

Evonik Circular Economy and Resource Use Policy

Promoting Circular Economy; improving waste management

Circular Economy is a systems approach involving industrial processes and economic activities along the whole value chain that are restorative or regenerative by design, aiming for a climate-neutral and resource-efficient economy by maintaining the value of products, materials, and resources as long as possible.

The sustainable use of resources, including systematic waste management and the Circular Economy are becoming increasingly important for Evonik in view of planetary boundaries and diversification of feedstocks. The Circular Economy offers a way to decouple production from fossil and other finite resource consumption while making business future-proof by various methods to keep resources as long as possible in the loop. Circular Economy contributes to secure raw material supply and independence from use of fossil and mineral resources.

As a specialty chemical company, Evonik is an integral part of various value chains with deep knowledge about processes, technologies, opportunities, and risks of upstream and downstream players.

Strategy

Evonik divides Circular Economy and resource use activities into upstream, its own processes (gate-to-gate) as well as downstream activities for its customers.

Upstream:

- procurement of circular raw materials: bio-based, recycled (bio-based and non-bio-based) or CO₂-based materials:
 - to increase the use of circular raw materials to reduce the use of fossil and other finite resources.
 - to reduce our own footprint and, especially, to reduce scope 3 emissions along the value chain by examining technical, economic, ecological, and social aspects, and by applying new business models.

Gate-to-gate

- globally monitor and report waste generation in our operations.
- continuous optimization of production processes to increase resource efficiency and to avoid as well as to minimize waste.

- leverage the benefits of integrated production sites and systems for systematic waste management in line with the waste hierarchy.
- reduce, reuse, and recycle of the packaging used for our products.

Downstream

- continue to develop our technologies and products for a Circular Economy, including: design for circularity, improved performance over product lifetime, and end-of life solutions.
- enable Circular Economy by providing solutions e.g. for mechanical and chemical recycling technologies to improve efficiency and increase the recycle quality.
- ensure that stakeholder ambitions and emerging regulations regarding Circular Economy are considered in our business strategy.
- develop innovative business models which address the requirements and lift the potential of the Circular Economy.

Engaging in Projects and initiatives

Throughout our value chains, we are actively engaged in developing innovative solutions enabling the Circular Economy. These efforts entail collaborative initiatives with key suppliers and customers including providers of new technologies and waste managers. By working together, we strive to identify and implement sustainable practices, technologies, and processes that effectively mitigate our environmental impact. We have:

- **Targets in place:** Evonik defines regularly quantitative targets to live up to its ambition to support Circular Economy. Additionally, Evonik improves waste management within its operations. Through those Evonik commits to be externally benchmarked on its progress.
- **Collaboration and Partnerships:** Evonik actively collaborates with customers, stakeholders, including governments, non-profit organizations, our supply chain, and other industry players, to address challenges and opportunities. Through partnerships, Evonik shares best practices, knowledge, and resources to foster a Circular Economy on a broader scale. This collaborative approach helps drive positive change in the industry and beyond.
- **Continuous education:** Evonik believes in raising awareness about the importance of appropriate waste management and Circular Economy engagement. The company strives to help its employees, customers, and communities with responsible resource usage, waste management and Circular Economy practices. By promoting awareness and providing

training, Evonik aims to empower individuals and organizations to make informed decisions regarding sustainable use of resources and Circular Economy advancement.

- Evaluation practices: Evonik performs regular evaluations of its suppliers on their sustainability performance and targets. Additionally, we strive to outline our expectations and disseminate best practices to suppliers, including the request for circular raw material options.

SPOTLIGHT ON – Main transformation levers

- Circular Economy is anchored as a principle in the business across all Divisions, relevant functions, operations, and processes of Evonik. This company-wide collaboration reflects how Circular Economy impacts almost all aspects of Evonik and how we as a specialty chemical company develop and provide solutions for circular value networks.
- Evonik prioritizes the development of Next Generation Solutions. These products do provide a sustainability performance above market reference. Different players along the value chain employ the solutions of Evonik to adapt their product and service portfolios and contribute to the circular transition and sustainability goals.
- As part of our purpose of “Leading Beyond Chemistry” we strive to become the world’s best specialty chemicals company. We are committed to enable a Circular Economy and sustainable use of raw materials for the well-being of employees, communities, consumers, and the environment. By doing so, we also support our suppliers, customers, and partners globally on their journey towards a net-zero emission and circular future.

Based on those Evonik basic principles, our products and innovations strive to support the achievement of the U.N. Sustainable Development Goals (SDGs). As our vision for tomorrow, in the Circular Economy scenario, our sustainable actions are contributing to several goals of the SDGs, in particular No. 12: “Sustainable consumption and production”.