

**WE GO BEYOND
TO ENABLE
TRANSFORMATION!**

FINANCIAL AND SUSTAINABILITY REPORT 2024

Key figures for the Evonik Group

	T01				
in € million	2020	2021	2022	2023	2024
Sales	12,199	14,955	18,488	15,267	15,157
Research & development expenses	433	464	460	443	459
Adjusted EBITDA ^a	1,906	2,383	2,490	1,656	2,065
Adjusted EBITDA margin in %	15.6	15.9	13.5	10.8	13.6
Adjusted EBIT ^b	890	1,338	1,350	521	1,027
Income before financial result and income taxes, continuing operations (EBIT)	819	1,173	942	-243	577
ROCE ^c in %	6.1	9.0	8.3	3.4	7.1
Net income	465	746	540	-465	222
Adjusted net income	640	986	1,054	370	777
Earnings per share in €	1.00	1.60	1.16	-1.00	0.48
Adjusted earnings per share in €	1.37	2.12	2.26	0.79	1.67
Total assets as of December 31	20,897	22,284	21,810	19,940	19,750
Equity ratio as of December 31 in %	38.8	42.1	50.7	45.1	46.1
Cash flow from operating activities	1,727	1,815	1,650	1,594	1,713
Cash outflows for investments in intangible assets, property, plant and equipment	956	865	865	793	840
Free cash flow ^d	780	950	785	801	873
Net financial debt as of December 31	-2,886	-2,857	-3,257	-3,310	-3,253
Lost time injury rate (LTI-R) ^e	0.16	0.19	0.25	0.21	0.14
Process safety incident rate (PSI-R) ^f	1.45	0.48	0.49	0.43	0.44
Next Generation Solutions in % of sales	37	41	43	43	45
Scope 1 and 2 emissions in million metric tons	6.5	6.3	6.0	5.3	5.1
No. of employees as of December 31	33,106	33,004	34,029	33,409	31,930

^a Earnings before financial result, taxes, depreciation, and amortization, after adjustments, continuing operations.

^b Earnings before financial result and taxes, after adjustments, continuing operations.

^c Return on capital employed.

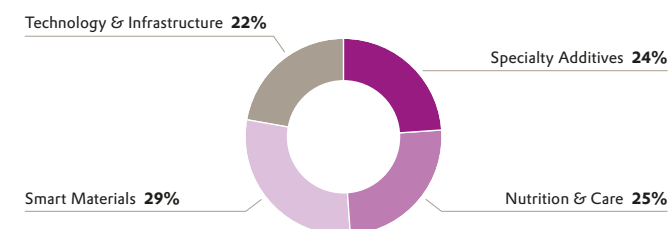
^d Cash flow from operating activities, continuing operations, less cash outflows for investments in intangible assets, property, plant and equipment.

^e Number of work-related accidents (excluding traffic accidents) resulting in absences of at least one full shift per 200,000 working hours.

^f Number of incidents in production plants involving the release of substances or energy, fire, or explosion per 1 million working hours. Since 2021, the number of incidents has been measured per 200,000 working hours in accordance with the current Cefic definition.

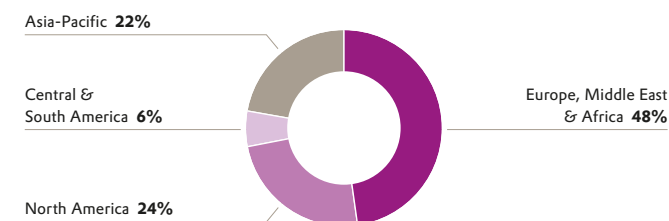
Sales by division

C01



Sales by region^a

C02



^a By location of customer.

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EVONIK ON THE WAY TO A MORE SUSTAINABLE FUTURE

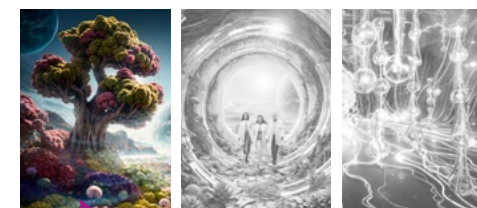
At Evonik, we enable change. To do that, we go beyond what is known. We are convinced that only those who push the boundaries of what is possible can come up with solutions to the most important issues affecting our shared future. And that is exactly what we aspire to do.

At Evonik, we are driving forward the green transformation of industry and society. To do that, we have sharpened our innovation strategy. In the future, our research will be focused on our three new innovation growth areas—**Advance Precision Biosolutions**, **Accelerate Energy Transition**, and **Enable Circular Economy**—and thus on the three most significant sustainability trends—bio-based solutions, the energy transition, and the circular economy.

At Evonik, we concentrate on innovations that improve people's lives, reduce energy consumption, and conserve natural resources. Therefore, we work closely with our customers. Because that is the only way to make sure our products have the properties that give them the necessary competitive edge. And, at the same time, help create a more sustainable world—step by step.

EVONIK—WE GO BEYOND TO ENABLE TRANSFORMATION!

RHAMNOLIPIDS: DRIVING THE TRANSITION TO SUSTAINABLE BIOSURFACTANTS



Advance Precision Biosolutions



We improve health and the quality of life.

Our focus: Our Advance Precision Biosolutions innovation growth area focuses on the power of biotechnology.

Our aspiration: We want to improve people's health and quality of life and, at the same time, protect natural resources.

Our solutions: In addition to rhamnolipids, we are developing bio-based solutions, for example, for the manufacture of advanced medicines based on nucleic acid and to improve the performance of cell cultures.

We are the first company in the world to produce rhamnolipids on an industrial scale. Applications include paints and cleaning agents.

Many everyday applications would be unthinkable without surfactants. The problem is that they are based on fossil raw materials or tropical oils and are therefore detrimental to health and the environment. At Evonik, we show there is a better way. In Slovenská Ľupča in Slovakia, we are the first company in the world to manufacture industrial-scale rhamnolipids. These surfactants are non-toxic and 100 percent biodegradable. What's more, they are high-performing products. That is a pioneering combination.

Our development approach networked researchers from different areas of our company. Our new production facility also goes beyond the

boundaries of chemistry. While conventional surfactants are produced using chemical processes, our rhamnolipids are based on a biotechnological fermentation process. The raw material is renewable European corn sugar.

Our rhamnolipids were initially developed for personal care products and cleaning agents. Since then, further applications have been added. Our experts have given these surfactants special properties for use in paints and coatings. The result: the TEGO® Wet Terra product range, which will help customers in the coatings and printing ink industries meet the rising demand for sustainable solutions.

SEPURAN® GREEN: PAVING THE WAY FOR A MORE ENVIRONMENTALLY FRIENDLY GAS INDUSTRY



Accelerate Energy Transition

The use of biomethane and natural CO₂ reduces greenhouse gas emissions. Both substances can be extracted in especially high purity with SEPURAN® Green.

Biogas facilities convert refuse, liquid manure, and sewage sludge from wastewater treatment plants into biomethane and natural carbon dioxide. These two substances can replace natural gas and fossil-based CO₂ in many applications and thus reduce greenhouse gas emissions that damage the climate. For example, biomethane is suitable for renewable electricity and heat or as a natural starting product for the technical synthesis of hydrogen, methanol, and ammonia. Similarly, bio-CO₂ is a valuable industrial raw material and is also used by manufacturers of fizzy drinks.

Evonik supplies SEPURAN® Green, the superior technological standard for producing methane

and carbon dioxide from biomass. Our innovative hollow-fiber membranes are made from the pressure- and temperature-resistant high-performance polymer polyimide and separate both substances from raw biogas in especially high purity—efficiently and cost-effectively. More than a thousand biogas facilities around the world already use our membrane technology. And the number is rising.

In response to growing demand, we are increasing production capacity at our Austrian sites in Schörfling and Lenzing. As well as SEPURAN® Green, they also produce membranes for efficient recovery of hydrogen—another important source of hope for the energy transition.



We reduce energy consumption and CO₂ emissions.

Our focus: Our Accelerate Energy Transition innovation growth area leverages our expertise in materials science and chemistry.

Our aspiration: We aspire to reduce energy consumption and CO₂ emissions worldwide to drive forward the energy transition.

Our solutions: As well as membranes for efficient gas separation, we offer, for example, innovative battery materials for e-mobility and solutions for the separation of carbon dioxide.

ENABLING THE CIRCULAR ECONOMY—HOW PLASTICS ARE RECYCLED INTO RAW MATERIALS

Thursday, November 14, 2024, 8 a.m.: ARCUS Greencycling Technologies, pyrolysis plant at Höchst Industrial Park in Frankfurt am Main (Germany)



Enable Circular Economy



Enable Circular Economy—By closing material loops.

Our focus: Our Enable Circular Economy innovation growth area brings together our commitment to a modern circular economy.

Our aspiration: We want to maximize the use of resources and minimize waste by increasing the use of recycled and renewable raw materials.

Our solutions: Examples of our innovations for the circular economy are advanced recycling technologies and solutions that improve chemical and mechanical recycling.

Sachin Wagh and Daniel Odenthal in front of the ARCUS plant.

Today, Markus Klatte (CFO), Daniel Odenthal (COO), and Dr. Marco Tomasi Morgano (CTO) of ARCUS Greencycling Technologies GmbH are meeting with Dr. Ralf Düssel (Head of Sustainability), Hendrik Rasch (Director Global Circular Economy Program), and Sachin Wagh (Project Manager PyOil, Oil Additives) of Evonik to discuss chemical recycling.

Potential of plastic recycling—challenges and opportunities

In 2023, some 414 million metric tons of plastics were produced worldwide, with China accounting for 33 percent of this amount and Europe for 12 percent. Despite the progress with recycling, only about 27 percent of the plastics produced in Europe are recycled. The remainder is either incinerated or disposed of in landfills. Recycling plastics can be challenging. In many cases, mechanical recycling is a low-cost, energy-efficient option. However, it is not suitable for mixed plastic waste because of its properties, complexity, or contamination. In such cases,

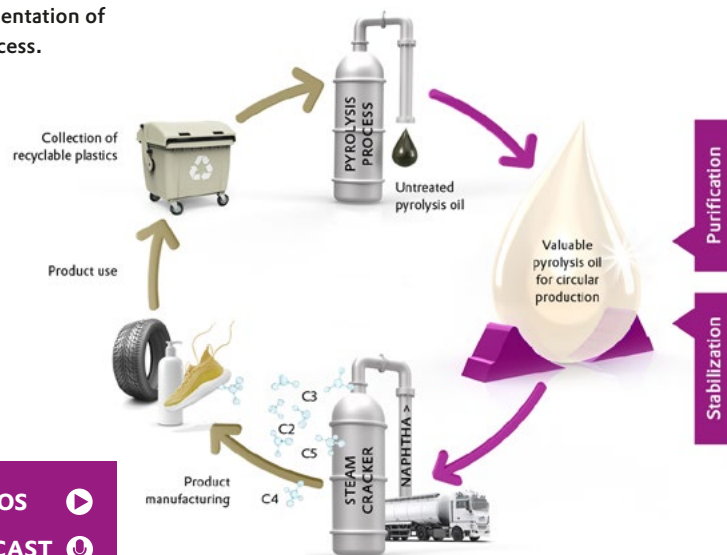
chemical recycling is a complementary technology that can be used to return plastics that are heavily contaminated or difficult to recycle to the production cycle.

Chemical recycling—a key to circularity

Chemical recycling encompasses a range of processes aimed at recovering valuable raw materials from waste plastics, including pyrolysis, depolymerization, and gasification. The plastic waste is separated into gases, liquids, or smaller building blocks, which can then be reused in the manufacture of new plastics. One promising method is pyrolysis, where plastic waste is converted into synthetic crude oil, which can be used in established production processes, either directly or after further processing. This process does not simply reduce the volume of waste; it also helps to reduce CO₂ emissions. Plastic waste that would otherwise end its life in a waste incinerator or landfill can now be reused.

FACTS AND FIGURES ON PLASTIC RECYCLING

Schematic representation of the pyrolysis process.



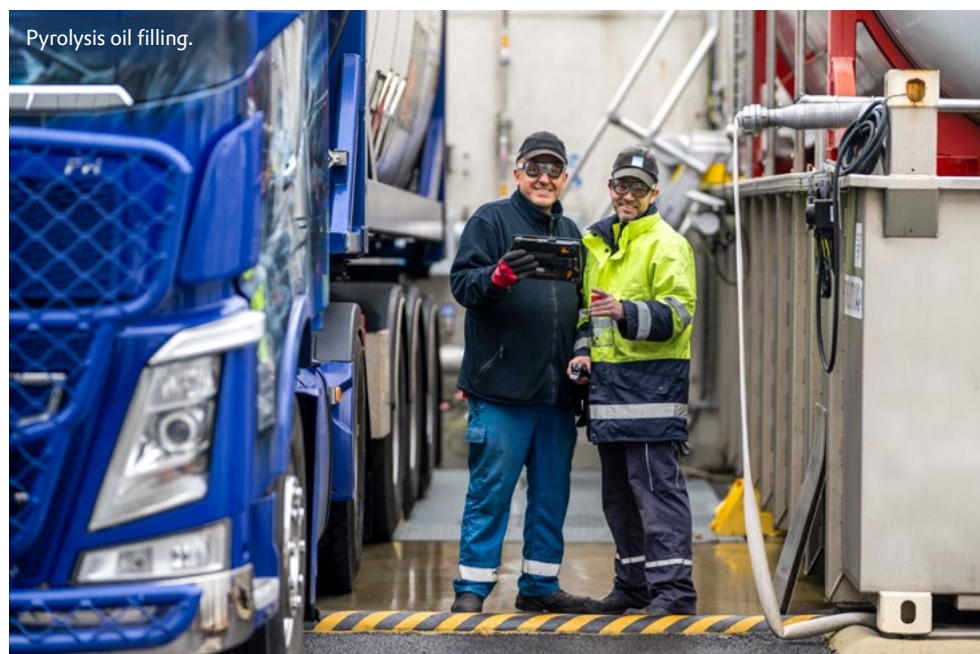
TO THE VIDEOS

TO THE PODCAST

Facts and figures 2023¹

- 413.8 million metric tons of plastics were produced worldwide in 2023
- About 33 percent were produced in China and about 12 percent (49.7 million metric tons) in Europe
- In Europe, about 27 percent of total plastics were recycled, about 50 percent were incinerated, and 23 percent were disposed of in landfills
- In Europe, 11.7 million metric tons of plastics were manufactured from bio-based or recycled raw materials. That was about one-fifth (19.7 percent) of total European production
- Breakdown of this 19.7 percent: 18.6 percent from mechanical recycling, 1 percent from bio-based raw materials, and 0.1 percent from chemical recycling

¹ Details plasticseurope.org/knowledge-hub/plastics-the-fast-facts-2024/



Information on the ARCUS plant

Overview:

- Input of plastic waste: 4,000 metric tons p.a.
- Output of pyrolysis oil: 2,500 metric tons p.a.

Highlights:

- Flexible and robust with respect to the composition of the waste and degree of contamination
- Fully electric operation: ready for net-zero
- Minimal primary energy requirements; circulation of operating resources
- Redundant set-up of critical units
- Several thousand hours' operating experience

The ARCUS process—innovation for the future of the circular economy

ARCUS is a pioneer in recovering valuable raw materials through pyrolysis. It has developed a technology that closes the plastics loop and greatly reduces the carbon footprint of plastics. Instead of incineration, waste plastics are converted into a pyrolysis oil that is similar to naphtha and can be returned to the production cycle as a starting product for plastics.

The special feature of the ARCUS process is that it can handle complex and heavily contaminated waste because it is not sensitive to impurities and foreign bodies. In this process, plastic waste can be converted into a high-quality starting product for the production of plastics. The ARCUS process is fully electric. In the future, the electricity it requires will be produced from the pyrolysis gases generated. The combination of pyrolysis and the use of Evonik additives to improve process and resource efficiency is helping to drive forward the circular economy, while also reducing CO₂ emissions.

The Evonik additives

Evonik's VISCOPLEX® pour point depressants enhance the handling of ARCUS' pyrolysis oils. Pyrolysis oils produced from plastic waste often contain waxy impurities, which increase the viscosity and pour point of the oil, making stor-

age, transportation, and further processing more difficult. By reducing the viscosity and pour point of pyrolysis oil, VISCOPLEX® pour point depressants optimize its handling properties. The pyrolysis oil remains free-flowing, which reduces the need for temperature regulation and the maintenance of pipelines and filters. That makes pyrolysis oil a genuine alternative to fossil-based naphtha, which is traditionally used in established production processes.

Working together for a circular future

The collaboration between ARCUS Green-cycling Technologies and Evonik is based on a reliable and trusting partnership. Additionally, forging further partnerships with companies in other industries, OEMs, and research institutes is essential for analyzing innovative circular business models and establishing robust, sustainable ecosystems.

Evonik's contribution to the circular economy

By optimizing and enhancing these technologies, Evonik empowers its partners to deliver innovative solutions that advance circularity and promote sustainable practices.

A combination of innovative processes, partnership, and a clear focus on sustainability ensures that Evonik will play a pivotal role in the circular economy in the future.



Top left: Plastic waste as a raw material. Top right: Pyrolysis oil as the end-product.
Below: The ARCUS and Evonik team.



1. Markus Klatte

"Plastic waste is not the end of the story, but the beginning of a new chapter where sustainability, circular economy, and innovative technology go hand in hand."

2. Dr. Marco Tomasi Morgano

"Our basic philosophy is developing and operating a technology that is as robust as possible so it can successfully process highly variable, demanding, and even contaminated waste."

3. Hendrik Rasch

"The circular economy is not simply a concept; it is a necessity in order to reduce pressure on the resources of our planet and foster sustainable growth."

4. Daniel Odenthal

"Waste generates very inhomogeneous material streams."

5. Dr. Ralf Düssel

"The European Commission sees the circular economy as a key building block of climate neutrality. It helps conserve natural resources and avoid the incineration of waste."

6. Sofia Sirak, Senior Innovation and Technology Officer, Oil Additives, USA

"Thanks to our long-standing expertise, technical customer service, and the resulting recommendations from our wide range of pour point depressants, we can assist our customers in speeding up their product development."

Global Circular Economy Program

The chemical industry is at the center of all value chains, including those that are circular ones. As a result, we are intensifying our focus on solutions for the circular economy. From 2030, we want to generate additional sales of at least €1 billion a year from circular products and technologies.

We are leveraging our circular economy strategy in many ways. We aim to further expand our activities with additives and

specialties for the circular economy so our products can help customers meet future regulatory requirements. At the same time, we will be increasing the use of circular raw materials based on recyclates, biomass, and CO₂ in our own production processes.

Our Circular Economy Program pools all activities geared to achieving these goals. For further details and examples, go to evonik.click/circular-economy



Dr. Patrick Glöckner, Head of the Global Circular Economy Program

PU recycling at Evonik



Evonik's pilot plant in Hanau (Germany) for polyurethane recycling.

New dreams from old foam or the potential of end-of-life polyurethane mattresses

In keeping with its vision of closing raw material cycles, Evonik has developed an innovative hydrolysis process to recycle foam from end-of-life mattresses. At a pilot plant in Hanau (Germany), polyurethane foams are broken down into their basic chemical components, polyol and toluene diamine. These are subsequently reused in the production of new, high-quality polyurethane foams. This process is environmentally friendly because it reduces the use of petrochemical feedstocks and results in products with a lower carbon footprint. Around 40 million mattresses are discarded in the EU alone every year. They contain around 300,000 metric tons of polyurethane foam. However, only 17 percent of this is recycled—mainly for lower-value applications—while 33 percent lands in waste incinerators

and 50 percent in landfills. With its new hydrolysis process, Evonik's aspiration for the future is that new foams can be made almost entirely from recycled materials. The initial results are promising, and samples have already been delivered to customers such as The Vita Group. The next step in the project is a demonstration plant for larger-scale validation of the recycling process. Our partnership with REMONDIS concentrates on returning valuable materials to the production cycle. Complete separation of mattress waste at the disposal stage and the introduction of digital product passports could make recycling even simpler. Evonik hopes that its new process will make a significant contribution to the circularity of PU foams.

Our divisions

The Specialty Additives division combines the businesses of high-performance additives with versatile crosslinkers. Small amount—big effect: This is how our specialties make the difference, for end-products becoming more valuable, more durable, more energy-efficient and in many ways simply better.

Sales

€3,578 million

Adjusted EBITDA

€744 million

**SPECIALTY
ADDITIVES**

In the Nutrition & Care division, everything revolves around human well-being—around health and the quality of life. All products are used directly on, or in humans or animals. They are functional actives, not simply materials.

Sales

€3,764 million

Adjusted EBITDA

€601 million

**NUTRITION &
CARE**

The Smart Materials division supplies high-performance materials for environment-friendly and energy-efficient systems to the automotive, paints, coatings, adhesives, and construction industries, and many other sectors.

Sales

€4,450 million

Adjusted EBITDA

€601 million

**SMART
MATERIALS**

As a driver of innovation and digitization in the production environment, the Technology & Infrastructure division offers a full range of expertise revolving around chemical production. It also produces high-volume intermediates for the areas of mobility, rubber, and polymers.

Sales

€3,314 million

Adjusted EBITDA

€441 million

**TECHNOLOGY &
INFRASTRUCTURE**

Business performance better than expected

- ▶ **Economic environment** still weak
- ▶ **Organic growth** was 2 percent thanks to higher volumes, despite declining selling prices
- ▶ **Adjusted EBITDA** improved 25 percent to €2.1 billion
- ▶ **All divisions** generated higher earnings
- ▶ High **free cash flow** of €873 million
- ▶ **Adjusted net income** rose from €370 million to €777 million
- ▶ **Net income** improved to €222 million
- ▶ **Outlook for 2025:** adjusted EBITDA expected to be between €2.0 billion and €2.3 billion

SALES

€15.2 billion

(2023: €15.3 billion)

ADJUSTED EBITDA

€2,065 million

(2023: €1,656 million)

FREE CASH FLOW

€873 million

(2023: €801 million)

NET INCOME

€222 million

(2023: –€465 million)

Letter from the chairman of the executive board

Ladies and gentlemen,

In many respects, **2023** marked a **low point**, and much was expected to improve in **2024**: We hoped that some of the conflicts would ease and our markets would pick up. Therefore, we adopted a proactive stance and drove forward a range of **restructuring measures**: a leaner administration, splitting the Technology & Infrastructure division, and the reorganization of several businesses. Uncertain times call for greater efficiency. We continued the previous year's cost discipline.

That paid off: Our business figures for the first three quarters were extremely gratifying. Twice, we issued ad-hoc statements with our preliminary results, because they exceeded expectations, and once, we **upgraded our earnings forecast for the full year**. The result was a very pleasing **share price performance**. However, that only lasted until early November. Then the United States elected a new president, and the coalition government in Germany collapsed. The equity markets shifted their attention to 2025 and how global trade would develop. The war in Ukraine and the conflicts in the Middle East escalated. None of that was good for our share price.

Ultimately, 2024 was a **respectable year** for Evonik, with clear year-on-year improvements. Our adjusted EBITDA rose by 25 percent to €2.1 billion, and our free cash flow was 9 percent higher at €873 million. At the bottom line, Evonik's net income swung to a clearly positive €222 million. Therefore, we propose

to uphold our attractive dividend of €1.17. We have made good headway towards becoming more agile, more focused, and more profitable. And we remain consistent. We know that two things really matter: focus and deliver. Our corporate culture should help us achieve our mid-term financial targets.

"We need to focus and deliver. Those are the preconditions for overcoming the present global challenges and for positioning Evonik strongly for the future."

The **rhamnolipids** facility we inaugurated in May 2024 shows how far focus and consistent action can take you. It took ten years from the initial idea of producing surfactants without fossil raw materials or tropical oils to the completion of the industrial-scale facility. However, our perseverance has been rewarded because biodegradable shampoo and dishwashing detergents are spot-on for current trends. Such **bio-based solutions** are one of the three sustainability trends we will be addressing in the future through our new **innovation growth areas**. The others are the **energy transition** and the **circular economy**. They replace the six innovation growth fields that were previously the backbone of our research. We are sharpening our focus.



CHRISTIAN KULLMANN

Chairman of the Executive Board

That does not only apply to innovation. We are particularly proud of the expansion of our production capacities for **methionine in Singapore**. As a result, we do not simply produce more; above all, we produce better methionine. The carbon footprint of our MetAMINOs at these extended facilities is now 35 percent below the industry average. Our products therefore offer our customers even more sustainability benefits. At the same time, we have strengthened our cost position in this business.

For thousands of years, alchemists tried in vain to turn manure into gold. By contrast, to advance the **energy transition**, we have expanded membrane production in Schörfling (Austria), because the hollow-fiber technology used in these high-tech plastics enables the separation of high-purity methane, for example, from cow dung. In addition, Evonik produces its own sustainable energy. One example is district heating for our site in Herne (Germany). Our own energy transition is also well underway, especially when it comes to electricity we purchase from suppliers. Our goal here is to use only renewable sources by 2030. Recently, we have added contracts for offshore wind energy from the North Sea and solar power from federal state of Schleswig-Holstein in Germany. Supply is expected to start in the first half of 2025. We are therefore already halfway to achieving our ambitious target.

We are also expanding our commitment in the area of health care. Evonik has produced functional tablet coatings from polymers for 70 years. Therefore, it is only logical that our new **spray drying facility** is a 25-meter-high landmark that stands for **"made in Darmstadt."** It strengthens the role of this German site as the European headquarters of our Health Care business.

To speed up other health care innovations, we are locating where the best brains are to be found. One example is our new **Innovation Satellite in Cambridge** (Massachusetts, USA). We also bring together the best researchers via global networks, for example, in the new **Evonik Skin Institute**.

In addition, we want to advance the **circular economy**. A process developed by Evonik enables four times as much rubber powder from used tires to be utilized in the production of new tires. Thanks to such solutions, new tires will hopefully soon be too valuable to be sent to waste incinerators.

"Our executive board is becoming younger and will have more women. Evonik is setting new standards when it comes to the representation of female managers and internationality of top management."

Many of these ideas have been advanced under the leadership of **Harald Schwager**, deputy chairman of our executive board, who is responsible for innovation. He turns 65 this year and is leaving the company after almost eight years. His contribution to securing Evonik's future cannot be praised highly enough. Effective April 1, 2025, the supervisory board has made two new appointments to the executive board: French national **Claudine Mollenkopf** and US citizen **Lauren Kjeldsen**, two top managers with international experience, who have proven their exceptional abilities at Evonik for decades. Like Schwager, Mollenkopf has a doctorate in chemistry, while Kjeldsen studied chemical engineering. Competent, younger and with more women.

The executive board will be bigger, but our **management model will be simpler and more efficient** because the new appointments will be accompanied by a new organizational structure. We are bundling our 14 business lines—the nucleus of Evonik—in two thematic segments, which will be managed directly by the executive board. Lauren Kjeldsen will be responsible for the **Custom Solutions segment**, which brings together business models in specific niche markets with particularly high customer proximity. The role of these businesses is to help **Evonik continuously grow its profits**.

The **Advanced Technologies segment** combines business lines which have, by international standards, high technological competence, operational excellence, and leading cost positions. They provide **indispensable financing** for the Group in the form of **free cash flow**. This segment will be managed by Claudine Mollenkopf. It is not by chance that these two segments are roughly equal in size when it comes to sales and employees. Their **strategic significance is also equal**.

This new structure allows management of the operating businesses on the basis of their respective role in the portfolio. We will systematically steer businesses that do not fulfill any of these functions in the long term towards this goal—or reconsider them if necessary. With the **abolition of the divisional management, we are completely eliminating the first management level below the executive board**. That will make Evonik faster and more efficient and allow the custom-tailored management of our businesses—with more responsibility and greater independence. We had already disbanded one of the five former divisions—Performance Materials—following the sale of the **Superabsorbents** business in 2024 and Functional Solutions in the previous year. The only business from this division still on our divestment list is **Performance Intermediates**. Our technological edge remains decisive. We are open to new directions for our infrastructure activities.

As you can see, a lot is happening at Evonik. The executive board is very aware that so many changes demand the full commitment of the people who work for us. We are aware of that, we appreciate it, and **we are thankful** that our employees around the world are helping to shape the future of the company through their tremendous commitment. We would also like to **thank you, our shareholders, most sincerely for your trust**. We intend to pay it back.

CHRISTIAN KULLMANN
Chairman of the Executive Board

The executive board



CHRISTIAN KULLMANN

Chairman of the Executive Board

“We are driving forward a whole range of restructuring measures to make Evonik faster, more profitable, and stronger for the future. That will enable us to utilize the many opportunities in our markets—because we have plenty of ideas for a more sustainable world.”



DR. HARALD SCHWAGER

Deputy Chairman of the Executive Board

“Developing a research idea into a marketable product often takes a long time. Our rhamnolipids show that, even in challenging times, it is worthwhile giving researchers and developers the opportunity to work on solutions for which there is currently no market. That tenacity is the basis for tomorrow’s success.”



MAIKE SCHUH

Chief Financial Officer

“We are making good progress, but we still lack the support of a clear economic recovery. We do not expect a big leap forward, but we are setting out to future-proof our company. That is not an easy undertaking, but it will pay off.”



THOMAS WESSEL

Chief Human Resources Officer, responsible for sustainability

“Evonik is changing. Our leitmotif is successfully addressing the green transformation in our markets as a company that empowers its customers to realize ideas for solutions. For us, sustainability means being both inward- and outward-looking—encompassing both our employees and our markets.”

Report of the supervisory board



BERND TÖNJES

Chairman of the Supervisory Board

Ladies and Gentlemen,

In 2024, the supervisory board of Evonik Industries AG (Evonik) performed the obligations defined by law and the articles of incorporation correctly and with the utmost care and regularly and conscientiously supervised the work of the executive board. We supported the executive board by providing advice on the management and strategic development of the company.

Collaboration between the executive board and supervisory board

The executive board always gave us full and timely information on all material issues affecting Evonik and involved us in all material decisions affecting the company. Key areas were business performance and the situation of the company, along with aspects of business policy, corporate planning, and Evonik's ongoing strategic development.

The supervisory board's oversight of the executive board centered in particular on ensuring the correct, orderly, expedient, and cost-effective management of group-wide business activities. The content and scope of reporting by the executive board complied with the law, the principles of good corporate governance, and the requirements set by the supervisory board.

Section 16 of the articles of incorporation of Evonik Industries AG and the rules of procedure of the supervisory board set out business activities and measures of fundamental importance on which the executive board is required to seek the approval of the

supervisory board or, in some cases, individual committees. In the past fiscal year, the supervisory board made decisions on business activities and measures submitted by the executive board after examining them and discussing them with the executive board.

Meetings and work of the supervisory board

The supervisory board discussed key issues relating to the company at five meetings in 2024. All meetings were in-person meetings. Members who were unable to attend a meeting in person were able to take part via videoconferencing. This option was utilized in a few individual cases.

The work of the supervisory board was again prepared and supported by its committees in 2024.

- **Executive committee:** Bernd Tönjes (chairman), Alexander Bercht (deputy chairman), Martin Albers, Prof. Aldo Belloni.
- **Audit committee:** Michael Rüdiger (chairman and financial expert with specialist knowledge of accounting within the meaning of section 100 paragraph 5 of the German Stock Corporation Act [AktG] and recommendation D.3 of the German Corporate Governance Code), Alexandra Krieger (deputy chairwoman), Alexandra Boy, Cedrik Neike, Gerd Schlengermann, Angela Titzrath (financial expert with specialist knowledge of auditing within the meaning of section 100 paragraph 5 AktG and recommendation D.3 of the German Corporate Governance Code).

- **Investment and sustainability committee:** Werner Fuhrmann (chairman), Alexander Bercht (deputy chairman), Martin Albers, Dr. Cornelius Baur, Thomas Meiers, Gerhard Ribbeheger (until December 31, 2024), Michael Rüdiger, Bernd Tönjes.
- **Innovation and research committee:** Prof. Barbara Albert (chairwoman), Thomas Meiers (deputy chairman), Prof. Aldo Belloni, Hussin El Moussaoui, Dr. Ariane Reinhart, Martina Reisch, Gerhard Ribbeheger (until December 31, 2024), Bernd Tönjes.
- **Nomination committee:** Bernd Tönjes (chairman), Prof. Aldo Belloni, Dr. Ariane Reinhart.
- **Mediation committee:** Bernd Tönjes (chairman), Alexander Bercht (deputy chairman), Martin Albers, Prof. Aldo Belloni.

The tasks assigned to the committees are described in detail in the declaration on corporate governance p. 79 ff.

The executive committee held five meetings in the reporting period, and the audit committee and the investment and sustainability committee each held four meetings. The innovation and research committee met twice in the reporting period. There was no need for the nomination committee or the mediation committee to meet in the reporting period.

The chairperson or deputy chairperson of each committee reported regularly at the meetings of the supervisory board on the issues discussed and the outcome of all committee meetings. The supervisory board therefore always received extensive information on all matters of significance in the Evonik Group.

The committee meetings were in-person meetings. Members who were unable to attend a meeting in person were able to take part via videoconferencing. This option was utilized in a few individual cases. In addition, following its meeting in February, the investment and sustainability committee adopted a resolution in written form.

At its meeting on March 1, 2024, the supervisory board focused on examining the annual financial statements of Evonik Industries AG and the consolidated financial statements for fiscal 2023, following an initial, detailed examination by the audit committee. This meeting was also used to prepare for the annual shareholders' meeting 2024. Furthermore, the supervisory board discussed the determination of the annual bonus payments for the executive board members for the preceding fiscal year; the definition of targets for the executive board members for fiscal 2024; the sustainability targets for the long-term incentive for the period 2024 through 2027; the project for the transformation of the Technology & Infrastructure division (Tango project); and the Evonik Tailor Made project to safeguard Evonik's competitiveness and business success. The remuneration report for 2023 was adopted.

The meeting of the supervisory board prior to the annual shareholders' meeting on June 4, 2024 was used for supplementary information and preparation for the annual shareholders' meeting.

The meeting on June 27, 2024 was mainly dedicated to reporting. The supervisory board received reports from the committees and the report on the workforce. It also held a detailed discussion of the executive board's report on Evonik's business situation, the strategic financial planning for 2025 and 2026, and the progress of the Tango and Evonik Tailor Made projects.

At its meeting on September 19, 2024, the supervisory board looked in detail at Evonik's current situation and strategy. A report on the status of current investment and restructuring projects was presented. Further, the results of the supervisory board's efficiency review were presented. The results confirmed that the supervisory board can be considered a professional body that works effectively in all major respects. A particularly high assessment was accorded to the performance of oversight functions.

The supervisory board adopted the measures to enhance efficiency proposed by the audit committee.

At its meeting in December, the supervisory board accepted the recommendation of the executive committee and appointed Lauren Kjeldsen and Dr. Claudine Mollenkopf to the executive board with effect from April 1, 2025. A termination agreement was adopted for Dr. Harald Schwager, who is leaving the executive board effective March 31, 2025. Following on from this, the supervisory board adopted a resolution on the new corporate structure: From April 1, 2025 the operating business will be managed in two segments, Custom Solutions and Advanced Technologies. In addition, the budget and corporate planning were discussed and adopted. The supervisory board also discussed matters relating to corporate governance, adopted the declaration of conformity 2024, and commissioned a voluntary substantive audit of the remuneration report.

The main topics addressed by the **executive committee** in the reporting period were: the bonus payments to the executive board members for 2023 and the agreements on their targets for 2024; the appropriateness of the remuneration of the supervisory board; discussion of the business situation; the Tango and Evonik Tailor Made projects and other ongoing projects. In addition, the executive committee prepared the personnel decisions relating to the executive board as of April 1, 2025 (see above) on behalf of the supervisory board.

In February 2024, the **audit committee** focused principally on the annual financial statements and the consolidated financial statements for fiscal 2023. It also examined the remuneration report 2023 and the appropriateness and effectiveness of opportunity and risk management (risk management system), the internal control system, the compliance management system, and the tax compliance management system. Other issues discussed

by the audit committee at this meeting were the Corporate Sustainability Reporting Directive (CSRD) and preparations for the associated reporting; cybersecurity risks and how to counter them; the declaration on corporate governance for 2023; the efficiency review of the supervisory board; and the proposal for the election of the auditor for fiscal 2024.

The central items on the agenda for the meeting in May were the business performance and the quarterly financial statement as of March 31, 2024. In addition to this, the committee examined the outcome of the audit of the EMIR system pursuant to section 32 of the German Securities Trading Act (WpHG); pension obligations and plan assets; the hedging of exchange rates, interest rates, and energy prices; and the measures to mitigate geopolitical risks. Furthermore, the audit committee reached the conclusion that the quality of the auditing for fiscal 2023 was appropriate.

At its meeting in July 2024, the audit committee considered in detail the development of business in the first six months of 2024 and the half year financial report as of June 30, 2024. Other matters addressed were the preparation of the reporting to comply with the CSRD, the new processes in the compliance management system for the selection and use of intermediaries, and cybersecurity and IT security at Evonik. The results of the efficiency review of the supervisory board were discussed. On this basis, the audit committee resolved on action to be proposed to the supervisory board on how to further improve its work (see above).

One of the main items discussed at the meeting in November 2024 was the business performance in the third quarter of 2024, together with the quarterly financial statement as of September 30, 2024. Furthermore, the audit committee considered the focal points of the audit for fiscal 2024; tax compliance; internal auditing and the effectiveness of the internal control system; cybersecurity; IT risks; Environment, Safety, Health & Quality (ESHQ);

and Group Security. A proposal to the supervisory board for a revised declaration of conformity pursuant to section 161 of the German Stock Corporation Act (AktG) was adopted. In addition to this, the audit committee recommended to the supervisory board that it should commission a voluntary review of the content of the remuneration report.

At all meetings in the reporting period, the audit committee also considered the non-audit services performed by the external auditor. The audit committee regularly met with the auditor without the executive board.

The finance and investment committee was renamed the **investment and sustainability committee** at the beginning of 2024. In the reporting period, this committee concentrated intensively on growth projects and one divestment and monitored them in detail (for further information, see Investments, acquisitions, divestments). Other issues examined in detail by the committee were sustainability, the Tango and Evonik Tailor Made projects, and safeguarding energy supply.

At its meetings in April and October, the **innovation and research committee** discussed new technologies and their business relevance.

In addition to the aspects outlined above, the supervisory board and its committees made a thorough examination of the situation and development of the Evonik Group and examined and discussed its investments, acquisitions, and divestments.

Performance and situation of the Evonik Group

Despite the challenging conditions in 2024, Evonik performed better than had been anticipated at the beginning of the year. Since there was still no broad macroeconomic recovery, the pleasing business performance was mainly due to company-specific

factors. Positive drivers, alongside the continued strict cost discipline, were the good volume trend at Specialty Additives, the price recovery in the Animal Nutrition business, and lower production costs. While Group sales were around the prior-year level at €15.2 billion, adjusted EBITDA improved 25 percent to €2,065 million. Net income was €222 million, which was substantially higher than the previous year's net income of –€465 million. Thanks to the clear focus on safeguarding liquidity, the Evonik Group's cash flow was again high at €873 million.

Investments, acquisitions, divestments

The discussions held by the supervisory board and the investment and sustainability committee focused on the main growth projects, including investment controlling for ongoing projects, and one divestment. The projects considered in particular detail by the supervisory board and the investment and sustainability committee included:

- Expansion of production capacity for precipitated silicas in Charleston (South Carolina, USA)
- Construction of a new methylmercaptan facility in Mobile (Alabama, USA)
- Sale of the Superabsorbents business in Germany and the USA
- Construction of the Lipid Innovation Center in Tippecanoe (Indiana, USA)

The investment and sustainability committee and the supervisory board discussed post-completion information or conducted post-completion audits on the following projects:

- Construction of the gas and steam turbine power plants in Marl (Germany)
- Construction of a logistics center in Essen (Germany)
- Construction of a production facility for rhamnolipids in Slovenská Ľupča (Slovakia)

Individual disclosure of the attendance at meetings of the supervisory board and its committees

T02

Supervisory board member	Supervisory board		Executive committee		Investment and sustainability committee		Audit committee		Nomination committee		Mediation committee		Innovation and research committee	
	Presence	in %	Presence	in %	Presence	in %	Presence	in %	Presence	in %	Presence	in %	Presence	in %
Bernd Tönjes (chairman)	5/5	100	5/5	100	4/4	100			0/0		0/0		2/2	100
Alexander Bercht (deputy chairman)	5/5	100	5/5	100	3/4	75					0/0			
Martin Albers	5/5	100	5/5	100	4/4	100					0/0			
Prof. Barbara Albert	5/5	100											2/2	100
Dr. Cornelius Baur	5/5	100			4/4	100								
Prof. Aldo Belloni	5/5	100	5/5	100	4/4	100			0/0		0/0		2/2	100
Alexandra Boy	5/5	100					4/4	100						
Hussin El Moussaoui	5/5	100											2/2	100
Werner Fuhrmann	5/5	100			4/4	100								
Dr. Christian Kohlpaintner	5/5	100												
Alexandra Krieger	5/5	100					4/4	100						
Martin Kubessa	5/5	100												
Thomas Meiers	5/5	100			4/4	100							2/2	100
Cedrik Neike	5/5	100					2/4	50						
Dr. Ariane Reinhart	2/5	40							0/0				2/2	100
Martina Reisch	5/5	100											2/2	100
Gerhard Ribbeheger (until December 31, 2024)	5/5	100			4/4	100							2/2	100
Michael Rüdiger	5/5	100			4/4	100	4/4	100						
Gerd Schlengermann	5/5	100					4/4	100						
Angela Titzrath	5/5	100					2/4	50						

Corporate governance

The supervisory board is committed to the principles of good corporate governance. This is based principally on recognition of the provisions of the German Corporate Governance Code in the current version of April 28, 2022. This does not exclude the possibility of departing from the recommendations and suggestions in legitimate individual cases.

Since it is listed on the stock exchange, Evonik is subject to the obligation contained in section 161 of the German Stock Corporation Act (AktG) to submit a declaration of the extent to which it has complied with, or will comply with, the German Corporate Governance Code and which recommendations have not been and will not be met, together with the reasons for this (declaration of conformity). In December 2024, the executive board

and supervisory board issued a declaration of conformity, which is published on the company's website www.evonik.finance/declaration-on-corporate-governance and in the declaration on corporate governance [p. 76 f.](#)

The supervisory board has set objectives for its composition, which are taken into consideration in proposals submitted to the

shareholders' meeting for elections to the supervisory board. The present supervisory board satisfies all objectives for its composition, especially:

- The supervisory board currently comprises six women and 14 men. In accordance with its own targets and in compliance with statutory requirements, it therefore meets the minimum of 30 percent women and 30 percent men.
- At least six supervisory board members representing the shareholders should be independent of the company and its executive board and independent of a controlling shareholder. The supervisory board classifies all current members as independent.

Further details of the independence of the supervisory board members and the diversity requirements are presented in the declaration on corporate governance p.79 ff.

The company supports new members of the supervisory board in the performance of their duties. It also organizes annual training for the members of the supervisory board. The support for new members includes extensive information on Evonik and its governance structure, including the relevant rules and regulations, and an opportunity for individual site tours. In the reporting period, the supervisory board members were offered an internal training session lasting several hours on artificial intelligence on a choice of two dates in May and June 2024. All 20 members of the supervisory board attended. A further internal training session lasting several hours on circularity was held for supervisory board members on a choice of two dates in September and October 2024.

A total of 17 members of the supervisory board attended. Following the meeting in December, an extensive training session lasting several hours was held for the supervisory board on the legal requirements for capital market compliance, with the assistance of external expertise. This was attended by 18 supervisory board members.

In addition to a per diem allowance, the members of the supervisory board will once again receive only fixed remuneration for their work on the supervisory board in the past fiscal year and any membership of committees (see chapter 3 of the remuneration report www.evonik.finance/remuneration-report).

There were no consultancy, service, or similar contracts with any members of the company's supervisory board in 2024. Furthermore, there were no transactions between the company or a company in the Evonik Group, on the one hand, and supervisory board members and related parties, on the other.

Audit of the annual financial statements

KPMG AG Wirtschaftsprüfungsgesellschaft (KPMG), Berlin (Germany) has audited the financial statements of Evonik Industries AG as of December 31, 2024, prepared in accordance with the German Commercial Code (HGB), the consolidated financial statements for the Evonik Group based on the International Financial Reporting Standards (IFRS) applicable for use in the EU and the supplementary legal provisions applicable in Germany in accordance with section 315e paragraph 1 of the German Commercial Code (HGB), and the combined manage-

ment report for Evonik Industries AG and the Evonik Group for fiscal 2024, and has endorsed them with an unqualified opinion pursuant to section 322 of the German Commercial Code (HGB). The supervisory board awarded the contract for the audit of the annual financial statements of Evonik Industries AG and the consolidated financial statements of the Evonik Group in line with the resolution taken by the shareholders' meeting on June 4, 2024. In accordance with section 317 paragraph 4 of the German Commercial Code (HGB), the annual audit includes an audit of the risk identification system. The audit established that the executive board had taken the steps required in compliance with section 91 paragraph 2 of the German Stock Corporation Act (AktG) to establish an appropriate risk identification system and that this system is suitable for timely identification of developments that could represent a threat to the continued existence of the company.

In addition, KPMG was awarded the contract for a voluntary limited assurance review of the content of the combined non-financial statement prepared in accordance with sections 289b and 315b of the German Commercial Code (HGB), which is integrated into the combined management report. The principal components of the non-financial statement are employee and environmental matters, respect for human rights, preventing bribery and corruption, social matters, and the supply chain. The European Sustainability Reporting Standards (ESRS) provided the framework for the preparation of the combined non-financial statement. The audit by KPMG therefore included the ESRS reporting requirements.

The executive board submitted the above documents, together with the auditor's reports and the executive board's proposal for the distribution of the profit, to all members of the supervisory board to prepare for the meeting of the supervisory board on March 4, 2025.

At its meeting on February 27, 2025, at which the auditor participated, the audit committee discussed the annual financial statements, the auditor's reports, and the proposal for the distribution of the profit to prepare for the subsequent examination and discussion of these documents by the supervisory board. Further, the audit committee requested the auditor to report on its interaction with Group Audit and the other units involved in risk management, as well as on the effectiveness of the risk identification system with respect to accounting.

The supervisory board conducted a thorough examination of the annual financial statements of Evonik Industries AG, the consolidated financial statements for the Evonik Group, the combined management report for fiscal 2024, including the non-financial statement contained in the management report, and the executive board's proposal for the distribution of the profit and—on the basis of explanations of these documents by the executive board—discussed them at its meeting on March 4, 2025.

The auditor took part in the meeting on March 4, 2025 and reported on the main findings of the audit. He also answered questions from the supervisory board about the type and extent of the audit and the audit findings. The discussion included the audit of the risk identification system. The supervisory board

agreed with the opinion of the auditor and the audit committee that the executive board had taken the steps required in compliance with section 91 paragraph 2 of the German Stock Corporation Act (AktG) to establish an appropriate risk identification system and that this system is suitable for timely identification of developments that could represent a threat to the continued existence of the company.

Following its thorough examination of the annual financial statements of Evonik Industries AG, the consolidated financial statements, and the combined management report (including the declaration on corporate governance and the combined non-financial statement), the supervisory board declares that, based on the outcome of its examination, it has no objections to raise to the annual financial statements of Evonik Industries AG, the consolidated annual financial statements, and the combined management report. In line with the recommendation of the audit committee, at its meeting on March 4, 2025, the supervisory board accepted the audit findings and approved the annual financial statements of Evonik Industries AG and the consolidated financial statements for the Evonik Group. The annual financial statements for 2024 are thus ratified. The supervisory board concurs with the executive board's assessment of the situation of the company and the Evonik Group as expressed in the combined management report.

The executive board's proposal to the annual shareholders' meeting is that a dividend of €1.17 per share should be paid out of the distributable profit of Evonik Industries AG. The supervisory board considered the executive board's proposal, in particular with a view to the company's expected business performance,

the dividend policy, the impact on liquidity and investment plans, including the policy of retaining earnings at subordinated Group companies, and the interests of the shareholders. This also included an explanation by the executive board and a discussion with the auditor. The supervisory board then voted in favor of the proposal put forward by the executive board for the distribution of the profit.

Examination of the report by the executive board on relations with affiliated companies

The executive board has prepared a report on relations with affiliated companies in 2024. This was examined by the auditor, who issued the following unqualified opinion in accordance with section 313 of the German Stock Corporation Act (AktG):

"In accordance with our professional audit and judgment, we confirm that

1. the factual disclosures made in this report are correct, and
2. the company's expenditures in connection with the legal transactions contained in the report were not unreasonably high."

The executive board submitted the report on relations with affiliated companies and the associated auditor's report to all members of the supervisory board to enable them to prepare for the supervisory board meeting on March 4, 2025.

The audit committee conducted a thorough examination of these documents at its meeting on February 27, 2025 to prepare for the examination by the full supervisory board and its resolution. The members of the executive board provided detailed explanations

of the report on relations with affiliated companies and answered questions on it. The auditor, who took part in this meeting, reported on the main findings of the audit of the report on relations with affiliated companies and answered questions raised by members of the audit committee. The members of the audit committee acknowledged the audit report and the audit opinion. The audit committee recommended that the supervisory board should approve the results of the audit and, since it was of the opinion that there were no objections to the executive board's declaration on the report on relations with affiliated companies, should adopt a corresponding resolution.

The supervisory board discussed the report on relations with affiliated companies at its meeting on March 4, 2025. The members of the executive board provided detailed explanations of the report on relations with affiliated companies and answered questions on it. Moreover, the auditor took part in this meeting of the supervisory board and reported on the main findings of the audit of the report on relations with affiliated companies and answered questions from members of the supervisory board. The supervisory board ascertained that, under the circumstances known at the time they were undertaken, the company's expenditures in connection with the transactions outlined in the report on relations with affiliated companies were not unreasonably high

and compensation had been received for any disadvantages. In particular, it obtained an explanation of the principles used to determine the relevant activities and the remuneration therefor, especially in the case of transactions of material significance.

The supervisory board examined the completeness and correctness of the report on relations with affiliated companies. There were no grounds for objection.

The supervisory board thus has no objection to raise to the final declaration made by the executive board in its report on relations with affiliated companies and concurs with the auditor's findings.

Personnel issues relating to the executive board and supervisory board

Dr. Harald Schwager is leaving the executive board at the end of March 31, 2025. Lauren Kjeldsen and Dr. Claudine Mollenkopf have been appointed to the executive board, effective April 1, 2025.

Gerhard Ribbeheger, an employee representative on the supervisory board, stepped down from the supervisory board at the end of December 31, 2024. He has been replaced by Britta Sorge, who was elected by the delegates' assembly as a substitute in 2023.

The supervisory board would like to thank Dr. Harald Schwager and Gerhard Ribbeheger for their long-standing and committed work for the good of the company and its workforce.

Concluding remark

The supervisory board would also like to thank the executive board, works councils, executive staff councils, and all employees of Evonik Industries AG and its affiliated companies for their successful work during the past year.

The supervisory board adopted this report at its meeting on March 4, 2025, in accordance with section 171 paragraph 2 of the German Stock Corporation Act (AktG).

Essen, March 4, 2025

On behalf of the supervisory board
Bernd Tönjes, Chairman

Evonik on the capital markets

Performance of Evonik shares

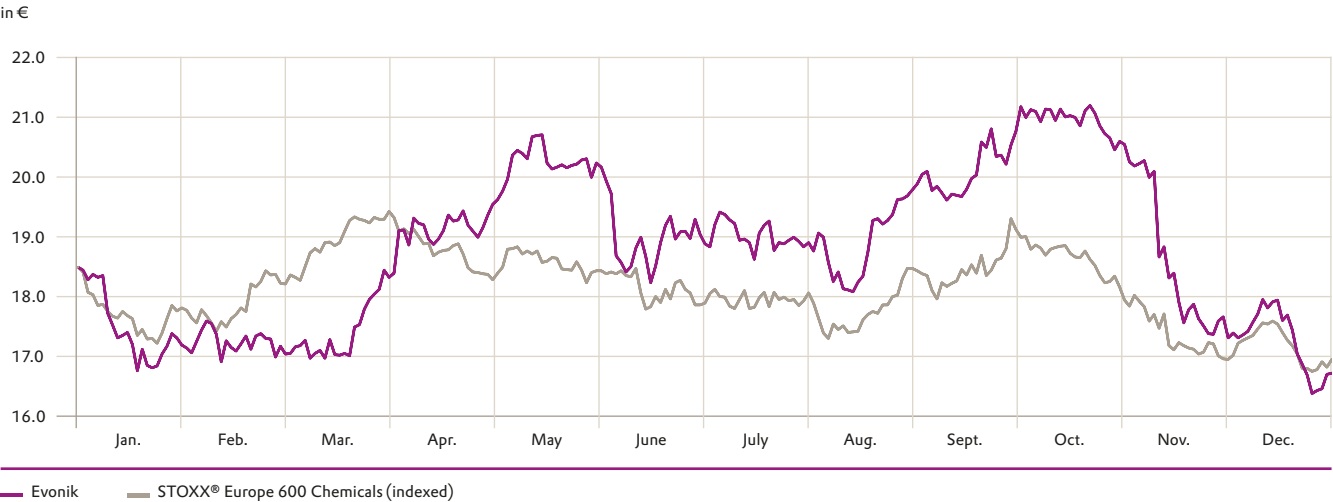
In 2024, the stock markets were dominated by geopolitical crises and a weak macroeconomic development. Even in this environment, Evonik posted a good business performance thanks to positive company-specific drivers and the right market positioning. Overall, Evonik shares were nevertheless unable to escape the negative sentiment on the chemicals sector. Both Evonik shares and the STOXX® Europe 600 Chemicals, the main benchmark index for the company, ended the year below the prior-year level. More broadly based national indices such as the DAX® and the S&P 500 were driven principally by technology stocks and ended the year more positively.

Evonik shares started 2024 at €18.50 and lost ground in the first few weeks of the year. In view of the uncertain macroeconomic conditions and weak demand in key end-markets, investors were initially skeptical about our shares. However, they gained significant momentum following publication of the outlook in March and, in particular, the financial results for the first quarter at the beginning of May. Earnings rose more strongly than had been expected, which boosted investors' confidence despite the mixed market environment, and by mid-May Evonik's shares were up 12 percent compared with the start of the year.

In the second quarter, Evonik confirmed its strong earnings performance and also raised its guidance. As a consequence of the uncertainty on key end-markets such as the German automotive industry, shares in Evonik nevertheless traded sideways in the summer months. This was followed in the fall by a renewed rally, fueled by hopes of a broadly based macroeconomic recovery in 2025. The share price therefore rose to a high for the year of €21.20 in October (+15 percent compared with the start of the year) and thus outperformed the STOXX® Europe 600 Chemicals until then.

Price performance of Evonik shares January 1 – December 31, 2024

C03



Following publication of the third-quarter results in November, however, Evonik shares fell considerably. Although the results were in line with market expectations, many investors doubted that Evonik could continue its good 2024 performance into 2025. In addition, after the election of Donald Trump as US president, international investors increasingly bought US shares, putting pressure, above all, on European industrial shares.

This negative trend continued until year-end. In mid-December, shares in Evonik dropped to a low for the year of €16.39 and closed the year on December 30, 2024 at €16.73, down 10 percent year-on-year. The key benchmark index, the STOXX® Europe 600 Chemicals, posted a very similar performance in 2024, dropping by slightly more than 8 percent.

Dividend distribution

Evonik has a long-term dividend policy aligned to continuity and reliability. The annual shareholders' meeting in June 2024 therefore resolved to pay a constant dividend of €1.17 per no-par

share for 2023, which was then paid out. At the annual shareholders' meeting on May 28, 2025, the executive board and supervisory board will once again propose a stable dividend of €1.17 per share for 2024. As in the previous year, that would result in a total dividend payment of €545 million. At year-end 2024, the dividend yield was 7 percent, which was clearly among the highest in the chemical industry.

Key figures

T03

	2024
Highest share price ^a in €	21.20
Lowest share price ^a in €	16.39
Closing price ^a on December 30, 2024 in €	16.73
Market capitalization on December 30, 2024 in € billion	7.8

^a Xetra trading.

Shareholder structure

At year-end 2024, RAG-Stiftung was still Evonik’s largest shareholder with a stake of almost 46 percent. The free float was about 54 percent (of which 46 percent comprised sustainability investors¹). In the first half of the year, RAG-Stiftung reduced its shareholding from about 53 percent to 46 percent, so for the first time it no longer had a majority shareholding in Evonik Industries AG. In the long term, RAG-Stiftung aims to reduce its stake in Evonik to 25.1 percent.

Dialogue with the capital markets

The intensive communication with the capital markets continued in 2024. The company gave current and potential investors opportunities to gain impressions and engage in direct discussions both personally and virtually through conferences and roadshows, as well as at several private investor events. In view of the challenging economic environment, the discussions with investors and analysts were dominated by short-term topics such as the development of demand in Evonik’s various end-markets and regions and the savings and optimization measures introduced to safeguard business performance. Information on portfolio optimization was provided throughout the year, and new innovation growth areas were presented at the end of September.

INVESTOR RELATIONS

For further information on our investor relations activities, visit our website at www.evonik.finance/investor-relations. The financial calendar on our website provides a convenient overview of important dates. The website also contains key facts and figures, especially financial and segment data, and details of the company’s structure and organization. This is supplemented by information on Evonik shares, the terms of bond

These should generate attractive sales growth in the coming years. The year concluded with the announcement in December of the new segment structure.

Analysts’ valuations of Evonik shares

At the end of 2024, Evonik was covered by 22 analysts. 14 of them rated the share as a buy, three as a sell, and five issued neutral recommendations. The price targets at year-end ranged from €16.60 to €26, giving an average of €22, which was €2 higher than as of December 31, 2023.

Credit ratings

Evonik has a solid investment grade rating. As in the previous year, it has a rating of Baa2 from Moody’s and BBB+ from Standard & Poor’s—with a stable outlook in each case. Both rating agencies recognize the diversity of end-markets and broad product portfolio, as well as Evonik’s commitment to a solid investment grade rating.

Sustainability indices

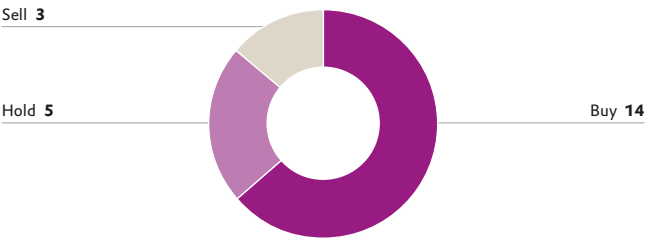
Evonik has established itself among the leaders in the chemicals sector in renowned sustainability ratings such as the MSCI, Sustainalytics, ISS-ESG, CDP, and EcoVadis. It is also represented

issues, and an overview of our credit ratings. Current presentations, analysts’ estimates, and reports on our business performance are also available.

Contact: Phone +49 201 177-3146
investor-relations@evonik.com

Analysts’ ratings

C04



in a range of ESG funds and sustainability-oriented index families. In 2024, Evonik improved its ISS rating from B– to B and its EcoVadis rating from gold to platinum. In 2023, Sustainalytics awarded Evonik a “low risk” rating for the first time, ranking it among the top 5 percent of the chemical industry worldwide. This very good positioning shows that the capital markets reward Evonik’s commitment to sustainability.

Basic data on Evonik stock

T04

WKN	EVNK01
ISIN	DE000EVNK013
Ticker symbol	EVK
Reuters (Xetra trading)	EVKn.DE
Bloomberg (Xetra trading)	EVK GY
Trading segments	Regulated market (Prime Standard), Frankfurt am Main
Indices	MDAX®, MSCI World, STOXX® Europe 600 Chemicals, DAX® 50 ESG, FTSE4Good, STOXX® Global ESG Leaders, Euronext Vigeo Eiris Indices Europe 120

¹ Investors who include the ESG (environmental, social, and governance) performance of potential investments in their investment strategy.

COMBINED MANAGEMENT REPORT

About this report

This **combined management report** covers both the Evonik Group and Evonik Industries AG. Given the influence of the subsidiaries, statements relating to the development of the divisions in the Evonik Group also apply for Evonik Industries AG. The consolidated financial statements for the Evonik Group have been prepared in accordance with the International Financial Reporting Standards (IFRS), and the financial statements of Evonik Industries AG have been prepared in accordance with the provisions of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG).

The **combined non-financial statement** (NFS) pursuant to sections 315b and 315c and sections 289b through 289e of the German Commercial Code (HGB) is integrated into the combined management report and presented in the sustainability report p.91ff. The sustainability report was prepared in conformance with the European Sustainability Reporting Standards (ESRS). The principal topics of the sustainability report cover employee, environmental, and social matters, respect for human rights, and preventing bribery and corruption. In addition, the sustainability report contains the disclosures on our taxonomy-eligible and taxonomy-aligned activities as required by the EU Taxonomy Regulation. The full tables on the EU taxonomy can be found in the annex to the combined management report p.215ff.

The **declaration on corporate governance** p.75ff. pursuant to section 315d of the German Commercial Code (HGB) in conjunction with section 289 f. HGB is an unaudited component of

the combined management report. It contains the declaration of conformity in accordance with section 161 of the German Stock Corporation Act (AktG), information on corporate governance and corporate management practices and on the work of the executive board and the supervisory board, and the diversity concept for the composition of the executive board and the supervisory board. It is also available on the internet at www.evonik.finance/declaration-on-corporate-governance.

The executive board member responsible for the finance and sustainability report is the chief financial officer, who reports on this to the executive board and the supervisory board.

KPMG AG Wirtschaftsprüfungsgesellschaft is responsible for the audit of the consolidated financial statements of Evonik Industries AG and the combined management report for fiscal 2024, see Independent auditor's report p.308ff. The sustainability report was not part of the substantive audit. However, it is subject to a separate limited assurance engagement, see Independent assurance practitioner's report p.316ff.

Due to rounding, some figures in this report may not add up exactly to the totals stated.

The following symbols indicate the level of the audit review and highlight sectors of relevance for the sustainability report:

- Section outside the scope of the statutory audit, but subject to a separate assurance engagement.
- This section is also part of the sustainability report.

FINANCIALS

25

SUSTAINABILITY REPORT

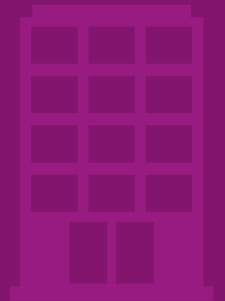
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FINANCIALS

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BASIC INFORMATION ON THE EVONIK GROUP

We go beyond to enable transformation—that summarizes Evonik’s aspiration of finding answers to tomorrow’s challenges. Our products, solutions, and applications technology already make an indispensable contribution to the benefits of our customers’ products, which generate their success in global competition. Our goal is to increase the value of our company through profitable, resource-efficient growth and by improving our profitability.



No end-market accounts
for more than

20%

of sales

Around

45%

of our sales come from
Next Generation Solutions

Production facilities in

27

countries

1.1 Business model

Evonik is one of the world's leading specialty chemicals companies. Our strengths include the balanced spectrum of our activities, end-markets, and regions. Our strong **competitive** position is based on collaboration with customers, our innovative capability, and our 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. We regard our sustainability management as an important basis for maintaining and extending Evonik's resilience and market success in the long term. Our sustainable corporate strategy

with its ambitious targets and management instruments, which help us translate transformation requirements into profitable growth, makes a key contribution to this. Our goal for the future is to substantially increase the proportion of sales from attractive growth businesses with a clearly positive sustainability profile (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 (SBTi¹). We aspire to be climate-neutral by 2050.

Our **employees** are a key success factor. They drive forward Evonik on a daily basis through their hard work and strong identification with the company. We have therefore developed a wide range of activities to gain and develop talented and qualified employees and to position Evonik as a preferred employer in order to retain them.

We systematically examine the positive and negative effects of business activities along the **value chain**. Early identification of future opportunities and risks makes our business model more resilient and sharpens our understanding of the long-term value that our activities create for society.²

Market-oriented corporate structure

Our business is divided into four divisions, which operate close to their markets and customers. The **growth divisions**—Specialty Additives, Nutrition & Care, and Smart Materials—are clearly aligned with our technology platforms to allow more selective management. They offer customers customized, innovation-driven solutions. The aim is to achieve above-average, profitable growth in attractive markets through innovations, investments, and acquisitions. The Technology & Infrastructure division provides services for the chemicals divisions. Following the sale of the Superabsorbents business on August 31, 2024, we integrated the former Performance Materials division into the Technology & Infrastructure division with effect from October 1, 2024. This comprises the remaining Performance Intermediates business, which is also earmarked for sale in the foreseeable future. The other activities of the Technology & Infrastructure division are also characterized by transformation processes comprising realignment and possibly also divestments. Effective January 1, 2025, the services provided by the Technology & Infrastructure division were subdivided into cross-site technology and site-specific infrastructure activities. Some of the infrastructure activities have been allocated to the chemicals divisions.

¹ SBTi is a partnership of CDP, the United Nations Global Compact, the World Resources Institute, and the World Wide Fund for Nature. The initiative supports companies that align their activities to achieving the 1.5 °C target defined in the Paris Agreement.

² This disclosure complies with datapoint SBM-1 42 in the sustainability report.

Corporate structure as of December 21, 2024

C05

Evonik				
Division	Specialty Additives	Nutrition & Care	Smart Materials	Technology & Infrastructure
Description	A broad spectrum of additives, crosslinkers, and formulating expertise that make the key difference for customers in growth markets such as coatings, mobility, infrastructure, and consumer goods.	Sustainable solutions that improve health and the quality of life for applications in resilient end-markets such as personal care and cosmetics, medical products and drug delivery systems, and sustainable concepts for animal nutrition and livestock farming.	Innovative materials that enable resource-efficient solutions and replace conventional materials. They are the answer to the major challenges of our time: the environment, urbanization, energy efficiency, mobility, and health.	Experts in site management, asset life cycle management, supply chains, and production-focused digitalization. Efficient technology platforms for the production of high-volume intermediates for mobility and the construction and polymers industries.
Products and applications (examples)	<p>Additives for polyurethane foams (rigid/flexible foam), for example, for mattresses, car seats, and insulating materials</p> <p>Additives, matting agents, fumed silicas, and specialty resins for paints, coatings, and printing inks</p> <p>Isophorone and epoxy curing agents, for example, for coatings, adhesives, and composites</p> <p>Pour point depressants and viscosity index improvers for oil and other lubricants for construction machinery and the automotive sector</p>	<p>Animal Nutrition D-/L-methionine and lysine as essential amino acids for the animal nutrition industry</p> <p>Health & care Pharmaceutical active ingredients Exclusive synthesis of active ingredients, pharmaceutical polymers for drug delivery systems</p> <p>Medical products Biocompatible and bioresorbable materials for orthopedic and medical applications</p> <p>Cell culture Pharmaceutical amino acids and peptides</p> <p>System solutions for the cosmetics and detergents industries</p>	<p>Inorganic materials Fumed and precipitated silicas and silanes, for example, for the automotive, tire, electronics, and cosmetics industries</p> <p>Peroxides as sterilizing agents, cleaning agents for silicon wafers, and environment-friendly bleaching agents for the paper and textile industries</p> <p>Specialty catalysts for synthesis and alkoxides for use in catalysts in the production of biodiesel</p> <p>High-tech polymers Polyamide 12 for sports shoe soles, sunglasses, gas and oil pipelines, and many safety-critical automotive components</p> <p>Polymer foams for lightweight structures, specialty polybutadiene and polyester, membranes for efficient treatment of biogas, natural gas, and hydrogen</p>	<p>Services Energy management Integrated plant support and maintenance Process engineering, process safety Pipelines, transport management, logistics safety Digital solutions for chemical production Strategic site development</p> <p>Performance Intermediates Butadiene, MTBE, butene-1, isononanol, DINP as high-volume intermediates for use, for example, in the plastics and packaging industry, the production of rubber, in fuels, and as a plasticizer for the construction and automotive industries</p>
Sites	Herne, Essen (Germany), Mobile (Alabama, USA), Shanghai (China), Singapore, Nanjing (China), Wichita (Kansas, USA)	Essen, Hanau (Germany), Antwerp (Belgium), Slovenská Ľupča (Slovakia), Lafayette (Indiana, USA), Mobile (Alabama, USA), Shanghai (China), Singapore	Marl, Rheinfelden (Germany), Antwerp (Belgium), Lenzing/Schörfling (Austria), Mobile (Alabama, USA), Charleston (South Carolina, USA), Rosario (Argentina), Dombivli (India), Shanghai (China), Yokkaichi (Japan), Singapore	Marl, Hanau, Essen (Germany), Antwerp (Belgium), Mobile (Alabama, USA), Shanghai (China)

¹ This disclosure complies with datapoint SBM-1 40 a i) in the sustainability report.

Position in the supply chain

As a leading supplier of specialty chemical solutions, Evonik is essentially in the middle of various supply chains. Our suppliers are principally producers of fossil and inorganic basic chemicals, renewable raw material producers, and energy utilities. Overall,

Evonik has around 33,000 suppliers. The 100 largest suppliers account for around 45 percent of procurement expenditure. About 65 of these 100 suppliers are in Europe, 25 are in the Americas, and ten in Asia.

Value chain

C06



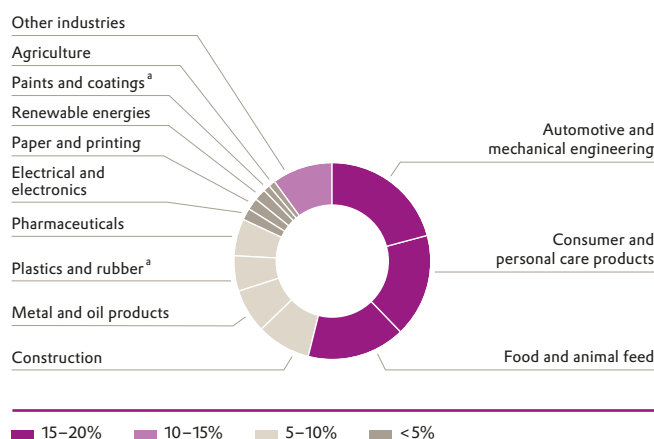
Evonik's divisions process the raw materials and precursors in various production processes and produce intermediates for customers in manufacturing industry.

Broadly diversified end-customer markets

Most of our customers are industrial companies that use our products for further processing. The range of markets in which they operate is diverse and balanced. None of these end-markets accounts for more than 20 percent of our sales. In view of its focus on a broad spectrum of applications and its worldwide presence, Evonik operates in a business environment with many global and regional competitors. Since the chemical industry is highly interconnected, competitors in one product area are often customers of another product area.

Evonik's end-customer markets

C07



Integrated technology platforms give us a competitive advantage

Our products are manufactured using highly developed technologies that we are constantly refining. Evonik has many integrated production complexes where key precursors are produced in adjacent production facilities. In this way, we offer our customers maximum reliability of supply. At the same time, integrated world-scale production facilities combined with technologically demanding production processes act as entry barriers.

Global production

Evonik has a presence in more than 100 countries, and 83 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.

Procurement

Procurement is organized globally at Evonik and comprises direct procurement (raw materials, logistics, and packaging) and indirect procurement (goods and services). Since it is a global function, methodological excellence, process efficiency, compliance, and the use of purchasing synergies are important to us. Cross-business demand is pooled to obtain favorable prices in the market. The core tasks of Procurement are ensuring the reliability of supply by accessing new procurement markets, diversifying our supplier base, and concluding long-term supply agreements. It continuously optimizes the cost of materials and services.

¹ This disclosure complies with datapoints SBM-1 40 a i) and SBM 1-42c in the sustainability report.

2024 was dominated by good general availability of raw materials, packaging materials, and logistics services, and prices were stable in the main. Isolated supply bottlenecks, for example, as a consequence of the attacks on the Red Sea trade routes, were successfully overcome. The prices and availability of capital goods stabilized, but the price of services continued to increase slightly as a result of the shortage of skilled workers.

In 2024, Evonik spent €10.5 billion (2023: €11.3 billion) on raw materials and supplies, technical goods, services, energy, and other operating supplies from almost 100 different countries. Europe accounted for the majority of Evonik's procurement expenditures (approx. 60 percent), the Americas for around 25 percent, and Asia for about 15 percent. Raw materials made up 50 percent of total procurement volume. Evonik purchases fossil-based raw materials mainly from the petrochemicals (approx. 20 percent of total expenditures) and inorganics (9 percent) markets. We aim for a further increase in the proportion of renewable raw materials. Based on weight, the proportion decreased in relative terms to 9 percent of our raw material base in 2024 (2023: 12 percent). This was because the absolute volumes of renewable raw materials were almost constant, while the total consumption of raw materials increased.

Further factors that influence our business

Since the Evonik Group operates worldwide, it is exposed to economic, legal, and political influences. At present, these are, in particular, the global economic situation, geopolitical events, and energy prices. Evonik is also affected by ecological and social

requirements, such as the EU emissions trading system and the future EU Corporate Sustainability Due Diligence Directive (CSDDD). As from a certain level, the resulting opportunities and risks are outlined in chapter 5. Opportunity and risk report p. 59 ff.

1.2 Principles and objectives

Building a best-in-class specialty chemicals company

We aspire to make Evonik a best-in-class specialty chemicals company. As part of our strategic transformation, we are integrating **sustainability** into all aspects of our corporate strategy—portfolio management, innovation, and corporate culture—as the basis for resource-efficient and profitable growth.

Our goal is to concentrate on businesses with clear specialty chemicals characteristics. Our **portfolio transformation** focuses on high-growth products and solutions, many of which also offer specific sustainability benefits (Next Generation Solutions). An important contribution to managing and driving forward our business comes from the sustainability analysis of our business, which integrates measurable sustainability impacts into the strategic management process. The cash flows generated by our operating business and the proceeds from the portfolio transformation will be used primarily to finance the expansion of Next Generation Solutions and for the ongoing development of production processes and infrastructure to reduce CO₂ emissions (Next Generation Technologies).

Innovation plays a key role in aligning Evonik systematically with sustainability. Our focus here is on working intensively with customers and partners along the value chain. In 2024, we focused our research activities on three new innovation growth areas¹, which address the three major challenges of our age: Advance Precision Biosolutions, Accelerate Energy Transition, Enable Circular Economy.

Our performance-oriented **culture** is based on our corporate values: performance, trust, openness, and speed. We regard ourselves as an international company and see diversity as an opportunity. Moreover, sustainability is integrated into our human resources processes at all levels—from recruitment through vocational training and continuing professional development to employee engagement programs and remuneration (Next Generation Culture).

Ambitious targets

Our **mid-term financial targets** focus on growth, returns, and cash generation and therefore play a part in increasing the value of the company. We aim for average organic sales growth² of more than 4 percent a year in our three growth divisions. For the adjusted EBITDA margin³, we have set a target range of between 18 percent and 20 percent. Evonik aims to achieve a high cash conversion rate⁴ of over 40 percent. Furthermore, the target return on capital employed (ROCE) is around 11 percent, which is above the cost of capital. We aim to pay a reliable and attractive dividend and uphold our investment grade rating.

¹ See chapter 4. Research and development p. 55 ff.

² Organic sales growth is calculated from the change in volumes and prices. See chapter 2.4 Business conditions and performance p. 35 ff.

³ Ratio of adjusted EBITDA to sales.

⁴ Ratio of free cash flow to adjusted EBITDA.

Basic information on the Evonik Group
Principles and objectives
Business management systems

Financial targets for the Evonik Group T05

	Status 2024 ^a	Target
Organic growth in the growth divisions	3%	> 4%
Adjusted EBITDA margin	13.6%	Between 18% and 20%
Free cash flow: cash conversion rate	42%	> 40%
ROCE	7.1%	11%
Rating	A solid investment grade rating	A solid investment grade rating
Dividend	€1.17 ^b	Reliable and attractive

^a For information on the current development of these parameters, see chapter 2. Business review p.32 ff.
^b Proposal to the annual shareholders' meeting.

We report on the development of these performance indicators in chapters 2.4 Business performance p.35 ff. and 2.9 Financial condition p.47 ff.

Targets for the most important non-financial indicators for the Evonik Group T06

	Status 2024 ^a	Target
Targets for 2025		
LTI-R	0.14	≤ 0.26
PSI-R	0.44	≤ 0.40

^a For information on the current development of these parameters, see chapter 11.3 Occupational health and safety p.180 ff.

As a specialty chemicals company that is aware of its responsibility, we are also continuing to pursue our **non-financial targets**. For the most important non-financial indicators, the lost time injury rate (LTI-R)¹ and the process safety incident rate (PSI-R)²,

we strive to remain below the upper limits we have set. Further non-financial indicators are presented in detail in an overview in the sustainability report³, which also contains an extensive report on their development.

1.3 Business management systems

Most important financial key performance indicators

Financial management of Evonik is based on a consistent system of value-oriented indicators. These are used to assess the business performance of the operational units and the Evonik Group. Through systematic alignment with these indicators, Evonik endeavors to create value by raising profitability and ensuring profitable growth.

We use **adjusted EBITDA** (i.e., EBITDA after factoring out special items) as a financial performance indicator. Adjusted EBITDA and the corresponding relative indicator, the adjusted EBITDA margin, show operating performance irrespective of the structure of the assets and the investment profile. We use them, in particular, for internal and external comparisons of the cost structure and profitability of our businesses.

The return on capital employed (**ROCE**) is used as a further indicator of value-driven management of the company. It is calculated from adjusted EBIT in relation to average capital employed. Comparison with the cost of capital, which shows the risk-adjusted return expectations of our investors, indicates relative value creation. This is calculated using a weighted average cost of capital, which reflects the return expectations of both shareholders, derived from the capital asset pricing model, and providers of debt capital.

Our operating earnings indicators, adjusted EBITDA and adjusted EBIT, are adjusted for special items that, due to their nature or amount, are not attributable to the typical operating business. We classify these special influences as structural measures, acquisitions and divestments, and other special items. We consider that the adjusted earnings figures are more suitable than unadjusted data for comparing the performance of operating units over several periods.

We also use **free cash flow** as an operational performance indicator. This is calculated from the cash flow from operating activities, continuing operations, less outflows for capital expenditures on intangible assets, property, plant and equipment. The free cash flow shows the remaining scope for financing. It therefore shows the company's internal financing capacity. To enhance management of the free cash flow in difficult economic conditions, we also look at the cash conversion rate. This shows the proportion of adjusted EBITDA that is converted into free cash flow.

In addition, we forecast cash outflows for capital expenditures on intangible assets, property, plant and equipment, which are an important factor affecting the free cash flow. In the future, we will no longer be providing a voluntary sales forecast.

Most important non-financial key performance indicators

Evonik also uses a wide variety of non-financial performance indicators. Traditionally, we accord special significance to safety, which is regarded as a holistic management task that has to be lived at all management levels. Our guiding principles for safety are binding for all managers and employees. In accordance with corporate policy, all operating units at Evonik have an occupational safety target. In addition, all production units have a process safety target. The relevant indicators are the **lost time injury rate (LTI-R)** and the **process safety incident rate (PSI-R)**.

¹ Number of work-related accidents (excluding traffic accidents) resulting in absences of at least one full shift per 200,000 working hours.
² Number of incidents in production plants involving the release of substances or energy, fire, or explosion per 200,000 working hours.
³ See chapter 9.7 Targets and significant actions p.118 ff.

BUSINESS REVIEW

Key strategic decisions on Evonik's future development were made in 2024. The aims are leaner structures, more efficient processes, and higher profitability. The operating business developed well in 2024 despite the challenging conditions. Both adjusted EBITDA and free cash flow increased.



€2,065 million

Adjusted EBITDA

13.6 %

Adjusted EBITDA margin

€873 million

Free cash flow

2.1 Overall assessment of the economic situation

In 2024, we made key **strategic** decisions for Evonik. These included the rapid realization of the internal Evonik Tailor Made program, which aims to establish leaner structures, faster decision making, and more efficient structures. To achieve this, key tasks are systematically being bundled, and the number of hierarchical levels is being reduced. Evonik is adapting its corporate structure to this strategic development with effect from April 1, 2025. At the same time, a considerably leaner management model will be introduced. In the future, the operating business will be organized in two segments with differentiated management of their business models and strategic roles. They will report directly to members of the executive board. The present division management level will be eliminated. Evonik Tailor Made should result in annual savings of around €400 million from 2026 and thus significantly improve Evonik's profitability. Another major project is the splitting of the former Technology & Infrastructure division into cross-site technology and site-specific infrastructure activities effective January 1, 2025. The infrastructure activities at the major sites in Marl and Wesseling (Germany) will operate on a stand-alone basis and have formed part of the new Infrastructure division since January 1, 2025. Other, smaller sites, which often serve only one business line, have been allocated directly to the chemicals divisions. In addition, we have introduced projects to optimize individual businesses in order to improve earnings. All these measures are designed to make Evonik more agile, more focused, and more profitable.

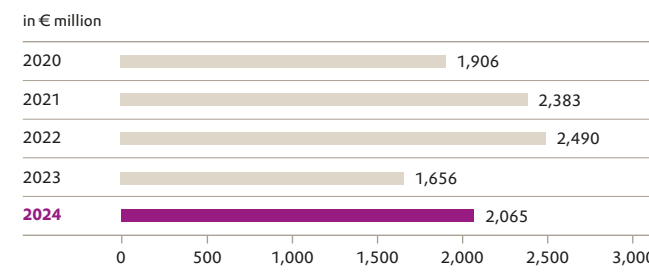
Despite the challenging conditions in 2024, the **operating** business performed better than had been anticipated at the beginning of the year. As there has still not been a broadly based macroeconomic recovery, this good business development was principally due to company-specific factors: In addition to continued strict cost discipline, positive factors were the good volume trend in Specialty Additives, the price recovery in the Animal Nutrition business, and lower production costs. Since our business performance was better than expected, we upgraded our forecast for adjusted EBITDA in summer 2024. We delivered on the revised forecast.

Overall, Group sales declined by 1 percent to €15.2 billion, driven by higher volumes and, above all, the sale of businesses. **Adjusted EBITDA** rose 25 percent to €2.1 billion. The **adjusted EBITDA margin** increased to 13.6 percent (2023: 10.8 percent) and remained significantly below our target mid-term range of between 18 percent and 20 percent. **ROCE** improved substantially to 7.1 percent but was nevertheless below both the cost of capital, which was 10 percent, and our mid-term target of 11 percent. **Net income** increased from –€465 million to €222 million. After adjustment for special items, adjusted net income, continuing operations was 110 percent higher at €777 million. Thanks to our clear focus on liquidity management, the Evonik Group generated **free cash flow** of €873 million. The cash conversion rate was 42 percent and thus achieved our target of over 40 percent.

Evonik has had a solid **investment grade rating** for many years. Net financial debt remains moderate. In addition to a comfortable liquidity position, we have high unutilized credit lines.

Development of adjusted EBITDA in the Evonik Group

C08



At the annual shareholders' meeting, the executive board and supervisory board will propose payment of an unchanged dividend of €1.17 per share. We are therefore delivering on our goal of a reliable dividend policy.

To sum up, we can say that, given the global economic conditions, our business developed positively in 2024. Taking into account the free cash flow and stable financial position, we rate the overall situation of the Evonik Group as good. This also applies to Evonik Industries AG, which benefited from an increase in income from investments and higher net income, enabling the payment of a dividend.

2.2 Economic background

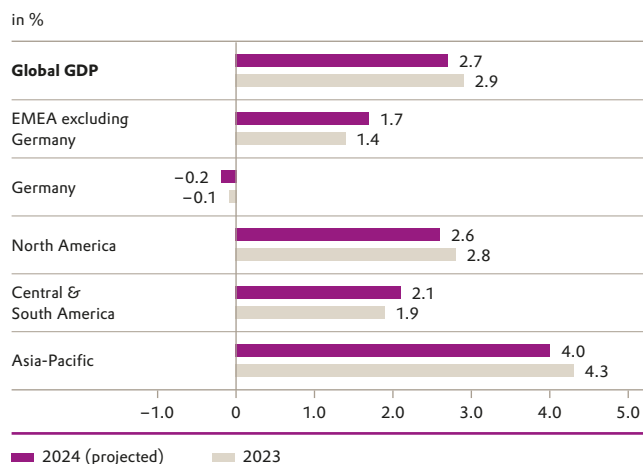
Geopolitical situation is holding back economic growth

In the past fiscal year, **global economic conditions** were dominated, on the one hand, by normalization of the macroeconomic situation, especially declining inflation and the resulting reduction in interest rates. On the other hand, global growth was held back by structural challenges and geopolitical crises. The global economy therefore only posted moderate growth, with two divergent trends. The industrial sector developed dynamically at the beginning of 2024, but momentum declined significantly during the year. By contrast, the service sector displayed far higher momentum and drove the growth in global GDP, which S&P Global¹ estimates rose by 2.7 percent in 2024.

In most countries, inflation initially approached central bank targets, mainly due to falling energy prices. However, the downward trend stalled during the year. Above all, the core inflation rate (consumer prices excluding energy and food) remained at a high level (for example, almost 3 percent in the G7 countries). Nevertheless, since inflation rates had dropped overall, central banks in the major advanced economies started to ease monetary policy. As a result, financing conditions for private households and companies improved, but demand for consumer durables only benefited from this to a limited extent as consumer sentiment remained subdued. Therefore, industry's positive expectations for 2024 were not fulfilled, and the brighter mood at the start of the year clouded significantly from the summer. As in the previous year, economic growth was driven principally by the service sector.

Development of GDP 2024/2023

C09



Based on data from S&P Global as of January 15, 2025.

Significant regional variations in economic growth

The euro-zone economy remained sluggish in 2024. The economy was supported by falling inflation and the resulting easing of monetary policy, accompanied by rising real incomes, while economic growth was buoyed by the continued high demand for services, especially in the tourism sector. Consumer confidence was persistently low as a consequence of structural problems and geopolitical uncertainties. Demand for consumer durables therefore remained weak.

There was strong economic growth in North America, especially the USA, with support for economic growth in the USA coming from both private consumption and capital expenditures by companies. The labor market also proved very resilient. Over the year, industrial activity declined slightly. The inflation rate approached the target set by the Fed, which responded by easing monetary policy and cutting interest rates.

Asia-Pacific again registered strong economic growth but with regional variances. Growth in the Chinese economy was principally attributable to the supply-oriented industrial policy, with fiscal policy measures providing support for the economy, especially at year-end. However, consumer confidence and private consumption were weaker than had been hoped at the beginning of the year. Economic growth was still held back by the challenges in the country's real estate sector. The Indian economy grew very strongly, but momentum dropped at year-end, mainly due to rising consumer prices. Japan's economic output fell slightly as a result of relatively high inflation and weak consumer spending.

Many economies in Central & South America suffered from low raw material prices, compounded by relatively high interest rates and budget deficits. Nevertheless, economic activity picked up during the year, principally due to declining inflation and rising real incomes.

A mixed picture in end-customer markets

Once again, global industrial production only grew minimally in 2024, but there were big regional differences. Asia-Pacific was the only region that posted robust growth. By contrast, there was a significant drop in industrial output in Europe and a slight decline in North America.

¹ Based on data from S&P Global as of January 15, 2025.

Business review
Economic background
Significant events
Business conditions and performance

In all, Evonik’s **end-customer markets** only saw low growth in 2024. Activity in the food and animal feed industries increased year-on-year in all regions apart from North America. Demand for hygiene and personal care products also showed robust growth in all regions, except for Europe, where it stagnated. On average, global production declined slightly in the automotive and mechanical engineering sector. Here, momentum was lowest in Europe.

Chemical production: Europe recovered slightly from the previous year’s downturn

Regionally, the development of the **chemical industry** varied greatly in 2024. Globally, chemical output (excluding pharmaceuticals) grew by nearly 5 percent¹. Chemical output (excluding pharmaceuticals) grew by around 2 percent in the EU and around 4 percent in Germany, compared with the low reference base. However, it was not possible to recoup the previous year’s energy-price-induced drop of 8.5 percent in the EU and 12.1 percent in Germany. In the USA, chemical production stagnated in 2024, while China posted growth of around 8 percent.

In 2024, the prices of the specific raw materials used by Evonik were slightly lower than in the previous year.

The exchange rate for the euro versus Evonik’s most important currency—the US dollar—averaged US\$1.08 in 2024, unchanged from the average exchange rate of US\$1.08 in the previous year.

2.3 Significant events

The aims of the internal **Evonik Tailor Made** program, which was launched in fall 2023, are far leaner structures, faster decision making, and more efficient processes. To achieve this, key tasks are systematically being bundled, and the number of hierarchical levels is being reduced. Evonik is adapting its corporate structure to this strategic development with effect from April 1, 2025. At the same time, a considerably leaner management model will be introduced. In the future, the 14 business lines, which have so far been assigned to three divisions, will be bundled in two segments managed directly by members of the executive board. Going forward, the business lines will be managed in a more differentiated manner based on their business models and strategic roles. The new Custom Solutions segment will comprise solution and innovation-driven businesses, while the new Advanced Technologies segment will be made up of technology- and efficiency-driven businesses. This will sharpen the strategy and allow a corresponding allocation of resources. The division management level will be eliminated. Moreover, at its meeting on December 12, 2024, the supervisory board appointed Lauren Kjeldsen and Claudine Mollenkopf to the executive board effective April 1, 2025. Harald Schwager, deputy chairman of the executive board, and the division managers Johann-Caspar Gammelín and Joachim Dahm are retiring. The elimination of the division management level will eliminate a complete management level in the operational business as of April 1, 2025. Through the Evonik Tailor Made restructuring model, the number of management levels in the Evonik Group will be reduced from ten to a maximum of six by year-end 2026. In total, this should result in up to 2,000 job cuts worldwide, the majority being management positions. The largest proportion—around 1,500 jobs—will be in

Germany. Restructuring provisions of €238 million were recognized in June 2024 for the planned headcount reduction. Following completion of this program in 2026, Evonik expects annual costs to be reduced by about €400 million. About 80 percent of the savings will be personnel expenses and about 20 percent other costs.

2.4 Business conditions and performance

Lower sales

The Evonik Group’s **sales** declined by 1 percent to €15,157 million. We registered organic sales growth of 2 percent: While volumes increased, selling prices declined, mainly because lower raw material costs were passed on to customers. The reduction in sales resulted from the derecognition of the Lúlsdorf site as of June 30, 2023 and the Superabsorbents business as of August 31, 2024, as well as slightly negative currency effects.

Change in sales 2024 versus 2023

T07

in %	
Volumes	4
Prices	–2
Organic change in sales	2
Exchange rates	–1
Portfolio/other effects ^a	–2
Total	–1

^a Contains material changes in the comparative base in the chemicals businesses such as portfolio effects. Also includes effects of transactions that are not regular such as royalties, changes in the price of precious metals, and adjustments for hyperinflationary economies. The change in sales of services provided by the Technology & Infrastructure division for external customers at our sites is also included here.

¹ Based on data from the German chemical industry association (VCI) as of January 15, 2025.

Adjusted EBITDA increased significantly

Adjusted EBITDA improved by 25 percent to €2,065 million as a result of higher volumes, lower raw material costs, and cost savings. The adjusted EBITDA margin increased from 10.8 percent in the prior year to 13.6 percent.

Adjusted EBITDA by division**T08**

in € million	2023	2024	Change in %
Specialty Additives	673	744	11
Nutrition & Care	389	601	54
Smart Materials	540	601	11
Technology & Infrastructure	328	441	34
Enabling functions, other activities, consolidation	-274	-322	-18
Evonik	1,656	2,065	25

The Specialty Additives and Smart Materials divisions posted higher earnings, mainly as a result of higher volumes and lower variable costs. The Nutrition & Care division benefited principally from the price increase in the Animal Nutrition business and posted a substantial improvement in earnings. The Technology & Infrastructure division increased its contribution thanks to lower variable costs and to higher volumes at Performance Intermediates. The adjusted EBITDA reported by enabling functions, other activities, including consolidation, contains, among other things, expenses for strategic research and internal reinsurance.

Sales and reconciliation from adjusted EBITDA to net income**T09**

in € million	2023	2024	Change in %
Sales	15,267	15,157	-1
Adjusted EBITDA	1,656	2,065	25
Adjusted depreciation, amortization, and impairment losses	-1,135	-1,038	
Adjusted EBIT	521	1,027	97
Adjustments	-764	-450	
thereof structural measures	-64	-405	
thereof acquisitions and divestments	-237	-34	
thereof other special items	-463	-11	
Income before financial result and income taxes, continuing operations (EBIT)	-243	577	-
Financial result	-108	-143	
Income before income taxes, continuing operations	-351	434	-
Income taxes	-101	-194	
Income after taxes, continuing operations	-452	240	-
Income after taxes, discontinued operations	-	-	
Income after taxes	-452	240	-
thereof income attributable to non-controlling interests	13	18	
Net income	-465	222	-
Earnings per share	-1.00	0.48	

The **adjustments** of -€450 million contained -€405 million for structural measures, above all for the internal Evonik Tailor Made program to optimize the administrative structure, a project in the

Nutrition & Care division to focus active ingredient production, and global projects to optimize production in the Smart Materials division. A further -€34 million comprised expenses in connection

with divestments and –€11 million related to other special items. The prior-year adjustments mainly contained impairment losses on the integrated global methionine facilities in the Nutrition & Care division and the production facilities for silicas in the Smart Materials division and expenses in connection with the completed and planned sale of shareholdings.

The **financial result** dropped to –€143 million, mainly because of a year-on-year reduction in interest income and lower income from accounting for hyperinflationary economies. **Income before income taxes, continuing operations** increased by €785 million to €434 million due to the improvement in business performance and lower adjustments. The income tax expense of €194 million was principally attributable to non-tax-deductible losses. **Net income** improved by €687 million to €222 million.

We use **adjusted net income** to assess the earnings power of the continuing operations, especially on a long-term view, and to forecast future development. The calculation starts from EBITDA¹ after adjustment for special items. The financial result is adjusted

for income and expenses in connection with acquisitions and divestments and other income and expense items that, by nature or amount, do not form part of typical current financing activities. Further, we eliminate the amortization of intangible assets,

which mainly results from acquisitions, and adjust income tax for taxes on special items. Adjusted net income increased by 110 percent to €777 million in 2024, while adjusted earnings per share rose from €0.79 to €1.67.

Reconciliation to adjusted net income

T10

in € million	2023	2024	Change in %
Adjusted EBITDA	1,656	2,065	25
Adjusted depreciation, amortization, and impairment losses	–1,135	–1,038	
Adjusted EBIT	521	1,027	97
Adjusted financial result	–103	–143	
Adjusted amortization and impairment losses on intangible assets	153	144	
Adjusted income before income taxes^a	571	1,028	80
Adjusted income taxes	–188	–233	
Adjusted income after taxes^a	383	795	108
thereof adjusted income attributable to non-controlling interests	13	18	
Adjusted net income^a	370	777	110
Adjusted earnings per share in €^a	0.79	1.67	

^a Continuing operations.

¹ See chapter 1.3 Business management systems p.31.

Higher return on capital employed

Within our value-oriented management approach, our success is measured principally by **ROCE**, which was 7.1 percent and therefore below the cost of capital, which was 10.0 percent before taxes in the reporting period.

The average **capital employed** decreased by €0.9 billion to €14.5 billion. The improvement in the Group's ROCE was attributable to the higher operating result and the reduction in average capital employed. All divisions reported an improvement in ROCE.

Capital employed, ROCE, and economic value added (EVA®)

T11

in € million	2023	2024
Intangible assets	5,608	5,524
+ Property, plant and equipment	6,539	6,328
+ Right-of-use assets	972	937
+ Investments recognized at equity	79	46
+ Inventories	2,780	2,567
+ Trade accounts receivable	1,840	1,706
+ Other interest-free assets	660	537
+ Assets held for sale	217	145
– Interest-free provisions	–654	–750
– Trade accounts payable	–1,674	–1,598
– Other interest-free liabilities	–875	–872
– Liabilities associated with assets held for sale	–86	–77
= Capital employed^a	15,406	14,493
Adjusted EBIT	521	1,027
ROCE (adjusted EBIT / capital employed) in %	3.4	7.1
Cost of capital (capital employed x WACC)	1,541	1,449
EVA® (adjusted EBIT – cost of capital)	–1,020	–422

^a Annual averages in each case.

ROCE by division

T12

in %	2023	2024
Specialty Additives	11.1	13.4
Nutrition & Care	3.7	9.8
Smart Materials	3.6	5.5
Technology & Infrastructure	3.1	14.8
Evonik (including enabling functions, other activities)	3.4	7.1

Year-on-year increase in EVA®

Economic value added (**EVA®**) is the difference between adjusted EBIT and the cost of capital, which is calculated by multiplying average capital employed by the average cost of capital (WACC). In 2024, EVA® was –€422 million, compared with –€1,020 million in the previous year.

2.5 Comparison of forecast and actual performance

In the half year financial report 2024, we upgraded the forecast for adjusted EBITDA issued at the beginning of the year because business performance was better than had been expected. We achieved our revised forecast.

Group sales were €15.2 billion in 2024, which was within the forecast range. Adjusted EBITDA increased by 25 percent to €2.1 billion thanks to higher volumes, lower raw material costs, and cost savings and was therefore within the revised range of between €1.9 billion and €2.2 billion forecast in August. It was also above the originally forecast range. ROCE increased to 7.1 percent. As expected, it was therefore significantly above the prior-year level. Cash outflows for investments in intangible

assets, property, plant and equipment were €840 million and thus above the expected level of around €750 million. The cash conversion rate was 42 percent and therefore as forecast.

Turning to our non-financial indicators, the lost time injury rate (LTI-R) was below the upper limit, but we failed to achieve our target for the process safety incident rate (PSI-R) in 2024.

Comparison of forecast and actual performance

T13

Forecast performance indicators	2023	Forecast for 2024 ^a	Revised forecast as of August 2024 ^b	2024	Forecast for 2025
Group sales	€15.3 billion	Between €15.0 billion and €17.0 billion	Between €15.0 billion and €17.0 billion	€15.2 billion	–
Adjusted EBITDA	€1.7 billion	Between €1.7 billion and €2.0 billion	Between €1.9 billion and €2.2 billion	€2.1 billion	Between €2.0 billion and €2.3 billion
ROCE	3.4%	Significantly above the prior-year level	Significantly above the prior-year level	7.1%	Above the prior-year level
Cash outflows for investments in intangible assets, property, plant and equipment	€793 million	Around €750 million	Around €750 million	€840 million	Around €850 million
Free cash flow: cash conversion rate ^c	48%	Around 40%	Around 40%	42%	Around 40%
LTI-R	0.21	≤ 0.26	≤ 0.26	0.14	≤ 0.26
PSI-R	0.43	≤ 0.40	≤ 0.40	0.44	≤ 0.40

^a As in the financial report 2023.

^b As in the half year financial report 2024.

^c Defined as the ratio of free cash flow to adjusted EBITDA.

2.6 Performance of the divisions

2.6.1 Specialty Additives

Key figures

T14

in € million	2023	2024	Change in %
External sales	3,520	3,578	2
Adjusted EBITDA	673	744	11
Adjusted EBITDA margin in %	19.1	20.8	–
Adjusted EBIT	489	562	15
Capital expenditures ^a	124	111	–10
Depreciation and amortization	183	180	–2
Capital employed (annual average)	4,403	4,185	–5
ROCE in %	11.1	13.4	–
No. of employees as of December 31	3,492	3,391	–3

^a Capital expenditures for intangible assets, property, plant and equipment.

Higher demand

In the Specialty Additives division, sales grew by 2 percent to €3,578 million, driven by considerably higher volumes, but held back by a reduction in selling prices, mainly because lower raw material costs were passed on to customers, and slightly negative currency effects.

