

# Care Solutions

## The Preferred Sustainability Specialties Partner

Exane 13<sup>th</sup> Consumer Ingredients Conference

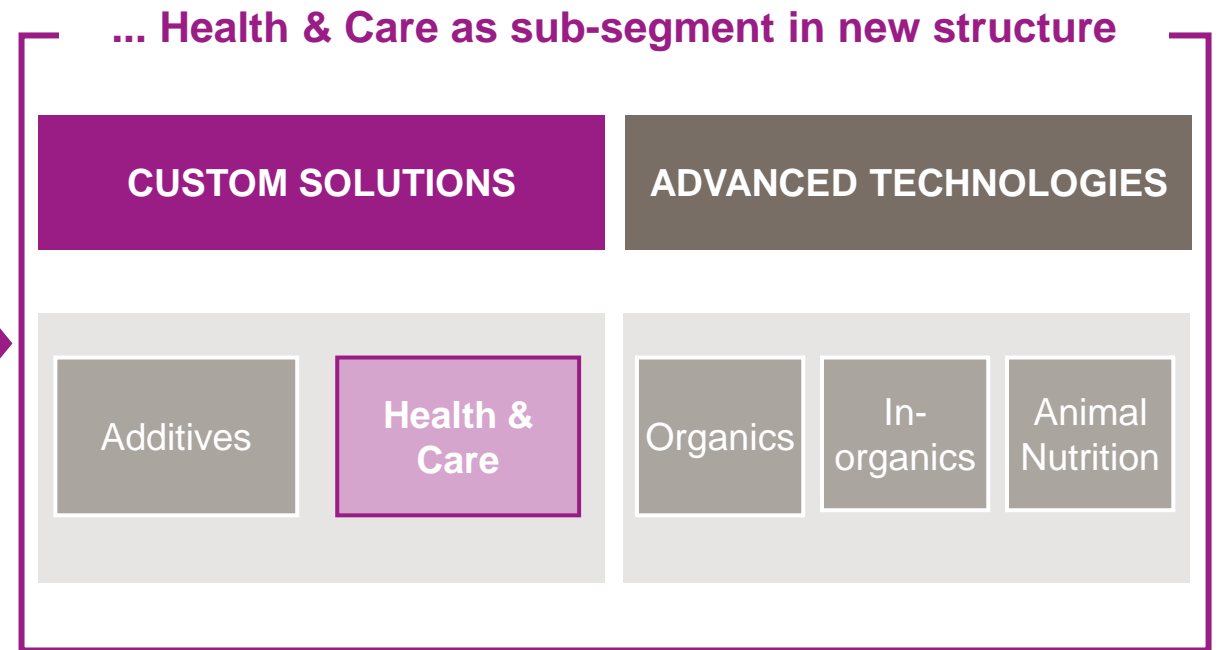
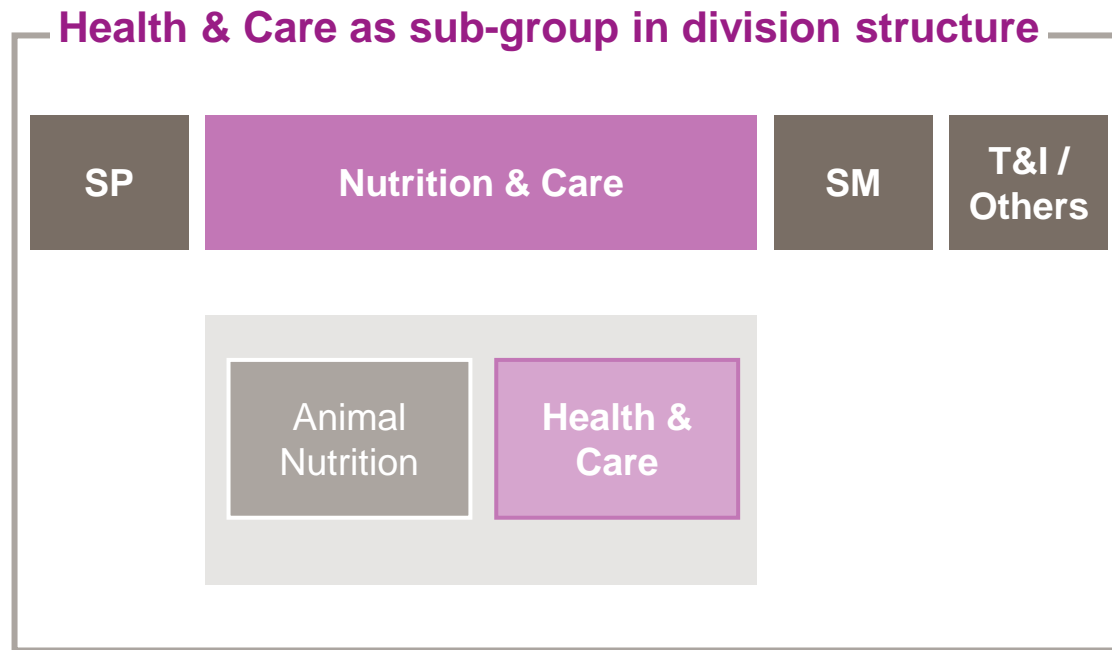
London | March 12, 2024

