

Welcome to your CDP Forests Questionnaire 2023

F0. Introduction

F0.1

(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 generated by our growth divisions come from market leading positions, 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 customers enables us to build up a deep knowledge of their business, so we can offer products tailored to their specifications and extensive technical service. 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, resource-efficient growth.

Sustainability is integrated into our strategic management process. Our goal for the future is to substantially increase the proportion of sales from attractive growth businesses with a clear focus on sustainability (Next Generation Solutions). Evonik supports the objectives of the Paris Agreement on Climate Change. That is underscored by our commitment to the Science Based Targets initiative (SBTi). We aspire to be climate-neutral by 2050.

Evonik has a presence in more than 100 countries, and 84 percent of sales are generated outside Germany. We have production facilities at 104 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

(F0.2) State the start and end date of the year for which you are reporting data.

	Start Date	End Date
Reporting year	Januar 1, 2022	Dezember 31, 2022

F0.3

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

EUR

F0.4

(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.

Timber products

Commodity disclosure

Not disclosing

Stage of the value chain

Processing

Explanation if not disclosing

While Evonik does use some wood-based raw materials, its total share of the procurement spend is not substantial (<0.1%).

Palm oil

Commodity disclosure

Disclosing

Stage of the value chain

Processing

Are you disclosing information on embedded commodities?

Yes

Cattle products

Commodity disclosure

Not disclosing

Stage of the value chain

Processing

Explanation if not disclosing

While Evonik does use some tallow-based raw materials, its total share of the procurement spend is not substantial (~1.5%).

Soy

Commodity disclosure

Not disclosing

Stage of the value chain

Processing

Explanation if not disclosing

While Evonik does use some soy-based raw materials, its total share of the procurement spend is not substantial (<0.1%).

Currently, there are not enough certified (Round Table on Responsible Soy - RTRS) or traceable soy-based derivatives, that fulfill the technical requirements needed, available on the market. In 2020, a supply chain mapping was conducted by external consultants "transitions" within the ASD (Action for Sustainable Derivatives) initiative. The supply chain traceability for soy-based derivatives is currently not established.

Other - Rubber

Commodity disclosure

This commodity is not produced, sourced or used by our organization

Other - Cocoa

Commodity disclosure

This commodity is not produced, sourced or used by our organization

Other - Coffee

Commodity disclosure

This commodity is not produced, sourced or used by our organization

F0.5

(F0.5) Select the option that describes the reporting boundary for which forests-related impacts on your business are being reported

Operational control

F0.6

(F0.6) Select the countries/areas in which you operate.

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

F0.7

(F0.7) Are there any parts of your direct operations or supply chain that are not included in your disclosure?

Yes

F0.7a

(F0.7a) Identify the parts of your direct operations or supply chain that are not included in your disclosure.

Forest risk commodity

Palm oil

Value chain stage

Supply chain

Exclusion

Other, please specify
Toll manufacturers

Description of exclusion

Precursor material used from upstream tollers are currently not subject to forests-related risk management.

% of volume excluded

<1%

Potential for forests-related risk

No potential

Please explain

The total share of tolling business is negligible (estimation: <0.1%).

F0.8

(F0.8) 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 2022.

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
Palm oil	6-10%	The revenue of the relevant business lines using palm (kernel) oil based raw materials sum up to 6-10% of the total revenue of Evonik.

F1.5

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

	Data availability/Disclosure
Palm oil	Consumption data available, disclosing

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

94.934

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

27

Please explain

The Deforestation and Conversion-free (DCF) volumes were calculated by an external party (consultancy "transitions"). The method used is described in the following:

1. Estimate volumes with a physical connection to sources that could be considered deforestation-free (i.e. certification with Chain of Custody).

Baseline: Level 1 mills with 97% representing 99.6% of the procurement basket.

2. Verify whether the sources are actually deforestation-free through knowledge of the origin (mill level), and use of monitoring tools --> "No deforestation post cutoff date observed through satellite monitoring" AND "No connection with grievances related to degradation or conversion of forest"

The chosen cut-off date for satellite monitoring is November 2018.