Demand for products for the construction and coatings industries was significantly higher, while selling prices declined slightly. Overall, sales were considerably higher than in the previous year. Sales of oil additives increased due to higher volumes. Sales of

additives for polyurethane foams and consumer durables declined slightly as a result of a slight downward trend in selling prices. Crosslinkers posted lower sales than in the previous year due to price trends in highly competitive conditions.

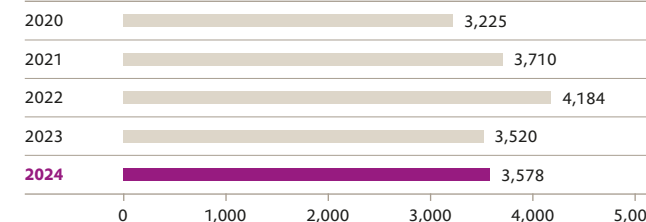
Adjusted EBITDA above the prior-year level

Adjusted EBITDA improved by 11 percent to €744 million in the Specialty Additives division. The main factors here were the considerable rise in volumes, the resulting increase in capacity utilization in production plants, and cost savings. The adjusted EBITDA margin increased from 19.1 percent in the prior year to 20.8 percent.

Sales Specialty Additives

C10

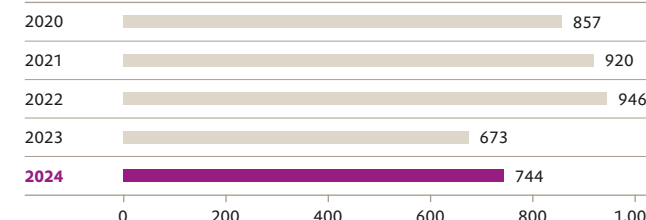
in € million



Adjusted EBITDA Specialty Additives

C11

in € million



Improvement in ROCE

Capital expenditures in the Specialty Additives division decreased by 10 percent to €111 million. As in previous years, they were therefore substantially lower than depreciation and amortization, which amounted to €180 million. The average capital employed decreased to €4,185 million. ROCE improved to 13.4 percent and was therefore significantly above the Group level.

Focused investment

The Specialty Additives division is extending its production facility for specialty amines in Nanjing (China). Investment is in the double-digit million euro range, and the new plant will be powered by green electricity. It will specialize in the production of amine-based additives, which play an important role as catalysts in the production of epoxy and polyurethane foams and are highly significant for the construction, automotive, and furniture sectors. Expansion of production in China should improve market efficiency and optimize the production network.

Production capacity for silicones is being extended at the site in Essen (Germany). This also involves extending the sourcing of raw materials and storage tank capacities. The specialty silicones produced in Essen are used in a wide range of applications, including the production of plastics and rubber, paints and coatings, labels and adhesive tape, and polyurethane foam.

Specialty Additives has also invested in projects to increase process safety and reduce emissions. Around two-thirds of capital expenditures were allocated to these categories. Among other things, the division is investing in a new exhaust gas treatment facility in Herne (Germany) to reduce emissions at this site and in a new process control system and other measures in Essen (Germany) to enhance process safety at this site.

2.6.2 Nutrition & Care

Key figures

T15

in € million	2023	2024	Change in %
External sales	3,611	3,764	4
Adjusted EBITDA	389	601	54
Adjusted EBITDA margin in %	10.8	16.0	–
Adjusted EBIT	147	377	156
Capital expenditures ^a	311	283	–9
Depreciation and amortization	235	221	–6
Capital employed (annual average)	3,970	3,860	–3
ROCE in %	3.7	9.8	–
No. of employees as of December 31	5,630	5,514	–2

^a Capital expenditures for intangible assets, property, plant and equipment.

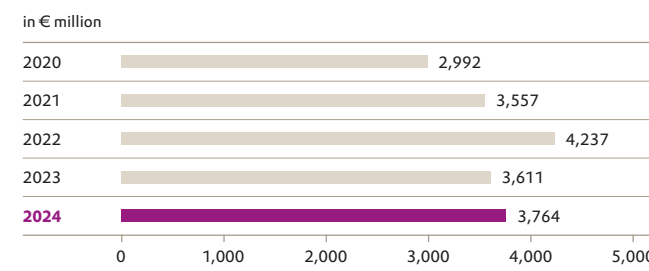
Higher sales

In the Nutrition & Care division, sales rose 4 percent to €3,764 million. As well as slightly higher volumes, this was attributable to a year-on-year rise in selling prices in the Animal Nutrition business.

The essential amino acids business (Animal Nutrition) benefited from slightly higher volumes and, above all, higher selling prices, resulting in considerably higher sales. Health & Care sales were around the prior-year level. As in previous years, our system solutions for active cosmetic ingredients posted a pleasing performance. The production facility for innovative rhamnolipids (bio-surfactants) in Slovakia made its first contribution to sales in 2024.

Sales Nutrition & Care

C12

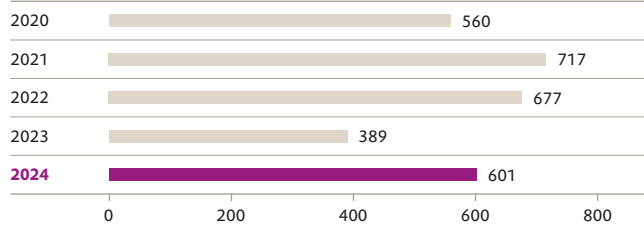


Significant rise in earnings

Adjusted EBITDA improved 54 percent to €601 million in the Nutrition & Care division. This was mainly attributable to higher selling prices for essential amino acids and cost savings resulting from the optimization of the business model for this business. The adjusted EBITDA margin therefore increased from 10.8 percent in the prior year to 16.0 percent.

Adjusted EBITDA Nutrition & Care**C13**

in € million

**Improvement in ROCE**

Capital expenditures in the Nutrition & Care division were down year-on-year at €283 million, but considerably higher than depreciation and amortization, which was €221 million. The average capital employed decreased slightly to €3,860 million. ROCE increased from 3.7 percent to 9.8 percent.

Focused investment

In Darmstadt (Germany), the Nutrition & Care division invested a double-digit million euro amount in the erection of a new drying facility for EUDRAGIT® polymers, which allow controlled release of active ingredients. The new facility is powered by green electricity and steam from the local waste incinerator and should therefore avoid more than 1,000 metric tons CO₂ p.a.

At the site in Singapore, Nutrition & Care is investing in process optimization at the present production facility for the essential amino acid methionine. This will improve the cost position and increase capacity for the Asian region. We plan to greatly reduce the specific carbon footprint of methionine production at the extended production facility by using innovative processes and green hydrogen. A new facility for methylmercaptan, a precursor for methionine, is currently under construction in Mobile (Alabama, USA). This completes the backward integration of methionine in the USA; full backward integration has already

been implemented at our production sites in Antwerp (Belgium) and Singapore. The aims are to strengthen our cost position and, at the same time, reduce our carbon footprint.

As one of the world's leading suppliers of drug delivery technologies, Nutrition & Care is also building a new, highly flexible world-scale production facility for pharmaceutical lipids at the Tippecanoe site in Lafayette (Indiana, USA). The total investment is in the low triple-digit million US dollar range. The US authorities are providing support of around US\$150 million for the construction of this plant, which is an investment in promising mRNA technology. The aim of this investment in lipid production is to strengthen our health care business.

2.6.3 Smart Materials**Key figures****T16**

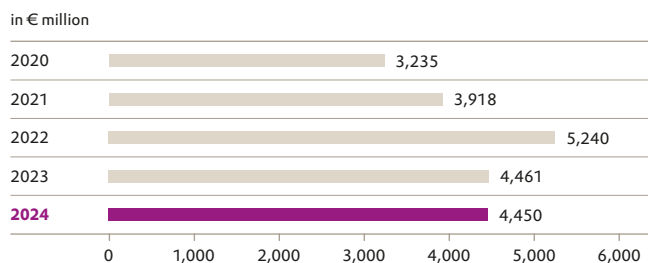
in € million	2023	2024	Change in %
External sales	4,461	4,450	–
Adjusted EBITDA	540	601	11
Adjusted EBITDA margin in %	12.1	13.5	–
Adjusted EBIT	181	268	48
Capital expenditures ^a	236	240	2
Depreciation and amortization	353	329	–7
Capital employed (annual average)	5,010	4,869	–3
ROCE in %	3.6	5.5	–
No. of employees as of December 31	8,103	7,942	–2

^a Capital expenditures for intangible assets, property, plant and equipment.

Sales at the prior-year level

Sales in the Smart Materials division were around the prior-year level at €4,450 million, with the impact of higher volumes and lower selling prices offsetting each other.

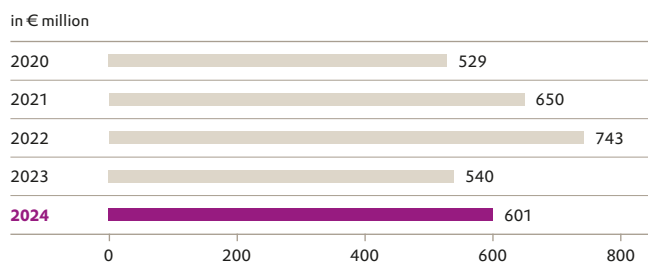
There was higher demand for inorganic products, especially silicas and catalysts. However, as a result of lower selling prices, sales were only on the prior-year level. We also observed a positive volume trend in the Polymers business, with our polyamide 12, for example, reporting slightly higher sales despite lower selling prices.

Sales Smart Materials**C14**

Figures for 2020 through 2021, excluding the subsequently integrated alkoxides business.

Higher adjusted EBITDA

Adjusted EBITDA rose by 11 percent to €601 million in the Smart Materials division, driven principally by higher volumes and lower variable costs. The adjusted EBITDA margin increased from 12.1 percent to 13.5 percent.

Adjusted EBITDA Smart Materials**C15**

Figures for 2020 through 2021, excluding the subsequently integrated alkoxides business.

Higher capital expenditures

Capital expenditures in the Smart Materials division increased slightly to €240 million. As a result, capital expenditures were below depreciation and amortization, which amounted to €329 million. The average capital employed decreased by 3 percent to €4,869 million. ROCE increased from 3.6 percent to 5.5 percent.

Investment projects to strengthen our market position

The Smart Materials division has built a new production plant for ultra-high-purity colloidal silicon dioxide in Weston (Michigan, USA). Colloidal silica is a key material for the electronics and semiconductor industry. The division is investing in the extension of a production facility for precipitated silicas in Charleston (South Carolina, USA). Evonik is investing a mid-double-digit million euro amount in this capacity expansion. Silica is used as an active filler for fuel-saving tires and other products, such as toothpaste and coatings. The new production line is scheduled to start operating in early 2026.

At its site in Lenzing (Austria), Smart Materials is further extending production capacity for SEPURAN® membranes for efficient gas separation. At the heart of the SEPURAN® membrane technology are fine hollow fibers based on a high-performance plastic that can withstand high pressure and temperature loads. Evonik is investing an amount in the mid-double-digit million euro range in the new capacity, which is scheduled for completion in 2025.

Evonik is building a new state-of-the-art facility for alkoxides at its site on Jurong Island (Singapore). The aim is zero scope 1 and 2 carbon emissions from production. The mid-double-digit million euro investment will enhance supply security for customers in the region and further strengthen our global alkoxides business. The expansion of our production capacities is a response to growing demand for alkoxides, which are primarily used as catalysts in biodiesel production and in synthesis applications in the pharmaceutical and agricultural sectors. In the future, alkoxides will also play an important role in the circular economy through their use in the chemical recycling of PET plastics. Start-up of the alkoxides plant is planned for early 2025.

Smart Materials is investing an amount in the mid-double-digit million euro range to expand capacity at its site in Yokkaichi (Japan) for the production of fumed aluminum oxide. This is Evonik's first aluminum oxide plant in Asia. AEROXIDE® aluminum oxides for ultra-thin separator coatings for the next generation of lithium-ion batteries enable electric vehicles with a greater range. They also improve safety, speed up charging, and increase the service life of batteries. The new capacity is scheduled to become operational in 2025 and is supported by funding from the Japanese government.

2.6.4 Technology & Infrastructure

Key figures

T17

in € million	2023	2024	Change in %
External sales	3,622	3,314	–9
Adjusted EBITDA	328	441	34
Adjusted EBITDA margin in %	9.1	13.3	–
Adjusted EBIT	56	212	279
Capital expenditures ^a	136	131	–4
Depreciation and amortization	249	229	–8
Capital employed (annual average)	1,828	1,437	–21
ROCE in %	3.1	14.8	–
No. of employees as of December 31	9,935	8,866	–11

Prior-year figures restated.

^a Capital expenditures for intangible assets, property, plant and equipment.

Year-on-year drop in sales

The Performance Materials division was integrated into the Technology & Infrastructure division effective October 1, 2024 and the figures for 2024 and 2023 have been restated accordingly. The Technology & Infrastructure division's sales contracted by 9 percent to €3,314 million. This was attributable to the sale of parts of the former Performance Materials division: The Superabsorbents business was divested as of August 31, 2024, and the Lülsdorf site was sold on June 30, 2023. Without this effect, sales

would have been higher. Sales of C₄ products (Performance Intermediates) increased as a result of higher volumes, although selling prices decreased slightly.

Improvement in adjusted EBITDA

Adjusted EBITDA improved 34 percent to €441 million. This was due to lower variable costs, an increase in volumes sold by Performance Intermediates, and the use of emission certificates allocated in previous years. The adjusted EBITDA margin increased from 9.1 percent to 13.3 percent.

Sustainable investment

Capital expenditures in the Technology & Infrastructure division decreased by 4 percent to €131 million and were below depreciation and amortization (€229 million). The average capital employed was 21 percent lower at €1,437 million. ROCE increased from 3.1 percent to 14.8 percent. In Antwerp (Belgium), Technology & Infrastructure is investing in a new 150 kV connection to the electricity grid. This will enable the site to source sustainable eco-power, for example, from offshore wind farms, and is an important contribution to facilitating the use of alternatives to fossil-based energy in the chemical plants. This investment is an important basis for Evonik to achieve its sustainability targets. The rail infrastructure at the site in Marl (Germany) is being renewed as a long-term, scalable basis for sustainable rail-based chemicals logistics.

In addition, Evonik is involved in the GET H2 initiative to establish a nationwide hydrogen infrastructure in Germany to make the energy transition possible. In Marl (Germany), Technology & Infrastructure provides a key part of the hydrogen infrastructure for the GET H2 nucleus and is driving forward the site's leading role in green hydrogen.

2.7 Regional development

A global presence

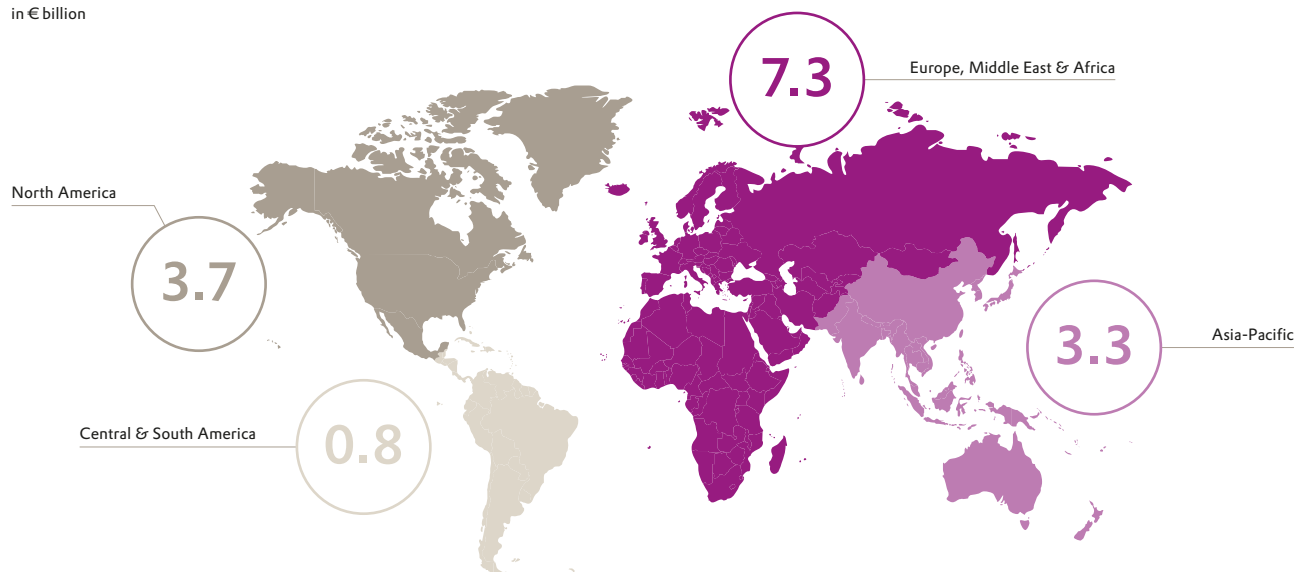
We generated 83 percent of sales outside Germany in 2024.

Sales in the **Europe, Middle East & Africa** (EMEA) region decreased slightly, by 2 percent, to €7,317 million. In Germany, sales amounted to €2,613 million, a year-on-year rise of 1 percent. EMEA accounted for 48 percent of the Evonik Group's sales. Capital expenditures were €422 million, which was below the prior-year level (2023: €474 million). Production capacity for silicones is being expanded at the site in Essen (Germany). The silicones produced here are used, for example, in plastics, paints, and adhesive tape. In Darmstadt (Germany), a new drying facility was erected for EUDRAGIT® polymers for tablet coatings for the controlled release of active ingredients. In view of the significance of membranes for the defossilization of the energy sector, the Smart Materials division is extending its production capacities for SEPURAN® gas separation membranes in Austria. The new capacity is scheduled for completion in 2025.

In **North America**, sales were 5 percent lower at €3,667 million. The downward trend in this region was mainly attributable to the Technology & Infrastructure division and was due to the sale of the Superabsorbents business of the former Performance Materials division, which has been integrated into the Technology & Infrastructure division. This region accounted for 24 percent of Group sales. Capital expenditures increased from €242 million in the previous year to €252 million. A new production facility for ultra-high-purity colloidal silicon dioxide, an important material for the electronics and semiconductor industry, was constructed

Sales by region^a

in € billion



^a By location of customer.

at our site in Weston (Michigan, USA). At our site in Mobile (Alabama, USA), we are erecting a production facility for methylmercaptan, enabling backward integration of our methionine production analogously to our production sites in Antwerp (Belgium) and Singapore. A new, highly flexible production facility for pharmaceutical lipids, the basis for promising mRNA technology, is being constructed at the Tippecanoe site in Lafayette (Indiana, USA). This facility receives funding from the US authorities.

Sales grew by 12 percent to €849 million in **Central & South America**, and this region accounted for 6 percent of Group sales. The increase was driven principally by the Smart Materials and Specialty Additives divisions.

Sales in the **Asia-Pacific** region rose 5 percent to €3,324 million, with the Nutrition & Care division making the highest contribution to this. This region accounted for 22 percent of Group sales. Capital expenditures were €135 million, which was around the

C16

prior-year level of €137 million. The production plant in Nanjing (China), which specializes in the production of amine-based additives, is currently being extended. These specialty amines are used as catalysts for epoxy and polyurethane foams and in the construction, automotive, and furniture sectors. At the site in Singapore, the extension of the production plant for the essential amino acid methionine for the Asian market was completed. We expect the technologies deployed to greatly reduce the specific carbon footprint of methionine production at the extended production facility. In addition, further progress was made in the construction of a new production facility for alkoxides in Singapore. This is Evonik's response to rising demand for alkoxides, which are used in the production of biodiesel and in the pharmaceutical and agriculture sectors. The plant is scheduled to come on stream in early 2025. In Yokkaichi (Japan), we are extending the production facilities for fumed aluminum oxide. This capacity is geared to the production of specialty solutions for lithium-ion battery technologies for electric vehicles. The new capacity is scheduled to become operational in 2025 and is supported by funding from the Japanese government.

2.8 Earnings position

Positive business development

Sales contracted slightly, by 1 percent, to €15,157 million, despite higher volumes. The main reasons for the decline were lower selling prices, negative currency effects, and the disposal of the Lülldorf site as of June 30, 2023 and the Superabsorbents business effective August 31, 2024. At the same time, the cost of sales decreased by 9 percent to €11,419 million. In the prior-year period, impairment losses on production facilities and intangible assets had a negative impact. Consequently, the gross profit rose 38 percent to €3,738 million. There was only a slight rise in selling and R&D expenses. By contrast, administrative expenses

posted a strong rise of 52 percent compared with the prior-year level. This was principally due to additions to provisions for the Evonik Tailor Made program. Moreover, additions to provisions for earnings-related remuneration components and increased factor costs had a negative impact on all areas. By contrast, relief came from positive currency effects and short-term contingency measures. The other operating income was €271 million, up 20 percent year-on-year. This rise was mainly due to income from the reversal and adjustment of provisions for recultivation and environmental protection measures and other provisions,

especially for other environmental protection activities. The other operating expense fell by 13 percent to €360 million, principally because there were no impairment losses pursuant to IFRS 9 and IAS 36; in the previous reporting period, impairment losses had a negative impact. By contrast, the main negative factors in 2024 were expenses in connection with insurance and losses on the disposal of assets, especially due to the divestment of the Superabsorbents business. Income before financial result and income taxes, continuing operations increased significantly from –€243 million to €577 million.

Income statement for the Evonik Group

T18

in € million	2023	2024	Change in %
Sales	15,267	15,157	–1
Cost of sales	–12,567	–11,419	–9
Gross profit on sales	2,700	3,738	38
Selling expenses	–1,836	–1,894	3
Research and development expenses	–443	–459	4
General administrative expenses	–488	–740	52
Other operating income	226	271	20
Other operating expense	–412	–360	–13
Result from investments recognized at equity	10	21	110
Income before financial result and income taxes, continuing operations	–243	577	–
Financial result	–108	–143	–32
Income before income taxes, continuing operations	–351	434	–
Income taxes	–101	–194	92
Income after taxes, continuing operations	–452	240	153
Income after taxes, discontinued operations	–	–	–
Income after taxes	–452	240	–
thereof income attributable to non-controlling interests	13	18	38
Net income/loss (earnings attributable to shareholders of Evonik Industries AG)	–465	222	–

Clearly positive net income

The financial result was 32 percent lower at –€143 million, mainly because of the year-on-year drop in interest income. Moreover, the financial result was affected by a year-on-year reduction in income from accounting for hyperinflationary economies. Income before income taxes, continuing operations rose to €434 million. Income tax expense therefore increased to €194 million. Overall, net income posted a significant rise of €687 million to €222 million.

2.9 Financial condition

Central financial management

The principal objectives of financial management are safeguarding the financial independence of the Evonik Group and limiting financial risks. We therefore apply a central financing strategy. Borrowing and bond issuance are normally undertaken by Evonik Industries AG. To reduce external borrowing, surplus liquidity at Group companies is placed in a cash pool at Group level to cover financing requirements in other Group companies. Currency derivatives are used at Group level to hedge the resulting intra-group loans in foreign currencies. Evonik has a flexible range of corporate financing instruments to meet liquidity requirements for operating activities, investments, and the repayment of financial debt.

Solid investment grade rating

Evonik has a solid investment grade rating. It has a rating of Baa2 from Moody's and BBB+ from Standard & Poor's (S&P)—with a stable outlook in each case. Maintaining a solid investment grade rating is a central element in our financing strategy and one of the Evonik Group's financial targets. In this way, we gain access to a broad investor base on appropriate financing terms and thus maintain our financial flexibility. A solid investment grade rating gives banks, investors, customers, and suppliers a reliable basis for a long-term business relationship with Evonik.

Higher free cash flow

The **cash flow from operating activities, continuing operations** was €1,713 million, which was significantly above the prior-year

figure. The positive effect of the improved operating performance was diminished by an increase in net working capital, compared with a reduction in the previous year. The **free cash flow** was €72 million higher at €873 million. The cash conversion rate¹ was 42 percent (2023: 48 percent), so we achieved our target of over 40 percent.

The other investing activities resulted in a cash inflow of €177 million, which mainly comprised the proceeds from the sale of securities. The financing activities led to a cash outflow of €1,330 million. The main factors here were the net repayment of financial debt totaling €646 million and the dividend payment of €545 million for fiscal 2023.

Cash flow statement (excerpt)

T19

in € million	2023	2024
Cash flow from operating activities, continuing operations	1,594	1,713
Cash outflows for investments in intangible assets, property, plant and equipment	–793	–840
Free cash flow	801	873
Cash flow from other investing activities, continuing operations	140	177
Cash flow from financing activities, continuing operations	–823	–1,330
Change in cash and cash equivalents	118	–280

¹ Ratio of free cash flow to adjusted EBITDA.

Slight reduction in net financial debt

Net financial debt decreased slightly to €3,253 million, a reduction of €57 million compared with December 31, 2023. While the free cash flow was €873 million, there were cash outflows for the dividend payment of €545 million for fiscal 2023, net interest payments of €72 million, and the net addition of lease liabilities totaling €156 million.

Net financial debt

T20

in € million	Dec. 31, 2023	Dec. 31, 2024
Non-current financial liabilities ^a	-3,320	-2,961
Current financial liabilities ^a	-1,006	-883
Financial debt	-4,326	-3,844
Cash and cash equivalents	749	461
Current securities	261	128
Other financial investments	6	2
Financial assets	1,016	591
Net financial debt as stated on the balance sheet	-3,310	-3,253

^a Excluding derivatives and excluding the refund liability for rebate and bonus agreements.

A €750 million bond due in September 2024 was redeemed. This was refinanced in August 2024 by a €250 million loan from the European Investment Bank and a reduction of €500 million in cash and cash equivalents and current securities. As a result, financial assets decreased by €425 million and financial debt decreased by €482 million.

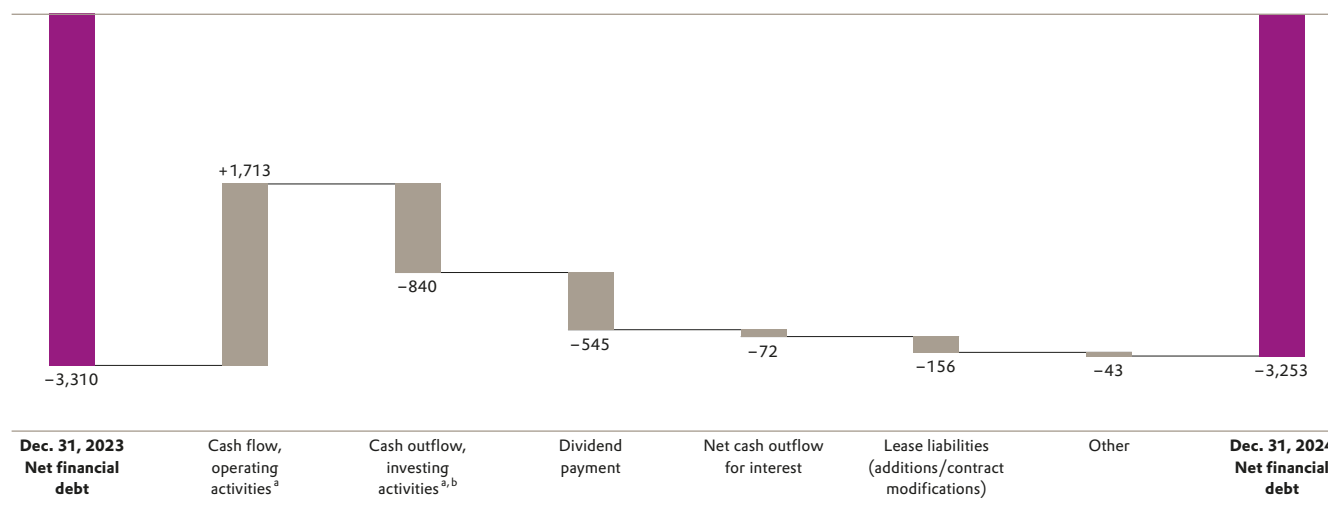
Bonds as a central financing instrument

At year-end 2024, the financial debt of €3,844 million comprised four bonds with a total carrying amount of €2,244 million, bank loans totaling €300 million, Schuldschein loans totaling

Change in net financial debt

C17

in € million



^a Continuing operations.

^b Cash outflows for investments in intangible assets, property, plant and equipment.

€254 million, commercial paper in the amount of €50 million, lease liabilities totaling €918 million, and other financial liabilities of €78 million.

Following the repayment of the €750 million bond, which matured in September 2024, there were four bonds outstanding with a nominal value of €2.25 billion as of the reporting date:

Bonds

T21

	Nominal value in € million	Rating (S&P/Moody's)	Maturity	Coupon in %	Issue price in %
Evonik Industries AG					
Bond 2020/2025 ^a	500	BBB+/Baa2	Sep. 18, 2025	0.625	99.599
Green bond 2022/2027 ^a	750	BBB+/Baa2	Sep. 25, 2027	2.250	99.386
Bond 2016/2028 ^a	500	BBB+/Baa2	Sep. 7, 2028	0.750	98.830
Green hybrid bond 2021/2081 ^b	500	BBB-/Ba1	Sep. 2, 2081	1.375	99.375

^a Issued under the debt issuance program.

^b The formal tenor of the bond is 60 years, and Evonik has an initial redemption right in 2026.

Business review
Financial condition

In March 2024, Evonik obtained a loan commitment of €500 million from the European Investment Bank. This loan will be used to finance R&D expenses for sustainable projects in Europe. The terms of the loan permit the drawing of individual loans with a term of up to six years. A first tranche of €250 million with a term of six years was drawn in August 2024.

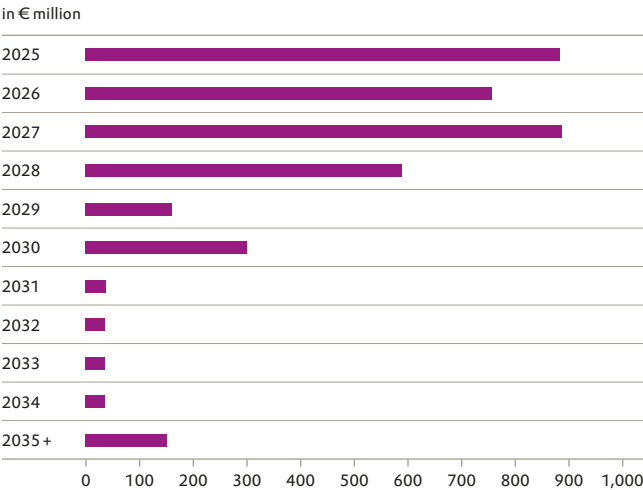
Around 94 percent of the Evonik Group’s non-derivative financial liabilities are denominated in euros. Including currency derivatives concluded for financing purposes, around 67 percent of financial liabilities are denominated in euros, 20 percent in US dollars, 10 percent in Singapore dollars, and 3 percent in other currencies.

Liquidity position remains strong

As of December 31, 2024, Evonik had cash and cash equivalents amounting to €461 million and current securities totaling €128 million. In addition, Evonik has a €1.75 billion syndicated credit facility as a central source of liquidity. This credit facility was agreed in November 2022 with an original term of five years. Following the utilization of two extension options in 2023 and 2024, it now runs until November 2029. The syndicated credit facility represents a long-term liquidity reserve for the Evonik Group and was not drawn at any time in fiscal 2024. It still does not contain any covenants requiring Evonik to meet certain financial ratios. Evonik also has bilateral credit facilities of €800 million from commercial banks, which had not been drawn as of December 31, 2024. They are available alongside the syndicated credit facility as an additional liquidity reserve. Further, Evonik still has an undrawn amount of €250 million from the €500 million loan commitment from the European Investment Bank.

Maturity profile of financial liabilities

C18



As of December 31, 2024.
The hybrid bond is included in 2026 (when Evonik has its first right of redemption).

Solid funding of pension obligations

Pension provisions account for about one-third of our net debt (sum of net financial debt and pension provisions). They are non-current and depend on the discount rate as specified in IAS 19. Compared with year-end 2023, pension provisions declined slightly, by €196 million to €1,662 million. This was mainly caused by a slight increase in the discount rate and the robust performance of plan assets. The funding of pension obligations¹ was 81 percent as of the reporting date and thus still at a solid level in line with the industry norm².

Capital expenditures down year-on-year

Investment projects are aimed at utilizing the potential for sustained profitable growth and value creation, as well as maintaining the value and availability of the existing property, plant and

equipment. Evonik is therefore expanding in specialty chemicals businesses and markets where it already has—or intends to build—a strong competitive position. Every project is required to undergo detailed economic and strategic analyses. Evonik expects all projects to meet a minimum return requirement, which is the cost of capital. With regard to the expansion of our market positions, all projects are regularly reviewed for changes in the market situation.

Capital expenditures³ were €816 million, which was below the prior-year level of €860 million. There is a slight timing difference in outflows for intangible assets, property, plant and equipment as a result of payment terms. In the reporting period, outflows for capital expenditures totaled €840 million, compared with €793 million in the previous year. The Nutrition & Care division accounted for the highest share of capital expenditures (35 percent). The Smart Materials division accounted for 29 percent, the Technology & Infrastructure division for 16 percent, and the Specialty Additives division for 14 percent. Regionally, capital expenditures were focused on the Europe, Middle East & Africa region (52 percent), followed by North America (31 percent), and Asia-Pacific (17 percent).

Major projects completed or virtually completed in 2024

T22

Project	Location
Specialty Additives	
Construction of an incinerator	Herne (Germany)
Nutrition & Care	
Construction of a spray drying facility	Darmstadt (Germany)
Expansion of production capacities for methionine	Singapore
Smart Materials	
Construction of a production plant for silica	Weston (Michigan, USA)

For further information on current capital expenditure projects, see chapter 2.6 Performance of the divisions [p. 40 ff.](#)

¹ Ratio of plan assets to pension obligations.
² Internal evaluation of other chemical companies based on 2023.
³ Capital expenditures for intangible assets, property, plant and equipment. For information on purchase commitments, see note 9.6 to the consolidated financial statements [p. 105 f.](#)

2.10 Asset structure

Reduction in total assets

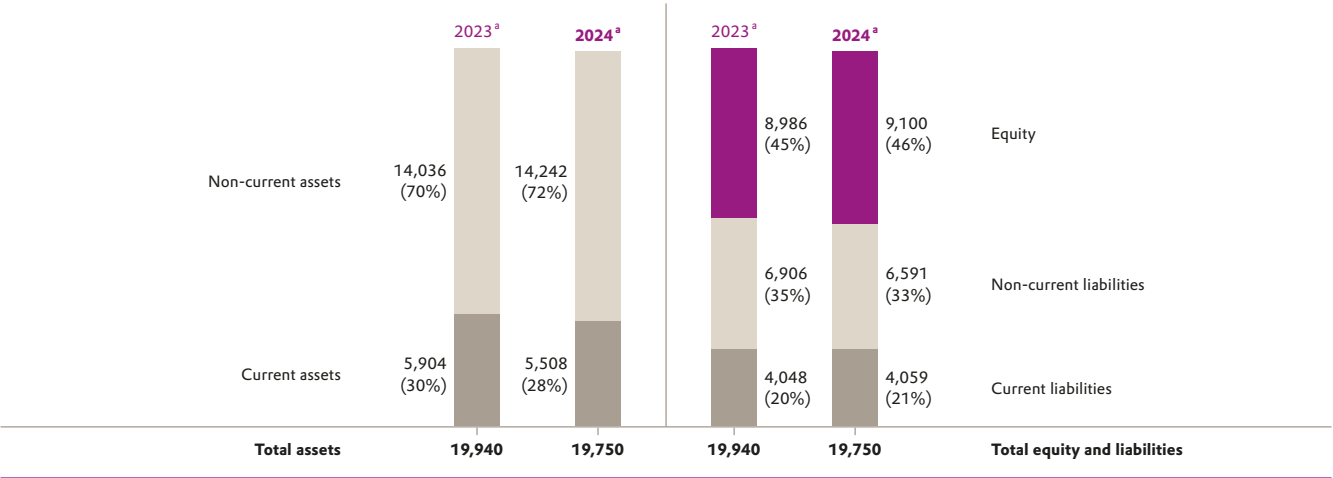
As of December 31, 2024, total assets were €19.8 billion, which was €0.2 billion lower than at year-end 2023. Non-current assets increased, primarily due to positive exchange rate effects. As a result, there was an increase in both goodwill and property, plant and equipment. Overall, non-current assets were €0.2 billion higher at €14.2 billion and made up 72 percent of total assets (2023: 70 percent). Current assets decreased by €0.4 billion to €5.5 billion. This was principally due to a reduction in cash and cash equivalents and current securities as well as the disposal of the Superabsorbents business. Current assets made up 28 percent of total assets (2023: 30 percent).

Equity posted a slight rise of €0.1 billion to €9.1 billion. In addition to the positive net income, favorable exchange rate effects contributed to the rise in equity. By contrast, the annual dividend distribution reduced equity. The equity ratio rose from 45.1 percent to 46.1 percent. Non-current liabilities were €0.3 billion lower at €6.6 billion, mainly due to the reclassification of a bond due in September 2025 to current liabilities and an interest rate-driven reduction in pension provisions. This was countered by a loan with a nominal value of €250 million from the European

Balance sheet structure of the Evonik Group

C19

in € million



^a As of December 31.

Investment Bank. Current liabilities were almost unchanged at €4.1 billion. Debt was reduced by the repayment of a bond with a nominal value of €750 million, which was due in September 2024, and the derecognition of current liabilities in connection

with the sale of the Superabsorbents business. Additions to provisions for variable remuneration components and the reclassification of a bond due in September 2025 with a nominal value of €500 million had a counter-effect.

PERFORMANCE OF EVONIK INDUSTRIES AG

Evonik Industries AG performs key functions for the companies in the Evonik Group. These include the central financing strategy, borrowing and the issuance of bonds, and managing a cash pool for Group companies' surplus liquidity.



€1.17

Dividend per share

7.0%

Dividend yield

Evonik Industries AG, Essen (Germany), is the parent company of the Evonik Group. It holds direct and indirect stakes in all subsidiaries in the Evonik Group. The annual financial statements for Evonik Industries AG have been prepared in accordance with the accounting standards set out in the German Commercial Code (HGB) and the German Stock Corporation Act (AktG).

Earnings position

The earnings performance of Evonik Industries AG is essentially dependent on income from its subsidiaries, income and expenses relating to corporate financing, and portfolio management activities. Financial management is therefore based on net income as an earnings indicator that contains all these effects and forms the basis for the ability of Evonik Industries AG to pay a dividend.

The €31 million reduction in sales to €479 million was mainly due to the transfer of procurement activities to a German subsidiary in the previous year. This also contributed to a corresponding reduction in the cost of materials, which decreased by €21 million to €13 million. Higher expenses for variable remuneration components than in the previous year were the main reason for the rise in personnel expense to €375 million, which was 7 percent higher than in the previous year. Other operating income contracted to €341 million, mainly as a result of lower currency translation gains. Due to the ban on netting in section 246 paragraph 2 of the German Commercial Code (HGB), currency translation gains of €295 million (2023: €492 million) are shown in other operating income, while the corresponding currency translation losses of €309 million (2023: €535 million) are shown separately in other operating expense. The net effect was a loss of €14 million (2023: loss of €43 million). Following an adjustment to our accounting practice, in the previous year all hedged

Income statement for Evonik Industries AG

T23

in € million	2023	2024
Sales	510	479
Other own work capitalized	1	1
Other operating income	548	341
Cost of materials	-34	-13
Personnel expense	-351	-375
Depreciation and amortization of intangible assets, property, plant and equipment	-22	-19
Other operating expense	-889	-746
Operating result	-237	-332
Income from investments	764	1,091
Write-downs of financial assets and current securities	-9	-
Write-ups of financial assets and current securities	21	-
Net interest income/expense	55	32
Income before income taxes	594	791
Income taxes	57	-10
Income after taxes	651	781
Net income (+)/net loss (-)	651	781
Profit carried forward from the previous year	-	100
Withdrawals from (+) other retained earnings	-	-
Allocations to (-) other retained earnings	-6	-11
Distributable profit	645	870

cash pool balances in foreign currencies were valued at the respective average hedged exchange rates as of the reporting date. This resulted in the recognition of non-period income of €103 million and non-period expenses of €133 million in the previous year. The net effect was an expense of €30 million.

The other operating expense declined from €889 million to €746 million, principally due to the reduction in currency translation losses outlined above. This was offset by the expense for additions to restructuring provisions totaling €119 million in connection with the internal Evonik Tailor Made program.

Income from investments increased by €327 million to €1,091 million, mainly as a result of higher income from profit distributions by subsidiaries. Compared with the previous year, in the reporting period there were neither any write-downs of financial assets (2023: €9 million), nor any write-ups of financial assets and current securities (2023: €21 million).

The net interest position declined significantly year-on-year from €55 million to €32 million. Among other things, net interest contains interest income and expense from the group-wide cash pool, which is concentrated at Evonik Industries AG. The reduction in the net interest position was mainly due to an increase in this expense and the reduction in other interest income.

Income before income taxes increased to €791 million, principally as a result of higher profit transfers. The income tax effects comprised expense of €10 million compared with income of €57 million in the previous year. The change was mainly attributable to income from the reversal of tax provisions in the previous year.

The **net income** of Evonik Industries AG, calculated on the basis of the German Commercial Code, increased by €130 million year-on-year to €781 million. After allocating €11,374,343.43 to other retained earnings and taking into account the profit of €100,000,000 carried forward from the previous year, the distributable profit is €870,000,000. A proposal will be put to the annual shareholders' meeting that €545,220,000 of the distributable income should be used to pay a **dividend** of €1.17 per share. The remaining €324,780,000 will be carried forward to fiscal 2025.

Asset structure

Balance sheet for Evonik Industries AG

T24

in € million	Dec. 31, 2023	Dec. 31, 2024
Intangible assets, property, plant and equipment	43	37
Financial assets	7,839	7,722
Non-current assets	7,882	7,759
Receivables and other assets	4,210	4,287
Securities	262	118
Cash and cash equivalents	417	133
Current assets	4,889	4,538
Prepaid expenses and deferred charges	30	28
Total assets	12,801	12,325
Issued capital	466	466
Capital reserve	722	723
Retained earnings	3,541	3,552
Distributable profit	645	870
Equity	5,374	5,611
Provisions	897	940
Other liabilities	6,529	5,773
Deferred income	1	1
Total equity and liabilities	12,801	12,325

The total assets of Evonik Industries AG declined slightly from €12.8 billion to €12.3 billion. Financial assets mainly comprise shares in subsidiaries. They declined from €7.8 billion to €7.7 billion, primarily as a result of capital repayments by subsidiaries. The

receivables mainly comprise financial receivables of €4.1 billion (2023: €4.0 billion), principally in connection with cash pooling activities and intragroup loans. Securities comprise units totaling €118 million in two specialized funds, which were purchased in 2019.

Equity increased by €0.2 billion to €5.6 billion because the net income of €0.8 billion in 2024 was higher than the dividend payment for 2023 (€0.5 billion). The equity ratio increased from 42.0 percent in 2023 to 45.5 percent. The receivables and liabilities reflect the group-wide financing activities of Evonik Industries AG in its role as the holding company for the Group. The liabilities include financial liabilities of €5.6 billion (2023: €6.3 billion). Of this amount, €2.8 billion (2023: €3.1 billion) comprises liabilities to affiliated companies, principally in connection with cash pooling activities. A further €2.3 billion (2023: €3.0 billion) relates to corporate bonds.

Financial position

Evonik Industries AG plays a central role in the financial management of the Evonik Group.¹ Borrowing and bond issuance are normally undertaken by Evonik Industries AG.

As of December 31, 2024, Evonik Industries AG had cash and cash equivalents amounting to €133 million and current securities totaling €118 million. In addition, Evonik Industries AG has a €1.75 billion syndicated credit facility as a central source of liquidity. Furthermore, Evonik Industries AG still has access to bilateral

credit lines from commercial banks totaling €800 million, which had not been drawn as of December 31, 2024. They are available alongside the syndicated credit facility as an additional liquidity reserve. Moreover, Evonik still has an undrawn portion of €250 million of the €500 million loan commitment from the European Investment Bank.¹

At Evonik Industries AG, additions to intangible assets amounted to €3 million in the reporting period (2023: €2 million), and additions of property, plant and equipment totaled €9 million (2023: €8 million). The additions to property, plant and equipment mainly resulted from the procurement of IT equipment.

Opportunities and risks

The most significant operating subsidiaries in Germany have profit-and-loss transfer agreements with Evonik Industries AG. In line with the central financing strategy of the Evonik Group, most internal and external financing transactions are handled by Evonik Industries AG. Consequently, Evonik Industries AG is essentially exposed to the same risks and opportunities as the Evonik Group. Further information can be found in chapter 5. Opportunity and risk report p.59 ff.

Outlook² for 2025

The rise in earnings was well above the level forecast in the past fiscal year. This was mainly due to significantly higher dividend distributions by subsidiaries. In 2025, we expect Evonik Industries AG to report a substantial drop in earnings. This is based principally on the assumption that income from dividend distributions by subsidiaries will be significantly lower. By contrast, we expect the operating result to increase substantially.

Report on relations with affiliated companies

A report on Evonik Industries AG's relations with affiliated companies has been prepared in accordance with section 312 of the German Stock Corporation Act (AktG). It concludes with the following declaration: "Our company received adequate remuneration or compensation for each of the transactions set out in this report on relations with affiliated companies under the circumstances known to us at the time when the transactions were undertaken. No actions were performed or omitted at the instigation of such companies."

¹ See chapter 2.9 Financial condition p.47 ff.

² For details of the assumptions, see chapter 6. Report on expected developments p.71 ff.

RESEARCH AND DEVELOPMENT

In 2024, we introduced new innovation growth areas that address the major challenges of our time. In this way, we aim to generate additional sales of €1.5 billion by 2032 (reference base: 2023):

- Advance Precision Biosolutions
- Enable Circular Economy
- Accelerate Energy Transition



€459 million

R&D expenses

3.0%

R&D ratio

Approx.
21,400
patents and
pending patents

Sustainable innovations

Innovations play a key role in our systematic alignment with sustainability and profitable growth. At the same time, our sustainable innovations help our customers achieve their goals in the areas of climate protection, biodiversity, and circularity. Our newly established Skin Institute, which pools our competence in skin science and the efficacy of cosmetics and complements the skin microbiome expertise of our Biotech Hub, is a further example of sustainable innovation, as is our recently opened Innovation Satellite in Cambridge (Massachusetts, USA). One focus of the work there will be developing novel formulations and transport systems for nucleic acid-based medicines.

Sustainability is a basis of our innovation portfolio, because our aim is to improve both our handprint and our footprint. Linking sustainability and innovation is reflected, among other things, in the fact that some members of the research, development & innovation (RD&I) council and the sustainability council are identical. We use strategic perspectives to allocate our research and development resources. That includes an intensive sustainability assessment using the methodology that has become established for the sustainability analysis of our business. The

Idea to Profit (I2P) process is used to manage our R&D projects in several systematic steps—from the idea through development to profitable commercialization.

In the reporting period, we laid the foundations for three new innovation growth areas, with which we aim to generate additional sales of €1.5 billion by 2032 (reference base 2023). These innovation growth areas relate to three major challenges of our time:

- **Advance Precision Biosolutions:** We are using biotechnology to develop biosurfactants and cosmetic and pharmaceutical solutions that improve people's quality of life and, at the same time, protect our ecosystems.
- **Accelerate Energy Transition:** To become genuinely climate-neutral, we need to avoid emissions, capture more CO₂, and build a hydrogen economy.
- **Enable Circular Economy:** We pool our focal areas of research for a modern circular economy, help close material cycles, and pave the way for a circular future for our customers.

Through our innovation growth areas, we are concentrating on solutions for a bio-based, energy-saving, circular economy and society.

Our R&D activities are managed by the RD&I function, which comprises the R&D teams of the growth divisions, innovation management, Creavis, which is our business incubator and strategic research unit, and Evonik Venture Capital. The R&D strategy is set by the RD&I council, which also manages the targeted allocation of human and financial R&D resources. The council, which is chaired by the executive board member responsible for chemicals and innovation, also includes the chief innovation officer, the head of Corporate Strategy, and the division heads.

Our strategic innovation unit, **Creavis**, serves as a business incubator for mid- and long-term projects outside the product and market focus of the Evonik Group's operational business.

Creavis currently bundles its activities in three incubation clusters:

- The Defossilisation cluster helps industries become less dependent on fossil raw materials by developing high-growth solutions that make a contribution to the transition to a circular, climate-neutral economy.
- The Life Sciences cluster focuses on novel concepts for resource-efficient and sustainable food production for the world's continuously growing population. Another focal area is preventing and curing diseases, especially as many people are living to an advanced age.

- Solutions Beyond Chemistry fosters traceable, safe, and circular value chains based on special application know-how and data-based solutions. These increase the transparency, effectiveness, and sustainability of industrial systems.

In the future, Creavis will focus on businesses that drive forward at least one of the three innovation growth areas.

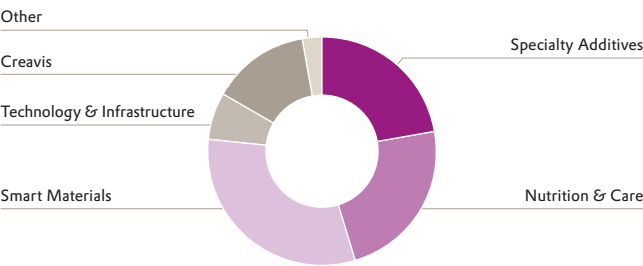
Our **venture capital** activities facilitate early insight into innovative technologies and business models. By collaborating with start-ups and technology funds around the world, Evonik gains more rapid access to attractive future technologies and markets. The Evonik Group has made more than 50 investments since the establishment of Evonik Venture Capital in 2012. One important instrument is the Sustainability Tech Fund, which was set up in 2022 and has a total investment volume of €150 million. It invests in start-ups which complement our innovation growth areas.

The **Evonik Biotech Hub** develops custom-tailored, competitive solutions for its internal and external customers. For this it uses its extensive understanding of complex biological systems, microbial strain development, and biotechnological production processes up to and including large-scale production facilities, with a focus on all of Evonik’s business lines.

We place our trust in industrial biotechnology for the production of biomolecules and functional micro-organisms, such as

- highly soluble, ultra-pure collagen of non-animal origin for use in pharmaceutical and medical applications as well as in cell culture and tissue engineering;
- biosurfactants for household and cosmetic applications;
- omega-3 fatty acids, such as EPA and DHA produced from natural microalgae for animal nutrition;
- amino acids for low-protein diet formulations as a global standard for animal nutrition;
- probiotics and other feed additives to reduce the use of antibiotics in livestock farming;
- microbial ferments that are used as microbiome-friendly cosmetic active ingredients; and
- microbial surface cleaners for long-lasting cleaning effects in households and industrial facilities.

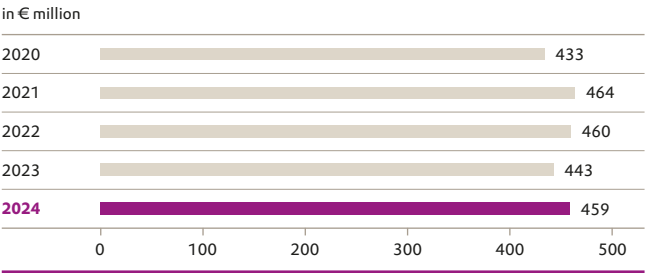
Breakdown of R&D expenses C20



Global research network

RD&I has more than 40 locations worldwide and around 2,500 R&D employees. R&D expenses totaled €459 million in 2024. The ratio of R&D expenses to sales was 3.0 percent, compared with 2.9 percent in 2023. At present, our operational chemicals divisions account for around 83 percent of our R&D expenses, while Creavis accounts for 14 percent. In the reporting period, some of our projects received funding from the European Union or the Federal Republic of Germany. In all, we received funding of around €5.6 million.

R&D expenses C21



Evonik has an extensive patent strategy to protect new products and processes. The value and quality of our patent portfolio have increased steadily in recent years. In the reporting period, 223 patent applications were submitted. Overall, we had around 21,400 patents and pending patents. To position ourselves close to our partners and customers with our innovative ideas, minimize geopolitical risks, and enable us to respond quickly to regional trends, we are driving forward our globalization strategy, for example, through innovation hubs in attractive growth regions. Outside of Germany, we currently have innovation hubs in:

- **Allentown** (Pennsylvania, USA): product development focusing on applications for amines, high-performance polymers, and polyurethanes
- **Mumbai** (India): research focusing on formulations for the pharmaceuticals industry, catalysts for oils and lubricants, and the development of applications for construction and agriculture
- **Shanghai** (China): research focusing on applications for lithium-ion batteries, cosmetics, and silicone
- **Singapore** (Singapore): research focusing on cell cultures, skin models, and coating additives

Research, Development & Innovation: progress in 2024

In 2024, our many research projects and products made a contribution to the climate-neutral transformation of Evonik and its customers towards sustainability and more efficient use of resources. This is illustrated by the following examples:

Through the new Cambridge Innovation Satellite, Evonik plays a part in the life sciences ecosystem in the Greater Boston metropolitan area in the USA, which is one of the world’s largest biotech hubs, with academic institutions such as the Massachusetts Institute of Technology (MIT), as well as pharmaceutical companies, start-ups, and venture capital firms. This step strengthens our R&D in North America, enables us to benefit from new ideas, and brings us closer to our customers in this region. Our activities are initially concentrated on the health sector, for example, nucleic acid-based medicines.

The Evonik Skin Institute comprises a global network of life science experts and laboratories. It pools the Evonik Group’s expertise in the areas of skin science, the skin microbiome, and the efficacy of cosmetics. The aim of this shared platform is to help customers research the mode of action of cosmetics and provide the associated scientific evidence. For this, the Skin Institute uses the Group’s biotechnology platform.

In April 2024, we opened the Evonik India Research Hub in Thane (India), which is part of the metropolitan region of Mumbai. The building has more than 9,000 square meters of space and houses state-of-the-art laboratories and offices for the established business lines, which are working on innovations for oral delivery of medicines, product developments based on organic chemistry, and skin and cosmetic products. Further laboratories were opened in this building during the year, offering proximity to customers in sectors related to biosurfactants, skin and hair care products, automotive, furniture, and mattress applications. This new Research Hub will be the center of Evonik’s business activities in India.

R&D at Evonik

T25

	2024
R&D expenses	€459 million
R&D ratio ^a	3.0%
No. of new patent applications filed	223
Patents held and pending	approx. 21,400
R&D employees	approx. 2,500
R&D locations	more than 40

^a R&D expenses as a proportion of sales.

OPPORTUNITY AND RISK REPORT

Evonik has a group-wide internal opportunity and risk management system to identify opportunities and risks as early as possible in order to ensure optimal utilization of opportunities and take appropriate action to minimize and mitigate risks.

We only enter into entrepreneurial risks if we are convinced that, in this way, we can generate a sustained rise in the value of the company.



MATERIAL RISKS

(Expected value >€100 million)

- Threat of cyberattacks
- Reduction in price and volume of C₄ chemicals
- Macroeconomic downturn
- Increased price pressure in the methionine business

MATERIAL OPPORTUNITIES

(Expected value >€100 million)

- Changes in exchange rates
- Increases in the price and volume of C₄ chemicals

5.1 Opportunity and risk management

Risk strategy

Evonik has a group-wide internal opportunity and risk management system (subsequently referred to as risk management), which is a central element in the management of the Evonik Group. The purpose of this system is to identify opportunities and risks as early as possible to ensure optimal utilization of opportunities and take appropriate action to minimize and mitigate risks. As a Group, we only enter into entrepreneurial risks if we are convinced that, in this way, we can generate a sustained rise in the value of the company and, at the same time, permanently limit possible negative implications.

Tools to implement the risk strategy

In compliance with the requirements of section 91 paragraph 2 of the German Stock Corporation Act (AktG), Evonik has established a risk detection system as part of its **risk management system** (RMS). Risk management also includes safeguarding the functioning of all material business processes through **internal control systems** (ICS). These are principles, processes, and measures introduced by the management, comprising the control environment, risk assessment, control activities, information and communication, and oversight. As a further risk prevention and mitigation tool, we establish and maintain **compliance management systems** (CMS). These are based on the standards derived from IDW PS 980. We have CMS of this type for the areas we deem to be particularly relevant from a compliance risk perspective. The main purpose of the CMS is to systematically identify the corresponding risks, define suitable risk prevention measures, and continuously manage these processes. The CMS are therefore an integral part of risk management and the ICS. Information on material risks is taken into account in risk management through reporting. Further information on the appropriateness and efficacy of these systems can be found in the declaration on corporate governance p. 75 ff.

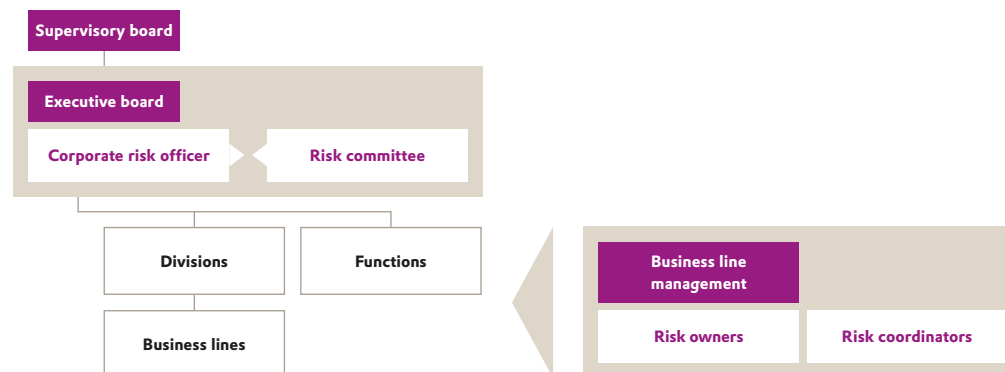
Structure and organization of risk management

At Group level, risk management is assigned to the chief financial officer and is organized on a decentralized basis in line with Evonik's organizational structure. The divisions and functions bear prime responsibility for risk management. That comprises early identification of risks and estimating their implications. Furthermore, suitable preventive and control measures have to be introduced, and internal communication of risks must be ensured. Risk coordinators in the organizational units are responsible for agreeing on the relevant risk management activities and ensure the reporting line to the corporate risk officer. The outcome of each risk assessment is agreed with the management within the operational unit and mitigation measures are discussed. The opportunities and risks are documented in full using risk management software implemented for the entire Evonik Group. At all levels in the Group, systematic and timely risk reporting is a key element in strategic and operational planning, the preparation of investment decisions, projections, and other management and decision making processes.

A central corporate risk officer coordinates and oversees the processes and systems for the Group. The corporate risk officer is the contact for all risk coordinators and is responsible for information, documentation, and coordination at Group level. Further responsibilities include the ongoing development of the methodology used for risk management. The risk committee is chaired by the chief financial officer and composed of representatives of the functions. It validates the group-wide risk situation and verifies that it is adequately reflected in financial reporting. Risk management, together with the material impacts for the Group, is reported to the executive board as part of the planning and forecasting process. The supervisory board, especially the audit committee, is informed of the present opportunity and risk situation at the meeting of the audit committee where the annual financial statements of Evonik Industries AG and the consolidated financial statements are discussed. The audit committee oversees the risk management system.

Structure of risk management

C22



¹ This disclosure complies with datapoints GOV-5 36d and e in the sustainability report.

Opportunity and risk report
Opportunity and risk management
Overall assessment of opportunities and risks

In 2024, risk management again included all consolidated companies in the Evonik Group. At companies where we do not exert a controlling influence, we implement our risk management requirements primarily through our presence in management and supervisory bodies. Material opportunities and risks are integrated into our risk management via our matrix organization. The Group Audit function monitors risk management in our organizational units to make sure they comply with statutory and internal requirements and to ensure the continuous improvement of risk management. The risk detection system is included in the annual audit in compliance with the requirements for listed companies.¹

The RMS is based on the internationally recognized COSO Enterprise Management standard. It is implemented through a binding group-wide policy. Individual risks are systematically identified and managed with the aid of special risk management software.¹ The possible damage (potential impact) and probability of occurrence are evaluated and documented, together with their expected value (product of potential impact and probability of occurrence). Analogously to current planning, the evaluation

is based on a period of three years (mid-term planning). Opportunities and risks are defined as positive and negative deviations from the plan. The relevant indicators include adjusted EBITDA. In addition, longer-term opportunities and risks, including those relating to sustainability, are included. The group-wide risk catalog ensures uniform classification of opportunities and risks. Climate-related opportunities and risks are integrated into appropriate established categories.

The organizational units conduct an extensive annual risk inventory in connection with the mid-term planning process. They are required to provide details of the measures to be taken with regard to the risks identified, introduce them immediately, and track their timely implementation. Internal management (for example, reporting by the risk committee) takes a mid-term view. The opportunities and risks identified are classified as low, moderate, or high (see opportunity and risk matrix C23). The evaluation is always based on a net view, in other words, taking into account risk limitation measures. Risk limitation measures can reduce, transfer, or avoid gross risks. Common measures include economic mitigation measures, insurance, and the establishment

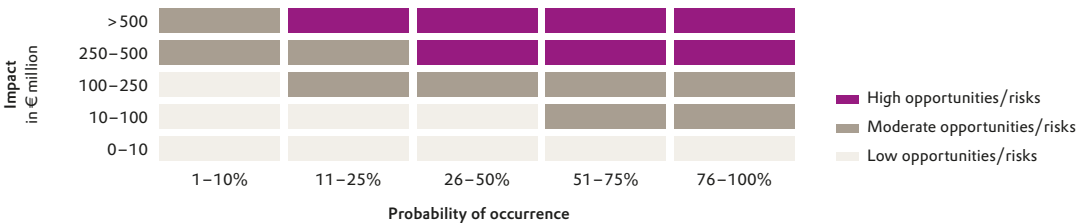
of provisions on the balance sheet. In the context of the risk inventory, the risk exposure (expected aggregate value of all risks) is compared with the risk-bearing capacity. The risk-bearing capacity is calculated using a combination of an equity-based and a liquidity-based approach. The expected risk exposure is below the calculated risk-bearing capacity.

The risk inventory is supplemented by a review of all opportunities and risks relating to the present year as of the relevant forecasting dates, both to spot changes in the opportunities and risks that have already been identified and to identify new risks and opportunities.

All high and moderate risks and opportunities with an expected value of over €100 million in the mid-term are classified as material individual risks and opportunities. The expected value is used exclusively as a basis for prioritization and to focus reporting on key issues.²

Opportunity/risk matrix

C23



5.2 Overall assessment of opportunities and risks

Given the measures planned and implemented, as of the reporting date, no risks have been identified that—either individually or in conjunction with other risks—could jeopardize the continued existence of Evonik as a whole, including Evonik Industries AG in its role as the holding company for the Group.

For 2024, we expected more risks than opportunities. Since the global economic recovery still failed to occur, the expected opportunities were slightly lower than for the prior year. The

¹ This disclosure complies with datapoint GOV-5 36a in the sustainability report.
² This disclosure complies with datapoint GOV-5 36b in the sustainability report.

Opportunity and risk report
Overall assessment of opportunities and risks
Markets and competition opportunities and risks

future macroeconomic development is also reflected in the risk expectations. Nevertheless, the overall risk expectation for 2024 declined significantly compared with the previous year because the risk expectation for 2023 was still influenced by the ongoing distortion of the energy markets. In all the chemicals divisions, except for Smart Materials, more opportunities than risks materialized in 2024. Our reporting distinguishes between the categories markets and competition, legal and compliance, and processes and organization. The main parameters influencing the risk categories in terms of both the opportunities realized and the risks that materialized resulted from the development of specific market and competitive situations. From the present standpoint, as in previous years, the risks for 2025 outweigh the potential opportunities. Compared with 2024, both the risks and the opportunities for the Evonik Group have increased slightly.

Material individual risks for the Evonik Group arise from the threat of cyberattacks, a reduction in prices and volumes for C₄ chemicals, a macroeconomic downswing, and increased price pressure in the methionine business. Compared with the previous year, the last two individual risks have exceeded the materiality threshold. By contrast, favorable changes in exchange rates in the currencies of relevance for Evonik and increases in the price and volume of C₄ chemicals are **material opportunities**. Measures to reduce the risks include general economic mitigation measures, strengthening our IT security, and, especially with regard to the risks inherent in changes in exchange rates, the use of hedging instruments. Chapters 5.3 Markets and competition opportunities and risks [p. 62 ff.](#), 5.4 Legal/compliance opportunities and risks [p. 68 ff.](#), and 5.5 Process/organization risks [p. 70](#) present the material risks and opportunities, along with further opportunities and risks in each of the main categories (see chart [C24](#)). Except where otherwise indicated, they apply to all divisions.

Risk catalog C24



5.3 Markets and competition opportunities and risks

In accordance with our internal management, opportunities and risks in the markets and competition category are allocated to risk quantification classes within sub-categories (see chart [C25](#)). The following chart shows the highest class to which an individual risk or opportunity is allocated in each sub-category. Individual opportunities and risks may also be allocated to the lower risk classes. The sub-categories are then ranked in descending order based on the highest expected value of the risks.

1. Sales markets

The global macroeconomic development entails both opportunities and risks for Evonik. These opportunities and risks are driven principally by the development of monetary and fiscal policy, geopolitical conflicts, and inflation. Declining inflation and the resulting less restrictive monetary policy support demand in the markets of relevance for Evonik—albeit with some delay. A return to higher inflation rates and renewed tightening of monetary policy would entail a risk of recession and a financial crisis.

Economic programs in the USA (Inflation Reduction Act, etc.), China, and Europe (Next Generation EU) supported the economy and thus demand in the markets of relevance for Evonik. An end to the geopolitical conflicts (war in Ukraine, conflict in the Middle East) would contribute to a further normalization of energy prices, and thus allow an upswing. By contrast, further escalation of these conflicts would increase the pressure on the global economy (in both the industrial and the service sectors). The economic policy announced by Donald Trump (including deregulation and tax cuts) should support economic development. By contrast, rising protectionism represents a risk to global growth as a whole and, in particular, global trade.

Opportunity and risk classes within the market and competition category

C25

Risks	Sub-category	Opportunities
<div><div></div><div></div><div></div></div>	Sales markets	<div><div></div><div></div><div></div></div>
<div><div></div><div></div><div></div></div>	Financial markets	<div><div></div><div></div><div></div></div>
<div><div></div><div></div><div></div></div>	Raw material markets	<div><div></div><div></div><div></div></div>
<div><div></div><div></div><div></div></div>	Production	<div><div></div><div></div><div></div></div>
<div><div></div><div></div><div></div></div>	Energy markets	<div><div></div><div></div><div></div></div>
<div><div></div><div></div><div></div></div>	Other	<div><div></div><div></div><div></div></div>
<div><div></div><div></div><div></div></div>	Human resources	<div><div></div><div></div><div></div></div>
<div><div></div><div></div><div></div></div>	Research & development	<div><div></div><div></div><div></div></div>
<div><div></div><div></div><div></div></div>	Capital expenditures	<div><div></div><div></div><div></div></div>
<div><div></div><div></div><div></div></div>	Mergers & acquisitions	<div><div></div><div></div><div></div></div>

High opportunities/risks Moderate opportunities/risks Low opportunities/risks

Global economic trends influence the development of Evonik's earnings and cash flows. We counter these economic risks by constantly monitoring the macroeconomic environment, optimizing cost structures and competitive positions in our established areas of business, setting up production facilities close to our markets, and extending businesses in our portfolio that have low cyclical exposure.

Alongside the general demand situation, intensive competition in the various market segments entails both opportunities and risks. These may result from either demand in specific markets or the competitive situation in various industries. Changes in demand can have a considerable impact on our business volume and sales. Here, material opportunities and risks come from price and volume developments for C₄ chemicals. Further material risks arise from the lack of a macroeconomic recovery and increased price pressure in the amino acids business. Another potential risk factor for the amino acids business, for example in Asia, arises from potentially substandard food quality and food safety and the associated drop in demand. In our market segments, climate change could also result in both opportunities and risks for Evonik. The growing demand from our customers for resource-saving products could increase significantly, resulting in a correspondingly positive impact on our business. Additional regulations or weather-related incidents could put pressure on production costs and, at the same time, lead to rising demand for our resource-efficient products. To reduce the risks, we monitor the specific developments and work closely with our customers on the development of sustainable solutions.¹

The increased competitive pressure caused by new capacities and aggressive pricing policies by emerging markets and developing countries, especially China, are a challenge for our selling prices and volume trends. To counter this, we are expanding our production capacities outside of Germany and gaining access to new markets in high-growth regions such as Asia and South America. Our operating units also counter these competitive risks by taking action to strengthen customer loyalty, acquiring new customers, establishing strategic research partnerships, and extending the services offered along the value chain. We are constantly investing in the development of innovative and competitive products and technologies to avoid chemical products being replaced by new, improved, or less expensive materials or technologies. As part of our ongoing strategic development, we are gaining access to new markets to secure profitable future growth options for Evonik.

Customer concentration is basically low in our chemicals business. None of the end-customer markets/industries that we serve accounts for more than 20 percent of sales. Nevertheless, some operational units, especially in the Smart Materials division and the services business in the Technology & Infrastructure division, have a certain dependence on key customers. Dependence may arise, in particular, with regard to production facilities erected in the direct vicinity of major customers. The possible loss of a major customer could result in the loss of sales and consequently impairment losses.

2. Financial markets

As a rule, liquidity, currency, interest rate, and credit default risks, and the risks relating to pension obligations are managed centrally. All material financial risk positions are identified and evaluated in accordance with group-wide policies and principles. This forms the basis for selective hedging to limit risks. In the use of derivative and non-derivative financial instruments to minimize the risks, Evonik applies the principle of separation of front office, risk controlling, and back office functions and takes as its guide the banking-specific minimum requirements for risk management (MaRisk) and the requirements of the German legislation on corporate control and transparency (KonTraG). Financial derivatives² are only used in connection with corresponding hedged items.

Liquidity risks

To manage the Group's solvency, Evonik uses central liquidity risk management³. At its heart is a group-wide cash pool. In addition, Evonik's financial independence is secured through a broadly diversified financing structure, a €1.75 billion syndicated credit facility and bilateral credit facilities totaling €800 million as central sources of liquidity, and our solid investment grade rating. Overall, we believe that adequate financing instruments are available to ensure sufficient liquidity at all times.

Exchange rate volatility

Transaction-related exchange rate risks arise from the translation of operating monetary assets and liabilities on the balance sheet into the functional currency of the respective Group company.

¹ This disclosure complies with datapoint GOV-5 36c in the sustainability report.

² Further details of the financial derivatives and their recognition and measurement can be found in note 9.4 to the consolidated financial statements [p. 280 ff.](#)

³ A detailed overview of liquidity risks and their management can be found in note 9.4 to the consolidated financial statements [p. 280 ff.](#) Details of the financing of the Evonik Group and action to protect liquidity can be found in chapter 2.9 Financial condition [p. 47 ff.](#)

The resulting net risk is normally hedged in full using derivatives. Furthermore, our transaction-related currency management takes account of forecast cash inflows and outflows, which are hedged on the basis of forecast transactions, with a target hedging rate of up to 75 percent. Material opportunities and risks may arise from the remaining unhedged items and from discrepancies between the actual forward rates and the average rates used to hedge forecast transactions. Scenario analyses are performed to estimate and control such risks and opportunities. The focus is on the main foreign currencies of relevance for the Evonik Group, the US dollar and the Chinese renminbi yuan. In addition, there are currency-related risks from the translation of separate financial statements. The increasing volatility of exchange rates can be seen, in particular, in emerging markets classified as hyperinflationary economies such as Argentina and Turkey. On principle, the related transaction risks are hedged. Economic risks also arise because exchange rates influence our competitiveness in global markets.

Changes in interest rates

Potential changes in capital market rates on the financial markets result in opportunities and risks. These comprise, on the one hand, changes in the fair value of fixed-interest financial instruments and, on the other, changes in interest payments on variable-rate financial instruments. To control these risks, when setting interest rate terms, Evonik pays special attention to a balanced mixture of fixed and variable interest rates in its financing and uses interest rate swaps for further optimization where appropriate. Through the use of fixed-interest loans and interest rate hedging instruments, 82 percent of all financial liabilities were classified as fixed-interest as of the reporting date and therefore had no material exposure to changes in interest rates.

Default risks

Default risks involve the risk of a loss if our debtors are fully or partially unable to meet their payment commitments. The credit risk of our customers and financial counterparties is therefore systematically examined when the contracts are concluded and monitored continuously afterwards. Limits are set for each contractual partner on the basis of internal or rating-based credit-worthiness analyses.

Financial opportunities and risks in connection with pension obligations

Both opportunities and risks may arise from potential changes in the parameters used to evaluate our pension obligations¹. Changes, especially in interest rates but also in mortality rates and rates of salary increases, can alter the present value of pension obligations, which directly alters equity and can result in changes in the expenses for pension plans.

Market opportunities and risks, and liquidity and default risks relating to financial instruments, also arise from the management of our pension plan assets. We counter these risks through an active risk management approach, combined with detailed risk controlling. Strategic management of the portfolios takes place via regular asset/liability studies. To minimize risk, we use derivative hedging strategies where appropriate. The broad diversification of asset classes, portfolio sizes, and asset managers is designed to avoid cluster risks, but there are unavoidable residual risks in the individual investments.

Impairment risk

The risk of asset impairment arises when the interest rate used in an impairment test rises, the forecast cash flows decline, or investment projects are halted. Specific risks may arise in connection with goodwill or individual assets.

3. Raw material markets

Evonik purchases a broad spectrum of raw materials, ranging from high-volume raw materials that generally have good availability to low-volume specialties that are sourced from a limited number of suppliers. As a downstream producer of specialty chemicals with production facilities in all regions of the world, we procure raw materials both globally and regionally/locally. This enables us to mitigate the volatility of our sector, which arises from geopolitical events, legislation, the disruption of logistics, and weather-related incidents. Moreover, insofar as possible, all key raw materials are procured from several sources and secured by multi-year contracts to ensure both reliability of supply and competitive economic conditions. In addition, an annual risk analysis is performed for the majority of raw materials in order to identify potential risks and subsequently develop and implement measures to mitigate them.

Significant raw materials procured for the Performance Intermediates business line comprise upstream petrochemicals, especially C₄ crack, which is a crude oil fraction. Our Nutrition & Care division purchases a broad portfolio of specialty and raw chemicals, including highly derivatized specialty chemicals, oleochemicals obtained from natural sources, and high-volume raw materials such as propylene and methanol. The Smart Materials division is reliant on the procurement of key raw materials such as silicon metal, natural gas, sodium silicate, and caustic soda. Important raw materials for the Specialty Additives division are siloxanes and various amine-based chemicals.

¹ See note 6.10 to the consolidated financial statements p. 259 ff.

Supply chain

Compliance with sustainability criteria and human rights in the supply chain is a central aspect of procurement. Failure to fulfill sustainability criteria entails reputational and business risks. On the other hand, there are opportunities if the minimum legal requirements are exceeded and proactive action is taken to increase sustainability in the supply chain. To realize these opportunities, we expect our suppliers to share our principles of entrepreneurial responsibility. We therefore have our own code of conduct for suppliers, based on the principles of the UN Global Compact, the International Labour Standards issued by the International Labour Organization (ILO), and the Responsible Care® initiative. This approach to sustainability is also supported by the sector initiative Together for Sustainability, of which Evonik is a founding member, through the global use of standardized audits and assessments. The majority of Evonik's significant suppliers have already taken part in these. We classify significant suppliers as those where our recurring procurement volume is >€100 thousand a year. They are evaluated by an impartial sustainability rating company. In addition to general sustainability aspects of our suppliers, opportunities are identified in the areas of defossilization, not least in view of rising customer requirements. In this context, increased supply chain transparency and the associated reduction in the CO₂ of our products add value for our customers and are a differentiation factor.¹

Logistics

In order to supply products reliably to our customers, it is essential to procure and manage transportation and warehousing capacities. Risks for global marine transportation result from several factors, including geopolitical conflicts, the closure of ports,

traffic status, changing state regulations, weather conditions, and pronounced fluctuations in demand due to unforeseen economic dynamics. These factors can cause imbalances in global trade flows and consequently temporary local shortages of transportation capacities. Logistics challenges in Germany are weather-related restrictions on transportation, for example, by inland waterway due to low water levels in the Rhine river. In addition, present and planned infrastructure measures and maintenance and repairs to the German road and railroad networks can cause delays or temporary interruptions in European road and railroad transportation. The low availability of drivers in Europe is also becoming an increasingly critical factor, leading to rising transportation costs.

4. Production

As a specialty chemicals company, Evonik is exposed to the risk of business interruptions, quality problems, and unexpected technical and IT malfunctions. Business operations could also be disrupted by pandemics or climate-related factors, for example, extreme weather events such as the extremely low water level in the river Rhine in 2022 as a result of the hot summer in Europe, or by geopolitical disruption such as the Russia/Ukraine conflict and the war in the Middle East, with the resulting threat of an energy shortage in Europe. Bottlenecks in the supply of electricity affecting our European sites as a result of such factors cannot be entirely ruled out. Cold periods could result in temporary bottlenecks. All sites have emergency plans. With a view to the supply of natural gas, Evonik has set up scope to use other fuels at various sites. Moreover, in the event of shortages of natural gas, the German sites are dependent on decisions made by the Federal Network Agency. Capacity constraints could hold back

organic growth. Evonik uses complex production processes, some of them with interdependent production steps. Consequently, disruption and stoppages can adversely affect subsequent production steps and products. The outage of production facilities and interruptions in production workflows could have a significant negative influence on business and earnings performance and could also harm people and the environment. Group-wide policies on project and quality management, site-specific emergency plans, highly qualified employees, and regular maintenance of our plants effectively minimize these risks. Insofar as is economically viable, we take out insurance to cover damage to our plants and sites and production stoppages, so the financial consequences of potential production risks are largely insured. Nevertheless, there is a risk of unforeseeable individual incidents.

5. Energy markets and emissions trading

The operation of Evonik's chemical facilities and infrastructure requires considerable amounts of energy from a variety of sources. The main sources are natural gas and electricity. Following the decommissioning of the last block of the coal-fired power plant at our site in Marl (Germany) as of March 31, 2024, coal now only plays a negligible role in our energy mix. At several sites, our power and steam requirements are fully or partially met by highly efficient co-generation plants. We constantly monitor trends in the national and international energy markets, including the extended scope to use green energy from renewable resources, enabling us to respond in a risk- and cost-conscious manner, which is compliant with our strategy.

¹ This disclosure complies with datapoint GOV-5 36c in the sustainability report.

In countries where the energy market is not state-regulated, we procure and trade in energy and, where necessary, emission allowances (CO₂ allowances) on the futures and spot markets, within the framework of defined risk strategies. The aim is to balance the risks and opportunities of the volatile markets for energy and CO₂ allowances. The various geopolitical hotspots, especially in Ukraine and the Middle East, led to unrelenting volatility on the energy markets in the reporting period, with market participants displaying considerable jitteriness. Europe's structural energy cost disadvantage compared with competing regions has become entrenched. The impact of the highly volatile development of fuel prices was mitigated by a multi-year procurement strategy. Depending on market developments, these procurement transactions could have a positive or negative influence on Evonik's cost situation.

The physical reliability of the supply of natural gas in Europe improved further compared with the previous year as a result of the systematic expansion of the infrastructure for importing LNG. Nevertheless, as in other regions of the world, extreme events could lead to shortages and production constraints. There are also residual risks with regard to the supply of electricity. The erection of the He Dreiht offshore wind farm in the German North Sea by our contractual partner EnBW is proceeding on schedule, and we will probably start sourcing green electricity from this installation in 2026 at a fixed price on the basis of our long-term power purchase agreements (PPA). Progress with the projects covered by other power purchase agreements with Vattenfall for two photovoltaic locations in the federal state of Schleswig-Holstein is also in line with expectations, and the supply of green power is expected to commence in spring 2025. From 2028, additional volumes will be supplied by our partner RWE from the Kaskasi offshore wind farm in the German North Sea, which has already been brought into service. The anticipated total power supplied under the PPAs with all three partners is

expected to cover more than half of Evonik's current electricity requirements in Europe from 2026.

For those Evonik facilities that fall within the scope of the European emissions trading system (EU ETS 1), adverse effects arise from the more stringent regulatory framework for the fourth trading period (2021 to 2030), especially the considerably more stringent benchmark for the allocation of free CO₂ allowances. As a consequence, an increased volume of CO₂ allowances, which are required for compliance with EU ETS 1, has to be purchased on the open market, where supply is declining. Since 2021, our German sites have been affected by the national emissions trading system (nETS) for the heating and transportation sectors (which are outside the scope of EU ETS 1). The related financial burden is only partially offset by the measures to prevent carbon leakage under the German Fuel Emissions Trading Act (BEHG) and the related carbon leakage ordinance. Austria also has a mechanism comparable to the nEHS. EU ETS 2 is expected to be introduced in all EU member states from 2027. Essentially, this will extend carbon pricing to heating and transportation (which are outside the scope of EU ETS 1). EU ETS 2 will replace the nEHS and will implement a market pricing system, analogously to EU ETS 1. Carbon pricing regimes are to be sharpened or introduced in other jurisdictions as well in the foreseeable future, but the resulting costs will still be concentrated in Europe. More far-reaching regulatory measures, such as climate protection laws or tougher energy efficiency requirements, cannot be ruled out or are already being planned.

Furthermore, the Carbon Border Adjustment Mechanism (CBAM), a carbon levy on certain imported goods (aluminum, ammonia, iron, electricity, steel, hydrogen, cement), was introduced in October 2023. The political objectives of the CBAM are to strengthen the competitiveness of European industry and prevent it from relocating outside the EU (carbon leakage). A full assess-

ment of the actual impact in international competition is not yet possible. From 2026, it will be necessary to purchase and subsequently surrender CBAM certificates showing the CO₂ content of imported goods. The price will be based on the EU ETS 1 price. Initially, it will only be applied partially to imported goods, with full application starting in 2034. The direct impact on Evonik will be low in this phase because we only import a few of the goods affected. However, free allocation of certificates for EU ETS 1 facilities that manufacture CBAM goods will be reduced stepwise to zero between 2026 and 2034. It is therefore anticipated that this will lead to an increase in the cost of raw materials in the groups of goods affected (such as ammonia and hydrogen) that are procured in the EU. Additionally, this will also result in a reduction in free allocation of certificates for Evonik's EU ETS 1 facilities that produce hydrogen. The EU intends to roll out the CBAM to all sectors covered by EU ETS 1 by 2030.

In the broader regulatory context, how energy-related fees, taxes, and levies develop and whether the existing relief for industry is upheld or modified in Germany is of particular significance for Evonik. Allocation of the cost of renewables under the Renewable Energies Act (EEG) ended on July 1, 2022. Legal proceedings are still under way to clarify certain legal issues in connection with intersite supply of power from captive power generation. An appeal has been lodged against a judgment in favor of Evonik. This will probably not be decided until 2026. Possible additional costs could arise from the increase in fees for electricity grids and the natural gas network resulting from the energy transition and the present energy crisis, including further state-driven cost components and possible fundamental changes to the grid fee system (including complete or partial withdrawal of special regulations for industrial users), energy taxes, or regulatory requirements for greater flexibilization of power consumption loads by industry.

To sum up, we are exposed to fluctuations in the market price and cost of various energy sources and CO₂ allowances of various types as a result of the specific demand/supply situation, (geo)political developments, market volatility, and the changing regulatory framework for certain market price and cost fluctuations. These entail both opportunities and risks. Regular meetings of the control bodies enable the businesses to play an active part in shaping the hedging strategies for electricity, gas, and emission certificates. That includes involving all businesses in the management of relevant energy market developments and regulatory changes. Through regular meetings and ad-hoc contact, a transparent risk strategy is developed. This rules out speculative trading and focuses on the procurement of requirements that are considered certain, while regular reporting of trading transactions ensures price transparency and risk minimization by dividing procurement into tranches.¹

6. Other

Constant efforts are made to improve the efficiency of the organizational structure, production, procurement, and technology through the continuous improvement process. This mainly comprises our efficiency enhancement programs to support our strategy of sustainable growth and enhance our competitiveness. There may be both opportunities and risks relating to the achievement of cost-saving targets. The possible risks include delays in implementation, the loss of key personnel, ineffectiveness of measures, and higher costs for the realization of measures. Project management, including involving relevant stakeholders, is used to counter these risks. Further risks and opportunities may arise from portfolio adjustments by customers or suppliers, possibly resulting in compensation payments for Evonik, depending on the contractual terms.

7. Human resources

As a global corporation, we respect the principles of the International Charter of Human Rights, the ten principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises, and the labor and social standards of the ILO. Qualified specialists and managers are the basis for the achievement of our strategic and operational targets and thus a key competitive factor. Both the loss of key personnel and difficulties in attracting and hiring skilled and talented staff could therefore constitute a risk. In this context, one challenge at present is that the current restructuring of the Group in a demanding market environment, accompanied by a tense labor market, could increase staff turnover. Temporarily, this could result in a higher number of vacancies, which could adversely affect the efficiency of individual units. However, we are working continuously to ensure that mission-critical activities can continue smoothly even in the event of temporary personnel shortages. To ensure that we can recruit and retain qualified staff despite the tight labor market conditions, we offer varied employment opportunities worldwide, systematic personnel development, and competitive remuneration. Our regular strategic human resources planning identifies personnel requirements for a five-year period, so timely steps can be taken to meet them appropriately. From a financial perspective, opportunities and risks for the Evonik Group relate to the development of personnel expenses, for example, as a result of future collective bargaining agreements. The heads of the functions discuss the personnel risks with their management teams regularly, at least once a quarter.

As a responsible employer, Evonik helps the majority of employees build financial security to cover adverse risk factors, for example, as a result of accidents or disability, and to provide for retirement,

either directly or through pension contributions to external institutions. The arrangements are based on the economic, legal, and tax situation in the various countries. In addition to this, employees are supported in personal aspects, for example, through various consulting offers for employees caring for close relatives, and support in childcare. In this way, we retain and foster high-performers and talented employees and also position Evonik as an attractive employer for prospective staff. We maintain close links to universities and professional associations to help us recruit suitable youngsters for our Group companies. Diversity has a special place in the Evonik Group. Therefore, our employer branding is explicitly aligned with diversity. This is supplemented by a wide range of internal diversity activities that enhance the attractiveness of Evonik for talented employees, specialists, and executives.¹

8. Research and development

Opportunities for Evonik also come from market-oriented research and development (R&D), which we regard as an important driver of profitable growth. Our R&D pipeline comprises a balanced mixture of short-, mid-, and long-term R&D projects. On the one hand, we constantly strive to improve our processes in order to strengthen our cost leadership, and on the other, our projects open the door to new markets and new fields of technology. Our project portfolio is consistently aligned with our innovation growth areas and Next Generation Solutions, which have high sustainability benefits. Through our venture capital investments, we take stakes in companies whose know-how can support us in joint developments. Digitalization-related topics are still very significant for us. Opportunities and risks in R&D relate to the viability of planned product and process developments and the timing of their implementation. In our view, the

¹ This disclosure complies with datapoint GOV-5 36c in the sustainability report.

main additional potential arising from the introduction of new products that go beyond our present planning comes from our Next Generation Solutions.

9. Investments

Investments geared to creating and protecting value involve inherent risks in connection with the selection, definition, and execution of the projects. These risks are addressed using structured processes and policies. For example, defined risk assessment methods are used to mitigate the risk in the selection of projects, while project execution risks are minimized through technical standards. Both projects that are at the planning stage and those that have been approved and have commenced are constantly monitored to track project progress and changes in the market situation and are adjusted as necessary. Evonik regards planning and building new production facilities in target regions and markets as a key element in leveraging sustainable and profitable growth. In this context, the strategic development and transformation of Evonik is supported, in particular, by steady investment in Next Generation Solutions, i.e., products that are both ecologically and economically sustainable and thus have a positive sustainability profile.

10. Mergers and acquisitions

Active portfolio management has high priority for Evonik as part of our value-based management approach. We have set out clear procedures for preparing, analyzing, and undertaking acquisitions and divestments. In particular, these include clear rules on accountability and approval processes. An intensive examination of potential acquisition targets (due diligence) is undertaken before they are acquired. This involves systematic identification

of material opportunities and risks and an appropriate valuation. Key aspects of this process are strategic focus, sustainability, earnings power, and development potential on the one hand, and any legal, financial, and environmental risks on the other. New companies are rapidly integrated into the Evonik Group and thus into our risk management and controlling processes. Every transaction of this type entails a risk that integration of the business may not be successful or that integration costs may be unexpectedly high, thus jeopardizing the realization of the planned quantitative and qualitative targets such as synergies. Where businesses no longer fit our strategy or meet our profitability requirements despite optimization, we also examine external options. If a planned divestment is not achieved successfully, this could generate risks that impact the Evonik Group's earnings position.

5.4 Legal/compliance opportunities and risks

The opportunities and risks in this category are far more difficult to quantify than market and competition risks, as they not only have financial implications but often also involve reputational risks for the company and/or criminal law consequences. Provisions are set up on our balance sheet to cover the financial impact. These are reflected in our system as reducing risk. In view of this complexity, legal/compliance opportunities and risks are not assigned to the opportunity/risk matrix illustrated above, nor are they allocated to the risk quantification classes.

1. Compliance, law, and the regulatory framework

Compliance means lawful business conduct. The principal compliance rules are set out in the Evonik Code of Conduct, which explicitly prohibits, for example, all forms of corruption, including "facilitation payments," and violation of antitrust regulations. Risks could result from failure to comply with the corresponding regulations. To minimize compliance risks, extensive training and sensitization of employees are undertaken at face-to-face training sessions and/or through e-learning programs. Our code of conduct is binding for all Evonik employees worldwide, including the executive board and the governance bodies of all Evonik companies. They are required to comply with the rules set forth in the code of conduct, to ensure they are familiar with its content, and to take part in the relevant training.¹

Evonik respects human rights in its own business area and in the supply chain. To minimize the risk of breaches of human rights, we have established a compliance management system for this area. In particular, we require compliance with the principles set out in our code of conduct for suppliers and the principles outlined in our policy statement on human rights.

In its business operations, Evonik is exposed to normal legal risks, resulting, for example, from legal disputes such as claims for compensation, and from administrative proceedings and fines. In its operating business, the Evonik Group is exposed to liability risks, especially in connection with product liability, patent law, tax law, competition law, antitrust law, and environmental law. Changes in public law could also give rise to legal risks or

¹ See declaration on corporate governance p.75 ff.

materially alter such risk positions. As a chemical company with its own power plants, one risk of particular relevance here is the possible amendment of the European emissions trading regulations (see above). Further, Evonik may be liable for guarantee claims relating to divestments. Structured post-transaction management closely monitors any liability and guarantee risks resulting from divestments. We have developed a concept involving high quality and safety standards to ensure a controlled approach to such legal risks. Insurance cover has been purchased for the financial consequences of any loss that may nevertheless occur as a result of damage to property, product liability claims, and other risks. Where necessary, Evonik sets up provisions for legal risks.

As a matter of principle, we refrain from disclosing the opportunities and risks of potential legal proceedings or proceedings that have commenced in order not to influence our position. With regard to employment law, there are risks relating, for example, to possible legislative changes and/or legal judgments on retirement pensions, which could require the recalculation of pension commitments entered into by companies in the Evonik Group and their legal predecessors. Moreover, breaches of the applicable data protection laws could result in fines, reputational damage, and individual claims for compensation. Countermeasures are addressed, in particular, through compliance reporting. Tax opportunities and risks relate to differences in the valuation of business processes, capital expenditures, and restructuring by the financial authorities, tax reforms in some countries, and potential refunds or retroactive payments in the wake of tax audits.

2. Information security (protection of intellectual property and know-how)

Innovations play a significant part in Evonik's business success. Protecting know-how and intellectual property is therefore of central importance. In view of the increasing globalization of business, a competent approach to protecting our competitive edge is a key element in our investment activities. The company is also exposed to a risk that intellectual property cannot be adequately protected, even through patents, especially when building new production facilities in certain countries. Similarly, the transfer of know-how in joint ventures and other forms of cooperation also entails a risk of an outflow of expertise from Evonik. For example, in the event of the possible separation from a joint venture or other cooperation partner, there is no guarantee that the business partner will not continue to use know-how or disclose it to third parties, thereby damaging Evonik's competitive position. Measures to minimize and avoid such risks are coordinated by the Group Security, Legal, and Intellectual Property Management functions.

Cybersecurity

IT-assisted business processes are key elements in Evonik's success. As well as offering opportunities, however, the use of artificial intelligence, the much-cited "Internet of Things," and opportunities for digital networking and control of complex processes or production plants also entails risks. The risk from cyberspace is higher than ever. As in previous years, a high threat from cybercrime was observed. Ransomware was again the main threat. Therefore, sustained protection of the availability, confidentiality, and integrity of IT-assisted business processes is especially important. The possibility of these systems being compromised, detrimental effects on our business and production processes, and manipulation through cyberattacks are therefore

treated as material risks. To protect these systems and the related knowledge within and outside of the Evonik Group from cybercrime and digital industrial espionage and ensure the secure use of information systems, Evonik has a cybersecurity strategy and binding group-wide policies and regulations. Organizational and technical measures and contingency plans are derived from them, for example, in cybersecurity programs, and are constantly updated. These are driven forward and monitored through an internal control system. Compliance is ensured by a cybersecurity organization.

In view of the considerable and continuously rising threat, we regularly review and test our security measures, implement risk-based countermeasures as required, and adapt them wherever necessary. Compulsory and advanced training, constant information, for example, via the Evonik Group intranet and internal social networking platforms, and awareness-raising campaigns are used to heighten employees' awareness of the need for cybersecurity. In addition, those IT systems that are at particular risk are identified and appropriate protective measures are implemented. At the same time, action is taken to raise managers' and employees' awareness of cybersecurity. The Evonik Cyber Defense Team (CDT) is networked externally at various levels (Germany: member of the German CERT network and the German cybersecurity organization DCSO; Europe: member of TF-CSIRT; globally: member of FIRST).¹

3. Environmental risks (environment, safety, health, quality)

Evonik is exposed to risks in the areas of occupational and plant safety. For example, workplace accidents and incidents in production facilities can cause injury to our employees or substance releases that impair the health of our employees and local

¹ This disclosure complies with datapoint GOV-5 36c in the sustainability report.

residents. Our guiding principles for safety are binding for all managers and employees. In this way, Evonik makes it clear that safety is a central element in its corporate culture. We analyze accidents and incidents carefully so we can learn from them. Moreover, audits are conducted at the request of the executive board to check the controlled handling of such risks.

We examine our products along the value chain—from procurement of the raw materials to delivery to our industrial customers. This approach covers product stewardship and does not comprise a complete life cycle assessment. We make all legally required product safety information relating to the handling of our products available to our customers, together with additional advice, for example, on how to dispose of them. That includes, among other things, safety data sheets and technical information sheets.

The effects of climate change are already visible today, for example, in water stress¹ and acute weather-related events such as low water levels in the river Rhine and hurricanes. Alongside these direct negative effects of climate change, we are also exposed to risks resulting from stricter environmental regulations. The group-wide environmental protection and quality management system, which is validated as conforming to international standards, undergoes constant development and improvement. As a responsible chemical company, Evonik ensures that such processes are operated in accordance with the principles of the global Responsible Care® initiative and the UN Global Compact. Adequate provisions have been established to secure or remediate contaminated sites where necessary. Alongside the need to adjust environmental provisions identified through structured internal processes, for example, as a result of changes in the regulatory framework, further unplanned additions to such provisions may be necessary.²

5.5 Process/organization risks

1. General

This risk category relates to the interface between risk management and the internal control system (ICS). In this category, risks generally result from specific process shortcomings. Alongside general weaknesses, these include, in particular, risks within the ICS and the accounting-related ICS. Starting from key corporate processes (end-to-end processes), the existence of relevant control objectives and standard controls for the process risks identified is checked. In view of the types of risk in this category, a purely qualitative assessment is normally used. In the reporting period, the evaluation by the organizational units did not identify any specific risks resulting from process weaknesses because of the efficacy of the current controls.

2. Internal control system for financial accounting

The main financial reporting risks are identified in the accounting-related ICS through a quantitative and a qualitative analysis. Controls are defined for each risk area of the accounting process. Their efficacy is reviewed at regular intervals and they are subject to a continuous improvement process. All elements of the control process are verified by the internal audit function on the basis of random samples.

To ensure the quality of financial statements, we have a group-wide policy, which defines uniform accounting and valuation principles for all German and foreign companies included in the consolidated financial statements for the Evonik Group. Apart from a few immaterial exceptions, the financial statements of the companies are prepared by Global Financial Services. Through

systematic process optimization, standardization, and the utilization of economies of scale, this leverages sustained cost benefits and also improves the quality of accounting. The Accounting & Financial Processes function (center of excellence) has developed a standardized control matrix for the accounting-related internal transactional control system. This is implemented in the three global shared service centers: in Offenbach (Germany) for Germany, Austria, Finland, Turkey, Slovakia, Russia, and Switzerland; in Kuala Lumpur (Malaysia) for the Asia region and countries in the EMEA region not served by the Offenbach center; and in San José (Costa Rica) for the Americas region. The aim is to ensure a uniform global standard for the internal control system for financial accounting. We arrange for the annual financial statements of the majority of consolidated companies and joint operations to be audited.

All data are consolidated by the Accounting & Financial Processes function using the SAP SEM-BCS system. Group companies submit their financial statements via a web-based interface. A range of technical validations is performed at this stage. Computerized and manual process controls and checking by a second person are the key oversight functions performed in the financial reporting process. The preparation of the monthly consolidated income statement and three quarterly reports allows us to gain experience with new accounting issues and provides a sound basis for plausibilization of the year-end accounts. The executive board receives monthly reports, and quarterly reports are submitted to the audit committee of the supervisory board. Aspects that may represent opportunities or risks for financial reporting in the future are identified and evaluated early through the risk management system. This ensures that risk management can be closely aligned to controlling and accounting processes.

¹ Especially water scarcity.

² This disclosure complies with datapoint GOV-5 36c in the sustainability report.

REPORT ON EXPECTED DEVELOPMENTS

Evonik expects to report higher adjusted EBITDA in 2025 thanks to a slight rise in volumes. The development of earnings will be supported by a strong focus on cost discipline, especially as a result of structural improvements. The return on capital should improve further.



BASIS FOR OUR FORECAST

Global growth of

2.5%

(2024: 2.7%)

Internal raw material index:
unchanged from the prior year

6.1 Economic background

Continued challenging environment overshadowed by high economic policy uncertainty

We assume that **economic conditions** will remain challenging in 2025¹. The global economy is in a phase of low growth impetus, heightened uncertainty regarding economic policy, and structural problems, such as high energy prices in Europe, the real estate crisis in China, and high global debt.

