



**Evonik Green Bond
Allocation Report 2025**

March 2026

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Introduction

Evonik is an innovation-driven, globally active company whose solutions aim to improve everyday life and support the sustainable transformation of industry. Guided by the purpose “Leading beyond chemistry to improve life, today and tomorrow” and driven by the mission “We Go Beyond to Enable Transformation”, Evonik creates value by combining scientific expertise, technological capabilities, and deep customer proximity.

Since 2022, sustainability has been firmly embedded in core corporate processes such as portfolio steering, innovation, production & technology, and human resources. Building on this foundation, Evonik is accelerating its strategic development: strengthening innovative product portfolios, enhancing technological excellence across global manufacturing assets, and expanding its presence in all major regions. This integrated approach supports resilient operations and enables customers to advance their own transformation.

A central driver of this strategic direction is the expansion of “**Next Generation Solutions**” and “**Next Generation Technologies**”. “**Next Generation Solutions**” bring products to market that combine performance with measurable sustainability benefits, helping customers reduce emissions and increase circularity. “**Next Generation Technologies**” modernize the company’s production landscape, improve efficiency, and accelerate the reduction of CO₂ emissions across operations. Together, they are key to the contribution of Evonik to a more sustainable industrial ecosystem.











Green Finance Instruments play an important role in advancing this transformation. They allow investors to directly finance Eligible Green Projects defined in the Green Finance Framework of Evonik, which was established in 2021, updated in 2023, and aligned with the ICMA Green Bond Principles and the LMA Green Loan Principles. A Second Party Opinion by ISS Corporate Solutions verified the Framework. The Green Finance Framework and the Second Party Opinion are available on our [website](#).





Evonik has built a strong track record in green financing. The €500 million green hybrid bond issued 2021 and the €750 million green senior bond issued 2022 have both been fully allocated, with the allocation verified in reports published in 2022 and 2023. In 2025, the company continued this trajectory by issuing a €500 million green senior bond in January (ISIN: DE000A4DFCB7) and a €500 million green hybrid bond in September (ISIN: DE000A4DFWV3). These two instruments form the subject of this Allocation Report 2025, which outlines the use of proceeds and demonstrates how the financed projects contribute to the ongoing transformation and long-term sustainability ambitions of Evonik.

Use of Proceeds according to the Green Finance Framework of Evonik

An amount equivalent to the net proceeds from Evonik's Green Finance Instruments will be used to finance or refinance, in whole or in part, existing and/or future Eligible Green Projects that meet the Eligibility Criteria as defined below and are financed by Evonik through operating and/or capital expenditure (collectively referred to as 'Expenditure'). In the case of refinancing existing Eligible Green Projects, expenditures which have been made within the 3-year period preceding the year of issuance of a Green Finance Instrument shall be considered for inclusion as Eligible Green Projects.

Eligible Green Projects

GBP/GLP Category	Eligibility Criteria	UN SDG	EU Environmental Objective
(a) Eco-efficient products acting as low carbon transition enablers and sustainability enablers in various industries	<p>Capital expenditure related to the manufacturing of "Next Generation Solutions"</p> <p>Only the highest level of sustainable products (solutions referred to as "Next Generation Solutions") is eligible. These products have a substantial sustainability contribution in the value chain and include "Leader" (A++) and "Driver" (A+) products and solutions, based on the WBCSD sector standard approach for Portfolio Sustainability Assessments.</p> <p>More details of Evonik's Sustainability Analysis based on this approach can be found in section 2.2 of the Green Finance Framework.</p> <p>Expenditure related to research, development and innovation (RD&I) specifically aimed at further developing and enhancing the sustainability impact of "Next Generation Solutions"</p>	         	<ul style="list-style-type: none"> • Climate Change Mitigation • Climate Change Adaptation • Sustainable Use and Protection of Water and Marine Resources • Transition to the Circular Economy • Pollution Prevention and Control • Protection and Restoration of Biodiversity and Ecosystems

(b) Energy Efficiency	Capital expenditure related to “ Next Generation Technologies ”.		• Climate Change Mitigation
	These investments focus on ongoing development of production processes and infrastructure to reduce GHG emissions including heat integration, energy saving measures and electrification.		
	Furthermore, expenditure related to additional measures to increase energy efficiency in Evonik’s production processes including among others energy monitoring systems, lighting upgrades, smart devices to optimize energy consumption, switching to more energy-efficient units (ventilation, compressors, engines etc.), thermal energy storage systems, building refurbishment and any other sustainability-oriented construction materials		
(c) Renewable Energy	Expenditure related to sourcing of renewable energy , i. e. through long-term Power Purchase Agreements, guarantees of origin for green electricity and biomethane certificates ¹		• Climate Change Mitigation
			