Ute Schick, SVP Care Solutions  
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# Health & Care – better together

Health Care & Care Solutions with strong synergies and focus on system solutions



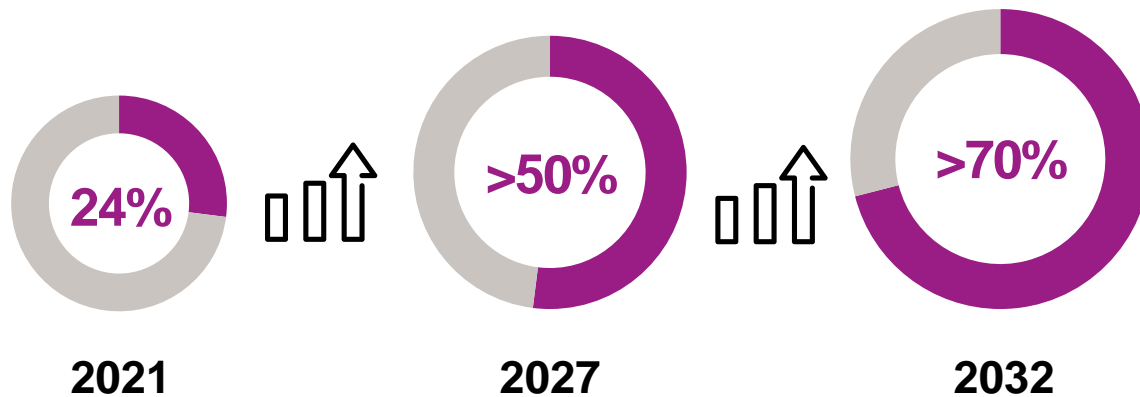
# Customer-centric System Solutions

Leading beyond chemistry with a knowledge-based business model

## System Solutions

Multi-component system combining the creation of products with formulation, application, digital services, ideally fully tailored to holistically address a client need.