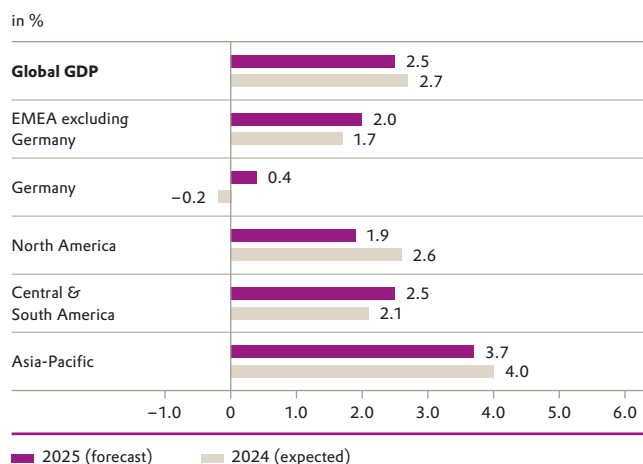
Downside factors include, in particular, the heightened uncertainty about future US economic and trade policy and possible retaliation by trading partners. The introduction and expansion of US import duties and the planned migration policy could result in a renewed rise in inflation and thus a return to a more restrictive monetary policy in the USA. In view of the expected rise in the interest rate spread between the USA and other economies, that would cause the US dollar to appreciate and increase the risks for the financial markets. Given the challenging budget conditions in most economies, no significant economic impetus is expected to come from fiscal policy. Moreover, the structural challenges in China and Europe are holding back economic growth potential.

On the other hand, 2025 is also expected to bring effects that support the economy. Monetary policy is likely to be less restrictive and a neutral course could be adopted during the year, benefiting investments, among other things. Consumer spending should also develop positively thanks to a renewed rise in real wages and the continued robustness of the labor market.

In all, we anticipate that the global economy will grow by 2.5 percent² in 2025.

GDP forecast for 2025

C26



We anticipate that economic growth in Europe will suffer from the uncertainty about economic policy, the continued weakness of the industrial sector, and lower fiscal policy stimulus. The introduction of additional customs duties by the USA could hamper exports. Moreover, the risk of a trade war with China is likely to rise under the new US administration. The European fiscal rules and high levels of debt point to a more restrictive fiscal policy. By contrast, growth impetus should come from further easing of monetary policy and improved financing conditions. Rising real wages should also contribute to an upturn in consumer spending and economic activity. An end to the war in Ukraine would also provide economic support.

In North America, GDP is expected to be less dynamic in the coming year than in 2024. Reasons for this are the impact of the continued restrictive monetary policy, challenging financing conditions, and the strength of the US dollar, which puts pressure on US exports. Additional import duties and the anticipated migration policy are also likely to push up prices. Consequently, monetary policy easing is likely to be lower than it has been to date. By contrast, the economy will continue to be boosted by consumer spending, which should benefit from rising real wages, a more expansionary fiscal policy, especially tax cuts, and deregulation.

The growth prospects for the Asia-Pacific region in 2025 are again better than for the other regions. However, growth in the Chinese economy is likely to be significantly lower than in previous years as a result of structural problems (including the real estate crisis and high debt levels in the provinces), subdued consumer confidence, and weak demand for exports. Monetary and fiscal policy measures by the Chinese government should bolster the economy.

Central & South America again faces a tougher environment in 2025: In all probability, the anticipated weak demand—especially from China—will reduce income in the commodity-driven countries. Moreover, the expected strength of the US dollar is likely to curtail scope for interest rate cuts in Central & South America due to higher import prices and the threat of depreciation of currencies.

The forecast for the world economy still entails great uncertainty. Particular risks arise from the uncertainty about future US trade policy and potential retaliation by trade partners. A renewed flare-up of inflation—especially in the USA— could prompt

¹ Based on data from S&P Global, Kiel Institute for the World Economy (IfW), Berenberg Bank, Hamburg Commercial Bank, and Oxford Economics as of December 2024/January 2025.

² Based on data from S&P Global as of January 15, 2025.

central banks to tighten monetary policy again, which would slow the global economic recovery considerably and increase the risk of stagflation. That would alter the global financial framework and heighten the risk of a financial crisis. Ultimately, the development of the global economy could differ from our expectations due to geopolitical conflicts, such as the war in Ukraine and the conflict in the Middle East, and disruption of trade routes.

We expect that in 2025 the prices of the specific raw materials used by Evonik will be similar to the 2024 average.

6.2 Outlook

Our forecast is based on the following assumptions:

- Global growth: 2.5 percent (2024: 2.7 percent)
- Internal raw material index: unchanged from the prior year

Expected development of earnings

Our outlook for 2025 is based on the challenging macroeconomic situation described in chapter 6.1 Economic background p.72f. The global economy is going through a phase of low growth impetus caused by heightened geopolitical and economic policy uncertainties as well as structural problems, such as the high energy prices in Europe and the real estate crisis in China. Therefore, we assume that the low economic momentum and persistently weak demand in key end-markets seen in the past year will basically continue in 2025. Overall, global growth is expected to be slightly lower than in 2024.

Consequently, Evonik is only likely to achieve a slight increase in sales volumes. Alongside structural growth in attractive niches and our innovation growth areas, the increasing utilization of production capacities completed in recent years will have a positive effect. Assuming that raw material prices move sideways, our selling prices should be fairly stable. One exception is the Animal Nutrition business, where we anticipate a slight normalization of prices.

We expect **adjusted EBITDA** to be between €2.0 billion and €2.3 billion in 2025 (2024: €2,065 million). As in previous years, our earnings performance will be supported by our strong focus on cost discipline, with far greater attention being paid to structural improvements. The Evonik Tailor Made restructuring program and the optimization programs in the operating businesses are now increasingly delivering savings. Moreover, favorable exchange rate movements should provide a tailwind compared with last year.

In 2025, the return on capital employed (**ROCE**) is expected to improve further compared with 2024 (7.1 percent).

Development of the divisions

Compared with the last financial report, three material changes in the structure of the Evonik Group are of relevance for our outlook.

Effective October 1, 2024, Evonik integrated Performance Intermediates (C₄ derivatives), the remaining business of the Performance Materials division, into the Technology & Infrastructure division and wound up the Performance Materials division. This

was the consequence of the sale of large chapters of the Performance Materials division's operating business in 2023 (Lülsdorf site) and 2024 (Superabsorbents). We still aim to divest Performance Intermediates.

Furthermore, as of January 1, 2025, the Technology & Infrastructure division was split into cross-site technology and site-specific infrastructure activities. At the large sites in Marl and Wesseling in Germany, the infrastructure activities are now operated on a stand-alone basis and form the Infrastructure division. Performance Intermediates will be part of this division until its planned sale. Further, smaller sites, which often only serve one business line, have been allocated directly to the respective businesses and thus to the chemicals divisions. The cross-site technology activities are now managed in a newly established function at the Corporate Center and reported as part of "Others"¹. These changes have already been implemented in the reorganized prior-year figures for adjusted EBITDA, which are outlined below. Accordingly, they do not correspond to the figures reported in the management report.

Moreover, in December 2024, Evonik announced a complete reorganization of its chemicals operations. In the future, these operations will be divided among two segments, Custom Solutions and Advanced Technologies, which will be managed in a more differentiated manner. Since this new structure will only be implemented on April 1, 2025 and applied in reporting for the first time in the half year financial report 2025, the guidance provided in this report is based on the present divisional structure, which will remain in place until then. In the half year financial report, including the outlook, we will then switch to the new segment structure.

¹ Enabling functions, other activities, consolidation.

In 2025, the **Specialty Additives** division will again benefit from its specific customer solutions, which are geared to improving product properties and sustainability profiles. Following last year's recovery after a period of destocking in 2023, growth is not expected to be so strong in 2025, unless there is a broadly based macroeconomic recovery. Overall, we anticipate that this division will report slightly higher earnings than in the past year (2024: €779 million).

The **Nutrition & Care** division posted a very strong recovery in 2024, driven partly by the positive development of the Animal Nutrition business. Depending on the start-up of new production capacities in the market, we expect to see a slight normalization of prices for essential amino acids this year. Since the market will continue its solid, long-term volume growth, higher volumes, supported by our extended production capacities in Singapore, should partially offset the price erosion. Moreover, the adjustment of the operating model in the Animal Nutrition business, which started in 2023, will bring further cost reductions this year. The Health & Care business will deliver increasing volumes of our innovative rhamnolipids (biosurfactants) from the new production plant in Slovakia to our customers. Our system solutions for active cosmetic ingredients should continue their strong, above-average, and profitable growth. Overall, we anticipate that this division's earnings will decline slightly year-on-year (2024: €616 million).

In the **Smart Materials** division, a positive trend is expected for the Inorganics unit, driven by its environment-friendly hydrogen peroxide specialties and catalysts. In light of the anticipated sustained growth in the market for our high-performance polymers, the Polymers business should benefit from the continued ramp-up of new capacities. Additionally, we will further optimize our cost positions in the various businesses in this division. Therefore, we expect that overall earnings will rise considerably year-on-year, despite the persistently weak demand in our end-markets (2024: €607 million).

For the reorganized **Infrastructure** activities outlined above (including Performance Intermediates) and **Others**, we forecast stable earnings at the prior-year level in 2025 (2024: €63 million). We assume that the savings measures introduced will have a positive effect on both Infrastructure and Others. However, this will be offset by the expected weak demand at Performance Intermediates.

Financing and investments

For 2025, Evonik is planning **cash outflows for investments in intangible assets, property, plant and equipment** of around €850 million, similar to the previous year (2024: €840 million). This keeps us below the long-term average and strikes a balance between focused investments in future growth and disciplined spending.

Thanks to this disciplined approach and the good earnings growth, Evonik consistently generates a high absolute free cash flow and thus an attractive **cash conversion rate**. We will continue this in 2025. We anticipate that the cash conversion rate will again be around our target of 40 percent in 2025 (2024: 42 percent; absolute free cash flow: €873 million). The improved operating result and slight net working capital inflows should make a positive contribution to free cash flow. By contrast, negative contributions will come from higher bonus payments for the successful performance in 2024.

Occupational and plant safety

Our aim is to avoid all accidents and incidents. Our goal is still to keep the **lost time injury rate (LTI-R)** below the upper limit of 0.26 defined for 2024. We are working to improve the **process safety incident rate (PSI-R)** and remain within the upper limit of 0.40 (2024: 0.44).

This report contains forward-looking statements based on the present expectations, assumptions, and forecasts made by the executive board and the information available to it. These forward-looking statements do not constitute a guarantee of future developments and earnings expectations. Future performance and developments depend on a wide variety of factors which contain a number of risks and unforeseeable factors and are based on assumptions that may prove incorrect.

DECLARATION ON CORPORATE GOVERNANCE¹

The executive board and supervisory board of Evonik Industries AG are explicitly committed to responsible corporate governance and identify with the goals of the German Corporate Governance Code. The group-wide code of conduct, which is binding for both the executive board and all Evonik employees, requires strict compliance with all applicable laws, regulations, and other obligations. Evonik does not do business at any price. All employees worldwide receive regular training on the code of conduct and specific issues.



30%

target for female managers achieved

25%

women on the executive board

30%

women on the supervisory board

¹ In accordance with section 317 paragraph 2 sentence 6 of the German Commercial Code (HGB), the disclosures are not included in the audit.

The following report on the principles of corporate management at Evonik (sections 289f and 315d of the German Commercial Code [HGB]) and corporate governance at the company in accordance with principle 23 of the German Corporate Governance Code is issued jointly by the executive board and supervisory board of Evonik Industries AG.

7.1 Principles of corporate governance and corporate structure

Corporate governance comprises all principles for the management and supervision of a company. As an expression of good and responsible corporate management, it is therefore a key element in Evonik's management philosophy. The principles of corporate governance relate mainly to collaboration within the executive board and supervisory board, between these two boards, and between the boards and the shareholders, especially at shareholders' meetings. They also relate to the company's relationship with other people and organizations with which it has business dealings.

Evonik is committed to the German Corporate Governance Code

Evonik Industries is a stock corporation established under German law. Alongside compliance with the provisions of the relevant legislation, the basis for ensuring responsible management and supervision of Evonik with a view to a sustained increase in corporate value is our commitment to the German Corporate Governance Code in the version dated April 28, 2022. This code, which was adopted by the Government Commission on the German Corporate Governance Code, contains both

key statutory provisions on the management and supervision of publicly listed German companies and recommendations and suggestions based on nationally and internationally recognized standards of responsible corporate governance.

The executive board and supervisory board of Evonik Industries AG are explicitly committed to responsible corporate governance and identify with the goals of the German Corporate Governance Code. According to the foreword, in the interest of good and proactive corporate governance, a company may depart from the recommendations set out in the code if this is necessary to take account of company-specific characteristics.

7.2 Information on corporate management and corporate governance

7.2.1 Declaration of conformity with the German Corporate Governance Code pursuant to section 161 of the German Stock Corporation Act (AktG)

Under section 161 of the German Stock Corporation Act (AktG), the executive board and supervisory board of Evonik Industries AG are required to annually submit a declaration that the company has been, and is, in compliance with the recommendations of the Government Commission on the German Corporate Governance Code, as published by the Federal Ministry of Justice in the official section of the Federal Gazette (Bundesanzeiger), and which recommendations have not been, or are not being, applied, together with the associated reasons. The declaration has to be made permanently available to the public on the company's website.

The executive board and supervisory board of Evonik Industries AG (hereinafter the company) hereby submit the following declaration pursuant to section 161 of the German Stock Corporation Act:

Since submitting its last declaration of conformity in December 2023, the company has complied with the recommendations of the German Corporate Governance Code in the version dated April 28, 2022, which was published in the Federal Gazette on June 27, 2022, with the following exceptions, and will continue to do so in the future.

According to recommendation B.3, the first-time appointment of management board members should be for a period of not more than three years. The company's supervisory board does not consider this fixed limit to be expedient; rather, within the legally defined limits, the appropriate term for first-time appointments should be based on the circumstances of the individual case. In particular, the individual qualifications and experience of the person to be appointed to the executive board should be taken into account, including, for example, those acquired through long-term management positions at the company.

According to recommendation C.5, members of the management board of a listed company should not hold more than two supervisory board mandates in non-group listed companies or comparable functions. Ms. Angela Titzrath is the chief executive officer of the listed company Hamburger Hafen und Logistik Aktiengesellschaft. In addition to her mandate on the company's supervisory board, she has other mandates covered by the recommendation. The supervisory board has satisfied itself that Ms. Titzrath has sufficient time to perform her mandate. In addition, her extensive experience in corporate management and her high

level of economic and international expertise make valuable contributions to the fulfillment of the profile of skills and the effective work of the supervisory board. Taking into account all relevant aspects, the deviation from recommendation C.5 is therefore considered justifiable.

According to recommendation C.5, members of the management board of a listed company should not accept the chairmanship of the supervisory board of a non-group listed company. Mr. Christian Kullmann, chairman of the company’s executive board, was also chairman of the supervisory board of Borussia Dortmund GmbH & Co. KGaA from September 25, 2021. He is familiar with the special nature and challenges of professional soccer within the framework of a listed company and is also familiar with the tasks entailed by the position of chairman of the supervisory board. In addition, the company is linked to Borussia Dortmund both through a shareholding and through the current sponsorship agreement. The company’s supervisory board has also examined the time requirements and strategic aspects of this mandate. Taking into account the above aspects, the deviation from recommendation C.5 was therefore considered justifiable. With effect from the end of the annual shareholders’ meeting of Borussia Dortmund GmbH & Co. KGaA on November 25, 2024, Mr. Kullmann stepped down from the supervisory board. The deviation from recommendation C.5 previously declared here is therefore no longer applicable for the future.

Essen, December 2024

The Executive Board The Supervisory Board

7.2.2 Relevant information on corporate management practices

Corporate governance

The company is explicitly committed to good corporate governance and complies with the recommendations of the German Corporate Governance Code, apart from the exceptions set out in section 7.2.1 p.76f.

Compliance

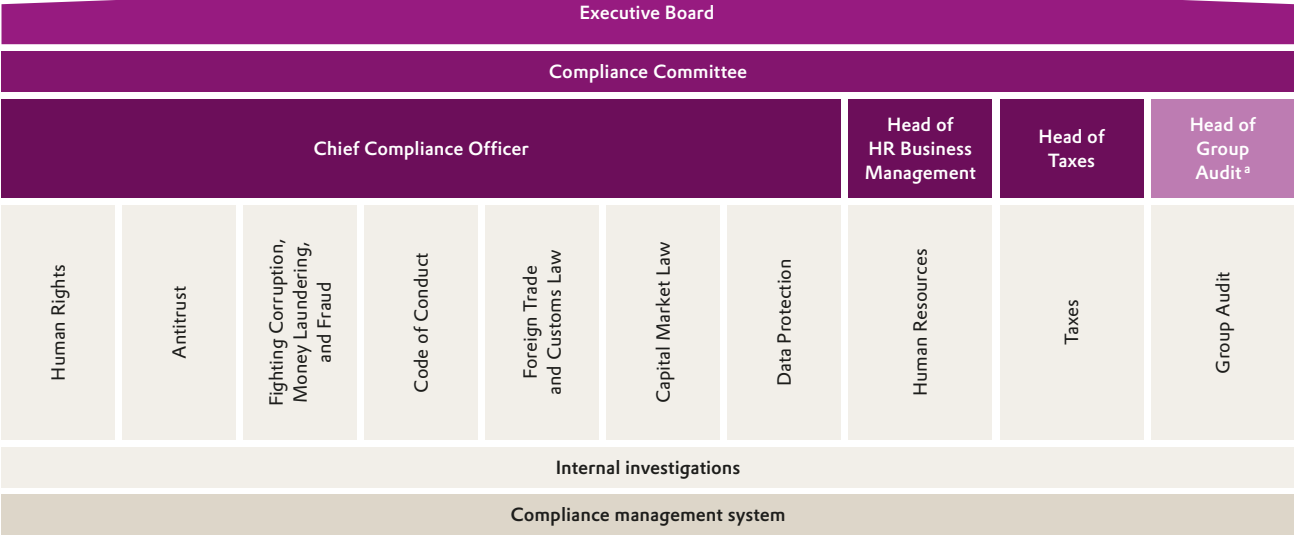
Evonik understands compliance as all activities to ensure that the conduct of the company by its governance bodies and its employees respects all applicable mandatory standards such as legal provisions, statutory requirements and prohibitions, in-house directives, and voluntary undertakings.

The most important external and internal principles and rules are set out in Evonik’s group-wide code of conduct. This is binding for both the executive board and all Evonik employees, both internally in their treatment of one another and externally in contact with shareholders, business partners, representatives of authorities and government bodies, and the general public. It requires all employees to comply with the applicable laws, regulations, and other obligations. Evonik does not do business at any price. All employees worldwide receive regular training on the code of conduct and specific issues. Systematic action is taken to deal with any breach of the code of conduct.

The compliance areas identified as being of specific relevance to our company are bundled in a House of Compliance. Failure to observe the applicable laws and regulations in these areas leads to substantial risks for the company, its legal representatives, and holders of protected legal positions. To ensure a risk-based

House of Compliance

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^a Advisory role.

approach and take account of similarities between topics, the areas covered by the House of Compliance therefore comprise antitrust law, fighting corruption, money laundering, and fraud, as well as the code of conduct, foreign trade and customs law, capital market law, data protection, taxes, human resources, and human rights. Group Audit has an advisory role. Environment, safety, health, and quality, including compliance-related aspects, are also very important topics and are managed and monitored by a separate function.

The role of the House of Compliance is to define minimum group-wide standards for the compliance management systems (CMS) for these areas and ensure that they are implemented. The process of forming a consensus, sharing experience, and coordinating joint activities takes place in the compliance committee, which is composed of the heads of the respective units, who have independent responsibility for their areas, and the head of Group Audit. The compliance units are responsible for the appropriateness, efficacy, and continuous improvement of the CMS for the compliance topics allocated to them.

For information relating to principle 5 of the German Corporate Governance Code on the fundamental aspects of the CMS and its topics, please refer to the above presentation. There are no indications that the CMS for the compliance issues bundled in the House of Compliance are not appropriate or effective in all key respects. The necessary elements of the CMS are structured and implemented throughout the Evonik Group on a risk-oriented basis, reflecting the content required by the standards for the respective issue. By and large, the established standards and processes are put into practice in the company. Regular efficacy checks identify individual weak points relating to specific aspects, and suitable measures to remedy them are integrated into a continuous improvement process. In the same way, the CMS is adapted and aligned to changes in the basic framework (for example, due to changes in the relevant legislation or internal requirements or policies) and the actual circumstances

Compliance management system

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(for example, due to changes in (corporate) structures or business models or other changes in external circumstances such as the political situation).

The establishment of the CMS for human rights has largely been completed. The standards, processes, and measures are being implemented in the company's own area of business and by its suppliers. The efficacy checks are being performed successively on the established CMS elements but do not yet fully cover all aspects.

The compliance issues and the appropriateness and efficacy of the relevant CMS are examined at regular intervals through internal and external audits, which also include business units or regions. Here are some examples:

- External audit of fighting corruption based on audit standard IDW PS 980 (KPMG, 2020)
- Internal audit of the anti-money laundering measures (Group Audit, 2022)

- Internal audit of antitrust law (Group Audit)
- External readiness check in the area of data protection based on IDW PS 980 (Luther law firm, 2022)
- External readiness check on the German supply chain legislation (KPMG, 2022)
- External audit of the tax CMS of Evonik Industries AG and other Group companies in Germany covering the areas of income tax, wage tax, value-added tax, transfer pricing, and withholding tax pursuant to IDW PS 980 (KPMG, 2023/2024)
- Internal audit of the tax CMS (Group Audit, 2021)
- Regular internal audits of internal export controls
- Official audits of customs and export control processes in connection with export permit processes, customs and foreign trade audits, and certification as an "Authorized Economic Operator" (AEO)
- Inspection of chemical weapons controls by the Organisation for the Prohibition of Chemical Weapons (OPCW)

The above comments on the CMS are based on self-assessments by the relevant functional areas, which are prepared in good faith on the basis, in particular, of the references cited.

Further information on Evonik's CMS and the corresponding areas of focus, as well as the action taken in the year under review, can be found in the sustainability report p.190 ff.

Sustainability

During the year, the executive board and supervisory board examine aspects of economic, ecological, and social sustainability from various perspectives. These include, for example, aspects relating to portfolio transformation, the environment, and safety. Sustainability was also one of the main topics at the supervisory board's strategy meeting in September 2024. For many years, the development of accident frequency and severity has been reflected in the executive board's short-term variable remuneration as a performance-related component. Since 2023, the remuneration system has included further sustainability targets in the areas of strategy/portfolio, the efficiency of cost structures, and corporate culture. Further information can be found in the sustainability report p.123 ff.

Transparency

Evonik regards timely and equal public disclosure of information as a key basis of good corporate governance. Evonik provides extensive information in German and English on its website. This includes our financial calendar, which provides a convenient overview of important dates. www.evonik.finance/investor-relations

Evonik's business performance is outlined principally in our financial reports and investor relations presentations. These are supplemented by information on Evonik's shares, the terms of bond issues, and an overview of our credit ratings. Mandatory publications such

as ad-hoc announcements, voting rights announcements, and information on directors' dealings are also published immediately on our investor relations site www.evonik.finance/investor-relations (News & Reports/Ad-hoc announcements, Share/Voting rights, and Corporate Governance/Directors' Dealings). The offering also includes information on corporate strategy and Evonik's corporate structure and organization. In addition, the investor relations site provides information on Evonik's approach to corporate responsibility and how the management and supervision of the company (corporate governance) are aligned with responsible and sustained value creation. www.evonik.finance/investor-relations (Sustainable Investment (SRI) and Corporate Governance)

7.2.3 Work of the executive board and supervisory board

The German Stock Corporation Act (AktG) forms the legal basis for the incorporation of Evonik Industries AG. Further details are set forth in the company's articles of incorporation and the provisions of the German Corporate Governance Code. See section 7.2.1 p.76 f.

Executive board

The executive board of Evonik Industries AG is responsible for running the company in the company's interests with a view to sustained value creation, taking into account the interests of the shareholders, employees, and other stakeholders. It works together trustfully with the other corporate governance bodies for the good of the company.

The executive board defines and updates the company's business objectives, its basic strategic focus, business policy, and corporate structure. It ensures compliance with statutory provisions and internal directives and exerts its influence to ensure that they are observed by Group companies (compliance). It is also responsible for ensuring appropriate measures aligned to the company's risk situation (CMS) and appropriate risk management and risk

controlling in the company. A whistleblower system has been set up. This enables employees and third parties to report, in a protected manner, suspected breaches of the law within the company.

When making appointments to management functions in the company, the executive board applies the principles of diversity. In this it strives, in particular, to ensure adequate representation of women.

The executive board has four members at present. One member is appointed to chair the executive board. With the approval of the supervisory board, the executive board has adopted rules of procedure and a plan allocating areas of responsibility. The chairman coordinates the work of the executive board, provides information for the supervisory board, and maintains regular contact with the chairman of the supervisory board. If the chairman is not available to perform these tasks, they are assumed by the deputy chairperson. The members of the executive board are jointly responsible for the overall management of the company. They work together constructively and keep each other informed of the main activities and developments in their areas of responsibility. The executive board endeavors to make decisions unanimously but may also adopt resolutions by majority vote. If an equal number of votes is cast, the chairman has the casting vote.

Ensuring that the supervisory board receives sufficient information is the joint responsibility of the executive board and supervisory board. The executive board provides the supervisory board with the reports to be prepared in accordance with section 90 of the German Stock Corporation Act (AktG) and the rules of procedure of the supervisory board. It gives the supervisory board timely, regular, and full information on all matters that are relevant to the company and the Group relating to strategy, planning, business development, risks, risk management, and compliance. It outlines deviations between the planned and actual business performance and targets and the reasons therefor.

Further, the executive board submits timely reports to the supervisory board on business matters and actions for which it is required by the articles of incorporation or the supervisory board's rules of procedure to obtain the approval of the supervisory board. In addition, the supervisory board can make further business activities and measures dependent on its consent on a case-by-case basis.

Members of the executive board are required to act in the interests of the company. They may not pursue personal interests in their decisions or utilize business opportunities available to the company for themselves. The members of the executive board are subject to a comprehensive non-compete obligation during their term of office. They may only assume additional posts, especially seats on the supervisory boards of companies that are not affiliated companies of Evonik Industries AG, with the consent of the supervisory board. In such cases, the executive board member shall accept the post as a personal office and shall ensure strict confidentiality and strict separation from his/her activities as a member of the executive board. Every member of the executive board is required to disclose any conflict of interest to the chairman of the supervisory board without delay and to inform the other members of the executive board. In fiscal 2024, there were no conflicts of interest relating to members of the executive board of Evonik Industries AG.

All transactions between the company or companies in the Evonik Group, on the one hand, and executive board members and related parties, on the other, must take place on terms that are customary in the sector. The report of the supervisory board contains details of the relevant transactions in the reporting period p. 15 ff.

The composition of the executive board and membership of supervisory boards and similar governance bodies are outlined in the further information on corporate officers p. 319 ff.

Supervisory Board

The supervisory board advises and supervises the executive board. It appoints the members of the executive board and names one member as the chairperson of the executive board. It also decides on the remuneration of the members of the executive board. The executive board is required to obtain the approval of the supervisory board on decisions of fundamental importance, which are defined in a separate list. These include:

- Fundamental changes to the structure of the company and the Group
- Setting the annual budget for the Group
- Investments exceeding €100 million
- The assumption of loans and the issuance of bonds exceeding €300 million and with a maturity of more than one year

The supervisory board examines the company's annual financial statements, the executive board's proposal for the distribution of the profit, the consolidated financial statements for the Evonik Group, and the combined management report, including the combined non-financial statement. The supervisory board submits a written report on the outcome of the audit to the shareholders' meeting.

The supervisory board is subject to the German Codetermination Act (MitbestG). In accordance with these statutory provisions, the supervisory board comprises 20 members: ten representatives of the shareholders and ten representatives of the workforce. The representatives of the shareholders are elected by the shareholders' meeting on the basis of nominations put forward by the supervisory board as prepared by the nomination committee. The representatives of the employees are elected by the workforce and comprise seven employee representatives and three representatives of the industrial union.

The composition of the supervisory board should ensure that its members collectively have the knowledge, skills, and professional expertise required to properly perform their duties. The members of the supervisory board may not undertake any duties as officers or advisors to the company's major competitors.

No former executive board members have seats on the supervisory board. All members of the supervisory board shall ensure that they have sufficient time to perform their tasks as a member of the supervisory board. Members of the supervisory board who are also members of the executive board of a publicly listed stock corporation should not hold more than two seats on the supervisory boards of listed companies outside their group of companies or boards where comparable demands are made on them; members of the supervisory board who are not members of the executive board of a publicly listed corporation may not hold more than five seats on such supervisory or comparable boards. For this purpose, chairing a supervisory board counts as holding two seats.

Members of the supervisory board must act in the interests of the company and not pursue personal interests in their decisions, nor may they utilize business opportunities available to the company for themselves. Members must disclose conflicts of interest to the supervisory board. Any member of the supervisory board who discloses a conflict of interest is excluded from resolutions at the meetings of the supervisory board dealing with matters relating to the conflict of interest. In its report to the shareholders' meeting, the supervisory board discloses any conflicts of interest that have arisen and how they have been dealt with. Material conflicts of interest relating to a member of the supervisory board that are not by nature temporary should lead to termination of his/her term of office.

Consultancy, service, and similar contracts between a member of the supervisory board and the company must be approved by the supervisory board. There were no contracts of this type in 2024.

The supervisory board has adopted rules of procedure, which also govern the formation and tasks of the committees. At least two regular meetings of the supervisory board are held in each calendar half-year. In addition, meetings may be convened as required, and the supervisory board may adopt resolutions outside meetings. If an equal number of votes is cast when making a decision, and a second vote does not alter this situation, the chairman of the supervisory board has the casting vote.

The supervisory board has set the following objectives for its composition, which are taken into account in the proposals put to the shareholders' meeting with regard to the regular election of members of the supervisory board and the subsequent election of a member of the supervisory board:

- At least two members should have a sound knowledge of and experience in regions that are of material importance for the Evonik Group's business, either through their background or through professional experience gained in an international context.
- At least two members should have special knowledge of and experience in business administration and finance/accounting or auditing.
- The members of the supervisory board as a whole should be familiar with the chemical sector.
- At least two members should have experience in managing or supervising a major company.
- The supervisory board should comprise at least 30 percent women and at least 30 percent men.
- The members of the supervisory board should not hold consulting or governance positions with customers, suppliers, creditors, or other business partners that could lead to a conflict of interest. Deviations from this rule are permitted in legitimate individual cases.
- Members of the supervisory board should not normally be over 75 when they are elected.

- Members of the supervisory board should not normally hold office for more than three full terms within the meaning of section 102 paragraph 1 of the German Stock Corporation Act (AktG), i.e., normally 15 years. It is possible to deviate from this rule, in particular, in the case of a member of the supervisory board who directly or indirectly holds at least 25 percent of the company's shares or belongs to the governance body of a shareholder that directly or indirectly holds at least 25 percent of the company's shares.
- The collective knowledge and professional expertise of the members of the supervisory board should adequately reflect the skills profile.
- At least six supervisory board members representing the shareholders should be independent of the company and its executive board and independent of a controlling shareholder.

These targets were last revised in December 2019.

The supervisory board currently comprises six women and 14 men. In accordance with its own targets and in compliance with statutory requirements, it therefore meets the minimum of 30 percent women and 30 percent men.

The independence of supervisory board members representing the shareholders is based on the current recommendations of the German Corporate Governance Code. In the supervisory board's opinion, the appropriate number of independent members is at least six. In light of the provisions of the German Corporate Governance Code, the supervisory board classifies all current members as independent. In its assessment of the employee representatives, the supervisory board assumes that their independence is not affected by their activities as employees of the company or an industrial union. In this context, it takes into account, in particular, Mr. Tönjes' position as chairman of the executive board of RAG-Stiftung. Mr. Tönjes also declares that he is independent.

The supervisory board considers it important that the company's ownership structure is also reflected in the supervisory board. Based on the offices held at present and in the past, there is no reason to alter the current assessment of independence. In particular, the supervisory board is satisfied that Mr. Tönjes' position as chairman of the executive board of RAG-Stiftung does not constitute a conflict of interests with regard to the work of the supervisory board that would counteract his independence. Furthermore, the supervisory board does not regard holding a position at a company that has business relations with Evonik as detracting from the independence of supervisory board members. Transactions are undertaken at arm's length and their scope is not classified as material. No former member of the company's executive board and no family members of executive board members had a seat on the supervisory board in the reporting period. In addition, the maximum term of office on the supervisory board was respected by all members.

The shareholders' representatives classified by the supervisory board as independent members are: Bernd Tönjes, Prof. Barbara Albert, Dr. Cornelius Baur, Prof. Aldo Belloni, Werner Fuhrmann, Dr. Christian Kohlpaintner, Cedrik Neike, Dr. Ariane Reinhart, Michael Rüdiger, and Angela Titzrath.

The financial experts within the meaning of section 100 paragraph 5 of the German Stock Corporation Act (AktG) and recommendation D.3 of the German Corporate Governance Code are Ms. Angela Titzrath (auditing expertise) and Mr. Michael Rüdiger (accounting expertise). In addition to their academic qualifications, both have acquired the necessary knowledge and experience for this through their professional careers, especially as members of executive boards of large companies, and their work on a variety of supervisory bodies. As a former executive board member at large companies and chairwoman of the executive board of a listed company, Ms. Angela Titzrath has extensive

experience in the area of auditing. For a number of years, she has also been intensively engaged in the preparation and review of sustainability reports. Through his former role in the area of internal auditing, Mr. Michael Rüdiger has many years' experience in the field of finance and special knowledge and experience in the application of accounting policies and internal control and risk management systems. As a member of the audit committee at another listed company, Mr. Michael Rüdiger is intensively involved in auditing, including the auditing of sustainability reporting. Moreover, as members of the audit committee of Evonik Industries AG, Ms. Angela Titzrath and Mr. Michael Rüdiger are continuously involved in these fields. Furthermore, as chairman of this committee, outside of its meetings, Mr. Michael Rüdiger is in contact with the external auditors, the executive board, and the heads of the relevant functions.

The length of membership of the supervisory board is disclosed in the resumes of the members of the supervisory board.

The present supervisory board satisfies the objectives for its composition.

In accordance with the recommendation in the German Corporate Governance Code, as well as setting objectives for its composition, the supervisory board has drawn up a profile of the skills and expertise required for the entire supervisory board. Proposals for the election of supervisory board members are based on this profile. The objectives and profile together form the supervisory board's diversity concept pursuant to section 289f paragraph 2 no. 6 and section 315d of the German Commercial Code (HGB), which is outlined in section 7.2.4 p. 84

The supervisory board considers that the following skills and expertise are appropriate for the proper performance of its duties and are reflected by its members:

Profile of skills and expertise required of the supervisory board

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	International experience	Knowledge of business administration	Experience in human resources and social issues	Scientific knowledge (especially of the chemical sector)	Experience in corporate management	Experience in ecological and social sustainability	Technological knowledge (including digitalization and information technology)
Bernd Tönjes		x	x		x	x	x
Alexander Bercht		x	x		x		
Martin Albers		x	x				
Prof. Barbara Albert	x			x	x	x	x
Dr. Cornelius Baur	x	x	x		x	x	x
Prof. Aldo Belloni	x	x	x	x	x	x	
Alexandra Boy		x	x		x		
Hussin El Moussaoui			x				
Werner Fuhrmann	x	x	x	x	x	x	
Dr. Christian Kohlpaintner	x	x	x	x	x	x	
Alexandra Krieger		x	x				
Martin Kubessa			x	x			
Thomas Meiers		x	x		x		x
Cedrik Neike	x	x	x		x	x	x
Dr. Ariane Reinhart	x	x	x		x	x	x
Martina Reisch		x	x		x		x
Gerhard Ribbeheger (until December 31, 2024)			x				x
Michael Rüdiger	x	x	x		x	x	
Gerd Schlengermann			x				
Angela Titzrath	x	x	x		x	x	x

The supervisory board has the following committees:

The **executive committee** comprises the chairman of the supervisory board, his deputy, and two further members. It undertakes the regular business of the supervisory board and advises the executive board on fundamental issues relating to the ongoing strategic development of the company. Insofar as is permitted by

law, it makes decisions in place of the full supervisory board on matters which cannot be deferred until the necessary resolution is passed by the full supervisory board without detrimental effects for the company. It also makes decisions on the use of authorized capital. It prepares meetings of the supervisory board and, in particular, personnel decisions and resolutions on the remuneration of the executive board, including the main contrac-

tual elements and the overall remuneration of individual members of the executive board. It is also responsible for concluding, amending, and terminating employment contracts with the members of the executive board, where this does not involve altering or setting remuneration, and represents the company in other transactions of a legal nature with present and former members of the executive board and certain related parties. **Members:** Bernd Tönjes (chairman), Alexander Bercht (deputy chairman), Martin Albers, Prof. Aldo Belloni.

The **audit committee** has six members. Members of the audit committee have specialist knowledge and experience in the application of accounting standards and internal control systems. Moreover, the chairman is independent and is not a former member of the company's executive board. Acting on behalf of the supervisory board, the audit committee's principal tasks comprise supervising the accounting, the accounting process, the effectiveness of the internal control system, the risk management system, and the internal audit system, the auditing of the financial statements, especially the independence of the auditor, any additional services provided by the auditor by prior agreement and retrospective review, as well as compliance and the related decisions. It can make proposals and recommendations geared to ensuring the integrity of the financial reporting process. It prepares the supervisory board's proposal to the shareholders' meeting on the appointment of the auditor. If the audit engagement is put out to tender, the proposal must include at least two candidates. Further, the audit committee makes decisions on the appointment of the auditor, the focal points of the audit, and the agreement on audit fees. It assumes the specific duties regarding the statutory

audit of public-interest entities assigned to the audit committee under applicable law, especially EU Regulation no. 537/2014. The audit committee prepares the decision of the supervisory board on approval of the annual financial statements of Evonik Industries AG and the consolidated financial statements for the Evonik Group. For this purpose, it is required to conduct a preliminary examination of the annual financial statements of Evonik Industries AG, the consolidated financial statements for the Evonik Group, the combined management report, including the combined non-financial statement, and the executive board's proposal for the distribution of the profit. The audit committee also examines the auditor's report. The audit committee reviews the interim reports, especially the half year financial report, discusses the audit review report with the auditor—if an auditor is engaged to conduct a review—and decides whether to raise any objections. Further, it examines issues relating to corporate governance and reports to the supervisory board at least once a year on the status, effectiveness, and scope to implement any improvements to corporate governance, and on new requirements and new developments in this field. **Members:** Michael Rüdiger (chairman), Alexandra Krieger (deputy chairwoman), Alexandra Boy, Cedrik Neike, Gerd Schlengermann, Angela Titzrath.

The **investment and sustainability committee** has eight members. Its work covers aspects of corporate finance, investment planning, and sustainability. For example, it makes decisions on behalf of the supervisory board on approving investment and real estate transactions with a value of more than €100 million. Further, the investment and sustainability committee makes decisions on behalf of the supervisory board involving approval

for the establishment, acquisition, and divestment of businesses, and on capital measures at other Group companies with a value of between €100 million and €500 million. It also prepares decisions of the full supervisory board on such measures, where they exceed €500 million. Furthermore, it makes decisions on the assumption of guarantees and sureties for credits exceeding €50 million and on investments in companies of more than €100 million. **Members:** Werner Fuhrmann (chairman), Alexander Bercht (deputy chairman), Martin Albers, Dr. Cornelius Baur, Thomas Meiers, Gerhard Ribbeheger, Michael Rüdiger, Bernd Tönjes.

The **innovation and research committee** has eight members. It examines the company's innovation and research strategy, in particular by analyzing expected future developments both in the chemical sector and in the markets of relevance to the company. It discusses the resulting implications for the company's innovation and research programs with the executive board. **Members:** Prof. Barbara Albert (chairwoman), Thomas Meiers (deputy chairman), Prof. Aldo Belloni, Hussin El Moussaoui, Dr. Ariane Reinhart, Martina Reisch, Gerhard Ribbeheger, Bernd Tönjes.

The **nomination committee** comprises three supervisory board members elected as representatives of the shareholders. The task of the nomination committee is to prepare a proposal for the supervisory board on the candidates to be nominated to the shareholders' meeting for election to the supervisory board. **Members:** Bernd Tönjes (chairman), Prof. Aldo Belloni, Dr. Ariane Reinhart.

Finally, there is a **mediation committee** established in accordance with section 27 paragraph 3 of the German Codetermination Act. This mandatory committee is composed of the chairman of the supervisory board, his deputy, one shareholder representative, and one employee representative. This committee puts forward proposals to the supervisory board on the appointment of members of the executive board if the necessary two-thirds majority of the supervisory board members is not achieved in the first vote. **Members:** Bernd Tönjes (chairman), Alexander Bercht (deputy chairman), Martin Albers, Prof. Aldo Belloni.

The mediation committee is only convened when necessary. All other committees meet regularly and may also hold additional meetings on specific issues in line with their responsibilities as set out in the rules of procedure for the supervisory board.

Further details of the work of the supervisory board and its committees in the past fiscal year can be found in the report of the supervisory board p.15ff. The report of the supervisory board also outlines the composition of the various committees and the meetings attended by members of the supervisory board. The composition of the supervisory board and membership of supervisory boards and similar governance bodies are outlined in the further information on corporate officers p.319ff.

The supervisory board regularly examines the efficiency of the work of the entire supervisory board and its committees. In 2024, it conducted an extensive efficiency review with external support. Questionnaires on all matters relating to the supervisory

board were completed by all members and individual interviews were conducted on their basis. The questions included the working and discussion culture, the number, duration, and format of supervisory board meetings, the quality of the documents provided for the meetings, the structure and working methods of the committees, the composition of the supervisory board, and the key issues addressed by the supervisory board. The results of both parts of the efficiency review confirmed that the supervisory board can be considered a professional body that works effectively in all major respects. A particularly high assessment was accorded to the performance of oversight functions. The composition and structure of the supervisory board are still regarded as key strengths. To further enhance efficiency, on the basis of the evaluation of the results, measures were resolved and implemented during the year.

Directors' dealings

In accordance with article 19 paragraph 1 of the EU market abuse regulation (MAR), members of the executive board and supervisory board and persons closely associated with them (including spouses, partners who are equivalent to a spouse, and dependent children) are required to notify Evonik Industries AG and the Federal Financial Supervisory Authority (BaFin) of any transactions in shares or debt instruments of Evonik Industries AG, or derivatives, or other financial instruments linked thereto. This applies to transactions undertaken within a calendar year after a total value of €20,000 has been reached. The transactions notified are disclosed on the website of Evonik Industries AG. www.evonik.com/en/investor-relations/publications/directors-dealings.html

7.2.4 Diversity at Evonik

Since Evonik Industries AG is a publicly listed company and is also subject to German codetermination legislation, the diversity requirements set forth in the German Stock Corporation Act (AktG) and the recommendations of the German Corporate Governance Code apply.

The statutory ratio of at least 30 percent women and at least 30 percent men applies for the composition of the supervisory board. The supervisory board meets this ratio: Alongside 14 men, it has six female members, three of whom represent the shareholders, and three of whom represent the workforce. For the proportion of women on the executive board, the supervisory board has set a target of at least 25 percent (which is equivalent to one woman as the executive board currently has four members), with a deadline for achieving this of June 30, 2027. The executive board comprises one woman and three men. The executive board therefore also meets the statutory requirement that an executive board with more than three members must include at least one woman and one man (section 76 paragraph 3a AktG). For the period from January 1, 2021 through December 31, 2024, the executive board set a target of 30 percent female managers at both the first and the second management level below the executive board. As of December 31, 2024, the proportion of female managers was 36.0 percent at the first management level and 32.8 percent at the second management level, so the targets had been exceeded by the deadline. For the period from January 1, 2025 through December 31, 2026, the executive board has once again set a target of 30 percent female managers at both the first and the second management level below the executive board.

Diversity concept

The previous diversity requirements set out in the German Stock Corporation Act (AktG) and the German Corporate Governance Code for publicly listed corporations that are also classified as large stock corporations have been extended by the provisions of section 289f paragraph 2 no. 6 of the German Commercial Code (HGB). The diversity concept, which has to be described pursuant to this provision and which has to be followed in appointments to the supervisory board and the executive board, comprises the following elements at Evonik Industries AG:

The diversity concept for Evonik's supervisory board comprises both the supervisory board's objectives for its composition and the profile for the skills and expertise of the supervisory board as a whole. Further details can be found in section 7.2.3 p.79 ff. Most of the requirements contained in the supervisory board's diversity concept are already reflected in the supervisory board's objectives. These include rules on the age and gender of supervisory board members and on professional experience and knowledge of business administration and the chemical sector. These objectives have been supplemented by a profile that sets out the required skills and expertise and documents the extent to which they are met. The diversity concept is implemented by ensuring that the proposals put to the shareholders' meeting for the election of supervisory board members reflect the objectives and the profile. The present composition of the supervisory board meets all requirements of the diversity concept. The supervisory board, executive committee, and executive board together ensure long-term succession planning for appointments to the executive board. Structured talent management and targeted executive development form the basis for filling executive board positions from within the company where possible. The principles of succession planning are agreed with the executive committee, and the chairman of the executive board and the chairman of the supervisory board regularly discuss potential

candidates. The chairman of the supervisory board informs the executive committee or the full supervisory board of the status of succession planning, as necessary. The basis for this includes the diversity concept for the executive board. Alongside the target of 25 percent female members outlined above, it sets a maximum age of 68 years for members of the executive board. In addition to this age limit, when selecting suitable candidates for the executive board, the supervisory board ensures a suitable mixture of ages to ensure long-term succession planning. Further, as a leading global specialty chemicals company, when making appointments to the executive board, Evonik pays attention to ensuring that at least one member has knowledge of the area of human resources, one has knowledge of finance and accounting, and one has knowledge of the chemical sector. In addition, at least one member of the executive board should have international professional experience. The present composition of the executive board fully meets the requirements set by the diversity concept.

7.3 Shareholders and the shareholders' meeting

The shareholders exercise their rights at the shareholders' meeting. The shareholders' meeting elects the auditor and the shareholder representatives on the supervisory board and resolves on the ratification of the actions of members of the executive board and supervisory board, the distribution of the profit, capital transactions, and amendments to the articles of incorporation. The shares are registered shares. Shareholders who are entered in the register of shareholders are eligible to attend the shareholders' meeting and exercise their voting rights, providing they register in good time to attend the meeting. The shareholders may exercise their voting rights at the shareholders' meeting in person, through a proxy of their choice or through a proxy appointed by the company. Each share entitles the holder to one vote.

7.4 Information on accounting and auditing of the financial statements

Evonik Industries AG prepares its annual financial statements in accordance with the German Commercial Code (HGB) and the German Stock Corporation Act (AktG). The consolidated financial statements are prepared on the basis of the International Financial Reporting Standards (IFRS), as adopted for use in the EU. In addition, the applicable statutory provisions of section 315e paragraph 1 of the German Commercial Code (HGB) are taken into account. The consolidated financial statements are also published in the European Single Electronic Format (ESEF). As proposed by the supervisory board, the annual shareholders' meeting on June 4, 2024 elected KPMG AG Wirtschaftsprüfungsgesellschaft (KPMG), Berlin, as auditor for the annual financial statements of Evonik Industries AG, the consolidated financial statements of the Evonik Group, and the combined management report for fiscal 2024. The supervisory board previously ascertained the independence of the auditor. The auditors that sign the audit of the annual financial statements of Evonik Industries AG and the consolidated financial statements of the Evonik Group are Dr. Thorsten Hain (since fiscal 2021) and Dr. Kathryn Ackermann (since fiscal 2021). The statutory audit also comprised audits of the risk identification system in accordance with section 317 paragraph 4 of the German Commercial Code (HGB), the report on relations with affiliated companies within the meaning of section 313 of the German Stock Corporation Act (AktG), and the electronic reporting format pursuant to section 317 paragraph 3a HGB. Based on the resolution of June 4, 2024, KPMG also reviewed the half year financial report in fiscal 2024.

7.5 Internal control system and risk management

Evonik's internal control system (ICS) covers the entire organization and is designed to safeguard the functioning and cost-efficiency of business processes, the reliability of business information, protect assets, and ensure compliance with regulations. A defined procedure involving those responsible for the organization-wide end-to-end processes and the risk coordinators prevents the occurrence of systematic process and organizational risks in all areas of the organization.

In close alignment with Risk Management, all units within the Evonik Group assess whether the controls that are in place ensure an appropriate and effective control system. To support the identification of process risks, in collaboration with the process owners, Risk Management draws up a risk control matrix for material process and organizational risks. Processes are categorized uniformly using the Evonik Process House's end-to-end processes. The units perform a self-assessment to check for process and organizational risks and evaluate whether they could interfere

with the effectiveness of Evonik's ICS. The organizational units are responsible for performing and documenting the process controls. The risk control matrix is regularly reviewed and updated or optimized by the end-to-end process experts.

Oversight of the internal control system is based on three elements: Risk Management, Group Audit, and external auditors. As part of the annual risk inventory, all risk coordinators are required to check the correct identification of process risks and the performance of process controls. This is documented by the risk coordinators on a randomized basis. Risk Management also checks that random sampling is performed by the individual organizational units. Group Audit evaluates the appropriateness and efficacy of the ICS and the risk management system (RMS) on the basis of these checks, which are selected using a risk-oriented planning approach. The Evonik Group's RMS, including the ICS relating to the accounting process, is described in chapter 5. Opportunity and risk report p.59 ff. in the combined management report. The audits performed by Group Audit in 2024 did not identify any systematic weaknesses in the ICS or the RMS. There are no indications that the ICS and RMS are not, in all material respects, appropriate and effective.

7.6 Remuneration

The principles of the remuneration system and the remuneration of the members of the executive board and the supervisory board are outlined in the remuneration report www.evonik.finance/remuneration-report. To meet the content requirements for the declaration on corporate governance pursuant to section 289f paragraph 2 no. 1a of the German Commercial Code (HGB), the remuneration system (section 87a paragraph 1 and paragraph 2 sentence 1 of the German Stock Corporation Act [AktG]) and the remuneration resolution (section 113 paragraph 3 AktG) are published on the website of Evonik Industries AG at www.evonik.finance/remunerationsystem-executiveboard and www.evonik.finance/remunerationsystem-supervisoryboard. In addition, the remuneration report and the auditor's report can be viewed at www.evonik.finance/remuneration-report.

TAKEOVER-RELEVANT INFORMATION

Each share entitles the holder to one vote. Employees have acquired shares in the company through employee share programs.

Evonik Industries AG is a contracting partner in agreements that are contingent upon a change of control resulting from a takeover bid.



Information pursuant to sections 289a and 315a of the German Commercial Code (HGB) and explanatory report by the executive board pursuant to section 176 paragraph 1 of the German Stock Corporation Act (AktG)

Structure of issued capital

The capital stock of Evonik Industries AG is €466,000,000 and is divided into 466,000,000 no-par registered shares. Each share entitles the holder to one vote. Under section 5 paragraph 2 of the articles of incorporation, shareholders do not have any claim to the issue of certificates for their shares unless the issue of a certificate is required by the rules of a stock exchange on which the share has been admitted for trading. There are no different share classes, nor any shares with special rights.

Restrictions on voting rights or the transfer of shares

In connection with Evonik's employee share programs, there are restrictions on the ability of participating employees to dispose of their shares for a certain time period. In particular, they are required to hold their shares in each case until the end of the next-but-one calendar year after the year of allocation. The executive board is not aware of any other restrictions on voting rights or the transfer of shares.

Direct and indirect shareholdings that exceed 10 percent of the voting rights

Under the German Securities Trading Act (WpHG), every shareholder whose voting rights in the company reach, exceed, or drop below a certain level, whether through the purchase or sale of shares or in any other way, must notify the company and the Federal Financial Supervisory Authority (BaFin). Under section 33 paragraph 1 of the German Securities Trading Act, the relevant thresholds are 3, 5, 10, 15, 20, 25, 30, 50, and 75 percent of the

voting rights. Changes in voting rights between these thresholds are not subject to notification under the German Securities Trading Act, so the following data may differ from more recent overviews of the shareholder structure. In compliance with section 160 paragraph 1 no. 8 of the German Stock Corporation Act (AktG), the notes to the financial statements of Evonik Industries AG contain an overview of all voting rights notifications submitted to the company pursuant to section 33 of the German Securities Trading Act.

Under section 289a sentence 1 no. 3 and section 315a sentence 1 no. 3 of the German Commercial Code (HGB), all direct and indirect shareholdings exceeding 10 percent of the voting rights must be declared. As of December 31, 2024, the executive board had only received notification of one direct shareholding exceeding 10 percent of the voting rights—from RAG-Stiftung, Essen (Germany). The executive board is not aware of any further direct or indirect holdings in the company's capital stock that exceed 10 percent of the voting rights.

Method of exercising oversight through voting rights in the event of employee shareholdings

Employees can become shareholders in the company through employee share programs. Instead of exercising their rights of oversight themselves, employees who hold shares in the company's capital may transfer these rights to an employee shareholder association, which acts in their interests. As of the reporting date, 240,875 voting rights had been transferred to the employee shareholder association.

Appointment and dismissal of executive board members, amendments to the articles of incorporation

The appointment and dismissal of members of the executive board of Evonik Industries AG is governed by section 84 of the German Stock Corporation Act (AktG) and section 31 of the German Codetermination Act (MitbestG), in conjunction with section 6 of the company's articles of incorporation. Section 6 of the articles of incorporation states that the executive board should comprise at least two members. Further, the supervisory board is responsible for determining the number of members.

Changes to the articles of incorporation are normally resolved by the annual shareholders' meeting. Section 20 paragraph 2 of the articles of incorporation states that, unless mandatory legal provisions require otherwise, resolutions shall be adopted by a simple majority of the votes cast and—unless, besides a majority of the votes, a majority of the capital is required by law—by a simple majority of the capital stock represented. Under section 11 paragraph 7 of the articles of incorporation, the supervisory board is authorized to resolve on amendments to the articles of incorporation, provided they are only editorial. A simple majority vote is sufficient.

Authorization of the executive board, especially to issue and repurchase shares

Pursuant to a resolution of the shareholders' meeting of June 4, 2024, the executive board is authorized until June 3, 2029, subject to the approval of the supervisory board, to purchase up to 10 percent of the company's capital stock. Together with other

shares in the company, which the company has already acquired or still owns, or which are attributable to it pursuant to sections 71d and 71e of the German Stock Corporation Act (AktG), the shares acquired under this authorization may not, at any time, exceed 10 percent of the capital stock. Shares in the company may not be purchased for trading purposes. Subject to the principle of equal treatment (section 53a AktG), the purchase may take place via the stock exchange or via a public offer to all shareholders for the purchase or exchange of shares. In the latter case, notwithstanding the exclusion of tender rights permitted in specific circumstances, the principle of equal treatment (section 53a AktG) must also be taken into account. The resolution adopted by the annual shareholders' meeting on August 31, 2020 authorizing the executive board to buy back shares in the company was rescinded.

The annual shareholders' meeting on May 25, 2022 adopted an amendment to section 4 paragraph 6 of the articles of incorporation authorizing the executive board until May 24, 2027, subject to the approval of the supervisory board, to increase the company's capital stock by up to €116,500,000 (authorized capital 2022). This authorization may be exercised through one or more issuances. The new shares may be issued against cash and/or contributions in kind. The executive board is authorized, subject to the approval of the supervisory board, to exclude shareholders' statutory subscription rights when issuing new shares in the following cases:

- capital increases against contributions in kind
- if the capital increase is against cash and the proportionate share of the capital stock attributable to the new shares does not exceed 10 percent of the capital stock, and the issue price

of the new shares is not significantly below the stock market price of shares already listed on the stock exchange

- to exclude fractional amounts arising from the subscription ratio
- insofar as is necessary to grant holders and/or creditors of warrants and/or conversion rights or obligors of warrant and/or conversion obligations subscription rights to new shares to the extent that they would be entitled to them after exercise of their warrants and/or conversion rights or fulfillment of their warrant and/or conversion obligations
- to grant shares to employees (employee stock), provided that the new shares for which subscription rights are excluded do not, in aggregate, account for a proportionate share of the capital stock in excess of 1 percent
- for the execution of a scrip dividend

The proportionate amount of the capital stock attributable to the shares for which subscription rights are excluded, together with the proportionate amount of the capital stock attributable to treasury stock or to conversion and/or warrant rights or obligations arising from debt instruments, which are sold or issued after May 25, 2022 under exclusion of subscription rights, may not exceed 20 percent of the capital stock. If the sale or issue takes place in application—analogously or mutatis mutandis—of section 186 paragraph 3 sentence 4 of the German Stock Corporation Act (AktG), this shall also be deemed to constitute an exclusion of subscription rights.

The executive board is authorized, subject to the approval of the supervisory board, to define further details of capital increases out of the authorized capital 2022. The authorized capital has not yet been utilized.

In connection with the authorization of May 25, 2022 to issue convertible and/or warrant bonds with a nominal value of up to €1.25 billion up to May 24, 2027, the capital stock is conditionally increased by a further €37,280,000 (conditional capital 2022). The conditional capital increase will only be conducted insofar as holders or creditors of warrant or conversion rights or obligors of warrant or conversion obligations arising from warrant bonds and/or convertible bonds issued or guaranteed on the basis of the authorization resolved at the annual shareholders' meeting of May 25, 2022, exercise their warrants or conversion rights or, insofar as they have an obligation to exercise the warrants or conversion obligations, meet the obligation to exercise the warrant or conversion obligations, and other forms of settlement are not used. The new shares are entitled to a dividend from the start of the fiscal year in which they are issued.

Significant agreements concluded by the company that are contingent upon a change of control resulting from a takeover bid

Evonik Industries AG is a contracting party in the following agreements that are contingent upon a change of control resulting from a takeover bid. This is deemed to have occurred if a person (apart from RAG-Stiftung or a (direct or indirect) subsidiary of RAG-Stiftung) or persons acting in a concerted manner within the meaning of section 30 paragraph 2 of the German Securities Acquisition and Takeover Act (WpÜG) directly or indirectly acquire(s) more than 50 percent of the voting rights in Evonik Industries AG.

- In 2022, the company agreed a €1.75 billion syndicated credit facility with its core banks; this had not been drawn as of December 31, 2024. In the event of a change of control resulting from a takeover bid, these banks could withdraw the credit facility.
- The company has bilateral credit facilities totaling €800 million with six core banks ("the lenders") for general funding of working capital, which had not been drawn as of December 31, 2024. Furthermore, in 2024, the company agreed a €500 million credit line with the European Investment Bank. As of December 31, 2024, €250 million of this had been drawn. In the event of a change of control resulting from a takeover bid, these banks could withdraw the respective credit facility.
- The company has a debt issuance program to place bonds with a total volume of up to €5 billion. By December 31, 2024, three bonds with a total nominal value of €1.75 billion had

been issued under this program. The issue conditions contain a change-of-control clause. In the event of a change of control resulting from a takeover bid and a deterioration in the credit rating of Evonik Industries AG to non-investment grade within 90 days as a result of such change of control, the bondholders have the right to demand redemption of the bond at nominal value plus accrued interest.

- The company issued a €500 million green hybrid bond in 2021. If there is a change of control and if, within a defined change-of-control period, the rating agencies withdraw all ratings previously assigned to the company or downgrade them to non-investment grade, Evonik Industries AG has the right to redeem the bond within a defined period. If the bond is not redeemed, the interest rate applicable for interest payments on the bond will be increased by 5 percentage points p.a.

Agreements on payment of compensation by the company to members of the executive board or other employees in the event of a change of control

Change-of-control clauses are only agreed with members of the executive board in connection with long-term remuneration. A change of control is defined as cases when another company obtains control of Evonik Industries AG as defined in the German Securities Acquisition and Takeover Act (WpÜG), or there is a material change in the company's shareholders as a result of a merger or comparable reorganization or business combination. In such cases, the long-term remuneration due to the eligible employees is calculated immediately on a pro rata basis, i.e., based on the period between the grant date and the change of control relative to the total four-year performance period, and paid into their salary account with their next regular salary payment.

SUSTAINABILITY REPORT

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GENERAL INFORMATION

At Evonik, our goal is to make life better for present and future generations. Our sustainable corporate strategy is an expression of this aspiration—with ambitious targets and an understanding of how to translate sustainability into profitability.

MATERIAL TOPICS

• Portfolio transformation

- Mitigating climate change
- Green energy
- Water management
- Biodiversity
- Circular economy
- Product stewardship

- Attractiveness as an employer/
employee satisfaction
- Diversity and equal opportunity
- Occupational health and safety

- Responsible management/human rights
- Responsibility within the supply chain
- Cybersecurity

Top 1%

“Platinum” status from EcoVadis.
Evonik is ranked among the top 1 percent
of companies evaluated.

13

Evonik’s material topics

45%

Proportion of sales from
Next Generation Solutions

9. General information

- Significant investment in Next Generation Solutions and Next Generation Technologies
- Initial qualitative assessment of long-term sustainability opportunities and risks
- Sustainability integrated into highest supervisory and management bodies

9.1 About this sustainability report

Sustainability report 2024

 ESRS 2 BP-1

This is the 17th full sustainability report published by Evonik and the first sustainability report in compliance with the European Sustainability Reporting Standards (ESRS). This year, our sustainability report corresponds to the combined non-financial statement, which was previously aligned with the GRI¹ Sustainability Reporting Standards. The switch to the ESRS was made in view of their significance as new reporting standards adopted by the European Commission. The report covers the period from January 1 to December 31, 2024, except where otherwise indicated.

Our goal is to provide our stakeholders with a transparent and objective picture of our sustainability performance. We have a long tradition of sustainability management and reporting on the basis of global standards and frameworks. Now we comply with the European reporting requirements of the ESRS. With a view to ensuring the consistency of reporting and our perceived stakeholder expectations, we have retained the basic structure for presenting Evonik’s sustainable transformation and our holistic

 ESRS 2 SBM-3

Guidance: Allocation of the chapters in the financial and sustainability report to the ESRS topical standards

T27

ESRS topical standard	Chapter with key focus	Chapter with further disclosures ^a
ESRS 1 General requirements	Basis for all chapters in the sustainability report	
ESRS 2 General disclosures	9. General information	1. Basic information on the Evonik Group 1.1 Business model 5. Opportunity and risk report
E1 Climate change	10. Environmental information 10.1 Mitigating climate change 10.2 Green energy	
E2 Pollution	10. Environmental information 10.6 Product stewardship	11. Social information 11.3 Occupational health and safety
E3 Water and marine resources	10. Environmental information 10.3 Water management	
E4 Biodiversity and ecosystems	10. Environmental information 10.4 Biodiversity	
E5 Resource use and circular economy	10. Environmental information 10.5 Circular economy	
S1 Own workforce	11. Social information 11.1 Attractiveness as an employer/employee satisfaction 11.2 Diversity and equal opportunity 11.3 Occupational health and safety	12. Governance information 12.1 Responsible corporate governance/ human rights
S2 Workers in the value chain	12. Governance information 12.2 Responsibility within the supply chain	12. Governance information 12.1 Responsible corporate governance/ human rights
S3 Affected communities	not material	
S4 Consumers and end-users	not material	
G1 Business conduct	12. Governance information 12.1 Responsible corporate governance/human rights	12. Governance information 12.2 Responsibility within the supply chain
Entity-specific disclosures	9. General information 9.3 Portfolio transformation 12. Governance information 12.3 Cybersecurity	

^a This list serves as guidance and makes no claim to completeness. Other references are contained in the respective chapters.

¹ GRI: Global Reporting Initiative.

approaches. The outcomes of our double materiality assessment define the direction and scope of our sustainability reporting at the aggregate level of material sustainability topics (see chapter 9.5 Materiality assessment p.108 ff.). We report on the basis of the topics that are material to Evonik in the chapters specified by the ESRS. For example, under the material topic of “Occupational health and safety”, we describe our comprehensive occupational and plant safety policy aimed at protecting people and the environment. The ESRS address the aspects of environment and people separately in topical standards E2 and S1. For this reason, we have allocated our material topics to the topical ESRS, as shown in the table “Guidance” T27 p.93. The detailed index of disclosure requirements can be found in the annex to this sustainability report.

In the report, we identify ESRS disclosure requirements as follows: **ESRS 2 BP-1.**

We describe the minimum disclosure requirements for the **MDR-P** policies in the respective “Strategy and management” section, with additional detailed information provided in context in the “Actions” section. In the “Actions” and “Progress in 2024” sections, we disclose information in relation to **MDR-A** and in the “Targets” section information in relation to **MDR-T**. We have applied **MDR-M** to our metrics as shown in the “Metrics” section. These minimum disclosure requirements are not specifically identified within the report.

Basis for preparation

ESRS 2 BP-1, ESRS 2 BP-2

This sustainability report was prepared at consolidated level. The scope of consolidation is generally the same as that used to prepare Evonik Industries AG’s IFRS consolidated financial statements. Alongside Evonik Industries AG, all material German and foreign subsidiaries directly or indirectly controlled by Evonik Industries AG are included. For the purposes of sustainability reporting, an assessment of the material impacts, risks, and opportunities (IROs) was conducted for the entire Evonik Group; all subsidiaries were taken into account in determining the material IROs. Wherever mandatory supplemental disclosures on specific environmental issues were required, associates, joint ventures, joint operations, other financial investments, and sites and production facilities not financially controlled by Evonik and hence not consolidated were analyzed to determine whether Evonik exercises operational control over them. This was not the case, meaning that the group of companies included in the consolidated financial statements corresponds to the group of companies included in sustainability reporting. No entities were excluded from the scope of consolidation for financial reporting for the sustainability report.

The sustainability report covers the Evonik Group’s upstream and downstream value chain (see chapter 1.1 Business model p.27 ff.) as follows:

- With regard to the assessment of material IROs, the upstream and downstream value chain was included through the sustainability analysis of the business activities, opportunity and risk management, the whistleblower system, and the evaluation of the business model.
- The group’s strategies, actions, and targets affect its value chain in the following areas: Evonik Carbon Footprint, sustainability analysis of business and related analytical methods, circular economy, product stewardship, human rights compliance risk analysis, and responsibility within the supply chain.
- Data on the upstream and downstream value chain are included in the following input disclosures: Evonik Carbon Footprint, quantifying the handprint of selected Next Generation Solutions, whistleblower system, proportion of renewable raw materials, validated suppliers.

The option to omit a specific piece of information corresponding to intellectual property, know-how, or the results of innovation was used in the following cases: operating expenditure in research and development to increase the proportion of Next Generation Solutions.

The exemption relating to the disclosure of impending developments or matters in the course of negotiation was not used.

We report new metrics in accordance with ESRS for 2024. In the case of metrics already reported in 2023, we provide the audited prior-year values for comparison if the methodology is unchanged.

As a general rule, Evonik applies the definitions of time horizons set out in ESRS 1. When analyzing our opportunities and risks in chapter 9.6 Opportunity and risk management [p. 114 ff.](#) and chapter 9.7 Targets and significant actions [p. 118 ff.](#), we use data from our medium-term planning, which covers a period of up to three years from the end of the reporting period. The long-term horizon follows on directly from that time horizon and applies to a period of over three years. This means we depart from the definitions of the ESRS time horizons for these aspects.

Indirect sources (such as sector average data or other approximations used to calculate the Evonik Carbon Footprint) are explained in the relevant input disclosures for the value chain. We disclose assumptions and estimates such as for the Scope 3 calculation in the relevant sections.

Uncertainties in the determination of inputs and monetary amounts arise especially in the case of data collected only once a year, in the extrapolation of data using a fast-close approach, and in

making estimates. Additionally, all forward-looking information is by nature subject to uncertainty.

Relevant data on personnel and social indicators are largely collected via the global SAP HR information system. We use a structured, qualitative global process to obtain supplementary information. The global reporting date for the supplementary HR data was September 30, 2024. Solely the number of hours of continuing professional development was extrapolated for a twelve-month period.

The ecological data in this report comprise emissions and consumption figures for 104 production sites in 27 countries. Data collection, data analysis, and reporting are done using the environmental module of our global ESTER software (Evonik Standard Tool ESHQ and Reporting). Occupational safety data were recorded for additional smaller locations (mainly administration sites), so the data here cover 299 locations in 59 countries. The reporting date for the environmental metrics is in each case December 31. The fast-close approach is still used only for Scope 3 emissions, except for category 3 (energy-related activities [not

included in Scope 1 and Scope 2]) and category 5 (disposal and recycling of waste). The data for the full year are extrapolated on the basis of the first three quarters. We also apply the fast-close approach to some aspects of calculating the raw materials used, as described in chapter 10.5 Circular economy [p. 153 ff.](#)

The superabsorbents business was sold to the International Chemical Investors Group (ICIG) as of August 31, 2024. This move included the German location in Krefeld and the location in Greensboro (North Carolina, USA). The data relevant to this report were recorded separately as of this reporting date. The other portfolio changes, including acquisitions and divestments, had no material impact on the sustainability report for 2024.

All reporting units are clearly assigned to an organizational and business unit as well as coded using their geographical data. The key data in this report are rounded in line with standard commercial practice. In some cases, this may mean that individual values do not add up exactly to the totals given and percentages are not an exact reflection of the values stated.

The following information was incorporated by reference into the sustainability report:

References

T28

ESRS disclosure requirement at the data point level	Location of the reference in the sustainability report	Source referred to
ESRS 2 SBM-1 40 a i ESRS 2 SBM-1 40 a ii ESRS 2 SBM-1 42 ESRS 2 SBM-1 42 c	Chapter 9 General information	Chapter 1.1 Business model p. 27 ff.
ESRS 2 GOV-5 36	Chapter 9 General information	Chapter 5.1 Opportunity and risk management p. 60 f.

The non-financial key performance indicators are described in chapters 1.2 Principles and objectives p. 30 f. and 1.3 Business management systems p. 31.

Further information provided on websites is not part of this sustainability report and is identified by a .

Internal controls over sustainability reporting

ESRS 2 GOV-5

The process of sustainability reporting, as with financial reporting, is part of the processes/organization risk category of the risk management system in the Evonik Group (see chapter 5. Opportunity and risk report p. 59 ff.). Risks in this category arise primarily from process deficiencies. The basis for safeguarding against process-related risks is the ESRS Group Reporting Manual, which sets out the principles for sustainability reporting in the Evonik Group on the basis of ESRS requirements. In addition,

there are a large number of procedural instructions governing the collection of data in the various spheres of responsibility.

Preparation of the sustainability report is part of the process of preparing the financial report. This means it is integrated into existing mechanisms for allocating responsibilities, implementing the dual control principle, and monitoring schedules. Furthermore, specific controls were implemented to ensure the accuracy and completeness of the ESRS sustainability reporting. These are subsequently reviewed and optimized on a regular basis. In addition to data validation in connection with the annual reporting process, our environmental data are subject to in-house performance analyses, benchmarks, internal and external audits, and oversight by various authorities during the year.

Disclosures relating to Evonik Industries AG

Evonik Industries AG is the parent company of the Evonik Group. It serves as the management holding company, defining the

concepts and rules to be applied worldwide and monitoring their compliance. We have applied the ESRS in preparing our combined non-financial statement. The disclosures relating to the parent company were prepared without application of a framework. All the aspects described here apply equally to Evonik Industries AG and the Evonik Group. Data are recorded worldwide for the purposes of management and monitoring. For this reason, there is a clear focus on group metrics. There are few metrics that reasonably apply to Evonik Industries AG because it does not operate any production sites of its own.

Metrics relating to Evonik Industries AG

T29

	2023	2024
Employees (reporting date: December 31)	2,497	2,417
Proportion of women in total headcount in %	47.0	47.0
Proportion of women in management functions in %	34.0	36.0
Total turnover in %	5.0	5.0
Average length of service in years	16.0	17.0

External assurance

To ensure that this report is up to date, we have included all relevant data available to us as of the editorial deadline on February 26, 2025.

All information is subject to a limited assurance engagement by KPMG AG Wirtschaftsprüfungsgesellschaft. The independent practitioner’s limited assurance report is reproduced under “Supplementary information” p. 316 ff.

9.2 Sustainability at Evonik

ESRS 2 SBM-1

Evonik’s aspiration is to create sustainable, value-added solutions for its customers. That promise is expressed in our purpose: **Leading beyond chemistry to improve life, today and tomorrow.** We lead beyond chemistry by networking competencies, perspectives, and partners. We describe our business model, our products, markets, and customer groups as well as Evonik’s strategy in the financials section of the management report (see chapter 1. Basic information on the Evonik Group p.26 ff.). Data on our employee structure can be found in chapter 11.1 Attractiveness as an employer/employee satisfaction (see “Employees by region, contractual status, and full-time/part-time working in 2024” p.176).

Economic challenges and geopolitical crises have become part of our everyday lives. We do not see this as a reason to reduce our commitment to greater sustainability. On the contrary, we regard our sustainability management as a key cornerstone when it comes to safeguarding and extending both Evonik’s resilience to geopolitical crises and our market success on a lasting basis. Our sustainable corporate strategy makes a significant contribution to this with ambitious goals and management tools that help us translate transformation requirements into profitable growth. The strategy comprises the following elements:

- Giving sustainability a firm place in our market proposition and purpose
- Integrating sustainability into our strategic management process
- Increasing the proportion of attractive growth businesses in our portfolio with a clear focus on sustainability (see “Portfolio transformation”)

- Foresighted resource management with ambitious environmental targets, including systematically considering the impact of our business along the value chain as well as taking account of the Sustainable Development Goals (SDGs)
- Selective improvement of our sustainability reporting

As part of **Next Generation Evonik**, sustainability is an integral component of key core processes such as portfolio and innovation management, production and technology as well as human resources work. This strategic integration paves the way for us to meet our promise to be an enabler of sustainability in a wide range of markets and walks of life.

Transformation requirements and core processes C29

Transformation requirements by	Our response	Core processes
Market	Next Generation Solutions	Sustainability analysis of our business
Assets	Next Generation Technologies	Evonik Carbon Footprint
Human resources	Next Generation Culture	All levels of HR work

In view of the transformation requirements made on our business activities, we draw a distinction between market-driven, asset-related, and human resources impact drivers. Accordingly, our sustainable corporate strategy is focused on three core processes: **Next Generation Solutions** (market perspective), **Next Generation Technologies** (asset perspective) and **Next Generation Culture** (human resources perspective) (see chart “Transformation requirements and core processes”). **ESRS 2 SBM-3**

We have hence set ourselves strategic sustainability targets. These relate, on the one hand, to the transformation of our portfolio, where we aim to increase the proportion of sales from Next Generation Solutions to over 50 percent by 2030. Viewed long-term, we aim to keep the proportion of sales generated with products that are classified as challenged (see category “Challenged”, chapter 9.3 Portfolio transformation p.100) as a result of changes in market conditions, consumer behavior, rising reference levels, or tighter regulation to below 5 percent. On the other, we have pursued our climate strategy for the period 2021 through 2030 in keeping with our commitments to the Science Based Targets initiative (SBTi)¹. Selective investment in Next Generation Technologies will contribute to our target of reducing Scope 1 and 2 emissions by 25 percent between 2021 and 2030. We aim to reduce our Scope 3 emissions by around 11 percent² by 2030 (see chapter 10.1 Mitigating climate change p.129 ff.).

To meet these targets, we intend to invest more than €3 billion in the growth of our Next Generation Solutions between 2022 and 2030. These are products and solutions whose sustainability profile is above—or even significantly above—the market reference level. In the same period, we aim to invest €700 million in Next Generation Technologies. These are notably actions at production plants as well as infrastructure that are geared to reaching the goal of further reducing our CO₂ emissions. The aim of Next Generation Culture is to firmly embed sustainability at all levels of the human resources process—from recruiting through vocational training and continuing professional development to including sustainability metrics in remuneration systems. Through these three Next Generation Evonik building blocks, we are harnessing our agility to the full in order to create a business model that balances economic, ecological, and social aspects, thereby strengthening our resilience (see chapter 9.7 Targets and significant actions p.118 ff.). **ESRS 2 SBM-3**

¹ <https://sciencebasedtargets.org/companies-taking-action#dashboard>
² Exact target: 11.07 percent.

Our sustainability strategy is also the basis for our Green Finance Framework. In 2022, Evonik successfully issued its second green bond—a senior bond with a nominal value of €750 million. In keeping with the allocation of funding outlined in our Green Finance Framework, we allocated €170 million of proceeds to expand our Next Generation Solutions and Next Generation Technologies in 2024. This means that the €750 million green senior bond is fully allocated.¹ **ESRS E1-3**

In order to manage Evonik's business development with a view to non-financial performance indicators, we need high-quality sustainability data. Our sustainability data management program plays a key role in this alongside ESTER, our global ESHQ software for systematically capturing environmental data. Following successful integration of the sustainability analysis of our business into our company-wide Enterprise Resource Management solution, we aim to gradually add further sustainability-related management and reporting data. With our first report prepared in accordance with ESRS and our refined overview of Evonik's sustainability metrics, we continue to enhance transparency and the ability to rapidly retrieve data.²

Five key messages about sustainability at Evonik and what sustainability means for our company and our stakeholders.

1 Our purpose

We aspire to create sustainable, value-added solutions for our customers. That pledge is expressed in our purpose: **Leading beyond chemistry to improve life, today and tomorrow.** We lead beyond chemistry by networking competencies, perspectives, and partners.

2 Next Generation Evonik

We have integrated sustainability comprehensively into our corporate strategy—from research and development through portfolio management to our corporate culture. The core process is the sustainability analysis of our business. Research and development play a key role in the ongoing transformation of our portfolio.

3 Next Generation Solutions (handprint)

We already generate 45 percent of our sales with products and solutions that have a positive sustainability profile. We aim to increase the proportion of sales generated with these Next Generation Solutions to over 50 percent by 2030.

4 Next Generation Technologies (footprint)

Evonik supports the objectives of the Paris Agreement on Climate Change. This is underscored by our commitment to the Science Based Targets initiative (SBTi). Between 2021 and 2030, we aim to reduce our Scope 1 and 2 emissions by 25 percent. For the reduction in our Scope 3 emissions, we are committed to a target of 11 percent³. Our targets have been validated by the SBTi and are aligned with the SBTi target level of “well below 2 °C”.

5 Next Generation Culture (heartprint)

We integrate sustainability into our human resources processes at all levels, from recruitment through vocational training and continuing professional development to engagement programs and remuneration.

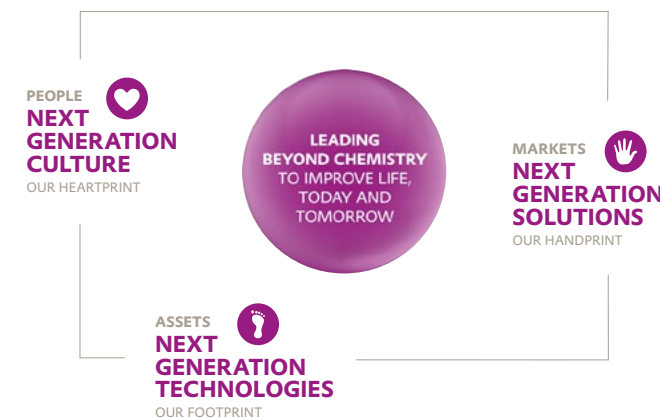
Resources and value contributions

ESRS 2 SBM-1

Extensive transparency and sound analyses are our response to the growing interest in sustainability shown by our stakeholders. We

Sustainability is the backbone of our purpose and our strategy

C30



take into account ecological, social, and economic effects to ensure a holistic assessment of our sustainability performance. Alongside potential future opportunities and risks for our business, we highlight the cost/benefit effects of Evonik's activities for society. We see this as an important contribution to the acceptance by society of new technologies and industrial production. The chart **C31** “Resources and value contributions of Evonik in 2024” provides an overview of how we create value for society p. 99.

In addition to its core business of manufacturing specialty chemicals, Evonik is also active in the fossil fuels sector through its Technology & Infrastructure division. This accounted for sales of €552 million in 2024, which mainly related to the sale of natural gas as well as electricity and steam from our highly efficient gas-fired power plants.

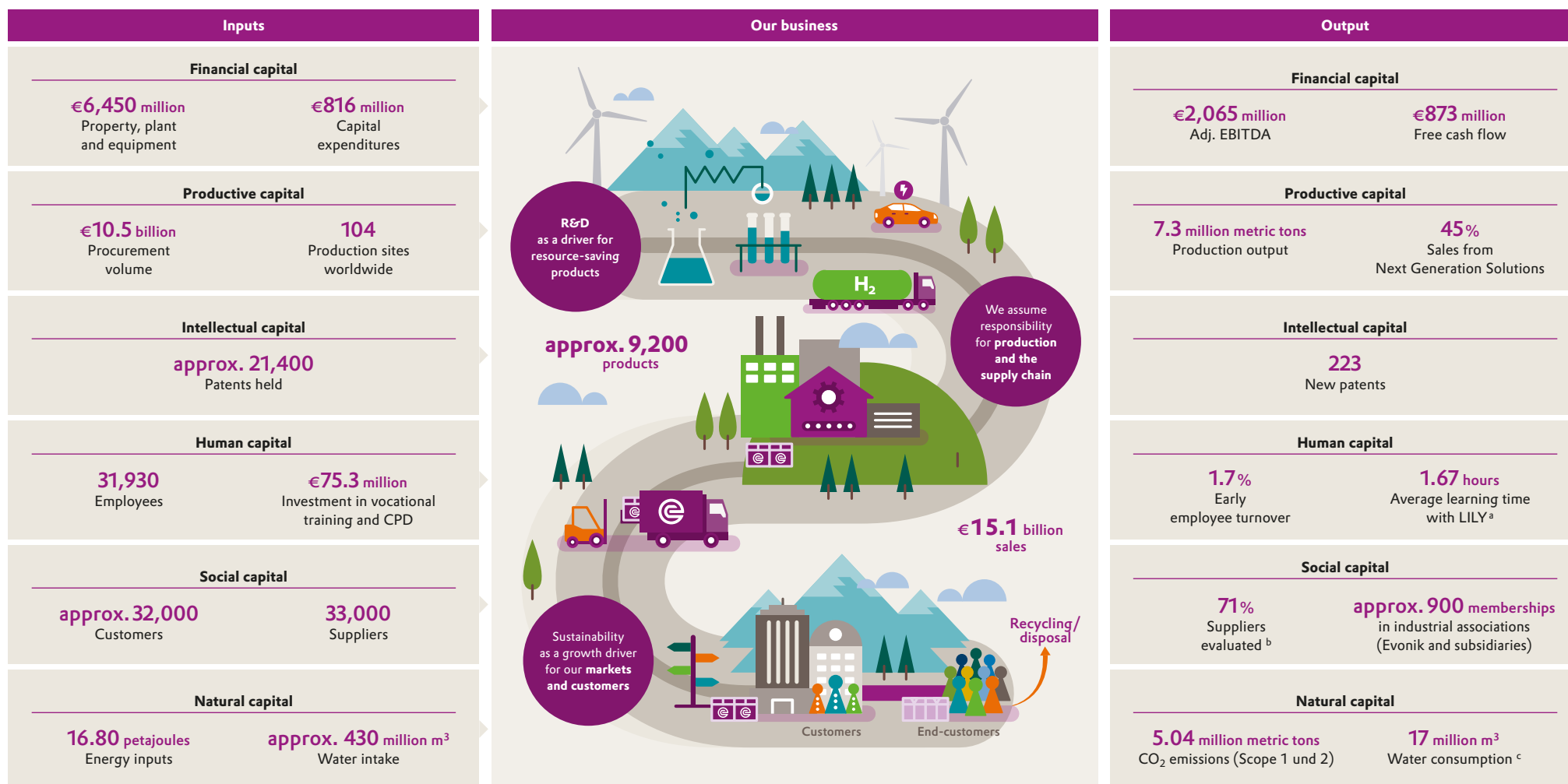
¹ <https://www.evonik.com/en/investor-relations/bonds-rating/green-finance.html>

² <https://www.evonik.com/en/sustainability.html>

³ Exact target: 11.07 percent.

Resources and value contributed by Evonik in 2024

C31



SDGs of particular relevance for Evonik

^a Learning time spent by employees with electronic access to LILY (Learning and Individualized Library).^b TFS assessments of suppliers where annual procurement volume is > €100 thousand.^c For further details, see chart C52 "Evonik's water data 2024" p. 145 f.

9.3 Portfolio transformation

ESRS 2 SBM-1, ESRS 2 SBM-3

Strategy and management

"Portfolio transformation" is one of the key issues from our double materiality assessment. By transforming our portfolio, we want to make Evonik even more resilient and gain access to **new, high-growth business opportunities**. At the same time, **our innovative products and technologies improve our customers' sustainability performance** and we aim to use them to **strengthen customer loyalty**. Evonik has integrated sustainability into the strategic management process. A key tool for the strategic management and development of our portfolio is the sustainability analysis of our business. This gives us important insights into the quality of our portfolio, from determining the proportion of sales generated by our Next Generation Solutions to showing which products we classify as transitioners or challenged. We apply the industry standard¹ of the World Business Council for Sustainable Development (WBCSD), which takes account of the continuously expanding level of ambition in the markets. These are shaped by a dynamic competitive environment with shifting customer needs, new technologies, and rising regulatory requirements. Any **change in consumer behavior could lead to a drop in Evonik's sales**. In our growth divisions—Specialty Additives, Nutrition & Care, and Smart Materials—we are **extending our product portfolio and specifically increasing sales with Next Generation Solutions**. Our sustainability analysis enables us to incorporate such factors into our strategic management process involving the executive board. In this way, we ensure that sustainability aspects play a direct and effective role in the management of our operating businesses.

In our view, one of Evonik's particular strengths is its close working partnership with customers. Most are industrial companies that use

our products for further processing. The innovative solutions and technologies provided by our businesses offer important additional benefits for our customers compared with competitors in their end-markets. We cooperate with a broad spectrum of industrial partners to encourage the transformation to greater sustainability in our supply chains and end-markets.

Evonik strives to be integrated into customers' value chains wherever possible. This enables us to align our research and development, production, marketing, and distribution workflows closely with customer requirements. We also seek extensive contact with our stakeholders to enable the timely identification of relevant developments and help us understand their market impact. We use a wide range of internal analyses, training programs, and sales tools to increase our customer focus and the customer benefits of our offering. Notably research and development alliances help us address new market trends, mitigate technological and commercial risks, and enhance the market penetration of sustainable solutions.

Additionally, sustainability is closely integrated into the management of our innovation portfolio. In our innovation activities, the sustainability analysis of our business supports the selective optimization of business-related processes and products as well as the **ongoing development of new business models**. The new innovation strategy focuses to an even greater extent on the most relevant sustainability trends of our business. The three innovation growth engines Advance Precision Biosolutions, Accelerate Energy Transition, and Enable Circular Economy are geared to high-growth Next Generation Solutions. Our innovative contributions to the transformation of many areas of application include novel membrane technologies, state-of-the-art biosurfactants, and advanced catalyst recycling. Evonik also gains access to innovative

technology and new business options through its corporate venture capital activities (see chapter 4. Research and development p.55 ff.).

Targets

- Increase the proportion of sales generated with Next Generation Solutions to >50 percent by 2030
- Proportion of sales from challenged products should be permanently <5 percent
- Generate €1.5 billion in additional sales from innovation growth engines by 2032

We aim to increase the proportion of sales generated by our Next Generation Solutions to over 50 percent by 2030. Viewed long-term, we intend to keep the proportion of sales generated with products that are classified as challenged as a result of changes in market conditions, consumer behavior, rising reference levels, or tighter regulation to below 5 percent (see chapter 9.2 Sustainability at Evonik p.97 ff.).

Compared with 2023, we want to generate additional sales of €1.5 billion from the three new innovation growth engines Advance Precision Biosolutions, Accelerate Energy Transition, and Enable Circular Economy by 2032.

Actions

We aim to achieve this, on the one hand, through the ongoing development of existing Next Generation Solutions. And, on the other, by aligning our research and development in order to generate additional sales with new Next Generation Solutions. At the same time, we are reducing the proportion of sales from products classified as transitioners or challenged through selective reformulation of chemical compositions or withdrawal from specific businesses.

¹ Chemical Industry Methodology for Portfolio Sustainability Assessments (PSA).

Continuous sustainability analysis of our businesses is the key tool for the strategic management and ongoing development of our portfolio. The methodology is based on the chemical industry standard for portfolio analysis. Extensive evaluation of these sustainability signals in all three dimensions of sustainability—economic, ecological, and social—provides insights for the foresighted management of individual products as well as entire business areas. The analysis findings are used in our strategic management process.

Sustainability analysis of our businesses: Methodology

The market signals identified by Evonik as significant form the core of our sustainability analysis. These include anticipated regulatory trends such as those relating to chemical safety along the value chain, ecological and social performance compared with alternative solutions, and major sustainability ambitions in our markets. The evaluation is aligned with the WBCSD framework. This lets us take account of different market signals in the various end-markets for our business.

The unit of evaluation is defined through a differentiated assessment of the relevant products in specific product-application-region combinations (PARCs). For each PARC, we also evaluate the sustainability performance of the products during their usage phase. This evaluation starts with a qualitative expert assessment that is then gradually refined and quantified using life cycle assessments. We dynamically extend the PARC approach to include new requirements, for example, in the area of circularity.

Starting in 2023, we have hence analyzed our entire chemical business in greater detail with regard to the circular economy. The sustainability analysis of our business provides us with timely signals in case key Evonik products or services are subject to prohibitions in certain markets. This is currently not the case. The chart c32 “Sustainability analysis of our business: methodology” p.102 visualizes our approach.

Analysis of the measurability of sustainability T30

Type of analysis	Questions addressed
Sustainability analysis of our business	What are the strengths and weaknesses of the products in our portfolio with regard to sustainability requirements? (inside-out perspective)
Earnings per carbon emitted	How resilient is our business when it comes to carbon prices? (inside-out perspective)
Life cycle assessments	What are the environmental impacts of our products due to their production (cradle-to-gate) or including their application by our customers (cradle-to-grave)? (inside-out perspective)
Value chain analysis	What are the opportunities and risks associated with our products from a stakeholder perspective in their own supply chains? (outside-in perspective)
Analysis for identifying sustainable development goals relevant to the group	Which products and solutions for our customers address the challenges facing society? How do we contribute to meeting the 17 SDGs? (outside-in perspective)

The assessment of all the PARCs analyzed is used in a structured overall evaluation of the sustainability performance of our portfolio, resulting in allocation to the performance categories leader (A++), driver (A+), performer (B), transitioner (C–), or challenged (C–) (see chart c32 “Sustainability analysis of our business: methodology” p.102). We refer to products and solutions allocated to the categories leader (A++) and driver (A+) as **Next Generation Solutions**. These have attractive growth rates and stand out positively in their markets because of their clear sustainability benefits.

Life cycle assessments

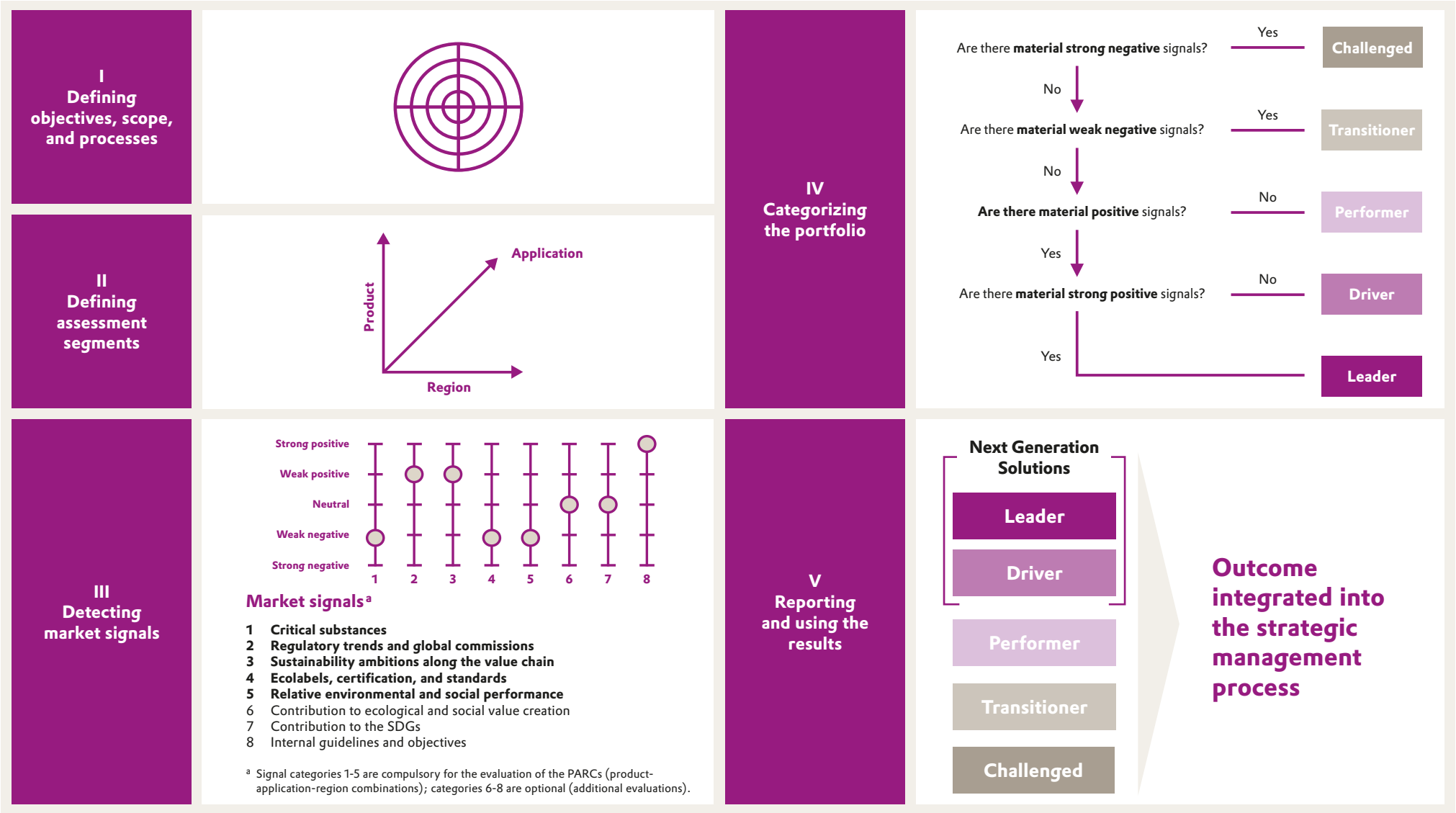
Life cycle assessments are a focal area of our sustainability analysis. The proven expertise and good operational networking of our internal life cycle management group play an important part in continually enhancing our knowledge with regard to the impact of our business activities. We harness a broad spectrum of life cycle assessments for this. The findings are used for selective improvement of the product carbon footprint at our sites worldwide.

Value chain analysis

We involve the product managers of our businesses through workshops where we analyze the potential opportunities and risks of the relevant value chains. That includes disruptive factors observed in their markets, for example, as a result of shifting customer requirements or increased regulation. This is how we derive strategic recommendations for action on short- and long-term developments.

Sustainability analysis of our business: methodology

C32



Integration of sustainability and financial information

We are selectively refining the management of our business and working on integrating sustainability and financial information. In the reporting period, we introduced the new metric of earnings per carbon emitted (EPCE), which we use to correlate our adjusted EBITDA with our Scope 1 and 2 emissions. This ensures transparency by benchmarking, enabling us to use this metric in assessing investments and carbon prices, for example.

Progress in 2024

Evonik uses biotechnology to develop solutions that improve people's health and quality of life, save energy and resources, and protect ecosystems. These include state-of-the-art biosurfactants, such as rhamnolipids. In May 2024, the Care Solutions business line (Nutrition & Care division) inaugurated the world's first industrial plant for manufacturing this new class of biosurfactants in Slovakia (see chapter 10.5 Circular economy [p. 153 ff.](#)). At the same time, Evonik is forging ahead with the development of rhamnolipids for other applications. The High Performance Polymers business line (Smart Materials division) in Schörfling, Austria, manufactures membranes that can be used to purify biomethane and other gases as a contribution to the energy transition. The plant was expanded as recently as 2023 and construction of another plant is already underway. In addition, Evonik is researching other membrane solutions—including for hydrogen production. We describe the details of the investment projects in chapter 2.6 Performance of the divisions [p. 40 ff.](#)

Metrics

2024 findings

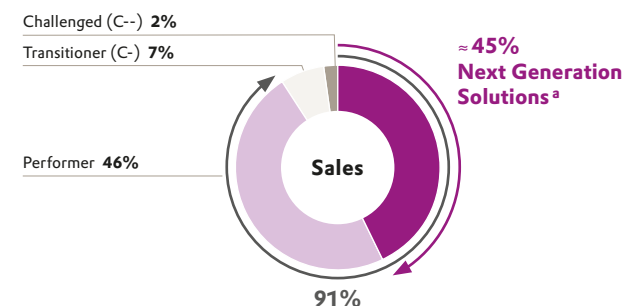
In 2024, we examined 532 PARCs (2023: 531 PARCs), covering the total sales generated by Evonik with chemicals in the fiscal year. The number of PARCs remained virtually unchanged year on year, firstly, because we take an increasingly differentiated view of applications and regions and, secondly, because the number of PARCs was reduced as a result of divestments. The most important findings are:

- Evonik generated 91 percent of sales with products and solutions whose sustainability performance was at least in line with the market reference level (leader, driver, and performer categories). The figure for 2023 was likewise 91 percent.
- Forty-five percent of Evonik's sales came from Next Generation Solutions. These are products and solutions with a positive sustainability profile that is above—or even well above—the market reference level (leader and driver categories). In 2023, the proportion stood at 43 percent. The percentage increase compared with 2023 resulted both from a higher number of sales relating to various Next Generation Solutions and from the sale of the superabsorbents business, which included a disproportionately small number of Next Generation Solutions.
- Slightly negative market signals were identified for 7 percent of sales (transitioner category), while clearly negative signals were identified for 2 percent (challenged category) (2023: also 7 percent transitioner, 2 percent challenged). We are addressing these in dialogue with our customers and suppliers through innovation or active portfolio management.

The EPCE of Evonik's portfolio in 2024 was €408/metric ton of CO₂eq.¹

Portfolio overview

C33



^a Next Generation Solutions comprise products and solutions in the leader and driver categories.

Quantifying the handprint of selected Evonik Next Generation Solutions

Evonik markets a range of products whose use has a positive sustainability profile (handprint) compared with conventional alternatives. We use the following metrics to quantify this effect: CO₂eq savings and resource savings in the usage phase. The savings are generated over the life cycle of the applications produced with the quantities of Evonik products sold. The calculation employs an in-house handprint evaluation methodology based on the Avoided Emissions Guidance published by the WBCSD and the International Council of Chemical Associations (ICCA) as well as on the WBCSD's new cross-sector guidance². Both primary data for Evonik products and secondary data such as information from life cycle databases and market studies of reference products and their applications are used for calculation purposes. The

¹ CO₂ equivalents.

² <https://www.evonik.com/content/dam/evonik/documents/Avoided-Emissions-2022-Methodology.pdf>.coredownload.pdf

assumptions for quantifying the sustainability impacts of our products during their usage phase are examined specifically by way of sensitivity analyses.

A total of ten product applications were analyzed this year. Firstly, the values for the following products were updated: "green" tire" technology, amino acids for animal nutrition, additives for hydraulic fluids, the hydrogen-peroxide-to-propylene-oxide process, POLYVEST® for tires with lower rolling resistance, metal oxides for lithium-ion batteries, the Excel® rejuvenation process for catalysts, silicas for paper production, and TEGO® RC silicones for linerless labels. In addition, a new product application for quantifying our handprint was included in the form of ROHACELL® for lightweight materials. The data used and the data quality are documented for both the Evonik product application and the reference product application for each example and are published on our website.¹

Our calculations show that, in 2024, application of what is now a total of ten products—with which we generated sales of €1.5 billion—avoided greenhouse gas emissions of 50 million metric tons CO₂eq. With three of these products, we additionally achieved resource savings totaling 41 kt.² Since examples of other products were included in 2024, a direct comparison with the previous year is not meaningful. Evonik aims to further expand on quantifying the benefits of its Next Generation Solutions in customer applications (handprint) in the future.