¹ Only bundled guarantees or certificates

Handprint: Sustainability analysis of our business and “Next Generation Solutions”

To define “**Next Generation Solutions**”, Evonik applies the Portfolio Sustainability Assessment (PSA), a method assured by an external auditor and based on the World Business Council for Sustainable Development (WBCSD) framework for portfolio sustainability assessments². Evonik contributed to the development of this framework from the outset. The objective is to proactively steer the product portfolio toward improved sustainability performance and to identify strengths and weaknesses across the businesses. The sustainability analysis is a core element of the corporate sustainability strategy and informs the assessment of businesses and innovations.

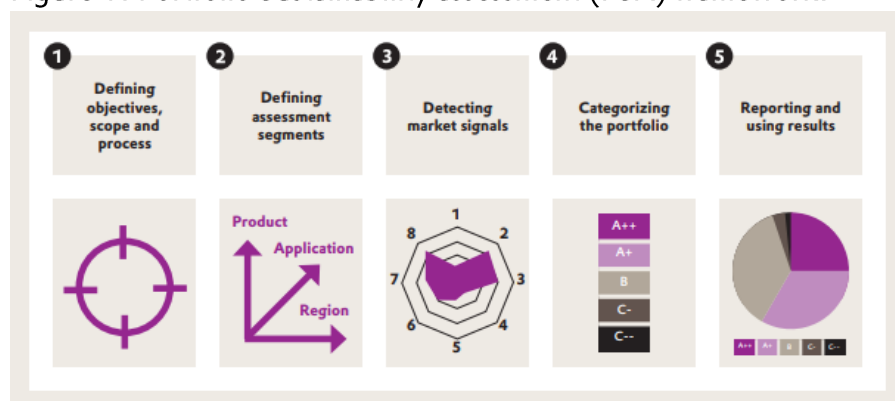
The unit of assessment is a product-application-region-combination (PARC). PARCs group combinations of products, applications, and regions for which sustainability performance — including favorable and unfavorable sustainability signals — is similar.

These signals cover material ecological or social aspects along the entire value chain, from raw materials and production to use phase and end of life

The PSA methodology describes the signal categories (SCs) of specific relevance for the chemical industry:

1. Chemical hazard and exposure across the life cycle (SC 1)
2. Global regulatory trends (SC 2)
3. Sustainability ambitions along the value chain (SC 3)
4. Authoritative ecolabels (SC 4)
5. Sustainability performance compared with alternative solutions (SC 5)

Figure 1: Portfolio Sustainability assessment (PSA) framework:



² World Business Council for Sustainable Development: Portfolio Sustainability Assessment
<https://www.wbcsd.org/Projects/Chemicals/Resources/Framework-for-portfolio-sustainability-assessments>

Evonik evaluates these five categories to determine the sustainability performance of all PARCs within its portfolio. Each PARC is then assigned to one of five performance categories: A++ (Leader), A+ (Driver), B (Performer), C- (Transitioner) or C-- (Challenged). Equal weight is given to all material signals; negative signals are not offset by positive signals.

A++ (Leader):

A++ indicates PARCs that take the lead in meeting the standards for sustainable business defined by the stakeholders of Evonik and its impact. PARCs in the A++ category fully meet the requirements. They do not show any material negative signals. Moreover, material strong positive signals have been identified in one or more signal categories.

A+ (Driver):

A+ indicates PARCs that are at an advanced stage of meeting the standards for sustainable business defined by the stakeholders of Evonik and its impact. PARCs in the A+ category meet almost all the requirements. They do not show any material negative signals. Unlike those in the A++ category, however, only material weak positive signals were identified for one or more signal categories.

The combined categories Leader (A++) and Driver (A+) represent the “**Next Generation Solutions**”, which constitute the part of the portfolio with superior sustainability performance. Evonik aims to increase the share of these solutions to more than 50 percent of sales by 2030.

Footprint: “Next Generation Technologies”

Evonik is committed to mitigating climate change and reducing its environmental impact across the value chain. Therefore Evonik aims to reduce scope 1 and 2 greenhouse gas emissions by 25 percent between 2021 and 2030 and to reduce scope 3 emissions in all upstream categories and in downstream transportation and distribution by 11 percent over the same period.³ These reduction targets were validated by the Science Based Targets initiative (SBTi)⁴ and correspond to the “well below 2 °C” ambition level, thereby supporting the Paris Agreement on Climate Change. In line with these commitments, Evonik is pursuing climate neutrality by 2050.