## Sales share ambition on System Solutions



## Examples



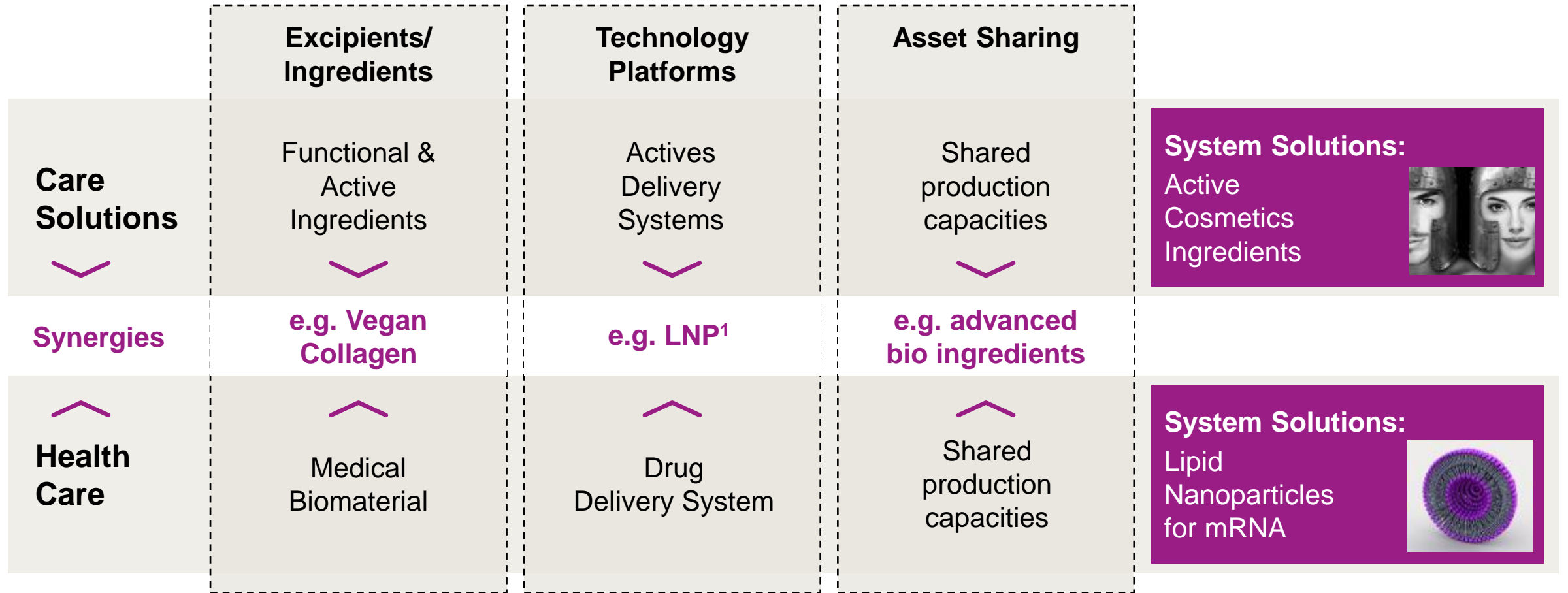
**Vegan collagen (REC Recombinant Collagen)** can be modified into different forms and adapted according to customer needs



**Integrated** production of lipids, formulation and process development of **lipid nanoparticles for gene therapies**

# Strong synergies between Health Care and Care Solutions

Synergies based on shared technology platforms and System Solutions approach









1: Lipid nanoparticles used as delivery system for both Health Care (e.g. mRNA) and Care Solutions (e.g. encapsulation of Retinol)

# Deep dive into Care Solutions

# Care Solutions Portfolio




Our strategic goal is to be the preferred Sustainability Specialties Partner

Market segment	Beauty, Personal Care and Cleaning					
						
	Active Ingredients	Active Delivery Systems	Functional Ingredients	Alternative Preservation	Biosurfactants	Cleaning Solutions
Market growth 2024	~5%		~3%	~3%	New market	~3%
Sales growth 2024	10%			3%		11%
Margin growth* 2024	18%			9%		18%

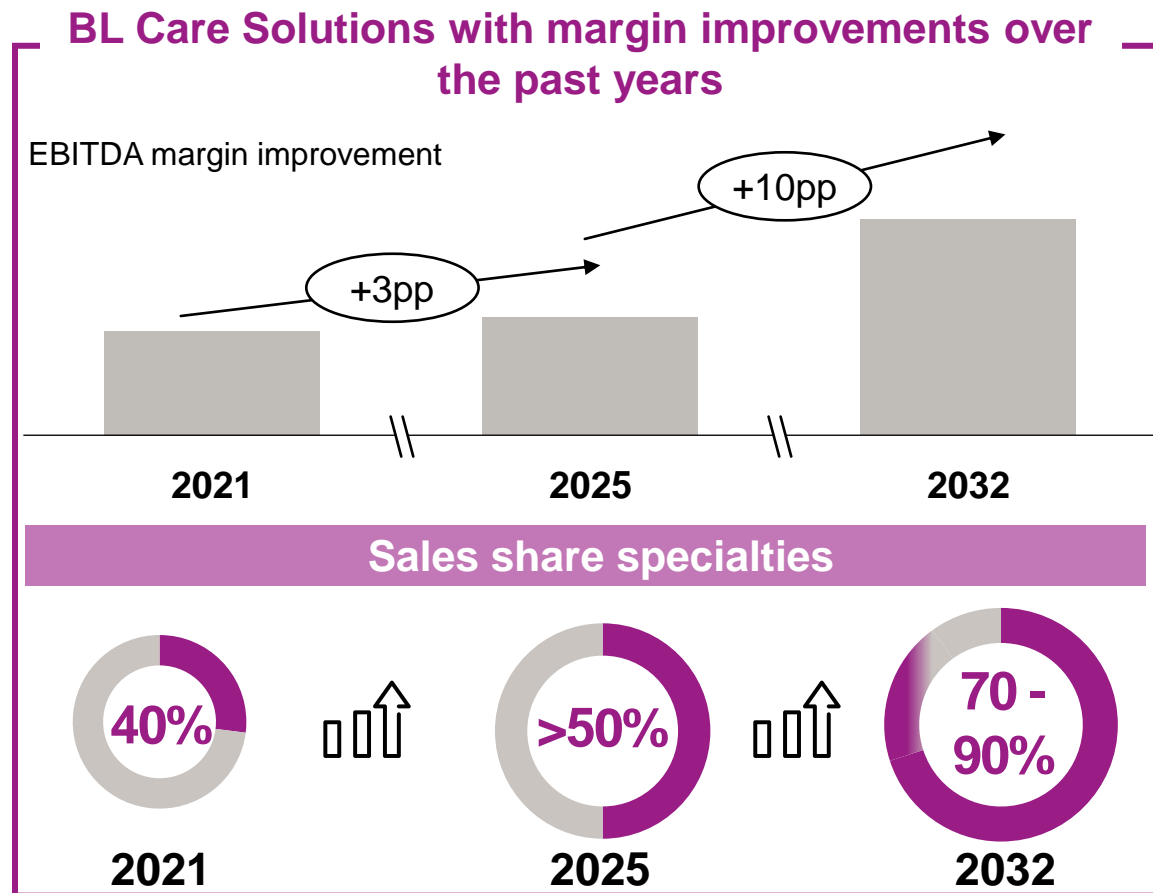
- **Preferred Sustainability Specialties Partner:** Strong technical competences, market reach and customer intimacy
- **Portfolio shift toward Sustainable Specialties:** Innovation and targeted acquisitions to strengthen System Solutions