UN Sustainable Development Goals
of relevance for Evonik

ESRS E3-1

The Sustainable Development Goals (SDGs) provide guidance on actively aligning our current business activities with overarching development paths. Evonik supports implementing the SDGs and has been intensively examining its own positive and negative contributions for a number of years. Examples of the positive contributions made by our products and solutions to implementing the SDGs can be found on our website.³ At the same time, we have devised a methodology to identify the SDGs that are of special relevance to the Evonik Group. This approach includes the 169 sub-targets of the 17 SDGs.

An SDG is particularly relevant for us if there is a significant positive or negative influence on or by Evonik. To this end, we use a multi-step process to examine and weight key criteria such as sales, earnings contribution, and inclusion in our growth engines or innovation growth fields. The evaluation additionally includes the expectations of internal and external stakeholders. The following are the SDGs of particular relevance for Evonik:

SDGs of particular relevance for Evonik

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In 2024, 55 percent of sales from our chemicals businesses (2023: approx. 52 percent) contributed to SDGs 3, 6, 12, and 13, which are of particular relevance from the viewpoint of the Evonik Group.

¹ <https://www.evonik.com/en/sustainability.html>

² Excel® rejuvenation process for catalysts, silicas for paper production, and TEGO® RC silicones for linerless labels. The significant reduction in resource savings compared with the previous year resulted from a correction to the calculation method. If this correction had already been made the previous year, the figure for 2023 would have been 36 metric kilotons.

³ <https://www.evonik.com/en/sustainability/Sustainable-Development-Goals.html>

9.4 Stakeholder engagement

Engaging with our stakeholders

ESRS 2 SBM-2

We firmly believe that only companies that act responsibly, enjoy people’s trust, and are open to continuous improvement will be successful. This includes listening very carefully to how we are perceived by our stakeholders. In this way, we aim to counteract any potential lack of trust on the part of our key stakeholders—such as customers, suppliers, and shareholders.

Dialogue with our stakeholders is important as it gives us a better understanding of different perspectives and lets us regularly review our own positions. It enhances our insights into present

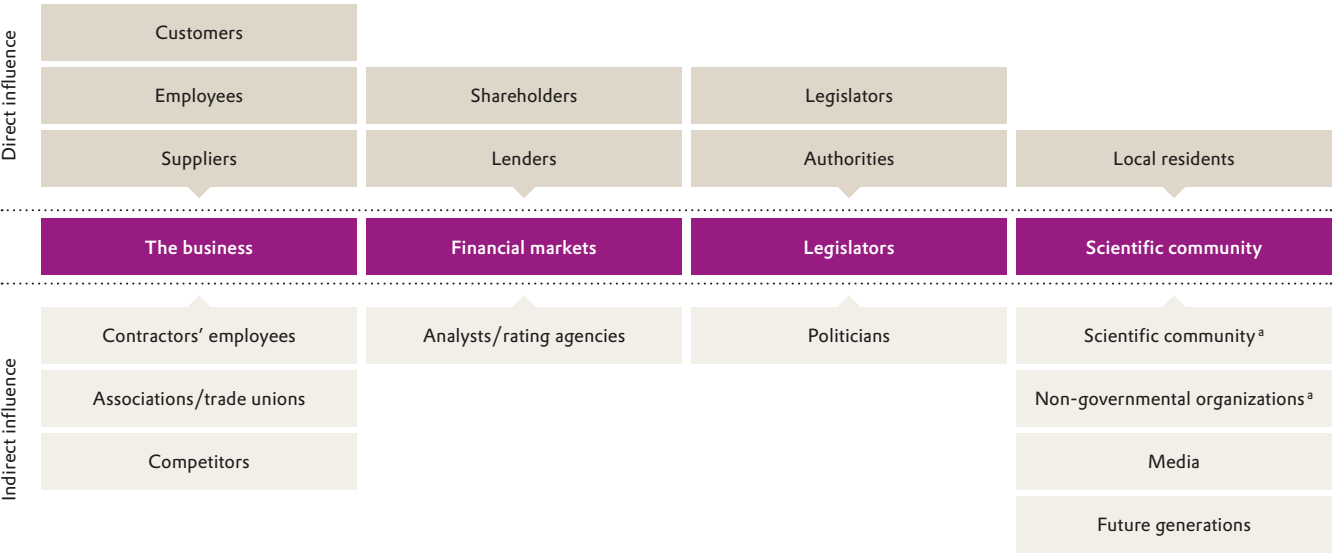
and future societal challenges. In addition, we harness our stakeholder engagement in enhancing our grasp of how new market trends and developments may impact our business. This makes it easier for us to pinpoint potential opportunities and risks at an early stage and position Evonik more resiliently. We use the following criteria to define and prioritize our stakeholder groups:

- Type of influence (direct, indirect)
- Impact cluster (for instance, business, financial market)
- Characterization (for example, suppliers, employees, customers)

The following chart shows the stakeholder groups of relevance to Evonik and their influence on our company.

Stakeholder groups and their influence on Evonik

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^a We indirectly include nature as a silent stakeholder via data from NGOs and the scientific community.

Our dialogue with stakeholders is a continuous process—both in the operating business and at group level—and includes a wide range of topics and events. The chart “Communication channels for stakeholder engagement” provides an overview of the main communication channels we use for this.

Each year, our dialogue with stakeholders takes place through a wide range of topics and events (see chart **C37** “Stakeholder engagement 2024”  p.107). Our executive board plays an active role in stakeholder engagement by attending events such as our annual shareholders’ meeting, investor meetings, site visits, and townhall meetings. We share the insights gained within the company. These flow into the relevant processes, such as the sustainability analysis of our business and the materiality assessment. Our approach to engaging with our stakeholders includes involving the Evonik regions. In general, we take care to achieve the widest possible coverage of operational, political, social, and community perspectives, and also regularly hold a stakeholder conference.

Stakeholder communication channels^a

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	Personal or remote discussions	Town hall meetings, workplace/ staff meetings	Open days, site visits	Whistleblower system (compliance, human rights)	Surveys	Sustainability reporting	Evonik website, social media
Customers	✓		✓	✓	✓	✓	✓
Suppliers, contractors, business partners	✓		✓	✓	✓	✓	✓
Employees	✓	✓	✓	✓	✓	✓	✓
Local residents, general public	✓		✓	✓	✓	✓	✓
Investors and shareholders	✓		✓	✓		✓	✓
Authorities, legislators, regional and national politicians	✓		✓	✓		✓	✓

^a Stakeholders with direct influence.

Stakeholder engagement 2024

C37

Stakeholder groups ^a	Most important material topics ^b	Examples of stakeholder engagement	Stakeholder groups ^a	Most important material topics ^b	Examples of stakeholder engagement
Customers	<ul style="list-style-type: none"> Mitigating climate change Circular economy Cybersecurity Portfolio transformation Product stewardship Responsible corporate governance/human rights Responsibility within the supply chain 	<ul style="list-style-type: none"> Dialogue with customers on topics such as product carbon footprint/life cycle assessment; climate neutral-certified hydrogen peroxide; sustainable silica production Exchange in sustainability working groups of various industry associations such as Plastics Europe; VCI 	Legislators	<ul style="list-style-type: none"> Mitigating climate change Biodiversity Circular economy Cybersecurity Green energy Product stewardship Occupational health and safety Responsible corporate governance/human rights Responsibility within the supply chain Diversity and equal opportunity Water management 	<ul style="list-style-type: none"> Site visit by German Federal Chancellor in Marl (Germany) Site visits by German and European politicians, including in Rheinfelden and Hanau (Germany) Dialogue and exchange with German and European politicians
Employees	<ul style="list-style-type: none"> Attractiveness as an employer/employee satisfaction Mitigating climate change Portfolio transformation Occupational health and safety Responsible corporate governance/human rights Diversity and equal opportunity 	<ul style="list-style-type: none"> Works/employee meeting Dialogue with Evonik regions on various sustainability topics Employee training courses, including on occupational safety and water use Sharing of experience on various sustainability topics in-house Evonik learning sessions In-house social media communities 	Authorities	<ul style="list-style-type: none"> Mitigating climate change Product stewardship Responsible corporate governance/human rights Diversity and equal opportunity Water management Cybersecurity 	<ul style="list-style-type: none"> Discussions with authorities, including on emission control, low water, and inland shipping Dialogue with the hessian environment ministry on chemical recycling
Suppliers	<ul style="list-style-type: none"> Mitigating climate change Circular economy Portfolio transformation Responsible corporate governance/human rights Responsibility within the supply chain 	<ul style="list-style-type: none"> Dialogue with strategic suppliers on sustainability topics such as product carbon footprint; mass balance products Cooperation for CO₂-reduced ammonia 	Local residents ^c	<ul style="list-style-type: none"> Attractiveness as an employer/employee satisfaction Mitigating climate change Biodiversity Green energy Occupational health and safety Responsible corporate governance/human rights Water management 	<ul style="list-style-type: none"> Supporting local projects and activities, e.g., the "Social Day" at the Friedensdorf in Oberhausen (Germany); plastics recycling at the Mexico site; participation in the Hanau sustainability fair (Germany) Digital and analog vocational training fair
Shareholders	<ul style="list-style-type: none"> Mitigating climate change Circular economy Cybersecurity Green energy Portfolio transformation Responsible corporate governance/human rights 	<ul style="list-style-type: none"> Virtual shareholders' meeting Roadshows, conferences such as the Berenberg CSO Conference RAG-Stiftung site visit in Darmstadt (Germany) Dialogue with investor associations on sustainability topics 	Lenders	<ul style="list-style-type: none"> Mitigating climate change Circular economy Cybersecurity Green energy Portfolio transformation Occupational health and safety Responsible corporate governance/human rights Diversity and equal opportunity 	<ul style="list-style-type: none"> Continuous dialogue on sustainability topics

^a Only includes stakeholder groups with a direct influence. | ^b Most important material topics for stakeholders from Evonik's perspective, see graphic "Materiality analysis process". | ^c Around Evonik sites.

9.5 Materiality assessment

Procedure used for the materiality assessment

ESRS 2 IRO-1

We evaluated actual and potential positive and negative impacts of our business on our area of activity (inside-out perspective) and the impact of external factors on our business activities (outside-in perspective). Our double materiality assessment comprised five steps:

- 1 Analysis/description of Evonik’s environment
- First, we examined Evonik’s business environment including the upstream and downstream value chain. This was aimed at

- 2 Identification of IROs
- At its core, the second step involved identifying IROs. For this, we evaluated a wide range of internal and external data sources. Examples of internal sources included the sustainability analysis of our businesses, our risk management (see chapter 9.6 Opportunity and risk management p.114 ff.), and our compliance, environment, and safety management

- supporting the identification of current and potential positive/negative IROs. To this end, we took into account such aspects as our business model and Evonik’s global operations, our sustainable corporate strategy, key performance indicators, and our communication with stakeholders.
- 3 Assessment of the significance of the IROs
- Based on this consolidated long list, we generated an evaluation sheet to determine the impact materiality and financial systems. In addition, we considered aspects of the questionnaires for the sustainability rankings that are of relevance to us, such as MSCI and EcoVadis, as well as of reporting frameworks such as GRI, SASB¹, and TCFD². Using this diversity of sources, we covered both the business and the stakeholder perspective. The IROs thus filtered out were determined in a gross analysis and are to be regarded as prior to formulating strategies or taking action. We combined the IROs on the long list into a consolidated long list.

Materiality analysis process

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1. Analysis of Evonik's environment		2. Identification of IROs (outside-in and inside-out perspective)		3. Assessment of the significance of IROs		4. Cut-off, clustering, prioritization		5. Validation		Material topics			
<ul style="list-style-type: none">• Purpose• Key figures• Business model• Markets• Sustainability strategy• Regions• Stakeholder groups• Value chain		Impact materiality <ul style="list-style-type: none">• How do our business activities impact the economy, the environment, and society (including human rights)?		<ul style="list-style-type: none">• Development and distribution to relevant Evonik experts of an evaluation sheet based on a consolidated IRO long list• Assessment of the evaluation sheet		<ul style="list-style-type: none">• Define materiality thresholds• Clustering of IROs by topic, followed by prioritization		<ul style="list-style-type: none">• Validation of the material topics by internal and external experts and stakeholders• Approval by relevant executive board member• Definition of reporting boundaries		A	E	S	G
		Financial materiality <ul style="list-style-type: none">• Do sustainability aspects represent opportunities or risks for our business activities in terms of cash flow and enterprise value?								<ul style="list-style-type: none">• Portfolio transformation	<ul style="list-style-type: none">• Mitigating climate change• Green energy• Water management• Biodiversity• Circular economy• Product stewardship	<ul style="list-style-type: none">• Attractiveness as an employer/employee satisfaction• Diversity and equal opportunity• Safety and health protection	<ul style="list-style-type: none">• Responsible management/human rights• Responsibility within the supply chain• Cybersecurity

¹ SASB: Sustainability Accounting Standards Board. | ² TCFD: Task Force on Climate-related Financial Disclosures.

materiality. This was assessed by internal experts who possess both an understanding of Evonik's business model and a close affinity to sustainability issues. When selecting these experts, we aimed for a well-balanced mix with regard to functions, regions, divisions, and age groups. The corporate functions ESHQ, Compliance, Human Resources, Innovation, Strategy, Investor Relations, Communications, Finance, Accounting, Controlling, and Sustainability were all involved as well as Governmental Affairs and Procurement.

IROs were assessed using different criteria and scales. The impact materiality assessment was performed using the severity criteria defined in the ESRS (scale, scope, remediability) and the likelihood of occurrence. Financial materiality was assessed using the five-level scale—from "minimal" = zero to "critical" = four—contained in the EFRS implementation guidance published by EFRAG.

The corporate functions involved served as proxies for stakeholders with direct or indirect influence on Evonik as well as for affected stakeholders and users of the sustainability statement. Stakeholder engagement took place notably in process steps two, three, and five: identification and evaluation of the IROs and final validation of the material topics. Our more extensive analyses of opportunities and risks in relation to biodiversity, water, product stewardship as well as in our supply chain are based on the listed, data-based investigation methods and our stakeholder engagement described; as of today, they do not include any broader engagement of (potentially) affected parties or their representatives at the sites. **ESRS E2.IRO-1, ESRS E4-3, ESRS E4.IRO-1**

4 Cut-off, clustering, and prioritization

Analysis of the evaluation sheets led to four IRO rankings, subdivided into impact materiality and financial materiality—and further subdivided in each case into positive and negative IROs. Due to the significance (product of severity and likelihood of occurrence), we applied materiality thresholds for impact materiality. For financial materiality, we applied the materiality threshold of more than two recommended by EFRAG (classifications of "important", "significant", and "critical").

The result of this process step was the total amount of material IROs in the categories impact materiality and financial materiality. By clustering these IROs, we identified the material topics. These were then re-examined in light of company-specific and external conditions. As a result, diversity and equal opportunity was added as an additional topic in the prioritization process.

5 Validation of the material topics

We presented the findings of the materiality assessment, together with the underlying process and the methodological approach, to internal and external sustainability and financial experts who had not previously been involved in the evaluation. External validation was undertaken by representatives of industrial unions, industry associations, NGOs, sustainability consultancies, and the financial sector. The feedback we received generally confirmed our approach and prompted fine-tuning of the terminology of three material topics.

The final outcome, following the prioritization and validation steps, was a list of material topics. This list was then approved by the Evonik executive board member responsible for

sustainability. This means that the focus of our reporting and the reporting boundaries are based on the sustainability topics derived from our materiality assessment.

Review of the materiality assessment

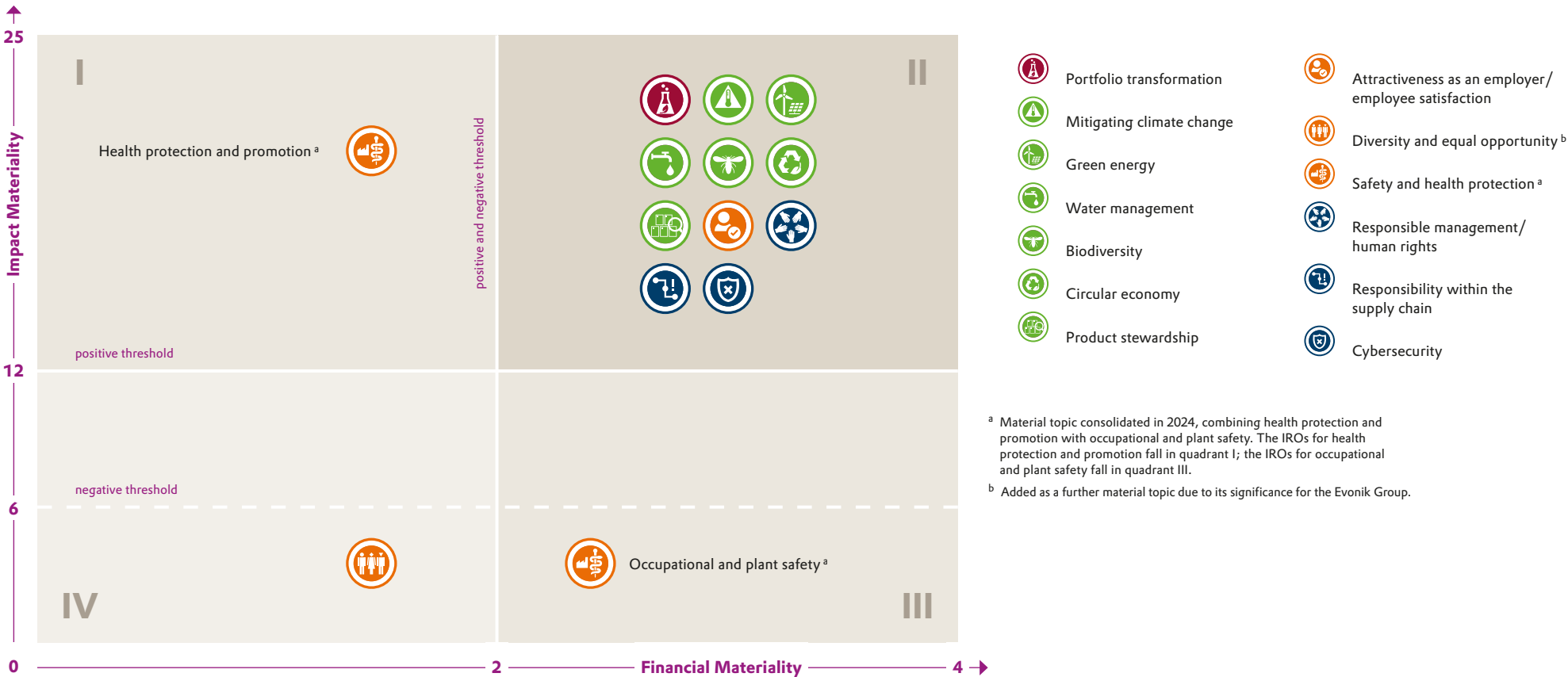
ESRS 2 IRO-1

Each year, we review and update the findings of our double materiality assessment. If trigger events occur, such as significant acquisitions/divestments or modifications to the business model, we review the impacts, including changes in the scope of consolidation. Moreover, we incorporate any fundamentally new insights provided by our opportunity and risk management (see chapter 9.6 Opportunity and risk management p.114 ff.). In 2024, we again reviewed and validated the topicality and completeness of our material sustainability topics using a peer and media analysis. Although this analysis confirmed that our topics are still current and complete, we gained insights that led us to modify the 15 topics determined up to that point. Going forward, we will no longer highlight the top topics, but will combine the topics "attractiveness as an employer" and "employee satisfaction" into "attractiveness as an employer/employee satisfaction", and combine "health protection and promotion" and "occupational and plant safety" into "occupational health and safety". This means that there are now 13 material sustainability topics for Evonik (see chart **C39** "Summary of update to 2024 materiality assessment" p.110).

In preparation for the expected transposition of the Corporate Sustainability Reporting Directive (CSRD) into German law, we provided the Transformation Committee of the Works Council, the employee representative body, with detailed information about the process and the outcomes of the materiality assessment and exchanged views on the planned scope of the report.

Summary of update to 2024 materiality assessment

C39



Since conducting the materiality assessment in 2022, the ESRS have evolved, with interim standards published in November 2022 and June 2023. The final version of the ESRS was published on July 31, 2023. They are supplemented by further implementation guidance documents and FAQs from EFRAG. Our 2022 materiality assessment was already based on the principle of double materiality, which remained the basis for the 2024 materiality assessment. In the course of the 2023 and 2024 updates, we critically examined whether our approach was in line with the requirements of the final version of the ESRS.

We performed the following review steps to ensure that our materiality assessment complies with the ESRS. Among other things, we carried out a gap analysis in 2023 to ensure that our IROs covered all the sustainability matters specified in the ESRS, including the underlying sub- and sub-sub-topics. As part of the 2024 update, we again examined our IROs from process step two in greater detail and expanded these to include whether they have an impact on people and the environment (inside-out) and/or on Evonik's development, performance, and position (outside-in). We additionally assessed whether the respective impact could potentially result in a short-, medium-, or long-term¹ opportunity or risk with a financial impact on Evonik. Furthermore, we examined our IROs along the value chain and classified them according to whether their focus was upstream, gate-to-gate, or downstream.

We also looked closely at all IROs that were below the defined thresholds. This allowed us to verify that no IRO with a very high level of severity in one of the characteristics—scale, scope, or remediability—was omitted. In the case of negative impacts, we supplemented information as to whether they are potential or are already occurring. We reviewed last year's classification of positive IROs and, based on our current understanding, made some changes on a case-by-case basis. We similarly added information as to whether the IROs on the consolidated long list were identified using a top-down or bottom-up approach, or a combination of the two.

In addition, we assigned our IROs to the ESRS ESG logic and to the individual topical standards. In a further step, we assigned our IROs to the structure of the ESRS up to the level of the sub-sub-topics of ESRS 1 AR 16. This approach also reflected the materiality assessment based on AR 16 from the perspective of relevance and value to decision-making.

After assessing the materiality of the topical standards, we completed the review and definition of the materiality of the underlying data points on the basis of ESRS 1 Appendix E. For this purpose, we used available data and expert opinions from our specialist colleagues. We prepared two indices containing the findings (see "ESRS Index: Disclosure requirements covered" p.210 ff. and "ESRS Index: Disclosure requirements under other EU legislation" p.213 f.). **ESRS 2 IRO-2**

The IROs aggregated into material topics that resulted from this process define the structure of our sustainability report 2024. We allocated these topics to the General information, Environmental information, Social information, and Governance information chapters stipulated in the ESRS.

The chart **c40 "IROs and material topics"** p.112 f. shows the IROs allocated to the respective material topics as well as the positive/negative and actual/potential impacts of and on Evonik, the time horizon, and the focus in the value chain. **ESRS 2 SBM-3**

According to ESRS requirements, IROs must be assessed initially without countermeasures. Negative consequences may not be offset by positive ones. The effectiveness of the actions taken is detailed in the sustainability report, but not in the materiality assessment. However, these actions are important to understanding the IROs in the context of Evonik. That is why we describe the individual IROs, together with their relevance to the strategy and business model, in the management approaches in the respective chapters on the material topics, and **highlight the IROs there in the text**. We then describe the targets, actions, and specific progress in 2024 for the aggregated IROs related to the material topics.

¹ Short-term = up to 1 year, medium-term = 1 to 5 years, long-term = more than 5 years.

IROs and material topics

C40

IRO	Impact type	Impact materiality > threshold	Opportunity	Risk	Financial materiality > threshold	Time horizon ^a	Actual/potential	Focus of value chain ^b	Material topic
Expansion of Evonik product portfolio to include sustainable products	Positive	x	x		x	S, M, L	Actual	U, G, D	Portfolio transformation
Access by Evonik to new business opportunities thanks to sustainable products and technologies	Positive	x	x		x	S, M, L	Actual	U, G, D	
Drop in Evonik's sales due to a change in consumer behavior	Negative	x		x	x	S, M, L	Potential	G, D	
Stronger loyalty among Evonik customers due to innovative products and technologies	Positive	x	x		x	S, M, L	Potential	D	
Improved customer sustainability performance due to the use of Evonik products	Positive	x	x		x	S, M, L	Actual	D	
Growth at Evonik due to the development of new business models	Positive	x	x		x	M, L	Potential	G, D	
Damage at Evonik caused by extreme weather events	Negative	x		x	x	S, M, L	Potential	U, G, D	Mitigating climate change
Lack of internal carbon pricing in Evonik's investment decisions	Negative	x		x	x	S, M, L	Potential	G	
Increase in CO ₂ emissions by Evonik (incl. Scope 3)	Negative	x		x	x	S, M, L	Potential	U, G, D	
Increase in other emissions by Evonik	Negative	x		x	x	S, M, L	Potential	G	
Energy savings through the use of digitally controlled energy processes at Evonik	Positive	x	x		x	S, M, L	Actual	G	Green energy
Insufficient energy supply for production processes at Evonik	Negative	x		x	x	S, M, L	Potential	U, G	
Increased water consumption by Evonik in water stress areas	Negative	x		x		S, M, L	Potential	G	Water management
Production stoppages due to water shortages at Evonik sites in water stress areas	Negative	x		x	x	S, M, L	Potential	G	
Supply chain disruption and resultant production stoppages at Evonik caused by biodiversity loss and damaged ecosystems	Negative	x		x	x	L	Potential	U, G	Biodiversity
Loss of biodiversity on land and in the oceans, including microbial organisms	Negative	x		x	x	L	Potential	G	
Improved resource use by Evonik	Positive	x	x		x	S, M, L	Potential	G	Circular economy
Improved reliability of raw material supply for production processes at Evonik	Positive		x		x	S, M, L	Potential	U, G	
New business opportunities for Evonik thanks to growth of circular economy	Positive	x	x		x	S, M, L	Potential	U, G, D	
Increased proportion of renewable raw materials in production processes at Evonik	Positive	x	x		x	S, M, L	Actual	U, G	
Non-availability of renewable raw materials in production processes at Evonik	Negative	x		x	x	S, M, L	Potential	G	
Inadequate resource availability in Evonik's supply chain	Negative	x		x	x	S, M, L	Potential	U	
Future-proofing Evonik's product portfolio by replacing hazardous substances in the supply chain (upstream)	Positive		x		x	S, M, L	Potential	U, G	Product stewardship
Making Evonik's product portfolio more sustainable by providing alternative solutions for hazardous products (downstream)	Positive	x	x		x	S, M, L	Potential	G, D	
Damage to the environment and/or harm to human health caused by Evonik's products	Negative			x	x	S, M, L	Potential	G, D	

^a S = short-term (up to 1 year); M = medium-term (1 to 5 years); L = long-term (more than 5 years). | ^b U = upstream; G = gate-to-gate; D = downstream.

IROs and material topics (cont.)

C40

IRO	Impact type	Impact materiality > threshold	Opportunity	Risk	Financial materiality > threshold	Time horizon ^a	Actual/potential	Focus of value chain ^b	Material topic
Successful recruitment and retention of skilled personnel by Evonik	Positive		x		x	S, M, L	Actual	G	Attractiveness as an employer/ employee satisfaction
Vacant positions at Evonik due to the shortage of skilled workers	Negative	x		x	x	M, L	Potential	G	
Low productivity due to a lack of satisfaction among Evonik employees	Negative	x		x	x	S, M	Potential	G	
High turnover rate among new recruits at Evonik	Negative	x		x		S, M	Potential	G	
Increased cases of discrimination at Evonik	Negative			x		S, M	Potential	G	Diversity and equal opportunity
Improved recruitment and retention thanks to diversity and equal opportunity at Evonik	Positive		x			M, L	Potential	G	
Damage to Evonik's production facilities resulting from inadequate in-house safety precautions	Negative			x	x	S, M, L	Potential	G	Occupational health and safety
Damage to Evonik's production facilities resulting from external influences (manipulation or terror attacks)	Negative			x	x	S, M, L	Potential	G	
Increase in fatal accidents involving Evonik employees	Negative			x	x	S, M, L	Potential	G	
Release of hazardous chemicals (hazardous substances) into the environment by Evonik	Negative			x	x	S, M, L	Potential	G	
Water pollution at Evonik's sites in water stress areas	Negative			x	x	S, M, L	Potential	G	
Lack of work-life balance among Evonik employees	Negative	x		x		S, M, L	Potential	G	
High rates of sickness-related absences at Evonik	Negative	x		x		S, M	Potential	G	
Increase in stress-related illness and mental health issues among Evonik employees	Negative	x		x		S, M, L	Potential	G	
Human rights violations (especially child and/or forced labor) by Evonik	Negative			x	x	S, M	Potential	G	Responsible corporate governance/ human rights
Compliance violations by Evonik (e.g., bribery and corruption, antitrust violations, money laundering, tax violations)	Negative			x	x	S, M, L	Potential	G	
Compliance violations by Evonik suppliers (e.g., bribery and corruption, antitrust violations, money laundering, tax violations)	Negative	x		x		S, M	Potential	U	
Lack of transparency in Evonik's value chain	Negative	x		x		S, M, L	Potential	U, G	Responsibility within the supply chain
Environmental violations by Evonik suppliers	Negative	x		x		S, M, L	Potential	U	
Human rights violations (especially child and/or forced labor) in Evonik's supply chain	Negative	x		x	x	S, M, L	Potential	U	
Loss of customer data at Evonik	Negative	x		x	x	S, M, L	Potential	G, D	Cyber-security
Loss of Evonik's intellectual property	Negative	x		x	x	S, M, L	Potential	G	
Loss of business at Evonik due to cybersecurity risks	Negative	x		x	x	S, M, L	Potential	U, G, D	

^a S = short-term (up to 1 year); M = medium-term (1 to 5 years); L = long-term (more than 5 years). | ^b U = upstream; G = gate-to-gate; D = downstream.

9.6 Opportunity and risk management

ESRS 2 IRO-1

Since Evonik operates globally, it is exposed to a range of influences along the entire value chain that may be either opportunities or risks. There are three elements to managing sustainability risks:

- 1 Risk management in compliance with the COSO framework (Committee of Sponsoring Organizations of the Treadway Commission): This identifies net opportunities and risks (after factoring in actions) that represent a positive or negative deviation from the present business plan or the medium-term plan over a three-year period. Both sustainability-related opportunities and risks that materialize within this period as well as extreme risks (long-term risk scenarios) are taken into account.
- 2 A long-term risk analysis based on the frameworks issued by the Task Force on Climate-related Financial Disclosures (TCFD, merged into the IFRS International Sustainability Standards Board, ISSB, in 2024) and the Taskforce on Nature-related Financial Disclosures (TNFD): This determines and evaluates long-term opportunities and risks using pre-scribed categories for defined scenarios. The scenarios are based on externally prescribed climate scenarios.
- 3 Sustainability aspects as an additional risk assessment criterion for capital expenditures for property, plant and equipment that exceed €25 million.

Our risk management in compliance with the COSO framework takes a multidisciplinary approach. Early identification and evaluation of potential opportunities and risks is part of our extensive opportunity and risk management. This takes into account financial and non-financial opportunities and risks—for example, in relation to occupational safety, plant safety, product stewardship, health

protection, and climate change. These insights are applied in our materiality assessment process (see chapter 9.5 Materiality assessment [p.108 ff.](#)).

Our established risk management system methodically captures and monitors both quantifiable and non-quantifiable risks in the current fiscal year and the medium-term period. Risk reporting is the starting point and result of our continuous risk management process. Risk coordinators ensure that internal and external risks are identified and reported by their organizational unit (identification). Risk assessment uses clear and uniform criteria to allow classification and prioritization (see chapter 5.1 Opportunity and risk management [p.60 f.](#)). The financial impact of a risk or opportunity is calculated as the net effect on adjusted EBITDA. The actions selected and implemented to manage risks are designed to limit the likely damage caused by the risk factors and/or their probability of occurrence (controlling). Progress of the actions implemented and the development of risks are tracked over time (monitoring). Monitoring ends only when a risk actually occurs, becomes obsolete, or is reduced to an insignificant level. All units are required to update their opportunity and risk reports on a quarterly basis. Ad-hoc risks must be reported without delay also outside the defined reporting intervals (reporting).

Examination of extreme risks

We continuously align our risk management system with new requirements. Following the revision of German audit standard IDW PS 340, we also examine so-called extreme risks. Alongside identifying opportunities and risks for relevant extrapolation and planning purposes, we consider long-term scenarios such as, for instance, a major earthquake in the Rhine Valley. In light of the increasing frequency of extreme weather events due to climate change, we have developed contingency plans for some of the sites at risk (e.g. the early shutdown of plants or plant sections) in order to reduce or avoid consequential damage to production facilities. Extreme risks are incidents that could cause a crisis—for

instance, as a result of a major fire, cyberattack, or the collapse of supply chains. There is a very low probability that risks of this type will occur, but their impact on our business would be very extensive and they could substantially jeopardize the affected company's status as a going concern.

The risk management process at Evonik

C41

Environment & Input Factors



Identifying sustainability opportunities and risks within conventional risk management

Identifying sustainability opportunities and risks within conventional risk management and monitoring the actions taken are organized on a decentralized basis. Responsibility is assigned to the risk coordinators and risk officers in our management units: The risk coordinators in the divisions enter sustainability-related opportunities and risks, including their impacts and likelihood of occurrence, in the group-wide risk reporting system for the current year and the three-year medium-term period. The status of

the relevant actions is also entered. For example, this is how PARCs, as determined by the sustainability analysis for our business, that pose a sales risk due to negative sustainability signals are taken into account (see chapter 9.3 Portfolio transformation p.100 ff.). In addition to analyzing the sustainability of our business activities, our risk management addresses the effects of a potential ban on “forever chemicals” (PFAS), particularly with regard to the discontinuation of technical equipment in production processes, or production stoppages due to extreme weather events (e.g., hurricanes). Using the risk tool, both opportunities and risks relevant to sustainability can be flagged. We use our annual risk coordinator conference to raise awareness among the relevant personnel of the increasing significance of sustainability-related opportunities and risks.

Long-term risk analysis in accordance with the TCFD (now: ISSB) and TNFD frameworks

The significance for Evonik of the opportunity and risk categories in these frameworks has been evaluated. The LEAP¹ method contained in the TNFD framework is used to evaluate local environmental risks. The following opportunity and risk categories are the focus of our scenario assessment and integration into the corporate strategy and strategic financial planning:

Transition risks

ESRS E1.IRO-1

A Transition risks attributable to political and regulatory changes in the course of transitioning to a more sustainable economy

Evonik is exposed to potential risks arising from changes in policies and regulatory conditions in all countries where we source raw materials and services or have production operations or sales

activities. Examples are changes in emissions and waste regulations, recycling legislation, or approval requirements. In 2024, we analyzed our exposure to the pricing of greenhouse gas emissions and of fresh water extraction.

B Transition risks attributable to technological change

Evonik is exposed to potential technology risks wherever these affect the relative cost position of existing products and services. Examples include new production processes that are significantly more energy-efficient or use alternative raw materials and energy sources with far lower CO₂ costs. In the reporting year, we examined our risk exposure in this category to a change in the raw material base as well as to increasing restrictions on SVHC² chemicals, and expanded our analysis to include endocrine disruptors and persistent-mobile-toxic/very persistent-very mobile chemicals.

C Transition risks attributable to market changes

Evonik is exposed to potential market risks that could affect demand for our products. Our assessment of market transition risks includes our exposure to competing systems and whether our products could be replaced by others on the market. Political decisions and business decisions by other companies could accelerate the market transition. Examples include the substitution of combustion engines by electric motors and switching from non-recyclable or non-biodegradable, fossil-based materials to reusable materials.

D Legal transition risks

Evonik is exposed to potential legal risks because NGOs and political decision makers are increasingly resorting to legal means in order to urge companies to take steps to mitigate climate change or address other sustainability issues. These risks are heavily dependent on where a legal dispute takes place and may

relate to various aspects of our business, such as the manufacture of our products, our supply chain, or the disclosure of risks. Examples may include lawsuits to reduce environmental impacts, counter greenwashing, or obtain compensation for damage to people and the environment.

E Reputation transition risks

Evonik is exposed to potential risks resulting from an erosion of trust and loss of reputation among its customers, suppliers, communities close to its sites, authorizing agencies, and other stakeholders. A loss of trust could affect both the sales and the cost side as well as significantly restrict our ability to enter into strategic alliances.

Physical opportunities and risks

ESRS E1.IRO-1, ESRS E1.SBM-3

F Acute physical risks of climate change

Evonik is potentially exposed to acute physical risks³ in the form of extreme weather events due to climate change, e.g., hurricanes, floods, heatwaves, and extremely cold periods. Acute events could impact production, supply chains as well as our markets. In 2024, we analyzed water-related risks, such as water scarcity or flooding that might affect our production sites, and began assessing the physical risks to the supply chains of some sites.

G Chronic physical risks of climate change

Evonik is potentially exposed to chronic physical risks in its supply chains, production facilities, and markets. Examples include exposure to water scarcity as a result of progressive climate change or productivity losses in countries with low labor productivity due to high temperatures and humidity. In 2024, we estimated the impact of heat stress on demand for our products.

¹ LEAP = Locate, Evaluate, Assess, Prepare (TNFD framework approach). | ² SVHC = substances of very high concern.

³ Country-specific risk assessments can be found in “Economics of Climate Change” (Swiss Re Institute, 2021) and “Climate risk and response: Physical hazards and socio-economic impacts” (McKinsey, 2020).

H New product and service business opportunities

Evonik can seize potential opportunities by devising products and services that cause only low emissions, developing other sustainability aspects, and increasing the sales generated by these products and services, as set out in the Evonik Transition Plan. Besides avoiding greenhouse gas emissions, opportunities include reformulating products to adapt to climate change and avoid critical chemicals. In 2024, we analyzed the future growth opportunities of our Next Generation Solutions with a positive impact on climate change, biodiversity, and water withdrawal or pollution.

I Benefits of energy and resource efficiency

Evonik can seize potential opportunities through more efficient production that reduces the use of energy, water, and materials. We estimated the positive impacts on energy consumption in the current reporting year.

J Benefits of renewable energy sources

Evonik can harness potential opportunities by achieving a high level of electrification. This helps lower the company’s exposure to rising or volatile energy prices.

For the initial quantification of some of the risk categories described above, we developed monetization approaches in 2024 that allow us to compare the impact of a variety of risks and opportunities on existing and future sales and costs. The risks and opportunities were identified for the entire Evonik portfolio by compiling the categories listed above for both production platform-specific and end-market-specific aspects and classifying them into five categories, depending on how they are impacted:

- “Going concern”: Aggregated opportunities/risks in this category can have a very strong impact on the outcome
- “Substantial”: Aggregated opportunities/risks in this category can have a strong impact on the outcome

- “Substantive”: Aggregated opportunities/risks in this category can have a moderate impact on the outcome
- “Not relevant”: Aggregated opportunities/risks in this category can have a very minor impact on the outcome
- /– “Not determined”

The impact is calculated as the net impact for the current fiscal year. For the medium- and long-term period, the potential gross impact is determined before action is taken. With regard to the long-term period, we distinguish between minimum and maximum impact based on the scenarios described (see chart C42 “Sustainability opportunities and risks”).

Sustainability opportunities and risks

C42

Category: Opportunities and risks		Net	Gross	Gross
		Current fiscal year	Medium-term period	Long-term period minimum/maximum impact
		2024	2025–2027	2028–2040
Transition risks				
A	Political and regulatory changes: pricing for greenhouse gas emissions	●●	●●	●●/●●●●
A	Political and regulatory changes: pricing for freshwater withdrawal	–/–	–/–	●/●●
B	Technological change: change in the raw material base	●	●	●/●●
B	Technological change: SVHC exposure	–/–	–/–	●/●
C	Market changes	–/–	–/–	●/●●
D	Legal	–/–	–/–	–/–
E	Reputation	–/–	–/–	–/–
Physical opportunities and risks				
F	Acute physical risks of climate change: water scarcity/flooding	●	●	●●/●●
G	Chronic risks of climate change: heat stress	–/–	–/–	●/●●
H	New business opportunities	●●	●●	●●/●●
I	Benefits from energy and resource efficiency: energy efficiency	●	●●	–/–
J	Benefits from renewable energy sources	–/–	–/–	–/–

We use scenarios to identify opportunities and risks for the long-term period. The scenario data can be used to identify cost drivers such as prices for greenhouse gas emissions as well as growth rates for various end-markets. To apply suitable scenarios to our portfolio, we have based our analysis on the NGFS¹ Net Zero, Low Demand, Fragmented World, and Current Policies scenarios and supplemented them with data from other scenarios, allowing us to preserve the original character and consistency of the scenario factors.

Sustainability as a separate criterion in the risk assessment of capital expenditures on property, plant and equipment

ESRS 2 GOV-2

Projects costing €25 million or more have to be approved by the executive board. The review criteria are country, competition, other stakeholders, Evonik resources and competencies, customers, and sustainability. This latter category addresses risks arising from changes in the political and legal situation, market developments, and technological change. These are assessed with a view to production, cost-efficiency, and reputational risks. Acute physical risks are included in the “country” category as location-based environmental risks, alongside the other risks considered in this category.

We are pursuing this work by confirming transition and physical risks with regard to our businesses and sites. Here, we plan to increase the granularity of the data and align them with the sustainability analysis of our businesses and production platforms. At the same time, we will incorporate updates from the long-term scenarios and work on a refined net perspective to optimize assessment of our resilience.

You will find further information on risk management in chapter 5. Opportunity and risk report p.59 ff.

The scenarios presented are only used in Evonik’s financial reporting if the parameters have been adequately clarified. This applies in particular to the anticipated developments in carbon

and energy prices (see chapter 10.1, section “Carbon pricing” p.131 f., and note 6.5 p.252 ff.).

Scenario analysis

T31

Scenario	Source	IPCC classification	Description
Net Zero	NGFS IV	SSP1	Physical risks limited in the case of 1.4 °C warming up to 2100. Rapid political reaction reflected in high carbon prices. Rapid technology development as well as significant CO ₂ storage and use. Global cooperation and level playing field. Significant reduction in environmental SVHCs.
Low Demand	NGFS IV	SSP1	Significantly lower energy and resource consumption enables warming to be limited to 1.4 °C up to 2100. Markedly lower investment in the transformation of energy systems and industry. Lower transition risks for energy but high transition risks for industry. Change in consumer behavior.
Fragmented World	NGFS IV	SSP3	Widely varying carbon prices between industry, transportation, and building sectors as well as among rival regions. Both transition and physical risks if warming is limited to 2.9 °C up to 2100. Cautious, fragmented response by policymakers. Slow technology development.
Current Policies	NGFS IV	SSP5	No further reaction by policymakers. This is the scenario with the highest acute and chronic physical risks of climate change with warming >3 °C up to 2100.
Global Burden of Disease reference	GBD 2021	SSP1	A study on the significant increase in non-communicable diseases (cardiovascular, diabetes, malignant and non-malignant neoplasms, chronic respiratory, neurological, musculoskeletal). This information is relevant for the growth potential of our healthcare activities. Allocated to NGFS Low Demand.
Global Burden of Disease combined intervention	GBD 2021	SSP1	This scenario describes a more minor increase in diseases thanks to combined interventions with regard to water and hygiene, child nutrition, and vaccinations. Allocated to NGFS Net Zero.
Circular economy model Germany	WWF Deutschland 2023	SSP1	A holistic approach to reducing GHG emissions, material and food consumption, with impacts on land use and biodiversity. The scenario analyzes both economic and social consequences. We are using this scenario to estimate sufficiency effects in developed economies. Allocated to NGFS Low Demand.
Food & agriculture >3 °C historic trend	WBCSD/McKinsey	SSP5	This scenario provides us with growth assumptions for meat as well as agricultural and forestry products, which are essential as a raw material base. Allocated to NGFS Current Policies.
Food & agriculture 1.5 °C innovation	WBCSD/McKinsey	SSP1	This scenario reflects the progress in agricultural technologies. Allocated to NGFS Net Zero.
Food & agriculture 1.5 °C societal transformation	WBCSD/McKinsey	SSP1	This scenario reflects changing consumer behavior. Allocated to NGFS Low Demand.
WWF Water Risk Filter pessimistic	WWF	SSP3	Allocated to NGFS Fragmented World.
WWF Water Risk Filter optimistic	WWF	SSP1	Allocated to NGFS Net Zero.

¹ NGFS = Network for Greening the Financial System.





9.7 Targets and significant actions

ESRS 2 SBM-3

We have defined the following targets at Evonik. Their management as well as actions to be taken are described in the individual chapters. The traffic light colors show the degree of target achievement.

Implementation of our sustainability targets and their achievement

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▼ Sustainability areas of action		▼ Strategic targets for 2024 and beyond		▼ Status 2024	▼ Target achievement in 2024					
<div></div> <div>General information</div> <div> p. 92</div>	<div>Portfolio transformation</div> <div><ul style="list-style-type: none">• Increase the proportion of sales generated with Next Generation Solutions to >50 percent by 2030• Proportion of sales from challenged products should be permanently <5 percent• Generate €1.5 billion in additional sales from innovation growth engines by 2032^a</div> <div>30 percent women at both the first and second management levels below the executive board by 2026^b</div>	45%	2%	–	36.0/32.8%	<div>●</div> <div>●</div> <div>●</div> <div>●</div>				
	<div></div> <div>Environmental information</div> <div> p. 127</div>	<div>Climate</div> <div><ul style="list-style-type: none">• Reduce Scope 1 and 2 emissions by 25 percent between 2021 and 2030• Reduce Scope 3 emissions^c by 11 percent^d between 2021 and 2030</div> <div>Energy</div> <div><ul style="list-style-type: none">• Overall savings of 1,200 GWh^a of energy from implemented energy efficiency projects between 2021 and 2030^a• Switch in externally purchased or acquired electricity to 100 percent green electricity by 2030</div> <div>Water</div> <div><ul style="list-style-type: none">• Reduce specific freshwater withdrawal by 3 percent between 2021 and 2030^e</div> <div>Circular economy</div> <div><ul style="list-style-type: none">• Generate at least €1 billion in additional sales with circular products and technologies by 2030• Reduce specific production waste volume by 10 percent between 2021 and 2030^e</div> <div>Product stewardship</div> <div><ul style="list-style-type: none">• Include and evaluate substances/products from acquisitions^f in CMS/CMS^{PLUS} by the end of 2026^b</div>	–20%	–9%	–	47%	+21%	approx. €0.20 billion	+17%	–

Climate

- Reduce Scope 1 and 2 emissions by 25 percent between 2021 and 2030
- Reduce Scope 3 emissions^c by 11 percent^d between 2021 and 2030

Energy

- Overall savings of 1,200 GWh^a of energy from implemented energy efficiency projects between 2021 and 2030^a
- Switch in externally purchased or acquired electricity to 100 percent green electricity by 2030

Water

- Reduce specific freshwater withdrawal by 3 percent between 2021 and 2030^e

Circular economy

- Generate at least €1 billion in additional sales with circular products and technologies by 2030
- Reduce specific production waste volume by 10 percent between 2021 and 2030^e

Product stewardship

- Include and evaluate substances/products from acquisitions^f in CMS/CMS^{PLUS} by the end of 2026^b

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 –20% –9% – 47% +21% approx. €0.20 billion +17% – | ● ● ● ● ● ● ● ● |

^a New target set in 2024. | ^b Target extended in 2024. | ^c Scope 3 emissions of all upstream categories and downstream category "Transport and distribution".
^d Exact target: 11.07 percent. | ^e Relative to production volume. | ^f Since 2017.

Target not achieved
Target horizon extends beyond 2024
Target achieved

Implementation of our sustainability targets and their achievement (cont.)

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Sustainability areas of action	Strategic targets for 2024 and beyond	Status 2024	Target achievement in 2024
<div> Social information</div> <div>p. 169</div>	Proportion of women and intercultural mix <ul style="list-style-type: none">Proportion of women at senior management level should be 30 percent by 2026Proportion of women at middle management level should be 25 percent by 2026Proportion of women at other management levels should be 33 percent by 2026Intercultural mix at senior management level should be 25 percent by 2026Intercultural mix at middle management level should be 35 percent by 2026	21.8%	●
		19.1%	●
		31.4%	●
		18.4%	●
		26.2%	●
	Learning time per employee and year in LILY and LinkedIn Learning > 3 hours by 2026	1.7	●
	Occupational health and safety <ul style="list-style-type: none">Lost time injury rate (LTI-R) ≤ 0.26Process safety incident rate (PSI-R) ≤ 0.40Occupational health performance index ≥ 5.0	0.14	●
<div> Governance information</div> <div>p. 187</div>	Risk analyses and training <ul style="list-style-type: none">Regular risk analyses of human rights (HU), antitrust law (AT), fighting corruption (FC), and anti-money laundering (AML) by year-end 2025Group-wide training rate ≥ 80 percent for antitrust law (AT), fighting corruption and anti-money laundering (FC/AML), human rights (HU), code of conduct (CoC)^a	HU/AT: Yes	●
	> 90 percent of significant raw material suppliers examined by TfS assessments by 2030^b	84–99%	●
	> At least 90 percent cyber awareness training rate	87%	●
		94%	●

^a See "Compliance training and training rate in 2024" table for exact targets. | ^b With an annual procurement volume >€100 thousand.

Target not achieved
Target horizon extends beyond 2024
Target achieved

Significant investments will be necessary to reach our targets of increasing the proportion of sales from Next Generation Solutions and reducing our greenhouse gas emissions by 2030. We have plans to invest more than €3 billion in **Next Generation Solutions** and approximately €700 million in **Next Generation Technologies** between 2022 and 2030. We have thus devised two action plans in line with ESRS. Actions can fall under both

action plans and contribute to attaining multiple targets. This applies in particular to environmental targets. For instance, energy efficiency actions can go hand in hand with water conservation or waste reduction. Moreover, other actions contribute to reaching our sustainability targets, such as those geared to reducing our Scope 3 emissions. Alongside the action plans, we take into account individual investments of €50 million or more,

which must be approved by the full executive board. We also use green finance instruments in compliance with our Green Finance Framework to finance investments in Next Generation Solutions and Next Generation Technologies (see chapter 9.2 Sustainability at Evonik [p. 97 ff.](#)). Very few of Evonik's products, especially our Next Generation Solutions, are covered by the EU taxonomy. For this reason, we have no explicit plans to expand taxonomy alignment. [ESRS E1-1](#)

Investments in Next Generation Solutions

Evonik is focusing its investments for growth on products and solutions with a strong sustainability profile. This allows us to enhance our role as an enabler of transformation. We aim to make these investments in Next Generation Solutions in attractive markets with a good competitive position. To ensure this, the annual capital allocation is aligned with the parameters that apply in our markets at the time.

Investments allocated to Next Generation Solutions T32

in € million	Short-term (2024)	Medium-term (2025–2027)	Long-term (2028–2030)
Investments allocated to Next Generation Solutions	331	> 1,000	> 1,000

In 2024, investments in Next Generation Solutions accounted for 41 percent of our total capital expenditures. ESRS E1-3

Investments in Next Generation Technologies

We have combined our core actions for reducing the carbon footprint, fresh water consumption, and production waste in our global project “Evonik Assessment of GHG Emission Reduction” (EAGER) (see chapter 10.1 Mitigating climate change p.129 ff.). Many mitigation actions in our global EAGER project are currently being implemented. The focus is on reducing our Scope 1 and 2 emissions. In 2024, Evonik was in the process of planning and implementing projects that will reduce CO₂eq emissions by approximately 440,000 metric tons per year in the years ahead. The investment volume for these projects amounted to €99 million in the reporting period.¹

Investments allocated to Next Generation Technologies T33

in € million	Short-term (2024)	Medium-term (2025–2027)	Long-term (2028–2030)
Investments allocated to Next Generation Technologies	99	> 150	> 250

In 2024, investments in Next Generation Technologies accounted for 12 percent of our total capital expenditures. Of the investments in Next Generation Technologies in 2024, less than €1 million was taxonomy-aligned CapEx because most of the projects related to taxonomy non-eligible products (see chapter 10.7 Disclosures on the EU taxonomy p.164 ff.).

Other material actions

Other material actions during the reporting period to achieve our sustainability targets include actions to reduce Scope 3 emissions by investing in our own processes. A reverse integration project at our site in Mobile (Alabama, USA) reduces our Scope 3 emissions while simultaneously increasing Scopes 1 and 2. Overall, this has resulted in a significant reduction in CO₂ emissions across all Scopes (see chapter 10.1 Mitigating climate change p.129 ff. and chapter 12.2 Responsibility within the supply chain p.200 ff.).

Investments in individual projects T34

in € million	Short-term (2024)	Medium-term (2025–2027)	Long-term (2028–2030)
Investments in individual projects >€50 million over and above the action plans	> 30	> 30	n/a

The distribution of potential operating expenditures depends on the pricing structure along the value chain. Actions are implemented depending on our customers’ willingness to pay—for example, to use circular raw materials. No significant operating expenditures were incurred in implementing the actions in 2024 and no significant operating expenditures are planned for this purpose in the years ahead.

¹ This figure relates to the CO₂ effects following completion of the project in question. As the execution of such projects stretches over several years, the actual total investment leading to the stated effects is higher.

9.8 Sustainability governance

Corporate governance

ESRS 2 GOV-1

As a specialty chemicals company with a presence across the globe, Evonik considers good corporate governance with a long-term focus indispensable. The governance system of Evonik Industries AG consists of the executive board and supervisory board levels, where management and supervision are separated. The executive board and supervisory board are explicitly committed to responsible corporate governance and identify with the goals of the German Corporate Governance Code. We regard respecting and applying the principles of corporate governance as core management tasks. That starts with collaboration within the executive board and supervisory board as well as between these two boards. It likewise includes Evonik's relationship with its shareholders as well as with other individuals and organizations who have a business relationship with the company.

As provided for by the foreword to the German Corporate Governance Code, Evonik reserves the right not to implement certain provisions if deviation from the recommendations is justified by factors specific to the company. The latest declaration of conformity with the requirements of the German Corporate Governance Code has been published on our website.¹

Supervisory board

The supervisory board advises and supervises the executive board. It appoints the members of the executive board and names one member as the chair of the executive board. It also decides

on the remuneration of the members of the executive board. The supervisory board examines the company's annual financial statements, the executive board's proposal for the distribution of the profit, the consolidated financial statements for the Evonik Group, and the combined management report. The executive board is required to obtain the approval of the supervisory board on decisions of fundamental importance, which are defined in a separate list. The supervisory board has established the following committees: an executive committee, an audit committee, an investment and sustainability committee, an innovation and research committee, a nomination committee, and the mediation committee required by the German Codetermination Act. Among other duties, the investment and sustainability committee addresses all topics related to sustainability—such as the portfolio transformation or the achievement of climate neutrality—that are relevant to the supervisory board. The chair of each committee reports to the full supervisory board at its next meeting on the topics discussed in the committee.

In accordance with the Articles of Association of Evonik Industries AG and the provisions of the German Codetermination Act, the supervisory board comprises 20 members, ten of whom are representatives of the shareholders while ten are representatives of the workforce. The supervisory board considers all of its current members to be independent.

A minimum quota of 30 percent women is set by law. The supervisory board currently meets this requirement as it comprises six women and 14 men. The supervisory board takes diversity into account, both in its own composition and in appointments to the executive board. The supervisory board's diversity concept includes

rules on the independence and age of supervisory board members and their maximum term of office. Supplementary criteria apply to the skill set of the supervisory board as a whole. These relate to the requisite knowledge and abilities of supervisory board members—for example, international experience, a knowledge of business administration and science, or experience in managing a company. The supervisory board has expanded its skill set to include experience in ecological and social sustainability. At present, ten members of the supervisory board have expertise in this area.

Executive board

ESRS S1-9

The executive board of Evonik Industries AG is responsible for running the company in the company's interests, taking into account the interests of the shareholders, employees, and other stakeholders. It discusses sustainability at its meetings several times a year, especially aspects relating to the environment, safety, and portfolio transformation.

When making appointments to the executive board, the supervisory board considers both the professional qualifications of the candidates and the other criteria it has defined for the executive board as part of the diversity concept. These include, for example, a suitable mixture of ages, professional competencies, and fulfillment of the targets for the proportion of women on the executive board.

The executive board bears overall responsibility for sustainability and all climate-related aspects at Evonik. Direct responsibility is assigned to the chief human resources officer, who deals with sustainability issues on an ongoing basis and reports on them to the executive board and supervisory board.


¹ <https://www.evonik.com/en/company/governance-compliance/corporate-governance.html>

Percentage of women on the executive board and in management

For the period from July 1, 2022 through June 30, 2027, the supervisory board has set a target of 25 percent for the proportion of women on the executive board. As of December 31, 2024, one member of the executive board is female and three are male, so it meets this target.

With respect to Evonik Industries AG, for the period from January 1, 2021 through December 31, 2024, the executive board had set a target of 30 percent female managers at both the first and second management levels below the executive board. As of December 31, 2024, the proportion of female managers was 36.0 percent at the first management level and 32.8 percent at the second management level, thus exceeding the targets defined for this period. For the period from January 1, 2025 through December 31, 2026, the executive board again set a target of 30 percent female managers at both the first and second management levels below the executive board of Evonik Industries AG.

The executive board provides regular, timely, and extensive information to the supervisory board on all matters of relevance for the company. Major sustainability aspects are included in context. On this basis, Evonik’s sustainability activities were discussed at several supervisory board meetings in 2024.

You can find further information in the declaration on corporate governance (see chapter 7. Declaration on corporate governance  p.75 ff.), which is also available on our website.¹


¹  <https://www.evonik.com/en/company/governance-compliance/corporate-governance.html>

Sustainability in the governance structure and bodies

 ESRS 2 GOV-1

Responsibility for sustainability management is defined in a corporate sustainability policy. Given its relevance for management, we have integrated sustainability into our governance framework.

The executive board has delegated responsibility for sustainability topics at a lower level as follows:

The sustainability council is responsible for the management of sustainability-related aspects and the associated decisions. It meets at least twice a year and is chaired by the chair of the executive board. To strengthen close alignment with our businesses, members include the heads of the divisions alongside the executive board. Following approval by the executive board, the actions are implemented by the operational units in close consultation with the relevant functions—for instance, Strategy, Sustainability, Research, Development & Innovation, and Procurement.  ESRS 2 GOV-2

The decisions taken by the sustainability council are prepared by the sustainability circle, which comprises representatives of the functions and organizational units of relevance for sustainability. The sustainability circle monitors such aspects as the defined sustainability targets and decisions on group-wide coordinated actions, and is responsible for new sustainability target proposals. Meeting at least twice a year, the sustainability circle is chaired by the chief human resources officer, who is the executive board member responsible for sustainability.

Sustainability governance structure

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CEO = Chairman of the Executive Board
CHRO = Chief Human Resources Officer and Labor Relations Director

Evonik is involved in national and international competency networks in the area of sustainability. The organizational units inform the executive board about new insights and relevant content. This is how we integrate the necessary sustainability expertise into the group. We are a member of the World Business Council for

Sustainable Development (WBCSD) and are committed to its Vision 2050. Furthermore, we collaborate with econsense—Forum for Sustainable Development of German Business—, Chemie³, the sustainability initiative of the German chemical industry, and the global GRI Community.

As a member of the UN Global Compact, we have given an undertaking that, within our sphere of influence, we will actively respect and promote labor rights and human rights, protect people and the environment, and fight against corruption. In addition, we make a contribution to achieving the United Nations 17 Sustainable Development Goals (SDGs). To this end, we have identified the SDGs that are most relevant for the Evonik Group (see chapter 9.3 Portfolio transformation [p.100 ff.](#)). In addition, Evonik is one of the six founding members of the Together for Sustainability (TfS) initiative, which aims to increase transparency in the supply chain through collaboration (see chapter 12.2 Responsibility within the supply chain [p.200 ff.](#)).

In the reporting year, within the framework of the sustainability council and sustainability circle bodies, the supervisory board and its investment and sustainability committee and audit committee as well as the executive board addressed matters including the following environmental, social, and governance (ESG) aspects, and hence the core material sustainability topics for Evonik (see chart [C46](#) “Committees and sustainability topics” [p.124](#)). [ESRS 2 GOV-2](#)

Performance-linked remuneration of senior management

[ESRS 2 GOV-3](#)

The supervisory board is responsible for the employment contracts of executive board members. It sets the total remuneration package for each member of the executive board, comprising a basic salary, variable short- and long-term components, pension benefits, the reimbursement of expenses, insurance, and various other fringe benefits. The contracts of the executive board members and all executives include remuneration elements based on personal performance and the overall performance of the Evonik Group.

In addition to the basic salary and the executive board’s short-term remuneration, the short-term incentive (STI), Evonik’s remuneration system includes a long-term remuneration component in the shape of the long-term incentive (LTI) plans for members of the executive board and senior executives (approximately 160 people worldwide).

Alongside financial targets, the executive board’s short-term remuneration includes a sustainability component. This considers the development of plant safety and the accidents that occurred in the past fiscal year. In addition, the following non-financial targets from the sustainability focus are included in the executive board remuneration performance factor for 2024:

- Successful implementation of the first ESRS-compliant reporting for 2024
- Establishment of the Evonik Carbon Footprint and the portfolio sustainability assessment
- Development of the first key building blocks of an Evonik climate transition plan to transform Evonik’s value chains using Next Generation Technologies and Next Generation Solutions
- Next Generation Culture: Transformation and change management

Commitments in respect of sustainability expertise

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External	
World Business Council for Sustainable Development (WBCSD)	Chemie ³
econsense—Forum for Sustainable Development of German Business	Global Reporting Initiative
UN Global Compact	Together for Sustainability

Committees and sustainability topics

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Committee	Main material sustainability topics	Matters discussed at the meetings
Supervisory board	Portfolio transformation Mitigating climate change Green energy Circular economy Product stewardship Attractiveness as an employer/employee satisfaction Diversity and equal opportunity	<ul style="list-style-type: none"> • Next Generation Solutions • Next Generation Technologies and implementation of EAGER measures • Next Generation Culture • Sustainability reporting • Circular economy • Chemicals in the environment • Evonik Transition Plan and external influences of politics, science, and markets • Management in the multi-stakeholder environment • Management of risks and opportunities under the portfolio sustainability assessment
Investment and sustainability committee of the supervisory board	Portfolio transformation Mitigating climate change Green energy Attractiveness as an employer/employee satisfaction Diversity and equal opportunity	<ul style="list-style-type: none"> • Next Generation Solutions • Next Generation Technologies and EAGER measures • Next Generation Culture • Evonik Transition Plan und Science Based Targets • Sustainability data management • Sustainability reporting and metrics • Annual shareholders' meeting statistics • Ratings, rankings, and peer comparisons • Management in the multi-stakeholder environment
Audit committee of the supervisory board	Occupational health and safety Responsible corporate governance/ human rights Cybersecurity	<ul style="list-style-type: none"> • Materiality assessment^a • Sustainability reporting in accordance with CSRD • Compliance update and financial report • Cybersecurity and other IT risks • Annual ESHQ report
Sustainability council as part of the extended executive board	Portfolio transformation Mitigating climate change Green energy	<ul style="list-style-type: none"> • Next Generation Solutions • Next Generation Technologies and EAGER measures • Evonik Transition Plan • Refinement of sustainability opportunity and risk management • Management in the multi-stakeholder environment • Sustainability data management • Sustainability reporting in accordance with CSRD • Ratings, rankings, and peer comparisons
Sustainability circle	Portfolio transformation Mitigating climate change Green energy Circular economy Product stewardship Attractiveness as an employer/employee satisfaction Diversity and equal opportunity Responsibility within the supply chain	<ul style="list-style-type: none"> • Next Generation Solutions • Next Generation Technologies and EAGER measures • Next Generation Culture • Chemical Safety und Circularity Assessment • Refinement of sustainability opportunity and risk management • Evonik Transition Plan and SBTi status • Green Finance Framework • Database and potential along the value chain • Sustainability reporting in accordance with CSRD

^a Cross-business approach to all material sustainability topics.

Starting in 2023, the long-term remuneration system (LTI) for members of the executive board and senior executives has been expanded to include a sustainability component. Eighty percent of the award is based on the performance of Evonik shares and 20 percent on the achievement of one or more sustainability targets. The sustainability component is determined on the basis of Evonik's ESG targets. Each year, before allocating a tranche, the supervisory board stipulates the precise targets, their weighting in relation to each other, and their target value for measuring 100 percent target achievement. Target achievement ranges from 0 to 200 percent.

The defined targets for the 2024 LTI are:

- **1st target: CO₂ emissions reduction (40 percent weighting)**
This measures absolute CO₂ emissions as defined for Scope 1 and 2 (in millions of metric tons of CO₂/year). Target achievement is measured once at the end of the performance period for the final year, in this case at the end of 2027. The base point for measurement is the value of 6.3 million metric tons of CO₂ emissions in 2021 that is defined in the SBTi targets. **ESRS E1.GOV-3**
- **2nd target: Increasing the proportion of the portfolio with an outstanding sustainability profile (Next Generation Solutions) (40 percent weighting)** **ESRS E1.GOV-3**
This measures the proportion of the portfolio with an outstanding sustainability profile (Next Generation Solutions) once at the end of the performance period for the final year, in this case at the end of 2027. It is calculated as part of the sustainability analysis of the business.
- **3rd target: Social index (20 percent weighting)**
Three sub-targets relating to Learning, Health, and Diversity are measured for the social index. All three sub-targets are weighted equally by calculating their average target achievement as the target evaluation for the social index target, and doing so once at the end of the performance period for the final year, in this case 2027.

a) "Learning" sub-target

One aspect of the social index is the learning sub-target, which measures the number of digital learning hours per employee relative to the total number of employees worldwide with access to a PC. This value is regarded as an indicator of continuous workforce upskilling through digital learning or a shift from in-person to online training.

b) "Health" sub-target

Another important aspect of the social index is the health sub-target. The relevant health ratio is calculated as the target working hours (100 percent) less total sickness-related hours lost relative to the target working hours. It is calculated for all Evonik employees in Germany, Belgium, China, and the USA. This value serves as an indicator of the success of actions relating to leadership, stress management, motivation, and health protection.

c) "Diversity" sub-target

The third social index sub-target is diversity in the form of gender diversity. This is measured as the proportion of women relative to the total number of employees worldwide at management levels 1 and 2 (approximately 600 people

worldwide). It serves as an indicator of diversity and equal opportunity, and is particularly important for Evonik and its success as a company.

In accordance with the recommendations of the German Corporate Governance Code, the supervisory board commissions a remuneration report (vertical comparison) to review the remuneration of the executive board compared with that of senior executives and Evonik's workforce. The most recent such report was prepared in 2024 and the findings confirm that the remuneration system is in line with the market. The 2024 remuneration report provides further information on executive board and supervisory board remuneration.¹

Sustainability due diligence

ESRS 2 GOV-4

Sustainability is a core element of Evonik's overall strategy. All identified material sustainability topics are incorporated into the company's strategic alignment. This strategy is complemented by specific policies on topics such as climate change, water, biodiversity, product stewardship, and circular economy. The due diligence and risk management requirements, which are consistent with our sustainable corporate strategy, are firmly embedded in

our business processes. This is effected through policies such as the policy statement on human rights, the Evonik Code of Conduct, and the Evonik Code of Conduct for Suppliers. The sustainability report contains an overview of the existing management systems with which we meet our due diligence obligations for each material topic. This report shows how Evonik assesses the IROs identified and what actions we have taken to counteract negative ones and give greater emphasis to positive ones, including the outcomes of those efforts.

Statement on due diligence

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Core elements of due diligence	Page
a) Embedding due diligence in governance, strategy, and business model	97 ff., 108 ff., 118 ff., 122 ff., 125
b) Engaging with affected stakeholders in all key steps of the due diligence	93 ff., 105 ff., 108 ff., 122 ff.
c) Identifying and assessing adverse impacts	108 ff., 112 f.
d) Taking actions to address those adverse impacts	93 ff., 105 ff., 108 ff., 122 ff.
e) Tracking the effectiveness of these efforts and communicating	93 ff., 118 ff.

¹ <https://www.evonik.com/en/company/governance-compliance/corporate-governance.html>



ENVIRONMENTAL INFORMATION

Protecting our environment and the climate are major global challenges of our time. Maintaining the natural basis of life for future generations is part of our corporate responsibility. This also includes continuously reducing emissions in keeping with our sustainable corporate strategy.

MATERIAL TOPICS

- Portfolio transformation
- Mitigating climate change
- Green energy
- Water management
- Biodiversity
- Circular economy
- Product stewardship
- Attractiveness as an employer/
employee satisfaction
- Diversity and equal opportunity
- Occupational health and safety
- Responsible management/human rights
- Responsibility within the supply chain
- Cybersecurity

–20%

Reduction in absolute scope 1 & 2
greenhouse gas emissions¹

–9%

Reduction in absolute scope 3
greenhouse gas emissions^{1,2}

47%

Proportion of purchased
green electricity

¹ Reference base 2021. | ² Scope 3 emissions from all upstream categories and the category “Downstream transportation and distribution” as defined in our SBTi target.

10. Environmental information

- Implementation of actions under our climate transition plan and our SBTi targets
Continued expansion of external green electricity procurement
Simultaneous reduction of our water consumption through synergies with climate actions
New policies for biodiversity, circular economy, and product stewardship

As a specialty chemicals company, we are aware that our production activities—including the upstream and downstream value chains—impact the environment. To minimize the impacts, we set ourselves ambitious targets and put many actions in place. Our actions are based on an extensive, integrated management system for the topics environment, safety, health, and quality. This system applies to the whole of the Evonik Group and is based on legal requirements, internal policies, and standard operating procedures. Hence, we foster a targeted improvement in our environmental performance that goes well beyond meeting compliance requirements. At the same time, we require our manufacturing sites to be certified according to ISO 14001, the internationally recognized environmental management standard. Our divisions and regions are subject to annual audits in order to monitor the process of certification to DIN EN ISO 14001 and RC 14001 at our production locations. At present, 80 percent of our sites are certified accordingly. In 2024, we conducted 77 internal and external ESHQ audits. The proportion of certified production volumes covered varies from year to year because of the addition of newly acquired units, but so far it has always been between 95 and 100 percent.

The ESHQ (Environment, Safety, Health & Quality) corporate function has a central audit system to regularly monitor implementation of our strategy and management system. Based on the findings and analyses of internal and external audits as well as site inspections, talks are held on possible improvements and ways of implementing them. The executive board is informed annually of the audit outcomes.

The procedures used to collect and process environmental data are subject to internal and external audits. Our quality standards are backed up by regular training. Data input is decentralized and the data can be evaluated with regard to management units, legal units, or regions. Since 2023, environmental data reporting has been carried out entirely through ESTER (Evonik Standard Tool ESHQ and Reporting). That has allowed us to significantly improve data quality and effect timely evaluation. In 2024, we recorded all internal and external audits for matrix certification in the ESTER tool. This further harmonizes processes and systems, thus contributing to enhanced efficiency.

The ESHQ function bundles all group-wide strategic management and coordination activities relating to the topics of environment, plant safety, occupational safety, and health (see chapter 11.3 Occupational health and safety p.180 ff.). The global strategy for safety

is defined by the HR Executive Committee, which comprises the chief human resources officer, the HR partners of the divisions, and the heads of the ESHQ, Sustainability, and HR Business Management functions. Decisions on implementing this strategy are taken by the ESHQ panel. Its members are representatives of the divisions, regions, technical committee, and employee representatives. The panel is chaired by the head of the ESHQ function, who reports directly to the chief human resources officer. Management and decision making with respect to the topic environment are assigned to the sustainability council and the sustainability circle. Both bodies work closely together to prepare and implement the sustainability and ESHQ functions (see chapter 9.8 Sustainability governance p.121 ff.). ESR5 E1-1

Our ESHQE positions are predicated on the protection of people and the environment. Together with more detailed policies and procedures, they form Evonik's ESHQE set of regulations. There are now five policies adopted by the executive board. They are designed to ensure sustainable business practices in the company relating to the topics of climate, circular economy, water, product stewardship, and biodiversity. The content of the policies was incorporated into the corresponding strategic and management approaches described in the following environment sections.

Policies on the environment, safety, health, and quality C47

Table with 5 columns: Internal, ESHQE policy, Climate, Water, Biodiversity, Circular economy, Product stewardship

1 The reported data are based on a combination of direct measurements and calculations as well as estimates made on the assumption that the data are similar to those of the prior period and/or developed in line with the production volume. These estimates are made against the data available and allowing for measurement uncertainties. | 2 ESHQE = Environment, safety, health, quality, and energy. | 3 https://www.evonik.com/en/sustainability/policies.html

10.1 Mitigating climate change

Strategy and management

Climate change is increasingly causing damage as a result of extreme weather events. This is a challenge that Evonik, too, has to face. It is also necessary to reduce CO₂ emissions worldwide. For this reason, we not only seek to avoid **increasing our CO₂ and other emissions that contribute to climate change**, but also to reduce them. In 2022, Evonik set new targets as part of its strategy (Next Generation Evonik). Reducing our CO₂ emissions (Scope 1 and 2 emissions) is likewise embedded in the remuneration of the executive board and other executives (see chapter 9.8 Sustainability governance p.121 ff.). **Investment decisions may result in higher costs if there is no carbon pricing.** This is why we use carbon pricing as an additional planning criterion. Along the value chain, we are working on innovative solutions to reduce emissions—often in collaboration with suppliers and customers. Evonik adopted a climate policy in 2023 and published it on its website.¹ **ESRS 2 SBM-3, ESRS E1.GOV-3, ESRS E1-2**

In the reporting period, we worked on refining the Evonik transition plan. Our climate transition plan² initially provides for reducing our CO₂ emissions in line with our validated SBTi targets by 2030. We are planning to reduce the remaining greenhouse gas (GHG) emissions in the period from 2030 to 2050. **ESRS E1-1, ESRS E1-7**

As the scenarios analyzed are based on theoretical parameters, the actual development of the external conditions must be constantly evaluated and the characteristics and focus of the transformation must be continually adapted to reflect these. The findings of our analyses in 2024 corroborate Evonik's strategy of continuously transforming its portfolio toward Next Generation Solutions and continuously reducing Scope 1 and 2 emissions using Next Generation Technologies (see chapter 9.2 Sustainability at Evonik p.97 ff.). **ESRS E1.SBM-3**

Targets

- Reduce absolute Scope 1 and Scope 2 emissions by 25 percent between 2021 and 2030³
- Reduce absolute Scope 3 emissions by 11 percent⁴ between 2021 and 2030^{3,5}

Evonik announced its commitment to the Science Based Targets initiative (SBTi) in 2022. SBTi is a partnership of CDP⁶, 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-setting⁷ and independently evaluates targets set by companies from this perspective. These have now evolved into internationally accepted standards. We followed the SBTi recommendation for selecting the base year and chose 2021 because this was the most recent year of our GHG inventory at the time of our commitment to the SBTi. In 2023, the emission reduction targets submitted by Evonik were validated by the SBTi. It confirmed that the ambitious target set for Scope 1 and 2 emissions is suited to helping limit global warming to well under 2 °C.⁸ Our superordinate group-wide target is an absolute reduction in Scope 1 and 2 emissions by 25 percent between 2021 and 2030. In addition, Evonik has given an undertaking to reduce absolute Scope 3 emissions in the upstream categories and in the downstream category “transportation and distribution” by 11.07 percent within the same period.^{3,5}

ESRS E1-4

¹ See Policies – Evonik Industries. <https://www.evonik.com/en/sustainability/policies.html>

² Our transition plan is not a full transition plan within the meaning of the ESRS.

³ The exact wording of all Evonik emissions reduction targets validated by SBTi can be viewed at: <https://sciencebasedtargets.org/companies-taking-action>

⁴ Exact target: 11.07 percent.

⁵ Scope 3 emissions of all upstream categories as well as the downstream category “transportation and distribution” as defined in our SBTi target, but excluding the Scope 3 emissions that fall within the scope of the SBTi criteria for the electricity sector and are hence covered by a different intensity target.

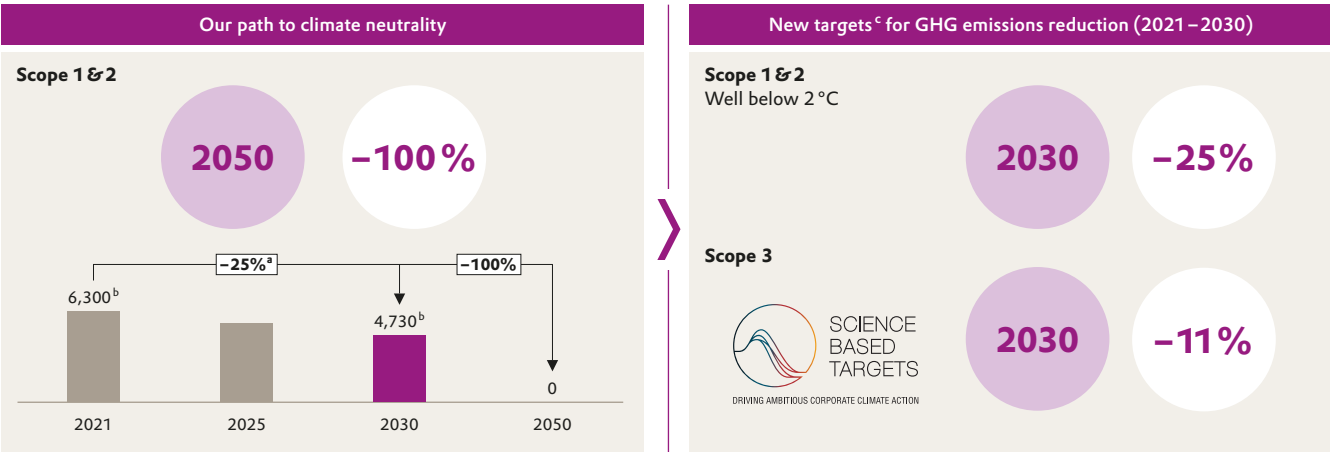
⁶ <https://www.cdp.net/en>

⁷ The SBTi methodology is subject to inherent uncertainties relating to the underlying scientific insights and forward-looking assumptions about reducing greenhouse gas emissions.


⁸ Well below 2 °C.

Ambitious climate targets

C48



^a Gross emissions; base year 2021, target year 2030.
^b In thousand metric tons CO₂e.
^c Validated by SBTi, <https://sciencebasedtargets.org/companies-taking-action#dashboard>

Evonik’s science-based carbon reduction targets cover 100 percent of our Scope 1 and Scope 2 emissions and more than two-thirds of our Scope 3 emissions. Our climate targets form part of our climate transition plan and contribute to achieving the Paris Agreement goals. We aspire to be climate-neutral by 2050. Our SBTi targets and roadmap up to 2030 were approved by the executive board.  [ESRS E1-1](#), [ESRS E1-4](#), [ESRS E1-7](#)

Actions

 [ESRS E1-3](#)

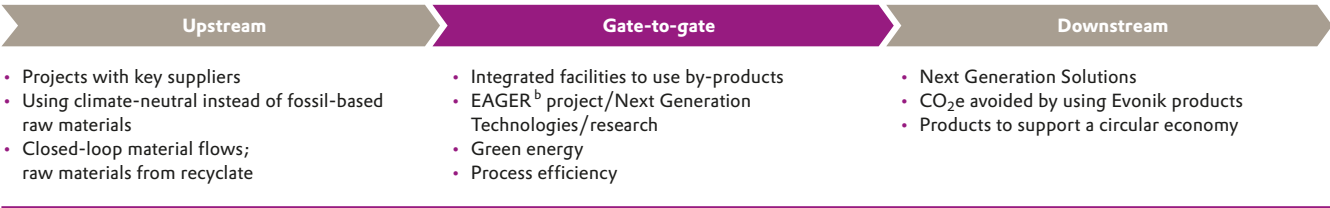
Actions for implementing our climate transition plan:
Scope 1 and Scope 2 emissions up to 2030

 [ESRS E1-1](#), [ESRS E1-4](#)


To achieve our ambitious Scope 1 and Scope 2 target, we have put a wide range of actions in place. These include exiting coal-fired power generation at our site in Marl (Germany) by the end of March 2024, ongoing global development of production processes and infrastructure (Next Generation Technologies), and an incremental switch to renewable energy. Our efforts will be supported by digital process technologies and the integration of sustainability data into existing business processes.

Our levers^a to reduce GHG emissions along the value chain

C49



^a Examples.
^b EAGER = Evonik Assessment of Greenhouse Gas Emission Reduction.

The chart [C50](#) “Our roadmap 2030 (Scopes 1 & 2)”  [p.131](#) shows our action plan for achieving our Scope 1 and Scope 2 target. It consists of the three pillars “exiting coal-fired power generation”, “Next Generation Technologies”, and “renewable energies”.

We decommissioned our coal-fired power plant in Marl (Germany) at the end of March 2024, thus reducing our CO₂ emissions by as much as 1 million metric tons per year. Since then, Evonik has stopped producing electricity from coal worldwide. In view of the geopolitical situation, we were initially unable to decommission the Marl coal-fired power plant, originally planned for 2022. Due to the consequences of Russia's invasion of Ukraine, we were forced to retain the capacity to safeguard the general reliability of supply. In this way, we secured the supply of electricity, heat, and steam to the site.

We are expediting our Scope 1 and 2 targets by investing in optimized processes such as enhancing energy efficiency, waste heat upcycling for heat integration, or in process redesign—for example, electrification. To do this, we implemented the EAGER project in 2022 to pinpoint the potential for reducing GHG emissions at our sites. A cross-functional team identified the potential to reduce Scope 1 and 2 emissions (including the related costs of emissions avoidance) at the top 20 sites around the world by around 1 million metric tons of CO₂eq, in accordance with the “well below 2°C” target. The top 20 sites account for 80 percent of Evonik's GHG emissions. In the period to 2030, we plan to invest

€700 million in Next Generation Technologies—in other words, in the ongoing development of production processes and infrastructure to reduce GHG emissions (see also chapter 9.2 Sustainability at Evonik [p.97 ff.](#)). In the reporting period, Evonik was in the process of planning and implementing projects that will reduce CO₂eq emissions by approximately 440,000 metric tons annually in the years ahead. The investment volume for these projects amounted to around €99 million in 2024. [ESRS E1-1](#)

In addition, we intend to switch our externally purchased or acquired electricity completely to green energy in order to achieve our Scope 1 and 2 target (see chapter 10.2 Green energy [p.140 ff.](#)).

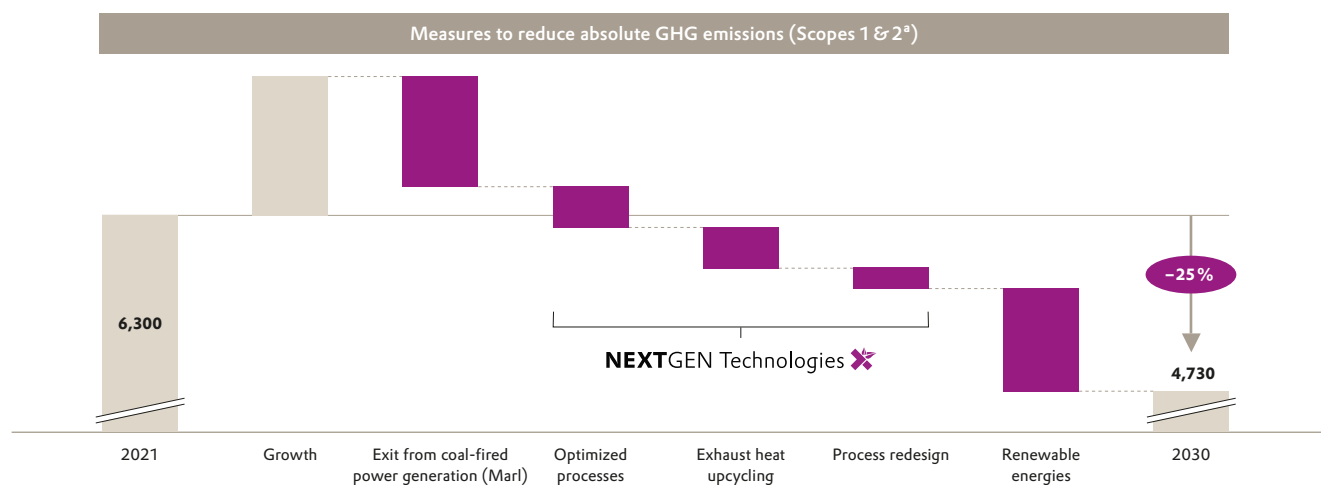
Carbon pricing

[ESRS E1-8](#)

Investment projects that help achieve our CO₂ reduction target and hence our climate transition plan are part of the annual financial resource planning and investment allocation process, including approval by the executive board and supervisory board. For instance, we apply internal carbon pricing when planning major investment projects. The aim is to harness this planning criterion so that developments in carbon-intensive investments can be reliably and consistently reflected in all investment applications worldwide. In addition, the expected development of carbon prices is factored into our impairment tests. When estimating useful

Our 2030 roadmap (Scopes 1 & 2)

C50



^a Gross emissions in kt CO₂eq.

lives, these are generally included in our profitability calculations. Our current assumption is that a price of €131/metric ton of CO₂ will be used in the EU Emissions Trading System (EU ETS) by 2030. In all other regions relevant to Evonik, we have revised our forecast to an average of €37/metric ton of CO₂ by no later than 2030. This reflects the development of the political framework in key emerging markets and developing countries, which does not currently indicate an increase in carbon pricing. In view of regional differences in the baseline situation, we have developed scenarios for the development of carbon pricing—differentiated by country and region—showing the rise to the assumed final global price. Here, we take into account both direct CO₂ emissions (Scope 1 emissions) from production and energy generation and indirect CO₂ emissions from the purchase of secondary fuels (Scope 2 emissions). This generally applies to all of our Scope 1 and 2 emissions (100 percent). Specific calculations are made solely for investment planning. To support the departments affected, we use a CO₂ cost calculator that allows efficient and systematic calculation of the carbon costs to be factored into every investment. Location- and fuel-specific emission factors as well as regional carbon price development scenarios are applied. This enables harmonized evaluation of investments with regard to carbon cost throughout the group.

Actions for implementing our climate transition plan:

Scope 3 emissions up to 2030

ESRS E1-1, ESRS E1-4

Reducing Scope 3 emissions is especially challenging for the entire value chain because these emissions are outside its direct

sphere of influence and are affected by many external factors. This calls for in-depth cooperation with partners at every link in the value chain. Our action plan for achieving our Scope 3 target is based on three reduction levers: reducing emissions of purchased raw materials, using alternative sources of raw materials, and reducing emissions in logistics and packaging.

To achieve our Scope 3 target, our businesses are working with procurement and our suppliers to reduce the emissions of the raw materials used. One of the prerequisites for this is knowledge of the actual supplier-specific emission factors of the raw materials purchased. That is why Evonik is actively involved in the TfS (Together for Sustainability) initiative (see chapter 12.2 Responsibility within the supply chain p.200 ff.), the definition of common calculation standards (TfS Product Carbon Footprint Guideline¹), and the creation of a platform to exchange supplier-specific emission factors. We analyze which raw materials and suppliers offer us the greatest potential for reduction. The starting point comprises secondary data from databases but also increasingly primary data. To increase the proportion of primary data, we contact our key suppliers once a year. In this context, for instance, we discuss with our suppliers the main ways in which we can leverage emissions reduction. That may be renewable energies, improved processes, or alternative raw materials. Taking the overview of all factors, we then discuss specific targets with our suppliers. This is how we support our customers' goals with a focus on circularity and reducing carbon emissions. More than 84 percent of our suppliers already had their own sustainability targets in 2024.

The short-term availability of raw materials with a reduced carbon footprint is limited. Hence, we also draw on detailed medium- and long-term scenario analyses when it comes to aligning our procurement strategies and securing our access to raw materials with a lower carbon footprint at an early stage. For example, Evonik and BASF announced an agreement in October 2024 for the first delivery by BASF of biomass-balanced ammonia with a product carbon footprint that is 65 percent lower. Evonik is monitoring developments and is in close contact with potential suppliers. Since ammonia can be used as a transport medium for hydrogen and as a substitute for marine diesel, we anticipate that the pace of development here will be faster than for other raw materials.

A first step toward reducing our Scope 3 emissions is the use of ISCC Plus-certified C4—for example, based on canola oil. There are signs of a significant increase in volumes, especially of bio-methanol, which is used to produce MTBE (methyl tert-butyl ether). Moreover, green acetone is used to produce sustainable isophorone products. As an additional measure, we started to procure inorganic raw materials produced using green electricity in 2023. We have similarly extended certification under the mass balance standard of the Roundtable on Sustainable Palm Oil (see chapter 10.5 Circular economy p.153 ff.). Process enhancements can hence be reported as a Scope 3 measure on the supplier side. Additionally, we are working on improving data transparency through a range of supplier engagements.

¹ https://www.tfs-initiative.com/app/uploads/2024/03/TfS_PCF_guidelines_2024_EN_pages-low.pdf

Furthermore, Evonik has since 2023 also reported actions to reduce CO₂ in the procurement of logistics services and packaging. Based on initial talks with selected logistics providers, we have been able to include in our forecasts the CO₂ reduction actions that our suppliers are already implementing or planning. Examples of savings include switching to intermodal transportation or using hydrotreated vegetable oil (HVO) as a substitute for diesel fuel in road transportation. In addition, we have expanded our supplier engagement program to include selected indirect suppliers in order to check the availability of primary data and the inclusion of potential actions to reduce CO₂eq.

Actions for implementing our climate transition plan: Emissions 2030 – 2050

ESRS E1-7

In the period after 2030, the remaining Scope 1 and 2 emissions will be reduced through further energy efficiency and heat integration actions. We are already engaged in broad-based screening of our technology portfolio for Scope 3 emissions. This identifies potential circular (bio-based, recycled, or CO₂-based) raw material sources for our production processes and considers how our production processes could be adapted to circular raw materials. In the period up to 2030, this screening will be completed and we will forge ahead with the requisite research into modified or new manufacturing processes.

Generally speaking, for the period beyond 2030, we regard broadening technology and raw material portfolios as well as globally rising costs for CO₂ emissions as the main transformation drivers. From 2035, we expect new technologies to reach maturity,

one example being the widespread availability of green hydrogen. As for the following years, we anticipate the breakthrough of processes such as carbon capture and storage (CCS) as well as carbon capture and utilization (CCU). Carbon capture and utilization technologies pave the way to reducing the consumption of fossil fuels and cutting CO₂ emissions. Together with partners, we are engaged in research in this field to deepen our understanding of how such technologies interact with our portfolio of specialty chemicals under market conditions. For instance, our expertise in catalyst research offers the possibility of using the stable CO₂ molecule in combination with green hydrogen and renewable energies to generate a higher quality product. Following chemical conversion, CO₂ counts as a raw material and no longer as waste. This could enable the production of methanol and other hydrocarbons for use in products such as solvents, polymers, and liquid e-fuels. The use of CO₂ for e-fuels will be further boosted by the ReFuelEU regulations for aviation. We are supporting such projects and are in close contact with those involved at the relevant stages of the value chain.

A wealth of actions for achieving net zero by 2050 are already known today, but in many areas they cannot yet be implemented economically. In the reporting period, carbon pricing mechanisms with what are assumed to be very high global prices for CO₂ emissions represent the largest single risk in the net zero scenario (see table T31 “Scenario analysis” in chapter 9.6 Opportunity and risk management p.114). **ESRS E1.SBM-3**

As of 2024, Evonik’s portfolio includes no GHG emissions that cannot be technically reduced by 2050. At this time, it is not

possible to forecast the economic viability of actions that are technically feasible by 2050. Potentially locked-in GHG emissions (Scopes 1 to 3) primarily result from the generation of heat and electricity using fossil fuels, notably in power plants, parts of production facilities, and raw materials. **ESRS E1-1, ESRS E1.IRO-1**

Progress in 2024

In the reporting period, Evonik continued implementing its EAGER projects as part of the company’s climate transition plan. The following projects, for example, are contributing to the reduction of our Scope 1 and 2 emissions. In 2024, we commissioned the expanded production facilities at our methionine plant in Singapore. The product manufactured in this expanded facility has significantly lower specific CO₂ emissions than before when using the previous technology. In addition, Evonik is building a new alkoxide plant in Singapore. This will enable alkoxides to be produced carbon-neutrally going forward. Construction is expected to be completed in 2025. In addition, investments in the restructuring of steam supply at our site in Antwerp (Belgium) were approved. There are plans under the Ecluse¹ project to source the steam from the neighboring waste incineration plant instead of from a combined steam and power supply based on natural gas starting in 2027. About 50 percent of the plant’s heat energy is generated from biomass. The electricity at the site will then be purchased under the long-term agreements for green electricity that have already been signed (see chapter 10.2 Green energy p.140 ff.). Moreover, Evonik focused its operational and continuous process improvements on energy efficiency and emission reduction in the reporting period, thereby contributing to CO₂ reductions.

¹ <https://ecluse.be/homepage>

In 2024, we also forged ahead with various projects to reduce our Scope 3 emissions in the upstream value chain. We have now converted our entire caustic soda supply in Germany to green caustic soda, which is produced by electrolysis using carbon-reduced electricity, for example, from renewable sources. Compared with the prior year, we also further increased the proportion of re-refined base oils in the base oils we purchase by just under 12 percent. The carbon footprint of re-refined base oils is 50 percent lower than that of fossil-based base oils. This is another way in which we are reducing our Scope 3 emissions. Additionally, the first large-scale quantities of green ammonia were processed at our Herne site in Germany during the reporting period. At our production site in Essen (Germany), we produced polyether on a technical scale for the first time using mass-balanced ethylene oxide and propylene oxide. Our project for reverse integration in the production of methyl mercaptan, a precursor for methionine, at the Mobile site in the US has progressed well and we expect to complete it in 2025. By producing this precursor ourselves rather than purchasing it, we will reduce Scope 3 emissions while simultaneously increasing Scopes 1 and 2. Thanks to our manufacturing process for methyl mercaptan, the reduction in Scope 3 emissions is greater than the increase in Scope 1 and 2 emissions. Hence, overall, there is a significant reduction in CO₂ emissions across all Scopes. In addition, our supplier engagement program is making a significant contribution to Scope 3 reduction. For example, an ever growing number of our suppliers of sodium silicate for silica production switched their procurement of sodium carbonate needed to produce sodium silicate to natural sources in 2024. Our announcement that, starting in 2025, we would only

consider suppliers who can provide information about their products' actual emission factors (primary data) led to significant activity among our suppliers and, as a result, the majority now either provide primary data already or are working on being able to do so during 2025.

Metrics

Since 2008, we have reported an extensive GHG emissions balance—from the extraction of raw materials through production to disposal of the products. The key metric is the carbon footprint (CO₂eq footprint). The data cover Evonik's direct energy and process emissions (Scope 1), emissions from purchased or acquired electricity and heat (Scope 2) as well as upstream and downstream emissions (Scope 3).¹ These include emissions from the production of purchased raw materials, services, and capital goods, fuel- and energy-related emissions not included in Scope 1 and Scope 2, emissions from upstream and downstream transportation and distribution, from the disposal of waste, emissions caused by business travel and employee commuting, energy requirements for leased administrative buildings and company vehicles, and emissions from the use and end-of-life treatment of sold products. By contrast, we do not report emissions from the processing of Evonik products, from franchises or downstream leasing activities, or from investments. The method is closely based on the GHG Protocol Standard of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), as well as the Guidance for Accounting & Reporting Corporate GHG Emissions in the Chemical Sector Value Chain published by the WBCSD. Purchased or acquired electricity (Scope 2) is calculated by the market-based method using the relevant power

suppliers' individual emission factors. Evonik does not use carbon offsets outside its own value chains in its carbon footprint accounting. [ESRS E1-6](#), [ESRS E1-7](#)

In 2024, total gross Scope 1 GHG emissions and gross market-related Scope 2 GHG emissions decreased by 4.4 percent year on year to 5.06 million metric tons of CO₂eq. During the same period, production shrank by 2.6 percent to 7.31 million metric tons, largely due to the sale of the superabsorbents business that was completed in August 2024. The reduction in total gross Scope 1 and 2 GHG emissions was mainly attributable to the closure of the coal-fired power plant in Marl at the end of March 2024. From this point in time, the two new highly efficient gas and steam turbine power plants in Marl began operating at full capacity. As already publicized, we were initially unable to decommission the Marl coal-fired power plant—originally planned for 2022—due to the geopolitical situation. The higher gross CO₂eq emissions from purchased electricity resulted mainly from increased purchases by Evonik Operations GmbH. Although this was more than offset in their net electricity balance by the sale to third parties of surplus self-generated electricity, it had no effect on Evonik's gross Scope 1 and 2 GHG balance (see chart [CS1 "Electricity and steam data in 2024"](#) in chapter 10.2 Green energy [p. 141](#)). The increase in CO₂eq emissions from purchased steam was primarily due to the sale of the superabsorbents business. The steam it delivered was previously classified as internal supply within Evonik. Following the sale, it must now be included as purchased steam in Evonik's gross GHG balance.

[ESRS E1-6](#), [ESRS E1-7](#)

¹ For details, see "Emissions along the value chain (Scope 3)" [p. 137 ff.](#)

Evonik Carbon Footprint^a ESRS E1-6

T36

in million metric tons of CO ₂ eq		2023 ^b	2024
Scope 1	Gas	1.87	2.00
	Coal	0.93	0.32
	Oil	0.01	0.00
	Substitute fuels and process emissions	1.01	1.02
	Methane (CH ₄)	0.02	0.02
	Dinitrogen oxide (N ₂ O)	0.02	0.02
	HFCs, PFCs, SF ₆ and NF ₃	0.02	0.02
	Total Scope 1 emissions	3.89	3.39
thereof Scope 1 GHG emissions from regulated emission trading schemes (in %)		77	79
Scope 2	Purchased or acquired electricity (market-based)	0.70	0.83
	Purchased or acquired steam (market-based)	0.70	0.84
Total Scope 2 emissions^c		1.40	1.67
Scope 3	Category 1: Purchased chemical raw materials, packaging materials, and indirect goods and services	10.1	11.8
	Category 2: Capital goods	0.3	0.3
	Category 3: Energy-related activities (not included in Scope 1 and 2)	1.3	1.7
	Category 4: Upstream transportation and distribution	1.0	0.9
	Category 5: Disposal and recycling of waste	0.3	0.3
	Category 6: Business travel	0.02	0.02
	Category 7: Employee commuting	0.04	0.05
	Category 8: Upstream leased assets (electricity and heating of administrative buildings)	0.00	0.00
	Category 9: Downstream transportation and distribution (to direct customers)	0.04	0.04
	Category 11: Use of sold products (direct emissions only)	3.1	3.7
	Category 12: Disposal and recycling of products	2.7	2.9
	Total Scope 3 emissions^{d,e,f}	18.9	21.6
thereof upstream		13.1	15.1
thereof downstream		5.8	6.6
Total GHG emissions (Scope 1, 2, and 3), market-based^g		24.2	26.7
Sales in € billion ^h		15,267	15,157
Intensity of GHG emissions, market-based, in thousands of metric tons of CO ₂ eq/€ billion		1.58	1.76

^a The balance covers fossil GHG emissions and emissions of gases—other than CO₂—of biogenic origin. The relevant use of biomass and associated net amounts of CO₂ removal and biogenic CO₂ emissions are reported separately as follows: In 2024, −1.3 million metric tons of CO₂ was recorded for Scope 3 category 1, +0.8 million metric tons of CO₂ for categories 11 and 12 together, and around +0.1 million metric tons of CO₂ for direct Scope 1 process emissions. In 2023, the net amounts of biogenic CO₂ were approximately −1.2 million metric tons of CO₂ for Scope 3 category 1 and approximately +0.8 million metric tons of CO₂ for categories 11 and 12 together. The corresponding direct process emissions (Scope 1) remained constant at +0.1 million metric tons of biogenic CO₂ in 2023.