To achieve scope 1 and 2 emission targets, Evonik applies a comprehensive set of measures. These include the exit from coal-fired power generation at the Marl site. In addition, Evonik develops production processes and infrastructure globally as a strategic lever to reduce the footprint of operations and strengthen the competitiveness and resilience of the production network (“**Next Generation Technologies**”), and is also progressively switching to renewable energy.

As a basis for prioritizing emission-reduction measures, Evonik conducted the Evonik Assessment for Greenhouse Gas Emission Reduction (EAGER) project in 2022. A cross-functional team identified potential to reduce scope 1 and 2 emissions at the 20 largest sites by around one million metric tons of CO₂e, aligned with the “well below 2 °C” pathway. These sites account for approximately 80 percent of total operational emissions.⁵ Between 2022 and 2030, Evonik plans to invest around €700 million in Next Generation Technologies to modernize production processes and infrastructure and achieve sustained reductions in greenhouse gas emissions. These investments include energy-efficiency improvements, heat-recovery and heat-integration concepts, process redesign and electrification, as well as site-specific transformations identified through EAGER. Technologies of this category provide an essential contribution to achieving the company’s decarbonization targets and form a key pillar of the climate-transition strategy.

³ Exact target 11.07%.

⁴ SBTi is a partnership of CDP, the United Nations Global Compact, the World Resources Institute, and the World Wide Fund for Nature. It defines and encourages best practices for science-based target-setting and independently evaluates targets set by companies from this perspective. It has now become an internationally accepted standard.

⁵ Based on greenhouse gas emissions from our sites in 2020

Amount of Proceeds allocated to Eligible Green Projects

Eligible Projects	Eligible Amount (in € m)		Eligible expenditures	New Green Finance Instruments	Amount (in € m)
	2024	2025			
Eco-efficient products acting as low carbon transition enablers and sustainability enablers in various industries	180	186	366	ISIN: DE000A4DFCB7 ISIN: DE000A4DFWV3	500 500
Energy Efficiency	99	56	155		
Renewable Energy	-	-	-		
Total Eligible Projects			521	Total Green Funding	1,000

A total of €500 million in Eligible Projects from 2024 and 2025 was used to fully allocate the €500 million green senior bond issued in January 2025 (ISIN: DE000A4DFCB7):

- €345 million originated from projects related to Eco-efficient products, consisting of Capex for “**Next Generation Solutions**”
- €155 million from projects related to Energy Efficiency, consisting of Capex for “**Next Generation Technologies**”

The remaining €21 million in Capex for “**Next Generation Solutions**” from 2025 was allocated to the green hybrid bond issued in September 2025 (ISIN: DE000A4DFWV3).

Capex for Next Generation Solutions – €366 million

Investments in “**Next Generation Solutions**” enable low-carbon transformation across industries through advanced materials, membrane technologies, and biotechnology. The following projects illustrate how these solutions contribute to climate mitigation and sustainability at scale:

Expansion of SEPURAN® membrane production in Lenzing/Schörfling (Austria)

The expansion of SEPURAN® membrane production in the Austrian sites Schörfling and Lenzing increases capacity for advanced gas separation technologies. SEPURAN® membranes enable highly selective separation of hydrogen, nitrogen, methane, and CO₂, supporting key decarbonization pathways. Applications include biogas upgrading to biomethane, hydrogen

extraction from natural gas grids, and energy-efficient nitrogen generation. The new production line improves productivity and technological precision, enabling broader integration of membrane solutions in global energy markets. This investment strengthens supply security and supports scaling of membrane-based technologies in the energy transition.

Fumed metal oxides for lithium-ion batteries in Yokkaichi (Japan)

Evonik has opened a modern production facility for fumed aluminum oxide in Yokkaichi. AEROXIDE® fumed alumina and titania are used as dry coatings on cathode materials to create a stable cathode electrolyte interface (CEI). This interface minimizes side reactions between the electrolyte and cathode surface, significantly enhancing battery stability. As a result, lithium-ion batteries demonstrate an extended cycle life of around 50%, helping reduce material consumption over the battery's lifetime. The materials also improve safety by lowering gas formation and enabling better thermal control under high-load operation. Investments focused on scale-up, purity improvements, and process optimization to meet rising demand from electric mobility and stationary storage markets.