The used definition of 'forest' is taken from Nusantara Atlas and includes intact primary forests as well as primary forests that have been degraded by selective timber harvesting during the 1980s and 1990s. Intact forests have not been severely disturbed by humans in recent decades, or disturbances were too old to be detected by the satellites. Selectively logged forests include forests that have been impacted by both artisanal trees cutting as well as by more extensive mechanized timber cutting and extraction. Please note it is more restrictive than the definition considered by the EU law, which is the FAO definition adapted to countries with high forest cover and forest plantations.

F1.5b

(F1.5b) Provide a breakdown of your DCF and non-DCF volumes relevant to your stage in the supply chain according to how verification is achieved and the highest level of traceability, respectively.

Palm oil – DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion

0

% of DCF production/consumption volume verified through monitoring systems

27

% of DCF production/consumption volume physically certified

0

Total percentage of production/consumption volume reported (DCF) [auto-calculated]

27

Palm oil – Non DCF

% of non-DCF production/consumption volume from unknown origin

0

% of non-DCF production/consumption volume traceable only as far as country level

0

% of non-DCF production/consumption volume traceable only as far as sub-national area

0

% of non-DCF production/consumption volume traceable only as far as processing facility level

73

% of non-DCF production/consumption volume traceable to production unit level

0

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]

73

F1.5c

(F1.5c) 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

Riau

% of total production/consumption volume

12

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 transitions.

In 2022, the transparency level for the volumes in scope of the investigation could be significantly increased due to better feedback from supply chain partners:

- 98,2% traceable up to refineries* vs 96,8% for 2021
- 97,8% traceable up to mills vs 96,2% for 2021

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Kalimantan Tengah

% of total production/consumption volume

11

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Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction
Kalimantan Barat

% 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
Kalimantan Timur

% 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

Jambi

% 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

Sumatera Utara

% of total production/consumption volume

5

Please explain

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- 97,8% traceable up to mills vs 96,2% for 2021

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction
Sumatera Selatan

% of total production/consumption volume

4

Please explain

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- 97,8% traceable up to mills vs 96,2% for 2021

Forest risk commodity

Palm oil

Country/Area of origin

Malaysia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction
Sabah

% of total production/consumption volume

7

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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F1.5f

(F1.5f) 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

Volume produced/consumed

Metric

Country/Area of origin

State or equivalent jurisdiction

% of total production/consumption volume

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

Comment

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

F1.6

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

No

F1.7

(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?

No, but we plan to monitor or estimate our deforestation/conversion footprint in the next two years

Coverage

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

Known or estimated deforestation/ conversion footprint (hectares)

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

F2. Procedures

F2.1

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

Yes, forests-related risks are assessed

F2.1a

(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
IBAT for Business
Other, please specify
Nusantara Atlas

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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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)

Furthermore, Evonik uses a geoinformation system based on the data of the IBAT Alliance. On this basis, we annually examine the potential impact of our worldwide sites on areas of special significance for biodiversity. This focuses on all sites within one kilometer of conservation areas.

F2.2

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

	Value chain mapping
Palm oil	Yes, we have partially mapped the value chain

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

Tier 1 suppliers

% of total suppliers covered within selected tier(s)

100

Description of mapping process and coverage

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 transitions.

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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)

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

 221004_RSPO_Supply_Chain_Certificate_V16.pdf

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

F2.3

(F2.3) Do you use a classification system to determine risk of deforestation and/or conversion of other ecosystems for your sourcing areas, and if yes, what methodology is used, and what is the classification used for?

	Use of a classification system to determine deforestation and/or conversion risk of sourcing areas	Methodology used for classifying levels of risk	Use of risk classification	Attachment indicating risk classification for each sourcing area (optional)
1	Yes, we use a classification system	Based on the results of supply chain mapping, a geographical risk assessment is conducted in order to identify and measure the environmental risks: at the province level and at the mill's catchment area level	Identification of priority landscapes, based on risk analysis at province level and weight in the supply chain to focus efforts on monitoring & investment in field projects	

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?