^b Since activity was lower in the second half of 2023 than in the first half of the year, emissions in the fourth quarter of 2023 were overestimated for Scope 3 as the fast-close process uses a projection based on the first three quarters. Moreover, in addition to retrospective corrections, the method for calculating category 3 emissions was amended for application from 2024 and retroactively for 2023. The difference overall to our fast-close value was less than 5 percent. Nevertheless, we decided to publish the updated data for 2023 to ensure consistency between our externally communicated and internally used metrics.

^c Total Scope 2 emissions, site-based (2024): 1.94 million metric tons of CO₂eq.

^d Since the calculation of emissions data for 2023, the IPCC AR6 – GWP100 impact model (Sixth Assessment Report IPPC AR6 (2021)), which is based on a 100-year period)

The 20-percent decrease in Scope 1 and 2 GHG emissions between 2021 and 2024 was largely the result of portfolio measures, the consistent expansion of the proportion of green electricity used, and efficiency improvements in energy generation—primarily due to substitution of the coal-fired power plant at Marl Chemical Park with the new gas and steam turbine power plants.

In 2024, Evonik had 23 (2023: 26) facilities that fell within the scope of the EU Emissions Trading System 1 (EU ETS 1). In total, these EU ETS 1 facilities emitted 2.20 million metric tons of CO₂ in the reporting period (2023: 2.52 million metric tons of CO₂). Moreover, we are subject to additional carbon pricing systems in a number of countries. Both Germany and Austria have a national emissions trading system alongside EU ETS1. In the provinces of Fujian and Shanghai in China, our Nanping and Shanghai sites are subject to regional emissions trading systems. National emissions trading systems apply to our sites in Morrinsville (New Zealand) and Ulsan (South Korea). Our sites in Gibbons and Maitland (Canada) and Singapore are subject to the relevant national CO₂ taxes. Overall, about 79 percent of Evonik's Scope 1 GHG emissions were subject to carbon pricing systems in 2024.

is being used where possible to determine Scope 3 emissions, instead of the previous method developed by the University of Leiden (Netherlands) (CML2001-Aug. 2016).

^e Fast-close process reporting was in part used for the current period for Scope 3 (see chapter 9.1 About this sustainability report p. 93 ff.). Differences between the data and totals are due to rounding. Some calculations are based on assumptions and estimates.

^f Contains categories 1–9, 11, and 12. Scope 3 categories 10 “Processing of sold products”, 13 “Downstream leased assets”, 14 “Franchises”, and 15 “Investments” are not reported.

^g Total GHG emissions (Scope 1, 2, and 3), site-based (2024): 26.96 million metric tons of CO₂eq.

^h See the consolidated financial statements, “Income statement” table, “Sales” line item.

In 2024, Scope 3 GHG emissions calculated using the fast-close approach increased to 21.6 million metric tons of CO₂eq compared with the Scope 3 GHG emissions of 18.9 million metric tons of CO₂eq in 2023. Various factors contributed to this development, in addition to economic trends. The sale of the superabsorbents business in late August 2024 might have been expected to contribute to a reduction in emissions, since the emissions of the sold unit were accounted for solely for the period January to August, which is when the emissions were generated. However, this effect was offset and, in part, even overcompensated by several opposing effects. Firstly, the emission factors rose in some Scope 3 categories because more recent scientific findings regarding the GHG effect of methane leakage¹ and flaring during the extraction, storage, and distribution of natural gas and crude oil had been integrated into some of the emissions data used by Evonik. Besides category 3 fuel- and energy-related emissions, this particularly affected emissions from category 1 purchased raw materials.

Here, the effect compared with the previous year 2023 was much more pronounced than compared with the base year, as the average emission factor for purchased raw materials had continued to fall from 2021 up to and including 2023. This effect was heightened by differences in the development of individual business areas as well as by the increase in the volumes of electricity and natural gas supplied to third parties compared with the previous reporting period. At the same time, enhancements in the accuracy of some of our activity data, such as purchasing data,

coupled with constant efforts to improve our emissions calculations led to the recording of further emissions—for example, during the usage phase.

Status of emissions targets

- Reduce absolute Scope 1 and Scope 2 emissions by 25 percent between 2021 and 2030²
- Reduce absolute Scope 3 emissions by 11 percent³ between 2021 and 2030²

ESRS E1-4
Target achievement

T37

in million metric tons of CO ₂ eq	Base year 2021	2024	Target year 2030	Change in %, 2024 versus base year
Scope 1 and Scope 2 emissions	6.30	5.06	4.73	–20
Scope 3 emissions ^a	15.8	14.5	14.1	–9

^a Scope 3 emissions of all upstream categories as well as the downstream category “transportation and distribution” as defined in our SBTi target, but excluding the Scope 3 emissions that fall within the scope of the SBTi criteria for the electricity sector and are hence covered by a different intensity target. The exact wording of all Evonik emissions reduction targets validated by SBTi can be viewed at: <https://sciencebasedtargets.org/companies-taking-action>

¹ <https://esu-services.ch/fileadmin/download/jungbluth-2021-plastics%20Europe.pdf>
² The exact wording of all Evonik emissions reduction targets validated by SBTi can be viewed at: <https://sciencebasedtargets.org/companies-taking-action>
³ Exact target: 11.07 percent.

Emissions along the value chain (Scope 3)

ESRS E1-6

Calculating emissions along the value chain is a complex process requiring a wealth of activity and emissions data. As a general rule, all companies over which Evonik exercises operational control are included in the calculation of the Scope 3 GHG inventory. This largely corresponds to the scope of consolidation for financial reporting. In some cases, however, it goes beyond it since the emissions data of some subsidiaries over which Evonik exercises operational control but which are not included in the consolidated financial statements for reasons of materiality are also included in the calculation of the Scope 3 GHG inventory. Emissions from micro-businesses whose data are not already included in Evonik's regular data systems are not reported due to their lack of materiality and for reasons of practicality. Emissions from purchased raw materials are mainly determined using an emissions calculation tool developed in-house. All other calculations are usually based on Microsoft Excel tables and are then performed using internally configured workflows in KNIME¹. In some cases, assumptions must be made and estimates used, with each category being evaluated separately as described below.

Category 1: Purchased chemical raw materials, packaging materials, and indirect goods and services

Category 1 comprises emissions from the extraction, manufacture,

and transportation² of chemical raw materials, packaging materials, and indirect goods and services.

Chemical raw materials:

The calculation of the CO₂eq "backpack" was essentially based on a list of all purchased chemical raw materials from Evonik's central ERP system, which were supplemented by relevant raw material quantities from other sources in individual cases. Emissions were calculated for all raw material quantities for which a carbon footprint was available at the time of calculation. GHG emissions for the raw material quantities with no available carbon footprint were extrapolated on this basis. In selecting the emission factors, preference was given to primary data from suppliers. Alternatively, they were based on secondary data from CarbonMinds or providers of generic LCA data, such as Sphera's Managed LCA Content database or the ecoinvent³ database. If no suitable substance-specific emission factor could be determined, averaged emission factors were used or estimates made on the basis of similar products.

Packaging materials and indirect goods and services:

For the accounting of emissions from the production of services and purchased goods, with the exception of chemical raw materials, these items were assigned to categories 1 and 2 (capital goods) with the help of industry codes (Standard Industrial Classification (SIC)). The emissions were then calculated using

output-based emission factors⁴ for the corresponding codes. They are adjusted annually for inflation to ensure that they remain representative. Compared with the emissions caused by the purchase of raw materials, emissions from the purchase of other goods, services, and packaging are of little relevance.

Category 2: Capital goods

As described under category 1, a list of the indirect procurement items and allocation via industrial sectors were used to identify all capital goods relevant for category 2. It is calculated in the same way as the emissions calculation for indirect purchases in category 1.

Category 3: Energy-related activities (not included in Scope 1 and 2)

GHG emissions from the upstream value chain of solid, liquid, and gaseous fuels used in Evonik's power plants and processes during the reporting period were determined as the product of energy quantities and representative, region-specific emission factors from the Managed LCA Content database⁵. Global energy data were obtained from the internal ESTER ESHQ software. The upstream emissions for externally purchased energy quantities of steam and electricity were determined using assumptions regarding the fuel mix and the associated location-based emission factors. Emissions from purchased or acquired electricity resold to customers were also included.

¹ <https://www.knime.com>

² Except for transportation to Evonik reported in category 4.

³ GaBi database from Sphera Solutions GmbH or ecoinvent 3.10, as of 2024; GWP100, IPCC AR6.

⁴ 2012 Guidelines to DEFRA/DECC's GHG Conversion Factors for Company Reporting, Annex 13 (Indirect emissions from the supply chain) (2012); GWP100, IPCC AR2.

⁵ GaBi database, Sphera Solutions GmbH, as of 2024; GWP100, IPCC AR6.

Approximate calculation was carried out using the classification of the electricity supplies from Evonik Operations GmbH and adequate CO₂ emission factors for activities outside of Germany, supplementing the corresponding upstream CO₂eq emissions. The calculation was primarily based on full-year data, eliminating the need for extrapolation using the fast-close approach. Only the emissions from the energy trading business were calculated on the basis of extrapolated data.

Category 4: Upstream transportation and distribution

Upstream transportation and distribution includes incoming goods transportation from direct suppliers to Evonik as well as transportation of products between Evonik sites, and from Evonik to customers, as instructed by Evonik. The CO₂eq emissions from internal and outbound transportation of (intermediate) products were calculated using specific emission factors¹, which take account of the different types of transportation as well as direct and indirect emissions (well-to-wheel). The calculations are based on data from logistics purchasing on quantities of goods, estimated transportation distances to direct customers or other sites using the Haversine formula, and the specific modes of transportation. Since we do not have complete information about the distances and means of transportation for inbound shipments, an average emission factor per metric ton of

product transported was calculated based on data regarding Evonik's outbound shipments. Use of this average emission factor is based on the assumption that the means of transportation and average transportation distances can be applied to inbound shipments, whose emissions were then estimated using the quantity of raw materials purchased.

Category 5: Disposal and recycling of waste

Emissions from waste disposal were calculated on the basis of the volumes of waste for each type of disposal for the entire reporting period, which are recorded in the internal ESTER ESHQ software, together with the energy consumption figures. This included externally treated quantities of wastewater as well as solid production, construction, and demolition waste. The calculation was based on the average data method, with representative and in some cases regionalized emission factors for each type of disposal being determined using the Managed LCA Content database² and plausible assumptions regarding the carbon content.

Categories 6 to 8

Although we calculate and report categories 6 to 8, their insignificance means they are of no further relevance for Evonik and are hence not described in greater detail.

Category 9: Downstream transportation and distribution (to direct customers)

GHG emissions from the downstream transportation of goods from Evonik to direct customers (excluding the activities already covered in category 4) were calculated in the same way as for category 4 but using outbound goods volumes.

Category 10: Processing of sold products

Evonik sells intermediates primarily in a B2B environment. The portfolio includes thousands of products for a diverse range of end uses in a variety of end-customer markets. Evonik's position primarily at the heart of most value chains results in a large number of possible types and further intermediate steps for processing the individual products. This leads to an unmanageable complexity, making it impossible for us to calculate or even estimate a plausible figure for this category. It is a fundamental, familiar, and recognized problem for the chemical industry—especially in the early and mid-stage value chain.

Category 11: Use of sold products (direct emissions only)

Due to the diversity of Evonik solutions for different applications, the focus here is on calculating direct GHG emissions that are generated and released during the usage phase in the

¹ <https://cefic.org/app/uploads/2021/09/Calculating-GHG-transport-and-logistics-emissions-for-the-European-Chemical-Industry-Guidance.pdf>

² GaBi database, Sphera Solutions GmbH, as of 2024; GWP100, IPCC AR6.

downstream value chain through metabolization and decomposition from the carbon content of the Evonik products sold. Calculation of the emissions in the reporting period was based on the sales volumes, the actual or estimated carbon content of the products, and stoichiometric conversion to CO₂. Also included were the N₂O emissions of nitrogen-containing products sold as fertilizers—converted into CO₂eq using the characterization factor defined by IPCC AR6. It was assumed that they are fully released into agricultural soils and the atmosphere.

Category 12: Disposal and recycling of products

Since Evonik is in many cases not aware of the end-use applications of its own products—especially the intermediates—the emissions from their disposal were not calculated for the applications themselves, but for our products. GHG emissions associated with the disposal of the product volumes sold—excluding the quantities directly emitted already during the usage phase—were calculated on the basis of the actual or estimated product carbon content. For this purpose, emission factors from the Managed

LCA Content database¹ were used or, for pure incineration, waste water treatment, and landfill, the CO₂ emission volumes were calculated using stoichiometric conversion of the carbon content. For landfill and the wastewater treatment of inert products that do not degrade within 100 years², only the processing effort was modeled. Recycling was assumed to have an emission factor of 0. If energy recovery during waste treatment was expected to a relevant extent, this was taken into account using representative emission factors. Statistics were used to determine the proportions of different treatment types for certain (end) product groups. If applications and disposal route(s) were unknown, a division of treatment between incineration and landfilling was assumed.

Categories 13 to 15

Category 13 emissions that arise when Evonik acts as a lessor are not reported because this category is not material for Evonik. Category 14 “Franchises” is not relevant for Evonik because it is not applicable. Screening was conducted for category 15 “Investments”

and included those companies and joint ventures in which Evonik has an equity interest but over which Evonik does not exercise operational control. Including those activities where relevant emissions might be expected, this was estimated to account for less than 1 percent of Evonik’s total emissions. This category is hence not considered to be material and is not reported due to the high cost of regular data collection.

The proportion of Scope 3 emissions calculated using primary data in the reporting period, based on the fast-close method, was 13.6 percent. This was primarily attributable to the increasing proportion of specific raw material emission factors made available to us by our suppliers.

¹ GaBi database, Sphera Solutions GmbH, as of 2024; GWP100, IPCC AR6.

² See World Business Council for Sustainable Development: Guidance for Accounting & Reporting Corporate GHG Emissions in the Chemical Sector Value Chain (2013).

10.2 Green energy

Strategy and management

To ensure that our production processes run dependably, Evonik has to rely on a stable energy supply. One of the ways in which we are countering **insufficient energy supplies and potential bottlenecks** is by switching to renewable energy sources over the long term. More than 50 sites in Europe, Asia as well as North and South America currently source or generate sustainable energy. We additionally see opportunities for **saving energy through new technologies and efficient processes (Next Generation Technologies: EAGER), such as digitally controlled energy systems**. Evonik is working to mitigate climate change by saving energy, thereby contributing to reducing the impact of adverse climate effects on people and the environment. Our energy management system ensures a continuous and lasting increase in energy efficiency at our sites. We have already optimized approximately 85 percent of our global energy requirements using an ongoing, certified process. **ESRS 2 SBM-3**

In the reporting period, we successfully had other sites in Europe, North America, Brazil, and Thailand certified as conforming with

ISO 50001. Our certified energy management system now includes 65 sites, and ISO 50001 certification is planned for further sites in the coming years. The aim is for certification to cover more than 90 percent of Evonik's global energy consumption by 2027.

Targets

- Overall savings of 1,200 GWh of energy from implemented energy efficiency projects in the period 2021 to 2030
- Switch in externally purchased or acquired electricity to 100 percent green electricity by 2030

The executive board approved a new energy target in the reporting period. The previous energy target of reducing absolute and specific energy consumption by 5 percent in each case in the period from 2020 to 2025 was replaced by the ambitious new energy target of achieving sustainable energy savings of 1,200 GWh from implemented energy efficiency projects in the period from 2021 to 2030. At present, Evonik is comfortably ahead of schedule, but continued efforts will be needed to reach the target by 2030. Furthermore, we aim to switch to green sources for 100 percent of externally purchased or acquired electricity by 2030.

Actions

Evonik is using long-term green power purchase agreements (PPAs¹) with various energy utilities to switch to green energy. This will make us significantly less dependent on fossil fuels at our European sites in the future. Such long-term agreements ensure the financial viability and realization of the relevant projects and help advance the energy transition. Evonik compensates for fluctuations in the wind energy and solar power feed-in through its own balance group management in Germany. Alongside green electricity, biomethane is becoming increasingly important for Evonik as a substitute for fossil-based natural gas.

In addition, we are implementing actions to increase energy efficiency on the basis of our EAGER project (see chapter 10.1 Mitigating climate change p. 129 ff.).

Progress in 2024

In August 2024, all 64 foundations for the new 960 megawatt (MW) He Dreiht offshore wind farm were installed in the North Sea on schedule as an important interim step in its construction. We are expecting the first deliveries of green electricity under the PPAs agreed with EnBW in 2022 for a total of 150 MW to start in 2026.

¹ PPAs are long-term power supply agreements between a producer (e.g., a wind farm operator) and a major customer (e.g., an industrial company).

Good progress is similarly being made at the two photovoltaic sites to be newly constructed in Schleswig-Holstein (Germany). Vattenfall has meanwhile made the final investment decision for both projects. The first photovoltaic site will be commissioned in the first half of 2025 and will subsequently lead to initial deliveries of green electricity. The second photovoltaic project is expected to follow from the end of 2025. In addition, RWE will supply us with around 37.5 GWh of green electricity annually from the Kaskasi offshore wind farm starting in 2028. Kaskasi has already been in operation since the beginning of 2023.

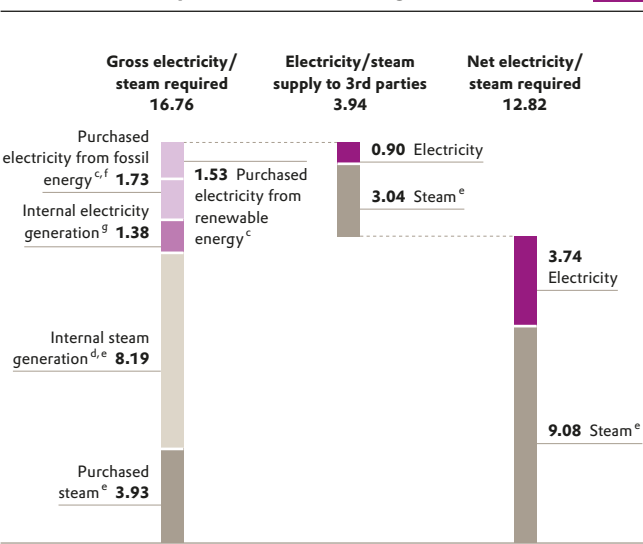
Evonik now uses electricity solely from renewable sources for producing its ROHACELL® high-performance foam at the Darmstadt (Germany) site. This is saving the High Performance Polymers business line 3,400 metric tons of CO₂ emissions annually. PPAs and green electricity certificates ensure that the Darmstadt site receives all the electricity it needs for ROHACELL® production from renewable sources. This reduces emissions and enables customers to increase the sustainability of the products they manufacture.

Metrics

In our energy reporting, we distinguish between primary energy inputs, generally fossil fuels used to generate our own electricity and steam, and secondary energy inputs. The latter mainly comprise purchased or acquired electricity and steam.

We also use substitute fuels such as thermal fuels, for instance, in the processing of by-products, waste, and sewage sludge.

Evonik’s electricity and steam accounting 2024 ^{a, b}



^a In petajoules.
^b Including energy requirements for cooling; excluding the sale of cooling energy to third parties and internal drying heat generation.
^c Excluding trading and excluding supply of purchased electricity to third parties in Germany.
^d Including process heat, e.g., from acrolein production.
^e Conversion factor: 0.78 PJ per metric ton steam.
^f Including 0.03 TWh of electricity from nuclear power.
^g Including 0.10 TWh of internally generated electricity from renewable sources.

Electricity and steam data T38

in GWh	2024
Self-generated electricity and steam from fossil sources	9,468
thereof steam	8,191
thereof electricity	1,277
Self-generated electricity from renewable sources	101
Purchased or acquired electricity from fossil sources	1,705
Purchased or acquired electricity from nuclear sources	27
Purchased or acquired electricity from renewable sources	1,534
Purchased or acquired steam	3,929
Electricity sold	–903
Steam sold	–3,039
Total net energy consumption	12,822

The coal-fired power plant in Marl (Germany) was decommissioned at the end of March 2024, making coal-fired power generation at Evonik worldwide a thing of the past. Coal has since been an insignificant component of Evonik’s energy mix. In addition to natural gas-fired generation of our own electricity and steam, large amounts of process heat from exothermic reactions—for example, from the production of acrolein—are used in integrated heating systems.

Evonik’s net electricity/steam consumption in 2024 decreased by 8 percent year on year to 12,822 GWh (2023: 13,997 GWh). This was mainly due to a large number of energy-saving actions and the sale of the superabsorbents business that was completed in August 2024. The use of renewable energies in 2024 amounted to 1,679 GWh, corresponding to a share of 13 percent in Evonik’s total net electricity/steam consumption.

In addition, we plan to switch to green sources for 100 percent of externally purchased or acquired electricity by 2030 (status as of 2024: 47 percent). Our PPAs with EnBW, Vattenfall, and RWE in Germany will successively increase the share between 2025 and 2040. At the same time, we expect full implementation of these arrangements to reduce Scope 2 emissions (purchased power) by about 150,000 metric tons of CO₂ a year. Accordingly, this will also help us reach our Scope 1 and 2 target (see chapter 10.1 Mitigating climate change [p. 129 ff.](#)). About one-third of this reduction is to be achieved through the use of renewable energies.

ESRS E1-5

Energy consumption^a and mix

T39

in GWh	2024
Natural gas	9,901
Coal and coal products	931
Crude oil and petroleum products	1.1
Other fossil sources	1,424
Purchased or acquired electricity from fossil sources	1,705
Purchased or acquired steam	3,929
Total fossil energy consumption	17,891
Consumption from nuclear sources	27
Purchased or acquired electricity from renewable sources	1,534
Consumption of self-generated non-fuel renewable energy	101
Fuel consumption for renewable sources, including biomass ^b	44
Total renewable energy consumption	1,679
Total gross energy consumption	19,597
thereof share of fossil energy (in %)	91
thereof share of nuclear sources (in %)	0.1
thereof share of renewable sources (in %)	8.6
Sales in € billion ^c	15,157
Energy intensity ratio in GWh/€ billion	1.29

^a As a specialty chemicals company, Evonik is allocated to the energy-intensive sector in accordance with NACE Code Division 20.
^b Including industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.
^c See the consolidated financial statements, “Income statement” table, “Sales” line item.

Status of the energy target

ESRS E1-5

- Switch in externally purchased or acquired electricity to 100 percent green electricity by 2030

Target achievement

T40

	2024	Target year 2030	Target attainment in 2024
Proportion of green electricity in externally purchased or acquired electricity in %	47	100	47

Outside of Evonik Operations GmbH (Germany), Evonik obtains its electricity exclusively under external power purchase agreements (100 percent). In some cases, the responsible supplier provides individual green labeling, with unbundled guarantees of origin¹ accounting for around 97 percent and bundled renewable energy certificates only representing around 3 percent. In Germany, Evonik Operations GmbH generates most of its electricity itself, supplemented by direct sales and purchases on the wholesale market. [ESRS E1-6](#)

¹ Unbundled guarantees of origin can be marketed separately, meaning that guarantees of origin can be treated independently of the respective power supply agreement.

10.3 Water management

Strategy and management

ESRS E3-1

Adequate availability of water for cooling and production processes plays a key role in our production activities. **Production stoppages due to water shortages, particularly in water stress areas**, pose a potential risk. This is why Evonik regularly analyzes the short-, medium-, and long-term water risks at all production sites. We aim to improve water use both in our own operations and along the upstream and downstream value chain. One example of this is the reduction of water consumption in water stress areas. In 2023, we broadened our approach to analyzing water stress at our sites so as to assess water risks holistically. We use the WWF Water Risk Filter to analyze various physical risks such as water availability, droughts, flooding, and water quality. Furthermore, we evaluate transitional risks, including regulatory risks, as well as reputational risks such as water conflicts and media scrutiny. Another focus is on the 2030 and 2050 time horizons, based on the SSP (Shared Socioeconomic Pathways) climate scenarios defined by the IPCC¹. **Increased water consumption** should be avoided in water stress areas. Going forward, we aim to develop location-specific action plans that contribute to reducing water usage and securing our production. In this way, we will conserve water resources and show consideration for the needs of our site neighbors. **ESRS 2 SBM-3, ESRS E3-3**

As a general rule, Evonik assesses its potential impacts, risks, and opportunities associated with water resources along its entire

value chain (cradle-to-grave). We use the LEAP² method for this assessment. An extensive analysis of our direct operational activities has already been conducted. In 2024, we additionally began analyzing upstream and downstream activities. Water management at Evonik focuses especially on water scarcity as a material physical risk. Our water risk assessment looks at risks relative to the water catchment area and the type of water use at each site. Examples include particularly water-intensive processes. In 2023, we performed a full water catchment area assessment, which was updated in 2024. In addition to the water risks outlined above, we perform a holistic risk analysis covering the additional potential impact of natural catastrophes such as storms, hail, floods, hurricanes, tornadoes, and torrential rainfall (see chapter 9.6 Opportunity and risk management p. 114 ff.). Moreover, our sites are regularly audited by insurance companies. **ESRS E3.IRO-1**

Evonik saves water wherever possible and is working to further reduce its emissions to water (see chapter 11.3 Occupational health and safety p. 180 ff.). Looking ahead, we intend to contribute to improving water use both in our own operations and along the upstream and downstream value chain, including by reducing water consumption in water stress areas. To achieve this, we are working on ways to optimize the reuse, recovery, reduction, and treatment of the water used in our operations. Water quality is improved through wastewater treatment plants. We harness advanced technologies for water treatment and reuse as well as for wastewater recovery. In this way, Evonik reduces its reliance on freshwater supply and lessens its environmental impact. We ensure that our approach to wastewater discharge meets the relevant legal requirements on the preservation and protection of

the aquatic environment. In 2023, Evonik adopted a water policy that is published on the company's website.³

Evonik additionally contributes to both reducing water consumption and keeping water clean through its products and solutions. In agriculture, for example, our amino acids for animal nutrition can help to reduce water consumption in certain regions. Additionally, our hydrogen peroxide and peracetic acid products are playing an increasingly prominent role as environmentally friendly alternatives for the disinfection of wastewater. Their only by-products are water and readily biodegradable acetic acid.

Target

ESRS E3-3

- Reduce specific freshwater withdrawal by 3 percent relative to production volume between 2021 and 2030

Our aim is to reduce specific freshwater withdrawal by 3 percent relative to production volume between 2021 and 2030. This voluntary corporate target adopted by the executive board aims to reflect the special significance of freshwater compared with seawater. No differentiation is made based on individual water risks such as water stress or on the basis of individual locations or thresholds. We plan to achieve our target through a wide range of actions applied across all of our production sites, taking technical and economic considerations into account. Identification of these actions and budgeting for their implementation are being carried out as part of our EAGER project (see chapter 10.1 Mitigating climate change p. 129 ff.).

¹ IPCC = Intergovernmental Panel on Climate Change.

² LEAP = Locate, evaluate, assess, prepare.

³ <https://www.evonik.com/en/sustainability/policies.html>

Actions

ESRS E3-2

Evonik uses the WWF Water Risk Filter to determine the sites that are most affected by water risks. In the reporting period, we did not obtain a rating of very high or extreme for any of our 104 production sites (equivalent to a WWF Water Risk Filter score of >4.2 for the physical, regulatory, and reputational risk types). Five locations were rated high risk (equivalent to a WWF Water Risk Filter score of between 3.4 and 4.2 for the physical risk type). A further 76 locations were classified as medium risk (equivalent to a WWF Water Risk Filter score of between 2.6 and 3.4) in respect of the water catchment area for one of the three risk types. Of these, 19 locations were in the upper range. The changes compared with the previous year are attributable to the extensive updating of the WWF Risk Filter and the underlying data as well as adjustments made to the indicators used. Consequently, comparisons with the results published in the previous year are not possible. We also examined future risks for the 2030 and 2050 time horizons, including analyses for the pessimistic, current trend, and optimistic scenarios, using the WWF Water Risk Filter. The pessimistic scenario is based on very conservative assumptions. On this basis, 24 sites would be classified on average as high risk in 2030 (but none as very high or extreme). In 2050,

31 sites would be classified on average as high risk and a further five as very high risk (but none as extreme risk). Analyzing our sites using the WWF Water Risk Filter helps us identify relevant water-related impacts, dependencies, and risks within our portfolio of sites in order to derive and prioritize future actions. Furthermore, we have continued our work on an approach to assign a monetary value to water risks (see chapter 9.6 Opportunity and risk management [p. 114 ff.](#)). [ESRS E1.IRO-1](#)

We fine-tuned our assessment of water use in the reporting period by interviewing experts at our sites. We started with those sites that our water catchment area analysis identified as being in high-risk regions and/or which have high specific water consumption. To date, around half of our sites have been assessed. The interviews were designed to obtain a more in-depth understanding of the individual sites' dependencies in respect of their water resources and to determine whether the respective sites already faced water events in the past (operational water risk). The analysis helps us more effectively prioritize our sites with regard to their water risk. In 2024, we started running workshops for sites exposed both to high water risk according to the WWF Risk Filter (watershed risk) and to high operational water risk. The purpose of the workshops was to raise awareness around water risks among all relevant parties at the sites, enhance understanding of the consequences—such as higher costs or business interruptions—and derive actions.

In addition, we began analyzing activities related to water along the entire value chain in 2024. For example, we evaluated the water consumption of our raw materials based on life cycle assessment data and identified water-intensive raw materials. We subsequently initiated a more detailed supply chain analysis and conducted a water risk analysis for both these and our top five raw materials. The main focus was traceability in the supply chain. We drew on specific purchasing data as well as market analyses for our assessment. Overall, upstream and downstream activities are subject to a greater degree of ambiguity and complexity, so only parts of these activities are taken into account. Our direct operational activities are recorded and evaluated in full. Alongside life cycle assessments, we draw on data from our ESHQ software, ESTER. We model the water opportunity as part of the sustainability analysis of our business (see chapter 9.3 Portfolio transformation [p. 100 ff.](#)).

Progress in 2024

During the reporting period, we identified EAGER projects that contribute to reducing specific freshwater withdrawal, alongside cutting CO₂ emissions. For example, thanks to the use of vapor recompression, we will no longer need to purchase steam externally at our Singapore site from 2025. This integrated heat management action will reduce the demand for cooling water, in turn reducing the demand for freshwater. We also plan to use vapor

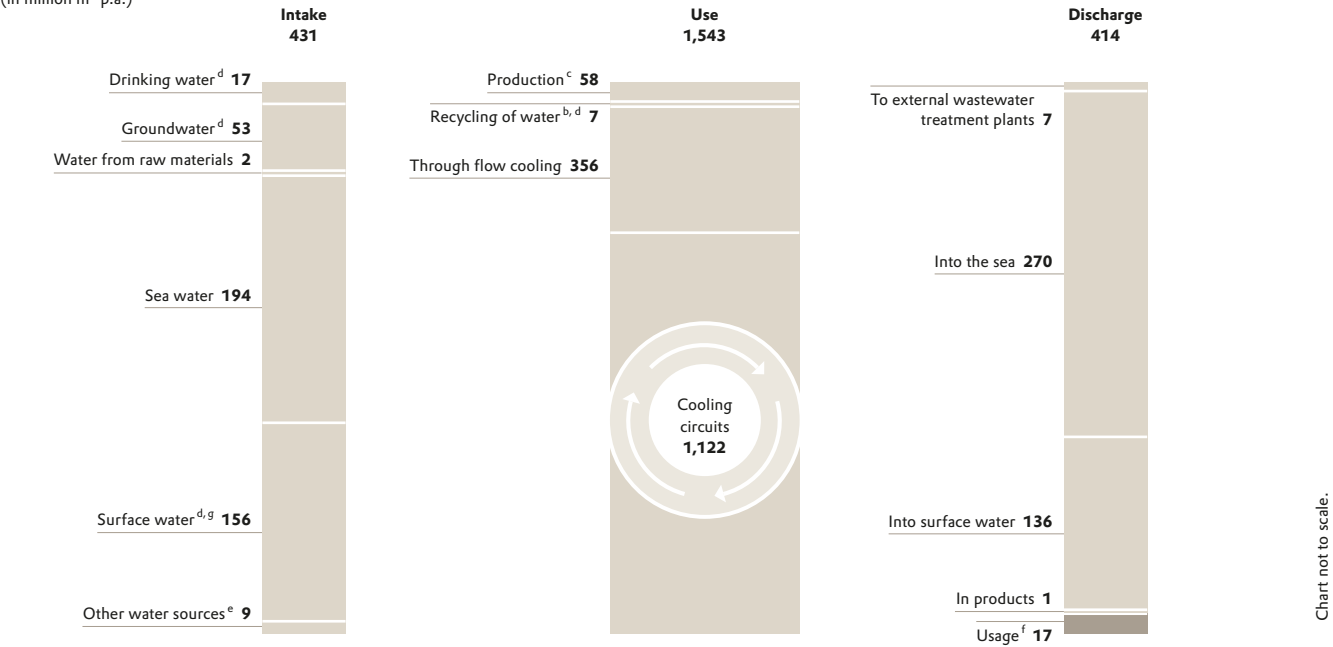
recompression at our site in Delfzijl (Netherlands). Furthermore, we began connecting our Antwerp site to the local Ecluse¹ steam network in the reporting period. This will considerably reduce fossil fuel consumption while simultaneously increasing direct heat use. As a result, we will be able to cut CO₂ emissions by at least 100,000 metric tons per year and contribute to annual water savings of around 42,000 m³ at the Antwerp site. In addition, our Active Oxygens business line is planning to implement Power-to-Heat (PtH) projects for the period up to 2030. These include, for instance, installing heat pumps in Europe, which are expected to save more than 3 million m³ of water a year.

Outside of our EAGER projects, further process improvements are helping reduce freshwater consumption. For example, Evonik is planning to use treated municipal wastewater instead of drinking water for the cooling towers at its Antwerp site. Additionally, there are plans to use the treated wastewater for steam generation, chemical processes, and in the desalination plants at this site. Based on full capacity utilization, this should allow savings of around 2.5 million m³ of drinking water a year at the site from 2026 and reduce freshwater requirements by a further 10 percent. In view of this, the municipal water utility in Antwerp is planning to build a cooling water factory with several technology companies in the next three years to recycle and treat municipal wastewater².

Metrics

Evonik’s water data 2024

(in million m³ p.a.)^a



^a Figures in the chart are rounded. | ^b E.g., condensate recycling. | ^c Water used in chemical processes, including generation of steam and water for sanitary purposes.
^d Freshwater. | ^e E.g., rainwater. | ^f Water consumption is the difference between water withdrawal and the return of water. It primarily relates to evaporation losses.
^g Including brackish water.

¹ <https://ecluse.be/homepage>
² <https://water-kracht.be/en/waterkracht>

ESRS E3-4

Water data

T41

in million m ³	2024
Water withdrawal	
Drinking water	17
Groundwater	53
Surface water ^a	156
Water from raw materials	1.7
Other water sources	8.8
Total freshwater	236
Sea water	194
Total water withdrawal	431
Water discharge	
into sea water and brackish water	–270
into surface water	–136
into external treatment facilities	–7.4
into products	–0.9
Total water discharge	–414
Total water consumption^b	17
thereof in areas at water risk, including areas of high water stress	2.5
Total water recycled and reused	7.4
Sales in € million	15,157
Water intensity ratio in m ³ /€ million	1,119
Production in million metric tons	7.31
Specific freshwater withdrawal in m³/metric tons	32.3

^a Including brackish water.^b Water consumption is the difference between water withdrawal and the return of water. It primarily relates to evaporation losses.

Total water withdrawal was 431 million m³ in the reporting period (2023: 403 million m³), while discharges amounted to 414 million m³ (including water in products). In 2024, water consumption—defined as the difference between water withdrawal and discharge—amounted to 17 million m³. It resulted mainly from losses due to evaporation and drying. In 2024, the largest proportion of water discharges was accounted for by through-flow cooling water with 356 million m³. Wastewater amounted to 57.3 million m³.

Total water recycled and reused in 2024 amounted to 7.4 million m³. Most of this—80 percent—related to condensate recycling. The water intensity ratio is 1,082 m³/€ million.

Data used in Evonik's water inventories were mainly based on measured data, evaluations from internal accounting systems, and

special reports to the authorities. The data thus obtained for our main sites were supported with additional calculations based on site-related input/output data.

Status of the water target

- Reduce specific freshwater withdrawal by 3 percent relative to production volume between 2021 and 2030

Between 2021 and 2024, production declined by 23 percent due to portfolio measures, plant closures, and falling demand. In the same period, the use of freshwater decreased less markedly, by 8 percent. The reasons for this include divestments and the closure of plants that used water in closed-circuit rather than through-flow cooling systems. As a result, their freshwater consumption in relation to production is lower than the group average.

Target achievement

T42

in m ³ /metric ton	Base year 2021	2024	Target year 2030	Change in %, 2024 versus base year
Specific freshwater withdrawal relative to production volume	26.8	32.3	26.0	+ 21

10.4 Biodiversity

Strategy and management

ESRS E4-1, ESRS E4-2

We are aware that our business operations involve both opportunities and risks with regard to biodiversity. These include, for instance, the **loss of biodiversity on land and in the oceans, including microbial organisms**. It is important to **avoid supply chain disruption and any resulting production stoppages at Evonik caused by biodiversity loss and damaged ecosystems**. This may occur if it is no longer possible to deliver the necessary ecosystem services. For example, damaged ecosystems may restrict the availability of biogenic raw materials for production. The starting points for Evonik's examination of biodiversity are conventional environmental topics such as emissions into the air and water as well as water and waste management, which we report on regularly as part of our sustainability reporting. In addition, the following aspects of biodiversity are addressed in the sustainability analysis of our business (see chapter 9.3 Portfolio transformation p.100 ff.) water, eutrophication, acidification, land use, use of renewable raw materials, emissions of critical and persistent chemicals, and microplastics. Evonik has adopted a biodiversity policy that is published on its website¹.

Declining biodiversity negatively impacts Evonik's business activities. At the same time, our business activities can adversely impact biodiversity. We performed a risk analysis of our business model in which, in addition to the areas of climate, water, biodiversity, and

chemical safety, we evaluated long-term physical, transitional, and systemic risks (2030 and 2050 time horizons) (see chapter 9.6 Opportunity and risk management p.114 ff.). Evonik's products and solutions also play a part in preserving biodiversity and help protect habitats. Through the responsible procurement of palm oil, palm kernel oil, and their derivatives, Evonik is seeking to ensure deforestation-free supply chains (see chapter 10.5 Circular economy p.153 ff.). **ESRS 2 SBM-3, ESRS E4.IRO-1**

When considering the issue of biodiversity, we refer to the ecosystem services and direct drivers of biodiversity loss as defined by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBE²). According to this body, biodiversity and ecosystems are natural capital and pave the way for processes that are vital for life. They provide what are known as ecosystem services, which can be divided into four categories:

- Provisioning services (such as wood, water, clean air)
- Regulating services (such as climate regulation, pollutant decomposition, water purification)
- Supporting services (such as nitrogen and carbon cycles, water cycle, soil formation)
- Cultural services (such as therapeutic, recreational, spiritual fulfillment)

Communities and economic systems are supported by these ecosystem services. According to the UN's IPBES report, biodiversity and ecosystem services have been decreasing across the globe as a result of anthropogenic influences. The IPBES defines the following as the direct drivers of biodiversity and ecosystem loss:

- Land-/sea-use change
- Direct exploitation
- Climate change
- Pollution
- Invasive alien species

Since 2023, we have examined and quantified the direct drivers of biodiversity loss as defined by IPBES. The main drivers of relevance for Evonik are climate change, pollution, direct exploitation (water withdrawal), and land use change (in the upstream supply chain).

Targets

Based on the IPBES definition of the direct drivers of biodiversity loss, Evonik contributes to preserving biodiversity by addressing issues such as the mitigation of climate change or the direct exploitation of resources such as water. Our climate, water, and waste targets (see chapter 10.1 Mitigating climate change p.129 ff., chapter 10.3 Water management p.143 ff., and chapter 10.5 Circular economy p.153 ff.) thus contribute indirectly to preserving biodiversity. These targets are:

- Reduce absolute Scope 1 and Scope 2 emissions by 25 percent between 2021 and 2030
- Reduce absolute Scope 3 emissions³ by 11 percent⁴ between 2021 and 2030
- Reduce specific freshwater withdrawal by 3 percent relative to production volume between 2021 and 2030
- Reduce specific production waste volume by 10 percent relative to production volume between 2021 and 2030

¹ <https://www.evonik.com/en/sustainability/policies.html>

² Source: IPBES 2019; Global Assessment Report on biodiversity and ecosystem services of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services. E. S. Brondizio, J. Settele, S. Díaz, H. T. Ngo; <https://ipbes.net/global-assessment>

³ Scope 3 emissions comprise all upstream categories as well as the downstream category "transportation and distribution" as defined in our SBTi target.

⁴ Exact target: 11.07 percent.

Actions

We aim to achieve our targets through the implementation of our climate, water, and waste actions. Compensatory and restitution actions are carried out in line with regulatory and/or legal requirements (for example, in the context of permitting processes). In the future, we will introduce an IT application that, for instance, enables us to build a holistic understanding of the existence and diversity of Indigenous peoples at our locations.

ESRS E4-3, ESRS E4-4

In the reporting period, we began examining water and biodiversity risks in the supply chain. Our primary focus here is water-intensive raw materials and renewable raw materials, as these generally have a greater need for irrigation. We also assess the effects of land use and the CO₂ emissions that result from a land use change on renewable raw materials. In order to gain a better understanding of how our operations influence biodiversity aspects, we analyze our sites. Since 2023, we have used the WWF Biodiversity Risk Filter and the WWF Water Risk Filter to assess the risks at our sites. This means that our assessments are based on the recognized methods of an established nature conservation and environmental organization. At sites where the anticipated risks are high and which are located close to conservation or key biodiversity areas, we aim to also examine the direct drivers of biodiversity loss in greater detail going forward. Key biodiversity areas are those with land, freshwater, and

marine ecosystems that play a pivotal role in protecting global biodiversity. Areas are classified as global key biodiversity areas if they meet one or more of eleven criteria, which are clustered into the following five categories: threatened biodiversity, geographically restricted biodiversity, ecological integrity, biological processes, and biological irreplaceability. In the reporting period, we conducted interviews and workshops on the subject of biodiversity together with our sites. We subsequently initiated a more extensive analysis for sites in the Asia-Pacific region (for example, Shanghai MUSC and Rayong) because it is more exposed to physical risks and the topic is becoming increasingly important there. Looking ahead, we intend to take a more holistic approach in our site analyses. In 2024, we began identifying and evaluating nature-related opportunities and risks. Besides examining the drivers of biodiversity loss and making risk assessments, we reviewed our dependence on ecosystem services (see chapter 9.6 Opportunity and risk management p.114 ff.). Furthermore, we plan to apply the LEAP approach developed by the TNFD¹ to even better reflect the issue of biodiversity in the sustainability analysis of our business activities. **ESRS E4-1, ESRS E4-2**

For other biodiversity analyses, Evonik uses a geoinformation system based on data from the IBAT Alliance². On this basis, we annually examine the potential impact of our sites worldwide on areas of special significance for biodiversity. This focuses on all sites within one kilometer of conservation or key biodiversity

areas. The data on conservation and key biodiversity areas made available by the IBAT Alliance are linked to the data on Evonik sites in our geoinformation system, GISSus. Going forward, we will examine the impact of our sites on endangered species.

ESRS E4-2, ESRS E4.SBM-3

Moreover, we are working to compile and visualize additional biodiversity indicators. To this end, a group-wide biodiversity dashboard is currently being developed so that, in the future, the sites most affected can be identified more easily and appropriate actions defined.

Progress in 2024

Our sites are engaged in various initiatives to protect biodiversity. For example, at our site in Antwerp (Belgium), we have committed to participating in the Voka³ Charter for Sustainable Entrepreneurship. Initial activities, including the renesting of protected barn swallows and litter collection, have been successful. Following a positive evaluation of the initiative as a whole, Evonik Antwerp was awarded the Voka Charter for Sustainable Entrepreneurship in the reporting period. The Antwerp site is also aiming for SDG Champion status in the PCA2030 trajectory (SDG Pioneer, SDG Champion, SDG Ambassador). A 14-point plan around the 17 SDGs has already been developed to achieve this. The project includes reducing the site's NO_x/NH₃/SO_x emissions. Our plan is expected to be validated in the first half of 2025.

¹ TNFD = Taskforce on Nature-related Financial Disclosures.

² The IBAT Alliance comprises the following four non-governmental organizations: (1) BirdLife International, (2) Conservation International, (3) International Union for Conservation of Nature (IUCN), (4) United Nations Environment Programme – World Conservation Monitoring Centre (UNEP-WCMC).



³ Voka = A Flemish network of companies in Belgium.





Moreover, Evonik’s products and solutions contribute to conserving biodiversity. At the site of the Pioneer Park residential quarter in Hanau (Germany), for instance, one of our products has been used to help remediate the groundwater that had been contaminated with volatile organic compounds (VOCs). A former military barracks, the area is being transformed into a contemporary residential area set to house 5,000 people. Evonik’s EHC® Reagent product is being used for the project. It combines controlled-release organic carbon with micronized zero valent iron (ZVI) to trigger chemical and microbiological degradation. The product is injected directly into the soil. This in-situ treatment offers the advantage of not requiring soil to be excavated or groundwater to be pumped to the surface. EHC® Reagent is produced using recycled and bio-based raw materials. The joint remediation project of Evonik, AECOM, and Sensatec was recognized at the German Brownfield Award® 2024, taking the bronze medal in the “Especially Sustainable” category. In addition, Evonik’s Health Care business line markets products that can be used as alternatives to animal-derived substances in pharmaceutical applications. In this way, we are positively contributing to circularity and biodiversity. With PhytoSquene®, a squalene derived from amaranth oil that can be used in vaccines such as the H1N1 flu vaccine, Evonik offers an alternative to traditional production using shark liver oil. As many species of shark are currently endangered, this product contributes to preserving biodiversity. In

the reporting period, this innovation was recognized with the “CPHI 2024 (Convention on Pharmaceuticals Ingredients) Excellence in Pharma Award” in the sustainability category.

Since 2023, an internal expert group at Evonik has met regularly to address relevant biodiversity topics. We follow the activities of biodiversity initiatives such as the TNFD, the SBTN, and the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES). Additionally, Evonik continues to support various legislative procedures on the subject of soil protection as a specific facet of biodiversity. By assuming leading roles in corresponding working groups at the German chemical industry association (VCI) and the federation of German industries (BDI), we maintain dialogue with national and international decision makers, contributing our experience.  [ESRS E4-1](#)

Metrics

The following table **T43** “Sites exposed to potentially material risks”  [p.150](#) shows the sites with potential material risks that we have determined based on the WWF Biodiversity Risk Filter for both the physical risk and reputational risk types. Various indicators were assessed for each risk type. The overall assessment for each risk type was determined based on the individual assessments of the indicators. A potentially high risk exists for a risk type if the overall assessment is >3.40.  [ESRS E4.IRO-1](#), [ESRS E1.IRO-1](#)

The risk analysis shows that, at present, we have four production sites in regions with high potential physical risks. The biggest physical risks at these sites are air and water quality, landslides, fire hazard, extreme heat, tropical cyclones, and water scarcity. One of our sites is located in an area classified as having potentially high reputational risks, including particularly critical media coverage as well as a high risk related to labor rights and human rights. Furthermore, we have identified the material potential (negative) impacts of our sites on biodiversity, ecosystems, and biodiversity-sensitive areas. These are water consumption (see chapter 10.3 Water management  [p.143 ff.](#)), greenhouse gas emissions (see chapter 10.1 Mitigating climate change  [p.129 ff.](#)), pollution such as emissions into the air and water (see chapter 11.3 Occupational health and safety  [p.180 ff.](#)), and waste (see chapter 10.5 Circular economy  [p.153 ff.](#)). We also examined dependencies on ecosystem services. In this regard, water intake at the Jhagadia (India), Nanning, and Zhenjiang (both China) sites is noteworthy. Going forward, we plan to additionally consider the environmental condition of biodiversity-sensitive areas near our sites. [ESRS E4.IRO-1](#)

ESRS E4.SBM-3

Sites exposed to potentially material risks

T43

Site	Country	Potentially material risks	Explanation
Jhagadia	India	High (3.4) for physical risks	<ul style="list-style-type: none">• “High” physical risk for the water availability, air and water quality, and extreme heat indicators; “very high” for the pollution indicator• Additionally, “very high” risk for the media scrutiny indicator within the reputational risk type
Nanning	China	High (3.4) for physical risks	<ul style="list-style-type: none">• “High” physical risk for the limited wild flora and fauna availability, air quality, fire hazard, extreme heat and tropical storms indicators; “very high” risk for the plant/forest/aquatic pests and diseases, and pollution indicators• Additionally, “high” risk for the labor and human rights indicator within the reputational risk type
Jilin	China	High (3.44) for reputational risks	<ul style="list-style-type: none">• “High” reputational risk for the labor and human rights as well as sites of international interest indicators; “very high” for the media scrutiny indicator• Additionally, “high” risk for the air quality and tropical storms indicators; “very high” for pollution within the physical risk type
Nanping-Laizhou	China	High (3.5) for physical risks	<ul style="list-style-type: none">• “High” physical risk for the water quality, air quality, landslide, fire hazard, extreme heat, and tropical storms indicators; “very high” risk for the pollution indicator• Additionally, “high” risk for the labor and human rights indicator; “very high” risk for the media scrutiny indicator within the reputational risk type
Zhenjiang	China	High (3.75) for physical risks	<ul style="list-style-type: none">• “High” physical risk for the water quality, air quality, extreme heat, and tropical storms indicators; “very high” risk for the pollution indicator• Additionally, “very high” risk for the media scrutiny indicator; “high” risk for the labor and human rights indicator within the reputational risk type

The table T44 “Sites near to biodiversity-sensitive areas” shows our ten biggest production sites adjacent to conservation or key biodiversity areas. Overall, 36 percent of our production sites are located within one kilometer of conservation or key biodiversity areas. We also include Natura 2000 areas in our overview of

conservation areas adjacent to our sites. A total of 30 production sites are adjacent to conservation areas. The total area of all production sites adjacent to conservation areas is around 1,971 hectares, which is 51 percent of the area of all production sites. Thirteen production sites with a total area of 219 hectares are adjacent to key

biodiversity areas. This represents 0.6 percent of the area of all production sites. The Krefeld and Greensboro (North Carolina, USA) sites were sold on August 31, 2024. Hence, the areas of these sites were taken from the 2023 sustainability report.

ESRS E4.IRO-1, ESRS E4-5

Sites near to biodiversity-sensitive areas

T44

Site	Country	Area in (ha)	Types of areas of importance for biodiversity	IUCN category	Name of the area of importance for biodiversity
Lafayette	USA	700.4	Private nature reserve	V	Lookout Point Site Fee
			Private nature reserve	V	Wabash Breaks Site Fee
			Nature reserve	V	Wea Creek Gravel Hill Prairie
Marl	Germany	664.2	Natura 2000	none	Lippeaue
			Protected landscape	V	LSG-Frentroper Mark
			Protected landscape	V	LSG-Grosse Heide, Wulfener Heide, Lange Heide
			Protected landscape	V	LSG-Haltern Lippetal und Dattelner Lippetal
			Protected landscape	V	LSG-Lippramsdorfer Flachwellen und Niederungen
			Protected landscape	V	LSG-Sickingmuehlenbach
			Nature reserve	IV	NSG Lippeaue
Morrisburg	Canada	113.2	Nature park	Ia	Dupont Provincial Park (Nature Reserve Class)
Antwerp	Belgium	108.3	Environmental network	none	De Slikken en schorren langsheen de Schelde
			Nature reserve	IV	Groot Buitenschoor en Galgenschoor
			Nature reserve	IV	NBP-AN-20-0145 type 3
			Natura 2000	none	Schelde- en Durmeëstuarium van de Nederlandse grens tot Gent
			Key biodiversity area	none	Schorren en Polders van de Beneden-Schelde
			Natura 2000	none	Schorren en Polder van de Beneden-Schelde
			Ramsar- Gebiet	none	Schorren van de Beneden Schelde

ESRS E4.IRO-1, ESRS E4-5

Sites near to biodiversity-sensitive areas

T44

Site	Country	Area in (ha)	Types of areas of importance for biodiversity	IUCN category	Name of the area of importance for biodiversity
Hanau-Wolfgang	Germany	77.7	Protected landscape	V	Auenverbund Kinzig
			Natura 2000	none	Erlensee bei Erlensee und Bulau bei Hanau
			Nature reserve	IV	Rote Lache von Wolfgang
			Protected landscape	V	Stadt Hanau
			Natura 2000	none	US-Militärgelände bei Großauheim
Rheinfelden	Germany	55.4	Forest reserve	none	Eichenwaldreservate Rheinfelden (Wasserloch, Rüchi und Heimeholz)
			Key biodiversity area	none	Jura mountains of Baselland – Solothurn
			Protected landscape	V	Schloss Beuggen
Wesseling	Germany	33.2	Protected landscape	V	LSG-Entenfang
			Protected landscape	V	LSG-Freiräume um Meschenich, Immendorf und Rondorf
			Protected landscape	V	LSG-Freiräume um Zuendorf, Wahn, Libur, Lind und Langel rechtsrheinisch
			Protected landscape	V	LSG-Landschaftskorridore
			Protected landscape	V	LSG-Rhein, Rheinauen und Uferbereiche von Rodenkirchen bis Langel rechtsrheinisch
			Protected landscape	V	LSG-Urfelder Weiden und Rhein
			Nature reserve	IV	NSG Langer Auwald, rechtsrheinisch
			Nature reserve	IV	NSG Luelsdorfer Weiden
			Natura 2000	none	Rhein-Fischschutzzonen zwischen Emmerich und Bad Honnef
Herne	Germany	26.1	Protected landscape	V	LSG-Dorneburger Muehlenbach in Bochum-Mitte
			Protected landscape	V	LSG-Park Hordel, Dahlhausen, Hueller Bach, Hofsteder Bach und Marbach in Bochum-Mitte
			Protected landscape	V	LSG-Südlich Holsterhauser Straße/Stadtgrenze Bochum
			Nature reserve	IV	NSG Hofsteder Weiher
Krefeld	Germany	23.7	Natura 2000	none	Latumer Bruch mit Buersbach, Stadtgräben und Wasserwerk
			Protected landscape	V	LSG-Elt
			Protected landscape	V	LSG-Muendelheimer Rheinbogen
			Protected landscape	V	LSG-Oppumer Feld
			Protected landscape	V	LSG-Rheinuferbereich
Greensboro	USA	23.5	Nature reserve	IV	NSG In der Elt
			Conservation area	V	Troy Street
			Conservation area	V	Vance Street

10.5 Circular economy

Strategy and management

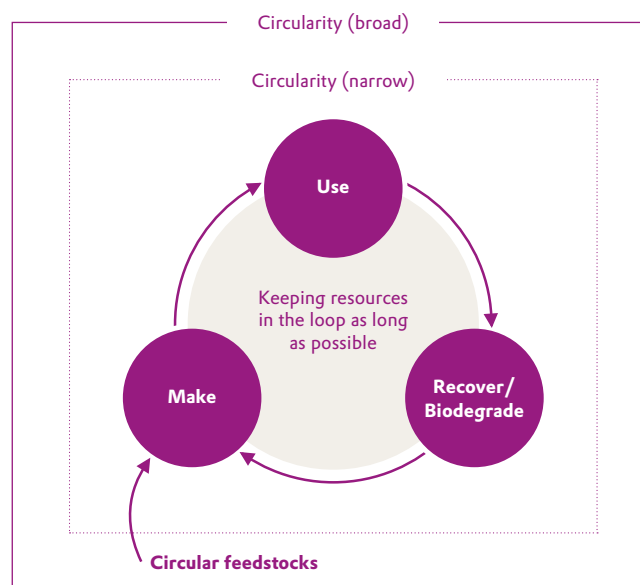
Evonik regards circular economy as a fundamental transformation of economic activity. Circular economy is a system-oriented approach covering industrial processes and economic activities along the entire value chain. It aims to achieve a climate-neutral, resource-efficient economy which preserves the value of products, materials, and resources for as long as possible. Circular economy means decoupling economic growth and the use of resources by returning valuable raw materials to the loop at the end of their useful life. **Better use of resources** is a top priority for Evonik. Likewise, the circular economy is becoming increasingly important to Evonik in view of our planet's limitations. Growing scarcity of raw materials may lead to **inadequate resource availability in the supply chain**. Activities such as the diversification of raw materials enable us to **enhance the reliability of supply for production**, helping reduce our reliance on finite fossil-based and other non-circular resources. As a specialty chemicals company, Evonik is an integral part of various value chains and has in-depth knowledge of and expertise in the processes, technologies, opportunities, and risks of upstream and downstream players. **Circular economy thus opens up new business opportunities** and attractive growth potential for Evonik. **ESRS 2 SBM-3, ESRS E5.IRO-1**

Circular economy involves looking at the entire life cycle of products. We endorse all business activities, technologies, and innovations that help speed up ecologically and economically viable actions to promote circular value chains. In the reporting period, we adopted a policy on the circular economy and use of resources,

which we published on our website¹. As a specialty chemicals company, Evonik is primarily at the heart of various value chains. That makes refining our products and technologies and changing our raw material platforms fundamental to achieving a circular economy. Alongside our own aspirations, major drivers include the increasingly stringent regulatory requirements coupled with the voluntary commitments of our customers and other companies—like the manufacturers of end products—along the value chain, as they are defining ever more ambitious plans to reduce CO₂ as well as targets for the use of circular materials. Working

Circular economy

C53



with partners at every link in the value chain is key to Evonik's successful role in the transformation to a circular economy.

Within the WBCSD², Evonik's involvement relates to the use of circularity metrics and the ongoing development of portfolio sustainability assessments (see chapter 9.3 Portfolio transformation p.100 ff.) to improve the evaluation of the entire product portfolio from the perspective of circularity. The sustainability analysis enables us to manage our impacts, risks, and opportunities in relation to the use of resources and circularity as well as to fine-tune our strategies and business models. The focal areas in the product life cycle are the production phase (including raw materials procurement), the usage phase, and the recyclability of products. **ESRS E5.IRO-1**

One ongoing challenge is the **limited availability of circular raw materials**. These include renewable or bio-based, recycled, and CO₂-based raw materials. Of these, Evonik almost exclusively uses renewable raw materials. We are endeavoring to **increase the proportion of circular raw materials**. For example, we make use of bio-based raw materials in our fermentative production processes, with sugars such as dextrose and saccharose used as substrates for the production of amino acids, rhamnolipids, and sophorolipids. Additionally, natural fats and oils and their derivatives are used to produce precursors for the cosmetics, detergents, and cleaning agents industries as well as in technical processing aids. Renewable raw materials are among the goods that are to be given particularly careful consideration in the procurement process, especially with a view to ecology and the reliability of supply. Consequently, they are subject to special examination. At the same time, Evonik views the circular economy as an opportunity to switch its procurement of critical raw materials, as defined in the EU Critical Raw Materials Act, to circular sources. **ESRS 2 SBM-3**

¹ <https://www.evonik.com/en/sustainability/policies.html>

² WBCSD = World Business Council for Sustainable Development.

Palm oil, palm kernel oil, and their derivatives make up the largest proportion of renewable raw materials. At Evonik, these materials are primarily used to produce ingredients for the cosmetics, detergents, and cleaning agents industry (Care Solutions business line) as well as to produce polymers used to improve the viscosity index and reduce the pour point of lubricants (Oil Additives business line). Specific strategies, targets, and actions with regard to palm oil are defined by the operational management teams in the Care Solutions and Oil Additives business lines. Evonik's annual requirements are around 82,000 metric tons. We are critical of the establishment of new palm oil plantations and the associated land use change. This is why we pay special attention to the ecological and sociopolitical developments relating to this market. 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 the responsible use of palm oil, we network with NGOs, customers, and other stakeholders in the value chain. Recommendations for the sustainable procurement and use of palm oil, palm kernel oil, and their derivatives can be found on our website.¹ In this way, we aim to heighten our employees' awareness around responsible palm oil use and procurement. Furthermore, Evonik advocates

the responsible use of woodland and forests as well as protection of the soil. Our Care Solutions and Oil Additives business lines are founding members of Action for Sustainable Derivatives (ASD). The goal of the ASD initiative is to ensure the traceability of palm (kernel) oil derivatives to mills and plantations. Its risk analysis methods and joint action plans aim to help counter progressive deforestation and promote human rights considerations. Within ASD, Care Solutions and Oil Additives report annually on the degree of transparency in the supply chain and at the oil mills involved. In the future, ASD will broaden its scope to cover raw materials such as coconut derivatives in addition to palm oil. If there are (possible) human rights violations by our indirect suppliers in our palm oil supply chains, we ask our direct suppliers to clarify the matter reported to us and, in the case of actual violations, to initiate corrective measures. Due to the widespread and fragmented nature of palm oil supply chains, it is frequently impossible for us to trace whether the relevant indirect supplier is actually part of our own supply chains. We are aware that we need greater transparency in our deeper supply chains to be able to agree and implement appropriate and effective corrective measures with suppliers also in this area. We are already in contact with relevant providers and other stakeholders regarding this matter, which we also address in our biodiversity policy.² **ESRS E5.IRO-1, ESRS E4-2**

Through our global circular economy program, we are expediting our business activities toward a circular economy by integrating

all business lines at Evonik. We review both the circularity of raw materials of all types and the value chains in all of Evonik's markets.

Our approach to waste management follows a clear principle: The first priority is to avoid waste; otherwise, waste should be recycled or used to generate energy. If this is not possible, and then only as a third option, it should be disposed of safely. Optimization of production processes contributes to avoiding and minimizing waste. That includes in-plant reprocessing of substance streams and the use of highly specialized catalysts to minimize side reactions. Where waste is unavoidable, material or energy recovery takes precedence. At our sites, various types of recyclable waste such as glass, paper, and wood are collected separately and sent to external recycling firms. We regularly monitor these firms through audits to review their suitability in line with statutory provisions. Evonik harnesses the benefits of integrated production sites and composite systems. By-products of a production process are used as raw materials in other production plants. Integrated management means that waste products can be used in nearby plants. At Marl Chemical Park in Germany, liquid organic residues are used as a substitute for heavy heating oil in the syngas plant and waste sulfuric acid is recycled in the sulfuric acid plant. If material recovery is not possible or not expedient with regard to the waste hierarchy, waste with a high calorific value ("substitute fuel") is used to produce energy.

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

² <https://www.evonik.com/en/sustainability/policies.html>

This reduces the use of primary fossil fuels. We use some of the exhaust gases from production plants as substitute fuels. In turn, heat from the substitute fuels and incineration gases is used to generate steam. **ESRS E5-1**

Targets

ESRS E5-3

- Generate at least €1 billion in additional sales with circular products and technologies by 2030
- Reduce specific production waste volume by 10 percent relative to production volume between 2021 and 2030

Through the global circular economy program, Evonik—in cooperation with internal and external partners—intends to help make circularity possible. This is also reflected in our target of generating at least €1 billion in additional sales with circular products and technologies by 2030. Circular products and technologies pave the way for design geared to enhancing circularity, the use of circular raw materials, extended useful lives as well as improved recycling processes and recycle quality. While business areas associated with plastics and related applications have been the biggest contributors to date, other Evonik business areas are now emerging on the road to meeting our targets. **ESRS E5-3**

Moreover, between 2021 and 2030, we aim to reduce the volume of specific production waste relative to production volume by 10 percent. We plan to achieve this by implementing a wide range of actions at our production sites. These actions were identified, for example, within the scope of the EAGER project. Our voluntary

targets adopted by the executive board are aimed at the top level of the waste management hierarchy, waste prevention.

Actions

Our global circular economy program comprises short- to medium-term actions with a clear focus on business developments. Examples of these actions include:

- The use of circular raw materials
- The development of solutions for mechanical and chemical recycling technologies
- The identification of business opportunities and the development of circular business models
- The intensive examination and structuring of new value chains

Evonik breaks down its activities into the areas of raw materials procurement, waste and resource management in its own production, and solutions that make circularity possible.

Raw materials procurement

The procurement of circular raw materials covers bio-based, recycled (bio-based and non-bio-based), and CO₂-based materials. Evonik's aim is to increase the use of circular raw materials to reduce the consumption of finite resources, shrink its own carbon footprint, and notably reduce Scope 3 emissions along the value chain. To this end, we are examining technical, economic, ecological, and social aspects as well as developing new business models. In line with this, Evonik opened a new plant for the production of rhamnolipids in Slovakia in 2024. Rhamnolipids are effective and sustainable biosurfactants suitable for use in areas such as personal care, cleaning,

coatings, animal feed, and agriculture. Thanks to this IP-protected, fermentation-based process, we are now playing a leading role in the development and production of biosurfactants on an industrial scale. Our rhamnolipids are made from renewable corn feedstocks using a biotechnological process. This yields a high-performance, non-toxic, biodegradable biosurfactant. Rhamnolipids are in ever greater demand because they provide a sustainable alternative to surfactants based on fossil sources or tropical oils. Additionally, Evonik produces, for instance, ingredients for skincare products from plant-based residues—thereby playing a part in the conservation of primary plant-based resources. In order to build up a circular system for sustainable recycling of polyurethane, we cooperate with one of the world's leading recycling companies, which provides us with end-of-life mattress foams as a circular raw material.

Waste and resource management

Continuous process optimization and the efficient use of resources play a major role in our production activities. We use a wide variety of actions to drive our activities toward circularity. These include:

- Increasing resource efficiency by continuously optimizing production processes
- Measuring and reporting on waste from our production plants in keeping with our goal of reducing production waste
- Leveraging the benefits of integrated production sites and systems for systematic waste management in alignment with the waste hierarchy
- Reducing, reusing, and recycling the packaging used for our products

Our building protection additives enhance, for example, the stability and appearance of concrete structures that are exposed to weathering and environmental influences. Our surfactants enable printing inks to be washed out of used plastics faster, so they reduce the ink residues in recycled plastics. In addition, after the washing process, less water remains on the plastic, saving time and energy in the drying process. Our additives also minimize odor and improve the processability and mechanical properties of recyclates. This opens the way for higher yields of secondary materials with better quality recyclates. We are involved in a consortium with BMW and other companies along the value chain. Its aim is to increase the proportion of recyclates that can be used in automotive components to enable circularity in the automotive sector.

Chemical recycling is a solution for waste streams that cannot be recycled eco-efficiently using mechanical or technical processes. That applies, for example, to mixed, heavily contaminated, or colored thermoplastics and duroplasts that cannot be melted. To achieve this, Evonik makes additives, adsorbents, catalysts, and process know-how available to its partners. In doing so, we facilitate chemical recycling of plastics residues that would otherwise be incinerated or disposed of in landfills. It is our way of helping to avoid incineration of heavily blended or contaminated plastics by enabling their use in the production of pyrolysis oils. Thanks to this technology, plastics streams are converted into pyrolysis oil at a high temperature without air. This oil can then be used as a substitute for fossil naphtha in crackers, providing the basic

ingredients for the synthesis of polymers. The technology is currently still at the pilot stage. To help meet the ecological and economic requirements also on an industrial scale, we have increased our product offerings for making pyrolysis oils. We supply adsorbents and catalysts for the separation of contaminants and purification as well as additives that enable the processing of pyrolysis oils at low temperatures. Our SiYPro™ additives help our partners make reprocessing in crackers safer and more robust. Another way of ensuring the circularity of heavily contaminated or mixed plastics streams is the production of synthesis gas. For this, too, we provide cleaning technologies such as adsorbents. Similarly, our alkoxide catalysts and process technologies enable the end-of-life-cycle recycling of PET packaging and colored PET plastics unsuitable for mechanical recycling. We envision that alkoxides will play a key role in chemical recycling of PET plastics going forward. Accordingly, Evonik is expanding its global alkoxides business with a new facility in Singapore. Alongside plastics, material classes like raw materials and the recycling of batteries for the energy transition are set to gain in importance going forward.

Since a circular economy extends beyond recycling approaches and includes the production and usage phases of products, Evonik technologies are also used in design for recycling and design for circularity. For instance, our binder for heat-sealing applications allows packaging materials such as yogurt pots to be produced from a single material so they can be recycled. Other examples include a 3D-printed monomaterial prototype of a car seat as well as monomaterial toothbrushes. In these applications,

polyamide 12 replaces all previous material blends, facilitating cost-efficient and eco-friendly mechanical recycling. This concept is geared to inspiring other product designers to reduce the number of materials where possible. New business models such as leasing could make such concepts viable also in more price-sensitive markets. Evonik complements this technical approach by using bio-based products; these are particularly significant for our Nutrition & Care division.

Progress in 2024

We conducted a circular economy assessment also in the reporting period in order to provide a structured record of the circularity indicators for our sustainability analysis (see chapter 9.3 Portfolio transformation p. 100 ff.). We will continue to adapt this method in line with changing requirements. The aim is to determine opportunities and risks for our entire portfolio even earlier and more effectively so that we can derive specific strategic recommendations on how to refine it. To determine the environmental impact of circular products, Evonik primarily uses life cycle assessments in accordance with ISO standards 14040 and 14044. In this context, we also explore which methods may be suitable for determining quantitative indicators in the future.

During the reporting period, Evonik began extending RSPO certification to all available palm-based raw materials. The strategic priorities of the Care Solutions business line are certifying its sites and extending its portfolio of certified products. The business line's sites that use palm oil have been certified since 2018

as conforming to the RSPO's mass balance (MB) and segregated (SG) standards. This means that our organizational structure at these sites meets the RSPO requirements, which is a basic prerequisite for the ongoing transition to certified raw materials. Care Solutions continuously screens market supply and uses its influence on direct pre-suppliers so that it can switch products globally to the MB standard. Most of the palm-based products offered by this business line already conform to the RSPO MB or SG standard. This is indicated in the tradename of all RSPO-certified products marketed by Care Solutions. The strategic priority of the Oil Additives business line is extending its portfolio of certified products. At present, all five production sites that use palm oil derivatives have been certified as conforming to the RSPO's MB or SG standard. In 2021, Oil Additives drew up an incremental plan for RSPO certification of the raw materials it uses. This provides for a phased transition to certified starting products. Evonik plans to use only RSPO-certified palm oil and palm kernel oil in its products by 2025. In addition to the sharp price rise, significant regional fluctuations in the supply of certified derivatives are challenging as this entails uncertainty in meeting demand. Hence, the availability of the requisite raw materials coupled with commercial feasibility on the global market are necessary preconditions.

ESRS E4-2, ESRS E5-3

Sustainable palm oil production: collaboration with WWF and Beiersdorf extended

Progressive deforestation to establish new palm oil plantations poses a major challenge. Through a joint project with WWF Germany and Beiersdorf, we aim to strengthen sustainable development in the Malaysian region of Tabin in Sabah on the island of Borneo. Taking a three-pronged approach—protect, produce,

restore—, this project aims to encourage a more sustainable production of palm oil and put a stop to deforestation. By 2026, small- and mid-sized growers farming around 15,000 hectares of land are to have their palm oil cultivation RSPO-certified. In addition, a political framework is to be created for sustainable agriculture and forestry. This is to be supplemented by creating at least one ecological corridor to allow wild animals to migrate to other habitats. Moreover, the project in Tabin is designed to stabilize the population of threatened and endangered species such as the rare Borneo elephants and orangutans as well as to protect their habitats. Since 2022, Evonik has partnered with the WWF and Beiersdorf on another project in Borneo, in the Indonesian province of West Kalimantan. The aim here is to certify 200 independent palm oil producers with a total of 300 hectares of land as RSPO-compliant. Plans are to give these smallholders direct market access to a palm oil mill by 2026. This marks a major milestone for Beiersdorf and Evonik in their commitment to sustainability along the entire supply chain for palm (kernel) oil derivatives.

ESRS E5.IRO-1, ESRS E4-2, ESRS S2.SBM-3, ESRS S2-4

Other activities

In 2024, Evonik additionally expanded its range of mass-balanced products. These products are certified under the ISCC PLUS and/or REDcert² standards¹. By the end of 2024, Evonik had 13 ISCC PLUS and three REDcert² certificates covering a wide range of products and business lines. Ten business lines already offer mass-balanced products in accordance with ISCC PLUS and/or REDcert². The sites in Antwerp (Belgium) (Crosslinkers business line) and Worms (Oil Additives business line) were certified successfully in accordance with ISCC PLUS in 2024. Another site is preparing for certification in 2025.

Networks and partnerships are the lifeblood of the circular economy. Therefore, frameworks are vital to create a mutual understanding of activities. For example, Evonik is a member of the European Circular Plastics Alliance. This EU initiative aims to return 10 million metric tons of plastic recyclate to the market in Europe every year starting in 2025. Furthermore, we have extended our involvement with Plastics Europe in Germany and Europe and the European Chemical Industry Council Cefic², both of which are promoting circularity. In 2024, we continued our collaboration with Wildplastic, a start-up that supports countries that have inadequate waste management systems in collecting plastic waste from nature by providing fair payment to local workers and organizations. Alongside additives for cleaning and reprocessing, we offer Wildplastic an extensive network, thereby supporting the creation of jobs in the relevant countries. **ESRS E5.IRO-1**

Metrics

We strive to avoid waste wherever possible; otherwise, waste is to be recycled or used to generate energy—and solely as a last resort, it should be safely disposed of.

The waste volume in the reporting year totaled 366,000 metric tons (2023: 348,000 metric tons). Relevant waste streams are: building and demolition rubble, waste from inorganic chemical processes, waste from organic chemical processes as well as waste from waste treatment plants and wastewater treatment plants. These include various materials such as, for instance, chemical substances (organic and inorganic), plastics, paper, glass, wood, scrap metal, and electronic waste. The higher total waste volume in the reporting year is primarily due to the 6 percent rise in production waste to 305,000 metric tons (2023: 287,000 metric tons). This resulted in particular from changes in the product portfolio and plant expansions. **ESRS E5-5**

¹ Further information is given under ISCC PLUS and REDcert².

² Cefic = Conseil Européen des Fédérations de l'Industrie Chimique (European Chemical Industry Council).

ESRS E5-4, ESRS E5-5

Waste management^a

T45

	2024	
	non-hazardous waste	hazardous waste
in thousand metric tons		
Recycling	88	61
Other recovery operations	21	44
Total amount of waste recovered	109	105
Incineration	5	58
Landfill	34	13
Other disposal operations	23	19
Total amount of waste sent for disposal	62	90
Total amount of non-hazardous and hazardous waste	171	195
Total amount of waste generated	366	
Total amount of non-recycled waste	217	
Percentage of non-recycled waste	59	

^a Only includes waste streams in the gate-to-gate process.

Production waste^a

T46

in thousand metric tons	2024
Non-hazardous production waste, disposal	39
Non-hazardous production waste, recovery	74
Hazardous production waste, disposal	87
Hazardous production waste, recovery	105
Total amount of production waste generated	305
Production in million metric tons	7.31
Specific production waste in metric ton of waste/ metric ton production	0.042

^a Only includes waste streams in the gate-to-gate process.

Status of waste target

- Reduce specific production waste volume by 10 percent relative to production volume between 2021 and 2030

Most of the data for Evonik’s waste inventories were automatically retrieved from standard operational waste management software solutions. These are generally also used for mandatory reporting to the relevant authorities.

The total weight of the raw materials we used in 2024 was around 8.6 million metric tons. Bio-based materials accounted for 9 percent of this amount, while recycled materials made up 0.1 percent of the total, at 7,300 metric tons. The calculation of the data focused on the direct procurement of raw materials, including supplies and toll manufacturing, and was based on a list of all purchased chemical raw materials from Evonik’s central ERP system, supplemented by relevant raw material quantities from other sources in individual cases. In the latter case, the fast-close approach was used to extrapolate the figure for the full year from the data for the first three quarters (see chapter 9.1 About this sustainability report p. 93 ff.). The data were supplemented and adjusted in particular to:

- Reflect acquisitions and divestments made during the reporting period
- Avoid double-counting of tolling products
- Standardize units of weight

In addition, around 2 percent of our direct procurement spending relates to units other than weight and is hence not considered. To offset this, the calculated weight data are increased by 2 percent.

ESRS E5-4

Target achievement

T47

	Base year 2021	2024	Target year 2030	Change in %, 2024 versus base year
in metric ton of waste/metric ton production				
Specific production waste volume relative to production volume	0.036	0.042	0.032	+ 17

10.6 Product stewardship

Strategy and management

🌱 ESRS E2-1

Product stewardship is our “license to operate.” Evonik monitors its products’ entire value chain from procurement of the raw materials to delivery to our industrial customers. This approach should not be confused with a complete life cycle assessment. Product stewardship also encompasses evaluating **potential environmental and health risks caused by Evonik products** and minimizing these wherever possible. Besides complying with all statutory requirements such as the European chemicals regulation REACH¹, the Globally Harmonized System of Classification and Labelling of Chemicals (GHS), and specific implementing acts, product stewardship at Evonik includes voluntary commitments that go beyond these regulations. For many years, we have been committed to the international Responsible Care® initiative and the Responsible Care Global Charter of the International Council of Chemical Associations (ICCA). Evonik describes the implementation and control mechanisms for monitoring compliance in an internal product stewardship standard. The cornerstones of our approach to product stewardship are set out in a product stewardship policy published on our website.² This is about **future-proofing our product portfolio by replacing hazardous substances in the supply chain**. At the same time, we are working on **alternatives to hazardous materials in our products as part of our efforts to improve the sustainability of our portfolio**.

🌱 ESRS 2 SBM-3, ESRS E2.IRO-1

We examine aspects of product stewardship along the value chain as part of the sustainability analysis of our business (see chapter 9.3 Portfolio transformation [p. 100 ff.](#)). We record and evaluate different signals in different categories. Signal categories 1 and 2 specifically relate to critical substances and regulatory trends. Signal category 3 relates to sustainability ambitions along the value chain, including for product stewardship and chemical safety, even before the introduction of corresponding regulations. PARCs with a negative rating—sales classified as transitioner or challenged—account for only a small proportion of our portfolio. We aim to keep the proportion of sales generated with products classified as challenged to below 5 percent long-term. To achieve this, we are continuously replacing hazardous substances in our products and working on alternative solutions. 🌱 ESRS E2-2, ESRS E2-3

Sustainability analysis of our business

C54

Market signals^a

- 1 Critical substances
- 2 Regulatory trends and global commissions
- 3 Sustainability ambitions along the value chain
- 4 Ecolabels, certification, and standards
- 5 Relative environmental and social performance
- 6 Contribution to ecological and social value creation
- 7 Contribution to the SDGs
- 8 Internal guidelines and objectives

^a Signal categories 1–5 compulsory, 6–8 optional.

Chemical safety has always been a priority for Evonik. We are aware that both substances of concern (SoCs) and substances of very high concern (SVHCs) are used in our processes and/or that these substances may arise during our production processes. SVHCs are a subset of SoCs. According to the Chemicals Strategy for Sustainability (CSS)³, SoCs include substances having a chronic effect on human health or the environment as well as those that prevent recycling to produce safe, high-quality secondary raw materials. SoCs comprise all substances included in the REACH SVHC Candidate List⁴, substances with certain hazard classes as specified in Annex VI of the CLP Regulation⁵, and substances that hamper the recycling and reuse of materials in accordance with the ESPR⁶. In line with the REACH and CLP Regulation requirements, Evonik communicates the presence of SoCs and SVHCs in its products in the supply chain by means of safety data sheets. As a supplier of specialty chemical solutions, we sell our products to other industrial companies. Neither SoCs nor SVHCs are subject to authorization. For the first time, the ESRS require a more extensive review of and more detailed information on SoCs and SVHCs.

Evonik evaluates all substances placed on the market (> 1 metric ton p.a.). To ensure a sound basis for risk assessment, we also take into account small quantities of SoCs. Where necessary, restrictions are placed on certain usage patterns or, in extreme

¹ REACH = Registration, Evaluation, Authorisation and Restriction of Chemicals.

² <https://www.evonik.com/en/sustainability/policies.html>

³ <https://echa.europa.eu/hot-topics/chemicals-strategy-for-sustainability>

⁴ <https://echa.europa.eu/en/candidate-list-table>

⁵ CLP = Classification, Labelling and Packaging of Substances and Mixtures (Regulation (EC) No. 1272/2008).

⁶ ESPR = Ecodesign for Sustainable Products Regulation.

cases, a complete ban is issued on use in certain products. Evonik evaluates its substances using its own chemicals management system (CMS). This system lets us evaluate our substances at global level. The content of the CMS has been harmonized with the requirements of ICCA and those of REACH. Evonik strives to continuously reduce or replace SVHCs wherever possible. We actively mitigate the associated risks for employees, customers, and the environment through advanced technologies and various risk management actions, ensuring safe production and use. As an extension of the CMS, our Chemicals Management System^{PLUS} is used for products containing more than 0.1 percent of SVHCs. Our aim is to reduce or replace these wherever possible. **ESRS E2-3**

Target

ESRS E2-3

- Include and evaluate substances/products from acquisitions¹ in CMS/CMS^{PLUS} by the end of 2026

We have set ourselves the voluntary target of including and evaluating by the end of 2026 substances added to our portfolio through acquisitions between 2021 and 2023. Similarly, we aim to include and evaluate by the end of 2026 products added to our portfolio through acquisitions between 2021 and 2023 within CMS^{PLUS}.

Actions

CMS/CMS^{PLUS}

During the reporting period, we continued our efforts to include and evaluate our substances and products in CMS/CMS^{PLUS}. To this end, we assessed our products with the highest content of

SVHCs (and SoCs where possible), creating the basis for further activities in respect of CMS^{PLUS}. These include improving manufacturing processes or replacing SVHCs by developing and using alternative substances.

Implementation of the REACH Regulation and quality of dossiers

Under REACH—apart from a few exceptions—all substances produced, imported, or placed on the market in the EU in quantities of more than 1 metric ton p.a. have to be registered. Evonik supports the goals in respect of protecting health and the environment in the handling of chemicals. To implement the complex REACH requirements, we maintain close dialogue with our suppliers and customers as well as with industry associations and authorities.

European chemicals regulation REACH

C55



Alongside the continued need to register substances, the main priorities include evaluating dossiers and substances as well as restriction and authorization. Evonik itself is not presently affected by authorizations. We compare the substance lists published by the authorities with our own portfolio to identify as early as possible whether any of our substances come within this

focus so that we can take appropriate action. We maintain close contact with our customers on this. Our reviews also cover the raw materials we purchase. Where substances are categorized as being of very high concern—for example, those on the REACH Candidate List—we discuss the steps to be taken with our suppliers or look for alternatives. We have set up an email mailbox for all REACH-related inquiries from customers and suppliers to ensure they receive comprehensive and timely answers. Another focus of our REACH activities is updating the dossiers for substances that have already been registered. This is based closely on the Cefic action plan, which Evonik has signed as part of a voluntary commitment. The inspection of all of Evonik's dossiers with a view to further enhancing quality will take place incrementally up to year-end 2026. Progress is outlined annually in our sustainability report and in reporting to Cefic. We have reviewed more than 500 dossiers since the action plan started in mid-2019. Evonik is critical of the currently projected tightening of the REACH Regulation. This includes, for example, the generic risk approach (GRA), registration of polymers, the extensive data requirements to identify substances with endocrine disruptors, requirements on the identification of the persistence and mobility of substances, and the mixture allocation factor (MAF).

The Globally Harmonized System (GHS)

Established by the United Nations, the GHS is a worldwide system for the classification of chemicals as well as for their consistent labeling on packaging and in safety data sheets. The GHS is still not applied uniformly around the world. This is why we have an in-house database to gather information on progress, changes, and national requirements for internal communication. Evonik applies the GHS/CLP² requirements worldwide.

¹ Since 2021.

² CLP = Classification, Labelling and Packaging of Substances and Mixtures (Regulation (EC) No. 1272/2008).

REACH-type regulations in other regions

Various countries and regions have either already introduced or are currently introducing chemicals regulations with requirements broadly similar to those of EU REACH. Examples include South Korea, Turkey, Taiwan, and the Eurasian Economic Union. Other countries, such as the USA, have likewise raised their standards significantly. Evonik is actively monitoring the development of regulations worldwide in order to be able to implement them in the relevant regions. In South Korea, consultations on the next volume band are taking place within the Chemical Substance Information Communicative Organization (CICO) and consortia. Turkey switched to tonnage-based transition periods at the end of 2023. Additionally, Evonik is monitoring the development of other upcoming regulations in order to prepare accordingly. These include, for instance, the entry into force of the new chemicals regulation in the Eurasian Economic Union. This will probably take place in two phases: As things stand, the regulation is expected to come into effect in Russia on March 1, 2026 and in the other members of the Eurasian Economic Union at a later date. In India, drafts of a REACH-type chemicals regulation have been prepared.

Other product stewardship actions

In light of global trade in chemicals and chemical products, it is important to encourage broad communication on their safe handling and use. We acknowledge this responsibility by providing an extensive worldwide information system. This includes information portals, safety data sheets—also for products containing

no hazardous substances—in more than 35 languages, technical data sheets, and extensive information on our website. At the same time, we have set up 24/7 emergency hotlines, including an interpreting service, and email mailboxes. Our specialist departments provide advice for our customers at all stages of the product life cycle, from the selection of raw materials through dealing with possible toxicological, ecotoxicological, and physical chemistry risks to the resulting exposure-based risks. We also provide advice on regulatory requirements relating to the planned applications, right up to transportation and disposal. Wherever necessary, we give customers training on how to handle our products. We registered no breaches of product labeling regulations in 2024.

We need toxicological and ecotoxicological data to assess the safety of our products. In keeping with our responsibility to protect animals, we check thoroughly in advance if there are possible alternatives to animal testing. As an active member of the European Partnership for Alternative Approaches to Animal Testing (EPAA), we engage in driving forward alternative methods—known as new approach methodologies (NAMs)—on a cross-sector basis. Moreover, we participate in discussions concerning data sharing at an international level. Evonik is engaged in various national and international associations and initiatives involved on a scientific basis in the ongoing development of risk evaluation criteria such as EPAA, ECETOC¹, and Cefic-LRI². If animal testing is unavoidable, Evonik ensures that the tests are performed solely by test institutes validated in accordance with the applicable national

and international legal provisions and that these tests meet animal protection standards. As a responsible company, we also have our own guidelines on animal protection, which were revised in 2024.

Progress in 2024

Our product stewardship covers a broad spectrum of topics which we are continuously addressing. The most pressing issues from our stakeholders' perspective and in our own assessment are outlined below.

Proposed restriction of PFAS in the EU

The proposed restriction of PFAS affects an estimated 10,000 substances in almost all usage forms. Evonik is concerned that implementing this proposal could have a massive impact—for example, by disrupting value chains—and prevent important applications in batteries, semiconductors, and renewable energy generation. In particular, the use of PFAS-coated pipes, valves, and seals in plant engineering could be banned in the medium term. That would affect entire industrial plants. The competent authorities are currently incorporating into the draft the propositions submitted during the consultation process. This has considerably delayed the evaluation to be provided by the scientific committees. It is likely that the consultation on socioeconomic factors will not take place before 2026. The subsequent scientific assessment will then be submitted to the European Commission, which will make a final decision on the possible restriction jointly with the EU member states.

¹ ECETOC = European Centre for Ecotoxicology and Toxicology of Chemicals.

² LRI = Long-Range Research Initiative.

Evonik markets small amounts of polymers classified as a subgroup of PFAS for the manufacture of medical products. In addition, Evonik uses a small quantity of PFAS compounds as precursors and intermediates, for instance, in the production of pharmaceutical active ingredients. We also produce small amounts of polyfluoralkyl substances, which we mainly use in coatings to protect surfaces—for instance, from graffiti. Evonik routinely looks for possible alternatives, though this is rather complex given the special properties of PFAS. In principle, Evonik advocates for prudent regulation of PFAS.

Microplastics

Evonik uses microplastics in some of its production processes. We also generate microplastics. This applies, for example, to the polymers produced by our High Performance Polymers business line, which we then sell on to customers. Evonik became a signatory to Operation Clean Sweep as early as 2015. The aim of this global

campaign is to prevent pellet loss in production, processing, and transportation. Evonik also offers alternatives that can replace microplastic particles in both rinse-off and leave-on cosmetic products.

Nanotechnology

Nanotechnology is a generic term covering a wide range of advancements and innovations alongside established technologies. Their common feature is the investigation, production, and use of minute structures measuring around 1 to 100 nanometers. Some of these products have been known for many decades while others represent new developments. Nanomaterials used in products and efficient system solutions for our customers make a substantial contribution to environmental and climate protection. Evonik strives to handle the associated technologies responsibly and conscientiously. We see considerable potential in new materials for high-end batteries and energy-saving technologies as well as

in materials to actively reduce greenhouse gases. Our many years of experience help us implement actions to protect employees, customers, and consumers in the handling of nanomaterials. These actions are based on the latest findings from scientific investigations regarding the assessment of risks and dangers as well as epidemiological and toxicological studies. In addition, Evonik supports the establishment of new methods of investigation aligned with the specific effects of nanomaterials, which make it possible to refine the evaluation of risks. We are also continuously exploring the potential hazards and safe handling of such materials. The revised definition of nanomaterials (Commission Recommendation 2011/696/EU) has resulted in some market uncertainty. On the one hand, the EU unexpectedly defined many powder substances as nanomaterials whereas, on the other, this definition has not been accepted or adopted in the rest of the world. The highly specific EU requirements on labeling are notably hampering product exports and causing uncertainty for international customers.

Metrics



Data for SoCs and SVHCs and breakdown by hazard class

T48

in thousand metric tons	Total ^d		Class A ^e		Class B ^e	
	Total SoCs	thereof SVHCs	Total SoCs	thereof SVHCs	Total SoCs	thereof SVHCs
In raw materials purchased for production ^a	2,733	110	1,906	65	908	61
ESRS disclosure: In sold products ^b	789	74	414	72	375	2
ESRS disclosure: Total in purchased raw materials and sold products^c	3,522	184	2,320	137	1,283	62

^a Conservative figure; our suppliers generally provide this information as a range and we used the upper end of the range here.
^b Data for SoCs and SVHCs, which leave Evonik as a product or part of a product. Emissions are not material due to the small amounts; services are similarly immaterial.
^c Data for SoCs and SVHCs, which are produced, used, or procured by Evonik. The difference between the quantities sold and produced was estimated and deemed to be immaterial.
^d Data do not include double-counting.
^e Data include double-counting.

To calculate these metrics, we programmed a new analytical tool to systematically analyze our purchase, sales, and product stewardship data and identify SoCs and SVHCs as well as their proportion in our raw materials and products.

We aligned the breakdown of the SoCs and SVHCs by hazard class to our CMS^{PLUS} and REACH Article 57. We defined the two main hazard classes that reflect the substances' hazard potential.

- Class A (hazard classes that correspond with SVHC properties): carcinogenicity cat. 1; germ cell mutagenicity cat. 1; reproductive toxicity cat. 1; endocrine disruption (human health); endocrine

disruption (environment); persistent, mobile, and toxic (PMT) properties; very persistent and very mobile (vPvM) properties; persistent, bioaccumulative, and toxic (PBT) properties; very persistent and very bioaccumulative (vPvB) properties.

- Class B (other hazard classes): carcinogenicity cat. 2; germ cell mutagenicity cat. 2; reproductive toxicity cat. 2; respiratory sensitization cat. 1; skin sensitization cat. 1; chronically hazardous to the aquatic environment cat. 1 to 4; damaging to the ozone layer; specific target organ toxicity (repeated exposure) cat. 1 and 2 (STOT RE cat. 1 and 2); specific target organ toxicity (single exposure) cat. 1 and 2 (STOT SE cat. 1 and 2).

As there are substances that are included in one (or more) hazard class(es) in both class A and B (double-counting), the sum of classes A and B is higher than the total amount disclosed for the SoCs and SVHCs.

We had to make some estimates in recording the SoCs and SVHCs in raw materials. Whereas almost all the supplier data for raw materials used at the European sites have been provided and made available centrally, this is not always the case outside Europe as, for instance, suppliers there are not bound to comply with REACH requirements. The proportion of SoCs and SVHCs was estimated for the remaining raw materials for which no SoC or SVHC data were available. There are plans to successively record these raw materials and their composition in full.

In the reporting period, we analyzed our microplastics volumes for the first time. We requested the relevant data from our business lines. In 2024, around 285,000 metric tons of microplastics (mainly in the form of granules) left Evonik production sites as products or parts of products. These serve as raw materials for processing by our customers. Microplastics are emitted from Evonik plants only in very small quantities and—in the context of production volumes—are negligible. To determine this, calculations were carried out following the method developed by Operation Clean Sweep (OCS) at Evonik plants that produce microplastics, for example. ESRS E2-4

10.7 Disclosures on the EU taxonomy

EU taxonomy—little focus on specialty chemicals so far

As part of the Green Deal, the EU taxonomy¹ is designed to direct financing toward sustainable investments. The EU taxonomy has six environmental objectives:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

Reporting obligations for 2024 for the first time cover both taxonomy eligibility and taxonomy alignment with regard to all six environmental objectives. The main focus of the first two environmental objectives is on economic activities that currently result in high carbon dioxide emissions. Here, a reduction in emissions would make the biggest contribution to achieving the EU's climate targets. Consequently, the chemical products mainly affected by the delegated acts to date for these two environmental objectives are commodity chemicals. Likewise, precursors are at present considered in only a few economic activities. Delegated acts

were published in 2023 for the other four environmental objectives². Similarly in these, chemicals and precursors are only rarely included in the taxonomy-eligible economic activities.

In consequence, Evonik's portfolio of specialty chemicals is currently only partly affected by the EU taxonomy: Some of our activities are listed in the environmental objectives climate change mitigation and pollution prevention and control; they are thus taxonomy-eligible³. In 2024, these taxonomy-eligible activities accounted for just 17 percent of turnover, 21 percent of CapEx⁴, and 15 percent of OpEx⁵. Our taxonomy-eligible economic activities are not material for the environmental objectives sustainable use and protection of water and marine resources and transition to a circular economy. None of Evonik's activities are taxonomy-eligible for the environmental objectives climate change adaptation and protection and restoration of biodiversity and ecosystems.

The taxonomy-aligned⁶ economic activities account for less than 1 percent of turnover, CapEx, and OpEx. One of the reasons for these low ratios is that—for the climate change mitigation objective—the EU taxonomy mainly addresses the carbon footprint of chemical products and notably that of their raw materials. By contrast, it disregards the positive impacts (handprint⁷) of many products. In view of the growing use of non-fossil raw materials and broader certification, we envision being able to increase this percentage in the coming years.

Unlike the EU taxonomy, our sustainability analysis⁸ of Evonik's business activities covers the footprint, handprint as well as further market signals and requirements. Many Evonik products are differentiated from competing products principally through their handprint. This is why our sustainability analysis with its holistic approach remains the key tool when it comes to the strategic management and fine-tuning of our portfolio.

Assessment of the taxonomy eligibility of economic activities

When determining which economic activities are taxonomy-eligible, we screened our portfolio at product level as to whether products can be allocated to the individual economic activities in line with the provisions set forth in the delegated acts. In this analytical process, we were supported by the experts from our operational units with whom we had in-depth discussions. The result is that only a handful of our products are taxonomy-eligible. For the environmental objective climate change mitigation, these are butadiene, which is allocated to the EU taxonomy economic activity "CCM 3.14 Manufacture of organic basic chemicals" and products that fall within the scope of economic activity "CCM 3.17 Manufacture of plastics in primary form".⁹ In addition, we identified some precursors within the scope of economic activity "CCM 3.5 Manufacture of energy efficiency equipment for buildings".¹⁰ The sale of electricity and steam from the Technology & Infrastructure division's gas and steam turbine power plants fall within

¹ Regulations (EU) 2020/852, 2021/2139, 2021/2178 and 2023/2486 of the European Parliament and of the Council on sustainability-related disclosures.

² Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023.

³ Taxonomy-eligible economic activities are those activities of a company that fall within the scope of the EU taxonomy and are listed in the delegated acts supplementing Regulation (EU) 2020/852.

⁴ As defined by the EU taxonomy, see below.

⁵ As defined by the EU taxonomy, see below.

⁶ Taxonomy-aligned economic activities are taxonomy-eligible activities that meet the stringent technical screening criteria and minimum social safeguards set out in the delegated acts on the EU taxonomy.

⁷ Positive impacts of our products along the value chain compared with other established products and their applications on the market, especially in customers' applications.

⁸ See chapter 9.3 Portfolio transformation **p.100 ff.**

⁹ The abbreviation CCM stands for the environmental objective climate change mitigation; PPC stands for pollution prevention and control.

¹⁰ In the delegated acts for the environmental objectives climate change mitigation and climate change adaptation, the economic activity "manufacture of energy efficiency equipment for buildings" comprises both products and their key components. Evonik products that are precursors for such equipment for buildings and influence its energy efficiency have hence been included here as taxonomy-eligible key components.

the scope of economic activity “CCM 4.30 High-efficiency co-generation of heat/cool and power from fossil gaseous fuels”. Economic activity “PPC 1.1 Manufacture of pharmaceutical active ingredients” is taxonomy-eligible for the environmental objective pollution prevention and control. We view taxonomy-eligible CapEx of category a only in conjunction with products that generate turnover. Further taxonomy-eligible economic activities arise from CapEx that is related to the purchase of output from taxonomy-eligible economic activities (category c). With the aid of additional data sources, the economic activities “CCM 4.9 Transmission and distribution of electricity”, “CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles”, and “CCM 6.8 Inland freight water transport” were identified as material for the first time in the reporting period. The prior-year figures were restated accordingly. All products and activities for which disclosures are required under the EU taxonomy are at levels well below our reporting segments, which are our divisions.

To determine taxonomy-eligible economic activities, we apply the concept of materiality established for financial reporting.

Screening of taxonomy-eligible economic activities for taxonomy alignment

The first step was to determine whether the taxonomy-eligible economic activities meet the stringent criteria with regard to making a substantial contribution to the respective environmental objective. If this was found to be the case, they were further screened to determine whether the products or production plants harm any of the other five environmental objectives (do-no-significant-harm criteria). For this purpose, the products in question and the sites where they are produced were screened centrally in accordance with the provisions specified in Appendices A through D of the delegated act. We have valid operating permits for all our production plants and sites worldwide. Consequently, they have undergone extensive inspection and evaluation by the competent authorities from an environmental due diligence perspective. Our production plants and sites within the EU comply with the EU directives set out in the appendices. We monitor compliance with any official requirements by performing systematic internal and external controls as an integral part of our management systems. The EU directives do not apply to sites outside the EU. Instead, these sites and production plants are evaluated

on the basis of the environmental regulations applicable to the specific location, which include environmental due diligence aspects. We comply with the applicable environmental regulations in all cases, implement all requirements imposed by the authorities, and monitor their observance through systematic internal and external controls.^{1,2,3} There is not yet a process to reliably verify the purchase of taxonomy-aligned output in category c.

