certified palm oil, palm kernel, and their derivatives. 7. Responsible supply chains to protect and conserve valuable forest areas Realistic, public declaration of intent on implementing responsible supply chains. Support projects to ensure the availability and integration of palm oil, palm kernel oil, and their derivatives into Evonik's supply chains, taking into account the protection and conservation of valuable forest areas.</p>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

#### F4.6

**(F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?**

Yes

#### F4.6a



**(F4.6a) Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation?**

Other, please specify (Action for Sustainable Derivatives (ASD): The goal of the ASD initiative is to ensure the traceability of palm oil derivatives to mills and plantations. Its risk analysis methods and joint action plans aim to help counter progressive deforestation.)

**F4.6b**

**(F4.6b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.**

**Forest risk commodity**

Palm oil

**Criteria**

- Restoration and compensation to address past deforestation and conversion
- Avoidance of negative impacts on threatened and protected species and habitats
- No conversion of High Conservation Value areas
- No conversion of High Carbon Stock forests
- Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
- Adoption of the UN International Labour Organization principles
- Facilitate the inclusion of smallholders into the supply chain
- No sourcing of illegally produced and/or traded forest risk commodities
- Restricting the sourcing and/or trade of forest risk commodities to credible certified sources
- Recognition of legal and customary land tenure rights

**Operational coverage**

Direct operations and supply chain

**% of total production/ consumption covered by commitment**

100%

**Cutoff date**

2019

**Commitment target date**

2021-25

**Please explain**

Evonik is critical of the establishment of new palm oil plantations and the associated land use. For many years, Evonik has supported the use of sustainable palm oil in the supply chain. The focus here is on internationally recognized certification standards. Evonik has been a member of the Roundtable on Sustainable Palm Oil (RSPO) since 2010. In our annual RSPO progress report, we outline our activities and targets to foster sustainable palm oil production. In keeping with our commitment to ensuring responsible use of palm oil, we actively network with NGOs, customers, and other stakeholders in the value chain. In 2021, Evonik drew up recommendations for sustainable procurement and use of palm oil, palm kernel oil, and their derivatives to raise the awareness of our employees of how to take a responsible approach to these substances. We have published these recommendations on our website.

**F5. Business strategy**

**F5.1**

**(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?**

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, forests-related issues are integrated	5-10	Integrated into sourcing activities of renewables
Strategy for long-term objectives	Yes, forests-related issues are integrated	5-10	RSPO certification of raw material baskets joint industry initiatives membership to ensure deforestation free supply chains (Action for sustainable derivatives ASD)
Financial planning	Yes, forests-related issues are integrated	5-10	Budget created and released for certification and supply chain analysis

**F6. Implementation**

**F6.1**

**(F6.1) Did you have any timebound and quantifiable targets for increasing sustainable production and/or consumption of your disclosed commodity(ies) that were active during the reporting year?**

Yes

**(F6.1a) Provide details of your timebound and quantifiable target(s) for increasing sustainable production and/or consumption of the disclosed commodity(ies), and progress made.**

**Target reference number**

Target 1

**Forest risk commodity**

Palm oil

**Type of target**

Third-party certification

**Description of target**

Evonik aims to ensure that by 2023 only RSPO certified palm oil and palm kernel oil are used in its products in line RSPO requirements on ambitious transformation targets. More than 70 percent of the palm-based raw materials used by the Care Solutions business line are already RSPO-certified. In 2021, Oil Additives drew up a stepwise plan for RSPO certification of the raw materials it uses. This includes a phased transition to certified starting products. The intention is to increase this to around 50 percent in 2022 and achieve a full transition in 2023. One challenge in this changeover is that there are substantial regional fluctuations in the supply of certified derivatives—often accompanied by price rises, higher offtake guarantees, or restricted availability. That entails uncertainty in meeting demand. The reconditions for achieving our target are therefore the availability of the necessary raw materials and commercial feasibility on the global market.

