

UK Modern Slavery Statement for 2022

This statement is made in accordance with Section 54 of the UK Modern Slavery Act 2015 (the Act) and sets out the measures Evonik Group has taken during the financial year ending on 31 December 2022 to fulfil its policies and commitments and ensure that human rights violations, including modern slavery and human trafficking, are not taking place in its own operations and its supply chains.

July 4th, 2023

Christian Kullmann
Chairman of the Executive Board
Phone +49 201 177-3899
christian.kullmann@evonik.com

This statement is published on behalf of Evonik Industries AG and the Evonik Group. Evonik takes a group-wide approach to its human rights commitments, including modern slavery.

We understand modern slavery as an overarching term, including forced labor, forced child labor, bonded labor or debt bondage, and human trafficking.

Organizational structure and supply chains of Evonik Industries

Evonik is a specialty chemicals company with headquarters in Germany. We have activities in more than 100 countries, production plants in 27 countries on six continents and about 34,000 employees worldwide. Major sites are in Western Europe, USA, China, Singapore, India and Brazil. Our specialty chemicals operations are divided into four chemical manufacturing divisions: Specialty Additives, Nutrition & Care, Smart Materials and Performance Materials. They are supported by our Technology & Infrastructure Division. In 2022, Evonik generated sales of €18.5 billion.

In 2022, the Group sourced raw materials and supplies, technical goods, services, energy, and other operating supplies with a total value of around €13.6 billion from around 35,000 suppliers. Evonik has the highest purchase volume in Europe, followed by North America, Asia and Central & South America.

Evonik Industries AG
Rellinghauser Straße 1-11
45128 Essen
Germany
Phone +49 201 177-01
Fax +49 201 177-3475
www.evonik.com

Supervisory Board
Bernd Tönjes, Chairman
Executive Board
Christian Kullmann, Chairman
Dr. Harald Schwager, Deputy Chairman
Maïke Schuh
Thomas Wessel

Registered Office: Essen
Register Court: Local Court Essen
Commercial Registry B 19474

Policies and governance on human rights including modern slavery
Evonik has clearly defined standards of conduct in place. We comply with applicable laws or go beyond them. Our standards are based on internationally recognized principles and standards like the:

- International Bill of Human Rights
- UN Guiding Principles on Business and Human Rights (UNGP)
- OECD Guidelines for Multinational Enterprises
- ILO Declaration on Fundamental Principles and Rights at Work (ILO Core Labor Standards)

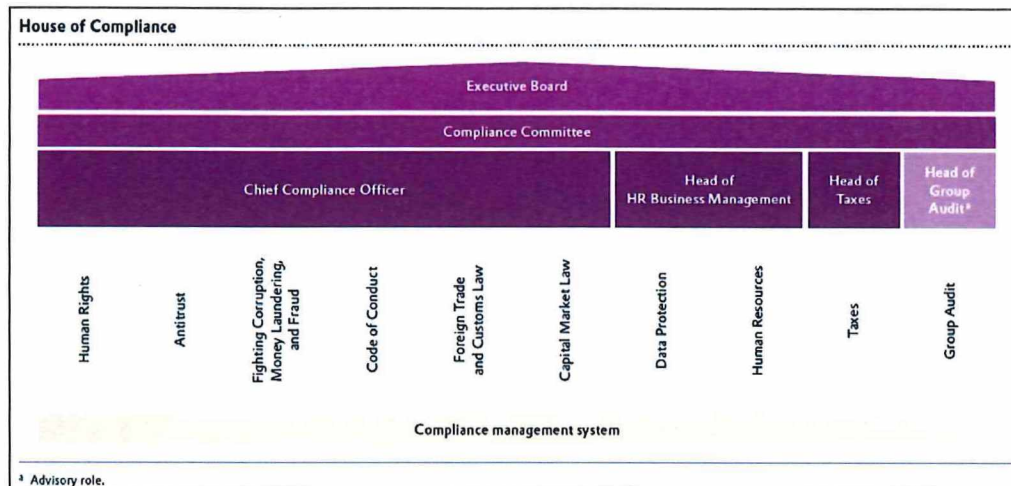
The most relevant internal policies¹ are:

- Code of Conduct
- Policy Statement on Human Rights (substantially revised in the reporting period)
- Code of Conduct for Suppliers (also substantially revised in 2022)

In 2022, Evonik extended its Compliance Policy to include human rights – including modern slavery – in the “House of Compliance”, which covers the most relevant compliance areas for Evonik (see chart below). The Chief Compliance Officer sets and monitors the rules relevant to human rights and the voluntary commitments Evonik has made. In 2022, we developed and started to implement a comprehensive Compliance Management System (CMS) for human rights. Its aims are a timely identification of risks and the establishment of preventive and remedial action to avoid and/or mitigate breaches of human rights.

¹ All policies can be found on our website: www.evonik.com/sustainability

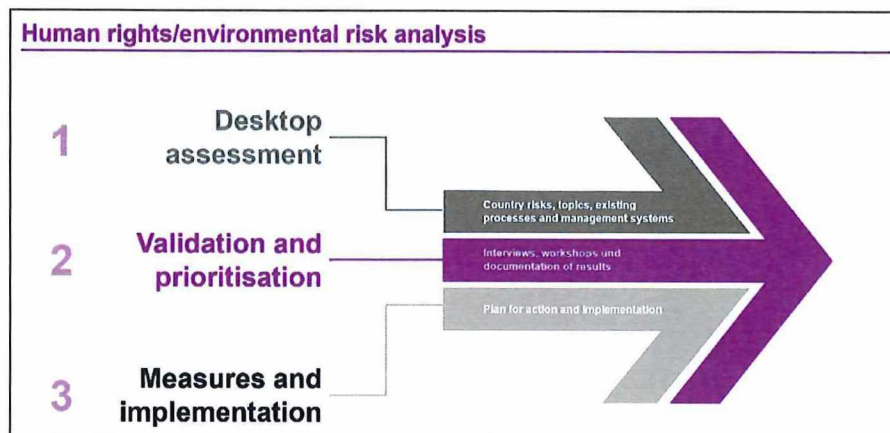
Evonik also appointed its first Group Human Rights Officer in 2022. He is responsible for the implementation and continuous development of the CMS for human rights.



We address the obligations arising from the German Supply Chain Due Diligence Act – which entered into force on 1 January 2023 – and our voluntary commitments throughout the company and along our supply chains. We expect our business partners to comply with these standards and to implement appropriate processes to respect human rights and combat modern slavery, as expressed in the Evonik Code of Conduct for Suppliers.

Own operations: Risk assessment in relation to human rights including modern slavery and human trafficking

In 2022, Evonik conducted a human rights and environmental risk analysis covering own operations as well as direct (Tier 1) and intermediary (Tier 2–n) suppliers. The identified risks were validated, weighted and prioritized on the basis of criteria such as the likelihood and severity of possible breaches of human rights. The chart below shows, in abbreviated form, the method used for the risk analysis.



Own operations: Preventive measures, training and awareness-raising

We have a range of measures in place to address human rights risks, including risks of modern slavery and human trafficking, in our own operations. We are expanding these based on the results of the human rights risk analysis. In this, we can build on measures already in place, for example, in HR and ESHQE, and gradually extend and improve them. That includes taking a more global view of human rights and environment-related risks.

We know that awareness is key for recognizing and acting on actual or potential modern slavery risks and violations. In 2022, we developed a new online human rights training, which in 2023, will be mandatory for around 1,350 staff selected according to their risk exposure and voluntary for all others. New employees at Evonik also receive information on human rights as part of the onboarding process.

Supply chains and business partners: Risk assessment in relation to human rights including modern slavery and human trafficking

As a company in the chemical industry, we are confronted with the typical risks of this sector in our supply chains. These include human rights and environmental risks associated with agricultural intermediate products, mining-related products and crude oil-based intermediate products.