A further requirement is observance of the minimum safeguards. We based our examination on the Report on Minimum Safeguards of the Platform on Sustainable Finance and evaluated five focus areas: human rights, corruption, taxes, fair competition, and science, technology and innovation. In keeping with their major significance for good corporate governance, the first four of these focus areas are part of our House of Compliance⁴. Evonik is committed to observing internationally recognized standards as well as its own more far-reaching guidelines and principles of conduct. The policy statement on human rights was revised in 2023 based on the annual human rights risk analysis and adopted by the executive board. All standards and guidelines apply group-wide, i.e., they also apply to sites outside the EU.

¹ For Appendix B, the basis for technical screening of activities in the EU is Directive 2000/60/EC (Water Framework Directive), which applies directly to our plants and sites within the EU. Possible requirements resulting from inspection by the competent authorities could be the measurement and analysis of water emissions and, where applicable, the implementation of any necessary actions.

² Compliance with the pollution prevention and control criteria pursuant to Appendix C is assessed using our EHS data system.

³ The basis for Appendix D is compliance with the EU's Environmental Impact Assessment (EIA) Directive (2011/92/EU) or other impact assessments for sites/operations located in or near biodiversity-sensitive areas. Potential requirements under environmental impact assessments are, for instance, the measurement of emissions into the air or water or noise emissions, including their analysis and, where applicable, the implementation of any necessary actions. An overview of our ten largest sites located near biodiversity-sensitive areas (e.g., based on the IUCN criteria) can be found in chapter 10.4 Biodiversity [p. 147 ff.](#)

⁴ See also chapter 7. Declaration on corporate governance [p. 75 ff.](#)

Determination of KPIs

For the climate-related objectives, the EU taxonomy requires disclosure of the share of turnover, CapEx, and OpEx attributable to both taxonomy-eligible and taxonomy-aligned economic activities.

Turnover, as defined in the EU taxonomy, corresponds to IFRS sales.¹ **CapEx** and **OpEx** are defined in a delegated act and do not correspond to any of the IFRS parameters. The CapEx KPI for the EU taxonomy differs from the key performance indicators we apply at Evonik (capital expenditures and cash outflows for investments in intangible assets, property, plant and equipment). The calculations are presented in the following tables. Most of the components used in these indicators at Evonik Group level can be found in the notes to our consolidated financial statements in accordance with IFRS.

Turnover is recorded and consolidated in our system at product level. The CapEx and OpEx metrics are allocated by cause at the level of the business lines and, frequently, at profit center level. However, where multiple products are manufactured in the same production plant, it is not always possible to assign these to taxonomy-eligible economic activities. In these cases, we make the calculation based on the corresponding turnover figures from the next highest level where a KPI is available. The next highest level is either a product line or a business line. Our CapEx and OpEx

KPIs are similarly recorded and consolidated in our system up to at least business line level. If CapEx of both category a and c is identified for individual product or business lines, the overlap of both categories is allocated only to category a. This method prevents double-counting of turnover, CapEx, and OpEx.

Calculation of CapEx for the EU taxonomy

T49

in € million	2023	2024
Capital expenditures for property, plant and equipment ^a	856	812
Capital expenditures for intangible assets ^b	4	4
Capital expenditures	860	816
Additions to property, plant and equipment from business combinations ^a	13	28
Additions to intangible assets from business combinations ^b	–	1
Additions from business combinations	13	29
Additions from leasing transactions ^c	187	166
Additions from leasing transactions due to business combinations ^c	–	3
Additions from leasing	187	169
Total CapEx for the EU taxonomy	1,060	1,014

^a See note 6.2 [p.248 f.](#)

^b See note 6.1 [p.246 f.](#) Goodwill is not included because it does not meet the definition of an intangible asset in IAS 38.

^c See note 6.3 [p.250 f.](#)

Calculation of OpEx for the EU taxonomy

T50

in € million	2023	2024
Research and development expenses ^a	443	459
Maintenance and repair expenses ^b	343	377
Expenses for short-term leases ^c	13	11
Total OpEx for the EU taxonomy	799	847

^a See income statement [p.225](#).

^b The maintenance and repair expenses are derived from the cost element accounting and contain services and materials incurred principally for production facilities, buildings, and operating infrastructure. Other cost items are not included.

^c See note 9.2 [p.277 f.](#) On materiality grounds, we have undertaken no further analysis as to whether this item contains taxonomy-eligible economic activities.

Evonik does not currently have any major investment plans (CapEx plans) for taxonomy-eligible economic activities that would transform a taxonomy-non-aligned economic activity into a taxonomy-aligned economic activity within the next five years and for which CapEx or OpEx as defined in the EU taxonomy was incurred in 2024 or 2023.

Based on the definitions in the EU taxonomy², we have derived KPIs for our taxonomy-eligible and taxonomy-aligned economic activities (see T51 and T52, [p.167](#)).

¹ See note 5.1 [p.237 ff.](#)

² The full tables can be found in the annex to the combined management report [p.215 ff.](#)

EU taxonomy: overview of KPIs for 2024

T51

	Turnover		CapEx		OpEx	
	€ million	Share in %	€ million	Share in %	€ million	Share in %
Taxonomy-eligible and taxonomy-aligned activities	68	0.4	2	0.2	1	0.1
Taxonomy-eligible and taxonomy-non-aligned activities	2,556	16.9	215	21.2	126	14.9
Total taxonomy-eligible activities	2,624	17.3	217	21.4	127	15.0
Taxonomy-non-eligible activities	12,533	82.7	797	78.6	720	85.0
Evonik Group	15,157	100.0	1,014	100.0	847	100.0

Differences due to rounding.

In 2024, the turnover of taxonomy-eligible economic activities was roughly the same as in the previous year, at €2,624 million. At 17.3 percent, their proportion of group turnover was roughly level with the prior year (17.5 percent). The CapEx of taxonomy-eligible economic activities increased to €217 million, due mainly to investment projects—especially in respect of “CCM 4.30 High-efficiency co-generation of heat/cool and power from fossil gaseous fuels” and “CCM 4.9 Transmission and distribution of electricity”. Their proportion of CapEx rose from 17.5 percent in the previous year to 21.4 percent. The OpEx of taxonomy-eligible economic activities increased slightly to €127 million. Their proportion of group OpEx was 15.0 percent, which was about the same as in the prior year.

EU taxonomy: overview of KPIs for 2023

T52

	Turnover		CapEx		OpEx	
	€ million	Share in %	€ million	Share in %	€ million	Share in %
Taxonomy-eligible and taxonomy-aligned activities	79	0.5	2	0.2	2	0.3
Taxonomy-eligible and taxonomy-non-aligned activities	2,505	16.4	171	16.2	110	13.8
Taxonomy-eligible activities that do not yet have to be screened for taxonomy alignment	95	0.6	11	1.0	6	0.8
Total taxonomy-eligible activities	2,679	17.5	184	17.5	118	14.8
Taxonomy-non-eligible activities	12,588	82.5	876	82.5	681	85.2
Evonik Group	15,267	100.0	1,060	100.0	799	100.0

Prior-year figures restated.

The turnover of taxonomy-aligned economic activities declined slightly to €68 million. As a proportion of the group's turnover, taxonomy-aligned economic activities decreased from 0.5 percent to 0.4 percent. As in the previous year, the CapEx of taxonomy-aligned economic activities amounted to €2 million and related almost entirely to capital expenditures. It represented a proportion of 0.2 percent of the group figure, unchanged from the previous year. OpEx declined compared with 2023 to €1 million and mainly related to research and development costs. The proportion of the higher group figure decreased from 0.3 percent to 0.2 percent.



SOCIAL INFORMATION

Leading Beyond Chemistry is a far-reaching promise that more than 30,000 employees at Evonik work to fulfill. Their talent, professional qualifications, and passion are the cornerstones of our success, along with the principle that safety has priority over sales and profits.

MATERIAL TOPICS

- Portfolio transformation
- Mitigating climate change
- Green energy
- Water management
- Biodiversity
- Circular economy
- Product stewardship
- Attractiveness as an employer/
employee satisfaction
- Diversity and equal opportunity
- Occupational health and safety
- Responsible management/human rights
- Responsibility within the supply chain
- Cybersecurity

€75.3 million

Spending on vocational
training and CPD

5.5

Occupational health
performance index

1.7%

Early employee turnover

0.14

LTI-R
(no. of accidents per
200,000 working hours)

11. Social information

- **Socially responsible tools for reorganization and restructuring agreed with employee representatives**
- **Continuous feedback: introduction of an advanced employee satisfaction survey tool**
- **Implementation of mandatory diversity training**
- **Opening of the “Safety Street” center of excellence for occupational safety at the Marl site**

11.1 Attractiveness as an employer/employee satisfaction

Strategy and management

Qualified and motivated employees are vital to Evonik's long-term success. To fully leverage this potential, Evonik actively promotes its employees' career development. Our HR strategy takes a practice-oriented approach and is aligned with the company's strategic targets. It focuses on employee recruitment, development, and retention. This is underpinned by a selective human resources planning and recruitment policy, particularly for key positions. Evonik offers a supportive working environment with fair pay, flexible working models, and transparent development opportunities. In addition, we prepare executives to lead the company's transformation. Our attractiveness as an employer and employee engagement are factors central to our success.

Evonik's global HR organization comprises HR Talent Management and HR Business Management. These two functions work closely together to perform global management tasks. HR Talent Management focuses on attracting, developing, retaining, and leading employees. HR Business Management coordinates the regional employer function, remuneration, digital HR applications, interaction with representatives of the workforce, and aspects of employment law. Our HR processes are flanked by digital services, learning offerings, and a global knowledge database.

The heads of both HR functions report directly to the chief human resources officer (CHRO) and make key decisions on the basis of Group Organizational Policy HR. They are responsible for defining global strategic topics and implementing the HR strategy. The HR alignment meeting, which is chaired by both functions, is charged with managing implementation of all topics and projects. Its other permanent members are the heads of HR Solutions & Systems, Workforce Analytics & Business Services, and Labor Law & Relations.

Attracting and retaining skilled personnel is essential if we are to achieve Evonik's growth ambitions. The **increasing shortage of skilled workers can lead to positions remaining vacant**. To fill vacancies and improve employee retention, Evonik is stepping up its efforts in the areas of employer branding, onboarding, and talent acquisition. Our employer identity, “Be Part of Something Special,” puts sustainable products, personal development, and

strong team spirit front and center. We aim to avoid a **high turn-over rate among new recruits** as this can result in higher costs and mar our attractiveness as an employer. This means employee satisfaction is vital to our success and is continuously measured. **Poor employee satisfaction levels could reduce productivity**. To counter this, we offer our employees competitive remuneration and attractive development opportunities. In addition, they benefit from a wide range of offerings to ensure a good work-life balance as well as preventive health care. Contented, motivated employees contribute to a positive working atmosphere and are less likely to change employer, which in turn makes them valuable ambassadors for the company vis-à-vis applicants, customers, and colleagues. Our attractiveness as an employer is measured by external rankings and internal surveys. 🌐 [ESRS 2 SBM-3, ESRS S1-4](#)

Evonik uses various resources to implement the HR strategy as well as successfully attract and retain skilled, motivated workers. Examples of these include HR Business Management and HR Talent Management teams, the use of a survey tool on career milestones, and regular pulse checks. 🌐 [ESRS S1-4](#)

Lifelong learning is a core component of employee satisfaction and personal development. We make this possible for our employees with offerings such as our online platform LILY (Learning and Individualized Library).

Target

ESRS S1-5

- Average self-directed, digital learning using the LILY and LinkedIn Learning platforms should be more than three hours per employee per year by 2026

In connection with its long-term incentive (LTI) remuneration plan, Evonik introduced a new key performance indicator (KPI) to measure and extend self-directed, digital learning in 2023. The aim is to establish a contemporary, sustainable learning culture at Evonik based on individual responsibility. This KPI is calculated by dividing the total learning time in the LILY and LinkedIn Learning systems by the total number of permanent employees¹. The base-line for this KPI is the average of 2.05 hours per employee in 2022. Our aim is to increase the average to 3.00 hours per employee by 2026. The KPI does not include mandatory training,

face-to-face training, or courses outside these two systems. Evonik has developed standardized definitions, processes, and a dashboard to measure progress.

Actions

ESRS S1-4

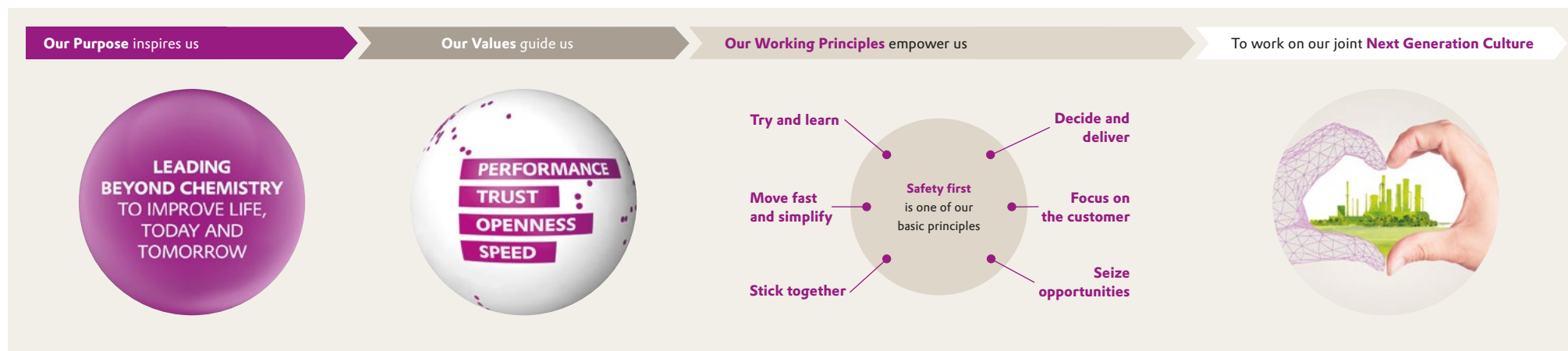
Talent management and integration of new employees into the corporate culture

Our goal is to build a strong pipeline for key functions and top executive positions. With this in mind, we offer the Evonik Explorer Program, where employees can proactively apply to take part in a group-wide talent program. We regularly evaluate succession scenarios and development requirements at HR meetings attended by the executive board. Special emphasis is placed on career paths, job rotation, and development programs that take into account topics such as sustainability and geopolitical

trends. Our effective onboarding process ensures the successful integration of new employees, introducing them to our corporate culture and procedures. This ensures that they are well prepared and informed when they start work. Our corporate values of performance, openness, trust, and speed guide the way during times of change. Through the ONE Culture initiative, we aim to make Evonik's corporate culture more dynamic and performance-driven. We encourage all employees to actively contribute to developing this culture. To complement Next Generation Technologies and Next Generation Solutions, Evonik has adopted Next Generation Culture with the aim of integrating sustainability requirements at all stages of the HR process. This encompasses HR planning, qualification analysis, training opportunities, and the integration of sustainability metrics into remuneration systems.

ONE Culture

C56



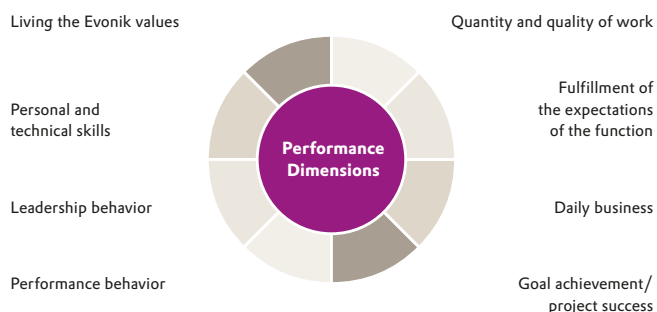
¹ Permanent employees include all employees with permanent/temporary contracts, excluding apprentices and trainees.

Performance management system

Our performance management system is based on eight performance dimensions. These include performance and leadership behavior as well as notably goal achievement and quantity and quality of work. Criteria taken into account include questions as to how goals are achieved and with what kind of behavior. Aspects such as diversity, sustainability, and leadership behavior are included in the Evonik competency model. This describes the professional and personal capabilities that we as a company expect from our employees and executives. We are firmly convinced that sustainable business activities and diversity pave the way for performance excellence.

Performance management

C57



Our permanent workforce is made up of 28 percent women and 72 percent men. Of these employees, around 88 percent worldwide receive a regular performance appraisal. Seventy percent of the employees appraised are men and 30 percent are women. Seventy percent are non-exempt employees and 30 percent are exempt employees. **ESRS S1-13**

Employee surveys and feedback culture

We are tackling the skills shortage through actions to bolster employee retention, including a supportive working environment

and regular pulse checks. Our career development portal highlights opportunities for development within the company. We reach out to school students and their parents with vocational training campaigns. For our employer branding, we harness job fairs, social media, and information on our careers pages to position Evonik as an employer with the relevant target groups. A global career ambassador program provides a realistic insight into potential career paths. We benefit from long-standing partnerships with universities and student networks. In addition, we cement our contact with college students through our “Evonik Perspectives” retention program. Dual study and training programs together with active talent acquisition further help us to attract skilled workers.

External rankings, in-house surveys, and early employee turnover are all pointers to our attractiveness as an employer. Employees can provide feedback through communities such as “NEXT-GEN—Green Transformation Hub at Evonik.” In order to grasp different perspectives and examine our own approaches, maintaining dialogue with stakeholders—especially employees—is vital. Evonik introduced a cutting-edge survey tool, which is integrated into the group’s HR management system, to further enhance the feedback culture. Employees are systematically surveyed when they reach career milestones, such as joining or leaving the company as well as job anniversaries. This is supplemented by regular pulse checks. The job anniversary surveys are closely linked to our “Be Part of Something Special” employer identity. HR experts and executives use the findings to derive actions and targeted improvements geared to continuously advancing our organizational and cultural development. **ESRS S1-5**

In 2024, Evonik stepped up its employee satisfaction and change management initiatives. We gained a detailed picture of employee sentiment through 23 pulse checks (13,572 participants). This year, there was a special focus on regularly gauging sentiment in Evonik’s business lines and functions. Conducted on a regular basis, the

“Silica Team Barometer” is a survey for measuring satisfaction in the Silica business line. Its findings are analyzed by the management team in order to identify critical topics early on and initiate actions for improvement. Since 2023, targeted questions relating to the transformation process of the Silica business line have been added to the survey and its frequency increased to four times a year. The team barometer serves both as a source of ideas for change management activities and as a feedback tool for reflecting on and checking the effectiveness of the actions taken. “Viva Engage Community” is a key communications platform covering the global Silica business activities. This efficient tool ensures continuous communications while also fostering dialogue and exchange between management and the workforce.

Attractive remuneration

Our HR tools worldwide ensure our employees receive market- and performance-based remuneration aligned with their responsibilities, capabilities, and track records—irrespective of gender, age, or other personal characteristics. Both our code of conduct and policy statement on human rights forbid discrimination. Preventive measures include training on the code of conduct (see chapter 12.1 Responsible corporate governance/human rights (table T66 “Compliance training and training rate in 2024” p.196)). We pay our employees—including trainees and student interns—the statutory minimum wage¹ in the respective country. In countries outside of Europe that do not have a minimum wage, the living wage is used as the benchmark. This is the minimum income required for a worker to cover their basic needs. We refer to the Fair Wage Network’s database to determine the relevant amount². Just 0.7 percent of employees are currently paid less than the adequate wage—all of those concerned are in Singapore. **S1-4, S1-10**

¹ In European countries without a statutory minimum wage, the Eurostat’s average annual earnings 2022 were used https://ec.europa.eu/eurostat/databrowser/view/earn_ses_annual/default/table?lang=en&category=labour.earn.earn_ses_main

² This is determined according to a household size based on the local birth rate and the average number of income earners per household in the respective country.

Gender pay gap and ratio

ESRS S1-16

In 2024, the global unadjusted gender pay gap—the difference between the average gross hourly earnings of women and men—was just under 9 percent. In Germany, where around 60 percent of all Evonik employees work, the gender pay gap was 3.7 percent. This means that, measured worldwide, women earn just under 9 percent less than men whereas women in Germany earn 3.7 percent less than men. This metric is influenced by factors such as the allocation of men and women to different job levels and job families. Comparison with the prior year is not possible because the basis for calculation has changed. In 2024, the calculation included all remuneration components; the previous year, only the basic remuneration was considered.

The ratio of the total remuneration of the highest paid person in the company to the median total remuneration of the entire workforce was around 57:1 in 2024. For the German workforce, the ratio was 55:1¹. The basis for calculating the gender pay gap was also used to determine the median remuneration of all employees, thus ensuring that only the pro rata remuneration of part-time employees, employees who join the company during the year, employees on long-term sick leave, and other employees is considered.

The calculation of both the gender pay gap and the ratio² took into account base salary as well as all other pay received by the employee in the context of their employment relationship (for

example, variable remuneration, bonuses, one-off payments, etc.). We decided against including pension commitments, as these are in principle unrelated to gender and are moreover not meaningful in this respect due to variations in the arrangements. On joining the company, each new employee can decide whether to join a pension plan and how much they wish to contribute.

Collaboration with employee representatives in a spirit of trust

ESRS S1-2, ESRS S1-5, ESRS S1-8

Collaboration between employer and employee representatives based on trust is a key success factor for Evonik. It takes account of operating conditions and the laws applicable in each respective country. In Germany, the fundamental rights of employees and their representatives are enshrined in statutory regulations such as the Works Constitution Act and the Executives' Committee Act. There are elected bodies representing our employees at all Evonik sites in Germany. Works councils represent exempt and non-exempt employees while executive staff councils represent our executives. They are consulted in good time on all major changes within the company. Over and above the co-determination prescribed by German law, it is common practice at Evonik to involve the employee representatives in all matters with regard to the future development of the group. In the event of reorganization or restructuring, the works councils and executive staff councils seek socially responsible solutions such as job transfers or early retirement arrangements. In the case of divestments, the parties agree on criteria to ensure employee rights remain

protected under the new ownership. The preparatory steps prior to implementation cover a period of several weeks or months, depending on the scope of the upcoming changes. During this period, agreements may, where necessary, be negotiated and concluded in writing with regard to the pending actions and their impact on our workforce.

At company level in Germany, employees' interests are protected by employee representatives on supervisory boards with co-determination. There are comparable legal or collectively agreed rules on the type and scope of consultation and negotiation in many other regions where Evonik has employees. The information and consultation rights of employees on European cross-border issues are represented by the Evonik Europa Forum, which is composed of employer and employee representatives.

Evonik does not restrict employees' rights to freedom of association or the right to collective bargaining. These rights are similarly ensured in countries where freedom of association is not protected by the state. Based on our sites worldwide, there are employee representatives for roughly 96 percent of our employees.

Collective agreements on remuneration cover 100 percent of our employees in Germany and around 67 percent of our employees worldwide. There are performance- or profit-oriented incentive systems at around 95 percent of our sites and companies. These systems cover some 99 percent of our permanent employees.

ESRS S1-8

¹ www.evonik.finance/remuneration-report

² Countries >20 employees were included.

Social information
Attractiveness as an employer/employee satisfaction

ESRS S1-8
Collective bargaining coverage and social dialogue in 2024 T53

Coverage rate	Collective bargaining coverage	Social dialogue	
	Employees in the European Economic Area (EEA)	Employees outside the European Economic Area (non-EEA)	Workers' representation (applicable only in the EEA)
0–19%			
20–39%		Asia-Pacific	
40–59%			
60–79%		Europe, Middle East & Africa (non-EEA)	
80–100%	Austria Belgium Finland France Slovakia Spain Germany	Central & South America North America	Austria Belgium Finland France Slovakia Spain Germany

Working time models and work-life balance

Evonik is committed to a family-friendly human resources policy that aligns with different phases in employees' lives and offers this to 97 percent of employees worldwide. Cornerstones of this approach include flexible work hours, assistance with childcare and other caring responsibilities, and the hybrid #SmartWork model. Of our 31,930 employees, 92 percent are in full-time and 8 percent in part-time employment. Around 80 percent of our 8,795 female employees work full-time, compared with 97 percent of full-time male employees.

Enhancing the compatibility of private and professional phases in their lives may be one of the reasons why employees consider taking paid or unpaid leave for a prolonged period of more than

three months. The information provided in table T54 shows the percentage of employees in the respective region who are eligible for this option. Interest is steadily growing and—as a percentage of the total number of employees—this option is now taken up by almost a quarter of employees.

ESRS S1-15
Options for extended periods of leave T54

Employees in %	2024
Europe, Middle East & Africa	93.9
Asia-Pacific	87.1
Central & South America	100
North America	97.5

The regular, contractually defined working hours for more than 74 percent of our employees are based on collective agreements. Working hours are limited to a maximum of 48 hours a week, though shorter working hours usually apply. Around 80 percent of our employees benefit from annual vacation arrangements that exceed the statutory provisions in their respective country. Since there is no statutory ruling in the USA in this respect, arrangements there are based on regional custom.

In Germany, all 18,305 employees, including our 13,285 male employees, have a statutory right to parental leave. In 2024, 738 employees made use of this right. Male employees accounted for around 48 percent. In 2024, they took an average of 1.7 months' parental leave, while female employees took an average of

6.5 months. That same year, 552 employees returned to work following parental leave. Here, men accounted for just under 62 percent.

Social protection

ESRS S1-11
Our employees have social security cover protecting them against loss of income due to major events such as sickness, unemployment, workplace accidents, disability, motherhood, and retirement. Virtually 100 percent of our workforce are covered by statutory or company pension insurance and health insurance. There is no statutory pension insurance in the United Arab Emirates. In all regions, we offer voluntary social benefits, which are available to 99 percent of employees, including part-time workers, provided that they meet the minimum working hours prescribed in some regions. In 2024, we once again offered employees in Germany, the USA, Belgium, and Singapore the opportunity to take part in our employee share program, with uptake of 35 percent. In many countries, Evonik provides contribution-based pension schemes that allow for employee contributions. These vary in line with the customary market practice in each respective country. In Germany, employees have been able to choose to make personal contributions of 0, 3, or 4 percent since 2023. Employer contributions rise in line with the personal contribution. In the USA, the standard contribution is 6 percent. This can be individually adjusted and topped up with graduated employer contributions.

Vocational training and continuing professional development

ESRS S1-13
Our activities in this area cover both the vocational training of young people at the start of their working lives and continuing professional development of our employees. In 2024, Evonik trained 1,718 young people in Germany (1,229 at Evonik, 489 at external companies). Our offering covered 38 recognized vocational

Social information
Attractiveness as an employer/employee satisfaction

training courses as well as combined vocational training and study programs. Vocational training expenses amounted to €64.7 million while spending on continuing professional development was €10.59 million. This corresponds to a continuing professional development expense of €332 per employee.

Evonik has a global learning strategy. The central elements of this strategy are:

- Uniform global solutions for training and personnel development, with self-directed digital learning content
- Streamlining the range of digital learning platforms
- Increasing the acceptance of digital self-directed learning and lifelong learning

We offer our employees access to a wide range of learning journeys and digital content for self-directed learning. At the start of 2023, Evonik introduced the LinkedIn Learning digital library containing over 20,000 courses in various languages for all employees. These courses range from business-specific software through project management to career advice and tips on leadership. A global development portal helps users navigate the vast selection of training options. Our FutureZone learning platform manages employee participation in mandatory training and e-learning sessions and allocates employees accordingly. We measure success in implementing our learning strategy by the number of participants, their average learning time, and the total number of people registered to use LILY. Average self-directed, digital learning using the LILY and LinkedIn Learning platforms amounted to 1.7 hours per employee. Men learned for an average of 1.4 hours and women for 2.4 hours. Both platforms are available to all employees worldwide who have access

to the intranet. A learning and skills network created by employees for employees—the Evonik learning sessions—numbers some 19,700 members across the globe. In 2024, a total of 16,381 employees participated in 141 learning sessions.

Progress in 2024

ESRS S1-4, ESRS S1-5

Our efforts in 2024 centered on developing our Next Generation Culture initiative, with the aim of encouraging employees to take an active role in shaping our corporate culture. The Evonik Social Network Community provides its 1,300 members with regular updates on developments and actions. This platform promotes networking as well as enhancing the visibility of new actions and special events. A series of videos served to highlight the importance of the human factor as a critical element in our sustainability transformation. In the future, we will continue to focus on established topics that enable us to address and further strengthen the community on an ongoing basis.

Around 200 employees participated in the Evonik Explorers talent development program in the reporting period.

Developed in 2023, the “Be Part of Something Special” employer identity was rolled out across our business lines, functions, and regions in 2024. Employee workshops gave rise to new themes for business-relevant target groups. Our employer branding was bolstered by more than 400 new career ambassadors through people stories, Instagram takeovers, and events. The employer branding team launched several digital campaigns communicating topics in an authentic way. A new internal job change tool facilitates onboarding through the use of SharePoint pages; it is

available in the USA and Germany, among other countries. Most employees who move to a new role are faced with significant changes due to relocating within the same country or abroad, transferring to a different business unit, or because they are taking on a management position at Evonik for the first time. Human Resources helps these employees settle into their new jobs with the Power Up@Evonik platform. “Refill with Skill” provides the opportunity for informal discussion with management as a means of promoting career changes. The Talent Acquisition Dashboard was improved to allow metrics such as processing times and satisfaction levels to be analyzed. This enables us to make strategic, data-based decisions that underpin a targeted and sustainable HR policy throughout the group.

Metrics

In 2024, we paid out €3,170 million in wages and salaries.

Personnel expense		T55
in € million	2023	2024
Wages and salaries	2,605	3,170
Social security contributions	465	488
Pension expenses	125	141
Other personnel expense	59	57
Total	3,254	3,856

The following employee information is headcount data taken from the global SAP HR information system as of the December 31, 2024 reporting date. ESRS S1-6

Social information

Attractiveness as an employer/employee satisfaction

Employees by contractual status

Around 96 percent of our permanent employees worldwide have permanent contracts.

In the EMEA region, 1,545 employment contracts were temporary—of which 80 percent were apprentice/employee contracts in Germany.

ESRS S1-6

Employees by region, contractual status, and full-time/part-time working in 2024

T56

	EMEA ^a	North America	Central & South America	Asia-Pacific	Group total	thereof men	thereof woman
Contractual status							
Employees with permanent contracts	19,814	4,734	737	4,237	29,522	21,455	8,067
Employees with temporary contracts	296	9	7	835	1,147	722	425
Full-time apprentices/trainees	1,254	3	4	–	1,261	958	303
Total^b	21,364	4,746	748	5,072	31,930	23,135	8,795
Full-time/part-time							
Full-time employees	17,653	4,724	742	5,065	28,184	21,446	6,738
Part-time employees	2,457	19	2	7	2,485	731	1,754
Apprentices/trainees	1,254	3	4	–	1,261	958	303
Total^b	21,364	4,746	748	5,072	31,930	23,135	8,795

^a Europe, Middle East & Africa.^b See also consolidated financial statements, table T87 „Segment report by regions“ p. 230.

ESRS S1-6

Employee turnover and length of service

T57

	2023	2024
Early turnover ^a in %	2.2	1.7
Total turnover in %	6.6	6.2
Average length of service in years	13.9	14.1

^a Termination by employee in the first year.

We aim to further reduce the early turnover rate. Early turnover decreased slightly to 1.7 percent (down from 2.2 percent in 2023) and total turnover likewise dropped marginally from 6.6 percent to 6.2 percent.

ESRS S1-6

Employees by country^a

T58

	2023	2024
Germany	19,320	18,305
USA	4,683	4,393
Other	9,406	9,232
Employees	33,409	31,930

^a Countries with more than 10 percent of all permanent employees.

ESRS S1-6

Employee turnover by region, gender, and age in 2024

T59

	Turnover in %	No. of employees who left the company ^a
By region		
Europe, Middle East & Africa	5.3	1,183
Asia-Pacific	6.9	353
Central & South America	8.3	64
North America	9.1	459
By gender		
Female	5.5	497
Male	6.4	1,562
By age		
Under 30 years	6.8	427
30 to 50 years	4.7	782
Over 50 years	8.2	850
Evonik	6.2	2,059
thereof termination by employee	3.5	1,161

^a Employees who left the company.

11.2 Diversity and equal opportunity

Strategy and management

As an international company with a presence in multiple markets, we regard diversity as an opportunity. Diversity is not simply a social or political obligation. We see it as a key to business success. Employees with different backgrounds and personalities enrich our teams and our company. **Increased cases of discrimination** may have a negative impact on the corporate culture. Our position is clear: We do not tolerate discrimination. Diversity enhances Evonik's creativity, innovative strength, and close contact with customers. **Diversity and equal opportunity have a positive influence also on the recruitment of new employees as well as on staff retention.** The employment and inclusion of people with disabilities is another way in which we embrace diversity. Evonik was the first company in the chemical industry to sign an occupational inclusion policy. **ESRS 2 SBM-3**

Our diversity strategy is a firm fixture in our corporate strategy, corporate values, and competency model (see chapter 11.1 Attractiveness as an employer/employee satisfaction (chart **C56** "ONE Culture" p.171)). Evonik's executives are required to actively manage diversity with the aid of specific metrics relating to experience, age, training, nationality, and gender. We also take into account different mindsets and perspectives, including religious conviction and sexual orientation. Since 2021, diversity criteria

have been incorporated into our employee appraisals. Executives use the HR Dashboard to access the relevant diversity metrics. We inform all employees about the present situation in an annual diversity report. The role of the diversity council is to embed diversity in our organization, developing it on the basis of cross-business criteria. To this end, it defines the diversity strategy, targets, and focus topics, which are aligned with the company's strategic challenges. The diversity council is also responsible for allocating resources as effective support for target achievement. It comprises members of the executive board, the heads of the divisions as well as representatives of the regions and corporate functions. Global rollout of the actions adopted by the diversity council is expedited by three diversity panels—for processes, regions, and communication. Our global diversity & inclusion team is charged with implementation at regional level.

Targets

ESRS S1-5

- Proportion of women at executive, senior management, and other management levels is to be 30, 25, and 33 percent, respectively, by 2026
- Intercultural mix at executive and senior management levels is to be 25 and 35 percent, respectively, by 2026

We have set targets that frequently exceed statutory requirements, especially for the dimensions in which we aim to improve:

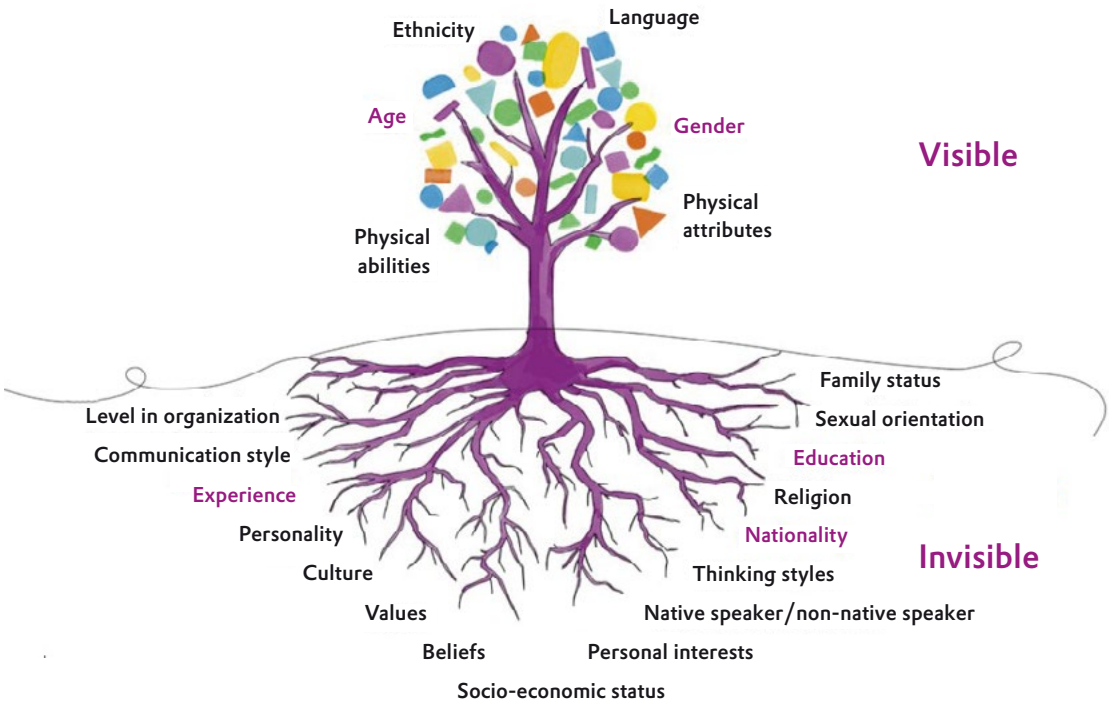
gender diversity (see table **T61** "Diversity targets: Percentage of women in management" p.179) and intercultural mix (table **T62** "Diversity targets: Intercultural mix" p.179).

Actions

We integrate diversity into our HR processes—especially through gender-balanced recruiting—and measure the progress we make with regard to implementing diversity in the workplace using, for example, target KPIs for the proportion of women and the intercultural mix. Fostering diversity is a central management task and we provide our executives with the means and knowledge they need for this. At the same time, we work to overcome unconscious bias by raising awareness through our corporate media or mandatory training on diversity and equal opportunity. This enables us to create a supportive environment that includes child-care, SmartWork mobile working, job sharing, and the groW network. We benefit from our long-standing partnerships with student networks such as UNITECH, a network that brings together international universities, global corporations, and engineering students, and FEMTEC, which focuses on fostering young female employees and talents in STEM professions (science, technology, engineering, mathematics, and IT). To attract candidates with professional experience, we collaborate with alumni organizations. These partnerships add currency to our diversity strategy by specifically addressing the recruitment of women and international staff.

Diversity tree

C58



We actively raise awareness of diversity and equal opportunity through our corporate media and regular dialogue formats. As soon as employees join Evonik, such as during their onboarding training, they are made aware of how the company practices diversity and that we view this topic as a key success factor.

The employee resource groups (ERGs) are expanding with the establishment of local branches and international networks. New ERGs are being created alongside the established ones—groW

for women, BUILD for Afro-American employees, ASPIRE for Asian employees, E-Vet for military veterans, the FoNeMa forum for new employees, Early Career Professionals, and EQuALS (Evonik Queer Alliance for Learning and Support). These offer activities such as BarCamps, mentoring, talks by experts, and speed networking.

Diversity enhances teamwork in all areas, including administration and production. Since 2024, a new face-to-face training

event on diversity and inclusion for production shift managers and foremen has sensitized them to the advantages of diversity, the detection of unconscious bias, and the creation of a non-discriminatory environment.

Progress in 2024

In 2024, mandatory training on diversity was implemented for all employees with the goal of conveying a fundamental understanding of diversity and inclusive conduct. The online training course demonstrates how Evonik’s business success is influenced by an inclusive working environment that values differences and is characterized by respect and mutual understanding.

Metrics

We foster cross-generational collaboration in our teams. In 2024, the average age of Evonik employees was 43 years. Eighteen percent of our workforce (5,755 employees) was under 31; 51 percent was in the 31- to 50-year age group (16,351 employees); and 31 percent (9,824 employees) was over 50. Our youngest employees in the reporting period were apprentices aged 16. ESRS S1-9

ESRS S1-9

Age structure in the Evonik Group

T60

	2023		2024	
	2023	2024	2023	2024
Up to 30 years	6,302	5,755	18.9	18.0
31 to 50 years	16,776	16,351	50.2	51.2
Over 50 years	10,331	9,824	30.9	30.8
Employees	33,409	31,930	100	100

Social information
Diversity and equal opportunity

ESRS S1-9

Diversity targets: percentage of women in management

T61

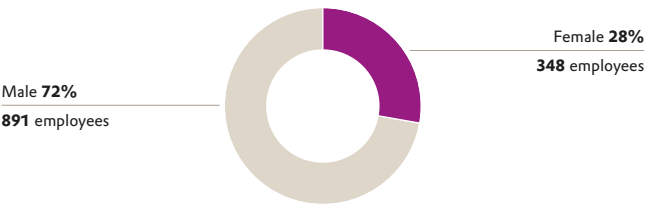
	Base year 2011	2023	2024	Targets for 2026
Executives ^a	14	35	32	
Executives in %	8.2	22.2	21.8	30.0
Senior management ^b	37	92	92	
Senior management in %	8.1	18.5	19.1	25.0
Other management levels ^c	842	2,696	2,709	
Other management levels in %	17.8	30.3	31.4	33.0
All management levels	893	2,823	2,833	
All management levels in %	16.6	29.6	30.7	

^a Executives = i.e., top management functions in the Evonik Group. Corresponds to job functions in Management Circle 1.
^b Senior management = i.e., key functions in the segments, regions, service units, and corporate divisions. Corresponds to job functions in Management Circle 2.
^c Other management levels = further management functions, including various expert functions with or without employee leadership. Corresponds to job functions in Management Circle 3, covering remuneration levels 1 to 5.

We aim to increase the proportion of women at all company levels worldwide. Of 147 executives, 32 (22 percent) are women and 115 (78 percent) men. In the reporting period, 28 percent of new hires were female and 72 percent male.

External hires by gender 2024

C59



We aim to improve in the dimension of intercultural mix and have set specific targets.

Diversity targets: intercultural mix^a

T62

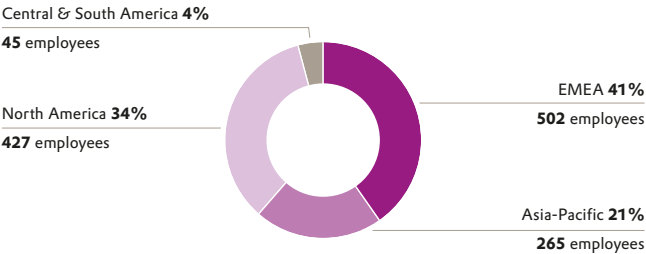
in %	2023	2024	Targets for 2026
Executives	18.4	18.4	25.0
Senior management	25.7	26.2	35.0
Other management levels	–	47.9	–
All management levels	46.1	46.3	–

^a Employees whose nationality is not German.

Evonik currently employs people of 110 nationalities at 198 sites in 53 countries. The proportion of managerial employees who do not hold German citizenship is around 46 percent. Group-wide, the proportion in senior management positions is around 26 percent.

External hires by region 2024

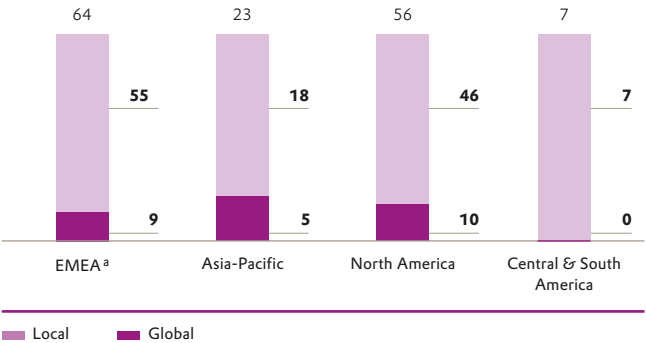
C60



In the regions in which Evonik operates, local and global executives have been hired as follows:

External management hires by region 2024

C61



Local: Manager's nationality corresponds to the location of the operation.
Global: Manager's nationality differs from the location of the operation.

^a EMEA = Europe, Middle East & Africa

11.3 Occupational health and safety (occupational and plant safety/ health protection and promotion)

Strategy and management

Protecting the health, safety, and employability of our employees as well as preventing accidents and incidents at work and in the operation of our production facilities are of central importance to Evonik. Our high safety standards are geared to preventing accidents, **fatalities as well as damage to health and the environment**. That applies not only to our own employees but also to contractors' employees during their working hours, when commuting, and when transporting goods. Our ESHQE management handbook sets out our mandatory global rules on the environment, safety, health, quality, and energy. The aim is to continuously optimize our processes, plants, products, and services. This includes minimizing the undesirable influences of our activities on people and nature. Another goal at Evonik is to prevent **the release of hazardous substances into the environment** and to preclude **damage to our production facilities resulting from inadequate safety precautions**. We take both internal and external factors into consideration, such as **extreme weather, manipulation, and terrorist attacks**. We are conscious of the fact that our production operations result in environmental emissions. This is why it is imperative to avoid any potential **environmental damage such as water pollution at Evonik's sites**. We aim to further reduce the emissions from our business activities and already take this into account when planning new facilities. 🌱 [ESRS 2 SBM-3](#), [ESRS S1.SBM-3](#), [ESRS E2-1](#), [ESRS E3-1](#)

The group-wide management of occupational and plant safety at Evonik is based on global policies, processes, and systems. These

are a core element of our integrated management systems. We have fine-tuned our Safety at Evonik cultural initiative to serve as a group-wide management approach covering all aspects of occupational safety. This defines binding principles of action that give our managers and employees, including personnel covered by the German Act on Temporary Agency Work and personnel from staffing agencies at our international sites, reliable guidance on safety-compliant conduct in their daily work. We draw on centrally planned internal audits to evaluate implementation of the applicable rules and regulations as well as to identify any scope for optimization. Our internal procedures are supplemented by external audits conducted by independent certification bodies. The ESHQ function is charged with standardizing mission-critical processes for all divisions (see chapter 10. Environmental information 📄 p. 127 ff.). Requirements and the need for action are defined in binding metrics-based targets for occupational and plant safety. Accident frequency is also factored into the variable remuneration of executive board members. 🌱 [ESRS S1-1](#), [ESRS S1-14](#), [ESRS S1.SBM-3](#)

The targets set by the executive board for occupational and plant safety have long been a top priority. The primary metric for occupational safety at Evonik is the lost time injury rate (LTI-R). Our group-wide Safety at Evonik management approach has been supplemented by Safety at Evonik 2025, a roadmap setting out further safety elements for every year up to 2025. We are planning additional safety initiatives at Evonik through 2030, including a program to assimilate new employees into the company's safety culture: New Employee Onboarding to Safety at Evonik.

Safety is the basic precondition for the operation of our facilities and their performance, paving the way for reliable, effective, and future-proof production. Plant safety not only helps prevent incidents, it also ensures proper operation and minimizes environmental impacts. We set rigorous safety standards for the entire life

cycle of our plants worldwide. We regard safety as an all-round task which is embedded in our safety management systems worldwide and reviewed regularly. This review may be performed at any time on an ad-hoc basis or at regular intervals, for example, as part of the ISO audits that take place every three years. The primary metric for plant safety at Evonik is the process safety incident rate (PSI-R). It is used to monitor the number of incidents in production plants involving the release of substances, fire, or explosion (process safety incidents), as defined by Cefic¹.

In line with statutory requirements, we have set up occupational safety committees comprising employer and employee representatives, safety specialists, safety officers, and occupational medicine specialists at our German sites. These meet at least four times a year to discuss issues relating to occupational safety and health protection. In accordance with Germany's Occupational Safety Act, employees are represented in both occupational safety committees and in the group occupational safety and environment committee, where information is shared. The committees cover more than 99 percent of our employees in Germany. Employees outside Germany are provided information via local management structures. Together, they comprise a focal area for target achievement. 🌱 [ESRS S1-5](#), [ESRS S1-14](#)

Global management of health protection and promotion at Evonik takes a long-term, 360-degree approach covering employees, the working situation, and the general working environment. Our approach to health protection and promotion encompasses high-grade medical care as required, ergonomic, health-efficient workplace design as well as an emergency management system at plant level. We aim to meet all statutory requirements regarding occupational health and safety, maintain

¹ CEFIC GUIDANCE FOR REPORTING ON THE ICCA GLOBALLY HARMONISED PROCESS SAFETY METRIC Responsible Care Leadership Group June 2016.

and enhance workforce employability and wellbeing, and thus avoid **high rates of sickness-related absence**. Evonik offers employees a range of voluntary measures to foster their health. These are pooled under the group-wide Well@Work initiative. This is how we help promote a healthy lifestyle. Of equal importance to Evonik is a family-friendly human resources policy that takes account of different phases in employees' lives and supports a good work-life balance. Appropriate offerings are designed to counter any **inadequate work-life balance** as well as stem the **rise in mental health problems and stress-related illnesses**. Our health protection and promotion actions are available to all employees, including personnel covered by the German Act on Temporary Agency Work and personnel from staffing agencies at our international sites. **ESRS 2 SBM-3**

Targets

- Lost time injury rate (LTI-R) ≤ 0.26
- Process safety incident rate (PSI-R) ≤ 0.40
- Occupational health performance index ≥ 5.0

Our target is to remain below the upper limit for the LTI-R of 0.26 accidents involving Evonik employees resulting in absences of at least one full shift per 200,000 working hours. The lost time injury rate covers all work-related accidents (excluding traffic accidents) resulting in absences of at least one full shift per 200,000 working hours.

The process safety incident rate is determined from the number of incidents in production plants involving the release of substances, fire, or explosion (process safety incidents), as defined by Cefic. Our target is to remain below the upper limit of 0.40.

The occupational health performance index is calculated from six key parameters that are of particular significance in effective

emergency medical management, occupational medicine, and occupational health promotion. All three areas are represented equally in the index, each with one qualitative and one quantitative parameter. A score of between 0 and 1 point is possible for each parameter. The scores are added together and the maximum total score is 6 points. The index shows the extent to which internal requirements have been implemented and goals achieved. Both the quality and the scope of the actions are taken into account. We have defined a target of ≥ 5.0 for the occupational health performance index.

These three targets relate to Evonik's own workforce.

Actions

Occupational and plant safety

Our crisis and incident management is designed to prevent or limit the damage if accidents nevertheless happen¹. We systematically analyze and also simulate incidents with external support, for example, from the local fire department. In this way, we aim to further enhance our safety performance. We share the findings within the company via our ESHQ Global SharePoint. One successful format for this is our safety flyer. At the same time, we participate in various national and international networks aimed at building and sharing experience.

The aim is to prevent damage to health and the environment. Evonik applies stringent safety standards in order to minimize the impact of its production operations and/or any stoppages. Additionally, we regularly monitor and analyze our emissions into the air, water, and soil. No expenses were incurred in the reporting period in conjunction with major incidents and deposits.

At our sites, we ensure that no relevant contamination can be caused in the course of proper operation. We achieve this, for instance, by complying with the extensive existing legal requirements, especially those in respect of protecting water resources and the soil as well as preventing emissions—including by way of clean air measures at our sites. These include returning exhaust gases to the production process, thermal processing of residual gases with a high calorific value (as substitutes for natural gas), electric filters to remove particulates, catalysts to reduce nitrogen oxide, and desulfurization by washing with subsequent precipitation. We use other methods to reduce emissions from production facilities, including wet and dry scrubbing, condensation, adsorption as well as thermal and catalytic incineration. Some of these emissions treatment facilities are used simultaneously by multiple units. When planning new production facilities, we consider the use of processes that generate little or no wastewater in order to conserve natural water resources. Where water contamination from production processes (production effluent) is unavoidable, partial streams are tested—for example, for biodegradability. We maintain high technology standards and infrastructure for the disposal of wastewater at our sites. In certain cases, production effluent is pretreated while still in the production plants. This means that the effluent load of wastewater discharged into our own or third-party treatment facilities is only moderate. At Marl Chemical Park in Germany, sewage sludge is dewatered in our own treatment plant and subsequently incinerated in our own facilities with integrated flue gas treatment. We use some of the exhaust gases from the production plants as substitute fuels (heating/fuel gas). Heat from the incineration gases is then used to generate 20 bar steam. Wastewater discharged from our sites is carefully monitored, including by regular sampling and continuous measurement. These analyses support the management of

¹ Based on the definition in the German guideline SFK-GS-26.

our wastewater treatment facilities. Moreover, numerous analyses are legally required within the scope of self-monitoring. In addition, the authorities frequently make unannounced visits to check discharge levels. Where necessary, we have implemented actions at our sites to prevent emissions into the soil. Our facilities are equipped with specially designed collecting basins to contain or store substances hazardous to water. Additionally, the pipelines are checked regularly. **ESRS E2-1, ESRS E2-6**

Emergency medical management

Evonik's Medical Incident and Emergency Management standard defines binding basic requirements for emergency medical management at all sites worldwide. The exact equipment and human resources required depend on production-related risks as well as the availability and quality of local medical infrastructure. Specific procedures have been defined for accidents where employees come into contact with chemicals and special medical treatment is immediately required. Emergency medical management likewise includes pandemic plans and regular training exercises. An extensive preventive health and risk management program is in place for employees on business trips and foreign assignments.

Workplace-related preventive healthcare

The results of our hazard assessment help us take appropriate preventive actions to avoid work-related illnesses and health issues. Where we identify a risk for specific activities, technical and organizational actions to counter the risk have priority over

the use of personal protective equipment. Information and training of employees also play an important part in avoiding health impairments. Such training is mandatory for all employees worldwide. Preventive healthcare includes advice for employees on their individual health risks as well as preventive check-ups where necessary. The medical data generated in this process are subject to medical confidentiality. They are protected and archived in accordance with national data protection regulations.

Corporate health promotion

Our Well@Work program centers on four areas: exercise, a healthy diet, mental health, and work-life balance. A wide range of offerings at our sites, supplemented by group-wide digital programs, foster our employees' physical and mental health. Our corporate health promotion activities center on basic programs with a long-term focus. The aim is to encourage employees to adopt a healthy lifestyle, flanked by health campaigns that are changed each year. At all of our German sites, there are interdisciplinary health task forces to implement Well@Work. The Care & Support program in Germany enables employees to also contact the company medical service with private medical questions. They are given advice and support or—in the event of illnesses requiring treatment—referred to their general practitioner or a specialist physician.

Worldwide, around 96 percent of our workforce have the opportunity to seek advice on workplace-related, personal, or family problems from social and employee counseling centers.

Transportation safety

We aim to ensure the safe transportation of raw materials and products, working continuously to minimize risk at all stages of the shipping process—from loading through transportation to unloading. To this end, we employ a uniform process in selecting the logistics service providers for transportation and regularly review their reliability. Our understanding is that this includes evaluating the Responsible Care® performance of all transportation providers. We work non-stop to optimize safety in transporting our products. For example, in the case of dangerous goods shown to have a high risk potential according to Evonik's criteria, hazards are assessed systematically by way of a transport risk analysis and corresponding preventive action is taken to mitigate the risks. If any transportation incidents occur, the causes are analyzed and sustainable corrective action taken to prevent their recurrence. We evaluate accidents in the shipment of goods using the criteria set out in section 1.8.5 ADR¹.

Progress in 2024

We rolled out the Safety Street concept at Marl Chemical Park in Germany. This has the aim of familiarizing our own employees and those of other companies located on site with the potential hazards of the working environment under realistic conditions and teaching them the necessary protective actions. In addition to theoretical training, the concept is also based on practical experience gained in a specially designed 420-square meter center of excellence, where a range of occupational safety aspects can be experienced at different stations.

¹ ADR = Accord européen relatif au transport international des marchandises dangereuses par route, English: European Agreement concerning the International Carriage of Dangerous Goods by Road.

We steadily endeavor to optimize our safety management system. Our expert circle on plant safety worked on various projects in the reporting period. The focus here is on refining our existing plant safety regulations. Based on the experience gained with ESTER, we further optimized the management-of-change process.

We continued our online corporate health promotion offerings. In this way, we also take into account the fact that many employees now use our #SmartWork mobile working program. Employees in Germany had access to a wide choice of offerings through our #Gesunddurchsjahr program, including online talks on various topics, advice on ergonomics and healthy eating, online exercise sessions to encourage activity during lunch breaks as well as online get-togethers for personal interaction—for instance, for parents and employees caring for relatives. There were also in-person corporate health promotion offerings at our sites. In the fall, we offered our routine influenza vaccine program and coronavirus booster vaccinations where required. Our global health campaign focused on helping employees to strengthen their resilience in difficult situations. During “CPR week” in September, many sites again offered employees the opportunity to learn simple resuscitation techniques or refresh their knowledge. In Germany, Evonik once again took part in a mental health week to raise employees’ awareness of mental health issues, overcome prejudice, and provide information on where to get help.

Metrics

ESRS S1-14
Occupational health and safety metrics

T63

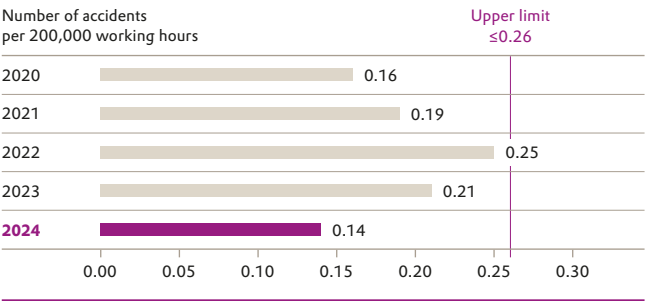
	Employees		Non-employees	
	2023	2024	2023	2024
Percentage of individuals covered by a health and safety management system	–	100	–	–
Number of fatalities as a result of work-related injuries	0	0	0	0
Work-related accidents resulting in absences of at least one full shift	–	45	–	58
Rate of work-related accidents resulting in absences of at least one full shift	0.21	0.14	0.79	0.80

In 2024, we once again achieved our target of remaining below the upper LTI-R limit of 0.26 accidents involving Evonik employees resulting in absences of at least one full shift per 200,000 working hours. The total number of hours worked by Evonik’s employees—including personnel from staffing agencies—in the reporting period was around 65 million hours. The LTI-R was 0.14, well below the defined upper limit. The LTI-R for Evonik employees resulting in absences of at least one full shift per 1,000,000 working hours was 0.7. For the past fiscal year, we are reporting the total number of recordable work-related accidents (TRI)¹ for the first time. In addition to work-related accidents resulting in absences of at least one full shift, this metric includes accidents requiring medical treatment but no absence. In 2024, we recorded a TRI of 213 with a rate of 3.28 per 1,000,000 working hours.

In the reporting period, there were no fatal accidents involving our employees or contractors’ employees, either at our sites or when commuting. There were no accidents resulting in more than six months’ absence from work. In the reporting year, there were no reported deaths of members of our active workforce as a result of work-related illness.

Lost time injury rate

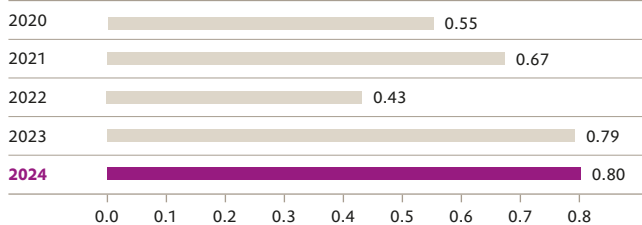
C62



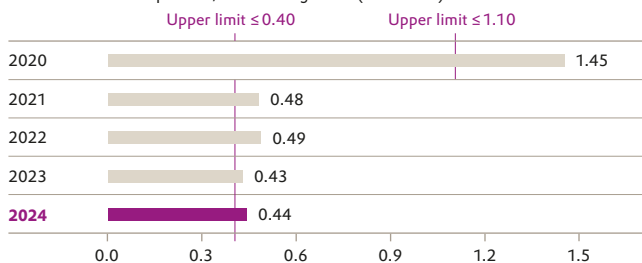
Our ESHQ software, ESTER, provides us with various ways to evaluate incidents. As in the previous year, most injuries in 2024 related to hands and fingers.

The LTI-R for contractors’ employees was 0.80 accidents per 200,000 working hours, which was lower than in the previous year (0.79). The number of accidents amounted to 58 in 2024. The increase in the LTI-R is attributable to the fact that fewer contractors were used. Most of the accidents were caused by workers tripping, slipping, falling, or coming into contact with machinery.

¹ “Total recordable injuries” encompasses: all fatalities, lost time injuries, cases restricted for work, cases of substitute work due to injury, as well as medical treatment cases that go beyond first aid, or the loss of consciousness” or “a significant injury or illness diagnosed by a physician or other accredited healthcare professional.

Lost time injury rate, contractors' employees^a**C63**Number of work-related accidents involving non-Evonik employees
resulting in absence from work per 200,000 working hours^a Calculation based on assumptions and estimates.

Our PSI-R in the reporting period was 0.44. This means that we did not meet our target of remaining below the upper limit of 0.40. As in previous years, most incidents related to the release of substances.

Process safety incident rate^a**C64**Number of incidents per 1 million working hours (up to 2020)
Number of incidents per 200,000 working hours (from 2021)^a 2017 – 2020 in accordance with Cefic 2011, from 2021 in accordance with Cefic 2016.**ESRS E2-4**

The table "Emissions into the air and water" shows the annual emissions of pollutants into the air that exceed the thresholds specified in Annex II of the E-PRTR¹ Regulation, which lists a total of 91 pollutants or pollutant groups. In addition, the table shows the annual emissions of pollutants into the water that exceed the thresholds specified in Annex II of the E-PRTR Regulation (direct discharge). The figures also cover the wastewater transferred to facilities outside the operating infrastructure (indirect discharge) if the annual emissions of pollutants in the wastewater exceed the specified thresholds.

In 2023 and 2024, emissions into the air (excluding CO₂) were primarily made up of nitrogen oxide and sulfur oxide emissions. These emissions declined sharply during the reporting period—by 27 percent (nitrogen oxides) and 42 percent (sulfur oxides)—following decommissioning of the coal-fired block of power plant 1 in Marl at the end of March 2024. Reported emissions into the water also included some third-party polluting loads. Toluene loads resulted from indirect discharges only. Most of the chromium, mercury, and lead loads entered our wastewater via the accompanying substances of raw materials. Evonik's soil emissions are negligible. All emissions were below the thresholds defined by the E-PRTR Regulation.

ESRS E2-4**Emissions into the air and water^a****T64**

in metric tons	2023	2024
Emissions into the air^b		
Nitrogen oxides (NO _x /NO ₂)	1,955	1,424
Sulfur oxides (SO _x /SO ₂)	1,374	800
Non-methane volatile organic compounds (NMVOCs)	237	220
Ammonia (NH ₃)	116	126
Particulate matter (PM ₁₀)	124	124
Chlorine and inorganic compounds (as HCl)	13.6	12.9
Hydrogen cyanide (HCN)	0.94	1.01
Nickel and compounds (as Ni)	0.08	0.17
Emissions into the water		
Chlorides (as total Cl)	18,497	16,682
Total organic carbon (TOC as total C or COD/3)	2,225	2,178
Total nitrogen	231	226
Total phosphorus	49.1	46.6
Fluorides (as total F)	9.96	13.6
Cyanides (as total CN)	3.01	3.27
Zinc and compounds (as Zn)	1.26	0.86
Toluene	0.69	0.32
Nickel and compounds (as Ni)	0.60	0.58
Copper and compounds (as Cu)	0.21	0.21
Lead and compounds (as Pb)	0.22	0.15
Chromium and compounds (as Cr)	0.06	0.09
Arsenic and compounds (as As)	0.03	0.01
Mercury and compounds (as Hg)	0.004	0.007

^a Only part of the data for 2024 calculated because official reports were not yet available on the editorial deadline of this sustainability report.^b Excluding greenhouse gases.¹ E-PRTR = European Pollutant Release and Transfer Register.

Emissions into the air and water are subject to a certain degree of measurement uncertainty. As a rule, measurement methods are coordinated with the local authorities and vary depending on the emission type and location. Methods include continuous measuring which is likewise prone to some degree of uncertainty. In addition, calculations are sometimes made by sampling or by applying emission factors which in turn may be inaccurate. These factors or measurements may also date back to previous years if there have been no material changes lately. This is why we always mark these figures as estimated data. Locations under no obligation to measure emissions are considered to be immaterial. The data are recorded annually in our ESG environmental tool, enabling us to systematically collect and manage the data required. The data sources range from continuous measurements to periodical reports and calculations based on emission factors.

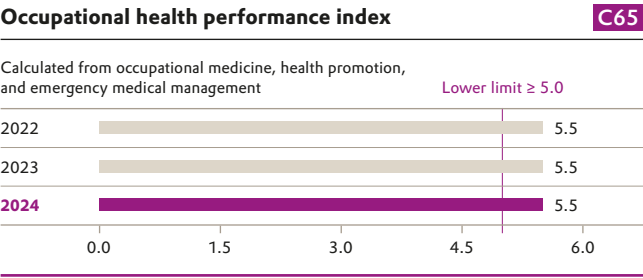
Health protection and promotion

The occupational health performance index shows the extent to which internal requirements have been implemented and targets achieved. It lets us measure progress in the area of occupational

health and initiate selective improvements. The index is calculated annually. In the reporting period, it covered 118 sites with 95 percent of Evonik employees.

We have defined a target of ≥ 5.0 for the occupational health performance index. In 2024, the index was 5.5 (maximum: 6.0).

For Germany, we also calculate a health ratio, which was 94.3 percent in 2024 (2023: 94.5 percent). This is the ratio of target working hours less sickness-related hours lost to total target working hours.



Occupational illness

The main causes of occupational illness at Evonik that are unrelated to the pandemic remain exposure to asbestos and noise. Exposure to asbestos relates to the period prior to 1993, the year Germany banned the production and use of asbestos. Our occupational safety actions endeavor to minimize the risks of contracting an occupational illness. In light of this, the risk for our employees as well as contractors' employees working under Evonik's direct supervision is very low.

Evonik regularly reports on occupational illnesses. The metric used for this is the occupational disease rate (ODR), which is defined as the number of newly recognized cases of occupational illnesses per 1 million working hours. The calculation includes all cases recognized in the reporting period, including latent illnesses—namely, illnesses where the causes lie well in the past. This calculation does not include contractors' employees, as we do not have access to such data for reasons of data protection regulations.

In 2023¹, there were 39 cases of newly recognized work-related illnesses, giving a total ODR of 0.59 for the Evonik Group (2023: 1.11).

¹ The figure for newly recognized cases of occupational illnesses was provided by the employers' liability insurance association and is not published until the spring of the following year, which is after the editorial deadline. The ODR for 2024 is expected to be available on our website in spring 2025.



GOVERNANCE INFORMATION

We are convinced that reliable and ethical management of the company is the basis for long-term business success, fair competition, and acceptance by society.

MATERIAL TOPICS

- Portfolio transformation
- Mitigating climate change
- Green energy
- Water management
- Biodiversity
- Circular economy
- Product stewardship
- Attractiveness as an employer/employee satisfaction
- Diversity and equal opportunity
- Occupational health and safety
- **Responsible management/human rights**
- **Responsibility within the supply chain**
- **Cybersecurity**

87.0%

Raw materials suppliers
covered by TfS assessments¹

96.0%

Training rate code of conduct

11

Phishing tests

¹ Annual procurement volume >€100 thousand.

12. Governance information

- Inclusion of cybersecurity in the House of Compliance approved
- Group-wide activities consolidated in Internal Investigations
- Continuation of face-to-face human rights training
- Deeper analysis of value chains associated with potential risk

12.1 Responsible corporate governance/human rights

Strategy and management

🔗 [ESRS S1-1](#)

Besides complying with the law and respecting human rights, the principles of business ethics involve respecting internal regulations and binding voluntary commitments. We strive to prevent compliance violations and breaches of human rights at Evonik as well as breaches of human rights in our supply chain, putting an end to any that do occur. At the same time, we aim to ensure that human rights standards comparable with our own are observed within our supply chain. Where this is not the case, we work with our suppliers to establish such standards and remedy violations. This is why we regard fulfilling statutory regulations—for instance, on fair competition, fighting corruption and money laundering, and respecting protected human rights—as a minimum requirement. Moreover, we are committed to observing

internationally recognized standards as well as our own more far-reaching guidelines and principles of conduct. The cornerstone of responsible corporate governance at Evonik is our code of conduct¹, together with our policy statement on human rights, our ESHQE policy² (see chapter 10. Environmental information [p.127 ff.](#)), and our code of conduct for suppliers. 🔗 [ESRS 2 SBM-3, ESRS S1-2](#)

In its policy statement on human rights, Evonik undertakes to comply with internationally recognized human rights standards in its business operations and to foster respect for human rights within its supply chains. This policy statement, which applies to all direct and indirect employees of the Evonik Group, is based on the Universal Declaration of Human Rights adopted by the United Nations, the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO), the Ten Principles of the UN Global Compact, and the OECD

Guidelines for Multinational Enterprises. The topics covered include the right to fair treatment, protection against discrimination, and the prohibition of forced labor, human trafficking, and child labor. 🔗 [ESRS S1.SBM-3, ESRS S2-1](#)

In implementing its human rights due diligence obligations, Evonik acts on the basis of the United Nations Guiding Principles on Business and Human Rights, focusing specifically on the rights of those who are (potentially) affected. When it comes to its own business operations and supply chains, Evonik gives particular consideration to the rights of groups and sections of the population who may be vulnerable and possibly at greater risk. The policy statement is backed by a comprehensive compliance management system (CMS) for human rights, the rollout and refinement of which are the responsibility of the group human rights officer. Ultimate responsibility for compliance with the policy statement rests with Evonik’s executive board. The chief compliance officer

Voluntary commitments and international corporate social and ethical standards

C66

Internal	External
Policy Statement on Human Rights	Responsible Care®
Code of Conduct for Evonik employees	ILO—International Labour Standards
Code of Conduct for Suppliers	OECD Guidelines for Multinational Enterprises

¹ The code of conduct and the policy statement on human rights apply to a) all employees of Evonik Industries AG, b) all employees of companies where Evonik Industries AG directly or indirectly holds more than 50 percent of the shares or is able to exert a controlling influence in any other way, and c) the executive board of Evonik Industries AG and all managing bodies of the companies referred to in b). At companies where Evonik holds a stake but does not exert a controlling influence, we work toward establishing comparable standards.

² ESHQE = Environment, Safety, Health, Quality, and Energy.

works to ensure that the CMS is appropriate and effective. The executive board obtains regular reports—at least once yearly—on the work of Evonik’s human rights officer and the structure of the CMS. Publicly accessible on the Evonik website, the policy statement is communicated to the company’s own employees via internal channels and relevant training.

Our code of conduct, available in 28 languages, sets out Evonik’s most important principles and standards, with which all employees must be conversant. These include the following requirements in respect of human rights, discrimination, and fighting corruption.

Human rights

Notwithstanding the equivalence of all human rights, the following are of particular significance to Evonik:


- The right to equal opportunity and the right to non-discrimination
- The avoidance of all forms of child and forced labor
- The right to freedom of association and the right to collective bargaining
- Fair payment and benefits in line with local market conditions
- Compliance with applicable working time regulations

Discrimination



No employee, any other person working for Evonik, job applicant, or business partner shall be treated unfairly, privileged, disadvantaged, or excluded on the basis of ethnic origin, skin color, gender, religion or world view, physical constitution, appearance, age, sexual identity, or any other characteristic protected by law.

Fighting corruption

Evonik is committed to fair competition to the benefit of its own customers, shareholders, and other stakeholders. Moreover,

Evonik respects the independence of public officials. That is why Evonik prohibits all forms of corruption, including facilitation payments.  **ESRS G1-3**

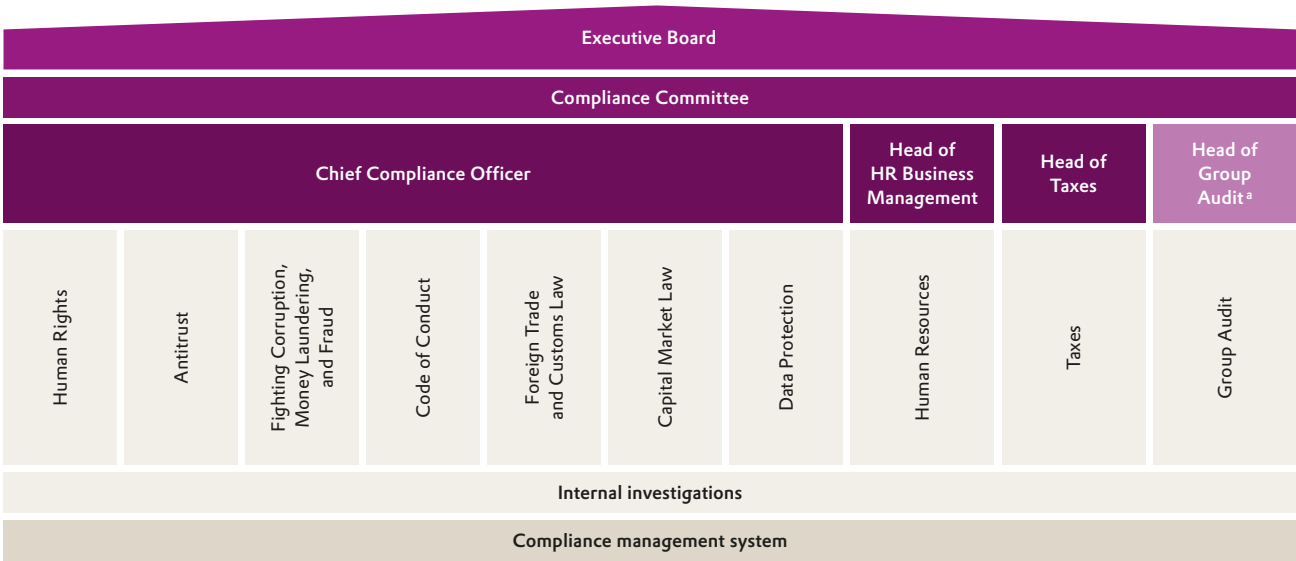
The code of conduct was adopted by the executive board of Evonik Industries AG. Valid throughout the Evonik Group, it is an integral part of the employment contract between each individual employee and Evonik. Evonik has defined responsibility for the topics included in the code of conduct, along with key contacts. Violation of the code of conduct can damage Evonik’s reputation and result in substantial financial loss. In light of this, violations can have far-reaching consequences for the employee involved. We have zero tolerance for violations of our code of conduct.

As the basis for successful collaboration, we expect our suppliers and other business partners to comply with these standards and implement suitable processes to ensure respect for human rights. Evonik has issued a special code of conduct for suppliers, which sets out binding requirements (see chapter 12.2 Responsibility within the supply chain  p.200 ff.).  **ESRS S2-6**

As a signatory to the chemical industry’s Responsible Care® Global Charter, we have an obligation to go on improving our performance in health protection, environmental protection, product stewardship, safety, and engagement with our stakeholders.

House of Compliance

C67



^a Advisory role.

Our compliance management systems

ESRS G1-1

Our internal guidelines are implemented by means of comprehensive management systems. The compliance areas of specific relevance to Evonik are bundled in a House of Compliance. Each unit takes account of the relevant rules for its compliance-related topic as well as the voluntary commitments entered into by Evonik, and issues internal regulations. Minimum group-wide standards have been defined for the compliance management systems (CMS) with regard to the topics covered by the House of Compliance, and each unit ensures that they are implemented. Responsibility for this rests with the executive board, which defines the key elements of the CMS and monitors their implementation. The supervisory board’s audit committee oversees the effectiveness of the system. The process of forming a consensus, sharing experience, and coordinating compliance activities takes place in the compliance committee. It comprises the heads of the respective organizational units, who have independent responsibility for their areas, and the head of Group Audit. Group Audit

performs independent audits to support the executive board and subordinate management levels in the performance of their supervisory duties and ongoing improvement of business processes. A key focus here is on auditing the internal control system and the risk management system. ESRS G1.GOV-1

Responsibility for the environment, safety, health, and quality is bundled in a corporate function with the same name (see chapter 10. Environmental information p. 127 ff.).

Requirements of the compliance management system

The executive board sets the minimum standards for a CMS. Its main aim is to avoid—or at least minimize—compliance violations and the associated risks. Compliance violations are to be identified, halted and—depending on their severity—corresponding sanctions imposed. The heads of the compliance units work to ensure that the CMS is appropriate and effective for the respective compliance issues. The chart C67 p. 189 visualizes our House of Compliance.

Principle of prevention

ESRS G1-3

Tools used to avoid potential compliance risks relating to the topics bundled in the House of Compliance include risk analysis, training, raising awareness, and providing advice. In this context, we take account of our business activities group-wide in all regions and at all locations.

To identify potential risks as early as possible, each unit is required to perform regular risk analyses. Based on the findings, each unit issues binding standards and processes for the preventive action to be taken with regard to business activities where there are specific compliance risks. The topics forming the focus of the risk analysis and the action taken may vary over a given period of observation. Substantial changes in any given risk situation are examined on a case-by-case basis. As soon as a topic is examined, the material risks are reported to the management and governance bodies at the company concerned, depending on their type and extent. A regular risk analysis is undertaken in the compliance areas of fighting corruption, antitrust law, anti-money laundering, and human rights. The following risk analyses have been performed in recent years:

- Fighting corruption (2015 to 2017)
- Anti-money laundering (2017 to 2019)
- Fighting corruption and anti-money laundering, with a specific focus on procurement (2018 to 2020)
- Human rights (2022, 2023, and 2024)
- Antitrust law (2023 and 2024)

Taking the mitigating actions into account, these risk analyses did not reveal any significant compliance risks¹.

Compliance management system

C68



¹ Compliance risks that—following application of suitable mitigating actions—continue to be material with regard to the likelihood of occurrence, severity as well as scope and may have potentially severe consequences for Evonik.

Group-wide training concepts are available for all aspects bundled in the House of Compliance. These are continuously fine-tuned. Alongside the target group, they define the type, frequency, and content of training. Each unit is charged with conducting its own training sessions. We pay special attention to training in the areas of antitrust law, fighting corruption, anti-money laundering, human rights, and the code of conduct (see table T65 “Unified, group-wide training concept” p.193).

Each unit is responsible for making employees aware of the importance and scope of the rules for each compliance area. That includes advising and assisting them in matters relating to a particular issue. This fosters early identification and evaluation of risks. In the training sessions, we provide information on where to seek advice.

Principle of detection

All employees are required to report possible or actual violations of the code of conduct to the competent department or compliance officer without delay, regardless of whether they relate to them personally or to their colleagues. To detect possible non-compliance, Evonik has established several channels that employees, personnel from staffing agencies working at Evonik, and external stakeholders can use to report suspected compliance violations (see chart C71 “Evonik’s whistleblower system” p.195).

Principle of response

We initiate commensurate actions to end violations and minimize the risk. Depending on the severity of the case, the actions taken with regard to employees range from warnings or reprimands to termination of employment and claims for compensation. Further action is taken where necessary to raise awareness—for example,

through training. Sanctions against business partners can include termination of the business relationship and blacklisting.

Our compliance reporting

ESRS G1-1, ESRS G1-3

Our annual compliance report essentially provides information on the compliance organization, issues specific to the CMS as well as the internal investigations conducted during the year. The compliance report is prepared for the executive board, division heads, and the management board of Evonik Operations GmbH. It is also made available to the supervisory board’s audit committee. Furthermore, the audit committee and executive board are informed of relevant risks and developments—insofar as is deemed necessary in individual cases—both during the year and on an ad-hoc basis in urgent cases. This applies to all material risks and violations of regulations that are of overriding significance for the Evonik Group.

We have additionally introduced half-yearly reporting on internal investigations, training, key activities, and risks. This is prepared for the division heads, the management board of Evonik Operations GmbH, and the management teams of the regions. Where appropriate, this target group also receives ad-hoc notification of any material risks and breaches of regulations. Furthermore, we communicate relevant risks and issues to other line managers.

Transparent presentation of our activities to protect human rights¹ is of utmost importance to Evonik. We provide information on this in our financial and sustainability report as well as on our website. Our annual statements on the UK Modern Slavery Act², the Canada Fighting Against Forced Labour and Child Labour in Supply Chains Act, and the California Transparency in

Supply Chains Act are similarly published on our website¹. They contain details of the action we take to prevent modern slavery.

ESRS S1-4, ESRS S2-4

Continuous improvement

Every organizational unit in the House of Compliance must regularly check the appropriateness and effectiveness of its CMS. In addition, regular reviews in this regard are performed by Group Audit.

Targets

- Regular risk analyses with regard to human rights, antitrust law, fighting corruption, and anti-money laundering by year-end 2025
- Achievement of a group-wide training rate of at least 80 percent for each compliance area: antitrust law, fighting corruption and anti-money laundering, human rights, and code of conduct

We use self-assessments, audits, the monitoring of metrics, feedback from customers and suppliers, risk assessments, training, and document reviews in pursuing our goal of preventing compliance and human rights violations at Evonik as well as breaches of human rights in our supply chain—and putting an end to any that do occur.

To identify potential risks as early as possible, each unit is required to perform regular risk analyses (see the sections “Principle of prevention” p.190 f. and “Human rights compliance risk analysis” p.192).

As a preventive measure, mandatory training is a key component of an effective and appropriate CMS. It communicates the rules that are to be observed and points of contact, raising employees’

¹ <https://www.evonik.com/en/company/governance-compliance/human-rights.html>

² Update for 2024 will follow in June 2025.

awareness of specific risks and enabling them to avoid misconduct. As of December 31 of each reporting period, we aim to achieve a training rate of at least 80 percent for each compliance area: anti-trust law, fighting corruption and anti-money laundering, human rights, and code of conduct. The training rate is defined as the number of training candidates (Evonik employees) with a valid certificate relative to the total number of training candidates (Evonik employees). Face-to-face training and e-learning are given equal consideration in calculating the training rate.

Actions

Adoption of policies

ESRS G1-3

National and international anti-corruption and anti-money laundering regulations are of primary relevance in respect of the compliance areas of fighting corruption, anti-money laundering, fraud/embezzlement, and code of conduct. The organizational unit responsible has completed or initiated the internal implementation of group-wide standards in respect of the aforementioned compliance areas. These standards are aligned with the requirements of the United Nations Convention against Corruption.

Human rights compliance risk analysis

ESRS S1.SBM-3

An annual group-wide risk analysis examines human rights and environment-related risks in our own business operations as well as in the operations of our direct and indirect suppliers (see chapter 12.2 Responsibility within the supply chain p.200 ff.). This enables us to identify the focus areas of our human rights due diligence efforts. In the course of our analysis, we examine risks from the perspective of (potentially) affected persons and assess these on the basis of potential breaches of human rights and the

likelihood of their occurrence. We give particular consideration to the rights of groups and sections of the population that may be vulnerable and possibly at greater risk—for example, young people, itinerant workers, and individuals who perform low-skilled and/or low-wage activities.

Each year, we pinpoint possible changes to the risk situation caused by external and in-house circumstances such as political trends or structural changes at Evonik. As of the reporting date, we also review the progress of prevention measures that have already been implemented and their impact on the relevant risks as well as the complaints, violations, and associated remedies. In 2024, we additionally analyzed in depth the risks in our own business operations and in the supply chains that were identified and prioritized the previous year. We conducted interviews with the relevant internal stakeholders to discuss the risks identified and to develop appropriate actions for their mitigation. These interviews also serve to sensitize those involved to the topic of human rights. In the case of new and altered risks, we define actions and corresponding effectiveness controls, which we document in an IT tool.

Wherever we identify potential or actual breaches of human rights in our activities or business relationships, we take commensurate actions for their prevention, mitigation, or remediation. In 2024, we identified no significant risks in respect of child or forced labor in our own business operations either within or outside Germany. Likewise, we found no material impacts on our own workforce as a result of implementing our climate targets.

Implementation of a unified, group-wide training concept

ESRS G1-3

Evonik has implemented a group-wide, risk-based training concept for the compliance areas of antitrust law, anti-money laundering,

fighting corruption, code of conduct, and human rights. Participation in training is mandatory.

On the basis of an employee's position or function recorded in the HR system, they are assigned one of three risk categories for each compliance area according to defined risk criteria. For example, mandatory participation in anti-corruption training is decided on the basis of whether an employee has contact with external third parties (business partners or authorities) or the organizational level to which an employee is assigned. The risk category determines the frequency and type of training (see table p.193). Training content is decided on the basis of whether training is initial or advanced and which risk category it serves. ESRS G1-1

Training courses are designed to ensure the best possible transfer of knowledge to the target group. For instance, anti-corruption training takes a risk-based approach to teaching the principles of fighting corruption based on case studies. We discuss typical risk situations in day-to-day business, correct conduct, points of contact, and our whistleblower system. E-learning modules additionally incorporate a final test that must be completed successfully to obtain a participation certificate. Line managers are automatically notified if their employees fail to participate in mandatory training (non-participation concept).

The chief compliance officer reports to the executive board every quarter and to the audit committee of the supervisory board once a year on the present status of compliance, including on fighting corruption (see section "Our compliance reporting" p.191). No additional training is planned for the members of the supervisory board. Executive board training takes place every two years and covers rotating compliance areas (including fighting corruption).

Any employees who hold a mandate at a subsidiary of the Evonik Group are assigned anti-corruption training in line with the training concept. This training is included in table T66 “Compliance training and training rate in 2024” p.196.

No anti-corruption training is envisioned for third parties who hold mandates at a subsidiary of the Evonik Group.



Unified, group-wide training concept

T65

Area	Description
Areas covered	Human rights
	Antitrust law
	Fighting corruption
	Code of conduct
	Anti-money laundering
Selection of target group	Job function and qualifications
	Uniform risk criteria
	Risk level ^a : none—low—high
Frequency ^b and type	Differentiation between compliance areas
	Low risk: approx. every three years → mandatory e-learning modules
	High risk: approx. every two years → mandatory face-to-face training and e-learning modules (alternating)

^a An additional risk level covering those at risk of being affected has been introduced for human rights compliance. This reflects the fact that any employee’s human rights could be affected.

^b Training can be held more frequently wherever necessary, for example, if there are changes in the legal framework or statutory requirements.

The chart “Risk groups and criteria” describes the criteria used to allocate our employees to the relevant risk groups:

Risk groups and criteria

C69

		All active employees ...		
Risk level ▶		No risk	Low risk	High risk
Compliance topic ▼	HUM (Human Rights)	<ul style="list-style-type: none">The human rights of any employee may be breached, known as impact risksProvision of voluntary training		<ul style="list-style-type: none">With Evonik email address, company ID, and job titleEmployees who themselves can breach human rights or identify or prevent a breach of human rights
	CoC (Code of Conduct)	<ul style="list-style-type: none">Without Evonik email address orWithout company ID orWithout job title	<ul style="list-style-type: none">With Evonik email address, company ID, and job title	<ul style="list-style-type: none">With Evonik email address, company ID, and job title
	FC (Fighting Corruption)	<p>As a rule, these employees have no external contact</p> <p>The potential risk of a material breach of the code of conduct is very low</p>	<ul style="list-style-type: none">With potential or little contact to external third parties (business partners, authorities) or involvement with other topics relevant to corruption andWith potential or little involvement with topics relevant to money laundering	<ul style="list-style-type: none">With contact to external third parties (business partners, authorities) or involvement with other topics relevant to corruption orWith a certain qualification level (>7) andWith potential or little involvement with topics relevant to money laundering
	AML (Anti-money Laundering)		<ul style="list-style-type: none">With involvement with topics relevant to money laundering (especially customer service, payment terms, and payment transactions)	<ul style="list-style-type: none">With involvement with topics relevant to money laundering in high-risk countries or businesses
	AT (Antitrust)		<ul style="list-style-type: none">With little contact to customers or competitors in connection with customer service activities	<ul style="list-style-type: none">With contact to customers and, actually or potentially, to competitors orWith involvement with other topics vulnerable to antitrust activities

Business partner assessments at Evonik

ESRS G1-2

Evonik's various organizational units perform different aspects of the business partner assessments. The members of the permanent project group are Group Compliance (Antitrust, Compliance, Foreign Trade, Human Rights), Procurement, Marketing & Sales Excellence, and Group Security. Together with an external provider, these functions have established an IT-based process to validate the integrity of business partners. In order to supplement their internal assessments, this enables the relevant organizational units to request integrity checks as well as to initiate and monitor any necessary action. If any of the findings are of potential relevance, the respective organizational units are automatically requested to evaluate them. This IT solution additionally facilitates interdisciplinary communication, collaboration, and documentation.

Compliance rules for business partners

ESRS G1-2

Evonik has issued a special code of conduct for suppliers which sets out binding requirements (see chapter 12.2 Responsibility within the supply chain p. 200 ff.). Intermediaries, above all sales intermediaries, are subject to a compliance check prior to establishing the business relationship and at regular intervals thereafter. They also have to sign a compliance declaration. Risk-based compliance checks (due diligence) and any necessary actions are likewise applied to business partners involved in acquisitions, joint ventures, corporate venture projects, and major investment projects. These are based on uniform rules for the Evonik Group.

Evonik's whistleblower system

ESRS S1-3, ESRS S2-3

Evonik has set up various channels for reporting potential and actual compliance violations.

Business partner assessment at Evonik

C70

5. Measures & monitoring

- By departments, e.g.,
 - Measures to raise awareness
 - Monitoring
 - Notification of authorities
 - Termination of business relationship
 - Blacklisting of business partners as a result of non-compliant conduct
- Legally secure documentation

4. Evaluation

- Evaluation of findings by departments based on pre-defined criteria
- Uniform traffic light system
 - Involvement of other departments via a workflow-based IT solution



1. Business partners

- Defined by the relevant departments
- Basically, all types of business partners

2. Initiators

- Abstract criteria defined by the relevant departments
- External drivers, e.g., laws and standards
- Internal drivers, e.g., Evonik's internal regulations

3. Screening and pre-evaluation

- By an external provider
- Various levels, e.g.,
 - Database searches, sanctions, and watch lists
 - Media & internet
 - Corporate structure and ultimate beneficial owner
 - On-site verification

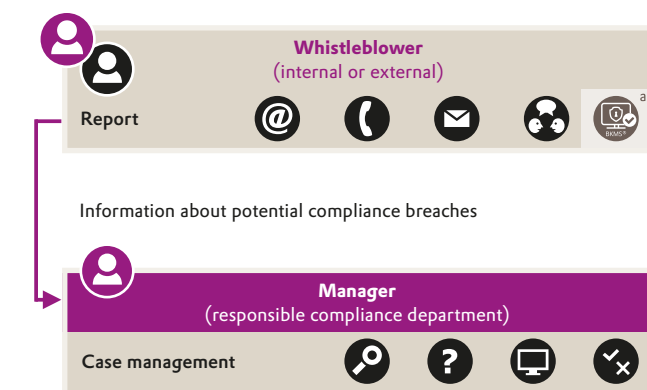
An electronic whistleblower system operated by an independent external provider whose servers are based exclusively in Germany can be accessed with a few clicks 24/7 worldwide via the intranet and Evonik's website. In keeping with Evonik's global presence, this system is available in over 20 languages. It can be used by Evonik employees, agency staff working for Evonik, business partners—for example, suppliers, service providers, customers, and their employees—as well as other external stakeholders such as local residents in the vicinity of our sites and

non-governmental organizations to report actual or potential non-compliance to Evonik. The system is certified as conforming with European data protection legislation. Technical security actions mean that neither Evonik nor the provider can draw conclusions about the identity of the whistleblower if that individual prefers to submit their report anonymously. In addition, whistleblowers can set up their own mailbox in the system which they can use to communicate continuously, confidentially and, if desired, anonymously with the Evonik case managers. Additionally, Evonik

employees and agency staff working for Evonik can contact the internal compliance officers personally or by phone. Employees and external stakeholders can submit reports by email to: compliance-officer@evonik.com.

Evonik's whistleblower system

C71



^a External whistleblower system. Guarantees anonymity, if desired by whistleblower.

Reports can be filed on all major compliance issues, including cases of suspected human rights breaches, corruption, and blackmail. Our employees are made aware of the various reporting channels via communication measures and in our mandatory compliance training.

Specially trained staff at Evonik take up all allegations of possible violations immediately and investigate them internally. Our code of conduct, investigation policy, and rules of procedure for processing reports of compliance violations and complaints relating to possible breaches of human rights or environment-related

obligations (section 8 (2) of the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG)) state that Evonik does not tolerate any disadvantage to persons within or outside the company who report possible or actual violations in good faith or who cooperate in the investigation of such violations. Consequently, the identity of such persons may only be disclosed on a need-to-know basis to those employees who legitimately require this confidential information for the purpose of internal investigations. Evonik endeavors to ensure comparable protection of external whistleblowers. To this end, we have set out corresponding expectations—for example, in our code of conduct for suppliers. **ESRS G1-1**

Potential conflicts of interest in the conduct of internal investigations as well as deciding on remedial and follow-up actions must be disclosed so that any conflicts can be eliminated to ensure impartiality. Evonik and its investigating employees are obligated and empowered to process all such reports in accordance with the principles of independence, impartiality, due diligence, and confidentiality, without being subject to directions on how to act. They are required to maintain secrecy. In the interests of a fair process, all relevant circumstances must be taken into account and the principle of proportionality must be observed. **ESRS G1-3**

As part of the overall process and when examining the individual reports, we consider the findings of our human rights risk analysis and those concerning potential target groups. At present, there is no indication that the whistleblower system and the process for handling reports are not sufficiently well known nor that confidence in this structure and the processes is jeopardized. There is currently no indication that the process is not effective. We welcome suggestions and feedback from whistleblowers at all times.

ESRS S2-3

Progress in 2024

The following material progress was made in the ongoing fine-tuning of the CMS:

In the reporting period, it was decided that cybersecurity should be integrated into the House of Compliance in order to further strengthen compliance at Evonik, with formal implementation planned for 2025. In addition, we have set up a new department named Internal Investigation. It consolidates the company's expertise in this area. Other steps toward improving compliance are the continuous optimization of training rates and the automation of manual processes. These include the automatic escalation to line managers when employees fail to participate in mandatory training. The ongoing expansion of automation also covers compliance risk analysis, for instance.

The significance of human rights is underscored by the continuation of group-wide face-to-face training in this area. At the same time, we have implemented actions to promote the whistleblower system. The human rights risk analysis has been continued in a rolling system; the concept covers the next three years but can be flexibly extended at any time. The BAFA¹ report for 2023 was submitted.

Metrics Training

For the compliance areas of antitrust law, anti-money laundering, fighting corruption, code of conduct, and human rights, we report a training rate for 2024. This is defined as the number of training candidates with a valid certificate relative to the total number of training candidates. The data refer to both face-to-face training and e-learning modules. **ESRS S1-1**

¹ Federal Office for Economic Affairs and Export Control

Compliance training and training rate in 2024^a

T66

	Anti-money laundering		Antitrust law		Fighting corruption		Code of conduct		Human rights	
	Training candidates, total	Training rate in %	Training candidates, total	Training rate in %	Training candidates, total	Training rate in %	Training candidates, total	Training rate in %	Training candidates, total	Training rate in %
Worldwide	4,783	99	4,495	90	13,637	95	29,974	96	1,601	84
Management functions	2,340	99	3,107	89	8,757	95	9,137	95	1,343	84
thereof executives ^b	30	100	101	81	145	91	145	91	94	69
thereof senior management ^c	90	100	318	91	467	95	467	95	234	85
thereof other management levels ^d	2,220	99	2,688	89	8,145	95	8,525	96	1,015	85
Non-management functions	2,443	99	1,388	92	4,880	95	20,837	96	258	81
Job functions										
Production and technology	2	100	149	93	3,426	95	12,832	96	199	81
Innovation management	–	–	662	89	1,685	97	4,427	98	68	90
Marketing and sales	1,602	100	1,434	88	1,533	94	1,632	94	5	80
Administrative functions	3,179	99	2,250	91	6,993	95	9,827	96	1,329	84
Other functions ^e	–	–	–	–	–	–	1,256	96	–	–
Regions										
Asia-Pacific	1,191	99	1,156	93	2,380	95	3,744	97	264	91
Central & South America	290	98	185	85	409	86	773	91	65	85
Europe, Middle East & Africa	416	98	356	70	906	97	2,624	94	116	95
North America	803	99	760	85	2,176	94	4,701	95	251	91
Germany	2,083	100	2,038	94	7,766	95	18,132	97	905	78

^a The training rate is defined as the number of training candidates with a valid certificate relative to the total number of training candidates as of December 31, 2024. All training included in the system is reported.^b Executives = i.e., top management functions in the Evonik Group.^c Senior management = i.e., key functions in the segments, regions, service units, and corporate divisions.^d Other management levels = further management functions.^e Other functions = apprentices, non-permanent staff.

Metrics on serious breaches of human rights, discrimination, and corruption

We report key metrics on serious breaches of human rights, discrimination, and corruption for the 2024 reporting period.

ESRS G1-4, ESRS S1-17

Serious breaches of human rights: cases, fines, sanctions, compensation

T67

	2024
Serious breaches of human rights identified in relation to the company's own workforce	–
thereof cases of non-compliance with the United Nations Guiding Principles on Business and Human Rights, the ILO Core Labour Standards, or the OECD Guidelines for Multinational Enterprises	–
Fines, sanctions, and compensation payments as a result of the cases disclosed above, in € million	–

Discrimination: cases, complaints, fines, sanctions, compensation

T68

	2023	2024
Reported incidents of discrimination	12	10
Complaints submitted via the company's complaints mechanisms for its own employees	3	2
Complaints submitted to the OECD's national contact points for multinational enterprises	–	–
Fines, sanctions, and compensation payments as a result of the incidents and complaints disclosed above, in € million	–	–

Corruption: rulings and fines

T69

	2023	2024
Rulings in respect of violations of anti-corruption law	–	–
Fines as a result of violations of anti-corruption law, in € million	–	–

Actions taken to sanction violations of anti-corruption standards and processes

In 2024, the following actions were taken to sanction violations of anti-corruption standards and processes: Dismissal of employees, warnings and reprimands, reassignment, training, awareness measures, and criminal charges. ESRS G1-3, ESRS G1-4

Data protection management

Protection of personal data is one of the fundamental principles governing Evonik's relationship with employees, job applicants, customers, suppliers, other business partners, prospects, and other people affected. This means that handling personal data conscientiously is important to us. All employees have access to information on the relevant requirements and responsibilities via the intranet. The organization of data protection and the rules relating to the processing of personal data, including customer data, are set out notably in the compliance policy and the group-wide data protection policy. Our data protection management supports compliance with the regulations and assists the organizational units in implementing them. It also monitors the correct use of data processing tasks. Data protection incidents are dealt with in accordance with the statutory and in-house documentation, information, and reporting obligations.

As part of the ongoing refinement of our data protection management, an even closer collaboration with the compliance units in the House of Compliance has enabled us to identify significant potential. In order to leverage this potential to optimum effect, the compliance area of data protection was made the responsibility of the chief compliance officer on December 1, 2024.

One focus of our activities in the reporting period was continuing to shape the legal framework for international data transfer. Target group-specific data protection training is mandatory for employees and based on a defined training curriculum. Specific employee groups, such as members of the works councils and the representative bodies for disabled employees, received face-to-face training.

Advocacy

ESRS G1-5

As a dialogue partner, Evonik participates in opinion-forming processes at regional, national, European, and international level, and contributes to sociopolitical debate. Our commitment is aligned with our political mission statement, at the heart of which is the conviction that business must act politically. Companies are part of society. The chemical industry is a crucial partner in the transition toward sustainable economies and energy generation. We harness our expertise to play a constructive role in politics and society. Assuming our corporate political responsibility comes naturally to us. Democracy, an open society, and efficient state leadership are competitive factors and the bedrock of our prosperity. We act responsibly and provide transparent information about donations as well as the type and purpose of our participation in political processes, conveying a clear picture of how we structure our political relationships. Through these actions, we aim to prevent compliance violations.

Our Strategic Communication function is charged with political communication activities in Germany and Europe; operational responsibility lies with the Governmental Affairs department. In this way, we ensure that the company's interests are safeguarded in dialogue with industry associations, parliaments, political parties as well as governmental and non-governmental organizations. The head of the Strategic Communication function reports regularly to the responsible member of the executive board, who is the executive board chairman. Political activities outside Europe are the responsibility of the respective region. No political activities or related donations were reported to us by the regions.

Evonik's offices in Berlin and Brussels play a key role in our work. Our employees maintain close contacts with politicians, the general public, and industry associations. They provide impetus in shaping policy and are actively involved in consultations, hearings, and discussions. The areas of strategic relevance for Evonik are industrial policy, environmental policy and regulation, energy, the climate, the circular economy, agriculture, and the bioeconomy. These areas are closely linked with the three innovation growth areas "Advance Precision Biosolutions", "Accelerate Energy Transition", and "Enable Circular Economy".