	Risk identified?
Palm oil	Yes

F3.1a

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

SITUATION: Evonik with product applications in many different end-markets, a broad global asset footprint, and very complex supply chains, has multiple risks with different time scales and in different locations. Main 4 financial impact channels for Evonik are 1. change of revenue, 2. change of of cost of good & services sold (COGS), 3. change of CapEx spending, 4. change of R&D spending that potentially affect our future margin or our ability to finance the company.

TARGET: Risks and opportunity transparency in time allows consideration in our daily business decisions, in strategy building, in financial planning, and in our stakeholder engagement, as many of these risks are outside our direct control. Describe i) the financial impact in the short- and mid-term planning, ii) the financial impact within the strategy horizon of a result of our Strategic Management Process (SMP) and Strategic Financial Planning (SFP), and iii) the financial exposure in a scenario space for the 10-year strategy time-frame, for 2040, and 2050.

ACTION:

i) In our short- and mid-term planning, risk is assessed as a deviation in EBITDA from our planning. Risks are assessed on the basis of uniform criteria. A netting of risks is not allowed. Risks are assessed according to their net potential impact and probability of occurrence after implementation of mitigation actions (the product of the impact and probability is defined as "expected value"). Details of the assessment rules are defined in our internal risk reporting guideline.

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.

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 affect the unit's substantial goals. A qualitative/ verbal assessment of impact can include factors such as management attention or damage to reputation.

ii) In our strategic 10-year horizon we assess market attractiveness and competitive position of strategic business units and assign strategic roles to these business. Our Portfolio Sustainability Assessment (PSA) assesses positive and negative sustainability signals for Product-Application-Region-Combinations (PARCs) for all chemical sales of the past business year and projects the development of these signals for the 10-year strategy time-frame. The PSA method ensures an assessment of our gate-to-gate processes as well as the entire value

chain for ecological - including forest-related - and social aspects. Details of the assessment methods is found under "WBCSD Chemical Industry Methodology for Portfolio Sustainability Assessment Platform". We define 5 groups of PSA Ratings for PARCs: LEADER, DRIVER, PERFORMER, TRANSITIONER, CHALLENGED. LEADER and DRIVER PARCs are comprised as "Next Generation Solutions". Each PARC is assigned to a strategic business unit. As part of the strategy process, each business annually projects future volume and revenue and the future sustainability rating of each PARC. In this 10-year outlook, anticipated changes in sustainability signals are considered. Typical de-risking measures are capital expenditures to reduce product carbon footprint, supplier engagement to source sustainable raw materials, additional R&D efforts to reformulate products, partnerships with customers and suppliers for positive impacts along the value chain. For allocation of capital expenditures, of R&D resources or for strategic portfolio development, we map the PARC ratings with the strategic business roles (growth, financing, restructure).

iii) Beyond the strategic time-frame we assess our risk and opportunity exposure as defined by TCFD. The results of this assessment feed into our annual risk management and strategy process.

RESULT:

i) On a group level, risks/ opportunities exceeding 100 Mio. € (expected value) are classified as "substantial" and risks exceeding 500 Mio. € (Impact) are considered as "going concern", which means that it is endangering the existence of the company. Until 2025 we have neither found "going concern" nor "substantial" forest related risks on group level.

ii) **For 2022** we assessed 7% of sales as TRANSITIONER and 2% of sales as CHALLENGED. As Opportunities for above average growth and increasing customer demand we assessed 43% of sales as "Next Generation Solutions". We do not publish the 10-year projections but we have set a 2030 target of >50% Next Generation Solutions and maintaining CHALLENGED Sales below 5%.

iii) We are in the process of refining scenarios for our portfolio and of defining physical and transition impact KPIs for group and division level, for strategic business unit level, and for the single production site level.

F3.1b

(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 end of 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

Very likely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact (currency)

Potential financial impact figure - minimum (currency)

200.000.000

Potential financial impact figure - maximum (currency)

500.000.000

Explanation of financial impact

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 the end of 2023 only RSPO-certified palm oil and palm kernel oil are used in its products. In 2022, 57% of all palm (kernel) oil based raw materials were RSPO-certified either by the Mass Balance (MB) or segregated (SG) scheme.

