

# REMUNERATION REPORT

of Evonik Industries AG

# 2021

# Remuneration report

The remuneration report outlines the principles of the remuneration system presented to and approved by the annual shareholders' meeting of Evonik Industries AG on August 31, 2020 (subsequently referred to as the remuneration system), as well as the remuneration of the members of the executive board and supervisory board for fiscal 2021. Detailed and individualized information on the amount and structure of the various components of the remuneration of the executive board and supervisory board is also provided. The report complies with the requirements of the Act Implementing the Second Shareholder Rights Directive (ARUG II) of December 12, 2019 and the recommendations of the German Corporate Governance Code, in the version dated December 16, 2019.

## 1. Remuneration of members of the executive board

### 1.1 Remuneration system Principles and objectives

The remuneration system for the executive board is designed to ensure that members receive appropriate remuneration for their tasks and responsibilities and to take direct account of the performance of each member of the executive board and of the company. The structure of the remuneration system for the members of the executive board of Evonik Industries AG is geared to sustained value creation and performance-oriented management of the company.

### Components and structure

In line with the remuneration system, the remuneration of members of the executive board comprises a fixed base salary, which takes account of the tasks and services performed by the

respective member, a variable short-term component comprising an annual bonus, which is dependent on the attainment of the company's annual performance targets, and a long-term component linked directly to the increase in the value of the company as an incentive for sustained commitment to the company (LTI). The targets for the short- and long-term variable remuneration components are derived from the corporate strategy of Evonik Industries AG. In addition, the executive board members are awarded the customary fringe benefits and a company pension plan. Overall, the remuneration supports the long-term development of the company.

### Performance-unrelated components Fixed annual base salary

The fixed annual base salary is a cash payment for the fiscal year. It takes account of the scope of responsibility of each executive board member and is paid out in twelve equal installments.

### Benefits in kind and other fringe benefits

Members of the executive board receive benefits in kind and other fringe benefits, which include a company car with a driver, the installation of telecommunications equipment, and the entitlement to an annual medical check-up. Executive board members may

receive a rent subsidy if performance of their duties requires them to rent a second apartment. Benefits in kind are presented in this remuneration report at the values defined in the tax regulations.

Further, members of the executive board may receive additional remuneration for offices they hold in the interests of the company. Apart from fees for the attendance of meetings, insofar as such fees are paid to executive board members, such remuneration is deducted from their annual bonus or paid over to the company. In this remuneration report, remuneration for offices held in the interests of the company is included in other fringe benefits.

### Company pension plan

A defined contribution system has been introduced as the standard pension plan. This is a capital-based system funded by provisions. The company credits a fixed annual amount to the pension account of each executive board member. This is 15 percent of their fixed target remuneration, i.e., their annual base salary and target bonus (variable short-term remuneration assuming 100 percent target attainment). The guaranteed annual return is 5 percent. The pension benefit comprises the amount that has accrued on the account, i.e., contributions credited to the account plus accumulated interest. In the event of death or disability, the

### Components of the remuneration system for the executive board

C01

Total remuneration			
Performance-unrelated components		Performance-related components	
Fixed annual base salary	Fringe benefits	Short-term variable remuneration (annual bonus)	Long-term variable remuneration (LTI)
	Company pension plan		

amount that would be available on the account on the member's 55th birthday, including projected contributions and interest, is calculated. Payment normally comprises a lifelong pension. Alternatively, executive board members may opt for disbursement of part of the capital (maximum 50 percent) in six to ten installments. Where executive board members accrued pension entitlements prior to their appointment to the executive board, these are either integrated into the system as an initial contribution or continue to be managed separately. If an executive board member's contract ends before benefits are payable, no further contributions are credited to the account. However, it continues to earn interest at the common market interest rate based on the average interest paid by major German life insurers (at least 2.25 percent p.a.) until benefits are claimed.

Members of the executive board are entitled to pension benefits after they leave the company if they leave on or after reaching the individually agreed retirement age or if they leave as a result of permanent incapacity to work. In addition, Mr. Kullmann and Mr. Wessel can claim pension benefits from the date of premature termination or non-extension of their executive board contracts, providing they do not give due cause for such termination. This claim also relates to pension entitlements they accrued prior to their appointment to the executive board. An arrangement that differs from the pension system has been agreed with Dr. Harald Schwager. He has been given a commitment that he will receive a lifelong pension of €40 thousand p.a. for each full year of service and a pro rata amount for each partial year of service.

## Performance-related components

### Short-term variable remuneration

The performance-related annual bonus is dependent on the attainment of business targets measured by performance indicators (bonus factor) and the attainment of individual targets (performance factor). The bonus factor and performance factor are multiplied. The level of the bonus factor depends on the achievement of the agreed business targets and may be between 0 percent and 200 percent. The adjusted EBITDA margin, adjusted EBITDA, and free cash flow are defined as business targets. All parameters are measured against the long-term strategic objectives for the company, based on the actual results in the calendar year. The development of plant safety and accident frequency in the fiscal year, as well as the severity of accidents, are also taken into account.

The performance factor rewards the attainment of the qualitative targets and can vary between 80 percent and 120 percent. The reference indicators are aligned to the performance objectives for the executive board and normally have a multi-year context within the target-setting framework, taking into consideration targets in areas such as strategy/portfolio, the efficiency of cost structures, and corporate culture. If the qualitative and business objectives are achieved in full, the contractually agreed target bonus is paid. If the company's income falls short of the planned level, the bonus factor may—in the extreme case—be zero, regardless of personal attainment. In other words, it is conceivable that a bonus might not be paid for a specific year. The bonus

is capped at 200 percent of the target bonus. The business and qualitative targets set for executive board members for the bonus and performance factors are agreed in writing at the start of each fiscal year between the supervisory board and each member of the executive board, and the level of attainment is determined by the supervisory board after the end of the year.