Industrial-scale rhamnolipids plant in Ľupča (Slovakia)

The new plant in Slovakia is the first worldwide to produce rhamnolipid biosurfactants at full industrial scale. These biosurfactants are produced via a fermentation process using renewable corn feedstocks instead of fossil-based or tropical oils. They are fully biodegradable, non-toxic, and notable for their excellent performance in cleaning and personal care formulations. The investment supports a growing shift toward bio-based specialty chemicals with significantly lower environmental footprints.

Capex for Next Generation Technologies – €155 million

Investments in “**Next Generation Technologies**” support decarbonization of our own operations by improving energy efficiency, reducing fossil fuel consumption, and transitioning to low-carbon heat and steam sources.

CO₂-neutral alcoholates production in Singapore

The new plant operates with near-zero Scope 2 emissions through optimized heat integration and green electricity. Advanced process control and recycling steps reduce energy intensity and improve overall efficiency.

“Ecluse” low-carbon steam project in Antwerp (Belgium)

Beginning in 2027, the site will receive steam from a neighboring waste-to-energy plant, roughly half powered by biomass. This replaces natural-gas-based steam generation and significantly lowers Scope 1 emissions.

The auditing firm KPMG has conducted an external verification of the allocation report according to ISAE 3000 ("limited assurance") and confirmed the allocation of an amount equivalent to the net proceeds to Eligible Green projects (please click on the [Link](#) to get the certificate).

This report constitutes the first and final allocation report for the 2025 green senior bond and the first allocation report for the 2025 green hybrid bond.

Disclaimer

In so far as forecasts or expectations are expressed in this report or where our statements concern the future, these forecasts, expectations or statements may involve known or unknown risks and uncertainties. Actual results or developments may vary, depending on changes in the operating environment. Neither Evonik Industries AG nor its group companies assume an obligation to update the forecasts, expectations or statements contained in this report.















**Evonik Green Bond
Impact Report 2025**

March 2026

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Sustainability impacts of “Next Generation Solutions” and “Next Generation Technologies”

GBP/GLP Category	UN SDG	Sustainability impact metric	Impact result
Eco-efficient products acting as low carbon transition enablers and sustainability enablers in various industries		Sales of all “ Next Generation Solutions ” in 2025:	<ul style="list-style-type: none"> Amount ~€ 6.2 billion Percentage of total sales¹ 48%
			
			
			
			
			
			
			
			
			
Energy Efficiency		Scope 1 and Scope 2 CO ₂ e emissions to be annually avoided through investments into “ Next Generation Technologies ” currently being implemented	450,000 metric tons CO₂e p.a.
			

¹ The sustainability analysis covers all external sales of our chemical businesses. Consequently, they are spread across the segments Customs Solutions, Advanced Technologies and the business line Oxeno.

Handprint of selected “Next Generation Solutions” of Evonik

We define handprint as positive sustainability impacts that Evonik products enable along the value chain compared with other established products and applications on the market. Often this positive contribution occurs downstream of Evonik’s production processes (i.e. in customer’s production processes or during consumer use). These products make a relevant contribution to a direct (measurable) improvement regarding one or more environmental indicators and in some cases also social indicators.

In 2025 we generated 48% of our sales by products and solutions that come with superior sustainability benefits above or well above market reference, the “**Next Generation Solutions**”. Our goal is to grow the “**Next Generation Solutions**” sales share beyond 50% by 2030. On the one hand, this is to be achieved through the further development of existing “**Next Generation Solutions**”. On the other hand, we are focusing research and development on generating additional sales with new “**Next Generation Solutions**”. At the same time, we intend to reduce the sales share of products classified as “transitioner” or “challenged” through targeted reformulation or withdrawal from the relevant businesses. Our target is to keep the proportion of sales from “challenged” products permanently <5 percent.

Evonik offers a variety of products enabling greenhouse gas emission reductions over the life cycle of their application compared to using conventional alternatives.

Assessments of avoided greenhouse gas emissions of products and their applications follow the chemical sector guidance “Avoiding Greenhouse Gas Emissions” published by the WBCSD and the International Council of Chemical Associations (ICCA) and incorporates the sector-agnostic “Guidance on Avoided Emissions” published by the WBCSD in 2025. Our approach is described in the Handprint Evaluation Methodology for Evonik products². The internal Evonik life cycle management team works in close cooperation with experts from the responsible business lines and performs life cycle assessments (LCAs) in accordance with the requirements of DIN ISO 14040 ff. Greenhouse gas emission savings are calculated on the basis of the life cycle emissions of applications of selected Evonik products compared to conventional alternatives. Both the emission-saving product and the reference solution must deliver the same function to the user and be used for the same application.