Cost of response

15.000.000

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 and associated administration costs.

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?
Palm oil	Yes

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

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 until end of 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 broadening 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)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

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.

Cost to realize opportunity

15.000.000

Strategy to realize opportunity

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

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

Evonik's climate targets include cutting scope 1 and 2 greenhouse gas emissions by 25 percent in absolute terms by 2030 (reference base: 2021). Furthermore, a Scope 3 emission target is currently under investigation by SBTi.

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)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

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

Cost to realize opportunity

15.000.000

Strategy to realize opportunity

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

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 or committee	Responsibilities for forest-related issues
Board-level committee	<p>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).</p> <p>In June 2023, installation of an Expert Circle on forests-related risks has been discussed with the Sustainability Council and is under preparation.</p>

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	<p>Monitoring implementation and performance</p> <p>Overseeing the setting of corporate targets</p> <p>Reviewing and guiding corporate responsibility strategy</p> <p>Reviewing and guiding major plans of action</p> <p>Reviewing and guiding strategy</p>	<p>The executive board bears overall responsibility for sustainability at Evonik. Direct responsibility is assigned to the chief human resources officer. Responsibility for sustainability management is defined in a corporate policy. In view of the increasing relevance of sustainability for the management of the Evonik Group, we integrated further ESG aspects into our governance framework in the reporting period. Since September 2022, our sustainability council has met at the executive board level, chaired by the chairman of the executive board. To strengthen the alignment with our businesses, alongside the executive board, members include the heads of the divisions. The sustainability council is responsible for the management of sustainability-related aspects and the associated decisions. Following approval by the executive board, the measures are implemented by the operational units in close consultation with the</p>

			<p>relevant functions, for example, Strategy, Sustainability, Research, Development & Innovation, and Procurement. The decisions taken by the sustainability council are prepared by the sustainability circle, which comprises representatives of the functions and departments of relevance for sustainability. The sustainability circle is chaired by the chief human resources officer, who is the executive board member responsible for sustainability.</p>
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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

Evonik's CHRO (Chief Human resource officer) does meet the criteria mentioned above and is the appointed responsible person for climate-related issues at the board of Evonik. The position of the CHRO at Evonik covers the responsibility for

- Function "Human resources",
- Function "ESHQ" (Environmental, Safety, Health and Quality and Security)
- Function "Sustainability".

Evonik's current CHRO does provide a proven track record on the topics mentioned above for the last ten years.

However, all members of the board are attending the regular meetings of the sustainability council since 2020.

RATIONALE: Sustainability is a core element within Evonik's business strategy and risk management. Thus the sustainability council of Evonik chaired by the CHRO was established some years ago with members consisting of "senior vice presidents" and higher positions as a sounding board for long-term strategic alignment of Evonik.

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 inform the sustainability council regularly, at least four times a year, about societal and economic developments around sustainability on

regional and global level incl. forests-related topics and 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 risks and opportunities but do provide a wide range of expertise on sustainability and forests-related topics with its impact on economic development.

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).

F4.2

(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)	Forests-related responsibilities of this position	Frequency of reporting to the board on forests-related issues	Please explain
Other C-Suite Officer, please specify C-ESHQ, C-SUS	Setting forests-related corporate targets Monitoring progress against forests-related corporate targets	As important matters arise	The head of ESHQ and the head of Sustainability report quarterly directly sustainability-related issues. The sustainability council has met at the executive board level, chaired by the chairman of the executive board. The sustainability council is responsible for the management of sustainability-related aspects and the associated decisions. Following approval by the executive board, the measures are implemented by the operational units in close consultation with the relevant functions, for example, Strategy, Sustainability, Research, Development & Innovation, and Procurement. The decisions taken by the sustainability council are prepared by the sustainability circle, which comprises representatives of the functions and departments of relevance for sustainability. The sustainability circle is chaired by the chief human resources officer, who is the executive board member responsible for sustainability. 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).
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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	<p>There is a performance-related remuneration plan for Evonik's executives and members of the executive board in place, which include, for example, climate targets, but no fores-related topics.. The resulting obligations are settled in cash and expensed in accordance with IFRS 2 Share-based Payment.</p> <p>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.</p>

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)

 Financial Report 2022.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.