### Long-term variable remuneration (LTI plans)

The members of the executive board receive long-term variable remuneration in the form of long-term incentive (LTI) plans. The general reference base for long-term remuneration is a sustained rise in the value of the company.

Performance is measured by the absolute performance of Evonik's share price and its performance relative to the MSCI World Chemicals Index<sup>SM</sup>. Based on the contractually agreed target amount, which is defined in euros, a number of virtual shares is calculated using the share price at the start of the performance period. This is based on the price in the last 60 trading days before the start of the performance period. The performance period starts on January 1 of the grant year and runs for four years. At the end of the performance period, the starting price of Evonik shares is viewed against the average share price at the end of the performance period, plus any dividends per share actually paid in this period. This is compared with the performance of the benchmark index (total shareholder return). Eligible participants are informed of the outcome after the end of the performance period. They can then opt to accept the payment calculated or to

extend the performance period on a one-off basis for a further year. In this case, a renewed calculation is performed at the end of the extended performance period.

Since 2019, the intrinsic value of the LTI has been measured at the end of each year in the four-year performance period by comparing the starting price of Evonik shares with the average price of the shares plus the dividends per share actually paid during the performance period. This is then compared with the performance of the benchmark index (total shareholder return). There is no longer an option to extend the performance period.

The relative performance may be between 70 percentage points and 130 percentage points. If the relative performance is below

70 percentage points, the relative performance factor is deemed to be zero. If the relative performance is greater than 130 percentage points, the relative performance factor is set at 130.

The payment is calculated by multiplying the relative performance by the number of virtual shares allocated and the average price of Evonik shares at the end of the performance period. Since 2019, the overall performance, and thus the amount to be paid at the end of the performance period, has been calculated as an average of the performance in each year.

The upper limit for these payments is set at 300 percent of the amount awarded to the individual.

#### Calculation of long-term remuneration from the 2019 LTI tranche

C02

	Annual amount n	Annual amount n + 1	Annual amount n + 2	Annual amount n + 3	
Virtual Evonik shares (calculated from the target amount and share price at start of period)	No. of virtual shares	No. of virtual shares	No. of virtual shares	No. of virtual shares	Cash settlement = average of the annual amounts n to n + 3 (payment capped at 300% of the target amount)
	x year-end price	x year-end price	x year-end price	x year-end price	
	x "relative performance" factor (0 to 1.3)	x "relative performance" factor (0 to 1.3)	x "relative performance" factor (0 to 1.3)	x "relative performance" factor (0 to 1.3)	

#### Determination of maximum remuneration

The maximum remuneration of members of the executive board is defined as follows in the remuneration system and is based on the maximum possible performance-related and performance-unrelated remuneration components, including service cost for the company pension plan:

Chairman of the executive board:	€9,700 thousand
Deputy chairman:	€7,200 thousand
Chief human resources officer:	€5,200 thousand
Chief financial officer:	€5,200 thousand

#### Explanation of how the remuneration is determined

The remuneration is reviewed regularly by the supervisory board, where appropriate on the basis of remuneration reports from independent consultants. These reviews examine the structure and level of remuneration of the executive board, particularly in comparison with the external market, and also in relation to remuneration elsewhere in the company. The external comparison uses peer groups comprising, on the one hand, comparable companies in the chemicals sector and, on the other hand, companies listed on the MDAX/DAX indices. The assessment of the appropriateness of the remuneration compared with remuneration elsewhere in the company starts by determining the average remuneration at the first management level below the executive board and the remuneration of the workforce as a whole.

This is then compared with the peer group described above and its appropriateness relative to the market is reviewed, taking into account the development of remuneration over time. The supervisory board defines the senior management level and relevant workforce and how the remuneration is assessed in relation to these groups. If this reveals a need to adjust the remuneration system or the level or structure of remuneration, the executive committee of the supervisory board submits a corresponding proposal to the full supervisory board for a decision. If the supervisory board involves an external remuneration expert, it makes sure the expert is independent.

### Cap on termination benefits in the event of premature termination of term of office

In conformance with the German Corporate Governance Code, the employment contracts with all members of the executive board provide for a cap on termination benefits. If a member's term of office is prematurely terminated, payments may not exceed two years' remuneration, including variable remuneration components. In no case is remuneration payable for periods beyond the remaining term of the contract. The contracts specify that no termination benefits are payable if an executive board member's contract is terminated for reasons for which he or she is responsible. The cap on termination benefits is based on total remuneration, including fringe benefits, in the previous fiscal year and, where appropriate, the anticipated total remuneration for the current fiscal year.

### Claw-back clause

In case a member of the executive board commits a serious breach of his or her statutory duties or internal rules of conduct, future contracts with members of the executive board will introduce a contractual clause providing for the reimbursement or offsetting, in full or in part, of any variable remuneration components paid to the member of the executive board for the performance period in question (claw-back clause).

## 1.2 Remuneration of the members of the executive board for 2021

This section provides details of the remuneration of the members of the executive board of Evonik Industries AG. It contains information on the total remuneration of the executive board, the targets for variable remuneration and their attainment, and an individualized breakdown of the remuneration of each member of the executive board in 2021.