**Linked commitment**

No conversion of natural ecosystems

**Traceability point**

<Not Applicable>

**Third-party certification scheme**

RSPO Segregated  
RSPO Mass Balance

**Start year**

2013

**Target year**

2023

**Quantitative metric**

<Not Applicable>

**Target (number)**

<Not Applicable>

**Target (%)**

100

**% of target achieved**

38

**Please explain**

Evonik's progress regarding the target of achieving 100% RSPO certified raw materials is annually audited by independent RSPO approved auditors (GutCert). The progress is also publicly communicated on the RSPO website via the Annual Communication of Progress (ACOP) report.

**Target reference number**

Target 2

**Forest risk commodity**

Palm oil

**Type of target**

Traceability

**Description of target**

Evonik recognizes that to achieve zero net/gross deforestation, traceability is fundamental. This is why, Evonik targets a 100% traceability of its palm (kernel) oil derivatives up to mill level.

**Linked commitment**

Zero net/gross deforestation

**Traceability point**

Mill

**Third-party certification scheme**

<Not Applicable>

**Start year**

2019

**Target year**

2023

**Quantitative metric**

<Not Applicable>

**Target (number)**

<Not Applicable>

**Target (%)**

100

**% of target achieved**

97

**Please explain**

Evonik is a founding member of the Action for Sustainable Derivatives (ASD) initiative. The goal of the ASD initiative is to ensure the traceability of palm oil derivatives to mills and plantations. Its risk analysis methods and joint action plans aim to help counter progressive deforestation. As one major pillar, Evonik annually investigates the regional origin of its palm (kernel) oil derivatives with the help of ASD. In 2021, the transparency level for the volumes in scope of the investigation could be significantly increased due to better company feedback: - 97,3% traceable up to refineries (integrating crushing facilities) - 96,7% traceable up to mills (integrating crushing facilities) - 30,1% traceable up to plantations - Other sourcing locations were also identified but with medium to low probability of actual connection to Evonik's supply chain. Method for supply chain investigation: 1. Data collection from direct & indirect suppliers 2. Supply chain mapping (list of refineries, crushers & mills in the chain, associated geographical maps) 3. Percentage of transparent derivatives to refineries, crushers, mills & plantations 4. Map of sourcing areas linked to the chain (proportion of sourcing per country/province considering volumes)

**F6.2**

**(F6.2) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?**

	Do you have system(s) in place?	Description of traceability system	Exclusions	Description of exclusion
Timber products	<Not Applicable >	<Not Applicable>	<Not Applicable>	<Not Applicable>
Palm oil	Yes	Evonik is a founding member of the Action for Sustainable Derivatives (ASD) initiative. The goal of the ASD initiative is to ensure the traceability of palm oil derivatives to mills and plantations. Its risk analysis methods and joint action plans aim to help counter progressive deforestation. As one major pillar, Evonik annually investigates the regional origin of its palm (kernel) oil derivatives with the help of ASD. In 2021, the transparency level for the volumes in scope of the investigation could be significantly increased due to better company feedback: - 97,3% traceable up to refineries (integrating crushing facilities) - 96,7% traceable up to mills (integrating crushing facilities) - 30,1% traceable up to plantations - Other sourcing locations were also identified but with medium to low probability of actual connection to Evonik's supply chain. Method for supply chain investigation: 1. Data collection from direct & indirect suppliers 2. Supply chain mapping (list of refineries, crushers & mills in the chain, associated geographical maps) 3. Percentage of transparent derivatives to refineries, crushers, mills & plantations 4. Map of sourcing areas linked to the chain (proportion of sourcing per country/province considering volumes)	Specific product line(s)	Approx. 91 % of Evonik's major users of palm (kernel) oil derivatives are the Evonik business lines Care Solutions and Oil Additives. Their procurement amounts were included in the transparency evaluation 2021.
Cattle products	<Not Applicable >	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable >	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable >	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable >	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable >	<Not Applicable>	<Not Applicable>	<Not Applicable>

**F6.2a**

**(F6.2a) Provide details on the level of traceability your organization has for its disclosed commodity(ies).**

Forest risk commodity	Point to which commodity is traceable	% of total production/consumption volume traceable
Palm oil	Mill	97
Palm oil	Plantation	30
Palm oil	Refinery	97