\* Contribution margin

# Evonik differentiates through biotech innovation expertise along the whole value chain – a gap of most of our competitors

Purpose	Biotech Research & Development Hub <i>(Health Care &amp; Care Solutions)</i>			Launch Platform	Production	Go-to-market
Technology	<b>Strain Development</b> <ul style="list-style-type: none"> <li>Bioinformatics</li> <li>Strain platform selection</li> <li>Gene editing and strain engineering</li> </ul>	<b>Fermentation</b> <ul style="list-style-type: none"> <li>Upstream process development</li> <li>Process improvement</li> <li>Scale-up</li> </ul>	<b>Downstream</b> <ul style="list-style-type: none"> <li>Process design</li> <li>Process develop.</li> <li>Process improvement</li> <li>Prototyping</li> </ul>	<b>Scale and Launch</b> <ul style="list-style-type: none"> <li>Technology transfer</li> <li>First steps for commercialization</li> <li>Piloting</li> </ul>	<b>Production</b> <ul style="list-style-type: none"> <li>Technology transfer</li> <li>CAPEX projects</li> <li>Continuous improvement</li> </ul>	<b>Services</b> <ul style="list-style-type: none"> <li>Regulatory support</li> <li>Formulation expertise</li> <li>Claim support</li> </ul>
Selected examples of competitors						

# Business Line Care Solutions continuously increases its focus on sustainable specialties by prioritizing its core growth areas



Business Line is transforming into THE sustainable specialty solution partner

- 1 Portfolio optimization: increase share of Specialties via M&A and asset restructuring
- 2 Strong partnerships / customer proximity
- 3 Innovation (product innovations, process innovation)