### Performance-unrelated components Base salary

Base salary		T01
in €		2021
Christian Kullmann	1,400,000	
Dr. Harald Schwager	1,130,000	
Thomas Wessel	800,000	
Ute Wolf	800,000	

### Service cost and present value of pension obligations

in €'000	HGB		IFRS	
	Service cost	Settlement amount of pension obligations as of Dec. 31	Service cost	Present value of the defined benefit obligation (DBO) as of Dec. 31
	2021	2021	2021	2021
Christian Kullmann	808	10,671	1,022	12,131
Dr. Harald Schwager	522	3,737	1,053	4,116
Thomas Wessel	415	8,056	481	8,867
Ute Wolf	393	4,692	482	5,289
<b>Total</b>	<b>2,138</b>	<b>27,156</b>	<b>3,038</b>	<b>30,403</b>

### Fringe benefits

In 2021, fringe benefits comprised taxation of company cars and, in some cases, remuneration for other offices held **T10** **S.9**. Fees for other offices held, excluding attendance fees, are deducted from the short-term variable remuneration for 2021.

### Pension commitments

In 2021, the service cost for members of the executive board totaled €2,138 thousand based on the German Commercial Code (HGB) and €3,038 thousand based on IFRS. The difference in service cost for pension commitments is attributable to differences in the valuation methods used to calculate the settlement amount in accordance with the German Commercial Code and the present value of pension obligations calculated in accordance with IFRS.

The present value of pension obligations for members of the executive board was €27,156 thousand based on the German Commercial Code (HGB) and €30,403 thousand based on IFRS.

## Performance-related remuneration—short-term variable remuneration (annual bonus)

### Business targets based on performance indicators (bonus factor)

As performance criteria for fiscal 2021, the supervisory board defined the adjusted EBITDA margin, adjusted EBITDA, and the free cash flow. For all performance indicators, specific targets were derived from the strategic corporate planning, and a corresponding performance band with upper and lower limits was

defined. In addition, the weighting of each indicator was set at 30 percent. Accident frequency, accident severity, and plant safety were set as a further target with a weighting of 10 percent.

### Individual targets (performance factor)

To determine the performance factor for 2021, team targets were determined, with a focus on strategy/portfolio, performance/costs, and sustainability.

## Determination of target attainment in 2021

The targets set for fiscal 2021 and the target attainment calculated for the annual bonus are presented in the following table and apply uniformly for all executive board members:

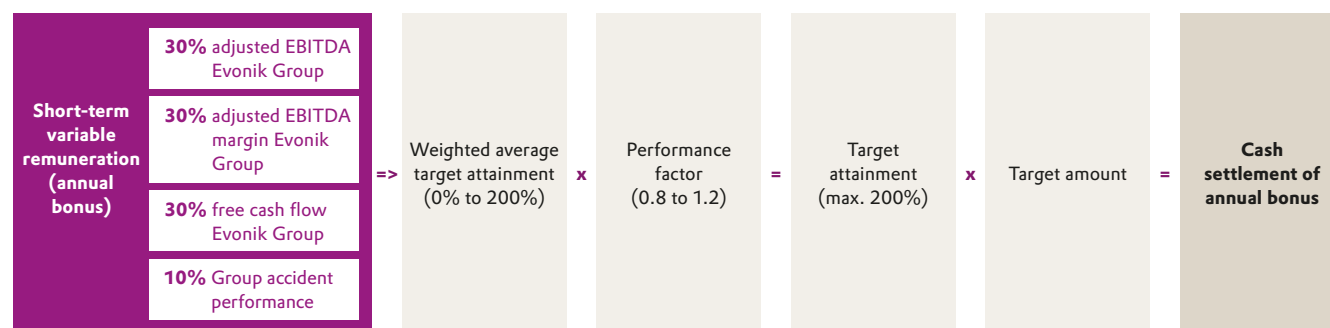
### Target and target attainment for short-term variable remuneration (annual bonus)

T03

Performance indicator	Weighting	Target (100%)	Actual value	Target evaluation
Adjusted EBITDA margin	30.0%	16.10%	15.94%	96.2%
Adjusted EBITDA	30.0%	€ 2,050.0 million	€ 2,383.3 million	181.3%
Free cash flow	30.0%	€ 840.0 million	€ 949.8 million	165.4%
Accident performance <sup>a</sup>	10.0%			150.0%
<b>Total bonus factor</b>				<b>147.9%</b>
<b>Performance factor</b>				<b>1,183</b>
<b>Overall target attainment</b>				<b>175.0%</b>

### Overview of short-term variable remuneration and how it is calculated

C03



<sup>a</sup> Based on group-wide accident performance. Specific reasons for the accident performance and the consequences of accidents, especially fatal accidents, may be taken into account, along with plant safety.

## Target amounts and level of the annual bonus for 2021

### Target, minimum, and maximum amounts for the annual bonus

T04

in €	2021		
	Min.	Target (100%)	Max. (200%)
Christian Kullmann	0	1,200,000	2,400,000
Dr. Harald Schwager	0	750,000	1,500,000
Thomas Wessel	0	600,000	1,200,000
Ute Wolf	0	600,000	1,200,000

The overall target attainment of 175.0 percent results in the following settlement amounts (excluding the deduction of any fees received for other offices held):

### Annual bonus payments

T05

in €	2021
Christian Kullmann	2,100,000
Dr. Harald Schwager	1,312,500
Thomas Wessel	1,050,000
Ute Wolf	1,050,000