**F6.3**

**(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)?**

	Third-party certification scheme adopted?	% of total production and/or consumption volume certified
Timber products	<Not Applicable>	<Not Applicable>
Palm oil	Yes	38
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

**F6.3a****(F6.3a) Provide a detailed breakdown of the volume and percentage of your production and/or consumption by certification scheme.****Forest risk commodity**

Palm oil

**Third-party certification scheme**

RSPO Mass Balance

**Chain-of-custody model used**

&lt;Not Applicable&gt;

**% of total production/consumption volume certified**

17

**Form of commodity**

Palm oil derivatives

Palm kernel oil derivatives

**Volume of production/ consumption certified**

17923

**Metric for volume**

Metric tons

**Is this certified by more than one scheme?**

No

**Please explain**

More than 70 percent of the palm-based raw materials used by the Care Solutions business line are already RSPO-certified (either MB or SG). In 2021, we started to extend this to all available raw materials. Care Solutions' strategic priorities are certification of its sites and extending its portfolio of certified products. The strategic priorities of the Oil Additives business line are certification of its sites and extending its portfolio of certified products. At present, all five production sites that use palm oil derivatives have been certified as conforming to the RSPO's MB or SG standard. In 2021, Oil Additives drew up a stepwise plan for RSPO certification of the raw materials it uses. This includes a phased transition to certified starting products.

**Forest risk commodity**

Palm oil

**Third-party certification scheme**

RSPO Segregated

**Chain-of-custody model used**

&lt;Not Applicable&gt;

**% of total production/consumption volume certified**

21

**Form of commodity**

Palm oil derivatives

Palm kernel oil derivatives

**Volume of production/ consumption certified**

21449

**Metric for volume**

Metric tons

**Is this certified by more than one scheme?**

No

**Please explain**

More than 70 percent of the palm-based raw materials used by the Care Solutions business line are already RSPO-certified (either MB or SG). In 2021, we started to extend this to all available raw materials. Care Solutions' strategic priorities are certification of its sites and extending its portfolio of certified products. The strategic priorities of the Oil Additives business line are certification of its sites and extending its portfolio of certified products. At present, all five production sites that use palm oil derivatives have been certified as conforming to the RSPO's MB or SG standard. In 2021, Oil Additives drew up a stepwise plan for RSPO certification of the raw materials it uses. This includes a phased transition to certified starting products.

**F6.4**

**(F6.4) For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?**

	A system to control, monitor or verify compliance	Comment
Timber products	<Not Applicable>	<Not Applicable>
Palm oil	Yes, we have a system in place for our no conversion and/or deforestation commitments	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

**F6.4a**

**(F6.4a) Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s).**

**Forest risk commodity**

Palm oil

**Operational coverage**

Supply chain

**Description of control systems**

Evonik is a founding member of the Action for Sustainable Derivatives (ASD) initiative. The goal of the ASD initiative is to ensure the traceability of palm oil derivatives to mills and plantations. Its risk analysis methods and joint action plans aim to help counter progressive deforestation. As one major pillar, Evonik annually investigates the regional origin of its palm (kernel) oil derivatives with the help of ASD. Method for supply chain investigation: 1. Data collection from direct & indirect suppliers 2. Supply chain mapping (list of refineries, crushers & mills in the chain, associated geographical maps) 3. Percentage of transparent derivatives to refineries, crushers, mills & plantations 4. Map of sourcing areas linked to the chain (proportion of sourcing per country/province considering volumes) For the risk assessment, the Global Forest Watch Pro tool is applied to the mills identified in the supply chain investigation.

