

## UK Modern Slavery Statement for 2021

July 20<sup>th</sup>, 2022

This statement is made in accordance with Section 54 of the UK Modern Slavery Act 2015 and sets out the measures Evonik has taken during the financial year ending on 31 December 2021 to fulfil its policies and commitments and ensure that modern slavery and human trafficking are not taking place in its own operations and its supply chains.

**Thomas Wessel**  
Member of Board  
Phone +49 201 177-2111  
thomas.wessel@evonik.com

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 a presence in more than 100 countries and productions facilities in 27 countries on six continents and around 33,000 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 services operations. In 2021, Evonik generated sales of €14,955million. The company sees sustainable business activities and responsible conduct as the cornerstone of its business model.

In 2021, the Group sourced raw materials and supplies, technical goods, services, energy, and other operating supplies with a total value of around €10.4 billion from around 35,000 suppliers. We had 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  
Thomas Wessel  
Ute Wolf

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

## **Policies on human rights including modern slavery**

Evonik has clearly defined standards of conduct in place. We comply with laws or go beyond them. Our standards are based on internationally recognized principles and standards like the Bill of Human Rights, the OECD Guidelines for Multinational Enterprises, the ILO Core Labor Standards and the 10 Principles of the United Nations Global Compact. The most relevant policies are:

- Evonik Code of Conduct
- Evonik Global Social Policy
- Evonik Policy Statement on Human Rights
- ESHQ Values
- Evonik Code of Conduct for Suppliers

All policies can be found on our website:

[www.evonik.com/responsibility](http://www.evonik.com/responsibility)

We address the associated obligations throughout the company and along the value chain within our sphere of influence.

## **Risk Assessment and due diligence in relation to human rights including modern slavery and human trafficking own operations**

We use a human rights risk map for mapping and assessing potential human rights risks in our own operations and the countries with the highest purchasing volume. The map is based on a range of human rights indicators and is updated several times a year according to changes of the company structure and new information concerning the indicators. For human rights impact analysis we also use the CSR Risk Check of MVO Nederland.

The business partner assessment tool (including human rights impacts), implemented in 2020, was extended and optimized.

In mid-year 2021 Evonik embarked on a cross-functional project to implement the German Act on Corporate Due Diligence Obligations in Supply Chains including the evaluation of the appropriateness of existing risk analyses, prevention and mitigation measures, and the complaints system. A corresponding concept for a human rights compliance management system was presented to the executive board, which acknowledged it with approval.

Our target for 2022 is to perform an initial risk analysis based on the German Act on Corporate Due Diligence in Supply Chains.

#### **Human rights training for own staff**

Due to the focus on the development of a human rights compliance management system, we have not set ourselves a target for 2021 with regard to the implementation of human rights training. Nevertheless, we have conducted 3 trainings.

#### **Compliance/Whistleblowing**

Reports of possible human rights violations that we received through our web-based whistleblower system or our assessment tool for business partners have been reviewed and all proved to be invalid.

#### **Supply chains**

We expect our suppliers to share our principles and to act correctly in all respects, which means accepting the responsibility towards their employees, business partners, society, and the environment. Every new supplier must pass a validation process, based on the values in our Code of Conduct for Suppliers. Amongst other criteria the validation process includes labor and social standards (the right to freedom association and collective bargaining), human rights (compulsory, forced, or child labor), conflict minerals, and responsibility within the supply chain. In 2021, we evaluated 1,754 new suppliers, representing more than 92 percent of new suppliers. Under the sharing principle of the Together for Sustainability Initiative (TfS) the member companies initiated 284 audits, 1,345



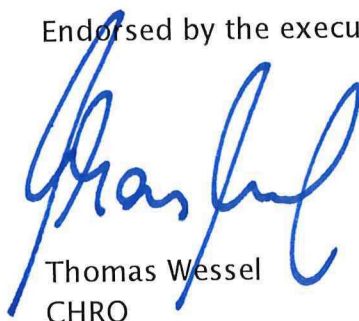
new assessments and 3,857 re-assessments of suppliers worldwide. 16 of the audits and 176 of the assessments were initiated by Evonik. As in 2020 no cases of child labor or forced labor were identified in on-site-inspections in 2021.

We see potential human rights risks in our palm oil supply chain. For that reason, a group-wide expert circle drew up recommendations for sustainable procurement and use of palm oil to sharpen our employees' awareness of the need to take a responsible approach to palm-based derivatives. Among the criteria are compliance and informed consent from indigenous people and local communities influenced by new plantations with focus on land grabbing procedures and ILO rights of workers.<sup>1</sup>

### Target and target attainment in the supply chain

Our target of conducting a sustainability assessment of 90 percent of suppliers of critical raw materials – that are raw materials that could potentially involve a supply chain risk or a reputational risk – was achieved in 2019. We have therefore extended our target: As well as monitoring suppliers of critical raw materials, we aim to evaluate the sustainability performance of all major raw material suppliers – that are suppliers with an annual procurement volume higher than €100 thousand – by 2025. Around 69 percent of major raw material suppliers had been already reviewed by year-end 2021 using sustainability criteria.

Endorsed by the executive board (signed 20<sup>th</sup> July 2022)



Thomas Wessel  
CHRO

---

<sup>1</sup> See <https://personal-care.evonik.com/en/sustainability/responsible-sourcing>