By working closely with our suppliers, we want to help prevent breaches of human rights and environmental violations. We strive to counter a lack of transparency and inadequate traceability in the supply chain. We expect our suppliers and business partners to share our principles and to act correctly in all related respects, which means accepting responsibility towards their employees, business partners, society and the environment.

Every new supplier must pass a validation process, based on the principles and standards in our Code of Conduct for Suppliers. Amongst other criteria, the validation process covers compulsory, forced or child labor, conflict minerals and responsibility within the supply chain. In 2022, we evaluated 1,804 new suppliers, representing more than 93 percent of new suppliers. No cases of child or forced labor were identified at on-site inspections in 2022.

In 2022, as part of the human rights risk analysis outlined above, we identified critical supply chains from a human rights perspective, including modern slavery and human trafficking. We will build on the insights from the analysis and define further appropriate measures from 2023 onwards (see also “Targets and objectives” below).

We also assess business partners other than suppliers regarding human rights risks, e.g. in projects and occasionally if there are indications of risks or violations. In 2022, the business partner assessment tool, which includes due diligence on possible human rights impacts, was extended and optimized.

Supply chains and business partners: Preventive measures, training and awareness-raising

To address human rights and environmental risks – including modern slavery risks – identified in our supply chains, we implement and continue to develop preventive measures, training and awareness-raising activities. These include corrective action plans following TfS assessments and audits, as well as joint measures with other purchasing companies or via sector/issue initiatives or standards, particularly for systemic issues in our supply chains.

In 2022, we stepped up communication with our suppliers on our sustainability objectives, including human rights, holding supplier seminars for Europe, Asia, and North America. Special attention was paid, among other aspects, to our expectations within the TfS framework, and the requirements of the German Supply Chain Due Diligence Act which also covers modern slavery and human trafficking.

Grievance mechanisms and remedial measures

Violations of human rights at or in connection with Evonik can be reported via internal channels and an electronic whistleblower system operated by an external service provider. Both employees and external stakeholders, such as business partners, supplier employees and local inhabitants near Evonik sites, can use this system, which is available in 20 languages, to report non-compliance or potential non-compliance to Evonik. The system has a separate category for human rights, and reports are channeled directly to the Group Human Rights Officer. Alongside the electronic whistleblower system, suspected violations of regulations can be reported to the responsible compliance officer by phone, email or letter. We are working continuously to improve the effectiveness of our grievance channels.

In 2022, the Group Human Rights Officer was informed about one allegation of a breach of human rights by a supplier working on one of Evonik's sites in Germany. After intensive investigation, appropriate remedial measures were taken.

Effectiveness

Complaints and grievances raised via our various grievance channels are a key indicator of the effectiveness of our due diligence activities regarding modern slavery and human trafficking. As outlined above, in 2022, there was only one allegation of slavery or modern trafficking taking place in our operations or supply chains. We will continue to raise awareness of how to spot signs of modern slavery, as well as of our grievance mechanisms, with our own employees and potentially affected third parties. Our training and awareness-raising activities serve this purpose.

We are also working to strengthen our systems and processes to measure and monitor the effectiveness of our preventive and remedial measures to address human rights and modern slavery risks, as well as of our grievance mechanisms, in line with our own commitments and the requirements of the German Supply Chain Due Diligence Act.

Targets and objectives

For Evonik, identifying and addressing human rights and modern slavery risks and impacts is a continuous process. To strengthen our approach in the future, we plan to:

- update and expand the annual company-wide human rights risk analysis using a newly-developed online tool and questionnaire based on the German Supply Chain Due Diligence Act and the UN Guiding Principles on Business and Human Rights
- continue to implement appropriate preventive and remedial measures arising from the annual company-wide human rights risk analysis;
- update and expand the ongoing supplier-specific risk analysis and management processes with a view to fulfilling legal requirements and managing human rights and environmental risks in our supply chains more effectively;
- roll out mandatory and voluntary online human rights training; develop and start to deploy face-to-face human rights training;
- continue to strengthen our measurement and reporting on the effectiveness of our efforts to combat modern slavery.

Endorsed by the executive board (signed 4th July 2023)



Christian Kullmann
CEO