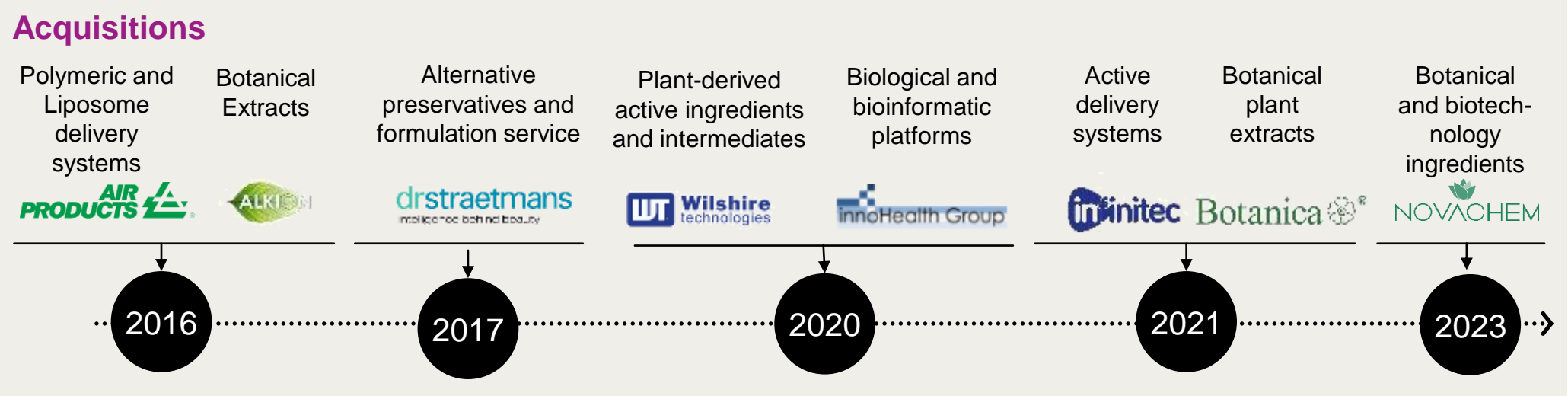
Sustainability as driver of portfolio shift



1

# Care Solutions Portfolio

## Acquisitions and Asset Restructuring Have Accelerated the Transformation



Transformation into **THE sustainable specialties partner**

2

## B4B-partner in and for life sciences

Focus on collaborative approaches in highly attractive life science markets

Partnering  
with:



### Biosurfactants



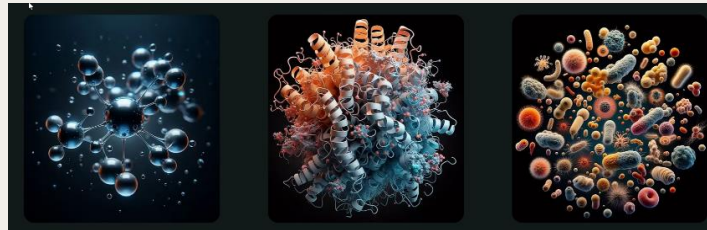
#### First world-scale biosurfactant plant

- Successful launch of the first industrial scale Biosurfactant production mid 2024
- Fermentation of sugar completely replaces petrochemicals raw materials
- Future aim is to start production from waste

Partnering  
with:

L'ORÉAL

### ABOLIS



#### Micro-organisms for sustainable production

- Tri-party agreement with L'Oréal and Evonik to secure strategic projects from innovation to market (Venture Capital of 35 million €)

Partnering  
with:

Beiersdorf

### Landscape project



#### Sustainable supply chains for palm oil

- Joint project of Evonik, Beiersdorf and WWF on the Tabin Landscape Project in Sabah, Malaysia (Roundtable on Sustainable Palm Oil (RSPO)).
- Secure supply of RSPO by diversification of sourcing options

3

## Ramp-up of the first industrial-scale Biosurfactants plant is ongoing, new application areas explored and new feedstocks under development

### Status of ramp-up

- ✓ Filled project pipeline with low double-digit million € pipeline value
- ✓ Strong growth in Asia; especially for Cosmetic Solutions
- ✓ 200 customer projects ongoing with large MNC

### Application Areas



Cosmetic Solutions



Cleaning Solutions



Industrial Cleaning



Coating Additives

... and more to come

INITIAL FOCUS

LAUNCHED IN  
2022

LAUNCHED IN  
Q3 2024

### Technology development

- **Broadening applications** (e.g. through formulation expertise)
- **Developing technology platform** (next generation molecules)
- **Sustainability story, e.g. Feedstock development** (longer-term horizon)

3

# Business Line Care Solutions is not only developing new products, but also enables superior sustainability and functionality for customers

## Cosmetic Solutions

**TEGOSOFT® MM enzymatic esters for cosmetics**

**More than 60% reduction on CO<sub>2</sub> footprint!**

*CO<sub>2</sub> footprint of skin care emulsions with enzymatic esters can be reduced by lower temperatures and less steps*



**ECOHANCE® Soft Baobab oil**

**Natural botanical emollient**

*Premium caring and soft skin feel while promoting social and economic development in the African region as well as protecting the local ecosystem.*