Row 1

Scope

Company-wide

Commodity coverage

Palm oil

Content

Commitment to eliminate conversion of natural ecosystems

Commitment to eliminate deforestation

Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE)

Commitment to best management practices for soils and peat

Commitment to take action beyond own supply chain to tackle environmental issues

Commitment to resolving both social and environmental issues in own operations and supply chain

Commitment to protect rights and livelihoods of local communities

Commitments beyond regulatory compliance

Commitment to transparency

Recognition of the overall importance of forests and other natural ecosystems

Document attachment

 E_Handlungsempfehlung Palmoil_FINAL_frei (1).pdf

Please explain

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.

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?

Forest risk commodity	Public commitments made
Palm oil	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

Forum Nachhaltiges Palmöl (FONAP), Action for Sustainable Derivatives (ASD)

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

2018

Forest risk countries/areas that the cutoff date applies to

Applied globally

Reason for selecting cutoff date

Compliance with initiative, please specify

The selected cut-off date is November 2018, which is in line with the Principles & Criteria of the Roundtable on Sustainable Palm Oil (RSPO)

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	Evonik's business objectives are to act as a responsible partner to its customers and society. Resolving forests-related issues is one major part of that, as society, markets, and employees demand for environmental and social compliant supply chains.
Strategy for long-term objectives	Yes, forests-related issues are integrated	5-10	To achieve Evonik's objectives, forests-related issues are integrated into business strategies. These include activities on portfolio transformation and diversification of feedstocks. First products resulting from these are already available on the market. On Procurement side, RSPO certification and membership of joint industry initiatives promoting deforestation free supply chains (Action for Sustainable Derivatives - ASD) contribute further to achieve Evonik's objectives.
Financial planning	Yes, forests-related issues are integrated	5-10	Costs for RSPO certification, landscape projects, supply chain investigations as well as potential financial benefits arising from portfolio transformation are being considered in financial planning.

F6. Implementation

F6.1

(F6.1) Did you have any forests-related timebound and quantifiable targets that were active during the reporting year?

Yes

F6.1a

(F6.1a) Provide details of your forests-related timebound and quantifiable target(s) and progress made.

Target reference number

Target 1

Forest risk commodity

Palm oil

Year target was set

2013

Target coverage

Company-wide

Target category

Third-party certification

Metric

% of volume third-party certified

Traceability point

Third-party certification scheme

RSPO Segregated
RSPO Mass Balance

Base year

2013

Base year figure

0

Target year

2023

Target year figure

100

Reporting year figure

57

% of target achieved relative to base year [auto-calculated]

57

Target status in reporting year

Underway

Is this target linked to a commitment?

Other environmental commitments

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.

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?	Supply chain coverage	Description of traceability system	Exclusions	Description of exclusion
Palm oil	Yes	Volume from direct and indirect suppliers	<p>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 transitions.</p> <p>In 2022, the transparency level for the volumes in scope of the investigation could be significantly increased due to better feedback from supply chain partners:</p> <ul style="list-style-type: none"> - 98,2% traceable up to refineries* vs 96,8% for 2021 - 97,8% traceable up to mills vs 	Specific product line(s)	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 in 2022.

			96,2% for 2021		
			<p>Method for supply chain investigation:</p> <ol style="list-style-type: none"> 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) 		

F6.2a

(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	Countries/areas to which this traceability point applies	% of total production/consumption volume traceable
Palm oil	Mill	Brazil Costa Rica Guatemala Honduras Indonesia Malaysia Papua New Guinea Thailand	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
Palm oil	Yes	57

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

% of total production/consumption volume certified

41

Form of commodity

Palm oil derivatives

Palm kernel oil derivatives

Volume of production/ consumption certified

38.454

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

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.

The share of RSPO-certified volumes was increased following the RSPO action plan of Evonik's business lines.

Forest risk commodity

Palm oil

Third-party certification scheme

RSPO Segregated

Chain-of-custody model used

% of total production/consumption volume certified

16

Form of commodity

- Palm oil derivatives
- Palm kernel oil derivatives

Volume of production/ consumption certified

15.313

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

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.