## Performance-related remuneration—long-term variable remuneration (LTI)

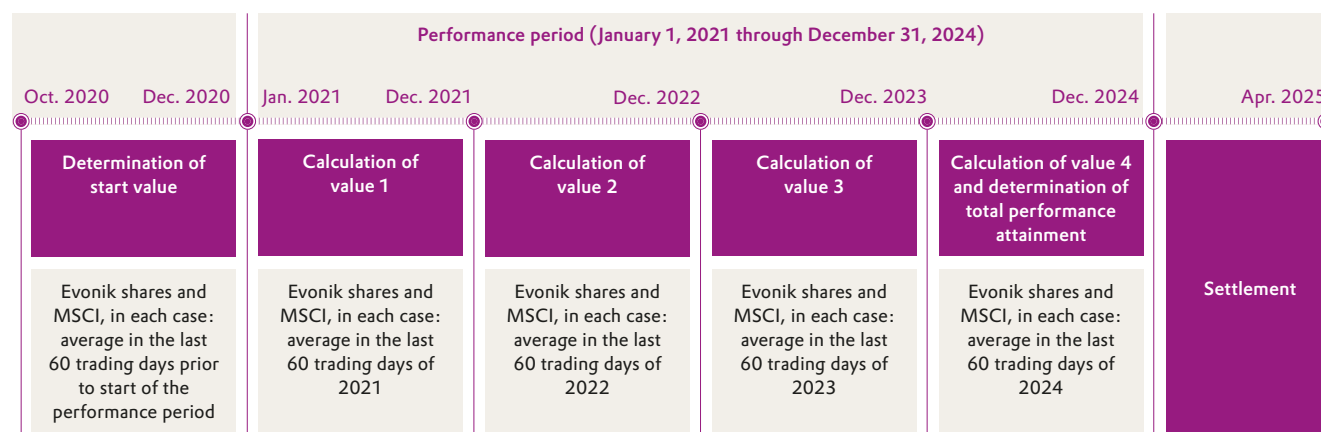
### Information on the granting of LTI tranche 2021

As the performance criterion for the LTI tranche 2021, the supervisory board set the long-term increase in corporate value measured by

- the absolute performance of Evonik's share price and
- the relative performance of Evonik's share price (based on total shareholder return) compared with a selected equity index (MSCI World Chemicals Index<sup>SM</sup>).

### Timeline LTI 2021

C04



The share price used to calculate the allocation of virtual Evonik shares for the LTI 2021 was €24.14. The virtual shares were allocated on May 10, 2021. This date is used to determine the grant value on the date of the legally binding commitment. The start value determined for the MSCI World Chemicals Index<sup>SM</sup> was 599.219. The following table shows the contractual target amounts and allocation of virtual shares for each member of the executive board:

**Information on allocation of the LTI 2021**

T06

in €	Target amount (based on 100% target attainment)	Maximum amount (300%)	No. of virtual shares allocated	Grant value
Christian Kullmann	1,650,000	4,950,000	68,351	1,917,929
Dr. Harald Schwager	1,200,000	3,600,000	49,710	1,394,863
Thomas Wessel	900,000	2,700,000	37,283	1,046,161
Ute Wolf	900,000	2,700,000	37,283	1,046,161

**Provisional determination of target attainment for LTI tranches 2017 and 2018**

The LTI tranches 2017 and 2018 were dependent, on the one hand, on the absolute share price performance of Evonik shares and, on the other hand, on the price performance of Evonik shares compared with a selected equity index (MSCI World

Chemicals Index<sup>SM</sup>). Up to and including the 2018 tranche, target attainment was measured solely at the end of the performance period. For both tranches, there are two alternative exercise periods. In 2020, which was the first exercise period for the 2017 tranche, the intrinsic value of this tranche was zero. Therefore, the performance period was automatically extended by one

year. The “normal” performance period for the 2018 tranche ended on December 31, 2021. Following the end of the blackout period at the start of March 2022, each executive board member can decide on the basis of the intrinsic value of the tranche whether to exercise the tranche or extend the performance period by one year.

**Determination of the settlement amount for the 2017 LTI tranche: 2nd exercise window**

T07

	Virtual shares allocated	Share price (average of the last 60 trading days in 2021)	Relative performance <sup>a</sup>	Settlement amount
Christian Kullmann	41,787	€27.80	0.00	€0.00
Dr. Harald Schwager <sup>b</sup>	12,090	€27.80	0.00	€0.00
Thomas Wessel	27,203	€27.80	0.00	€0.00
Ute Wolf	27,203	€27.80	0.00	€0.00

<sup>a</sup> 1+ performance of Evonik shares on a TSR basis in percent – performance of the MSCI World Chemicals Index<sup>SM</sup> in percent.

<sup>b</sup> Pro rata allocation in 2017 (4/12) because his executive board contract started on September 1, 2017.

**Determination of the settlement amount for the 2018 LTI tranche: 1st exercise window**

T08

	Virtual shares allocated	Share price (average of the last 60 trading days in 2021)	Relative performance <sup>a</sup>	Settlement amount
Christian Kullmann	39,949	€27.80	0.00	€0.00
Dr. Harald Schwager	31,959	€27.80	0.00	€0.00
Thomas Wessel	23,969	€27.80	0.00	€0.00
Ute Wolf	23,969	€27.80	0.00	€0.00

<sup>a</sup> 1+ performance of Evonik shares on a TSR basis in percent – performance of the MSCI World Chemicals Index<sup>SM</sup> in percent.



### Overview of LTI tranches 2016 through 2021

The fair values of the LTI tranches 2016 through 2021 as of the date of the legally binding commitment are shown in the next table:

#### LTI tranches<sup>a</sup>

T09

	2016		2017		2018		2019		2020		2021	
	No. of virtual shares	in €'000	No. of virtual shares	in €'000	No. of virtual shares	in €'000	No. of virtual shares	in €'000	No. of virtual shares	in €'000	No. of virtual shares	in €'000
Christian Kullmann	28,803	616	41,787	1,033	39,949	1,018	64,504	1,429	65,372	1,303	68,351	1,918
Dr. Harald Schwager	–	–	12,090	299	31,959	814	46,912	1,039	47,544	948	49,710	1,395
Thomas Wessel	23,637	505	27,203	672	23,969	611	35,184	779	35,658	711	37,283	1,046
Ute Wolf	23,637	505	27,203	672	23,969	611	35,184	779	35,658	711	37,283	1,046
<b>Total</b>	<b>76,077</b>	<b>1,626</b>	<b>108,283</b>	<b>2,676</b>	<b>119,846</b>	<b>3,054</b>	<b>181,784</b>	<b>4,026</b>	<b>184,232</b>	<b>3,673</b>	<b>192,627</b>	<b>5,405</b>

<sup>a</sup> The date of the legally binding commitment corresponds to the grant date.