## Active Ingredients

**SKINMIMICS® Ceramides for Skin Care**

**Premium solution for healthy aging**

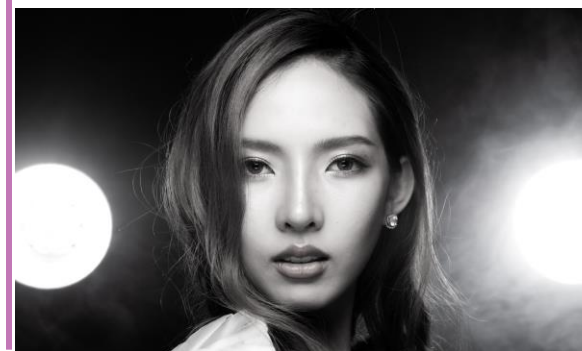
*Synergistic and powerful combination of seven different Ceramides in a modern emulsifier system*



**Golden C® Active Ingredient delivery system**

**Premium experience for the Vitamin C market.**

*Golden C® allows formulators to develop new creations with no limitations*



# Customers demand sustainable solutions, and biotechnology is recognized as key technology

## Customers demand sustainability along the value chain


Focus On

### L'Oréal's Commitment To Sustainability

Very early on, L'Oréal became aware of the urgent need to address the challenges arising from the global environmental crisis. Find out more about our achievements and our targets for 2030.



Download




**IT'S OUR PLANET. OUR HOME. AND OUR WINDOW IS NOW.**



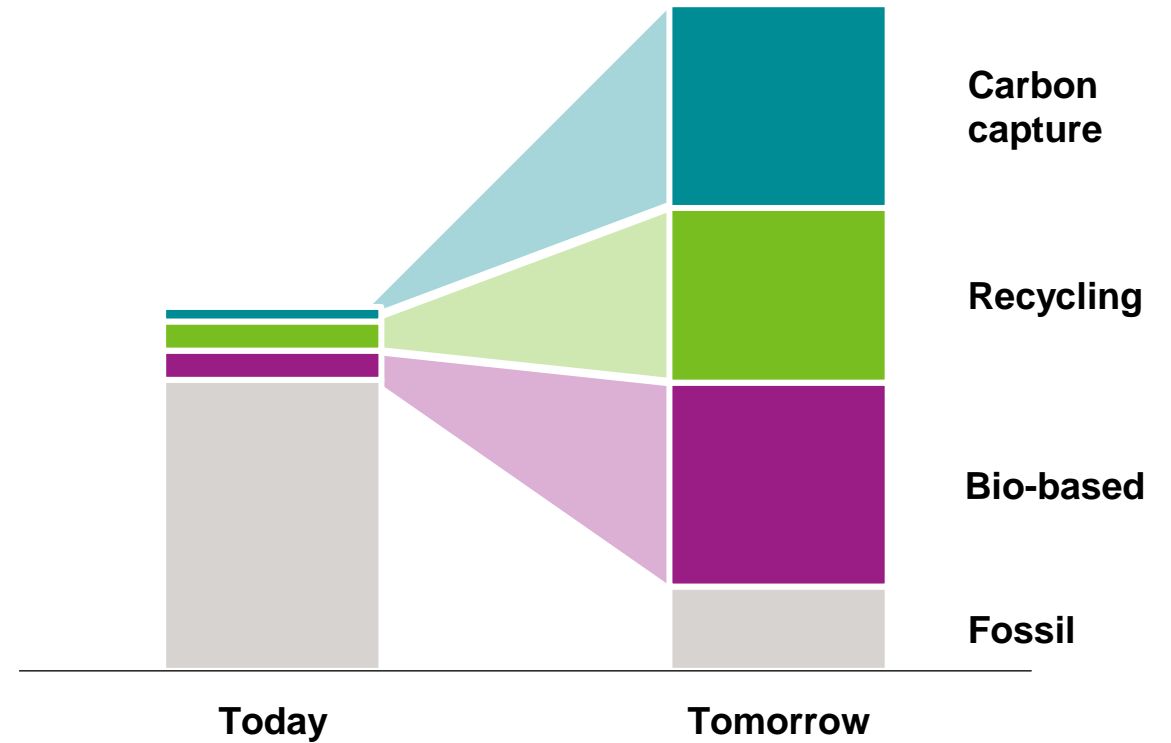
### C.A.R.E.+

COMPETITIVE + SUSTAINABLE + GROWTH



## Estimated global carbon demand for chemicals

### Qualitative assessment





**EVONIK**

**Leading Beyond Chemistry**