**Monitoring and verification approach**

Community-based monitoring

**% of total volume in compliance**

71-80%

**% of total suppliers in compliance**

Don't know

**Response to supplier non-compliance**

Retain & engage

**Procedures to address and resolve non-compliance with suppliers**

Providing information on appropriate actions that can be taken to address non-compliance

**Please explain**

In 2021, the transparency level for the volumes in scope of the investigation could be significantly increased due to better company feedback: - 97,3% traceable up to refineries (integrating crushing facilities) - 96,7% traceable up to mills (integrating crushing facilities) - 30,1% traceable up to plantations - Other sourcing locations were also identified but with medium to low probability of actual connection to Evonik's supply chain. For the risk assessment, the SPOTT analysis tool is used and the Global Forest Watch Pro tool is applied to the mills identified in the supply chain investigation. 23% of the volume, which was in scope of the investigation, was classified to be of high deforestation risk. Thus, 77% are considered to be of low deforestation risk. The objective of the analysis is not the compliance of direct suppliers including distributors, but connected mills, refineries and crushers. The connection between our suppliers and mills, refineries, and crushers is subject to further future investigation on ASD levels.

**F6.6**

**(F6.6) For your disclosed commodity(ies), indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards.**

	Assess legal compliance with forest regulations	Comment
Timber products	<Not Applicable>	<Not Applicable>
Palm oil	Yes, from suppliers	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

**F6.6a**

**(F6.6a) For your disclosed commodity(ies), indicate how you ensure legal compliance with forest regulations and/or mandatory standards.**

**Palm oil**

**Procedure to ensure legal compliance**

Suppliers of certain critical raw materials are subject to a special examination. We define critical raw materials as all raw materials that could potentially involve a supply risk or reputational risk, such as conflict minerals and renewable raw materials, including palm oil. We have established specific procurement strategies for these critical raw materials. The processes are integrated into a management system, where they are mapped. As well as monitoring suppliers of critical raw materials, we aim to examine the sustainability of all major raw material suppliers by 2025. To supplement our code of conduct for suppliers, our approach includes self-assessments, audits, and validation of suppliers through the Together for Sustainability (TfS) initiative. The chemical industry set up the TfS initiative for this purpose in 2011. Evonik is one of the six founding members. The aim of TfS is the joint development and implementation of a global assessment and audit program for responsible procurement of goods and services. We expect our suppliers to share our principles and 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 new supply relationship. For this purpose, we use a validation process based on the values defined in our code of conduct for suppliers. Alongside quality, environmental protection, safety, health, and energy management, the assessment of potential risk factors includes corruption prevention, cybersecurity, labor and social standards (the right to freedom of association and collective bargaining), human rights (compulsory, forced, or child labor), conflict minerals, and responsibility within the supply chain. All details are entered online and evaluated using a validation matrix. The initial validation is a country-based process and does not include a separate review of the location of operations. All suppliers are informed about corruption prevention and the related measures in our code of conduct for suppliers and our general terms and conditions of purchase. In 2021, we evaluated 1,754 new suppliers. That was over 92.6 percent of new suppliers.

**Country/Area of origin**

Indonesia  
Malaysia

**Law and/or mandatory standard(s)**

General assessment of legal compliance  
ISPO  
MSPO

**Comment**

ISPO and MSPO are both being asked for in the TfS questionnaire and have a direct effect on the overall score of the supplier rating.

**F6.7**

**(F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?**

	Are you working with smallholders?	Type of smallholder engagement approach	Smallholder engagement approach	Number of smallholders engaged	Please explain
Timber products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Palm oil	Yes, working with scheme/plasma smallholders	Capacity building	Organizing capacity building events Investing in pilot projects		Evonik supports the " Living Landscape Sabah /Tabin" jurisdictional approach since 2020 in partnership with the World Wild Life Fund (WWF). The WWF Sabah Landscapes Program combines conservation and sustainable development by integrating the protection of forests, wildlife and rivers, with RSPO certified production of oil palm, and restoration of ecological corridors and riparian reserves. Through the program, WWF-Malaysia and its partners will work in three priority landscapes such as Tabin. The objectives of the program follow the Key Performance Indicators (KPI) of the CDP Forests guideline. The exact number of smallholders engaged is not known. However, the targeted area in this project is 20,000 ha.
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

**F6.8**

**(F6.8) Are you working with your direct suppliers to support and improve their capacity to comply with your forests-related policies, commitments, and other requirements?**