Additionally, the reference solution must be available on the market, interchangeable for the typical customer in the selected market, and as similar as possible to the emission-saving product in terms of data quality, methodology, and assumptions. The simplified calculation methodology as mentioned in the internal method on handprint evaluation is applied, so that identical steps and corresponding emissions over the life cycle for the reference and Evonik solution are excluded from assessments. This approach has no impact on the final amount of calculated greenhouse gas emission reductions.

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<https://www.evonik.com/content/dam/evonik/documents/Handprint%20methodology%20Avoided%20Emissions%202025.pdf.coredownload.pdf>

For 2025 we have focused our avoided emissions' calculation to seven "**Next Generation Solutions**".

The avoided emissions reported here result from applying the following seven Evonik solutions, to which, among others, proceeds of the 2025 green senior and 2025 green hybrid bond issuance have been allocated as Capex:

- Green tire technology
- POLYVEST® in green tire tread compounds
- Hydrogen peroxide to propylene oxide (HPPO) process
- Fumed metal oxides in Lithium-ion batteries
- Amino acids in animal feed
- Improved hydraulic fluids for construction machinery and for stationary equipment
- ROHACELL® for lightweight materials in airplane

Within the sustainability analysis, it has been checked that the selected PARCs are rated as "**Next Generation Solutions**" so that these products do not reveal any negative signals. In 2025, the use of the seven selected Evonik Next Generation Solutions results in the avoidance of 44.3 million metric tons CO₂e.

Each "**Next Generation Solution**" provides a measurable improvement over the life cycle and the associated Evonik products have either a fundamental, extensive, or at least a substantial contribution to reducing greenhouse gas emissions compared to conventional alternatives³.

For further detailed information about the selected eleven "**Next Generation Solutions**" for the year 2025 please refer to our brochure "Compilation of information on our Handprint" on our [website](#).

³ The significance contribution of chemical products to value chain avoided emissions is described in the WBCSD "Avoided Emissions" Guideline. World Business Council for Sustainable Development (WBCSD) und International Council of Chemical Associations (ICCA), 14 Avoiding Greenhouse Gas Emissions – Guidelines: Accounting for and Reporting Greenhouse Gas (GHG) Emissions Avoided along the 14 Value Chain based on Comparative Studies, Version 2, December 2017.

Selected examples of “Next Generation Technologies”

In 2023, SBTi validated our targets for reducing direct and indirect greenhouse gas emissions in our production and processing. Selective investment in “**Next Generation Technologies**” will help reduce our scope 1 and 2 emissions by 25 percent between 2021 and 2030. The first measures to achieve this were developed by our global project “Evonik Assessment of GHG Emissions Reduction” (EAGER) and are currently being implemented. Evonik invested around €99 and €56 million in EAGER projects in 2024 and 2025 respectively. In the next years our aim is to reduce scope 1 and 2 CO₂ emissions by 450,000 metric tons CO₂e p.a. compared to 2021.

A new facility for the carbon-neutral production of alkoxides was completed in Singapore in August 2025. The project involves a mid double-digit million-euro investment and provides an additional production asset for the alkoxides portfolio in the Asia-Pacific region. The plant is fully electrified and equipped with Mechanical Vapor Recompression technology, which enables the reuse of process heat within the production cycle. This design reduces the need for external heating and cooling energy and supports the elimination of scope 1 and 2 emissions at the site. Alkoxides produced at the facility are used in biodiesel production and in synthesis processes in the pharmaceutical and agricultural industries. They are also suitable for applications in the chemical recycling of PET, which may expand their relevance in circular-economy contexts. The facility represents an additional option within the global production network to meet regional demand and support future development in relevant application fields.

Beginning in 2027, the Evonik site in Antwerp will receive steam from the neighboring waste-to-energy plant as part of the *Ecluse* project, which is operated with roughly 50 percent biomass. This steam supply will replace the current natural-gas-based steam generation and will significantly reduce scope 2 emissions. The waste-to-energy facilities generate steam by using the heat from flue gases during waste incineration, and this steam has been supplied to several industrial companies in the port of Antwerp since 2019. With the expansion of the network across the Scheldt, Evonik will become connected to the existing infrastructure, enabling a substantial share of the site’s steam demand to be covered in a low-carbon way. The steam is delivered directly usable for energy-intensive chemical processes. By joining the *Ecluse* network, Evonik can significantly reduce natural gas consumption at the Antwerp site.

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