The share of RSPO-certified volumes was increased following the RSPO action plan of Evonik's business lines.

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	
Palm oil	Yes, we have a system in place for our no conversion and/or deforestation commitments

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

Besides Evonik's target to purchase 100% RSPO-certified palm (kernel) oil derivatives to minimize risk of deforestation, 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 a result of the annual supply chain mapping, ongoing grievances linked to associated mills in Evonik's supply chain are identified by consultancy "transitions". The progress of grievances are monitored by ASD.

In 2022, Evonik has approached respective suppliers to demand for progress reports. Evonik is planning to use external specialized consultants to monitor and verify action plans on identified grievances in the supply chain.

Monitoring and verification approach

Community-based monitoring

% of total volume in compliance

21-30%

% of total suppliers in compliance

Don't know

Response to supplier non-compliance

Suspend & engage

% of non-compliant suppliers engaged

Procedures to address and resolve non-compliance with suppliers

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

Please explain

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.

The Deforestation and Conversion-free (DCF) volumes were calculated by an external party (consultancy "transitions"). The method used is described in the following:

1. Estimate volumes with a physical connection to sources that could be considered deforestation-free (i.e. certification with Chain of Custody).

Baseline: Level 1 mills with 97% representing 99.6% of the procurement basket.

2. Verify whether the sources are actually deforestation-free through knowledge of the origin (mill level), and use of monitoring tools --> "No deforestation post cutoff date observed through satellite monitoring" AND "No connection with grievances related to degradation or conversion of forest"

Identified grievances linked to Evonik's supply chain (Level 1 mills - high probability of physical link to supply chain) are passed for comments and action plans to direct suppliers. Responses are shared with requesting supply chain partners.

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
Palm oil	Yes, from suppliers

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 2022, we evaluated 1,804 new suppliers. That was over 93.2 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
Palm oil	Yes, working with scheme/plasma smallholders	Capacity building	Organizing capacity building events Investing in pilot projects Supporting smallholders to clarify and secure land tenure	300	Evonik supports the " Living Landscape Sabah /Tabin" jurisdictional approach since 2020 together with partners. The program combines conservation & sustainable development by integrating protection of forests, wildlife and rivers, with RSPO certified production of oil palm, restoration of ecological corridors, and riparian reserves.

					<p>Objectives:</p> <p>1. PROTECT: Landscape Planning & Policy By 2026, an integrated land-use plan for the Tabin landscape supports protection of forests and certification of RSPO/NDPE palm oil at landscape level. By 2026, an effective policy framework at jurisdictional level supports the sustainable landscape approach across Sabah's landscapes.</p> <p>2. PRODUCE: Sustainable Palm Oil By 2026, oil palm growers covering 15,000 ha in Tabin are RSPO certified (and NDPE compliant) through landscape approaches.</p> <p>3. PROTECT: Wildlife Protection By 2026, populations of rare, threatened and endangered terrestrial mammals are stabilized in Tabin Wildlife Reserve.</p> <p>4. PROTECT: Human-Elephant Conflict By 2026, human-elephant conflicts in Tabin and its surrounding areas are substantially reduced, preventing retaliatory killings.</p> <p>5. RESTORE: Ecological Corridors By 2026, at least one ecological corridor is established and restored, allowing for wildlife migration and habitat connectivity.</p> <p>6. Landscape Assessments</p>
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				<p>and Methodologies</p> <p>By 2026, the cooperation has contributed to develop landscape assessments and methodologies supporting sustainable development in the Sabah-Tabin landscape and deforestation-free supply chains.</p> <p>Together with partners, Evonik has been supporting an additional landscape project in West Kalimantan, Indonesia, since 2022.</p> <p>Objectives:</p> <ol style="list-style-type: none"> 1. By June 2026, farmer association AMB has <300 members which are supported to legalize their palm oil production & apply sustainable farming practices. <200 AMB members with a total plantation area of <300 ha are RSPO-certified (Milestone B). 2. By June 2026, AMB's internal structures are set up and running according to RSPO P&C (Milestone B). 3. By June 2024, a business unit is established and operating. 4. By June 2024, at least one direct market link has been established between AMB and a mill. 5. By June 2026, project results, lessons learned and recommendations are disseminated to relevant stakeholders using communication tools such
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					as popular reports, videos, social media posts.
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F6.8

(F6.8) Indicate if you are working with your direct suppliers to drive action on forests-related issues and if so, provide details of the engagement.