	Are you working with direct suppliers?	Type of direct supplier engagement approach	Direct supplier engagement approach	% of suppliers engaged	Please explain
Timber products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable >	<Not Applicable>
Palm oil	No, not working with direct suppliers	<Not Applicable>	<Not Applicable>	<Not Applicable >	Currently, Evonik's main target is to generate transparency up to mill level with the help of the Action for Sustainable Derivatives (ASD) initiative. ASD is currently working on a grievance mechanism based on the connection between direct supplier and mill.
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable >	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable >	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable >	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable >	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable >	<Not Applicable>

**F6.10**

**(F6.10) Do you engage in landscape (including jurisdictional) approaches to progress shared sustainable land use goals?**

	Do you engage in landscape/jurisdictional approaches?	Primary reason for not engaging in landscape and/or jurisdictional approaches	Please explain why your organization does not engage in landscape/jurisdictional approaches, and describe plans to engage in the future
Row 1	Yes, we engage in landscape/ jurisdictional approaches	<Not Applicable>	<Not Applicable>

**F6.10a**

**(F6.10a) Indicate the criteria you consider when prioritizing landscapes and jurisdictions for engagement in collaborative approaches to sustainable land use and provide an explanation.**

	Criteria for prioritizing landscapes/jurisdictions for engagement	Please explain
Row 1	Company actions align with already established jurisdictional and/or landscape initiative priorities in area Opportunity to protect natural ecosystems Opportunity to restore natural ecosystems	Evonik supports the " Living Landscape Sabah /Tabin" jurisdictional approach since 2020 in partnership with the World Wild Life Fund (WWF). The WWF Sabah Landscapes Program combines conservation and sustainable development by integrating the protection of forests, wildlife and rivers, with RSPO certified production of oil palm, and restoration of ecological corridors and riparian reserves. Through the program, WWF-Malaysia and its partners will work in three priority landscapes such as Tabin. The objectives of the program follow the Key Performance Indicators (KPI) of the CDP Forests guideline.

**F6.10b**

**(F6.10b) Provide details of your engagement with landscape/jurisdictional approaches to sustainable land use during the reporting year.**

**Country/Area**

Malaysia

**Name of jurisdiction or landscape area**

Sabah

**Is the landscape defined by administrative boundaries of sub-national governments and does the approach have active government involvement?**

The landscape is defined by administrative boundaries, but the approach does not have active government involvement

**Brief description of landscape/ jurisdictional approach**

Evonik supports the " Living Landscape Sabah /Tabin" jurisdictional approach since 2020 in partnership with the World Wild Life Fund (WWF). The WWF Sabah Landscapes Program combines conservation and sustainable development by integrating the protection of forests, wildlife and rivers, with RSPO certified production of oil palm, and restoration of ecological corridors and riparian reserves. Through the program, WWF-Malaysia and its partners will work in three priority landscapes such as Tabin. The objectives of the program follow the Key Performance Indicators (KPI) of the CDP Forests guideline.

**Forest risk commodities relevant to this landscape/jurisdictional approach**

Palm oil

**Type of engagement**

Partner: Shared responsibility in the implementation of multiple goals

**Description of engagement**

Together with World Wild Life Fund (WWF) and Beiersdorf AG, Evonik is responsible in the implementation of : 1. Integrated land - use plan supporting protection of forest 716 ha) and certification of RSPO/NDPE palm oil at landscape level. 2. Oil palm growers covering 20,000 ha RSPO certified ( NDPE compliant) through landscape approaches. 3. Stabilized populations of rare, threatened and endangered terrestrial mammals in Wildlife Reserve. 4. Establishment of an ecological corridor ( 100 ha) 5. Development of a Landscape Assurance rating tool towards conservation and sustainable development at landscape scale. Regular strategic & operational meetings are in place to ensure continous progress in the implementation.

**Goals supported by engagement**

Decreased ecosystem degradation rate  
Avoided deforestation/conversion of other natural ecosystems

**Company actions supporting approach**

Support land use planning in the landscape/jurisdiction

**Implementation partner(s)**

World Wild Life Fund (WWF) and Beiersdorf AG

**Engagement start year**

2019

**Engagement end year**

Please specify (2025)

**Total investment over the project period (currency)**

**Details of your investment**

The total investment is not disclosed to the public.