In 2021, the total expense for all LTI tranches for the executive board was €574 thousand. The breakdown of the expense was as follows: €234 thousand for Mr. Kullmann, €136 thousand for Dr. Schwager, €102 thousand for Mr. Wessel, and €102 thousand for Ms. Wolf.

#### Claw-back clause

In 2021, the supervisory board did not utilize the option—where available—to withhold or claw back variable remuneration components.

## Remuneration awarded/due for 2021

The following table presents a breakdown of the remuneration awarded/due to individual members of the executive board in 2021. In accordance with the provisions of section 162 of the German Stock Corporation Act (AktG), the disclosure of the remuneration awarded/due comprises the amounts fully earned in the reporting period. Accordingly, an earnings-oriented perspective is applied. As a departure from this principle, the long-term remuneration only is disclosed on the basis of the amount paid, i.e., the settlement amount within the reporting period.

In principle, the disclosures on the remuneration are subdivided into fixed and variable remuneration components. The fixed remuneration components comprise the performance-unrelated fixed annual base salary and fringe benefits. The variable remuneration components are subdivided into one-year and multi-year variable remuneration. The remuneration disclosed for the reporting period comprises the fixed remuneration components earned and paid out in the reporting period, the multi-year variable remuneration due and paid in the fiscal year (payments relating to the 2016 and 2017 LTI tranches), plus the one-year variable remuneration fully earned in the reporting period, which will be paid out in spring of the following year (2022). Although the service cost for the company pension plan is not classified as remuneration that is awarded or due as defined in section 162 of the German Stock Corporation Act (AktG), it is also disclosed under the total remuneration (as defined in section 162 AktG) in the following table for the sake of transparency.

## Remuneration awarded/due

T10

	<b>Christian Kullmann</b> Chairman of the Executive Board		<b>Dr. Harald Schwager</b> Deputy Chairman of the Executive Board		<b>Thomas Wessel</b> Chief Human Resources Officer		<b>Ute Wolf</b> Chief Financial Officer	
	in €'000	in %	in €'000	in %	in €'000	in %	in €'000	in %
Fixed base salary	1,400	39.3	1,130	45.8	800	42.6	800	42.7
Fringe benefits	61	1.7	33	1.3	64	3.4	22	1.2
<b>Total</b>	<b>1,461</b>	<b>41.0</b>	<b>1,163</b>	<b>47.1</b>	<b>864</b>	<b>46.0</b>	<b>822</b>	<b>43.9</b>
One-year variable remuneration <sup>a</sup> (annual bonus)	2,100	59.0	1,305	52.9	1,013	54.0	1,050	56.1
Multi-year variable remuneration (LTI)								
LTI 2016 through 2020	–	–	–	–	–	–	–	–
LTI 2017 through 2020	–	–	–	–	–	–	–	–
<b>Total variable remuneration</b>	<b>2,100</b>	<b>59.0</b>	<b>1,305</b>	<b>52.9</b>	<b>1,013</b>	<b>54.0</b>	<b>1,050</b>	<b>56.1</b>
<b>Total remuneration (as defined in section 162 AktG)</b>	<b>3,561</b>	<b>100.0</b>	<b>2,468</b>	<b>100.0</b>	<b>1,877</b>	<b>100.0</b>	<b>1,872</b>	<b>100.0</b>
Service cost	1,022		1,053		481		482	
<b>Total remuneration (including service cost)</b>	<b>4,583</b>		<b>3,521</b>		<b>2,358</b>		<b>2,354</b>	

<sup>a</sup> Some fees for other offices reported as fringe benefits are deducted from the one-year variable remuneration. 2021: Dr. Schwager €7.5 thousand, Mr. Wessel €37.5 thousand.

## Disclosure on the relative development of executive board remuneration compared to the remuneration of the workforce and the company's earnings performance

The following overview outlines the development of the remuneration awarded/due to individual executive board members in the reporting period. This is compared with the development of selected earnings indicators for the company and the Evonik Group in the reference period (from 2020; this will be built up successively until the comparison covers a five-year period). Further, it is compared with the change in the average remuneration of the workforce, based on full-time equivalents (FTEs). The average remuneration of the workforce is derived from the remuneration components paid in the fiscal year, excluding any special payments. Variable remuneration components are included on the basis of the provisions established for fiscal 2021. The relevant workforce comprises permanent employees at all consolidated companies in Germany, excluding the members of the executive board, apprentices and interns.

### Compliance with the maximum remuneration for 2021

The maximum remuneration is derived from the remuneration components for fiscal 2021. Since the four-year performance period means that target attainment and thus the settlement amount of the LTI tranche allocated in 2021 will only be known after the end of fiscal 2024, it will only be possible to report definitively on compliance with the maximum remuneration for fiscal 2021 in the remuneration report on 2024. However, it is already foreseeable that even if the maximum amount for the LTI 2021 is achieved, remuneration will not exceed the defined maximum level.