Forest risk commodity

Palm oil

Are you working with direct suppliers?

No, not working with direct suppliers

Action(s) on forests-related issues driven by engagement

Type of engagement

Details of engagement

Description of engagement

Besides engaging smallholders to drive action on forests-related issues directly, Evonik's lead buyers are in constant contact with suppliers. Awareness, participation and achievements are part of supplier scores and decisive for procurement decisions. On top of that, the Together for Sustainability (TfS) Academy also offers trainings on sustainability-related supply chain requirements.

% of suppliers engaged by procurement spend covered by engagement

Explain the impact of your engagement on the selected action

Is this engagement helping your suppliers engage with their suppliers on the selected action?

Does this engagement contribute to achieving a reported target?

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?	
Row 1	Yes, we engage in landscape/ jurisdictional approaches

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	Explain your process for prioritizing landscapes/jurisdictions for engagement
Row 1	Commodity sourcing footprint Opportunity to increase market access for smallholders and local communities Opportunity to protect and restore natural ecosystems Risk of deforestation, forests/land degradation, or conversion of other natural ecosystems Risk of biodiversity loss Supply of commodities strategically important	As there are a multitude of potential regions for landscape projects, Evonik was prioritizing projects that <ol style="list-style-type: none"> are located in identified main sourcing areas close to primary forests prioritize reforestation and smallholder engagement enhance RSPO compliance of plantations consider wildlife and biodiversity as important objectives

F6.10b

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

Landscape/Jurisdiction ID

LJ1

Country/Area

Malaysia

Name of landscape or jurisdiction area

Tabin, Sabah

Types of partners engaged in the initiative design and implementation

International civil society organization(s)

International company(ies)

Type of engagement

Funder: Provides full or partial financial support

Goals supported by engagement

Avoided deforestation/conversion of natural ecosystems and/or decreased degradation rate

Increased and/or maintained protected areas

Natural ecosystems conserved and/or restored

Biodiversity protected and/or restored

Promotion of transparency, participation, inclusion, and coordination in landscape policy, planning, and management

Governance forums that represent all relevant stakeholders in place and maintained

Improved capacity for community engagement in multi-stakeholder processes

Company actions supporting approach

Co-design and develop goals, strategies and an action plan with timebound targets and milestones for the initiative

Description of engagement

Besides funding the Landscape Program, Evonik has helped to define the objectives as well as regularly monitors target achievement and potentially adjust action plans together with its partners.

Engagement start year

2020

Engagement end year

Please specify

2026

Estimated investment over the project period (currency)

Is a collective monitoring framework used to measure progress?

Yes, progress is monitored using an internally defined framework

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

Progress is continuously monitored and semi-annual project reports are drafted to inform about progress towards achieving the set objectives.

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 be reported in the future.

Landscape/Jurisdiction ID

LJ2

Country/Area

Indonesia

Name of landscape or jurisdiction area

Kapuas Hulu, West Kalimantan

Types of partners engaged in the initiative design and implementation

International civil society organization(s)

Local producers/smallholder

International company(ies)

Other, please specify

Local stakeholders (government, administration)

Type of engagement

Funder: Provides full or partial financial support

Goals supported by engagement

Rights to land and resources recognized and protected, and related conflicts reduced

Increased uptake of certification

Company actions supporting approach

Co-design and develop goals, strategies and an action plan with timebound targets and milestones for the initiative

Description of engagement

Besides funding the project, Evonik has helped to define the objectives as well as regularly monitors target achievement and potentially adjust action plans together with its partners.

Engagement start year

2022

Engagement end year

Please specify

2026

Estimated investment over the project period (currency)

Is a collective monitoring framework used to measure progress?