**Type of assessment framework**

Specific initiative defined framework

**Is progress monitored and publicly reported on?**

Yes, progress is monitored but not publicly reported on

**State the achievements of your engagement so far, and how progress is monitored**

Progress is monitored by the WWF Asia according to objectives of this landscape approach. The project kick-off was at the end of 2020. Due to regional lockdown, no quantified results are available, yet. Communication of quantified achievements are restricted to the communication plan with project partners and will not be disclosed before 2023.

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F6.11

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**(F6.11) Do you participate in any other external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?**

**Forest risk commodity**

Palm oil

**Do you participate in activities/initiatives?**

Yes

**Activities**

Involved in multi-partnership or stakeholder initiatives

**Country/Area**

Not applicable

**Subnational area**

Please specify

**Initiatives**

UN Global Compact

Roundtable on Sustainable Palm Oil (RSPO)

**Please explain**

Evonik has signed the UN Global Compact in 2009 and has been a member since. In 2010, Evonik became an ordinary RSPO member.

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**F6.12**

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**(F6.12) Is your organization supporting or implementing project(s) focused on ecosystem restoration and protection?**

Yes

**F6.12a**

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**(F6.12a) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).**

**Project reference**

Project 1

**Project type**

Reforestation

**Primary motivation**

Voluntary

**Description of project**

Evonik supports the "Living Landscape Sabah /Tabin" jurisdictional approach since 2020 in partnership with the World Wild Life Fund (WWF). The WWF Sabah Landscapes Program combines conservation and sustainable development by integrating the protection of forests, wildlife and rivers, with RSPO certified production of oil palm, and restoration of ecological corridors and riparian reserves. Through the program, WWF-Malaysia and its partners will work in three priority landscapes such as Tabin. The objectives of the program follow the Key Performance Indicators (KPI) of the CDP Forests guideline.

**Start year**

2020

**Target year**

2025

**Project area to date (Hectares)**

**Project area in the target year (Hectares)**

100

**Country/Area**

Malaysia

**Latitude**

5.25

**Longitude**

118.666667

**Monitoring frequency**

Every two years

**Measured outcomes to date**

No measured outcomes

**Please explain**

The project kick-off was at the end of 2020. Due to regional lockdown, no quantified results are available, yet. Communication of quantified achievements are restricted to the communication plan with project partners and will not be disclosed before 2023.

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**F7. Verification**

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## F7.1

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### (F7.1) Do you verify any forests information reported in your CDP disclosure?

Yes

## F7.1a

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### (F7.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

#### Disclosure module

F1. Current State

#### Data points verified

F1.5a: Commodity production/ consumption volume F1.5b: % of total production/consumption volume & state

#### Verification standard

Third party validation by Action for Sustainable Derivatives (ASD) initiative.

#### Please explain

Evonik is a founding member of the Action for Sustainable Derivatives (ASD) initiative. The goal of the ASD initiative is to ensure the traceability of palm oil derivatives to mills and plantations. Its risk analysis methods and joint action plans aim to help counter progressive deforestation. As one major pillar, Evonik annually investigates the regional origin of its palm (kernel) oil derivatives with the help of ASD.

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#### Disclosure module

F6. Implementation

#### Data points verified

F6.1a: % of target achieved F6.2a: % of total production/consumption volume traceable F6.3a: % of total production/consumption volume certified

#### Verification standard

Third party validation by Action for Sustainable Derivatives (ASD) initiative and Roundtable on Sustainable Palm Oil (RSPO).

#### Please explain

Evonik is a founding member of the Action for Sustainable Derivatives (ASD) initiative. The goal of the ASD initiative is to ensure the traceability of palm oil derivatives to mills and plantations. Its risk analysis methods and joint action plans aim to help counter progressive deforestation. As one major pillar, Evonik annually investigates the regional origin of its palm (kernel) oil derivatives with the help of ASD. Evonik is an ordinary RSPO member since 2010. Evonik's progress regarding the target of achieving 100% RSPO certified raw materials is annually audited by independent RSPO approved auditors (GutCert). The progress is also publicly communicated on the RSPO website via the Annual Communication of Progress (ACOP) report.