### Remuneration awarded/due to the executive board compared to the development of the remuneration of the workforce and the company's earnings performance

T11

	2020	Change in %	2021
<b>Remuneration of corporate officers in €'000</b>			
<b>Present executive board members:</b>			
Christian Kullmann	2,756	29.2	3,561
Dr. Harald Schwager	1,979	24.7	2,468
Thomas Wessel	1,492	25.8	1,877
Ute Wolf	1,468	27.5	1,872
<b>Former executive board members:</b>			
Ralf Blauth	340	–	340
Dr. Wolfgang Colberg	292	–	292
Dr. Klaus Engel	2,008	–61.9	765
Dr. Thomas Haeberle	347	3.5	359
Dr. Dahai Yu	–	–	16
<b>Average remuneration of the workforce<sup>a</sup> in €'000</b>			
Permanent employees in Germany	82	8.5	89
<b>Company's earnings performance<sup>b</sup></b>			
Adjusted EBITDA of the Evonik Group in € million <sup>c</sup>	1,906	25.0	2,383
Adjusted EBITDA margin of the Evonik Group in %	15.6	1.9	15.9
Free cash flow <sup>d</sup> of the Evonik Group in € million	780	21.8	950
Net income of Evonik Industries AG in € million (HGB)	–40	1,930.0	732

<sup>a</sup> The relative changes in the average cash payments may be influenced by a variety of factors and may vary across the executive board and the workforce and over time. These factors include, for example, changes in the composition of the workforce, different salary increases for exempt and non-exempt employees, the integration and carve-out of business activities, and personnel-related measures.

<sup>b</sup> For the first time, the earnings figures published for the relevant fiscal year are shown, rather than the figures restated in the following fiscal year.

<sup>c</sup> Earnings before financial result, taxes, depreciation and amortization, after adjustments, continuing operations.

<sup>d</sup> Cash flow from operating activities, continuing operations, less cash outflows for investment in intangible assets, property, plant and equipment.

**Compliance with the maximum remuneration****T12**

in €'000	Defined maximum remuneration	Fixed annual salary and fringe benefits 2021	One-year variable remuneration <sup>a</sup>	Multi-year variable remuneration <sup>b</sup>	Service cost 2021	Total
Christian Kullmann	9,700	1,461	2,100	–	1,022	4,583
Dr. Harald Schwager	7,200	1,163	1,305	–	1,053	3,521
Thomas Wessel	5,200	864	1,013	–	481	2,358
Ute Wolf	5,200	822	1,050	–	482	2,354

<sup>a</sup> Bonus for fiscal 2021; disbursement in 2022 after deduction of fees for other offices paid in 2021.

<sup>b</sup> The LTI allocated for 2021 will be measured and paid out in 2025.

**Compliance with the share ownership guidelines**

Contracts with the executive board that were concluded prior to the remuneration system approved by the annual shareholders meeting in 2020 also contain share ownership guidelines under which members of the executive board have a contractual obligation to acquire Evonik shares equivalent to at least 100 percent of their fixed annual base salary on their own account within three years from 2019 or the date of their initial appointment. All current executive board members fulfilled this contractual

obligation as of December 31, 2021. Evidence of the acquisition of the shares was provided to Evonik Industries AG either through individual purchase slips or through notification of directors' dealings.

**Benefits in connection with termination of executive board contracts**

No executive board contracts were terminated in the reporting period.

**Other disclosures**

As of December 31, 2021, there were no loans or advances to members of the supervisory board. Moreover, in the reporting period, none of the executive board members were allocated or awarded any benefits by third parties in connection with their function as a member of the executive board.

**Remuneration awarded/due to former members of the executive board for 2021**

The total remuneration of former members of the executive board and their surviving dependents was €2,898 thousand in 2021. The following table contains a breakdown of remuneration awarded/due to former members of the executive board whose period of service ended within the past ten fiscal years, including the relative percentages in accordance with section 162 AktG. It does not include payments to executive board members whose service ended more than ten years ago, pension benefits from previous employers, and pension benefits to surviving dependents. These payments amounted to a total of €1,126 thousand in 2021 (+1.3 percent compared with the previous year).

**Remuneration awarded/due****T13**

	<b>Ralf Blauth</b> Member of the Executive Board Jul. 1, 2009–Aug. 31, 2011		<b>Dr. Wolfgang Colberg</b> Member of the Executive Board Apr. 1, 2009–Sept. 30, 2013		<b>Dr. Klaus Engel</b> Member of the Executive Board Jan. 1, 2007–Dec. 31, 2008 Chairman of the Executive Board Jan. 1, 2009–May 23, 2017		<b>Dr. Thomas Haeberle</b> Member of the Executive Board Apr. 1, 2011–Jun. 30, 2013		<b>Dr. Dahai Yu</b> (remuneration from Aug. 1, 2021) Member of the Executive Board Apr. 1, 2011–Jun. 30, 2013	
	in €'000	in %	in €'000	in %	in €'000	in %	in €'000	in %	in €'000	in %
Pension benefits <sup>a</sup>	340	100	292	100	765	100	350	97	16	100
Disbursement of DC <sup>b</sup>	–	–	–	–	–	–	9	3	–	–
<b>Total remuneration</b>	<b>340</b>	<b>100</b>	<b>292</b>	<b>100</b>	<b>765</b>	<b>100</b>	<b>359</b>	<b>100</b>	<b>16</b>	<b>100</b>

<sup>a</sup> Excluding transfers from previous employer.

<sup>b</sup> Deferred compensation: additional pension benefits accrued through deferred compensation arrangements.

## 2. Remuneration of members of the supervisory board

### 2.1 Remuneration system

The remuneration of the supervisory board is governed by section 15 of the articles of incorporation of Evonik Industries AG.

The remuneration system takes account of the responsibilities and scope of activities of the members of the supervisory board. Given its duty to oversee the executive board in its management of the business, the supervisory board makes a contribution to promoting the business strategy and to the long-term development of the company. In addition to reimbursement of their expenses and value-added tax payable on their remuneration and expenses, the members of the supervisory board receive a fixed annual payment. Their remuneration does not include a variable component. In view of the special nature of the remuneration of the supervisory board, which is granted for activities that differ fundamentally from the work of employees and of the Evonik Group, it is not possible to conduct a comparison with the remuneration of employees.