Yes, progress is monitored using an internally defined framework

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

Progress is continuously monitored and semi-annual project reports are drafted to inform about progress towards achieving the set objectives.

Evonik has only entered the already existing project in 2022. Therefore, achievements in line with Evonik 's funding are in progress and will be reported in the future.

F6.10c

(F6.10c) For each of your disclosed commodities, provide details of the production/consumption volumes from each of the jurisdictions/landscapes you engage in.

Indicate landscape/jurisdiction ID	Does any of your commodity production/consumption volume originate from this landscape/jurisdiction, and are you able/willing to disclose information on this volume?	Commodity	% of total production/consumption volume from this landscape/jurisdiction
LJ1	Yes, we do produce/consume from this landscape/jurisdiction, but we are not able/willing to disclose volume data		
LJ2	Yes, we do produce/consume from this landscape/jurisdiction, but we are not able/willing to disclose volume data		

F6.11

(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

Not applicable

Initiatives

UN Global Compact

Roundtable on Sustainable Palm Oil (RSPO)

Forum for Sustainable Palm Oil (FONAP)

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. In 2022, Evonik has become an member of FONAP.

F6.12

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

Yes

F6.12a

(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

Expected benefits of project

Compliance with certification
Improvement of standard of living, especially for vulnerable and/or marginalized groups
Improvement to sustainability of production practices
Reduce/halt biodiversity loss
Restoration of natural ecosystem(s)

Is this project originating any carbon credits?

No

Description of project

Evonik supports the " Living Landscape Sabah /Tabin" jurisdictional approach since 2020 together with partners. The 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. One of the objectives is reforestation:

5. RESTORE: Ecological Corridors

By 2026, at least one ecological corridor is established and restored, allowing for wildlife migration and habitat connectivity.

Where is the project taking place in relation to your value chain?

Project based in sourcing area(s)

Start year

2020

Target year

2026

Project area to date (Hectares)

0

Project area in the target year (Hectares)

100

Country/Area

Malaysia

Latitude

5,25

Longitude

118,666667

Monitoring frequency

Six-monthly or more frequently

Total investment over the project period (currency)

For which of your expected benefits are you monitoring progress?

Improvement to sustainability of production practice

Reduce/halt biodiversity loss

Restoration of natural ecosystem(s)

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 be reported in the future.

Project reference

Project 1

Project type

Threatened and protected species

Expected benefits of project

Compliance with certification

Improvement of standard of living, especially for vulnerable and/or marginalized groups

Improvement to sustainability of production practices

Reduce/halt biodiversity loss

Restoration of natural ecosystem(s)

Is this project originating any carbon credits?

No

Description of project

Evonik supports the " Living Landscape Sabah /Tabin" jurisdictional approach since 2020 together with partners. The 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. Two of the objectives are to support threatened and protected species:

3. PROTECT: Wildlife Protection

By 2026, populations of rare, threatened and endangered terrestrial mammals are stabilized in Tabin Wildlife Reserve.

4. PROTECT: Human-Elephant Conflict

By 2026, human-elephant conflicts in Tabin and its surrounding areas are substantially reduced, preventing retaliatory killings.

Where is the project taking place in relation to your value chain?

Project based in sourcing area(s)

Start year

2020

Target year

2026

Project area to date (Hectares)

Project area in the target year (Hectares)

Country/Area

Malaysia

Latitude

5,25

Longitude

118,666667

Monitoring frequency

Six-monthly or more frequently

Total investment over the project period (currency)

For which of your expected benefits are you monitoring progress?

Improvement to sustainability of production practice

Reduce/halt biodiversity loss

Restoration of natural ecosystem(s)

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 be reported in the future.

F7. Verification

F7.1

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

Yes

F7.1a

(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

F1.5c: %of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin

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.

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.

F8. Barriers and challenges

F8.1

(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.

F8.2

(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	Chief human resource officer	Director on board

SF. Supply chain module

SF0.1

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

	Annual revenue
Row 1	18.488.000.000

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

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

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

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

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

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

Requesting member

Symrise AG

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

Requesting member

The Dow Chemical Company

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

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

2.018

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

Please confirm below

I have read and accept the applicable Terms