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## F8. Barriers and challenges

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## F8.1

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### (F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.

#### Forest risk commodity

Palm oil

#### Coverage

Supply chain

#### Primary barrier/challenge type

Limited availability of certified materials

#### Comment

The Roundtable for Sustainable Palm Oil (RSPO) efforts have without doubt led to a significant overall step forward in the past years. However, despite the fact that the RSPO Principles and Criteria include continuous improvement that should push RSPO mills to certify their entire supply base, CSPO production stagnates below 20% of the global palm market. This is partly driven by an overall low demand for certified volumes in key consumption geographies and markets. For example, Asia is the largest consumer of palm oil (c. 61% of global production), yet the uptake of RSPO CSPO in these markets is limited. Recent research by WWF shows that the consumption of RSPO CSPO across five countries in the region (China, India, Indonesia, Malaysia and Singapore) only accounted for 3-4% of the total volume consumed in 2019, with the majority of these volumes covered through the B&C (Book & Claim) and MB (Mass Balance) supply chain models. Improving the credibility of the MB supply chain can help accelerate the transition to a more sustainable palm oil sector across Asia, thereby increasing the overall demand for RSPO CSPO. At the same time, important market sectors such as the cosmetics and oleochemicals industry still massively rely on the RSPO MB system, which represented 28% of the total CSPO volumes sold in 2020, and half of the total supply. Despite a strong demand for segregated volumes, the transformation required in complex supply chains as well as the complicated logistics efforts associated with this process have not yet allowed the development of SG (Segregated) schemes in the oleochemicals industry. Thus, oleochemicals users base their sourcing of certified volumes almost exclusively on MB certified products, or the B&C credits system. Important traders have also communicated that they will still rely on the MB scheme for their trading activities in the long-term. With a strong reliance on the MB model, but shortages in availability of CSPO volumes, downstream players faced important difficulties in 2021 to purchase MB volumes, with important price increases and a shortage of PKO volumes linked to a surplus of MB PO volumes often sold as credits. This directly applies to Evonik as well, as we struggled in 2021 with significant increases in price premiums and also lack of availability of MB certified volumes.

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**(F8.2) Describe the main measures that would improve your organization's ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.**

**Forest risk commodity**

Palm oil

**Coverage**

Supply chain

**Main measure**

Development of certification and sustainability standards

**Comment**

Given the key challenge described in F8.1, we have actively supported a proposed resolution to be adopted at the 18th General Assembly (GA18) of RSPO Members, with the Title "Enhancing the robustness of the RSPO Mass Balance supply chain model to accelerate uptake of certified sustainable palm oil.", with the following proposed measures: As sustainable production has not yet become the norm and given the risk of allowing palm oil sourced from deforestation-based concessions to enter the certified market, the RSPO could address these issues through the building of a more robust MB system. Proposed Resolution: 1) To mandate the RSPO Board of Governors to set up a multi-stakeholder sub-committee (and provide the Secretariat with resources to support it) to oversee an independent study which purpose will be: • To identify and investigate the inherent structural and business limitations in the current Mass Balance (MB) model • Specifically, to identify the current constraints preventing a systematic enforcement of the 2018 RSPO P&C's (Principles and Criteria) Principle 2.3 (ensuring that all FFB (Fresh Fruit Bunch) supplies from outside the unit of certification are from legal sources) • To explore existing practices and models in other certification schemes that could be used to strengthen the MB model • To propose a set of recommendations to enhance the robustness and the accessibility of the Mass Balance system, including the expected minimum level of safeguards required for the non-certified materials entering MB supply chains. 2) To propose amendments to the relevant RSPO guidance and procedures, for adoption at the 2022 RSPO General Assembly. Potential Benefits: The expected benefit of a strengthened Mass Balance supply chain model is an enhanced attractiveness for both upstream and downstream players. By ensuring a better implementation of the RSPO Principles and Criteria, the RSPO's credibility as a whole and through its different certification schemes to mainstream sustainable palm oil will be improved. The increased attractiveness and reinforced credibility of the Mass Balance model will increase the overall demand for CSPO, which in turn drives the rate of RSPO certified plantations and FFB volumes. A strengthened MB model will enhance the legitimacy of the certification use by offering a greater differentiation with the B&C (Book & Claim) Model.