The remuneration system for the supervisory board is regularly reviewed by the administration. The remuneration takes into account, in particular, the time commitment of the members of the supervisory board and the remuneration granted to the supervisory boards of other comparable companies.

Different levels of fixed annual remuneration are paid to the chairman (€250 thousand), his deputy (€175 thousand), and other members of the supervisory board (€100 thousand).

The chairperson of the executive committee receives additional remuneration of €60 thousand, the deputy chairperson €45 thousand, and the other members €35 thousand each. The chairperson of the audit committee receives additional remuneration of €90 thousand, the deputy chairperson €60 thousand, and the other members €50 thousand each. The chairperson of the finance and investment committee receives additional remuneration of €60 thousand, the deputy chairperson €45 thousand, and the other members €35 thousand each. The chairperson of the innovation and research committee receives additional remuneration of €30 thousand, the deputy chairperson €20 thousand, and the other members €15 thousand each. The chairpersons of the nomination committee and the mediation committee receive additional remuneration of €20 thousand each, the deputy chairpersons receive €10 thousand each, and the other members €10 thousand each. Entitlement to the additional remuneration for work on the mediation committee only applies if the committee is actually convened during the fiscal year.

Further, members of the supervisory board receive a fee of €1 thousand for each meeting of the supervisory board and its committees that they attend. If several meetings are held on the same day, this fee is only paid once.

Members who only serve on the supervisory board for part of a fiscal year receive remuneration on a pro rata basis. This also applies for increases in the remuneration of the chairman of the supervisory board and his deputy and any increased remuneration paid for membership of or chairing a committee.

### 2.2 Remuneration of the members of the supervisory board for 2021 Remuneration awarded/due for 2021

The following table presents a breakdown of the remuneration awarded/due to individual members of the supervisory board in 2021. The amounts disclosed comprise the fixed remuneration and remuneration for membership of committees for fiscal 2021, which will only be paid out in the following year (2022). Therefore, an earnings-oriented perspective is applied. The attendance fees are amounts actually paid in 2021.

## Remuneration awarded/ due

T14

	Fixed remuneration		Remuneration for membership of a committee		Attendance fees		Total	
	in €'000	in %	in €'000	in %	in €'000	in %	in €'000	in %
Martin Albers	100	54.9	70	38.5	12	6.6	182	100.0
Prof. Barbara Albert	100	73.0	30	21.9	7	5.1	137	100.0
Jens Barnhusen	100	62.9	50	31.4	9	5.7	159	100.0
Prof. Aldo Belloni	100	56.8	65	36.9	11	6.3	176	100.0
Birgit Biermann	100	59.9	60	35.9	7	4.2	167	100.0
Hussin El Moussaoui	100	82.0	15	12.3	7	5.7	122	100.0
Karin Erhard	175	61.2	98	34.3	13	4.5	286	100.0
Werner Fuhrmann (from June 3, 2021)	58	96.7	-	-	2	3.3	60	100.0
Prof. Barbara Grunewald	100	62.9	50	31.4	9	5.7	159	100.0
Martin Kubessa	100	95.2	-	-	5	4.8	105	100.0
Frank Löllgen	100	60.3	55	33.1	11	6.6	166	100.0
Dr. Siegfried Luther (until June 2, 2021)	50	50.5	45	45.5	4	4.0	99	100.0
Cedrik Neike (from June 3, 2021)	58	95.1	-	-	3	4.9	61	100.0
Martina Reisch	100	82.0	15	12.3	7	5.7	122	100.0
Gerhard Ribbeheger (from April 1, 2021)	75	63.6	35	29.6	8	6.8	118	100.0
Michael Rüdiger	100	47.2	100	47.2	12	5.6	212	100.0
Dr. Thomas Sauer	100	62.9	50	31.4	9	5.7	159	100.0
Peter Spuhler (until June 2, 2021)	50	100.0	-	-	-	-	50	100.0
Anke Strüber-Hummelt (until March 31, 2021)	25	69.4	9	25.0	2	5.6	36	100.0
Angela Titzrath	100	62.9	50	31.4	9	5.7	159	100.0
Bernd Tönjes	250	62.3	130	32.4	21	5.3	401	100.0
Dr. Volker Trautz	100	57.8	60	34.7	13	7.5	173	100.0
Ulrich Weber	100	63.7	45	28.7	12	7.6	157	100.0
<b>Total</b>	<b>2,241</b>		<b>1,032</b>		<b>193</b>		<b>3,466</b>	

For members who joined or left the supervisory board during 2021, the amounts are calculated on a pro rata basis.

## Disclosure on the relative development of supervisory board remuneration compared to the remuneration of the workforce and the company's earnings performance

The following overview outlines the development of the remuneration awarded/due to individual supervisory board members for the relevant fiscal year. This is compared with the development of selected earnings indicators for the company and the Evonik Group in the reference period (from 2020; this will be built up successively until the comparison covers a five-year period). Further, it is compared with the change in the average remuneration of the workforce, based on full-time equivalents (FTEs). The average remuneration of the workforce is derived from the remuneration components paid in the fiscal year, excluding any special payments. Variable remuneration components are included on the basis of the provisions established for fiscal 2021. The relevant workforce comprises permanent employees at all consolidated companies in Germany, excluding the members of the executive board, apprentices and interns.

### Other disclosures

As of December 31, 2021, there were no loans or advances to members of the supervisory board. In 2021 the members of the supervisory board did not receive any remuneration for services provided personally, especially consulting and referral services.

Finally, third-party financial loss insurance cover is provided for each member of the supervisory board to cover their statutory liability arising from their work on the supervisory board. In the event of a claim, this provides for a deductible of 10 percent of the damage, up to one-and-a-half times the individual member's fixed annual remuneration.