We have set up extensive monitoring processes regarding issues of strategic importance and ensure transparency by providing

information to the German and European lobby registers. In 2024, Evonik renewed and refined its entry in the European Transparency Register and the list of lobbyists maintained jointly by the European Commission and European Parliament (register number 5958991861-30) and its entry in Germany's national lobby register (for both Evonik Industries AG, under register number R002081, and Evonik Operations GmbH, under register number R002087).

Evonik does not donate to political parties, but did sponsor a number of political events in 2024 with donations in cash and in kind. The related expenses totaled €135 thousand. Our total annual lobbying spending can be gleaned from the above-mentioned entries in the European Transparency Register and German lobby register. This expenditure is composed of personnel expenses, infrastructure expenses (rent, IT expenses, company cars, etc.), representation expenses (travel expenses, participation fees, etc.), expenses for external advisory and support services (agencies), and other expenses related to lobbying (memberships, training, own events, etc.). The information in the European Transparency Register and German lobby register is kept up to date at all times and is updated at the latest at the end of the first quarter of the new fiscal year.

In the two years prior to their appointment, the members of the supervisory board and executive board held no comparable positions in a public authority or regulatory body.

Our positions

ESRS G1-5

In 2024, within the context of a campaign for the European elections, Evonik advocated for strengthening democracy and participating in the election.

To ensure that Germany and Europe remain competitive as major industrial hubs, we are pressing for business conditions that strengthen the social market economy and industry in these challenging times and beyond. By signing the Antwerp Declaration, we echo the call for flanking the European Green Deal with a European Industrial Deal.

In the area of environmental policy and regulation, our dialogue with politicians covers the digitalization of permitting processes, notably implementation of the pact to accelerate this and legislation to ensure a reliable planning base. Here, the priorities are safeguarding know-how and protecting against cyberattacks.

Through the task force on the modernization of planning, we advocate for amendment of planning and permitting legislation to increase the speed, digitalization, and efficiency of existing workflows. At the same time, we are committed to implementing the Industrial Emissions Directive as well as the second European Network and Information Security Directive (NIS2).

Another relevant aspect for us is the possible classification of certain silicones as persistent organic pollutants. This is something we are addressing together with the European chemical industry council Cefic. In addition, the European Commission has published a proposal to restrict the use of PFAS. Alongside the consultation process, we are engaged in advocacy activities.

Evonik supports the objectives of the Green Deal (climate neutrality in the EU and Germany by 2050 and 2045, respectively) and contributes actively to the efforts of industry associations and the European Commission to shape European climate, energy, and industrial policy. To meet the climate targets, the chemical industry will need large quantities of green hydrogen in the future for conversion into both materials and energy. Important political frameworks for the transformation process include the dossiers on the Renewable Energy Directive, the gas package for the future gas and hydrogen market, the carbon border adjustment mechanism (CBAM), and the European emissions trading system (EU ETS). Revision of the EU ETS directive will further reduce the availability of emission allowances. The price of these allowances could become a significant driver of technologies and investment decisions in the EU going forward.

Electricity is an important production input for the chemical industry. As it transitions to climate-neutral operation, the sector will require considerably more electricity in the future both for the production of hydrogen and for the electrification of processes.

This makes a competitive electricity price and further relief measures a necessity. That is why we have joined with the German chemical industry association (VCI) in advocating for an industrial electricity price. To this end, we have discussed various concepts with members of parliament and ideas have been put forward in talks given by members of our executive board.

Looking ahead, Evonik's sites will need climate-neutral hydrogen to make climate-neutral production viable. Our site in Rheinfelden (Germany) is a case in point. This site currently needs 8,000 metric tons of hydrogen a year. Since the projected long-distance pipelines in the federal state of Baden-Württemberg for the period up to 2040 only go as far as Karlsruhe, we are engaged in talks with politicians on how far the hydrogen network could be extended and whether on-site projects for electrolyzers could be realized under the more stringent conditions of EU legislation (RED II, delegated act). We hold talks on these topics with politicians at regional, federal, and European level.

In the area of resource efficiency, we aim to help drive forward the transformation to a circular economy with our products and solutions. In this context, we are advocating, for instance, for a legal framework based on open technology that includes and allows a variety of recycling technologies. Our activities focus on establishing the mass-balance approach as a method of measuring chemically recycled products.

Following the entry into force of the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG) on January 1,

2023, recent legislation includes the EU's Corporate Sustainability Due Diligence Directive (CSDDD). Adopted in summer 2024, this directive requires large companies in the EU to comply with environmental and human rights standards in their supply chains. The CSDDD is a further development of the LkSG but contains key amendments notably in the environmental field. Germany's legislation must now be adapted to reflect the EU directive. The requirements of the CSDDD go far beyond those of Germany's legislation and entail challenges such as a lack of legal certainty and unclear limitations on liability. Companies could be held liable for risks outside their sphere of influence, which would jeopardize not only their competitiveness but also Europe's position as an industrial hub.

The future of industry is greatly dependent on logistics, making the reliable transportation of people and goods indispensable. For decades, Germany has invested too little in its transportation infrastructure. This has resulted in problems such as the closure of key transportation routes. Road and rail networks as well as waterways are under considerable strain. Together with the VCI in the German state of North Rhine-Westphalia, Evonik is advocating for improvements to the infrastructure—especially in that state. The focus is on construction site management and communications relating to the rail network, the accelerated refurbishment of the canal network in western Germany, and sustainable, reliable, and competitive shipping on the Rhine.

12.2 Responsibility within the supply chain

Strategy and management

Evonik has a significant influence on the environment and society through its procurement volume. By working closely with our suppliers, we aim to help prevent **breaches of human rights and environmental violations in the supply chain**. We strive to counter a **lack of transparency and inadequate traceability in the supply chain**. Our procurement organization also contributes to mitigating operational and reputational risks for Evonik, ensuring the long-term reliability of supply for the production of Evonik products, and securing competitive advantages for our operating businesses by avoiding negative impacts on our direct suppliers' employees as well as employees in our deeper supply chains. The "Actions" section describes our activities to mitigate risks, ensure positive impacts on the people in our supply chains and on Evonik, and assess their effectiveness. 🌱 [ESRS 2 SBM-3](#), [ESRS S2.SBM-3](#), [ESRS S2-4](#)

Alongside economic requirements, our procurement strategy takes account of criteria such as health, quality, safety, social factors, and environmental protection. Evonik deploys significant resources in implementing its procurement strategy and particularly in identifying, mitigating, and eliminating social and environment-related risks and impacts in the supply chain. These resources include a procurement team dedicated to sustainability, risk, and compliance as well as the procurement and use of specialized software solutions for risk management and audits, such as EcoVadis.

🌱 [ESRS S2-4](#)

Global procurement is managed from Germany, with the support of regional units in Asia and North and South America. In 2024, we sourced raw materials and supplies, technical goods, services, energy, and other operating supplies with a total value of €10.5 billion (2023: €11.3 billion) from around 33,000 suppliers. Local sourcing accounted for about 76 percent of this amount (previous year: 75 percent).¹ Raw materials and supplies accounted for 50 percent of the procurement volume (previous year: 47 percent). Spending on petrochemical feedstocks was around €3.7 billion and accounted for 70 percent of our raw material base.

The group procurement policy contains clear-cut specifications for sustainable procurement and dealings with suppliers. Compliance with these principles and their implementation are reviewed when selecting suppliers. If a supplier does not satisfy these requirements, Evonik expects that it will work consistently to remedy the defects identified as a precondition for entering into or continuing a business relationship. Exclusion criteria primarily constitute the supplier's failure to comply with the ILO's Core Labour Standards, serious occupational safety shortcomings as well as severe violations of recognized environmental and safety standards. Evonik is fundamentally willing to support suppliers in remedying any shortcomings. The chief procurement officer is responsible for implementing such actions. These specifications are detailed in the Procurement management manual and thus at a central organizational location.

The code of conduct for suppliers is based on internationally recognized human rights and formulates corresponding expectations of all suppliers.

The code of conduct covers the following areas:

- Conduct in the business environment:
 - Compliance with laws
 - Fighting corruption; fighting money laundering, payment fraud, and cybercrime; foreign trade and export control; antitrust law; confidentiality and data protection
- Human rights and fair working conditions:
 - Prohibition of forced labor, human trafficking, and child labor
 - Fair treatment, protection against discrimination, and equal opportunity
 - Freedom of association and collective bargaining
 - Right to fair remuneration and regular working hours
 - Training and qualification
 - Rights of local communities and Indigenous peoples
 - Protection of human rights when deploying security forces
- Specifications for sourcing raw materials and the procurement of services
- Environment, safety, health, quality, and energy:
 - Health and safety in the workplace
 - Product safety and quality
 - Climate change, environmental protection, and resource efficiency
 - Animal protection

The code of conduct additionally contains specifications for the implementation of our standards by suppliers. They include, for instance, setting up appropriate implementation systems, establishing appropriate corrective actions in the event of violations of the standards, and support to ensure the application of comparable standards by sub-suppliers. Evonik also expects suppliers to set up their own effective complaints procedure so that any individual

¹ For us, local sourcing means deliberate procurement from sources that are geographically close to our production sites.

who is potentially or actually affected can report violations of the code of conduct standards without incurring any disadvantages whatsoever. In addition, employees at supplier companies always have the option of reporting any issues or problems to our externally operated whistleblower system (see chapter 12.1 Responsible corporate governance/human rights (section “Evonik’s whistleblower system”) [p.194 f.](#)). All cases are examined promptly so that appropriate action can be taken. 🌱 [ESRS S2-1, ESRS S2-3](#)

The values and expectations set out in our code of conduct are communicated to all suppliers also via our general terms and conditions of purchase. Evonik holds regular Supplier Days to brief relevant suppliers about the company’s values and commitments. We are aware that actively involving those people who are (potentially) affected by human rights breaches, such as those who work in the supply chains, is a key component of human rights due diligence processes. Our aspiration going forward is to establish a structured dialogue process with the people who are (potentially) affected, related groups, and their representatives in order to give adequate consideration to their interests in our decision making as well as when defining and monitoring relevant targets and actions. We will roll out this process in 2025 as part of our human rights and environmental risk analyses. 🌱 [ESRS S2-2, ESRS S2-5](#)

Harmonizing global standards in the supply chain creates transparency and makes it easier for both suppliers and customers to reliably

assess and evaluate sustainability performance and compliance with social standards. The chemical industry set up the Together for Sustainability (TfS) initiative for this purpose in 2011. Evonik is one of the six founding members.

As of September 2024, TfS encompasses over 53 international chemical companies and pursues the goal of implementing a global assessment and audit program for the responsible procurement of goods and services. These audits are mainly conducted on site by independent service providers and assess aspects such as working conditions on site. The initiative additionally provides webinars and training on sustainability. Furthermore, all suppliers and their employees can access information and training materials free of charge in the TfS Academy, which is an online learning platform. In this way, the initiative does not simply make environmental and social standards in supply chains quantifiable, but also contributes to a targeted improvement.

Active involvement in TfS is very important to us. Sharing knowledge of sustainability criteria with suppliers is a key aspect of TfS. The TfS Academy learning platform is used to provide specific information as well as for the training and further education of both suppliers and Evonik’s procurement organization. Suppliers learn about the TfS Academy on the procurement page of Evonik’s website, on the TfS website itself as well as through regular TfS webinars. In addition, specific training content is recommended to them in an automated process following completion of TfS assessments and audits.

As a member of the TfS initiative, we similarly subject ourselves to the TfS assessments. In 2024, rating agency EcoVadis again awarded Evonik platinum status, with the area of sustainable procurement also receiving a high rating of 90 out of 100 points. This places us among the top 1 percent of the companies evaluated by EcoVadis in both the chemical industry and in other sectors.

Target

- Examination of more than 90 percent of significant raw material suppliers by 2030 through TfS assessments

By selecting suppliers carefully, we secure and enhance not only their own sustainability standards but also the quality of the entire value chain. Suppliers of certain critical raw materials are subject to special scrutiny. We define critical raw materials as all raw materials that could potentially pose a supply risk or reputational risk, such as conflict minerals and renewable raw materials. We have put in place specific procurement strategies for these critical raw materials. The processes are integrated into a management system where they are mapped. Besides monitoring suppliers of critical raw materials, our aim is to examine by 2030 over 90 percent of all significant raw material suppliers¹ with an annual procurement volume of more than €100,000 from sustainability perspectives through TfS or equivalent assessments.

¹ Relative to the expenditure for recurring procurement transactions.

Furthermore, we wish to prevent human rights breaches and environmental violations by our direct and indirect suppliers as far as possible. At the same time, we aim to do all we can to create a positive impact for people and the environment within the context of our supply chains. We describe below the related assessments and actions taken. Since our goal is continuous improvement, we have not set any detailed targets. This also applies to risks and opportunities for Evonik itself arising from acting accordingly in respect of our supply chains. 🌱 [ESRS S2-5](#)

Actions

Supplier-based risk assessment

🌱 [ESRS S2.SBM-3](#), [ESRS S2-4](#)

As part of the annual group-wide human rights compliance risk analysis (see also section “Human rights compliance risk analysis” in chapter 12.1 Responsible corporate governance/human rights [p.188 ff.](#)), we identify value chains that we consider to be particularly high risk and treat these as a matter of priority. Generally speaking, the risk assessment covers all employees of our direct suppliers as well as those in Evonik’s deeper supply chain world-wide. They include not only the employees of contractors at our sites but also the people who work in logistics and distribution in the downstream value chain. We take special care to identify particularly vulnerable groups in the given context and to focus on them when defining and implementing preventive and corrective actions.

As for our value chains, we have pinpointed the following as being particularly high risk:

- **Metallic and mineral raw materials** due to the very high human rights risks—including child and forced labor—notably at the extraction stage but also in the processing of these materials
- **Renewable raw materials** due to the very high human rights risks—including child and forced labor—especially in the cultivation of certain raw materials
- **Services** due to the high human rights risks to employees, especially those arising in connection with low-skilled and/or low-wage work and with regard to the deployment of subcontractors
- **Logistics** due to the high to very high human rights risks of certain shipping modes such as ocean freight and transportation of goods by road

For these value chains, we implement actions to prevent and mitigate the relevant risks. We will successively include other potential risk areas in our assessments, notably in the deeper supply chain.

Our risk analysis also includes an ongoing process applied solely to our direct suppliers. In the evaluation of suppliers, special attention is paid to our strategic suppliers and suppliers of strategic raw materials. Strategic suppliers and raw materials are defined as those identified in consultation with the operational units as being of greater significance for Evonik’s business performance. These may be key raw materials or single-source situations. We work systematically both to extend strategic relationships with suppliers and to validate new suppliers.

To supplement our code of conduct for suppliers, our approach includes self-assessments, audits, and validation of suppliers

through the TfS initiative. The abstract human rights and environmental risk relating to the supplier’s country and industry is determined with the aid of the EcoVadis risk management tool (EcoVadis IQ). In the next step, we determine a possible specific risk using EcoVadis assessments and other tools such as a more detailed screening of business partners performed by a third-party service provider. We implement preventive measures including improvement plans or training to address these specific risks. Possible actions and their areas of application are defined in internal process documents.

If we identify actual breaches of human rights, for instance, as a result of audits, reports from whistleblowers, or external sources, we immediately engage with the supplier. Based on our discussions, we agree on binding actions to resolve the situation and, wherever necessary, make redress to those affected. Possible actions include improvement plans agreed with the supplier, modification of our own procurement practices, collaboration with relevant partners, and potentially also temporary suspension of the business relationship while corrective measures are ongoing. If any clarification is needed, the responsible Procurement employees consult the human rights officer. Further escalation levels are defined in the internal process documents. 🌱 [ESRS S2-3](#)

We draw on recurring EcoVadis assessments and audits to review the effectiveness of preventive and corrective actions relating to suppliers. Evonik reviews the relevant processes and policies on an ad-hoc basis.

Validation and evaluation of suppliers

ESRS G1-2, ESRS S2-2, ESRS S2-4

We expect our suppliers to share our principles and act correctly in every respect, which means honoring their responsibility toward their employees, business partners, society, and the environment. Validation is the first step in every new supply relationship. For this purpose, we notably use a validation process based on the values defined in our code of conduct for suppliers. All details are entered online and evaluated using a validation matrix. The initial validation involves a country-based assessment which does not include a separate review of the location of operations.

Successfully completed TfS assessments can similarly be used as evidence of validation. Overall, suppliers are evaluated using a method that identifies and quantifies risk factors as a basis for risk mitigation. This safeguards the supply of raw materials and technical goods to Evonik and enables us to gain access to new procurement markets and suppliers.

We apply the same care to evaluating existing supplier relationships. Alongside the annual evaluation of all major supplier relationships, a detailed review of strategic suppliers is undertaken.

Based on the findings, specific improvement measures are initiated as required (see chart C73 “Audit escalation process” p.204). To minimize risks in connection with our management of contractors, we obtain and evaluate evidence and self-assessments on compliance with the relevant German legislation (the German Minimum Wage Act, the German Employee Secondment Act, and the German Ordinance on Craftsmen).

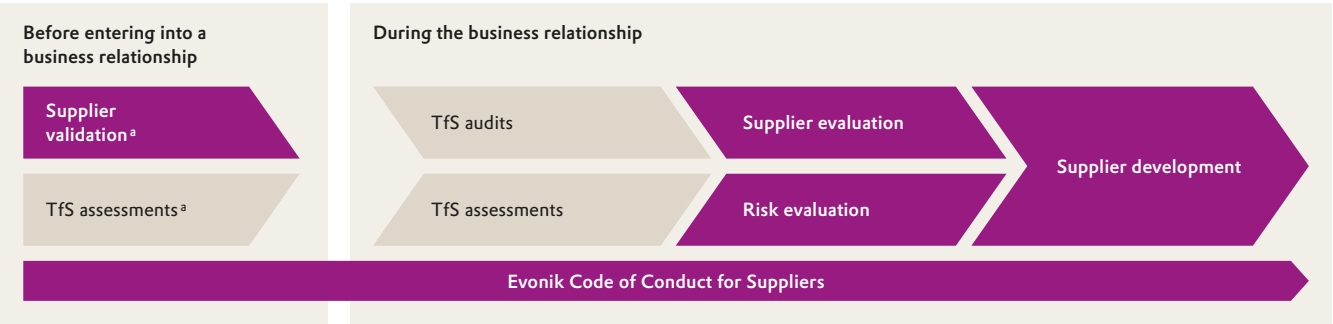
We have a clear-cut, structured process for supplier audits, including various escalation steps. Wherever shortcomings are

identified, we expect our suppliers to implement corrective action plans within a defined timeframe. These actions are tracked using a software solution. If the shortcomings are particularly serious and no improvement can be ascertained, we reserve the right to terminate our collaboration with the supplier.

Procurement employees receive training on ESG assessments and audits. At the same time, they have access to TfS Academy learning resources. Strategic procurement specialists are given additional training in fair business practices and negotiation.

Supplier validation and evaluation

C72



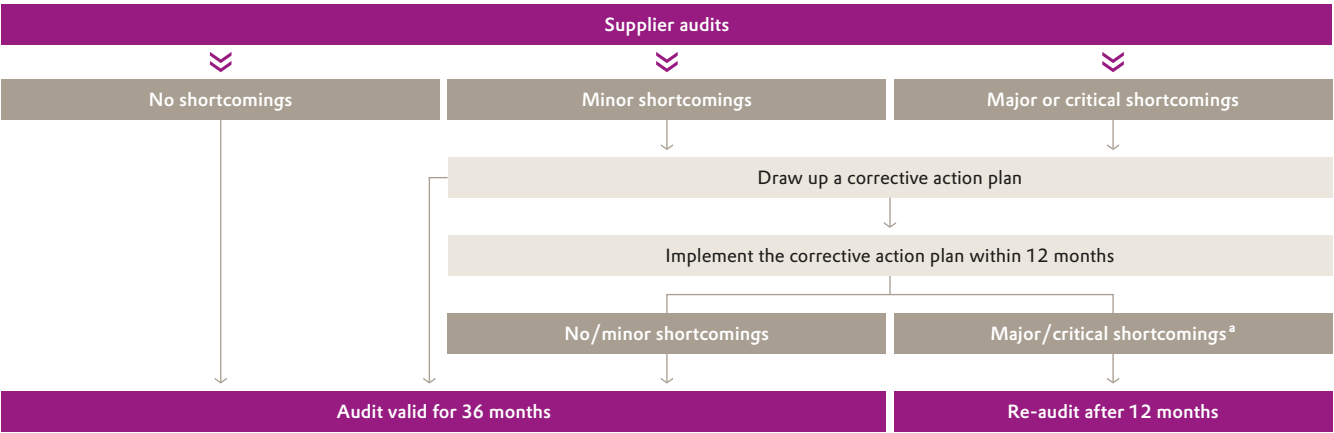
TfS process. Evonik process.

^a Alternatives.

Governance information
Responsibility within the supply chain

Audit escalation process

C73



^a If the shortcomings are particularly serious and no improvement can be identified, we reserve the right to end our collaboration with the supplier.

Conflict minerals

ESRS S2.SBM-3

The Dodd-Frank Act requires companies listed on the US stock market to disclose whether or not their products contain potential conflict minerals. These are mineral raw materials from the Democratic Republic of the Congo and its neighboring countries that are frequently used to finance armed conflicts. Moreover, human rights are often violated in the production of conflict minerals. Evonik is not listed on US stock exchanges and hence has no legal obligation to comply with the reporting requirements of the US stock market regulator. Nevertheless, we believe we have a responsibility to check the origin of any such substances we source. Each year, we review all relevant suppliers with regard to conflict minerals and ensure that none are procured. Furthermore, we require new suppliers to provide corresponding evidence of origin as part of the validation process. Mineral raw materials checked

include tin, tungsten, tantalum, gold, cobalt, and mica. We continuously evaluate whether other critical raw materials should be included in the review.

Sourcing of palm oil

For many years, Evonik has supported the use of sustainable palm oil in the supply chain. We report in detail on our memberships, initiatives for more sustainable palm oil production (with the related positive impacts for people and the environment), targets, metrics, and progress in chapter 10.5 Circular economy p. 153 ff.

Progress in 2024

During the reporting period, we made further improvements to our processes geared to evaluating and validating suppliers. This included reviewing the practicality of our risk analysis process for

direct suppliers. Following this review, we set a minimum order threshold of €100 thousand for the implementation of additional preventive measures. Below this threshold, we consider our influence over suppliers to be too small for additional actions to prove promising.

We additionally focused on a more detailed analysis of the value chains considered to be particularly high risk in terms of human rights and defined actions to increase transparency and prevent risks. The additional actions defined included sending questionnaires to relevant suppliers, identifying potential further industry initiatives, and improving communication between our grievance systems and (potentially) affected groups.

In 2024, we continued automating and standardizing our supplier-specific risk management for direct suppliers and carried out improvements. We implemented a software solution to further automate our process for managing the actions. We send out corresponding questionnaires and gather feedback on the implementation status of the actions. Furthermore, we have adjusted processes to enhance implementation efficiency. For example, we have established a standardized process to flag when it is not possible to directly allocate relevant contact partners in procurement.

In addition, we refined our monitoring of raw material risks by examining regional and geopolitical dependencies in greater detail than before. For aspects of the reduction in Scope 3 emissions, see chapter 10.1 Mitigating climate change p. 129 ff.

Governance information
Responsibility within the supply chain

Metrics

As regards our target of examining by 2030 over 90 percent of all significant raw material suppliers¹ with an annual procurement volume of more than €100 thousand from sustainability perspectives through TfS or equivalent assessments, we had validated around 87 percent of the major raw material suppliers in accordance with applicable criteria as of the end of 2024.

Worldwide, the TfS² member companies initiated 596 audits and 1,309 assessments in 2024. Evonik initiated 22 of these audits and 92 of the assessments. As a result, 1,568 suppliers were assessed in 2024 based on the audits, assessments, and supplier validations performed by TfS and directly by Evonik. About 87 percent of our direct and over 78 percent of our indirect procurement volume was covered by TfS assessments.

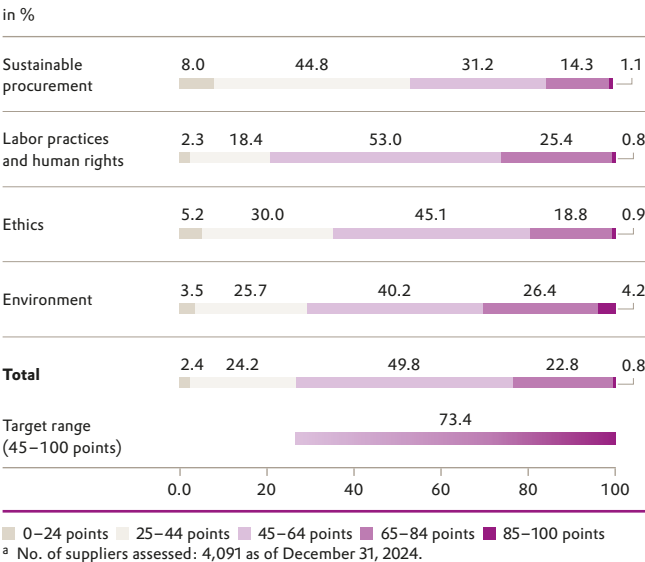
In 2024, we screened 1,454 new suppliers and identified no use of conflict minerals. This is equivalent to over 79.5 percent of new suppliers.

In the reporting period, TfS assessments were performed on 138 new suppliers of raw materials, technical goods, and services.

The chart “Sustainability performance of our suppliers” show their performance in the various evaluation categories used by

the EcoVadis rating. Taking all criteria together, around 73 percent of our suppliers are within our target range of 45 to 100 points.

Sustainability performance of Evonik suppliers^a C74



We focus in particular on the process of following up on the audits and assessments of our direct suppliers. In the reporting period, corrective action was initiated with 14 suppliers, where major or critical issues were identified during audits. In 14 cases,

supplier assessments showed that insufficient attention had been paid to sustainability aspects. Corrective action was initiated also in these cases. Thirty suppliers showed an improvement in the follow-up to the previous audit/assessment. In particular, TfS supplier audits focused on shortcomings in implementing environmental actions as well as the potential for improvement in occupational safety. None of the suppliers evaluated had significant negative impacts on the environment or on social aspects. There were no cases of discrimination or restriction of the freedom of association. In addition, we consistently follow up on the risks identified at our indirect suppliers. In 2024, we received four reports of issues at indirect suppliers. All four were corrected or resolved during the reporting period. [ESRS S2-1](#), [ESRS S2-4](#)

Below is a breakdown of the complaints received, (potential) violations identified, and training measures:

- No complaints received from or about suppliers via the whistleblower system
- Fifty-two (potential) violations identified at direct suppliers (audit findings) and 15 (potential) violations identified at indirect suppliers. With regard to the violations at direct suppliers, 27 were resolved or halted, while all 15 of the violations at indirect suppliers were resolved or halted. The incidents that remain open are still being investigated, so are not yet concluded.
- Every strategic sourcing manager received training on human rights processes (34 percent through individual training).

¹ Relative to the expenditure for recurring procurement transactions.
² The assessments from EcoVadis SAS (external) and from Together for Sustainability AISBL were not covered by the audit performed by KPMG AG Wirtschaftsprüfungsgesellschaft, Düsseldorf.

12.3 Cybersecurity

Strategy and management

Evonik views cybersecurity as mission-critical to the success of digitalization. To this end, the company takes both office IT and production IT systems (operational technology, OT) into consideration. Challenges in cyberspace are increasing exponentially. The geopolitical situation is deteriorating, cyber extortionists are becoming ever more professional, the range of malware and its variants is expanding, and widely used software products may display critical vulnerabilities. The consequences of ransomware attacks are growing ever more serious because they interrupt the availability of IT systems and the associated business processes. AI is accelerating and increasing the scale of AI-assisted cyberattacks. At the same time, the level of digitalization of production facilities continues to rise. Added to this is the increase in cybersecurity regulation worldwide.

Within the Evonik Group, we take a 360-degree approach to cybersecurity management. For both IT and OT, this is based on three pillars—people, technology as well as processes and organization. This involves bringing together decision makers from our specialist cybersecurity units with the relevant people from other organizational units and business areas to develop a coordinated process that aligns with our strategic targets. Our approach centers on defining an appropriate level of protection, striking a balance between the value added by cybersecurity, the company's needs, and the costs involved. We base our actions on maturity assessments and cyber risk analyses. These help us to

prioritize key risk mitigation actions as well as to monitor the progress and effectiveness of the action taken. In addition, the Evonik Group has appropriate cybersecurity insurance.

Our strategy covers the protection of office IT and OT systems and takes a serious approach to the growing challenges in cyberspace. To heighten cybersecurity, we are focusing on cyber risks with adverse impacts on the availability of business and production processes, the **loss of intellectual property** combined with a **loss of business**, inadequate observance of regulatory and compliance requirements, and insufficient resilience of critical IT and operational technology systems. We also focus on risks at critical IT service providers such as the **loss of customer data**, reputational risks, and emerging technological risks. Our scope covers all Evonik Group companies in which we are the majority shareholder. In the upstream value chain, we look at critical IT suppliers (third party risk management). 🌐 [ESRS 2 SBM-3](#)

To protect our information and information systems, Evonik's cybersecurity framework comprises a binding group functional policy for all employees, group-wide benchmarks, and standard operating procedures for IT and OT. Evonik's cybersecurity policies for IT and OT are based on the international information security management standards ISO 27001 and IEC 62443. They govern key aspects such as risk management, access control, network security, and incident management, and ensure the secure management of IT and OT assets, network segmentation as well as the protection of industrial control systems (ICS). All Evonik sites with more than ten IT specialists are certified to DIN ISO 27001. These policies also define monitoring, auditing, and supply

chain security processes. At the same time, training and awareness programs promote a robust security culture. The aim is to secure Evonik's IT and OT environments end-to-end, while ensuring compliance with regulatory requirements and applicable standards.

Evonik has a clearly defined cybersecurity governance structure, responsibility for which is consolidated in a corporate function assigned to the chief financial officer. Governance and technical guidance are provided by the chief IT security officer and chief OT security officer. An organization comprising the central IT security officer (ISO) and local OT security officers (OSO) supports the divisions, functions, and regions in implementing actions. It also ensures the effectiveness of the management system. The IT function is charged with the operational implementation of key technical cybersecurity actions. Regular reports are provided to the chief financial officer, risk committee, and audit committee by the CIO, chief IT security officer, and chief OT security officer. Group cybersecurity governance has been included as an additional pillar of the House of Compliance and will be implemented in 2025. The CIO and chief IT security officer provide regular updates on the risks and the effectiveness of the cybersecurity management system.

The existing organizational structure is supplemented by overarching bodies within the group. The Cybersecurity Working Group brings together specialist departments and business areas to develop coordinated strategies that align with our corporate targets. It meets each month, coordinates group-wide cybersecurity actions, facilitates the exchange of information, defines

assessment criteria, and tracks progress as well as implementation of the group-wide cybersecurity policies. The participants have the right to vote on the decision points presented.

In recent years, we have introduced numerous strategic and operational effectiveness KPIs within the framework of a defined cybersecurity control system. This enables us to manage our security controls and monitor their effectiveness.

Target

- Annual participation in cyber-awareness training of at least 90 percent of IT users with an active user account

Evonik promotes cybersecurity awareness through its Cybersecurity Training & Awareness Program. This encompasses mandatory training, regular phishing simulations, and content on subjects such as social engineering and mobile security. The aim is to establish a strong security culture and enhance resilience to cyber threats.

Actions

Evonik pursues an active, end-to-end approach to managing cybersecurity impacts and risks. We continuously review our extensive security actions to prevent attacks from within and outside the company. At the same time, we invest in technical and organizational actions to identify and ward off such attacks.

We enforce and monitor implementation of our security actions for the operation and use of IT with the aid of an in-house

management system. In addition, we constantly monitor present threats and align our security actions with them. We deploy a global network of experts and partners who support us in countering cyberattacks with their products and know-how. The threat situation is regularly evaluated by our Cyber Defense Team with the help of external sources and reported to the security organization via a cyber security briefing. Protective measures are reviewed and modified on a regular basis—through cybersecurity operation at operational level and through cybersecurity programs at strategic level. A key element of our IT security organization is the cybersecurity operation center. This is responsible for detecting, responding to, and preventing cyber threats as well as for operational cybersecurity management.

Via our EMPOS program (Evonik Management Platform for OT Security), we constantly adapt the protection level for our production facilities—which are increasingly networked and connected to the Internet—and provide central OT security support.

We are also a member of various professional cybersecurity associations and working groups. Evonik has insurance to cover business interruption and consequential damages resulting from cyberattacks. Regular penetration tests and security audits are carried out to protect our IT systems. We have additionally set up group-wide programs to bolster cybersecurity. The Cyber Security Enforcement Program classifies our employees and applications in four cyberattack protection (CAP) groups according to their functions and access. The first level comprises basic protection which is augmented with additional technical and organizational actions through the next stages up to level four.

We harness our Cyber Security Resilience Program—known as CRISP for short—to enhance the Evonik Group’s resilience to increasingly aggressive, state-motivated cyberattacks. More and more, Evonik is turning to digital networking in its collaboration with suppliers, partners, and customers and developing special cybersecurity actions for this purpose.

We regularly train our employees and use posters, training modules, video formats, and interactive events such as the Evonik learning sessions to heighten awareness. Timely information on current threats is posted on the intranet. Evonik continuously analyzes the participation rates in training and phishing tests.

We monitor the effectiveness of our actions internally and record the number and severity of incidents, reaction times, threat monitoring activities, and employee participation in cybersecurity training. A differentiation is made between strategic KPIs (for example, general risk mitigation, policy compliance) and operational KPIs (for example, incident reaction times, system vulnerabilities). In this way, we assess the organization’s ability to mitigate risk and ensure resilience. Frameworks such as NIST serve as a basis. Incidents are defined as events that compromise the confidentiality, integrity, or availability of IT systems. Actions include quantifiable risk mitigation as a result of regular employee training.

We aim to adapt the level of protection to the risk level; our cybersecurity performance is measured and evaluated by external rating agencies Security Score Card and CyberVadis. Evonik’s current rating positions our company in the top third of its peer group which is frequently used for comparisons by investors and analysts. To ensure credibility and transparency, our cybersecurity data are validated externally, including by specialist consulting firms, independent penetration tests, and reconciliation with industry benchmarks.

Our cybersecurity policies and actions are monitored using the three lines of defense model to assess their effectiveness in terms of mitigating material risks (for example, security incidents or system vulnerabilities that could result in loss of business), as

well as utilizing opportunities (for example, building stakeholder confidence through robust cybersecurity). The effectiveness of our cybersecurity actions is assessed through regular audits, risk analyses, penetration tests, ISO organizations, and KPI monitoring.

We aim to make sure that ISO 27001 certification is maintained at all times. To ensure our readiness for certification, we track our progress using quantitative indicators—for example, the rate of employee participation in cybersecurity training and the reduction of security incidents—as well as qualitatively through external audits.

Progress in 2024

We are pushing ahead with our cybersecurity programs and implementing the actions identified on the basis of defined

schedules. For example, as part of the EMPOS program, the team charged with enhancing OT security was augmented in 2024.

Metrics

Participation in cybersecurity training sessions was 94 percent in the reporting period. We likewise continued our phishing test initiatives: Eleven tests were conducted in 2024. In addition, the company conducted a phishing initiative for especially vulnerable employees with access to highly confidential information about Evonik.

ANNEX

to the combined
management report 2024



ESRS 2 Appendix B

ESRS Index: Disclosure requirements covered

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ESRS	Disclosure	Material ^a	Use of phase-in provisions	Page number
ESRS 2	General disclosures	x		
BP-1	General basis for preparation of sustainability statements	x		93 ff.
BP-2	Disclosures in relation to specific circumstances	x		94 ff.
GOV-1	The role of the administrative, management and supervisory bodies	x		121 ff.
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	x		117, 122 f.
GOV-3	Integration of sustainability-related performance in incentive schemes	x		123 ff.
GOV-4	Statement on due diligence	x		125
GOV-5	Risk management and internal controls over sustainability reporting	x		60 f., 63, 65 ff., 69 f., 96
SBM-1	Strategy, business model and value chain	x		27 ff., 97 ff.
SBM-2	Interests and views of stakeholders	x		105 ff.
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	x		93, 97 f., 100 ff., 112 f., 115 f., 118 f., 129, 140, 143, 147, 153, 159, 170, 177, 180, 188, 200, 206
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	x		108 ff., 114 ff.
IRO-2	Disclosure requirements covered	x		111, 210 ff.
ESRS E1	Climate change	x		
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	x		123 f., 129
E1-1	Transition plan for climate change mitigation	x		128 f.
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	x		115 f., 129, 133
ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	x		115 ff., 133, 144, 149

ESRS	Disclosure	Material ^a	Use of phase-in provisions	Page number
E1-2	Policies related to climate change mitigation and adaptation	x		129
E1-3	Actions and resources in relation to climate change policies	x		98, 120, 130 ff.
E1-4	Targets related to climate change mitigation and adaptation	x		129 ff., 136
E1-5	Energy consumption and mix	x		141 f.
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	x		134 ff.,
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	x		129 f., 133
E1-8	Internal carbon pricing	x		131 f.
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	x	x	
ESRS E2	Pollution	x		
ESRS 2 IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	x		109, 159
E2-1	Policies related to pollution	x		159 f., 180 ff.
E2-2	Actions and resources related to pollution	x		159
E2-3	Targets related to pollution	x		159 f.
E2-4	Pollution of air, water and soil	x		163, 184 f.
E2-5	Substances of concern and substances of very high concern	x		163
E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	x	x	
ESRS E3	Water and marine resources	x		
ESRS 2 IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	x		143

^a Classified based on the materiality assessment and ESRS 2 AR 16.

ESRS Index: Disclosure requirements covered

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ESRS	Disclosure	Material ^a	Use of phase-in provisions	Page number
E3-1	Policies related to water and marine resources	x		104, 143, 180
E3-2	Actions and resources related to water and marine resources	x		144 f.
E3-3	Targets related to water and marine resources	x		143
E3-4	Water consumption	x		146
E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	x	x	
ESRS E4	Biodiversity and ecosystems	x		
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	x		147 ff.
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	x		148, 150
ESRS 2 IRO-1	Description of the processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	x		109, 147, 149
E4-2	Policies related to biodiversity and ecosystems	x		147, 154, 156 f.
E4-3	Actions and resources related to biodiversity and ecosystems	x		109, 148
E4-4	Targets related to biodiversity and ecosystems	x		148
E4-5	Impact metrics related to biodiversity and ecosystems change	x		151 f.
E4-6	Anticipated financial effects from biodiversity and ecosystem-related impacts, risks and opportunities	x	x	
ESRS E5	Resource use and circular economy	x		
ESRS 2 IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	x		153 f., 157
E5-1	Policies related to resource use and circular economy	x		154 f.

ESRS	Disclosure	Material ^a	Use of phase-in provisions	Page number
E5-2	Actions and resources related to resource use and circular economy	x		155 f.
E5-3	Targets related to resource use and circular economy	x		155 ff.
E5-4	Resource inflows	x		158
E5-5	Resource outflows	x		158
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	x	x	
ESRS S1	Own workforce	x		
ESRS 2 SBM-2	Interests and views of stakeholders	x		105 ff.
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	x		170, 177, 180 f. 188, 192
S1-1	Policies related to own workforce	x		180, 188 f., 195
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	x		173, 188
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	x		194 f.
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	x		170 ff., 175, 191
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	x		171 ff., 175, 177,
S1-6	Characteristics of the undertaking's employees	x		175 f.
S1-7	Characteristics of non-employees in the undertaking's own workforce			
S1-8	Collective bargaining coverage and social dialogue	x		173 f.
S1-9	Diversity metrics	x		121 f., 178 f.
S1-10	Adequate wages	x		172

^a Classified based on the materiality assessment and ESRS 2 AR 16.

ESRS Index: Disclosure requirements covered

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ESRS	Disclosure	Material ^a	Use of phase-in provisions	Page number
S1-11	Social protection	x		174
S1-12	Persons with disabilities			
S1-13	Training and skills development metrics	x		172, 174 f.
S1-14	Health and safety metrics	x	x	180, 183
S1-15	Work-life balance metrics	x	x	174
S1-16	Remuneration metrics (pay gap and total remuneration)	x		173
S1-17	Incidents, complaints and severe human rights impacts	x		197
ESRS S2	Workers in the value chain	x		
ESRS 2 SBM-2	Interests and views of stakeholders	x		105 ff.
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	x		157, 200,
S2-1	Policies related to value chain workers	x		188, 200 f., 205
S2-2	Processes for engaging with value chain workers about impacts	x		201, 203 f.
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	x		194 f., 200 ff.
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	x		157, 191, 200, 202 f., 205

ESRS	Disclosure	Material ^a	Use of phase-in provisions	Page number
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	x		201 f.
ESRS S3	Affected communities			
ESRS S4	Consumers and end-users			
ESRS G1	Business conduct	x		
ESRS 2 GOV-1	The role of the administrative, management, and supervisory bodies	x		121 f., 190 f.
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	x		108 ff., 114 ff., 192, 202
G1-1	Business conduct policies and corporate culture	x		190 ff., 195
G1-2	Management of relationships with suppliers	x		194, 203
G1-3	Prevention and detection of corruption and bribery	x		189 ff., 193, 195 ff.
G1-4	Incidents of corruption or bribery	x		197
G1-5	Political influence and lobbying activities	x		197 f.
G1-6	Payment practices			

^a Classified based on the materiality assessment and ESRS 2 AR 16.

ESRS Index: Disclosure requirements under other EU legislation

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ESRS	Disclosure	Other source ^{a,b,c,d}	Material ^a	Page number	ESRS	Disclosure	Other source ^{a,b,c,d}	Material ^a	Page number
ESRS 2 GOV-1	Board's gender diversity	a, c	x	121 f.	ESRS E1-9	Breakdown of the carrying value of its real estate assets by energy-efficiency classes	b		
ESRS 2 GOV-1	Percentage of board members who are independent	c	x	121	ESRS E1-9	Degree of exposure of the portfolio to climate-related opportunities	c		
ESRS 2 GOV-4	Statement on due diligence	a	x	125	ESRS E2-4	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	a	x	184 f.
ESRS 2 SBM-1	Involvement in activities related to fossil fuel activities	a, b, c		98	ESRS E3-1	Water and marine resources	a	x	143
ESRS 2 SBM-1	Involvement in activities related to chemical production	a, c	x		ESRS E3-1	Dedicated policy	a	x	143
ESRS 2 SBM-1	Involvement in activities related to controversial weapons	a, c			ESRS E3-1	Sustainable oceans and seas	a		
ESRS 2 SBM-1	Involvement in activities related to cultivation and production of tobacco	c			ESRS E3-4	Total water recycled and reused	a	x	146
ESRS E1-1	Transition plan to reach climate neutrality by 2050	d	x	129 f.	ESRS E3-4	Total water consumption in m ³ per net revenue on own operations	a	x	146
ESRS E1-1	Undertakings excluded from Paris-aligned benchmarks	b, c			ESRS 2				
ESRS E1-4	GHG emission reduction targets	a, b, c	x	129 f., 136	SBM3-E4	Biodiversity and ecosystems	a	x	148, 150
ESRS E1-5	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	a	x		ESRS E4-2	Sustainable land/agriculture practices or policies	a	x	147
ESRS E1-5	Energy consumption and mix	a	x	142	ESRS E4-2	Sustainable oceans/seas practices or policies	a		
ESRS E1-5	Energy intensity associated with activities in high climate impact sectors	a	x	142	ESRS E4-2	Policies to address deforestation	a		
ESRS E1-6	Gross Scope 1, 2, 3 and Total GHG emissions	a, b, c	x	135	ESRS E5-5	Non-recycled waste	a	x	158
ESRS E1-6	Gross GHG emissions intensity	a, b, c	x	135	ESRS E5-5	Hazardous waste and radioactive waste	a	x	158
ESRS E1-7	GHG removals and carbon credits	d	x	134	ESRS 2				188, 192 f., 200 f.
ESRS E1-9	Exposure of the benchmark portfolio to climate-related physical risks	c			SBM3-S1	Risk of incidents of forced labour	a	x	
ESRS E1-9	Disaggregation of monetary amounts by acute and chronic physical risk	b			ESRS 2				
ESRS E1-9	Location of significant assets at material physical risk	b			SBM3-S1	Risk of incidents of child labour	a	x	188, 192 f.
					ESRS S1-1	Human rights policy commitments	a	x	188
					ESRS S1-1	Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8	c	x	188

^a SFDR reference.^b Pillar 3 reference.^c Benchmark Regulation reference.^d EU Climate Law reference.

ESRS Index: Disclosure requirements under other EU legislation

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ESRS	Disclosure	Other source ^{a,b,c,d}	Material ^a	Page number
ESRS S1-1	Processes and measures for preventing trafficking in human beings	a	x	188, 200 f.
ESRS S1-1	Workplace accident prevention policy or management system	a	x	180
ESRS S1-3	Grievance/complaints handling mechanisms	a	x	194 f.
ESRS S1-14	Number of fatalities and number and rate of work-related accidents	a, c	x	183
ESRS S1-14	Number of days lost to injuries, accidents, fatalities or illness	a	x	183
ESRS S1-16	Unadjusted gender pay gap	a, c	x	173
ESRS S1-16	Excessive CEO pay ratio	a	x	173
ESRS S1-17	Incidents of discrimination	a	x	197
ESRS S1-17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	a, c	x	197
ESRS 2 SBM3-S2	Significant risk of child labour or forced labour in the value chain	a	x	200, 202
ESRS S2-1	Human rights policy commitments	a	x	200 ff.
ESRS S2-1	Policies related to value chain workers	a	x	188 f., 200
ESRS S2-1	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	a, c	x	197

ESRS	Disclosure	Other source ^{a,b,c,d}	Material ^a	Page number
ESRS S2-1	Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8	c	x	188 f.
ESRS S2-4	Human rights issues and incidents connected to its upstream and downstream value chain	a	x	205
ESRS S3-1	Human rights policy commitments	a		
ESRS S3-1	Non-respect of UNGPs on Business and Human Rights, ILO principles and OECD guidelines	a, c		
ESRS S3-4	Human rights issues and incidents	a		
ESRS S4-1	Policies related to consumers and end-users	a		
ESRS S4-1	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	a, c		
ESRS S4-4	Human rights issues and incidents	a		
ESRS G1-1	United Nations Convention against Corruption	a	x	191
ESRS G1-1	Protection of whistleblowers	a	x	195
ESRS G1-4	Fines for violation of anti-corruption and anti-bribery laws	a, c	x	197
ESRS G1-4	Standards of anti-corruption and anti-bribery	a	x	197

^a SFDR reference.
^b Pillar 3 reference.
^c Benchmark Regulation reference.
^d EU Climate Law reference.

EU taxonomy tables

Proportion of turnover from products or services associated with taxonomy-aligned economic activities—disclosure covering 2024

T72

(1)	(2)	(3)	(4)	Substantial contribution criteria						DNSH criteria (“Do No Significant Harm”)							(17)	(18)	(19)	(20)
				(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)					
Economic activities	Code(s) ^b	Absolute turnover	Proportion of turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned (A.1) or taxonomy-eligible (A.2) proportion of turnover, 2023	Category enabling activity	Category transitional activity	
		in € million	in %	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	in %	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Taxonomy-aligned activities																				
Manufacture of energy efficiency equipment for buildings	CCM 3.5	64	0.4	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	0.5	E		
Manufacture of plastics in primary form	CCM 3.17	4	–	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	–		T	
Turnover of taxonomy-aligned activities (A.1)		68	0.4	0.4	–	–	–	–	–		Y	Y	Y	Y	Y	Y	0.5			
of which enabling		64	0.4	0.4	–	–	–	–	–		Y	Y	Y	Y	Y	Y	0.5	E		
of which transitional		4	–	–							Y	Y	Y	Y	Y	Y	–		T	
A.2. Taxonomy-eligible but not taxonomy-aligned activities				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL											
Manufacture of energy efficiency equipment for buildings ^a	CCM 3.5	38	0.3	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.2			
Manufacture of organic basic chemicals	CCM 3.14	116	0.8	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.5			
Manufacture of plastics in primary form	CCM 3.17	2,141	14.1	EL	N/EL	N/EL	N/EL	N/EL	N/EL								14.7			
Transmission and distribution of electricity	CCM 4.9	43	0.3	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.2			
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30	114	0.8	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.8			
Manufacture of active pharmaceutical ingredients	PPC 1.1	103	0,7	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0.6			
Turnover of taxonomy-eligible but not taxonomy-aligned activities (A.2)		2,556	16.9	16.2	–	–	0.7	–	–								17.0			
Total (A.1 + A.2)		2,624	17.3	16.6	–	–	0.7	–	–								17.5			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of taxonomy-non-eligible activities (B)		12,533	82.7																	
Total (A + B)		15,157	100.0																	

^a For this activity, several smaller units of evaluation with aggregate turnover of less than €4 million were not examined for taxonomy alignment on materiality grounds and due to the disproportionate amount of work involved.

^b The code is the abbreviation for the environmental objective to which the economic activity can make a substantial contribution, i.e., climate change mitigation (CCA); pollution prevention and control (PPC).

Y – yes: activity is taxonomy-eligible and taxonomy-aligned with the relevant environmental objective; N – no: activity is taxonomy-eligible but not taxonomy-aligned with the relevant objective.

EL – eligible: activity is taxonomy-eligible for the environmental objective; N/EL – not eligible: activity is not taxonomy-eligible for the environmental objective.

Proportion of CapEx from products or services associated with taxonomy-aligned economic activities—disclosure covering 2024

T73

(1)	(2)	(3)	(4)	Substantial contribution criteria						DNSH criteria (“Do No Significant Harm”)							(18)	(19)	(20)
				(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)			
				Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity and ecosystems	Minimum safeguards			
Economic activities	Code(s) ^b	Absolute CapEx	Proportion of CapEx	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Taxonomy-aligned (A.1) or taxonomy-eligible (A.2) proportion of CapEx, 2023	Category enabling activity	Category transitional activity
		in € million	in %														in %	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Taxonomy-aligned activities																			
Manufacture of energy efficiency equipment for buildings	CCM 3.5	2	0.2	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	0.2	E	
Manufacture of plastics in primary form	CCM 3.17	–	–	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	–		T
CapEx of taxonomy-aligned activities (A.1)		2	0.2	0.2	–	–	–	–	–		Y	Y	Y	Y	Y	Y	0.2		
of which enabling		2	0.2	0.2	–	–	–	–	–		Y	Y	Y	Y	Y	Y	0.2	E	
of which transitional		–	–	–							Y	Y	Y	Y	Y	Y	–		T
A.2. Taxonomy-eligible but not taxonomy-aligned activities				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of energy efficiency equipment for buildings ^a	CCM 3.5	1	0.1	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1		
Manufacture of organic basic chemicals	CCM 3.14	6	0.6	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.2		
Manufacture of plastics in primary form	CCM 3.17	100	9.8	EL	N/EL	N/EL	N/EL	N/EL	N/EL								11.5		
Transmission and distribution of electricity	CCM 4.9	19	1.9	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.1		
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30	15	1.5	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.4		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	17	1.7	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.2		
Inland freight water transport	CCM 6.8	42	4.2	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.6		
Manufacture of active pharmaceutical ingredients	PPC 1.1	14	1.4	N/EL	N/EL	N/EL	EL	N/EL	N/EL								1.0		
CapEx of taxonomy-eligible but not taxonomy-aligned activities (A.2)		215	21.2	19.8	–	–	1.4	–	–								17.2		
Total (A.1 + A.2)		217	21.4	20.0	–	–	1.4	–	–								17.4		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of taxonomy-non-eligible activities (B)		797	78.6																
Total (A + B)		1,014	100.0																

^a For this activity, several smaller units were not examined for taxonomy alignment on materiality grounds and due to the disproportionate amount of work involved.^b The code is the abbreviation for the environmental objective to which the economic activity can make a substantial contribution, i.e., climate change mitigation (CCA); pollution prevention and control (PPC).

Y – yes: activity is taxonomy-eligible and taxonomy-aligned with the relevant environmental objective; N – no: activity is taxonomy-eligible but not taxonomy-aligned with the relevant objective.

EL – eligible: activity is taxonomy-eligible for the environmental objective; N/EL – not eligible: activity is not taxonomy-eligible for the environmental objective.

Proportion of OpEx from products or services associated with taxonomy-aligned economic activities—disclosure covering 2024

T74

(1)	(2)	(3)	(4)	Substantial contribution criteria						DNSH criteria (“Do No Significant Harm”)							(18)	(19)	(20)
				(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)			
Economic activities	Code(s) ^b	Absolute OpEx	Proportion of OpEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned (A.1) or taxonomy-eligible (A.2) proportion of OpEx, 2023	Category enabling activity	Category transitional activity
		in € million	in %	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	in %	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Taxonomy-aligned activities																			
Manufacture of energy efficiency equipment for buildings	CCM 3.5	1	0.1	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	0.2	E	
Manufacture of plastics in primary form	CCM 3.17	–	–	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	–		T
OpEx of taxonomy-aligned activities (A.1)		1	0.1	0.1	–	–	–	–	–		Y	Y	Y	Y	Y	Y	0.2		
of which enabling		1	0.1	0.1	–	–	–	–	–		Y	Y	Y	Y	Y	Y	–	E	
of which transitional		–	–	–							Y	Y	Y	Y	Y	Y	–		T
A.2. Taxonomy-eligible but not taxonomy-aligned activities				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of energy efficiency equipment for buildings ^a	CCM 3.5	1	0.1	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1		
Manufacture of organic basic chemicals	CCM 3.14	2	0.3	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.2		
Manufacture of plastics in primary form	CCM 3.17	115	13.5	EL	N/EL	N/EL	N/EL	N/EL	N/EL								13.4		
Transmission and distribution of electricity	CCM 4.9	–	–	EL	N/EL	N/EL	N/EL	N/EL	N/EL								–		
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30	1	0.1	EL	N/EL	N/EL	N/EL	N/EL	N/EL								–		
Manufacture of active pharmaceutical ingredients	PPC 1.1	8	0.9	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0.8		
OpEx of taxonomy-eligible but not taxonomy-aligned activities (A.2)		126	14.9	14.0	–	–	0.9	–	–								14.5		
Total (A.1 + A.2)		127	15.0	14.0	–	–	0.9	–	–								14.7		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of taxonomy-non-eligible activities (B)		720	85.0																
Total (A + B)		847	100.0																

^a For this activity, several smaller units were not examined for taxonomy alignment on materiality grounds and due to the disproportionate amount of work involved.^b The code is the abbreviation for the environmental objective to which the economic activity can make a substantial contribution, i.e., climate change mitigation (CCA); pollution prevention and control (PPC).

Y – yes: activity is taxonomy-eligible and taxonomy-aligned with the relevant environmental objective; N – no: activity is taxonomy-eligible but not taxonomy-aligned with the relevant objective.

EL – eligible: activity is taxonomy-eligible for the environmental objective; N/EL – not eligible: activity is not taxonomy-eligible for the environmental objective.

Overview taxonomy-eligible and -aligned proportion per environmental objectives 2024

T75

Environmental objectives	Proportion of turnover/absolute turnover		Proportion of CapEx/absolute CapEx		Proportion of OpEx/absolute OpEx	
	Taxonomy-aligned per objective in %	Taxonomy-eligible per objective in %	Taxonomy-aligned per objective in %	Taxonomy-eligible per objective in %	Taxonomy-aligned per objective in %	Taxonomy-eligible per objective in %
Climate change mitigation (CCM)	0.4	16.2	0.2	19.8	0.1	14.0
Climate change adaptation (CCA)	–	–	–	–	–	–
Water and marine resources (WTR)	–	–	–	–	–	–
Circular economy (CE)	–	–	–	–	–	–
Pollution prevention and control (PPC)	–	0.7	–	1.4	–	0.9
Biodiversity and ecosystems (BIO)	–	–	–	–	–	–

EU taxonomy templates

Template 1 Nuclear and fossil gas related activities

T76

Row	Nuclear energy-related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Template 2 Taxonomy-aligned economic activities (denominator)

T77

Row	Economic activities	Proportion of turnover						Proportion of CapEx						Proportion of OpEx					
		(CCM + CCA)		Climate change mitigation (CCM)		Climate change adaptation (CCA)		(CCM + CCA)		Climate change mitigation (CCM)		Climate change adaptation (CCA)		(CCM + CCA)		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount in € million	in %	Amount in € million	in %	Amount in € million	in %	Amount in € million	in %	Amount in € million	in %	Amount in € million	in %	Amount in € million	in %	Amount in € million	in %	Amount in € million	in %
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	68	–	68	–	–	–	2	–	2	–	–	–	1	–	1	–	–	–
8.	Total applicable KPI	15,157	100	15,157	100	15,157	100	1,014	100	1,014	100	1,014	100	847	100	847	100	847	100

Template 3 Taxonomy-aligned economic activities (numerator)

T78

Row	Economic activities	Proportion of turnover						Proportion of CapEx						Proportion of OpEx					
		(CCM + CCA)		Climate change mitigation		Climate change adaptation		(CCM + CCA)		Climate change mitigation		Climate change adaptation		(CCM + CCA)		Climate change mitigation		Climate change adaptation	
		Amount in € million	in %	Amount in € million	in %	Amount in € million	in %	Amount in € million	in %	Amount in € million	in %	Amount in € million	in %	Amount in € million	in %	Amount in € million	in %	Amount in € million	in %
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	68	100	68	100	–	–	2	100	2	100	–	–	1	100	1	100	–	–
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	68	100	68	100	–	–	2	100	2	100	–	–	1	100	1	100	–	–

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities

T79

Row	Economic activities	Proportion of turnover						Proportion of CapEx						Proportion of OpEx					
		(CCM + CCA)		Climate change mitigation		Climate change adaptation		(CCM + CCA)		Climate change mitigation		Climate change adaptation		(CCM + CCA)		Climate change mitigation		Climate change adaptation	
		Amount in € million	in %	Amount in € million	in %	Amount in € million	in %	Amount in € million	in %	Amount in € million	in %	Amount in € million	in %	Amount in € million	in %	Amount in € million	in %	Amount in € million	in %
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	114	1	114	1	–	–	15	1	15	1	–	–	1	–	1	–	–	–
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	2,441	16	2,441	16	–	–	199	20	199	20	–	–	126	15	126	15	–	–
8.	Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	2,555	17	2,555	17	–	–	214	21	214	21	–	–	126	15	126	15	–	–

Template 5 Taxonomy non-eligible economic activities

T80

Row	Economic activities	Proportion of turnover		Proportion of CapEx		Proportion of OpEx	
		Amount in € million	in %	Amount in € million	in %	Amount in € million	in %
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	8	1	1	–
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a	n/a	n/a	n/a
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	12,533	83	789	78	719	85
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	12,533	83	797	79	720	85



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Income statement

T81

in € million	Note	2023	2024
Sales	5.1	15,267	15,157
Cost of sales	5.2	-12,567	-11,419
Gross profit on sales		2,700	3,738
Selling expenses	5.2	-1,836	-1,894
Research and development expenses	5.2	-443	-459
General administrative expenses	5.2	-488	-740
Other operating income	5.3	226	271
Other operating expense	5.3	-412	-360
Result from investments recognized at equity	5.4	10	21
Income before financial result and income taxes, continuing operations (EBIT)	5.5	-243	577
Interest income		117	71
Interest expense		-244	-212
Other financial income/expense		19	-2
Financial result	5.6	-108	-143
Income before income taxes, continuing operations		-351	434
Income taxes	5.7	-101	-194
Income after taxes, continuing operations		-452	240
Income after taxes, discontinued operations		-	-
Income after taxes	5.8	-452	240
thereof attributable to non-controlling interests		13	18
thereof attributable to shareholders of Evonik Industries AG (net income)		-465	222
Earnings per share in € (basic and diluted)	5.9	-1.00	0.48
thereof continuing operations		-1.00	0.48
thereof discontinued operations		0.00	0.00

Statement of comprehensive income

T82

in € million	Note	2023	2024
Income after taxes		-452	240
Unrealized amounts from hedging instruments: designated risk components	9.4.3	-168	-71
Realized amounts from hedging instruments reclassified to profit or loss: designated risk components	9.4.3	-23	-12
Deferred taxes on hedging instruments: designated risk components	9.4.3	41	25
Unrealized amounts from hedging components: cost of hedging	9.4.3	3	-4
Realized amounts from hedging instruments reclassified to profit or loss: cost of hedging	9.4.3	9	-3
Deferred taxes on hedging instruments: cost of hedging	9.4.3	-2	2
Other comprehensive income from currency translation	6.4	-243	293
Other comprehensive income from currency translation of investments recognized at equity	6.4	-4	-1
Other comprehensive income that can be reclassified		-387	229
Other comprehensive income from the remeasurement of the net defined benefit liability	6.10	-536	216
Deferred taxes from the remeasurement of the net defined benefit liability	6.10	-244	-19
Other comprehensive income from equity instruments measured at fair value through OCI	9.4.1, 9.4.2	50	16
Other comprehensive income that cannot be reclassified		-730	213
Other comprehensive income after taxes		-1,117	442
Total comprehensive income		-1,569	682
thereof attributable to non-controlling interests		7	23
thereof attributable to shareholders of Evonik Industries AG		-1,576	659

Balance sheet

T83

in € million	Note	Dec. 31, 2023	Dec. 31, 2024
Goodwill	6.1, 6.5	4,581	4,707
Other intangible assets	6.1, 6.5	944	864
Property, plant and equipment	6.2, 6.5	6,294	6,450
Right-of-use assets	6.3	965	947
Investments recognized at equity	6.4, 6.5	52	49
Other financial assets	6.6	460	467
Deferred taxes	6.14	642	664
Other income tax assets	6.14	20	25
Other non-financial assets	6.8	78	69
Non-current assets		14,036	14,242
Inventories	6.7	2,349	2,662
Trade accounts receivable	6.6	1,607	1,622
Other financial assets	6.6	381	216
Other income tax assets	6.14	209	166
Other non-financial assets	6.8	373	381
Cash and cash equivalents	6.6, 7	749	461
		5,668	5,508
Assets held for sale	4.3	236	–
Current assets		5,904	5,508
Total assets		19,940	19,750

in € million	Note	Dec. 31, 2023	Dec. 31, 2024
Issued capital		466	466
Capital reserve		1,168	1,168
Retained earnings		7,555	7,426
Other equity components		–279	–40
Equity attributable to shareholders of Evonik Industries AG		8,910	9,020
Equity attributable to non-controlling interests		76	80
Equity	6.9	8,986	9,100
Provisions for pensions and other post-employment benefits	6.10	1,858	1,662
Other provisions	6.11	517	734
Other financial liabilities	6.12	3,502	3,162
Deferred taxes	6.14	608	638
Other income tax liabilities	6.14	268	254
Other non-financial liabilities	6.13	153	141
Non-current liabilities		6,906	6,591
Other provisions	6.11	606	923
Trade accounts payable	6.12	1,521	1,600
Other financial liabilities	6.12	1,153	1,034
Other income tax liabilities	6.14	124	87
Other non-financial liabilities	6.13	457	415
		3,861	4,059
Liabilities associated with assets held for sale	4.3	187	–
Current liabilities		4,048	4,059
Total equity and liabilities		19,940	19,750

Statement of changes in equity

Note 6.9

T84

in € million	Issued capital	Capital reserve	Retained earnings	Other equity components				Equity attributable to shareholders of Evonik Industries AG	Equity attributable to non-controlling interests	Total equity
				Equity instruments at fair value through OCI	Hedging instruments: designated risk components	Hedging instruments: cost of hedging	Currency translation			
As of January 1, 2023	466	1,168	9,345	-162	-20	-1	178	10,974	82	11,056
Capital increases/decreases	-	-	-	-	-	-	-	-	-	-
Dividend distribution	-	-	-545	-	-	-	-	-545	-10	-555
Income after taxes	-	-	-465	-	-	-	-	-465	13	-452
Other comprehensive income after taxes	-	-	-780	50	-150	10	-241	-1,111	-6	-1,117
Total comprehensive income	-	-	-1,245	50	-150	10	-241	-1,576	7	-1,569
Offset against the cost of acquisition (cash flow hedges)	-	-	-	-	57	-	-	57	-	57
Other changes	-	-	-	-	-	-	-	-	-3	-3
As of December 31, 2023	466	1,168	7,555	-112	-113	9	-63	8,910	76	8,986
Capital increases/decreases	-	-	-	-	-	-	-	-	-	-
Dividend distribution	-	-	-545	-	-	-	-	-545	-20	-565
Income after taxes	-	-	222	-	-	-	-	222	18	240
Other comprehensive income after taxes	-	-	197	16	-58	-5	287	437	5	442
Total comprehensive income	-	-	419	16	-58	-5	287	659	23	682
Offset against the cost of acquisition (cash flow hedges)	-	-	-	-	-1	-	-	-1	-	-1
Other changes	-	-	-3	-	-	-	-	-3	1	-2
As of December 31, 2024	466	1,168	7,426	-96	-172	4	224	9,020	80	9,100

Cash flow statement

Note 7

in € million	2023	2024
Income before financial result and income taxes, continuing operations (EBIT)	-243	577
Depreciation, amortization, impairment losses/ reversal of impairment losses on non-current assets	1,841	1,117
Result from investments recognized at equity	-10	-21
Gains/losses on the disposal of non-current assets	-1	22
Change in inventories	310	-297
Change in trade accounts receivable	105	21
Change in trade accounts payable	-157	74
Change in provisions for pensions and other post-employment benefits	-55	-48
Change in other provisions	-141	535
Change in miscellaneous assets/liabilities	152	-81
Cash inflows from dividends	25	27
Cash outflows for income taxes	-292	-325
Cash inflows from income taxes	60	112
Cash flow from operating activities, continuing operations	1,594	1,713
Cash outflows for investments in intangible assets, property, plant and equipment	-793	-840
Cash outflows to obtain control of businesses	-76	-15
Cash outflows relating to the loss of control over businesses	-32	-13
Cash outflows for investments in other shareholdings	-5	-6
Cash inflows from divestments of intangible assets, property, plant and equipment	15	21

T85

in € million	2023	2024
Cash inflows relating to the loss of control over businesses	43	16
Cash inflows from divestment of other shareholdings	2	-
Cash inflows/outflows relating to securities, deposits, and loans	161	137
Cash inflows from interest	32	37
Cash flow from investing activities, continuing operations	-653	-663
Cash outflows for dividends to shareholders of Evonik Industries AG	-545	-545
Cash outflows for dividends to non-controlling interests	-10	-20
Cash outflows for the purchase of treasury shares	-16	-12
Cash inflows from the sale of treasury shares	12	9
Cash inflows from the addition of financial liabilities	716	708
Cash outflows for repayment of financial liabilities	-893	-1,354
Cash inflows/outflows in connection with financial transactions	12	-7
Cash outflows for interest	-99	-109
Cash flow from financing activities, continuing operations	-823	-1,330
Change in cash and cash equivalents	118	-280
Cash and cash equivalents as of January 1	645	749
Change in cash and cash equivalents	118	-280
Changes in exchange rates and other changes in cash and cash equivalents	-14	-8
Cash and cash equivalents as on the balance sheet as of December 31	749	461

Notes to the consolidated financial statements

1. Segment report

Segment report by operating segments Note 8.1

T86

	Specialty Additives		Nutrition & Care		Smart Materials		Technology & Infrastructure		Enabling functions, other activities, consolidation		Total Group (continuing operations)	
in € million	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
External sales	3,520	3,578	3,611	3,764	4,461	4,450	3,622	3,314	53	51	15,267	15,157
Internal sales	4	5	9	7	103	41	1,526	1,533	-1,642	-1,586	-	-
Total sales	3,524	3,583	3,620	3,771	4,564	4,491	5,148	4,847	-1,589	-1,535	15,267	15,157
Result from investments recognized at equity	2	2	-	-	6	7	2	12	-	-	10	21
Adjusted EBITDA	673	744	389	601	540	601	328	441	-274	-322	1,656	2,065
Adjusted EBITDA margin in %	19.1	20.8	10.8	16.0	12.1	13.5	9.1	13.3	-	-	10.8	13.6
Adjusted EBIT	489	562	147	377	181	268	56	212	-352	-392	521	1,027
Capital employed (annual average)	4,403	4,185	3,970	3,860	5,010	4,869	1,828	1,437	195	142	15,406	14,493
ROCE in %	11.1	13.4	3.7	9.8	3.6	5.5	3.1	14.8	-	-	3.4	7.1
Depreciation and amortization ^a	-183	-180	-235	-221	-353	-329	-249	-229	-79	-70	-1,099	-1,029
Impairment losses/reversal of impairment losses pursuant to IAS 36	-2	-1	-315	-44	-138	-35	-18	-	-	-	-473	-80
Capital expenditures ^b	124	111	311	283	236	240	136	131	53	51	860	816
Financial investments	-	-	30	3	50	13	-	-	9	6	89	22
No. of employees as of December 31	3,492	3,391	5,630	5,514	8,103	7,942	9,935	8,866	6,249	6,217	33,409	31,930

Prior-year figures restated.

^a For intangible assets, property, plant and equipment, and right-of-use assets.^b For intangible assets, property, plant and equipment.

Segment report by regions Note 8.2

T87

	Europe, Middle East & Africa		North America		Central & South America		Asia-Pacific		Total Group (continuing operations)	
in € million	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
External sales ^a	7,497	7,317	3,845	3,667	760	849	3,165	3,324	15,267	15,157
Non-current assets in accordance with IFRS 8 as of December 31	7,113	6,958	4,121	4,388	158	146	1,521	1,594	12,913	13,086
Capital expenditures	474	422	242	252	7	7	137	135	860	816
No. of employees as of December 31	22,480	21,364	5,039	4,746	768	748	5,122	5,072	33,409	31,930

^a External sales Europe, Middle East & Africa: thereof Germany €2,613 million (2023: €2,591 million).

2. General information

Evonik Industries AG is an international specialty chemicals company headquartered in Germany. Its registered office is at Rellinghauser Strasse 1–11, 45128 Essen (Germany), and the company is registered in the commercial register at Essen District Court under HRB no. 19474. In view of the controlling influence of RAG-Stiftung, Essen (Germany), Evonik Industries AG, together with its subsidiaries, is included in the annual consolidated financial statements of RAG-Stiftung, which is the highest parent company. The consolidated financial statements of RAG-Stiftung and the consolidated financial statements of Evonik Industries AG are published in the companies’ register.

3. Basis of preparation of the financial statements

3.1 Compliance with IFRS

As permitted by section 315e paragraph 1 of the German Commercial Code (HGB), the present consolidated financial statements of Evonik Industries AG and its subsidiaries (referred to jointly as Evonik or the Group) have been prepared on the basis of the International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), and comply with these standards.

3.2 Presentation and accounting policies

The consolidated financial statements cover the period from January 1 to December 31, 2024 and are presented in euros. All amounts are stated in millions of euros (€ million) except where otherwise indicated. In some cases, rounding may mean that the figures in this report do not add up exactly to the totals stated, and percentages do not correlate exactly to the figures presented.

The consolidated financial statements are drawn up using uniform accounting policies. They have been prepared using the historical cost of acquisition and production principle, with the exception of certain items, which are presented at fair value.

The accounting policies applied are outlined in the respective notes.

Both the accounting policies and the items presented in the consolidated financial statements are, in principle, consistent from one period to the next. Deviations from this principle resulting from changes in accounting standards are outlined in note 3.4 [p.232](#) or in the relevant notes.

3.3 Estimation uncertainties and use of judgment

The preparation of the consolidated financial statements involves making judgments as well as the use of assumptions and estimates about the future. The subsequent circumstances may differ from these estimates. Adjustments to estimates are recognized prospectively in income as soon as better information is available. We regularly review our assumptions and estimates to check that they are still valid.

The decisions involving judgments about the application of accounting standards that have a material impact on the amounts recognized in the financial statements are as follows:

Material decisions involving judgment			T88
Topic	Note	Use of judgment	
Scope of consolidation	3.7	Determination of whether control is exercised, even if less than half of the voting rights are held	
Assets held for sale and discontinued operations	4.3	Determination of when a non-current asset or a disposal group meets the criteria for classification as held for sale	
Impairment testing	6.5	Identification and definition of cash-generating units, especially as there may be integrated structures comprising various, possibly cross-regional, production facilities and sites	
Leases	9.2	Determination of whether it is reasonably certain that extension options will be exercised when determining lease terms	
Financial instruments	9.4	Application of classification and derecognition criteria for financial liabilities	

The assumptions and estimation uncertainties that may entail a considerable risk that a material adjustment of the carrying amounts of assets and liabilities could be necessary within the next fiscal year are as follows:

Material assumptions and estimation uncertainties

T89

Topic	Note	Assumptions and estimation uncertainties
Impairment testing	6.5	Material assumptions used in impairment testing to determine the recoverable amount of goodwill, other intangible assets, property, plant and equipment, and right-of-use assets
Provisions for pensions and other post-employment benefits	6.10	Definition of the material actuarial assumptions for the valuation of defined benefit obligations
Other provisions and contingent liabilities	6.11 and 9.6	Material assumptions on the probability and extent of an outflow of resources in the recognition and measurement of provisions and contingent liabilities
Financial instruments	9.4	Determination of the fair value of unlisted equity instruments based on material non-observable inputs

3.4 Accounting standards to be applied for the first time

Accounting standards to be applied for the first time

T90

Standard/Interpretation	Title of the standard/interpretation or amendment	Mandatory application as per IASB	Mandatory application as per EU
IFRS 16	Leases (clarification of the subsequent recognition of sale-and-leaseback transactions by a seller-lessee)	Jan. 1, 2024	Jan. 1, 2024
IAS 1	Presentation of Financial Statements (clarification of the classification of liabilities as current or non-current)	Jan. 1, 2024	Jan. 1, 2024
IAS 1	Presentation of Financial Statements (clarification of the classification of liabilities as current or non-current)—deferral of the effective date	Jan. 1, 2024	Jan. 1, 2024
IAS 1	Presentation of Financial Statements (clarification of the classification of liabilities with covenants)	Jan. 1, 2024	Jan. 1, 2024
IAS 7 and IFRS 7	Statement of Cash Flows, Financial Instruments: Disclosures (Supplier Finance Arrangements)	Jan. 1, 2024	Jan. 1, 2024

These accounting standards, which were applied for the first time, did not have any impact on the assets, financial position, and earnings or on the scope of the notes in fiscal 2024.

3.5 Restatement of prior-year figures

Restatement in the segment report

The **Performance Materials division**, which was previously managed separately, was integrated into the **Technology & Infrastructure division** effective October 1, 2024 and is now managed jointly by the entire executive board. Since this date, the allocation of resources and the evaluation of performance have been conducted at the level of the new Technology & Infrastructure division. As a result of the sale of the Superabsorbents business as of August 31, 2024, the previous Performance Materials division now only comprises the C₄ products business (Performance Intermediates business line), which is also earmarked for sale in the foreseeable future. The other activities of the Technology & Infrastructure division are also characterized by transformation processes comprising realignment and possibly also divestments. This is a common feature of the businesses in the future Technology & Infrastructure division. Thanks to the new combined management of this division, the processes can be shaped more efficiently and the change and divestment processes driven forward even better. The prior-year figures have been restated. The following table shows the changes in the prior-year figures:

Integration of the Performance Materials division into the Technology & Infrastructure division—fiscal 2023

T91

in € million	Performance Materials	Technology & Infrastructure	Consolidation
External sales	–2,549	2,549	–
Internal sales	–317	–400	717
Total sales	–2,866	2,149	717
Adjusted EBITDA	–111	111	–
Adjusted EBIT	–4	4	–

Changes in the notes to the income statement

To provide a better insight into the earnings position, the allocation of non-core businesses within **other operating income** has been altered. This resulted in a reduction of €17 million in income from core businesses and a corresponding increase in other income. The prior-year figures have been restated.

Changes in the notes to the balance sheet

Due to an improvement in the system used to determine impairments, **impairment losses on inventories** decreased by €16 million and **reversals of impairment losses on inventories** decreased by €18 million. The prior-year figures have been restated.

To improve the transparency of financial liabilities, **loans from non-banks**, which were previously included in miscellaneous other financial liabilities, are now presented separately. The prior-year figures have been restated.

Changes in the notes to the cash flow statement

In the **reconciliation to financial debt 2023**, the fair value measurement of receivables/liabilities from financing-related derivatives changed from –€79 million to –€37 million. The prior-year figures have been restated.

3.6 Accounting standards that are not yet mandatory

The International Accounting Standards Board (IASB) has issued further accounting standards (IFRS, IAS) and interpretations (IFRIC, SIC), which did not become mandatory in fiscal 2024 or have not yet been officially adopted by the European Union.

Accounting standards that are not yet mandatory

T92

Standard/Interpretation	Title of the standard/interpretation or amendment	Mandatory application as per IASB	Mandatory application as per EU
Officially adopted by the EU			
IAS 21	The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (clarification of determination of the exchange rate in the event of long-term lack of exchangeability into another currency)	Jan. 1, 2025	Jan. 1, 2025
Not yet officially adopted by the EU			
IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	Jan. 1, 2026	–
Annual Improvements Volume 11	Amendments to IFRS 1 (hedge accounting by a first-time adopter), IFRS 7 (gain or loss on derecognition, disclosure of deferred difference between fair value and transaction price, credit risk disclosures), IFRS 9 (derecognition of lease liabilities, transaction price), IFRS 10 (determination of a 'de facto agent'), IAS 7 (cost method)	Jan. 1, 2026	–
IFRS 9 and IFRS 7	Amendments relating to contracts referencing nature-dependent electricity	Jan. 1, 2026	–
IFRS 18	Presentation and Disclosure in Financial Statements	Jan. 1, 2027	–

IFRS 18 Presentation and Disclosure in Financial Statements will materially affect the presentation in the income statement, the cash flow statement, and the notes to the consolidated financial statements. The other new provisions are not expected to have a material impact on current or future reporting periods or on foreseeable future transactions but are also being monitored continuously.

3.7 Consolidation methods and scope of consolidation

Scope of consolidation

Alongside Evonik Industries AG, all material German and foreign **subsidiaries** and two specialized funds for the investment of liquidity, which are directly or indirectly controlled by Evonik, are fully consolidated in the consolidated financial statements. As a rule, Evonik exercises control through a majority of the voting rights. Evonik has power over the two specialized funds, LBBW AM-EVO, Essen (Germany) and Union Treasury 1, Essen (Germany), because Evonik has contractually agreed unconditional rights of dismissal. Consequently, the fund managers are deemed to be agents whose power over the fund is attributable to Evonik.

Joint operations are included in the consolidated financial statements on a pro rata basis.

Joint ventures and **associates** are generally recognized at equity.

Changes in the scope of consolidation are outlined in note 4.1 p.236.

Consolidation methods

The **financial statements of the consolidated German and foreign subsidiaries and joint operations** are prepared using uniform accounting policies.

At the **acquisition date**, all recognizable assets and liabilities of an acquired subsidiary are recognized at their full fair value or, in the case of joint operations, their pro rata fair value. The consideration transferred for the acquired company, the non-controlling interests in the fair value of the net assets of the acquired company, and the fair value of any shares previously held are then offset against the fair value of the assets and liabilities acquired. Any remaining excess of the acquisition costs over the fair value of the net assets is recognized as goodwill; negative differences are included in the income statement as an expense following a renewed examination of the fair value. The ancillary acquisition costs relating to a business combination are recognized in other operating expense in the income statement.

Changes in the ownership interest in a previously consolidated company that do not result in a loss of control are recognized directly in equity as a transaction between owners. Cash inflows and outflows relating to these transactions are presented in the cash flow from financing activities.

A company must be deconsolidated as of the **date on which control is lost**. The assets and liabilities of the company and the non-controlling interests are derecognized in the deconsolidation process. The ownership interests in the former consolidated company still held by Evonik are remeasured at fair value as of the date on which control is lost. All resulting gains and losses are recognized in the income statement as other operating income or other operating expense. In addition, amounts shown in equity under other equity components are also reclassified to the income statement, except where another accounting standard requires direct transfer to retained earnings.

Intragroup income and expenses, profits, losses, receivables, and liabilities between consolidated subsidiaries are fully eliminated. In the case of joint operations, elimination is pro rata.

The above consolidation principles also apply to **companies accounted for using the equity method**. In this case, any goodwill is recognized in the carrying amount of the investment. The financial statements of the investments recognized at equity are also prepared using uniform accounting policies.

3.8 Currency translation and financial reporting in hyperinflationary economies

The financial statements of Evonik Industries AG and its subsidiaries are generally prepared in their **functional currency**.

In the **separate financial statements** prepared by these companies, business transactions in foreign currencies are translated at the exchange rate on the date of initial recognition. Any gains or losses resulting from the valuation of monetary assets and liabilities in foreign currencies are recognized in other operating income, other operating expense, or other financial income/expense, as appropriate, at the closing rate on the reporting date.

In the **consolidated financial statements**, the assets and liabilities of all foreign **subsidiaries** are translated from their functional currency into euros at closing rates on the reporting date. Assets and liabilities, including goodwill and adjustments to fair value resulting from the acquisition, are translated into euros at the closing rate on the reporting date.

Income and expense items are translated at the exchange rate on the transaction date, approximated by using the average exchange rate for the year. Translation differences compared to the prior year and translation differences between the income statement and balance sheet are recognized in other comprehensive income from currency translation in the statement of comprehensive income. They are only reclassified to the income statement, i.e., to profit or loss, when the foreign subsidiary is divested. The equity of foreign companies **recognized using the equity method** is translated in the same way.

In principle, **exchange rates** are determined on the basis of the ECB reference rates. Please also refer to the disclosures in notes 9.4.3 [p.287 ff.](#) and 9.4.4.1 [p.292 ff.](#)

The historical cost approach pursuant to IAS 29 Financial Reporting in Hyperinflationary Economies is applied to the **financial statements of foreign subsidiaries in hyperinflationary economies**. This requires the financial statements of subsidiaries whose functional currency is the currency of a hyperinflationary economy to be restated before they are included in the consolidated financial statements. The operations of these subsidiaries are no longer presented on the basis of historical cost of production or acquisition; instead, they are presented using the monetary unit current as of the reporting date. For this purpose, the carrying amounts of non-monetary assets and liabilities are converted to the monetary unit current as of the reporting date using an index. Further specific adjustments relate to equity, the statement of comprehensive income, income taxes, deferred taxes, and the cash flow statement. Restatement of monetary assets and liabilities is not necessary because they are already expressed in the monetary unit current as of the reporting date.

The functional currency of the following subsidiaries is a currency of a hyperinflationary economy:

Companies with a hyperinflationary currency

T93

Company name	Registered office	Applied since
Evonik Argentina S.A.	Buenos Aires (Argentina)	July 1, 2018
Evonik Metilatos S.A.	Rosario (Argentina)	July 1, 2018
Novachem S.R.L. ^a	Buenos Aires (Argentina)	June 30, 2023
Egesil Kimya Sanayi ve Ticaret A.S.	Istanbul (Turkey)	June 30, 2022
Evonik Ticaret Ltd. Sirketi	Tuzla/Istanbul (Turkey)	June 30, 2022

^a Initial consolidation at the date of acquisition.

The inflation rate for the Argentinian companies is derived from the consumer price index published by the National Institute of Statistics and Censuses of the Argentine Republic (INDEC), which is updated monthly. The inflation rate for the Turkish companies is determined on the basis of the cumulative consumer goods index of the Turkish Statistical Institute (Turkstat).

Effects of accounting for hyperinflationary economies

T94

	Consumer price index			Effect of net monetary items (miscellaneous financial income and expenses)	
	2023	2024	Change in %	2023	2024
Argentina	3,533.00	7,694.00	117.78	29	12
Turkey	1,859.00	2,685.00	44.00	5	3
Total	–	–	–	34	15

As a consequence of the development of the Argentinian currency, together with a high level of foreign currency liabilities as a result of exchange controls, the translation of operating monetary items also led to the recognition of significant expenses in other operating expense; see note 5.3 [p.240 f.](#)

4. Changes in the Evonik Group

4.1 Scope of consolidation

Changes in the scope of consolidation

T95

No. of companies	Germany	Other countries	Total
Evonik Industries AG and consolidated subsidiaries			
As of December 31, 2023	25	115	140
Acquisitions	–	1	1
Other companies consolidated for the first time	1	–	1
Divestments	–2	–1	–3
Intragroup mergers	–	–6	–6
Other companies deconsolidated	–	–5	–5
As of December 31, 2024	24	104	128
Joint operations			
As of December 31, 2023	1	2	3
As of December 31, 2024	1	2	3
Investments recognized at equity			
As of December 31, 2023	4	6	10
Other companies deconsolidated	–	–1	–1
As of December 31, 2024	4	5	9
Total	29	111	140

In aggregate, the acquisitions made in the reporting period were not material.

An overview of all companies included in the consolidated financial statements and full details of the shareholdings in accordance with section 313 paragraph 2 of the German Commercial Code (HGB) can be found in the list of shareholdings, which is formally part of these notes. The list of shareholdings is published with the consolidated annual financial statements in the companies' register and can be viewed on Evonik's website. www.evonik.finance/list-of-shareholdings

4.2 Divestments

As part of the strategic concentration on specialty chemicals, on March 1, 2024, Evonik signed an agreement to sell the former Performance Materials division's **Superabsorbents business** to International Chemical Investors Group, Frankfurt am Main (Germany). Superabsorbents are powder polymers that are used, among other things, in diapers. The transaction was closed on August 31, 2024. It comprised both asset deals and share deals, whereby 100 percent of the shares in Evonik Superabsorber GmbH, Essen (Germany) and Evonik Superabsorber LLC, Greensboro (North Carolina, USA) were transferred. The business was classified as held for sale from June 30, 2023 until the closing of the transaction, see note 4.3 [p.237](#).

Together with the disposal of a further subsidiary, the divestment of the Superabsorbents business impacted the balance sheet as follows:

Assets and liabilities disposed of through divestments

T96

in € million	
Non-current assets	35
Current assets	272
thereof cash and cash equivalents	56
Total assets	307
Non-current liabilities	74
Current liabilities	137
Total liabilities	211
Net assets	96

The result from the deconsolidation of subsidiaries was –€12 million (2023: –€10 million). As in the previous year, it is recognized principally in other operating expense and contained in the adjustments.

4.3 Assets held for sale and discontinued operations



A **non-current asset** or a **disposal group** is classified on the balance sheet as **held for sale** in accordance with IFRS 5 Non-current Assets Held For Sale and Discontinued Operations if the corresponding carrying amount is to be realized principally through a sale transaction rather than through continued use. The prior-year figures are not restated. A disposal group may also contain current assets and liabilities. The assets and liabilities must be measured in accordance with the previously relevant accounting standards immediately before initial classification as held for sale. The non-current assets or disposal groups are subsequently valued at the lower of the carrying amount and fair value less costs to sell. In the income statement, their income is still included in income from continuing operations. The assessment as to when a non-current asset or a disposal group meets the criteria for classification as held for sale is subject to management judgment.

The **Superabsorbents business** was classified as held for sale from June 30, 2023 until the closing of the transaction on August 31, 2024. The accumulated other comprehensive income from currency translation of the Superabsorbents business was €6 million. As a result of measurement of the disposal group on the basis of the selling price less costs to sell, impairment losses of €8 million were recognized on property, plant and equipment in 2024.

5. Notes to the income statement

5.1 Sales



Revenue is normally recognized when the distinct performance obligations set out in a contract or bundle of contracts are satisfied. The amount of revenue recognized is the transaction price allocated to these performance obligations.

If a contract with a customer has enforceable commercial substance and identifiable rights with respect to the products and services to be transferred, the payment terms are known, and collection of the consideration is probable, it falls **within the scope of IFRS 15** Revenue from Contracts with Customers. **Contracts entered into with the same customer are combined** for accounting purposes if they are concluded close together and are commercially linked. Exchange-type transactions (exchange of similar products) with competitors to overcome bottlenecks or reduce transportation costs are explicitly outside the scope of IFRS 15 and therefore do not result in revenue recognition.

A **performance obligation is distinct** if the products or services contained in the contract can be identified individually, and the customer can benefit from the goods or services at any time and separate them from other products and services in the same contract. Freight services relating to product deliveries are distinct performance obligations if the freight service takes place after the transfer of control of the products to the customer.

The **transaction price** is the consideration expected to be received from the customer for transfer of the products or performance of the service. It contains both fixed and variable components. When determining the transaction price, volume-based rebates and bonuses are included at their expected value. This regularly results in an adjustment of the transaction price based on the estimate of the annual volumes for the rebates and bonus payments. If the price includes a significant financing component as a result of long-term prepayments by the customer, the transaction price is increased, and the financing component results in the recognition of financing expenses.

If there are several performance obligations, the **transaction price** (including possible price discounts) is **allocated** among the individual performance obligations based on the relative stand-alone selling price. If stand-alone selling prices cannot be determined from an observable market price, appropriate estimates are used. For freight services that comprise a distinct performance obligation within the context of product deliveries, part of the transaction price specified in the agreement on the delivery of the product must be allocated to the freight service.

The criteria for **satisfaction of a performance obligation** are differentiated as follows: The Evonik Group recognizes **revenue from product deliveries** at the point in time when the customer obtains control of the product. For this purpose, the provisions of the General Business Conditions and any individual contractual arrangements must be taken into account; these include the Incoterms[®]. The Evonik Group recognizes **revenue for services** over time if the customer receives the benefits during the provision of the service. The level of revenue to be recognized is determined from the stage of fulfillment based on the work already performed relative to the overall service. The stage of fulfillment is determined using both input- and output-based methods. A contract liability for non-current prepayments by customers for holding or building up customer-specific production capacity is recognized as revenue on a straight-line basis over the contractually agreed performance period.

Sales totaled €15,157 million (2023: €15,267 million). In all divisions, they consisted principally of revenue from the sale of products and services. Revenue from the sale of products amounted to €14,474 million (2023: €14,580 million), and revenue from the sale of services totaled €661 million (2023: €680 million).

All divisions generated sales revenues from the **sale of products**. Revenue was generally recognized at a point in time. All divisions sold products on the basis of multi-year master agreements with an annual adjustment in volumes and prices. There were also agreements with customers on the provision of fixed capacities. In these cases, volumes and prices were also regularly renegotiated. Further, the Evonik Group delivered to some of its customers on the basis of short-term orders. In individual cases, Evonik had agreements with customers on legally enforceable minimum take-off amounts. The underlying prices were often variable, in other words, based on commodity prices or indexed to energy prices, and were only fixed at the time of delivery or transfer of control. In addition, there were volume-based rebates and bonuses that were normally agreed upon annually. In some cases, customers made long-term prepayments for keeping or building up customer-specific production capacity. These were recognized as contract liabilities from contracts with customers and released to revenue on a straight-line basis over the performance period. Through its Technology & Infrastructure division, the Evonik Group supplied energy (for example, steam, water, electricity, gas) to customers on the basis of site agreements, which were generally concluded for the long term. Energy was normally supplied free to the customer's place of consumption, i.e., including transportation from the generating facility to the place of consumption. Order volumes were determined by the customer. Prices comprised components for the work performed and for services. Sales revenues were recognized on the basis of actual consumption. Billing was on delivery, at least monthly. Payment terms were normally short-term, i.e., between 30 and 60 days.

Services were mainly provided by the Technology & Infrastructure division, which offered a variety of services for the three chemicals divisions and for external customers at our sites. Technical services and logistics services were generally recognized at a point in time. Revenue recognition over time mainly related to services in connection with site management, utilities, waste management, process technology, and engineering. To a small extent, services were also provided by the chemicals divisions (for example, toll manufacturing of certain chemical products). Revenue was generally recognized at a point in time. This mainly related to the Nutrition & Care Division.

Sales by segments and regions 2024

T97

in € million	Europe, Middle East & Africa	North America	Central & South America	Asia-Pacific	Total Group
Specialty Additives	1,405	1,039	130	1,004	3,578
Nutrition & Care	1,188	1,113	479	984	3,764
Smart Materials	1,964	1,210	222	1,054	4,450
Technology & Infrastructure	2,723	303	17	271	3,314
Enabling functions, other activities	37	2	1	11	51
Total Group	7,317	3,667	849	3,324	15,157
thereof sales outside the scope of IFRS 15	13	9	–	9	31

Sales by segments and regions 2023

T98

in € million	Europe, Middle East & Africa	North America	Central & South America	Asia-Pacific	Total Group
Specialty Additives	1,418	1,019	114	969	3,520
Nutrition & Care	1,114	1,176	440	881	3,611
Smart Materials	2,032	1,223	188	1,018	4,461
Technology & Infrastructure	2,893	426	17	286	3,622
Enabling functions, other activities	40	1	1	11	53
Total Group	7,497	3,845	760	3,165	15,267
thereof sales outside the scope of IFRS 15	12	6	–	12	30

Prior-year figures restated.

Sales outside the scope of IFRS 15 comprised the results of currency hedging of forecast sales in foreign currencies, which were included in hedge accounting and reclassified from other equity components to sales when the sales revenues were recognized, and revenues from operating leases.

Sales from **performance obligations satisfied in prior periods** mainly comprised rebate and bonus agreements amounting to €6 million (2023: €1 million), where the liabilities for rebate and bonus agreements recognized in previous years did not match the final invoice in the reporting period.

Firmly agreed performance obligations that had not been satisfied in full as of the reporting date are expected to result in revenue recognition in subsequent years. The transaction price of the unsatisfied performance obligations was based on the volumes and services contractually agreed with the customer as of the reporting date for which the customer has a take-off obligation and Evonik has a performance obligation. Variable transaction price elements were included in future sales on the basis of an estimate based on the present price. Evonik applies the practical expedient set out in IFRS 15.121 and does not disclose the outstanding performance obligations for contracts with an expected term of no more than one year.

Transaction prices of unsatisfied performance obligations as of December 31, 2024

T99

in € million	Revenue recognition in			Total
	more than 1 and up to 3 years	more than 3 and up to 5 years	more than 5 years	
Transaction prices of unsatisfied performance obligations	1,558	394	324	2,276

Transaction prices of unsatisfied performance obligations as of December 31, 2023

T100

in € million	Revenue recognition in			Total
	more than 1 and up to 3 years	more than 3 and up to 5 years	more than 5 years	
Transaction prices of unsatisfied performance obligations	923	654	581	2,158

Further information on contract assets from contracts with customers can be found in note 6.8 [p.256](#), while further information on contract liabilities from contracts with customers can be found in note 6.13 [p.267f](#).

5.2 Function costs



In the cost-of-sales method, function costs for the relevant functional areas are derived from cost accounting. Evonik distinguishes between the following functional areas: cost of sales, selling expenses, research and development expenses, and general administrative expenses. In addition to all directly attributable costs such as material expenses, personnel expenses, energy costs, and depreciation and amortization, **the cost of sales** includes overheads that can be attributed to the production process and impairment losses/reversals of impairment losses on inventories. **Selling expenses** mainly comprise marketing, logistics, and packaging expenses and materials management costs. **Research and development expenses** contain the cost of all research and development activities in the chemicals divisions and at the strategic research unit, Creavis. **Administrative expenses** contain costs for the management of business entities, management boards, the executive board, and the supervisory board. They also include support function expenses.

Operating expenses that cannot be allocated to the functional areas are recognized as other operating expense.

The amounts recognized in function costs for restructuring measures, reversals of/additions to other provisions, recultivation and environmental protection measures, gains/losses from the disposal of assets, and impairment losses/reversal of impairment losses pursuant to IAS 36 Impairment of Assets and IFRS 5 and the amounts included in other operating income are explained in note 5.5 [p.242f](#). The segmentation of impairment losses and reversals of impairment losses pursuant to IAS 36 and additional disclosures are presented in note 6.5 [p.252 ff](#).

5.3 Other operating income/expense



Other operating income is all income that, by nature, is not attributable to either sales or financial income. Government grants related to income are normally accrued in other liabilities and released to other operating income in the periods in which the expenses that the grants are intended to compensate for are incurred. **Other operating expense** is all expense that cannot be allocated meaningfully to either a function cost type or financial expense.

Other operating income/expense

T101

in € million	Other operating income		Other operating expense	
	2023	2024	2023	2024
Reversal of/additions to other provisions ^a	8	30	-21	-42
Recultivation and environmental protection measures ^a	-	14	-15	-30
Disposal of assets ^a	28	19	-47	-58
Impairment losses/reversal of impairment losses pursuant to IAS 36 ^a	-	-	-30	-3
Impairment losses/reversal of impairment losses pursuant to IFRS 9 (net presentation) ^b	-	-	-14	-5
Currency translation of operating monetary assets and liabilities (net presentation) ^b	-	-	-73	-26
Operational currency hedging (net presentation) ^b	-	-	-18	-10
Non-core businesses	49	50	-	-
Government grants	30	36	-	-
Business insurance ^a	17	24	-9	-40
REACH regulation	2	3	-10	-14
Other	92	95	-175	-132
Other operating income/expense	226	271	-412	-360

Prior-year figures restated.

^a Excluding amounts disclosed in the function costs.

^b The gross income and expense from operational currency hedging, currency translation of operating monetary assets and liabilities, and impairment losses/reversal of impairment losses pursuant to IFRS 9 are netted. The corresponding net amounts are recognized in other operating income or other operating expense as appropriate.

The amounts recognized in other operating income and expense for restructuring measures, reversal of/additions to other provisions, recultivation and environmental protection measures, gains/losses from the disposal of assets, and impairment losses/reversal of impairment losses pursuant to IAS 36, and the amounts recognized in the function costs are explained in note 5.5 [p.242f](#). The segmentation of impairment losses and reversals of impairment losses pursuant to IAS 36 and additional disclosures are presented in note 6.5 [p.252 ff](#).

In 2024, as in the previous year, **impairments/reversal of impairments for expected credit losses pursuant to IFRS 9** Financial Instruments comprised net expense relating entirely to trade accounts receivable.

The net expense from the **currency translation of operating monetary assets and operational currency hedging** mainly comprised balance sheet items recognized in foreign currencies that arose in the course of the operating business, where the currency risk was hedged using the portfolio approach; see note 9.4.4 [p. 291ff.](#) The net expenses decreased year-on-year. The substantial depreciation of the Argentinian peso in December 2023, combined with a high level of foreign currency liabilities as a result of exchange controls, led to higher net expenses in Argentina.

The **government grants** mainly related to projects pursuant to IAS 20 in connection with the energy transition.

As well as income from the recognition of claims on insurance companies, **business insurance** included income from the payment of premiums by insurance companies to Evonik’s internal reinsurance company, Evonik Re S.A., Luxembourg, and expenses of Evonik Re for insurance obligations to insurance companies. The expenses for business insurance included premiums paid by Evonik Re for stop-loss insurance. Claims under the stop-loss insurance were offset against Evonik Re’s expense for obligations to insurers. By contrast, expenses for premiums paid by the Evonik Group to insurers were not recognized in other operating expense; they were recognized in the function costs.

The **other income** contained €4 million (2023: €6 million) relating to value-added tax on fringe benefits for employees refunded in the payroll accounting process, €1 million (2023: €11 million) for adjustments to provisions for employees’ time accounts, and a large number of very different items managed on a decentralized basis, where the individual amounts are immaterial for the Evonik Group.