F17 Signoff

F-FI

**(F-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

F17.1

**(F17.1) Provide the following information for the person that has signed off (approved) your CDP forests 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

SF. Supply chain module

SF0.1

**(SF0.1) What is your organization's annual revenue for the reporting period?**

	Annual revenue
Row 1	14955000000

SF1.1

**(SF1.1) In F6.3 you were asked "Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)? Indicate the volume and percentage of your certified production and/or consumption". Can you also indicate, for each of your disclosed commodity(ies), the percentage of certified volume sold to each requesting CDP supply chain member?**

No

## SF1.1b

(SF1.1b) Why can you not indicate the percentage of certified volume sold to each of your requesting CDP supply chain members? Describe any future plans for adopting and communicating levels of certification to requesting members.

**Requesting member**

Altria Group, Inc.

**Forest risk commodity**

Palm oil

**Primary reason**

Other, please specify (information is available upon direct request only)

**Please explain**

Some Evonik customers requested to disclose and discuss these figure bilaterally only

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**Requesting member**

Estee Lauder Companies Inc.

**Forest risk commodity**

Palm oil

**Primary reason**

Other, please specify (information is available upon direct request only)

**Please explain**

Some Evonik customers requested to disclose and discuss these figure bilaterally only

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**Requesting member**

FIRMENICH SA

**Forest risk commodity**

Palm oil

**Primary reason**

Other, please specify (information is available upon direct request only)

**Please explain**

Some Evonik customers requested to disclose and discuss these figure bilaterally only

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**Requesting member**

Grupo Boticário

**Forest risk commodity**

Palm oil

**Primary reason**

Other, please specify (information is available upon direct request only)

**Please explain**

Some Evonik customers requested to disclose and discuss these figure bilaterally only

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**Requesting member**

L'Oréal

**Forest risk commodity**

Palm oil

**Primary reason**

Other, please specify (information is available upon direct request only)

**Please explain**

Some Evonik customers requested to disclose and discuss these figure bilaterally only

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**Requesting member**

Stéarinerie Dubois

**Forest risk commodity**

Palm oil

**Primary reason**

Other, please specify (information is available upon direct request only)

**Please explain**

Some Evonik customers requested to disclose and discuss these figure bilaterally only

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## SF2.1

(SF2.1) Please propose any mutually beneficial forests-related projects you could collaborate on with specific CDP supply chain members.

## SF2.2

(SF2.2) Have requests or initiatives by CDP supply chain members prompted your organization to take organizational-level action to reduce or remove deforestation/forest degradation from your operations or your supply chain?

No

## SF3.1

(SF3.1) For your disclosed commodity(ies), do you estimate the GHG emission reductions and/or removals from land use and land use change that have occurred in your direct operations and/or supply chain?

### Palm oil

#### Estimate GHG emissions and removals from land use and land use change

Yes, willing to share details with requesting CDP SC members

#### Please explain

GHG emission reductions can be validated by LCA for the disclosed certified commodities.

## SF3.1a

(SF3.1a) For your disclosed commodity(ies), provide details on the actions implemented in your direct operations and/or supply chain that have resulted in a reduction of GHG emissions and/or enhancement in removals.

### Forest risk commodity

Palm oil

### Description of actions

RSPO certification and GHG impacts

### CO2e reductions and removals achieved from base year (metric tons CO2e)

### Base year

2018

### Emissions accounting boundary

Included in the corporate GHG inventory boundary

### Scope

Scope 1+2 (location-based) +3 (upstream)

### Emissions accounting methodology and standards

ISO 14064-1:2018

An established project-level methodology (LCA model based on datasets provided by LCA 2.0 and literature)

### Please explain calculation

comparative Life Cycle Assessment of RSPO -certified and non-certified palm oil, target 100 % MB raw material basket of Evonik (CS+ OA)

## 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.

Yes, we wish to pledge to the European Climate Pact through our CDP disclosure

Please confirm below

I have read and accept the applicable Terms