## Remuneration awarded/due to the supervisory board compared to the development of the remuneration of the workforce and the company's earnings performance

T15

	2020	Change in %	2021		2020	Change in %	2021
<b>Remuneration of corporate officers in €'000</b>							
<b>Present members of the supervisory board:</b>							
Martin Albers	180	1.1	182	Anke Strüber-Hummelt (until March 31, 2021)	143	-74.8	36
Prof. Barbara Albert	136	0.7	137	Angela Titzrath	157	1.3	159
Jens Barnhusen	154	3.2	159	Bernd Tönjes	395	1.5	401
Prof. Aldo Belloni	153	15	176	Dr. Volker Trautz	169	2.4	173
Birgit Biermann (from September 1, 2020)	56	198.2	167	Ulrich Weber	153	2.6	157
Hussin El Moussaoui	121	0.8	122	<b>Average remuneration of the workforce<sup>a</sup> in €'000</b>			
Karin Erhard	211	35.5	286	Permanent employees in Germany	82	8.5	89
Werner Fuhrmann (from June 3, 2021)	-	-	60	<b>Company's earnings performance<sup>b</sup></b>			
Prof. Barbara Grunewald	158	0.6	159	Adjusted EBITDA of the Evonik Group in € million <sup>c</sup>	1,906	25.0	2,383
Martin Kubessa	104	1.0	105	Adjusted EBITDA margin of the Evonik Group in %	15.6	1.9	15.9
Frank Löllgen	160	3.8	166	Free cash flow <sup>d</sup> of the Evonik Group in € million	780	21.8	950
Dr. Siegfried Luther (until June 2, 2021)	198	-50.0	99	Net income of Evonik Industries AG in € million (HGB)	-40	1,930.0	732
Cedrik Neike (from June 3, 2021)	-	-	61				
Martina Reisch	121	0.8	122				
Gerhard Ribbeheger (from April 1, 2021)	-	-	118				
Michael Rüdiger	168	26.2	212				
Dr. Thomas Sauer	158	0.6	159				
Peter Spuhler (until June 2, 2021)	103	-51.5	50				

<sup>a</sup> The relative changes in the average cash payments may be influenced by a variety of factors and may vary across the executive board and the workforce and over time. These factors include, for example, changes in the composition of the workforce, different salary increases for exempt and non-exempt employees, the integration and carve-out of business activities, and personnel-related measures.

<sup>b</sup> For the first time, the earnings figures published for the relevant fiscal year are shown, instead of figures restated in the following fiscal year.

<sup>c</sup> Earnings before financial result, taxes, depreciation and amortization, after adjustments, continuing operations.

<sup>d</sup> Cash flow from operating activities, continuing operations, less cash outflows for investment in intangible assets, property, plant and equipment.

## Independent Auditor's Report

Note: This is a translation of the German original. Solely the original text in German language is authoritative.

To Evonik Industries AG, Essen,

### REPORT ON THE AUDIT OF THE REMUNERATION REPORT

We have audited the attached remuneration report of Evonik Industries AG, Essen, for the financial year from January 1 to December 31, 2021, including the related disclosures, prepared to meet the requirements of Section 162 AktG [Aktiengesetz: German Stock Corporation Act].

#### Responsibilities of Management and the Supervisory Board

The management and the Supervisory Board of Evonik Industries AG are responsible for the preparation of the remuneration report, including the related disclosures, in accordance with the requirements of Section 162 AktG. The management and the Supervisory Board are also responsible for such internal control as they have determined necessary to enable the preparation of the remuneration report that is free from material misstatement, whether due to fraud or error.

#### Auditor's responsibilities

Our responsibility is to express an opinion on this remuneration report, including the related disclosures, based on our audit. We conducted our audit in accordance with the German Generally Accepted Standards of Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we comply

with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report, including the related disclosures, is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts, including the related disclosures, in the remuneration report. The procedures selected depend on the auditor's professional judgment. This includes an assessment of the risks of material misstatement, whether due to fraud or error, in the remuneration report, including the related disclosures. In assessing these risks, the auditor considers the internal control system relevant for the preparation of the remuneration report, including the related disclosures. The objective is to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management and the Supervisory Board, as well as evaluating the overall presentation of the remuneration report, including the related disclosures.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance opinion.

#### Opinion

In our opinion, on the basis of the knowledge obtained in the audit, the remuneration report for the financial year from January 1 to December 31, 2021, including the related disclosures, complies in all material respects with the financial reporting requirements of Section 162 AktG.

#### Other matter – formal examination of the remuneration report

The substantive audit of the remuneration report described in this independent auditor's report includes the formal examination of the remuneration report required by Section 162 (3) AktG, including issuing an assurance report on this examination. As we have issued an unqualified opinion on the substantive audit of the remuneration report, this opinion includes the conclusion that the disclosures pursuant to Section 162 (1) and (2) AktG have been made, in all material respects, in the remuneration report.

#### Limitation of liability

The terms governing this engagement, which we fulfilled by rendering the aforesaid services to Evonik Industries AG, are set out in the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms] as amended on January 1, 2017. By taking note of and using the information as contained in this auditor's report, each recipient confirms to have taken note of the terms and conditions laid down therein (including the limitation of liability of EUR 4 million for negligence under Clause 9 of the General Engagement Terms) and acknowledges their validity in relation to us.

Essen, March 2, 2022

KPMG AG  
Wirtschaftsprüfungsgesellschaft  
[Original German version signed by:]

Dr. Hain  
Wirtschaftsprüfer  
[German Public Auditor]

Dr. Ackermann  
Wirtschaftsprüferin  
[German Public Auditor]



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