The **other expense** contained expenses in connection with the acquisition of PeroxyChem and Porocel and the reorganization of the Superabsorbents business. As in the previous year, these totaled €14 million. The other expense also included both other taxes of €11 million (2023: €14 million) and costs of €9 million (2023: €9 million) relating to payroll accounting in connection with fringe benefits for employees. In addition, this item contained a large number of different transactions and individual projects that are reflected, in particular, in the cost types outsourcing, commission payments, and legal and consultancy fees.

5.4 Result from investments recognized at equity

Result from investments recognized at equity			T102
in € million	2023	2024	
Income from measurement at equity	13	21	
Expenses for measurement at equity	-3	-	
Result from investments recognized at equity	10	21	

5.5 Income before financial result and income taxes (EBIT)

Income before financial result and income taxes (EBIT) contained restructuring measures, reversals of/additions to other provisions, recultivation and environmental protection measures, gains/losses from the disposal of assets, and impairment losses/reversal of impairment losses pursuant to IAS 36 and IFRS 5, which were divided among the following line items in the income statement:

Additional information on income before financial result and income taxes in 2024

T103

in € million	Cost of sales	Selling expenses	Research and development expenses	Administrative expenses	Other operating income	Other operating expense	Result from investments recognized at equity	Total
Restructuring measures	-73	-12	-12	-228	-	-	-	-325
Reversal of/additions to other provisions	-	-2	-	-	30	-42	-	-14
Recultivation and environmental protection measures	-	-	-	-	14	-30	-	-16
Result from the disposal of assets	-	-	-	-	19	-58	-	-39
Impairment losses/reversal of impairment losses pursuant to IAS 36	-75	-	-	-	-	-3	-	-78
Impairment losses/reversal of impairment losses pursuant to IFRS 5	-8	-	-	-	-	-	-	-8

Additional information on income before financial result and income taxes in 2023

T104

in € million	Cost of sales	Selling expenses	Research and development expenses	Administrative expenses	Other operating income	Other operating expense	Result from investments recognized at equity	Total
Restructuring measures	3	-	-	1	-	-	-	4
Reversal of/additions to other provisions	-	-8	-	-	8	-21	-	-21
Recultivation and environmental protection measures	1	-	-	-	-	-15	-	-14
Result from the disposal of assets	-	-	-	-	28	-47	-	-19
Impairment losses/reversal of impairment losses pursuant to IAS 36	-434	-	-10	-	-	-30	1	-473
Impairment losses/reversal of impairment losses pursuant to IFRS 5	-263	-	-	-	-	-	-	-263

The **restructuring measures** in the reporting period contained expenses recognized in the cost of sales for a project in the Nutrition & Care division for the focusing of active ingredient production and for projects to optimize production in the Smart Materials division. In addition, expenses recognized in administrative expenses for an internal program to optimize administrative structures were offset by income from the reversal of provisions for restructuring relating to optimization projects in this area, most of which had been completed.

In the previous year, this item included income from the reversal of restructuring provisions relating to the cost of sales in connection with the shutdown of a production plant in the Nutrition & Care division and, in addition, administrative expenses for the program to reduce selling and administrative expenses.

Disposal of assets

T105

in € million	Gains		Losses	
	2023	2024	2023	2024
Intangible assets	–	4	–	–
Property, plant and equipment	6	8	–11	–24
Right-of-use assets	1	1	–	–1
Investments and businesses	21	6	–19	–16
Trade accounts receivable	–	–	–17	–17
Total	28	19	–47	–58

The losses from the **disposal of property, plant and equipment** were mainly due to the discontinuation of projects in the Nutrition & Care, Specialty Additives, and Smart Materials divisions.

The gains from the **disposal of investments and businesses** mainly comprised valuation effects relating to the fair value measurement and subsequent derecognition of the shares previously held in Evonik Lanxing (Rizhao) Chemical Industrial Co., Ltd., Rizhao (China), because this company, which was previously recognized at equity, was consolidated following the acquisition of the remaining shares. The losses were due to the sale of the Superabsorbents business and post-divestment effects relating to the sale of the TAA derivatives business and the Lülldorf site. In the previous year, ThaiPeroxide Company, Bangkok (Thailand) was consolidated following the acquisition of the remaining shares in this company, which had previously been recognized at equity. The related

remeasurement of the shares previously held at fair value and their subsequent derecognition led to a gain from the disposal of investments and businesses. The losses from the disposal of investments and businesses arose in connection with the sale of the Lülldorf site and post-transaction effects relating to the divestment of the TAA derivatives business.

Note 6.5 p. 252 ff. contains details of segmentation and additional information on the **impairment losses/reversal of impairment losses determined in accordance with IAS 36**.

The **impairment losses pursuant to IFRS 5** related to the sale of the Superabsorbents business, see note 4.3 p. 237.

5.6 Financial result

Financial result

T106

in € million	2023	2024
Income from securities and loans	28	31
Interest and similar income from derivatives	3	3
Interest income from other provisions ^a	51	17
Other interest-type income	35	20
Interest income	117	71
Interest expense on financial liabilities	–61	–47
Interest and similar expenses for derivatives	–19	–22
Interest expense for other provisions ^a	–70	–29
Net interest expense for pensions	–54	–64
Interest expense for leases	–31	–31
Other interest-type expense	–9	–19
Interest expense	–244	–212
Result from currency translation of financing-related assets and liabilities	–43	11
Result from financing-related currency hedging	24	–27
Miscellaneous financial income and expenses	38	14
Other financial income/expense	19	–2
Financial result	–108	–143

^a These items contain income/expense from the unwinding of discounting and from changes in interest rates for other provisions.



The **interest income from loans** and the **interest expense on financial liabilities** are recognized on a pro rata temporis basis using the effective interest method.

The **other interest-type income** contained €13 million (2023: €22 million) relating to taxes in connection with income from plan assets and income from the reversal of provisions for interest on income taxes.

Interest and similar expenses for derivatives and the corresponding income item comprised accrued and realized interest from cross-currency interest rate swaps used for currency hedging of an intragroup loan.

The **result from currency translation of financing-related assets and liabilities** included in other financial income/expense mainly resulted from the exchange rate risk of current intragroup financing transactions (cash pooling) denominated in foreign currencies and from cash and cash equivalents in foreign currencies as these balance sheet items are not included in hedge accounting. The effects of the associated currency hedging were recognized in **income from financing-related currency hedging**; see note 9.4.4 [p. 291](#).

The **miscellaneous financial income and expenses** mainly comprised income of €15 million (2023: €34 million) in connection with accounting for hyperinflation; see note 3.8 [p. 234f](#). This item also included the result from other investments and measurement effects relating to the investment funds used for venture capital investments.

5.7 Income taxes

Income taxes shown in the income statement T107

in € million	2023	2024
Other income taxes	92	199
thereof relating to other periods	–95	–8
Deferred taxes	9	–5
thereof relating to temporary differences	70	–14
thereof relating to loss carryforwards and tax credits	–54	10
thereof from changes in tax rates and tax legislation	–7	–1
Income taxes	101	194

The **tax reconciliation** shows the development of expected income taxes relative to the effective income taxes stated in the income statement. The expected income taxes were calculated on the basis of an overall tax rate of 32 percent in Germany. This comprises German corporation tax of 15 percent, a solidarity surcharge of 5.5 percent, and an average trade tax rate of around 16 percent. The effective income taxes include other income taxes and deferred taxes.

Tax reconciliation

T108

in € million	2023		2024	
Income before income taxes, continuing operations	-351		434	
Expected income taxes based on domestic tax rate	-112	32.0%	139	32.0%
Different local/foreign tax charges	-		-45	
Average nominal group taxation	-112	32.0%	94	21.7%
Changes in the valuation of deferred taxes	36		8	
Losses without the establishment of deferred taxes	235		77	
Utilization of loss carryforwards	-9		-8	
Changes in tax rates and tax legislation	-7		-1	
Non-deductible expenses	6		26	
Tax-free income	-26		-18	
Result from investments recognized at equity	-5		-3	
Other	-17		19	
Effective income taxes (current income taxes and deferred taxes)	101	-28.9%	194	44.7%

The introduction of the global minimum tax of 15 percent in 2024 led to a tax charge of €8 million, which is contained in "Different local/foreign tax charges." The changes in the valuation of deferred taxes were comprised exclusively of the revaluation of deferred taxes previously recognized for temporary differences. "Other" contained, among other things, other income taxes totaling -€8 million (2023: -€95 million) relating to other periods, deferred income taxes totaling €5 million (2023: €48 million) relating to other periods, non-deductible withholding taxes, and foreign taxes.

5.8 Income after taxes

Income after taxes

T109

in € million	2023	2024
Income after taxes, continuing operations	-452	240
thereof attributable to non-controlling interests	13	18
thereof attributable to shareholders of Evonik Industries AG	-465	222
Income after taxes, discontinued operations	-	-
thereof attributable to non-controlling interests	-	-
thereof attributable to shareholders of Evonik Industries AG	-	-

5.9 Earnings per share

Earnings per share, as shown in the income statement, are calculated by dividing net income by the weighted average number of shares issued, i.e., 466,000,000 shares. Net income comprises the total earnings for the year less non-controlling interests, including the earnings of discontinued operations. Earnings per share could be diluted by potential ordinary shares. Since there were no potential ordinary shares in either 2023 or 2024, diluted earnings per share were identical to basic earnings per share.

Earnings per share

T110

in € million	2023	2024	Earnings per share in € (basic and diluted)	
			2023	2024
Income after taxes, continuing operations	-452	240	-0.97	0.52
Income after taxes, discontinued operations	-	-	-	-
Less income after taxes attributable to non-controlling interests	-13	-18	-0.03	-0.04
Income after taxes attributable to shareholders of Evonik Industries AG (net income)	-465	222	-1.00	0.48

6. Notes to the balance sheet

6.1 Intangible assets



Intangible assets are capitalized at acquisition or production cost and amortized using the straight-line method if their useful life is finite. An impairment test is conducted on assets with a finite useful life if there are indications of possible impairment and at least once a year on goodwill. Amortization and impairment losses are recognized in the costs of the function that benefits from the use of the asset.

The estimated useful life of **franchises, trademarks, and licenses** is between five and 25 years.

Development costs are capitalized if they can be clearly assigned to a newly developed product or process that is technically feasible and designated for captive use or commercialization. They are amortized over their estimated useful life of between three and 15 years using the straight-line method.

The **other intangible assets** mainly comprise acquired customer relationships. Their useful life is estimated on the basis of contractual data and experience and is generally between five and 20 years. Amortization also takes account of the probability of continuance of the customer relationship in the form of a churn rate.

Change in intangible assets

T111

in € million	Other intangible assets					Total goodwill and other intangible assets
	Goodwill	Franchises, trademarks, and licenses	Capitalized development costs	Miscellaneous other intangible assets	Total	
Cost of acquisition/production						
As of January 1, 2023	4,965	1,462	26	1,131	2,619	7,584
Currency translation	-98	-5	-	-28	-33	-131
Additions from business combinations	106	-	-	-	-	106
Other additions	-	3	-	1	4	4
Reclassification pursuant to IFRS 5	-23	-4	-	-	-4	-27
Disposal	-2	-11	-	-1	-12	-14
Reclassification	-1	9	-	-4	5	4
As of December 31, 2023	4,947	1,454	26	1,099	2,579	7,526
Currency translation	158	2	-	53	55	213
Additions from business combinations	5	1	-	-	1	6
Other additions	-	2	-	2	4	4
Disposal	-1	-5	-2	-1	-8	-9
Reclassification	-30	1	-	38	39	9
As of December 31, 2024	5,079	1,455	24	1,191	2,670	7,749

Change in intangible assets

T111

in € million	Other intangible assets					Total goodwill and other intangible assets
	Goodwill	Franchises, trademarks, and licenses	Capitalized development costs	Miscellaneous other intangible assets	Total	
Amortization and impairment losses						
As of January 1, 2023	397	1,014	8	455	1,477	1,874
Currency translation	-5	-4	1	-12	-15	-20
Amortization	-	79	2	71	152	152
Impairment losses	-	24	-	11	35	35
Reclassification pursuant to IFRS 5	-23	-4	-	-	-4	-27
Disposal	-3	-11	-	-	-11	-14
Reclassification	-	1	-	-	1	1
As of December 31, 2023	366	1,099	11	525	1,635	2,001
Currency translation	6	3	-	25	28	34
Amortization	-	67	2	70	139	139
Impairment losses	-	12	-	2	14	14
Disposal	-	-5	-2	-1	-8	-8
Reclassification	-	-2	-	-	-2	-2
As of December 31, 2024	372	1,174	11	621	1,806	2,178
Carrying amounts as of December 31, 2023	4,581	355	15	574	944	5,525
Carrying amounts as of December 31, 2024	4,707	281	13	570	864	5,571

As in the previous year, there were no intangible assets on the reporting date to which title was restricted.

6.2 Property, plant and equipment



Property, plant and equipment are carried at acquisition or production cost and depreciated over their useful life. If there are indications of a possible impairment, an impairment test is conducted.

The **cost of acquisition** includes expenses directly attributable to the acquisition. The cost of production comprises all direct costs, plus the systematically allocable material costs and manufacturing overheads. Costs relating to obligations to dismantle or remove property, plant and equipment at the end of their useful life are also included in the cost of acquisition or production. Acquisition and production costs may also include transfers from gains and losses on cash flow hedges entered into to hedge foreign currency exposures in connection with the purchase of plants that were recognized in other comprehensive income in the statement of comprehensive

income until they were reclassified to property, plant and equipment. Borrowing costs that can be allocated directly to the acquisition, construction, or production of a qualifying asset (necessary timescale: more than one year) are included in the cost of acquisition or production. Government grants for the purchase or construction of property, plant and equipment reduce the cost of acquisition or production of such assets. They are reflected in the income statement over the useful life of the assets through lower depreciation.

Property, plant and equipment are **depreciated** using the straight-line method over the expected useful life of the assets. This is between five and 50 years for buildings, between two and 25 years for plant and machinery, and between three and 25 years for other plant, office furniture, and equipment.

Gains and losses on disposal are recognized in profit or loss via other operating income or expense.

Change in property, plant and equipment

T112

in € million	Land, land rights, and buildings	Plant and machinery	Other plant, office furniture, and equipment	Advance payments and construction in progress	Total
Cost of acquisition/production					
As of January 1, 2023	3,836	14,730	1,071	870	20,507
Currency translation	-66	-186	-11	-16	-279
Additions from business combinations	-	11	-	2	13
Other additions	46	229	33	548	856
Reclassification pursuant to IFRS 5	-119	-818	-36	-19	-992
Disposal	-24	-93	-36	-8	-161
Reclassification	65	325	19	-411	-2
As of December 31, 2023	3,738	14,198	1,040	966	19,942
Currency translation	55	196	7	26	284
Additions from business combinations	14	21	1	-	36
Other additions	28	241	30	513	812
Reclassification pursuant to IFRS 5	-	-	-	-	-
Disposal	-33	-329	-39	-20	-421
Reclassification	59	432	4	-496	-1
As of December 31, 2024	3,861	14,759	1,043	989	20,652

Change in property, plant and equipment

T112

in € million	Land, land rights, and buildings	Plant and machinery	Other plant, office furniture, and equipment	Advance payments and construction in progress	Total
Depreciation and impairment losses					
As of January 1, 2023	1,928	10,674	899	44	13,545
Currency translation	-29	-132	-8	-2	-171
Additions from business combinations	-	-	-	-	-
Depreciation	96	615	57	-	768
Impairment losses	139	283	2	15	439
Reversal of impairment losses	-2	-	-	-	-2
Reclassification pursuant to IFRS 5	-90	-646	-34	-2	-772
Disposal	-23	-103	-35	-	-161
Reclassification	2	-	-	-	2
As of December 31, 2023	2,021	10,691	881	55	13,648
Currency translation	19	137	5	3	164
Additions from business combinations	2	6	-	-	8
Depreciation	98	564	52	-	714
Impairment losses	6	68	2	10	86
Reversal of impairment losses	-4	-17	-	-	-21
Reclassification pursuant to IFRS 5	-	-	-	-	-
Disposal	-29	-328	-38	-2	-397
Reclassification	1	19	-7	-13	-
As of December 31, 2024	2,114	11,140	895	53	14,202
Carrying amounts as of December 31, 2023	1,717	3,507	159	911	6,294
Carrying amounts as of December 31, 2024	1,747	3,619	148	936	6,450

Plant and machinery contains an amount in the mid-double-digit million euro range for a lipid production plant currently under construction by the Nutrition & Care segment at the Tippecanoe site in the USA with substantial funding from the US government.

The carrying amount of property, plant and equipment used as **collateral for liabilities of Evonik** was €23 million (2023: €22 million).

6.3 Right-of-use assets



Right-of-use assets are normally recognized at the amount of the lease liability and depreciated. If there are indications of a possible impairment, an impairment test is conducted.

Right-of-use assets are depreciated using the straight-line method, usually over the expected lease term of the right-of-use asset. This is primarily between two and 99 years for right-of-use

assets for land, land rights, and buildings, between five and 50 years for right-of-use assets for plant and machinery, and between two and 20 years for right-of-use assets for other plant, office furniture, and equipment.

The right-of-use assets for plant and machinery mainly relate to power plants and storage tanks. The right-of-use assets for other plant, office furniture, and equipment mainly relate to rail wagons and transport containers, ships, and motor vehicles.

Development of right-of-use assets

T113

in € million	Land, land rights, and buildings	Plant and machinery	Other plant, office furniture, and equipment	Total
Cost of acquisition/production				
As of January 1, 2023	396	698	305	1,399
Currency translation	-5	-5	-3	-13
Other additions	63	70	54	187
Reclassification pursuant to IFRS 5	-4	-	-16	-20
Disposal	-27	-1	-57	-85
Reclassification	-	9	-9	-
As of December 31, 2023	423	771	274	1,468
Currency translation	7	3	6	16
Additions from business combinations	3	-	-	3
Other additions	38	32	96	166
Disposal	-21	-1	-65	-87
Reclassification	-	-	1	1
As of December 31, 2024	450	805	312	1,567

Development of right-of-use assets

T113

in € million	Land, land rights, and buildings	Plant and machinery	Other plant, office furniture, and equipment	Total
Depreciation and impairment losses				
As of January 1, 2023	122	141	164	427
Currency translation	-2	-5	-3	-10
Depreciation	41	68	69	178
Reclassification pursuant to IFRS 5	-3	-	-7	-10
Disposal	-25	-1	-56	-82
Reclassification	-	1	-1	-
As of December 31, 2023	133	204	166	503
Currency translation	3	2	4	9
Depreciation	43	73	59	175
Impairment losses	1	-	-	1
Disposal	-7	-1	-60	-68
Reclassification	-	-	-	-
As of December 31, 2024	173	278	169	620
Carrying amounts as of December 31, 2023	290	567	108	965
Carrying amounts as of December 31, 2024	277	527	143	947

Further information on right-of-use assets and leasing can be found in note 9.2 p.277f.

6.4 Investments recognized at equity



Shares in associates and joint ventures are generally recognized using the equity method. They are **initially measured** at cost of acquisition, including all directly allocable ancillary costs. If there are indications of a possible impairment, an impairment test is conducted.

In **subsequent periods**, the Group's share of the total earnings of the investment are presented until the significant influence or joint management ends.

Investments recognized at equity

T114

in € million	Dec. 31, 2023	Dec. 31, 2024
Carrying amount of individually non-material associates	13	18
Carrying amount of individually non-material joint ventures	39	31
Investments recognized at equity	52	49

The condensed financial data for the investments recognized at equity that are classified individually as non-material for Evonik, based on Evonik's interest, were as follows:

Condensed financial data for individually non-material investments recognized at equity

T115

in € million	Associates		Joint ventures	
	2023	2024	2023	2024
Income after taxes, continuing operations	1	13	9	8
Total comprehensive income	1	13	9	8

There was no other comprehensive income from the currency translation of the carrying amounts of investments (2023: –€7 million). However, the other comprehensive income from currency translation of investments recognized at equity contained income from reclassification in connection with the disposal of a joint venture.

For further information on contingent liabilities to associates and joint ventures, see note 9.5 p.301f.

6.5 Impairment test pursuant to IAS 36



If there are indications of possible impairment, an **impairment test** is conducted on intangible assets, property plant and equipment, right-of-use assets, investments recognized at equity, and certain other non-financial assets in accordance with IAS 36. Goodwill is tested for impairment at least once a year.

The **recoverable amount** of the cash-generating unit (CGU)/group of CGUs is compared with its carrying amount. The recoverable amount is determined as the higher of the fair value less costs of disposal and the value in use of the CGU/group of CGUs. An impairment loss is recognized if the recoverable amount is below the carrying amount. The impairment loss is reversed—except in the case of goodwill—if the reason for the original impairment loss no longer applies.

The impairment test on **intangible assets (except goodwill), property, plant and equipment, and right-of-use assets** is conducted for a CGU. The identification of CGUs involves making judgments, especially as there could possibly be various cross-regional integrated production facilities and sites. The recoverable amount is generally determined as the value in use of the CGU using a valuation model based on the present value of expected future cash flows from the CGU using a valuation model. This model is based on the remaining useful life of the assets in the CGU to be tested. A specific cost of capital is used for each CGU.

The impairment test on **goodwill** is conducted for a group of CGUs, which corresponds to the segment. The recoverable amount is determined from the fair value less costs of disposal of the relevant segment. The fair value less costs of disposal is determined as the present value of future cash flows using a valuation model, and thus on the basis of non-observable inputs (level 3 of the fair value hierarchy defined in IFRS 13). This model is based on the three-year mid-term plan, supplemented by two transitional years and a terminal growth rate. The specific growth rates for the individual segments and the terminal growth rates are derived from experience and future expectations. The expected future cash flows are discounted using the segment-specific weighted average cost of capital (WACC). The weighted average cost of capital is determined for each segment on the basis of a capital asset pricing model and is the weighted average cost of debt and equity.

The **impairment test on goodwill** involves assumptions and estimates that may be subject to change and could result in impairment losses in the future. The material estimates include the determination of the expected cash flows. Other key parameters are the terminal growth rate and the weighted average cost of capital after taxes. The main assumptions underlying the planning include the development of sales and adjusted EBITDA. The development of sales is derived from expected volume and price-related trends in the relevant markets, taking into account the expectations for gross domestic product (GDP), exchange rates, the development of climate-related regulations, and market changes in connection with climate change. To derive the development of adjusted EBITDA, we also took account of raw material and energy prices, the future energy mix, country-specific CO₂ emission prices, and increases in wages and salaries. In the Evonik Group, the regular date for the testing of goodwill is September 30.

Disclosures on the impairment test on segment goodwill as of September 30 T116

	WACC after taxes (in %)		Terminal growth rate (in %)	
	2023	2024	2023	2024
Specialty Additives	7.82	7.32	1.50	1.50
Nutrition & Care	8.17	7.46	1.50	1.50
Smart Materials	7.82	7.17	1.50	1.50

The future cash flows projected in the mid-term planning are used in the regular impairment testing of goodwill as of September 30. The future cash flow estimate for the detailed planning period was based on assumptions about the development of sales that could reflect the segment-specific average annual growth rates of 2.6 percent for the Specialty Additives division, 2.4 percent for the Nutrition & Care division, and 5.2 percent for the Smart Materials division. It was assumed that adjusted EBITDA would develop in line with sales growth in the Specialty Additives and Nutrition & Care divisions and would be considerably above sales growth in the Smart Materials division. The regular impairment test on goodwill as of September 30 did not result in impairment losses in any segment.

Segment goodwill T117

in € million	Dec. 31, 2023	Dec. 31, 2024
Specialty Additives	1,994	2,096
Nutrition & Care	1,190	1,212
Smart Materials	1,397	1,399
Total	4,581	4,707

Impairment tests are performed on **other intangible assets, property, plant and equipment, right-of-use assets, investments recognized at equity, and certain other non-financial assets** if there are internal or external indications of possible impairment. For the purpose of deriving the forecast cash flows of the CGUs, the material assumptions are essentially the same as those used in the impairment tests on goodwill.

Despite the challenging global economic conditions in 2024, Evonik performed better than had been anticipated at the beginning of the year. This was mainly due to company-specific factors. To further improve earnings, projects were introduced to optimize individual businesses. In some cases, the

resulting impairment tests led to impairment losses. These were generally recognized on the respective value in use; in all cases, this was above the fair value less the costs of disposal. The results of the impairment tests are outlined below:

Impairment tests pursuant to IAS 36 by segments and asset classes

T118

	Other intangible assets		Property, plant and equipment		Right-of-use assets		Investments recognized at equity		Total	
in € million	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Specialty Additives	–	–	2	1	–	–	–	–	2	1
Nutrition & Care	10	8	307	56	–	1	–	–	317	65
Smart Materials	25	6	112	29	–	–	1	–	138	35
Technology & Infrastructure	–	–	18	–	–	–	–	–	18	–
Enabling functions, other activities	–	–	–	–	–	–	–	–	–	–
Total Group	35	14	439	86	–	1	1	–	475	101

Prior-year figures restated.

The impairment losses in the Nutrition & Care division comprised €56 million for active ingredients production in the Health Care CGU. This impairment resulted from the planned shutdown of a production facility in Germany and related to property, plant and equipment, especially plant and machinery. The recoverable amount of these assets was negative as of December 31, 2024.

Further, reversals of impairment losses totaling €21 million (2023: €2 million) were recognized for property, plant and equipment in the Nutrition & Care division. In 2024, the reversal related to the production of algal oil in the Veramaris CGU. This was a consequence of higher selling prices, which made a significant contribution to an improvement in the business situation. The reversal of impairment losses related to property, plant and equipment, especially plant and machinery. The cost of capital applied was 7.8 percent. As of September 30, 2024, the recoverable amount of the CGU was €61 million.

6.6 Financial assets

Financial assets

T119

	Dec. 31, 2023		Dec. 31, 2024	
in € million	Total	thereof non-current	Total	thereof non-current
Trade accounts receivable	1,607	–	1,622	–
Cash and cash equivalents	749	–	461	–
Other investments	396	396	417	417
Loans	39	18	20	2
Securities and similar claims	304	43	171	43
Receivables from derivatives	63	2	36	5
Supplier credit receivables	15	–	10	–
Miscellaneous other financial assets	24	1	29	–
Other financial assets	841	460	683	467
Financial assets	3,197	460	2,766	467

The material **other investments** were the 7.5 percent shareholding in Vivawest GmbH and the equity investment in Borussia Dortmund GmbH & Co. KGaA. Furthermore, this item contained unlisted equity investments, some of which related to venture capital activities. In addition, it included non-consolidated affiliated companies that—individually and in aggregate—have a negligible influence on the Evonik Group's assets, financial position, and earnings. Information on their valuation is presented in note 9.4.1 p.282 ff.

The **loans** contained convertible bonds totaling €1 million (2023: €1 million). Information on their valuation is presented in note 9.4.1 p.282 ff.

Securities and similar claims comprised listed bonds and money market paper purchased for short-term investment of liquid funds and shares in unlisted investment funds relating to venture capital activities in which Evonik has a long-term strategic investment.

Receivables from derivatives

T120

in € million	Dec. 31, 2023	Dec. 31, 2024
Receivables from forward exchange contracts, currency options, and currency swaps	45	22
Receivables from commodity derivatives	18	14
Total	63	36

The **miscellaneous other financial assets** comprised claims relating to the sale of the Lülisdorf site, time deposits at banks, and claims relating to the termination of contracts.

6.7 Inventories

Inventories are measured at the lower of cost and net realizable value. Normally, the cost of inventories is determined uniformly using an average, the first-in first-out method, or the standard cost method. The cost of production of finished goods and work in progress comprises the cost of raw materials and supplies, directly attributable personnel expenses, other direct costs, and general overheads that can be systematically assigned to production. Emission allowances are also recognized at cost. Emission allowances allocated free of charge by the German emissions trading authority (DEHSt) or comparable authorities in other countries are recognized in the balance sheet with a value of zero.

Inventories

T121

in € million	Dec. 31, 2023	Dec. 31, 2024
Raw materials and supplies	656	679
Work in progress	74	93
Finished goods and merchandise	1,619	1,890
Total	2,349	2,662

Raw materials and supplies included emission allowances intended for use totaling €26 million (2023: €18 million).

Impairment losses of €50 million were recognized on **inventories** in 2024 (2023: €40 million), while reversals of impairment losses amounted to €37 million (2023: €35 million)¹. Reversals of impairment losses were mainly due to higher selling prices and improved market conditions.

Inventories recognized as an **expense in the period** amounted to €10,797 million (2023: €11,510 million).

6.8 Other non-financial assets

Other non-financial assets

T122

in € million	Dec. 31, 2023		Dec. 31, 2024	
	Total	thereof non-current	Total	thereof non-current
Assets from overfunded pension plans ^a	5	5	6	6
Advance payments made	35	–	46	3
Deferred expenses	58	14	62	17
Contract assets from contracts with customers	4	3	5	3
Receivables from other taxes	262	38	260	35
Receivables from employees	13	–	16	–
Receivables from insurance refunds	20	–	13	–
Miscellaneous other non-financial assets	54	18	42	5
Total	451	78	450	69

^a See note 6.10 p.259 ff.

Contract assets from contracts with customers arose principally from license agreements based on milestones, where a customer was granted a right of use. The contract assets are reclassified to receivables as soon as the associated rights become unconditional. Information on risk provisioning is presented in note 9.4.4 p.291.

Development of contract assets from contracts with customers

T123

in € million	2023	2024
As of January 1	7	4
Additions	–	4
Reclassification to receivables	–3	–3
As of December 31	4	5

The **miscellaneous other non-financial assets** mainly comprised receivables from the public sector.

6.9 Equity

Issued capital and capital reserves contain the paid-up capital of Evonik Industries AG. By contrast, the capital earned by the Evonik Group that is attributable to shareholders of Evonik Industries AG is recognized in retained earnings and other equity components. The share of paid-up and earned equity of consolidated subsidiaries of the Evonik Group that is attributable to non-controlling interests is presented in the line item non-controlling interests.

As in the previous year, the company's **fully paid-up capital** (capital stock) was €466,000,000 on the reporting date. It is divided into 466,000,000 no-par registered shares. The arithmetic value of each share is unchanged at €1. Each no-par share entitles the holder to one vote.

Authorized and conditional capital as of December 31, 2024

T124

	Amount in €	Purpose
Authorized capital 2022 (annual shareholders' meeting of May 25, 2022)	116,500,000	Increase the capital stock by issuing new registered no-par shares (authorization runs to May 24, 2027)
Conditional capital 2022 (annual shareholders' meeting of May 25, 2022)	37,280,000	Issue of new registered no-par shares for the issuance of convertible or warrant bonds

¹ Prior-year figures restated.

Under the **authorized capital 2022**, the executive board is authorized, subject to the approval of the supervisory board, to increase the company's capital stock through one or more issuances in return for cash and/or contributions in kind. Subject to the approval of the supervisory board, it may exclude shareholders' statutory subscription rights when issuing new shares in the following cases:

- capital increases against contributions in kind
- if the capital increase is against cash and the proportionate share of the capital stock attributable to the new shares does not exceed 10 percent of the capital stock, and the issue price of the new shares is not significantly below the stock market price of shares already listed on the stock exchange
- to exclude fractional amounts arising from the subscription ratio
- insofar as is necessary to grant holders and/or creditors of warrants and/or conversion rights or obligors of warrant and/or conversion obligations subscription rights to new shares to the extent that they would be entitled to them after exercise of their warrants and/or conversion rights or fulfillment of their warrant and/or conversion obligations
- to grant shares to employees (employee stock), provided that the new shares for which subscription rights are excluded do not, in aggregate, account for a proportionate share of the capital stock in excess of 1 percent
- for the execution of a scrip dividend.

The proportionate amount of the capital stock attributable to the shares for which subscription rights are excluded, together with the proportionate amount of the capital stock attributable to treasury stock or to conversion and/or warrant rights or obligations arising from debt instruments, which are sold or issued after May 25, 2022 under exclusion of subscription rights, may not exceed 20 percent of the capital stock. If the sale or issue takes place in application—analogously or mutatis mutandis—of section 186 paragraph 3 sentence 4 of the German Stock Corporation Act (AktG), this shall also be deemed to constitute an exclusion of subscription rights. The executive board is authorized, subject to the approval of the supervisory board, to define further details of capital increases out of the authorized capital 2022. The authorized capital has not yet been utilized.

The conditional capital increase (**conditional capital 2022**), divided into up to 37,280,000 registered shares with no par value, will only be conducted insofar as holders or creditors of warrant or conversion rights or obligors of warrant or conversion obligations arising from warrant bonds and/or convertible bonds issued or guaranteed on the basis of the authorization resolved at the annual shareholders' meeting of May 25, 2022, exercise their warrants or conversion rights or, insofar as they have an obligation to exercise the warrants or conversion obligations, meet the obligation to exercise the warrant or conversion obligations, and other forms of settlement are not used.

In principle, the shareholders have a statutory right to subscription rights to the convertible and/or warrant bonds; the authorization sets out specific cases where the executive board may exclude subscription rights to convertible and/or warrant bonds, subject to the approval of the supervisory board. The new shares shall be issued at the warrant or conversion price set in accordance with the above provisions of the resolution. The new shares are entitled to a dividend from the start of the fiscal year in which they are issued. The executive board is authorized, subject to the approval of the supervisory board, to define further details of capital increases out of the conditional capital. The conditional capital has not yet been utilized.

The **capital reserve** mainly contained other payments received from shareholders pursuant to section 272 paragraph 2 no. 4 of the German Commercial Code (HGB).

On March 4, 2024, Evonik Industries AG announced that it would be utilizing the authorization granted by the annual shareholders' meeting on August 31, 2020 to purchase **shares in the company** totaling up to €113,800,000 by March 28, 2024 at the latest. The purpose of purchasing the shares was to grant shares under an employee share program to employees of Evonik Industries AG and certain subordinated affiliated companies in the Evonik Group and to members of the management of subordinated affiliated companies of Evonik Industries AG.

Development of treasury shares

T125

	Treasury shares (in € million)		No. of ordinary shares		Average price (in €)	
	2023	2024	2023	2024	2023	2024
As of January 1	–	–	–	–	–	–
Purchase of treasury shares	16	12	814,090	707,251	19.65	17.25
Sale of treasury shares to employees	–14	–10	703,529	595,526	19.08	18.04
thereof bonus shares	–4	–3	184,644	168,911	19.08	18.04
Sale of treasury shares on the stock exchange	–2	–2	110,561	111,725	19.23	19.17
As of December 31	–	–	–	–	–	–

Through this share buyback program, by March 22, 2024 Evonik Industries AG purchased 707,251 shares in the company, corresponding to approximately 0.2 percent of the capital stock. The purchases were made from March 6, 2024 at an average daily volume of around 54,400 shares on each Xetra trading day through a bank acting on the instructions of Evonik Industries AG. The maximum purchase

price of each share repurchased (excluding ancillary costs) could not exceed or fall short of the opening price as set in the opening auction for the trading day for shares in Evonik Industries AG in Xetra trading on the Frankfurt stock exchange by more than 5 percent. On March 28, 2024, shares in the company were transferred to participating employees on the basis of the share price on March 27, 2024 and the exchange rates prevailing on the same date. The remaining ordinary shares were sold to third parties via the stock exchange by April 12, 2024.

Retained earnings amounted to €7,426 million (2023: €7,555 million) and comprised Group earnings from 2024 and previous years, as well as other comprehensive income from the remeasurement of the net defined benefit liability. Evonik Industries AG reported net income of €781 million for fiscal 2024. After allocating €11,374,343.43 to retained earnings and taking into account the profit of €100,000,000 carried forward from the previous year, this resulted in a distributable profit of €870,000,000. A proposal will be put to the annual shareholders’ meeting that €545,220,000 of the distributable profit should be used to pay a dividend of €1.17 per share. The remaining €324,780,000 will be carried forward to fiscal 2025.

The **other equity components** contain accumulated other comprehensive income recognized outside of profit or loss, i.e., not included in the income statement. The other equity components from equity instruments contain increases and decreases in the fair value of other investments, which are recognized outside of profit or loss. The other equity components from hedging instruments for designated risk components comprise net gains or losses from the change in the fair value of the effective portion of cash flow hedges and hedges of a net investment. The other equity components from hedging instruments for the cost of hedging reflect changes in the time value of options and the interest spread and foreign currency basis spreads on forward currency transactions and currency swaps. The cost of hedging relates to hedged items recognized both at a point in time and over time. The other equity components from currency translation comprise differences arising from the translation of foreign financial statements.

In the reporting period, €15 million (2023: €14 million) was reclassified from other equity components for designated risk components and for the cost of hedging to sales. For further information on changes in the other equity components from hedging instruments for designated risk components and for the cost of hedging and their allocation among the various risk types; see note 9.4.3 [p. 287 ff.](#)

Non-controlling interests amounting to €80 million (2023: €76 million) comprised shares in the issued capital and reserves of consolidated subsidiaries that are not attributable to the shareholders of Evonik Industries AG. Other changes totaling €1 million in the reporting period resulted from the first-time consolidation of a company that was previously recognized at equity. The change totaling –€3 million in the previous year resulted from the sale of a subsidiary in which there were non-controlling interests. Changes in ownership interests in subsidiaries without loss of control were negligible in the reporting period, as in the previous year. The other earnings components attributable to non-controlling interests related entirely to currency translation.

Change in other equity components attributable to non-controlling interests		T126
in € million	2023	2024
As of January 1	–9	–15
Currency translation	–6	5
Other comprehensive income as in the statement of comprehensive income	–6	5
As of December 31	–15	–10

6.10 Provisions for pensions and other post-employment benefits



Provisions for pensions and other post-employment benefits are measured using the projected unit credit method for **defined benefit obligations** in accordance with IAS 19 Employee Benefits. This method takes account of future salary and pension increases, biometric assumptions, as well as pension obligations and accrued entitlements as of the reporting date. Pension obligations are determined using country-specific parameters and measurement principles.

Actuarial gains and losses relating to pension obligations and income from plan assets (apart from interest income) are derived from the difference between the expected pension obligations and the actual obligation calculated at year-end and from deviations between the expected and actual fair value of plan assets calculated at year-end. Changes that arise as a result of actuarial gains/losses relating to pension obligations, income from plan assets (excluding interest income), changes in the asset ceiling (excluding interest cost), and income from claims to refunds (excluding interest income) are offset directly in other comprehensive income.

The **defined benefit obligations** at year-end are compared with the fair value of the plan assets (funded status). Pension provisions are derived from this, taking into account the asset ceiling and the net defined benefit assets from overfunded plans recognized on the assets side.

Defined contribution plans result in an expense in the period in which the contribution is made. Defined contribution plans exist for both company pension plans and state pension plans (statutory pension insurance).

Provisions for pensions are established to cover **benefit plans for retirement, disability, and surviving dependents' pensions**. The benefit obligations vary depending on the legal, tax, and economic circumstances in the various countries in which the companies operate. The level of the benefit obligations generally depends on the length of service and remuneration.

At the German companies, **occupational pension plans** are predominantly defined benefit plans. They are primarily funded by provisions, pension fund assets, and a contractual trust arrangement (CTA). The pension plans at companies outside Germany may be either defined contribution or defined benefit plans.

The present value of the defined benefit obligations and the fair value of the plan assets as of December 31, 2024 mainly related to Germany, the USA, and the UK.

Breakdown of the present value of the defined benefit obligations and the fair value of plan assets

T127

in € million	2023		2024	
	Defined benefit obligation	Plan assets	Defined benefit obligation	Plan assets
Germany	8,188	6,464	8,108	6,562
thereof pension fund/reinsured support fund	3,977	3,725	4,011	3,861
thereof covered by Evonik Pensionstreuhand e.V. (CTA)	3,979	2,737	3,873	2,696
USA	311	205	301	214
UK	341	343	318	322
Other	164	143	171	151
Total Group	9,004	7,155	8,898	7,249

The main pension plans for employees in **Germany** are as follows:

Pension fund (Pensionskasse): There are a number of closed pension plans. Income-related contributions are converted into defined benefits and invested with the company-owned Degussa Pension Fund. The structure of the tariffs, including investment of the assets, is subject to oversight by the supervisory authority for the insurance sector. The pension fund is a multi-employer fund. It is funded on a projected benefit basis. The level of plan assets required to cover the projected benefits is derived from a technical business plan approved by the supervisory authority and from statutory requirements. Funding must be sufficient at all times to cover benefits. The company contribution to tariff DuPK is calculated to ensure that, together with the employee contributions, funding of the resulting entitlements in line with the technical business plan is assured. The company contribution to the Marl and Troisdorf tariffs is proposed by the responsible actuary and is based on the funds required to cover the benefits. As the sponsoring company of this pension fund, Evonik Operations GmbH has a contractual obligation to cover benefits under the Marl and Troisdorf tariffs if sufficient funding is not available. This obligation is not limited to employees of the Evonik Group. The obligation was assumed on the basis of a requirement stipulated by the supervisory authority when these tariffs were established. At that time, only company employees were insured in the plan. At present, it is not possible to estimate whether this obligation could be of relevance as a supplement to the tools set out in the pension fund regulation, such as increasing company contributions or cutting benefits in the event of a loss.

Support fund (Unterstützungskasse): The support fund comprises two plans. The last of these has been closed to new entrants since 2023. The fund also allows for deferred compensation arrangements. Income-related contributions are converted into defined benefits and reinsured with the company-owned Degussa Pension Fund. The structure of the tariffs, including investment of the assets, is subject to oversight by the supervisory authority for the insurance sector. Pension increases of 1 percent p.a. are a firm commitment. The support fund meets the criteria for classification as a multi-employer plan. It is funded through reinsurance with the Degussa Pension Fund, which also covers pension adjustments for the last plan that was closed. The Degussa Pension Fund maintains sufficient funding for this in compliance with the German Insurance Supervision Act and the ordinances issued by the supervisory authority. Funding must be sufficient at all times to cover benefits.

The level of benefits is based on the contributions paid into the fund. The support fund does not have any arrangements under which the Group is liable for the obligations of companies outside the Evonik Group in the event of inadequate funding.

Direct pension commitments: These comprise various defined benefit plans where the pension benefit is generally directly or indirectly linked to the final salary. Most of these plans grant higher benefits for income components above the ceiling for contributions to the state pension insurance plan or are intended exclusively to cover such income components. All final salary plans are closed and, in most cases, now only operate through the protection of the accrued benefits for insureds who are currently still working. The pension plan for senior executives was closed to new entrants in 2023. In this plan, a defined benefit is calculated on the basis of an income-related contribution or an amount credited by the employee. Insureds can choose between various forms of payment, for example, as a lump sum, an annuity, or installment payments. The benefits include a fixed pension increase of 1 percent p.a. There are open plans comprising a unit-linked direct commitment for all newly hired employees and a defined contribution benefit commitment for voluntary deferred compensation applicable to all employees. Plan assets for large companies in the Evonik Group, which account for the vast majority of obligations under direct commitments, are managed by Evonik Pensionsverwaltung e.V. This fund is not subject to regulatory oversight or minimum funding requirements. It uses an asset-liability matching strategy, whereby changes in obligations are offset through changes in the plan assets. In this strategy, the interest rate and credit sensitivities of the liabilities are partially replicated in the plan assets. In the case of unit-linked direct commitments, income-related employer and employee contributions are made to the plan on the basis of various contribution options; the plan is funded via an external contractual trust arrangement. The employees participate in the development of the value as defined in the capital investment concept. In principle, a lump-sum payment is provided, but beneficiaries may also choose an annuity or a combination of a lump-sum payment and an annuity. For the annuity, a fixed increase of 1 percent p.a. is set.

Description of potential risks arising from pension plans: Most German pension plans grant life-long pension benefits. A specific risk here is that rising life expectancy could increase the benefit obligation. In most cases, increases in the benefits paid by these funds are linked to the consumer price index. This entails an additional inflation risk. In the case of plans where employees can choose

between a lump-sum payment or an annuity, there is a risk that the option could be selected on the basis of individual assessments of health and life expectancy. For final salary plans, the benefit-risk relates to future salary trends for employees covered by collective agreements and exempt employees and, in some cases, changes in the ceiling for contributions to statutory pension insurance. Where assets are invested externally by the pension fund, support fund, Evonik Pensionstreuhand e.V., or the unit-linked pension plan, plans are exposed to a capital market risk. Depending on the composition of the investment portfolio, this comprises a risk of changes in value and income risks, which could mean that the assumed performance or return is not generated over the term of the investment. Under German legislation on occupational pensions, the employer is liable to cover firm benefit commitments and guaranteed returns. The unit-linked direct commitment plan has term-matched reinsurance; the employer guarantees a portion of the contributions.

The main pension plans for employees in the **USA**:

In the USA, there are unfunded, fully funded, and partially funded pension plans and post-employment benefits under healthcare plans. The majority of the obligations relate to funded plans. The defined benefit pension plans in the USA are not open to new employees. Benefits are based on a range of parameters such as final salary, average salary during career, individual pension accounts, and fixed benefits. Most plans include a lump-sum option with a corresponding risk to the company that this will be utilized. An asset-liability matching strategy supports compliance with minimum funding levels to avoid volatility. This is implemented primarily through US government bonds and corporate bonds denominated in US dollars. The assets are managed by a pension trust.

The main pension plans for employees in the **UK**:

All obligations in the UK are vested benefits and relate to former employees and retirees. The majority of the pension obligations are asset-funded. In 2020, these plans were combined in a single plan, which is administered by an external trust. All plans have been closed to new entrants since 2020. Almost all plans are final salary plans. The plan assets are subject to the asset ceiling. Similarly, surplus assets cannot be returned to the companies without the approval of the trustees.

The table shows the weighted average **assumptions** used for the actuarial valuation of the obligations:

Assumptions used in the actuarial valuation of pension obligations				T128
in %	Evonik Group		Germany	
	2023	2024	2023	2024
Discount rate as of December 31	3.60	3.73	3.50	3.60
Future salary increases	2.53	2.53	2.50	2.50
Future pension increases	2.08	2.08	2.00	2.00
Healthcare cost trend	6.89	6.42	–	–

The **discount rate** for **Germany** and the **euro zone countries** is extrapolated from a yield structure curve derived from AA-rated corporate bonds denominated in euros and, where there are no market data available, a yield curve for zero-coupon German government bonds, taking into account a risk premium for euro-denominated AA-rated corporate bonds. The data on AA-rated euro-denominated corporate bonds are based on bonds with an AA rating from at least one of the major internationally recognized rating agencies. The yield structure curve derived from AA-rated euro-denominated corporate bonds is used to determine the present value of the cash flows from company pension obligations. The discount rate comprises the rounded constant interest rate that results in the same present value when applied to the cash flow.

Analogous methods are used to determine the discount rates for the pension plans in the **USA** and the **UK**. As of December 31, 2024, the discount rate was 5.61 percent for the USA (2023: 5.16 percent) and 5.37 percent for the UK (2023: 4.48 percent).

In Germany, valuation is based on the **biometric data** in the 2018 G mortality tables published by Klaus Heubeck. For the companies in the UK, the S2PXA tables are used, and for the USA the MP-2021 mortality projection scales are used.

The weighted term of the **defined benefit obligation** was 13.3 years (2023: 13.7 years).

Breakdown of the present value of the defined benefit obligation

T130

in € million	2023	2024
Unfunded plans	255	244
Partially or fully funded plans	8,683	8,588
Healthcare benefit obligations	66	66
Present value of the defined benefit obligation as of December 31	9,004	8,898

The valuation of pension provisions is subject, among other things, to assumptions about discount rates, expected future salary and pension increases, the cost trend for healthcare, and mortality tables. The actual data may differ from these assumptions as a result of changes in economic or market conditions.

Sensitivity analysis: effects of changes in parameters on the defined benefit obligation

T131

in € million	Reduction of 1 percentage point		Increase of 1 percentage point	
	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024
Group-wide discount rate	1,350	1,281	–1,067	–1,013
Future salary increases	–34	–32	34	30
Future pension increases	–577	–582	680	686
Healthcare cost trend	–5	–4	5	5

Assuming all other parameters remain unchanged, a reduction of 20 percent in mortality in the retirement phase would increase the defined benefit obligation by €600 million (2023: €602 million).

The **plan assets** were divided among various asset classes. As a consequence of the infrastructure investments by the pension fund, the portfolio of alternative investments has increasingly shifted into the area where there is no active market. In 2024, as in 2023, none of the other assets included in the plan assets were used by the company.

Breakdown of the fair value of plan assets

T132

	Dec. 31, 2023		Dec. 31, 2024	
	in € million	in %	in € million	in %
Cash/balances with banks	114	1.6	160	2.2
Shares—active market	923	12.9	768	10.6
Shares—no active market	–	–	22	0.3
Government bonds—active market	487	6.8	551	7.6
Corporate bonds—active market	1,760	24.6	1,848	25.5
Corporate bonds—no active market	351	4.9	333	4.6
Other bonds—active market	537	7.5	478	6.6
Other bonds—no active market	–	–	–	–
Real estate (direct and indirect investments)—active market	29	0.4	44	0.6
Real estate (direct and indirect investments)—no active market	880	12.3	855	11.8
Other investment funds—active market	7	0.1	7	0.1
Alternative investments (infrastructure/hedge funds/commodities)—active market	157	2.2	160	2.2
Alternative investments (infrastructure/hedge funds/commodities)—no active market	1,452	20.3	1,588	21.9
Other—active market	36	0.5	29	0.4
Other—no active market	422	5.9	406	5.6
Total	7,155	100.0	7,249	100.0

The change in the **asset ceiling for plan assets** was mainly due to overfunding in the UK.

The **assets from overfunded plans** came from various pension plans outside Germany. They are recognized on the balance sheet under other non-financial assets; see note 6.8 [p.256](#).

The **pension provisions** recognized on the balance sheet included healthcare benefit entitlements, mainly of retirees of US subsidiaries.

Expected change in net benefit payments

T133

in € million	Prior year	Reporting period
2024	271	–
2025	280	273
2026	287	282
2027	287	284
2028	290	284
2029	–	285

The presentation of future net benefit payments does not include any pension reimbursements by Evonik Pensionstreuhand e.V. in the reporting period because it is up to the companies to decide whether to claim such reimbursements for the respective fiscal year. Employer contributions of €159 million are expected to be incurred for the following year (2023: €157 million).

The **net interest cost** is included in the financial result; see note 5.6 [p.243f](#). The other pension amounts are allocated to the functional areas as personnel expense (pension expenses).

A breakdown of overall **personnel expense** is given in note 10.2 [p.304](#). Foreign subsidiaries paid a total of €38 million (2023: €36 million) into defined contribution plans, which are also included in personnel expense (pension expenses). Further, €145 million (2023: €142 million) was paid into defined contribution state plans (statutory pension insurance) in Germany and abroad. This is also reported in personnel expense (expenses for social security contributions).

For details of the **deferred tax assets** relating to pension provisions, see note 6.14 [p.267ff.](#), deferred taxes, other income taxes.

6.11 Other provisions

Other provisions are liabilities of uncertain timing or amount. They are established to cover a present legal or constructive obligation to third parties, based on past events, that will probably lead to a cash outflow. In addition, it must be possible to reliably estimate the level of the obligation. Provisions are based on the probable settlement obligations and take account of future cost increases. Non-current provisions are discounted. Reversals of provisions are recognized as income in the functional areas where the original expense for the provision was recognized.

The determination of other provisions, especially provisions for legal risks, recultivation, environmental protection, and restructuring, is naturally exposed to significant estimation uncertainties regarding the level and timing of the obligation. In some cases, the company has to make assumptions about the probability of occurrence or future trends, such as the costs to be recognized for the obligation, on the basis of experience. In particular, the level of non-current provisions depends to a large extent on the selection and development of the market-oriented discount rates. The Evonik Group uses different interest rates for different currencies and terms to maturity.

Other provisions

T134

in € million	Dec. 31, 2023		Dec. 31, 2024	
	Total	thereof non-current	Total	thereof non-current
Personnel-related	434	183	724	188
Recultivation and environmental protection	269	229	265	227
Restructuring	45	22	322	234
Sales and procurement	22	1	24	1
Other taxes and interest on taxes	33	27	26	22
Other obligations	320	55	296	62
Other provisions	1,123	517	1,657	734

Overall, the other provisions were €534 million higher than in 2023. This was mainly attributable to the development of personnel-related and restructuring provisions. It is expected that more than half of the total provisions will be utilized in 2025.

Change in other provisions

T135

in € million	Personnel-related	Recultivation, environmental protection	Restructuring	Sales, procurement	Other taxes, interest on taxes	Other obligations	Total
As of January 1, 2024	434	269	45	22	33	320	1,123
Additions	490	50	304	8	7	135	994
Utilization	-200	-31	-12	-2	-11	-135	-391
Reversal	-10	-24	-14	-4	-3	-28	-83
Unwinding of discounting/interest rate changes	7	1	2	-	-	1	11
Other	3	-	-3	-	-	3	3
As of December 31, 2024	724	265	322	24	26	296	1,657

Personnel-related provisions were established for many different reasons and included bonus payments and variable remuneration, including long-term incentive plans, i.e., performance-related remuneration plans for Evonik's executives and members of the executive board. The resulting obligations were settled in cash and expensed in accordance with IFRS 2 Share-based Payment (see note 9.3 p.279f.). Further personnel-related provisions were established for statutory and in-house early retirement arrangements, lifetime working arrangements, and anniversary bonuses. Just under half of non-current personnel-related provisions will result in payments after the end of 2029.

Provisions for recultivation and environmental protection have to be established on the basis of laws, contracts, and regulatory requirements. They cover, for example, soil reclamation obligations, water protection, the recultivation of landfills, and site decontamination obligations. Around two-thirds of the non-current provisions will result in payments after the end of 2029.

Restructuring provisions are only established if constructive obligations exist on the basis of a formal, detailed plan, and those affected have been given justifiable expectations that the restructuring will be carried out. Such measures comprise programs that are planned and controlled by the company and will materially alter one of the company's areas of business activity or the way in which a business activity is carried out. Restructuring provisions may only be established for costs that are directly attributable to the restructuring program. As a rule, they include severance packages, redundancy and early retirement arrangements, expenses for the termination of contracts, dismantling and soil reclamation expenses, rents for unused facilities, and all other shutdown and wind-up expenses. As of the reporting date, this item included provisions for the optimization of administrative structures and production and for the focusing of active ingredients production. The non-current portion of all restructuring provisions will be utilized by the end of 2029.

The **provisions for sales and procurement** mainly related to guarantee obligations and contracts where the unavoidable costs of performing the contractual obligation exceed the expected economic benefits. The non-current portion will be utilized by the end of 2029.

Provisions for other taxes and interest on taxes mainly comprised property tax, value-added tax, and interest obligations relating to all types of taxes. The non-current portion will be utilized by the end of 2029.

Provisions for other obligations comprised provisions for a variety of obligations that could not be allocated to the above categories. These included provisions for legal disputes, administrative proceedings or fines, liability risks, guarantee claims relating to divestments, and dismantling obligations. Further, provisions for legal and consultancy expenses, audit fees, and changes in public law regulations, for example, in connection with European emissions trading were included in this item. The provisions for other obligations contained €24 million (2023: €72 million) for the obligation to surrender emission allowances. Around one-third of the non-current provisions for other obligations will result in payments after the end of 2029. Expected reimbursements of €9 million (2023: €18 million), where receipt is virtually certain when the obligation is settled, were disclosed in miscellaneous other non-financial assets.

As in the previous year, there were no **provisions relating to relevant legal risks**, which would be allocated to the various categories of provisions based on type.

6.12 Financial liabilities

Financial liabilities

T136

in € million	Dec. 31, 2023		Dec. 31, 2024	
	Total	thereof non-current	Total	thereof non-current
Trade accounts payable	1,521	–	1,600	–
Bonds	2,976	2,218	2,244	1,745
Commercial paper	–	–	50	–
Liabilities to banks	80	41	300	276
Schuldschein loans	254	250	254	175
Loans from non-banks ^a	17	17	15	2
Lease liabilities	937	786	918	746
Liabilities from derivatives	221	182	289	201
Liabilities from rebate and bonus agreements	54	–	46	–
Customer credit liabilities	54	–	17	–
Miscellaneous other financial liabilities	62	8	63	17
Other financial liabilities	4,655	3,502	4,196	3,162
Financial liabilities	6,176	3,502	5,796	3,162

^a As of December 31, 2023, the loans from non-banks were recognized in miscellaneous other financial liabilities in the notes to the consolidated financial statements.

Bonds issued by Evonik Industries AG

T137

in € million	Interest coupon in %	Nominal value	Carrying amount		Stock market value	
			Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024
Bond 2016/2024	0.375	750	751	–	733	–
Bond 2020/2025	0.625	500	477	492	478	492
Green bond 2022/2027	2.250	750	749	752	726	741
Bond 2016/2028	0.750	500	501	501	460	472
Green hybrid bond 2021/2081 ^a	1.375	500	498	499	445	479
Total		3,000	2,976	2,244	2,842	2,184

^a The formal tenor of the bond is 60 years, and Evonik has an initial redemption right in 2026.

The **lease liabilities** contained the present value of future lease payments. Further information on lease liabilities can be found in notes 9.2 p.277f. and 9.4 p.280f.

Liabilities from derivatives

T138

in € million	Dec. 31, 2023	Dec. 31, 2024
Liabilities from interest rate swaps	23	10
Liabilities from forward exchange contracts, currency options, and currency swaps	25	78
Liabilities from commodity derivatives	173	201
Total	221	289

The **miscellaneous other financial liabilities** contained liabilities to partners in joint operations totaling €26 million (2023: €39 million).

6.13 Other non-financial liabilities

Other non-financial liabilities

T139

in € million	Dec. 31, 2023		Dec. 31, 2024	
	Total	thereof non-current	Total	thereof non-current
Contract liabilities from contracts with customers	236	101	223	96
Deferred income	51	33	58	38
Liabilities relating to other taxes	199	–	164	–
Liabilities to employees	55	–	79	5
Miscellaneous other non-financial liabilities	69	19	32	2
Other non-financial liabilities	610	153	556	141

Contract liabilities from contracts with customers mainly resulted from prepayments received from customers that are declared as distinct performance obligations. Revenues are only recognized when the corresponding performance obligation is satisfied. Revenue recognition relating to contract liabilities arising from contracts with customers totaling –€947 million (2023: –€549 million) included contract liabilities of €22 million (2023: €27 million) established in prior years and contract liabilities of €925 million (2023: €522 million) recognized in 2024.

Development of contract liabilities from contracts with customers

T140

in € million	2023	2024
As of January 1	211	236
Currency translation	–4	5
Additions	577	929
Revenue recognition	–549	–947
Other disposals	–1	–
As of December 31	236	223

The **miscellaneous other non-financial liabilities** mainly comprised liabilities to the public sector, liabilities from insurance contracts, and liabilities to social security institutions.

6.14 Deferred taxes, other income taxes

Deferred tax assets and liabilities are established for temporary valuation and recognition differences between the assets and liabilities recognized in the balance sheets prepared for tax purposes and those prepared in accordance with IFRS. Tax-deductible loss carryforwards that will probably be utilized in the future are capitalized at the amount of the deferred tax asset, taking into account whether they can be carried forward for a limited or unlimited period.

The **recognition of deferred tax assets** at companies with tax-deductible loss carryforwards is based on current planning calculations, which are normally for a five-year period, and on the availability of sufficient temporary tax differences. Deferred tax assets are recognized where it is probable that future taxable income will be generated, which can cover these temporary differences. If these expectations are not met, an impairment loss must be recognized in income for the deferred tax assets.

Deferred taxes are calculated on the basis of the tax rates applicable on the date when temporary differences are likely to be reversed. Deferred tax assets and liabilities are netted if the company is permitted to net other income tax assets and liabilities and if the deferred tax assets and liabilities relate to income taxes in the same tax jurisdiction.

Other income taxes for the reporting period and previous periods are recognized on the basis of the expected payment or refund. They are calculated using the company-specific tax rates applicable on the reporting date.

Group companies are liable to pay income tax in many countries around the world. When evaluating global income tax assets and liabilities, there may be some uncertainty relating, in particular, to the interpretation of tax regulations. It cannot be ruled out that the fiscal authorities will take a different view on the correct interpretation of tax regulations. Changes in assumptions regarding the correct interpretation of tax regulations, for example, as a result of changes in legal decisions, are reflected in the recognition of uncertain income tax assets and liabilities for the corresponding fiscal year. Uncertain tax assets and liabilities are recognized as soon as their probability of occurrence is more than 50 percent. Uncertain income tax positions are recognized on the basis of their most likely amount or expected amount, depending on which of these amounts better reflects the situation if the uncertainty materializes.

Deferred taxes and other income taxes reported on the balance sheet

T141

in € million	Dec. 31, 2023		Dec. 31, 2024	
	Total	thereof non-current	Total	thereof non-current
Deferred tax assets	642	642	664	664
Other income tax assets	229	20	191	25
Deferred tax liabilities	608	608	638	638
Other income tax liabilities	392	268	341	254

In accordance with IAS 1 Presentation of Financial Statements, the current elements of deferred taxes are reported on the balance sheet under non-current assets and liabilities.

Deferred taxes by balance sheet item

T142

in € million	Dec. 31, 2023			Dec. 31, 2024		
	Deferred tax assets	Deferred tax liabilities	thereof recognized in profit or loss	Deferred tax assets	Deferred tax liabilities	thereof recognized in profit or loss
Intangible assets	172	302	-131	163	340	-177
Property, plant and equipment	66	249	-183	65	252	-186
Right-of-use assets	-	246	-246	16	244	-227
Financial assets	827	30	665	814	48	610
Inventories	81	11	70	116	8	108
Other assets	60	47	12	56	45	10
Provisions	333	961	-751	352	947	-700
Other liabilities	336	55	284	314	46	266
Special tax allowance reserves (based on local law)	-	29	-29	-	26	-26
Loss carryforwards	88	-	88	85	-	85
Tax credits	1	-	1	1	-	1
Other	1	1	-1	4	4	-1
Deferred taxes (gross)	1,965	1,931	-221	1,986	1,960	-237
Netting	-1,323	-1,323	-	-1,322	-1,322	-
Deferred taxes (net)	642	608	-221	664	638	-237

Deferred tax assets of €598 million (2023: €643 million) related to pension provisions recognized on the balance sheet before impairment losses. Other liabilities of €214 million (2023: €235 million) comprised deferred tax assets relating to lease liabilities. The deferred tax liabilities recognized in "Other" were mainly deferred taxes relating to subsidiaries.

No deferred tax assets were recognized on **temporary differences** of €1,452 million (2023: €1,547 million) because it is not probable that there will be sufficient future taxable income to enable them to be realized. The taxable temporary differences relating to shares in subsidiaries for which no deferred taxes were recognized amounted to €282 million (2023: €279 million). Evonik is in a position to manage the timing of the reversal of temporary differences, and reversal is not expected in the foreseeable future. Deferred tax assets of €222 million (2023: €232 million) were recognized for companies that made a loss. The deferred tax assets were only recognized where it was highly probable that forecast earnings would enable them to be utilized. To this end, the corporate planning and, additionally, the established opportunity and risk management were evaluated. The outcome of this evaluation was that, taking into account all risks, including those where the probability of occurrence is considered to be low, the earnings forecast is robust, and the convincing evidence of future taxable income required for the recognition of deferred tax assets is met.

In addition to **tax loss carryforwards** for which deferred taxes were recognized, there were tax loss carryforwards that were not utilizable and for which no deferred taxes were recognized.

Tax loss carryforwards by expiration date T143

in € million	Corporation taxes (German and foreign)		Local taxes (German and foreign)		Tax credits (foreign)	
	2023	2024	2023	2024	2023	2024
Up to 1 year	–	3	–	–	–	–
More than 1 and up to 5 years	20	26	–	–	–	–
More than 5 and up to 10 years	–	–	–	–	–	–
Unlimited	649	887	361	407	7	7
Total	669	916	361	407	7	7

7. Notes to the cash flow statement

The cash flow statement shows the changes in cash and cash equivalents of the Evonik Group in the reporting period. The cash flows are classified by operating, investing, and financing activities. The net cash flow from discontinued operations that is attributable to third parties is shown separately. The impact of changes in the scope of consolidation has been eliminated.

The **cash flow from operating activities** is calculated using the indirect method. Income before financial result and income taxes, continuing operations, is adjusted for the effects of non-cash income and expenses and items that are allocated to investing or financing activities. Certain other changes in amounts shown on the balance sheet are calculated and added to the result. Cash inflows from dividends are also allocated to the cash flow from operating activities.

The **cash flow from investing activities** is derived from the cash inflows and outflows relating to investment in/divestment of intangible assets, property, plant and equipment, obtaining or losing control over businesses, and investment in/divestment of other shareholdings. Cash inflows and outflows relating to securities, deposits, and loans and cash inflows from interest are also used to calculate the cash flow from investing activities.

The **cash flow from financing activities** is derived from cash inflows and outflows relating to financial liabilities, the purchase and sale of treasury shares, and other cash inflows and outflows in connection with financial transactions. Cash outflows for interest and dividend payments are also included in the cash flow from financing activities.

Cash and cash equivalents include both the cash and cash equivalents shown on the balance sheet and, where applicable, cash and cash equivalents included in assets held for sale. Cash and cash equivalents comprise balances with banks, checks, and cash. This item also includes highly liquid financial instruments with a maturity, calculated as of the date of purchase, of no more than three months, provided that they can be converted into cash and cash equivalents at any time and are only subject to negligible fluctuations in value. They are measured at fair value.

In 2024, the **cash outflows to obtain control of businesses** included, among other things, the gross purchase prices for ownership interests in subsidiaries consolidated for the first time in the previous year. The acquisitions did not include any cash and cash equivalents (2023: €4 million).

The **cash outflows relating to the loss of control over businesses** contained gross selling prices of €13 million (2023: €15 million), without the transfer of any cash and cash equivalents (2023: €47 million) and related to divestments in previous periods.

The **cash inflows relating to the loss of control over businesses** contained gross selling prices of €75 million (2023: €43 million) less the transfer of cash and cash equivalents totaling €56 million (2023: none) and related to the divestment of the Superabsorbents business and a further subsidiary.

Cash inflows/outflows relating to securities, deposits, and loans mainly comprised items with a high rate of turnover, large denominations, and short maturities. They are therefore presented on a net basis.

The following table presents a reconciliation of the **change in liabilities from financing activities** to the cash flows from financing activities, continuing operations presented in the cash flow statement. In addition to financial debt (financial liabilities excluding derivatives, excluding liabilities for rebate and bonus agreements, and excluding customer credit liabilities), the table includes liabilities associated with assets held for sale and those derivatives that relate to financing.

The column headed "Other cash flows from financing activities" contains cash outflows for interest and other amounts that are contained in the line item "Cash inflows/outflows in connection with financial transactions" in the cash flow statement. The line item "Cash outflows for interest" in the cash flow statement also contains interest payments that are not related to financial debt or derivatives relating to financing.

The column headed "Other" contains both changes in cash flows outside the cash flow from financing activities and other changes in financial debt that have no impact on cash flows, mainly the unwinding of discounting and the capitalization of assets.

Reconciliation to financial debt 2024

T144

in € million	As of Jan. 1	Cash inflows/outflows from financing activities			Changes with no impact on cash flows						As of Dec. 31
		Addition of financial liabilities	Repayment of financial liabilities	Other cash flows from financing activities	Changes in the scope of consolidation	Currency translation	Reclassification pursuant to IFRS 5	Additions and disposals of lease liabilities	Recognized at fair value	Other	
Bonds	2,976	–	–750	–33	–	–	–	–	15	36	2,244
Commercial paper	–	268	–220	–2	–	–	–	–	–	4	50
Liabilities to banks	80	396	–182	–4	–	1	–	–	–	9	300
Schuldschein loans	254	–	–	–9	–	–	–	–	–	9	254
Loans from non-banks	17	–	–3	–	–	–	–	–	–	1	15
Lease liabilities	937	–	–179	–28	–	6	–	156	–	26	918
Miscellaneous other financial liabilities	62	27	–16	–11	–	1	–	–	–	–	63
Financial liabilities associated with assets held for sale	17	17	–4	–	–30	–	–	–	–	–	–
Financial debt	4,343	708	–1,354	–87	–30	8	–	156	15	85	3,844
Receivables/liabilities from financing-related derivatives	21	–	–	–29	–	–	–	–	28	22	42
Total	4,364	708	–1,354	–116	–30	8	–	156	43	107	3,886

Reconciliation to financial debt 2023

T145

		Cash inflows/outflows from financing activities			Changes with no impact on cash flows							
in € million	As of Jan. 1	Addition of financial liabilities	Repayment of financial liabilities	Other cash flows from financing activities	Changes in the scope of consolidation	Currency translation	Reclassification pursuant to IFRS 5	Additions and disposals of lease liabilities	Recognized at fair value	Other	As of Dec. 31	
Bonds	2,955	–	–	–33	–	–	–	–	18	36	2,976	
Commercial paper	–	602	–601	–5	–	–	–	–	–	4	–	
Liabilities to banks	71	89	–73	–5	–	–11	–	–	–	9	80	
Schuldschein loans	252	–	–	–6	–	–	–	–	–	8	254	
Loans from non-banks ^a	12	–	–1	–3	–	–	–	–	–	9	17	
Lease liabilities	947	–	–180	–24	–	–7	–13	183	–	31	937	
Miscellaneous other financial liabilities	79	25	–33	–3	–	–1	–	–	–	–5	62	
Financial liabilities associated with assets held for sale	2	–	–5	–	–1	–	13	6	–	2	17	
Financial debt	4,318	716	–893	–79	–1	–19	–	189	18	94	4,343	
Receivables/liabilities from financing-related derivatives ^b	47	–	–	–7	–	–	–	–	–37	18	21	
Total	4,365	716	–893	–86	–1	–19	–	189	–19	112	4,364	

^a As of December 31, 2023, the loans from non-banks were recognized in miscellaneous other financial liabilities in the notes to the consolidated financial statements.^b The fair value measurement of receivables/liabilities from financing-related derivatives changed from –€79 million to –€37 million.

8. Notes to the segment report

8.1 Reporting based on operating segments



The reporting based on operating segments reflects the internal reporting and management structure of the Evonik Group (management approach). The external financial reporting standards are applied, see note 3 [p.231ff.](#), together with the accounting policies described in the other notes, with the exception of intragroup leasing transactions, which are still recognized by the segments as income or expense.

The executive board of Evonik Industries AG decides on the allocation of resources and evaluates the earnings power of the Evonik Group’s operations on the basis of the following **reporting segments**, which reflect the core operating business (subsequently referred to as divisions or segments):

- Specialty Additives,
- Nutrition & Care,
- Smart Materials,
- Technology & Infrastructure.

The following products and applications form the basis for the sales recognized for our reporting segments:

Reporting segments

T146

Division	Products and applications
The Specialty Additives division combines the business with high-performance additives based on versatile silicones and the crosslinkers business.	<ul style="list-style-type: none">• Additives for polyurethane foams (rigid/flexible foam), for example, for mattresses, car seats, and insulating materials• Additives, matting agents, fumed silicas, and specialty resins for paints, coatings, and printing inks• Isophorone and epoxy curing agents, for example, for coatings, adhesives, and composites• Pour point depressants and viscosity index improvers for oil and other lubricants for construction machinery and the automotive sector
The Nutrition & Care division markets sustainable solutions that improve health and the quality of life.	<ul style="list-style-type: none">• D-/L-methionine and lysine as essential amino acids for the animal nutrition industry• Pharmaceutical active ingredients: exclusive synthesis of active ingredients, pharmaceutical polymers for drug delivery systems• Medical products: biocompatible and bioresorbable materials for orthopedic and medical applications• Cell culture: pharmaceutical amino acids and peptides• System solutions for the cosmetics and detergents industries
The Smart Materials division includes business with innovative materials that enable resource-saving solutions and replace conventional materials.	<ul style="list-style-type: none">• Fumed and precipitated silicas and silanes, for example, for the automotive, tire, electronics, and cosmetics industries• Peroxides as sterilizing agents, for cleaning silicon wafers, and as environment-friendly bleaching agents for the paper and textile industries• Specialty catalysts for synthesis• Polyamide 12 for sports shoe soles, sunglasses, gas and oil pipelines, and many safety-critical automotive components• Polymer foams for lightweight structures, specialty polybutadiene and polyester, membranes for efficient treatment of biogas, natural gas, and hydrogen• Alkoxides for use as catalysts in the production of biodiesel
The Technology & Infrastructure division pools expertise in the area of production-related digitalization and site management and efficient technology platforms for the production of high-volume intermediates.	<ul style="list-style-type: none">• Services: energy management, integrated plant maintenance and support, process technology, process safety, pipelines, transportation management, logistics safety, digital solutions for chemical production, focused site development• Performance Intermediates: butadiene, MTBE, butene-1, isononanol, DINP for use, for example, in the plastics and packaging industries, the production of rubber, in fuels, and as a plasticizer in the construction and automotive sectors

Various activities of the Evonik Group are reported in **enabling functions, other activities, consolidation**. Business activities that cannot be allocated to any of the reporting segments are recognized as other activities. Enabling functions and consolidation comprise the functions that support the executive board and the operating divisions and intersegment consolidation effects. The enabling functions provide services such as strategy, innovation, sustainability, finance, IT, central procurement, legal, human resources, communication, and internal reinsurance for the Evonik Group.

Composition of enabling functions, other activities, consolidation

T147

in € million	Other activities		Enabling functions, consolidation		Total enabling functions, other activities, consolidation	
	2023	2024	2023	2024	2023	2024
External sales	12	12	41	39	53	51
Internal sales	3	-1	-1,645	-1,585	-1,642	-1,586
Total sales	15	11	-1,604	-1,546	-1,589	-1,535
Adjusted EBITDA	-118	-64	-156	-258	-274	-322
Adjusted EBIT	-128	-65	-224	-327	-352	-392
Capital employed (annual average)	-17	-108	212	250	195	142
Depreciation and amortization	-11	-1	-68	-69	-79	-70
Impairment losses/reversal of impairment losses pursuant to IAS 36	-	-	-	-	-	-
Capital expenditures	1	-	52	51	53	51
Financial investments	-	-	9	6	9	6
No. of employees as of December 31	-	-	6,249	6,217	6,249	6,217

Prior-year figures restated.

8.2 Reporting based on regions

For this purpose, countries and country groups are aggregated into regions. The reporting based on regions is outlined in more detail in note 8.3 p.273 ff.

8.3 Notes to the segment data

External sales reflect the segments' sales with parties outside the Evonik Group. Sales generated between the segments are internal sales and are cross-charged at market prices or using the cost-plus method.

Reconciliation of the sales of all reporting segments to Group sales

T148

in € million	2023	2024
Total sales, reporting segments	16,856	16,692
Total sales, other activities	15	11
Enabling functions, consolidation, less discontinued operations	-1,604	-1,546
External sales of the Evonik Group	15,267	15,157

External sales by country (location of customer)

T149

in € million	2023	2024
USA	3,338	3,170
Germany	2,591	2,613
China	1,177	1,235
Switzerland	694	732
Netherlands	684	592
Brazil	498	498
France	444	420
Japan	423	415
India	369	399
UK	352	356
Other countries	4,697	4,727
External sales of the Evonik Group	15,267	15,157

The **result from investments recognized at equity** corresponds to the result for these investments as reported in the income statement; see note 5.4 p.241.

The executive board of Evonik Industries AG uses **adjusted EBITDA** as the main parameter to measure operating performance. Adjusted EBITDA is the main earnings parameter that can be influenced by the segment management. It comprises earnings before financial result, income taxes, after adjustments, and is further adjusted for depreciation, amortization, and impairment losses/reversal of impairment losses not already included in the adjustments.

Reconciliation from adjusted EBITDA of the reporting segments to income before income taxes, continuing operations

T150

in € million	2023	2024
Adjusted EBITDA, reporting segments	1,930	2,387
Adjusted EBITDA, other activities	-118	-64
Adjusted EBITDA, enabling functions, consolidation, less discontinued operations	-156	-258
Adjusted EBITDA	1,656	2,065
Depreciation and amortization	-1,099	-1,029
Impairment losses/reversal of impairment losses	-752	-94
Depreciation, amortization, impairment losses/reversal of impairment losses included in adjustments	716	85
Adjusted depreciation, amortization, and impairment losses	-1,135	-1,038
Adjusted EBIT	521	1,027
Adjustments	-764	-450
Financial result	-108	-143
Income before income taxes, continuing operations	-351	434

The **adjusted EBITDA margin** is the ratio of adjusted EBITDA to external sales.

Adjusted EBIT comprises earnings before financial result and income taxes, after adjustments. It is used to calculate the internal management parameter return on capital employed (ROCE).

The **adjustments** include income and expense items that, due to their nature or amount, are not attributable to the typical operating business. As well as structural measures relating to restructuring and the structural realignment of business entities, they include planned and completed acquisitions and divestments and further special items. In the previous year, the other special items mainly comprised impairment losses of €435 million identified in an impairment test pursuant to IAS 36 triggered by indications of impairment. These impairment losses related to the integrated global methionine facilities in the Nutrition & Care division and production facilities in the Smart Materials division in Europe, North America, and China.

Adjustments 2024

T151

in € million	Cost of sales	Selling expenses	Research and development expenses	Administrative expenses	Other operating income	Other operating expense	Total
Structural measures	-151	-10	-12	-228	2	-6	-405
Acquisitions and divestments	-16	-	-	-	11	-29	-34
Other special items	4	-	-	-	4	-19	-11
Adjustments	-163	-10	-12	-228	17	-54	-450

Adjustments 2023

T152

in € million	Cost of sales	Selling expenses	Research and development expenses	Administrative expenses	Other operating income	Other operating expense	Total
Structural measures	-19	-9	-10	1	1	-28	-64
Acquisitions and divestments	-236	-	-	-	21	-22	-237
Other special items	-436	-	-	-	1	-28	-463
Adjustments	-691	-9	-10	1	23	-78	-764

Capital employed comprises the net assets required by the reporting segments for their operations and is allocated among the reporting segments using uniform group-wide rules. It is calculated by determining the total of intangible assets, property, plant and equipment, investments, inventories,

trade accounts receivable, and other non-interest-bearing assets. The sum of interest-free provisions, trade accounts payable, and other interest-free liabilities is then deducted from this.

Reconciliation to capital employed

T153

in € million	Amounts recognized on the balance sheet	Capital employed		Amounts recognized on the balance sheet	Capital employed	
	Dec. 31, 2023	Dec. 31, 2023	Average 2023	Dec. 31, 2024	Dec. 31, 2024	Average 2024
Goodwill	4,581	4,581	4,564	4,707	4,707	4,611
Other intangible assets	944	944	1,044	864	864	913
Property, plant and equipment	6,294	6,294	6,539	6,450	6,450	6,328
Right-of-use assets	965	965	972	947	947	937
Investments recognized at equity	52	52	79	49	49	46
Other financial assets	841	73	75	683	57	61
Deferred taxes	642	–	–	664	–	–
Other income tax assets	229	–	–	191	–	–
Other non-financial assets	451	446	585	450	445	476
Inventories	2,349	2,349	2,780	2,662	2,662	2,567
Trade accounts receivable	1,607	1,607	1,840	1,622	1,622	1,706
Cash and cash equivalents	749	–	–	461	–	–
Assets held for sale	236	225	217	–	–	145
Total assets	19,940	17,536	18,695	19,750	17,803	17,790
Provisions for pensions and other post-employment benefits	–1,858	–	–	–1,662	–	–
Other provisions	–1,123	–606	–654	–1,657	–922	–750
Other financial liabilities	–4,655	–232	–185	–4,196	–277	–248
Deferred taxes	–608	–	–	–638	–	–
Other income tax liabilities	–392	–	–	–341	–	–
Other non-financial liabilities	–610	–610	–690	–556	–556	–624
Trade accounts payable	–1,521	–1,521	–1,674	–1,600	–1,600	–1,598
Liabilities associated with assets held for sale	–187	–110	–86	–	–	–77
Total liabilities	–10,954	–3,079	–3,289	–10,650	–3,355	–3,297
Capital employed		14,457	15,406		14,448	14,493

The **return on capital employed (ROCE)** is another internal management parameter used by the Evonik Group. ROCE is calculated from the ratio of adjusted EBIT to capital employed. To smooth the closing date effect, the calculation uses the arithmetic mean of the last five quarterly reporting dates.

Depreciation and amortization relate to the depletion in the value of intangible assets, property, plant and equipment, and right-of-use assets over their estimated useful life.

Impairment losses/reversal of impairment losses pursuant to IAS 36 reflect unplanned changes in the carrying amounts of intangible assets, property, plant and equipment, and right-of-use assets.

Capital expenditures comprise additions to intangible assets (excluding goodwill from capital consolidation), property, plant and equipment in the reporting period. Additions resulting from changes in the scope of consolidation are not taken into account. Capital expenditures by region are based on the location of the subsidiaries.

Additions to investments recognized at equity, other investments, non-current loans, and non-current securities and similar claims made in the reporting period are recognized as **financial investments**. The acquisition of subsidiaries is shown as an addition to financial investments in the year of acquisition (including goodwill from capital consolidation).

The **headcount** is taken on the reporting date. It shows the number of employees. Part-time employees are included as absolute figures. The headcount by region is based on the location of the subsidiaries.

Goodwill, other intangible assets, property, plant and equipment, right-of-use assets, investments recognized at equity, and non-current other non-financial assets are segmented by the location of the subsidiaries. Together, these assets comprise the **non-current assets in accordance with IFRS 8** Operating Segments.

Breakdown of non-current assets by country			T154
in € million	Dec. 31, 2023	Dec. 31, 2024	
Germany	5,418	5,230	
USA	3,965	4,236	
Singapore	706	733	
Belgium	621	618	
China	409	432	
Other countries	1,794	1,837	
Non-current assets	12,913	13,086	

9. Other disclosures

9.1 Capitalized borrowing costs

Borrowing costs of €10 million (2023: €7 million) that could be allocated directly to the acquisition, construction, or production of a qualifying asset were capitalized. The average underlying cost of financing was 2.5 percent (2023: 1.7 percent).

9.2 Additional information on leases



A lease comprises an agreement that transfers the right to use an asset for a certain period in return for one or more payments. As a lessee, the Evonik Group mainly leases assets required for business operations (see also note 6.3 [p.250 f.](#)).

IFRS 16 Leases specifies that, in principle, **lessees** must recognize all leases on the balance sheet at present value in the form of a right-of-use asset and a lease liability. The right-of-use asset is normally depreciated over the term of the lease using the straight-line method, and the carrying amount of the lease liability is valued at amortized cost using the effective interest method. The right-of-use asset is subject to an impairment test pursuant to IAS 36.

The incremental borrowing rate is normally used to determine the present value of lease liabilities and the subsequent addition of accrued interest. The incremental borrowing rate is based on discount rates, taking into account the contract currency, lease term, the creditworthiness of the lessee, and, depending on the classification of the right-of-use assets, a deduction for collateral. The lease liabilities are recognized in other financial liabilities.

As lessee, Evonik applies the practical expedients for short-term leases and leases for low-value assets. These are not recognized on the balance sheet in accordance with IFRS 16; instead, lease expense is still recognized in the income statement (IFRS 16.5). Furthermore, Evonik does not apply the standard to leases for intangible assets (IFRS 16.4).

In addition, for the following classes of assets, lease and non-lease components are combined (IFRS 16.15): power plants, ships, and storage tanks.

Lessors are required to classify leases as finance or operating leases based on the ratio of the opportunities and risks transferred.

In the case of finance leases, the underlying asset is derecognized from the balance sheet, and a finance lease receivable is recognized.

In the case of operating leases, the underlying asset is still recognized on the balance sheet, and the lease payments received are recognized in the income statement as revenue from operating leases.

Amounts recognized for lessee transactions

T155

in € million	2023	2024
Right-of-use assets as of December 31 ^a	965	947
Lease liabilities as of December 31 ^b	937	918
Depreciation and impairment losses ^a	178	176
Interest expense	31	31
Expenses for short-term leases	13	11
Expenses for leases for assets of low value	4	2
Expenses for variable lease payments based on use	1	1
Revenue from subleasing	10	9
Total cash outflows for leases	225	221

^a See note 6.3 [p.250 f.](#)

^b See notes 6.12 [p.266](#) and 9.4 [p.280 f.](#)

As **lessee**, Evonik has rented and leased assets required for its operations. Most of these are peripheral to production or, as in the case of administrative buildings, for example, have only a slight connection with production. The material right-of-use assets related to land and land rights (15 percent), buildings (15 percent), power plants (33 percent), and storage tanks (18 percent). For information on lease terms, see note 6.3 [p.250 f.](#)

As lessee, Evonik recognized lease payments that were reasonably certain on the balance sheet as lease liabilities. In addition, there may be further cash outflows for leases where recognition on the balance sheet is not permitted, for example, variable lease payments based on use, payments for pending lease contracts, and extension options, where exercise was not considered to be reasonably certain.

In the Evonik Group, variable lease payments based on use were not material.

Some leases contain extension and/or termination options. These give Evonik the flexibility to adjust its lease portfolio to changing business requirements. There is considerable judgment involved in assessing the probability of exercise of such options. Considering all facts and circumstances, Evonik only regards the options as exercisable if there is a high probability that they will be exercised. Exercise of the options is reassessed if the facts and circumstances change. The nominal amount of potential future cash outflows for extension and termination options, where exercise was not considered to be reasonably certain, was €138 million. For a detailed presentation of future cash outflows for lease liabilities, see note 9.4.4 p.291.

Evonik has one material pending lease contract for an administrative building. This has already been signed but will only be recognized for the first time after the reporting date. The nominal lease payments are €29 million and will be incurred over the lease term of ten years.

Evonik did not have any material off-balance-sheet residual value guarantees that could result in possible cash outflows in the future.

Furthermore, there were no clauses in lease agreements imposing restrictions on Evonik or requiring it to achieve certain financial covenants.

There were no material sale-and-leaseback transactions.

Evonik only acted as **lessor** in operating lease transactions.

Amounts recognized for lessor transactions T156

in € million	2023	2024
Assets under operating leases	16	15
Receivables from finance leases ^a	–	–
Revenue (operating leases)	16	16
thereof revenue from variable lease payments that are based on usage of the leased asset	1	1

^a See notes 6.6 p.255 and 9.4 p.280f.

Maturity structure of future lease payments (lessor; operating leases) T157

in € million	2023	2024
Due within 1 year	14	13
Due in more than 1 and up to 2 years	7	6
Due in more than 2 and up to 3 years	6	5
Due in more than 3 and up to 4 years	5	5
Due in more than 4 and up to 5 years	5	5
Due in more than 5 years	122	117
Total	159	151

9.3 Share-based payment

Evonik's remuneration system comprises a basic salary, annual short-term incentive payments and, as a long-term component, the long-term incentive (LTI) plans for members of the executive board and other executives.

It comprises share-based payments with cash settlement. The plans are valued on the reporting date using a Monte Carlo simulation, which models exercise patterns. The LTI plans result in personnel expense, which is distributed over the term of each tranche.

Performance is measured by the absolute performance of Evonik's share price and its performance relative to the MSCI World Chemicals IndexSM. Based on the contractually agreed target amount, which is defined in euros, a number of virtual shares is calculated using the share price at the start of the performance period. This is based on the price on the last 60 trading days before the start of the performance period. The performance period starts on January 1 of the grant year and runs for four years. At the end of the performance period, the starting price of Evonik shares is viewed against the average share price at the end of the performance period. This is compared with the performance of the benchmark index (total shareholder return). If the relative performance is below 70 percentage points, the relative performance factor is deemed to be zero. If the relative performance is above 130 percentage points, the relative performance factor is set at 130. The payment is calculated by multiplying the relative performance by the number of virtual shares allocated and the average price of Evonik shares at the end of the performance period.

The upper limit for LTI payments is capped at 300 percent of the individual target amount.

Since 2019, the intrinsic value of the LTI has no longer been measured at the end of the performance period; instead, it is measured at the end of each year in the four-year performance period. In line with previous practice, the starting price of Evonik shares is viewed against the average share price at the end of each year of the performance period, plus any dividends per share actually paid in this period. This is then compared with the performance of the benchmark index (total shareholder return). At the end of the performance period, the overall performance is calculated as the average of the performance in each year.

For tranches exercised from 2023, it has been decided by the supervisory board of Evonik Industries AG for the executive board and by the executive board of Evonik Industries AG for Group executives that, as permitted by the remuneration system, the relative performance threshold will be set at 0 percent instead of 70 percent. Without this adjustment, there would have been a significant loss of value, so the relationship between the tasks and performance of the executive board members and other executives and their remuneration would not have been appropriate.

The LTI system was revised again as from 2023: 80 percent of the intrinsic value is now determined by the performance of Evonik shares and 20 percent by the attainment of one or more sustainability targets. As in the past, for the share-based portion, the intrinsic value of the LTI is measured at the end of each year in the four-year performance period as described above. However, the relative performance may range between 0 percentage points and 200 percentage points. If the relative performance is below 0 percentage points, the relative performance factor is deemed to be zero. If the relative performance is greater than 200 percentage points, the relative performance factor is set at 200. The amount to be paid out is calculated at the end of the performance period as an average of the performance in each year. The sustainability component is determined separately on the basis of between one and three measurable ESG (environmental, social, governance) targets for Evonik. Before the allocation of each tranche, the supervisory board defines the exact annual targets, their relative weighting, and the target amounts for the calculation of 100 percent target attainment. Target attainment may range from 0 to 200 percent. The specific sustainability targets are disclosed in the remuneration report in which the granting of the respective LTI tranche to the executive board members is reported. The upper limit for these payments is capped at 200 percent of the individual target amount.

LTI plan for executive board members—Tranches 2021 through 2024

T158

		2021 tranche	2022 tranche	2023 tranche	2024 tranche
Grant date		May 10, 2021	May 16, 2022	May 12, 2023	June 11, 2024
No. of virtual shares granted		192,627	167,266	221,498	212,329
No. of virtual shares forfeited		–	–	–	–
No. of virtual shares exercised		–	–	–	–
No. of virtual shares as of December 31, 2024		192,627	167,266	221,498	212,329
Grant value of sustainability component (as of December 31, 2024)	in €'000	–	–	1,020	930
Performance period	From–to	Jan. 1, 2021– Dec. 31, 2024	Jan. 1, 2022– Dec. 31, 2025	Jan. 1, 2023– Dec. 31, 2026	Jan. 1, 2024– Dec. 31, 2027
Expense (+)/income (–) for the period	in €'000	819	586	1,349	1,066
Carrying amount of provision	in €'000	3,107	1,694	2,438	1,066

LTI plan for executives—Tranches 2021 through 2024

T159

		2021 tranche	2022 tranche	2023 tranche	2024 tranche
Grant date		May 6, 2021	May 11, 2022	May 12, 2023	June 11, 2024
No. of virtual shares granted		489,032	420,342	496,035	466,066
No. of virtual shares forfeited		33,621	33,722	40,358	18,243
No. of virtual shares exercised		–	–	–	–
No. of virtual shares as of December 31, 2024		455,411	386,620	455,677	447,823
Grant value of sustainability component (as of December 31, 2024)	in €'000	–	–	2,098	2,062
Performance period	From–to	Jan. 1, 2021– Dec. 31, 2024	Jan. 1, 2022– Dec. 31, 2025	Jan. 1, 2023– Dec. 31, 2026	Jan. 1, 2024– Dec. 31, 2027
Expense (+)/income (–) for the period	in €'000	1,694	1,175	2,598	2,152
Carrying amount of provision	in €'000	7,346	3,915	5,016	2,152

As of December 31, 2024, total provisions for share-based payment amounted to €26.7 million (2023: €25.7 million). In 2024, the total expense for share-based payment was €11.4 million (2023: €10.3 million).

9.4 Additional information on financial instruments

Derivative and non-derivative financial instruments comprise contractually agreed rights and obligations resulting in an inflow or outflow of financial assets or the issue of equity instruments. Derivative financial instruments are used to hedge the risk of changes in exchange rates, the price of commodities, and interest rates. Derivatives are recognized on the balance sheet either on a stand-alone basis or as part of a hedging relationship with the corresponding hedged items (hedge accounting). While all financial derivatives are part of an economic hedging relationship, hedge accounting is only applied to a portion of these hedging relationships (see note 9.4.3 p.287ff.).

Non-derivative financial assets are **initially recognized** at the settlement date, while derivatives are recognized on the trading date.

Financial assets are **derecognized** when the contractual rights to receive payments lapse or are transferred, and Evonik has transferred substantially all opportunities and risks associated with ownership. Financial liabilities are derecognized when the obligation has been settled or canceled or has expired.

Financial instruments are **initially measured** at fair value plus any directly attributable transaction costs. As an exception to this, trade accounts receivable without significant financing components are measured at the transaction price in accordance with the provisions of IFRS 15. Transaction costs for financial instruments assigned to the category at fair value through profit or loss are recognized directly in the income statement.

The **fair value** is the amount that would be received or paid for the sale of a financial asset or the transfer of a financial liability in an orderly transaction between market participants at the measurement date. It is therefore an exit price based on a hypothetical transaction on the measurement date. The fair value is determined on the basis of the three-level hierarchy set out in IFRS 13. Where available, it is determined from the quoted prices for identical financial assets or liabilities in an active market without adjustment (level 1). If such data are not available, measurement based on directly or indirectly observable inputs is used (level 2). In all other cases,

valuation methods that are not based on observable market data are used (level 3). Where input factors from different levels are used, the level applicable for the lowest material input factor is determined, and the overall fair value is assigned to this level. If there are indications on initial recognition of a financial instrument that the fair value does not correspond to the transaction price and, for subsequent measurement, not all input factors are observable, the day one gain or loss between fair value and the transaction price for the financial instrument is accrued because it does not form part of the fair value. The accrued amount is released to profit or loss over the contract term. The day one gain or loss is recognized on the balance sheet together with the associated financial instrument.

Subsequent measurement of financial instruments is based on their **valuation category**. Financial assets are allocated to the categories on the basis of the business model used by the company to manage the respective financial assets and the characteristics of the contractual cash flows from the financial instrument. The category **at amortized cost** comprises financial assets whose contractual terms solely comprise cash flows that are payments of principal and interest on the principal amount outstanding and that are held within a “hold” business model. These financial assets are measured using the effective interest rate method and are subject to the impairment rules for expected credit losses. The category **at fair value through OCI** contains debt instruments that are allocated to the business model “held for sale” and equity instruments that have been irrevocably designated in this category on a voluntary basis. While the amounts recognized in other comprehensive income for debt instruments in this category are reclassified to profit or loss when the financial instruments are disposed of, the equity instruments in this category are not reclassified. The category **at fair value through profit or loss** contains those financial instruments whose contractual terms do not solely comprise cash flows from payments of principal and interest on the principal amount outstanding and debt instruments that are allocated to the business model “hold” or “held for sale”. This category also includes assets resulting from stand-alone derivatives.

If the business model for financial assets is altered, they are **reclassified** prospectively to the appropriate valuation category. The effect of reclassification on the balance sheet and statement of comprehensive income depends on the valuation categories affected.

Non-derivative **financial liabilities** are allocated to the category **at amortized cost** and are measured using the effective interest method.

By contrast, financial liabilities from stand-alone derivatives are allocated to the category **at fair value through profit or loss**.

Voluntary designation at fair value through profit or loss (**fair value option**) is not currently used for either financial assets or financial liabilities.

Exemptions from the allocation of financial instruments to the IFRS 9 valuation categories apply in the following cases: Derivatives included in hedge accounting are **not allocated to any of the valuation categories**. They are carried at fair value. However, the treatment of changes in their fair value is based on the special rules for hedge accounting in IFRS 9. Receivables from finance leases, which are recognized in miscellaneous other financial assets, and lease liabilities, which are recognized in other financial liabilities, are not allocated to any category because **measurement is outside the scope of IFRS 9**. They are measured in accordance with IFRS 16. Also outside the scope of IFRS 9 are liabilities from rebate and bonus agreements, which have to be measured in accordance with IFRS 15 and recognized in other financial liabilities, and ownership interests in non-consolidated subsidiaries that are—individually and in aggregate—immaterial and are measured at cost.

The **notional value** of interest rate swaps is the principal on which the swap agreement is based, while the notional value of the cross-currency interest rate swaps, forward exchange contracts, currency options, and currency swaps is the hedged foreign exchange amount translated into euros. The notional value of the commodity derivatives is the hedged procurement cost translated into euros.

9.4.1 Disclosures on the carrying amounts and fair values of financial instruments

Carrying amounts and fair values of financial assets as of December 31, 2024

T160

in € million	Carrying amounts by IFRS 9 valuation category					Carrying amount	Fair value IFRS 9 categories
	At amortized cost	At fair value through OCI	At fair value through profit or loss	Not allocated to any category	Not measured in accordance with IFRS 9		
Trade accounts receivable	1,622	–	–	–	–	1,622	1,622
Cash and cash equivalents	461	–	–	–	–	461	461
Other investments	–	402	–	–	15	417	402
Loans	19	–	1	–	–	20	20
Securities and similar claims	–	–	171	–	–	171	171
Receivables from derivatives	–	–	32	4	–	36	36
Supplier credit receivables	10	–	–	–	–	10	10
Miscellaneous other financial assets	29	–	–	–	–	29	29
Other financial assets	58	402	204	4	15	683	668
Financial assets	2,141	402	204	4	15	2,766	2,751

Carrying amounts and fair values of financial assets as of December 31, 2023

T161

in € million	Carrying amounts by IFRS 9 valuation category					Carrying amount	Fair value IFRS 9 categories
	At amortized cost	At fair value through OCI	At fair value through profit or loss	Not allocated to any category	Not measured in accordance with IFRS 9		
Trade accounts receivable	1,607	–	–	–	–	1,607	1,607
Cash and cash equivalents	749	–	–	–	–	749	749
Other investments	–	384	–	–	12	396	384
Loans	38	–	1	–	–	39	39
Securities and similar claims	–	–	304	–	–	304	304
Receivables from derivatives	–	–	41	22	–	63	63
Supplier credit receivables	15	–	–	–	–	15	15
Miscellaneous other financial assets	24	–	–	–	–	24	24
Other financial assets	77	384	346	22	12	841	829
Financial assets	2,433	384	346	22	12	3,197	3,185

The column “at fair value through OCI” contains equity instruments, where the amounts recognized in OCI will not subsequently be reclassified.

As of the date of conclusion of two power purchase agreements, the fair value determined using a valuation model (level 3) was €59 million above the transaction value (day one gain)/€15 million below the transaction price (day one loss). These day one gains and losses were recognized on the balance sheet in financial liabilities, together with the fair value of the derivative. The day one

gain is released to other operating income on a straight-line basis over the term of the agreement, while the day one loss is released to other operating expense. The derivatives were subsequently measured in accordance with the valuation model; the effective portion was recognized in other equity components and the ineffective portion was recognized in either other operating income or other operating expense. The net carrying amount of the day one gain/loss (€37 million) was recognized under liabilities from derivatives in the category “not measured in accordance with IFRS 9.”

Carrying amounts and fair values of financial liabilities as of December 31, 2024

T162

in € million	Carrying amounts by IFRS 9 valuation category				Carrying amount	Fair value IFRS 9 categories
	At amortized cost	At fair value through profit or loss	Not allocated to any category	Not measured in accordance with IFRS 9		
Trade accounts payable	1,600	–	–	–	1,600	1,600
Bonds	2,244	–	–	–	2,244	2,184
Commercial paper	–	50	–	–	50	50
Liabilities to banks	300	–	–	–	300	318
Schuldschein loans	254	–	–	–	254	255
Loans from non-banks	15	–	–	–	15	17
Lease liabilities	–	–	–	918	918	–
Liabilities from derivatives	–	63	189	37	289	252
Liabilities from rebate and bonus agreements	–	–	–	46	46	–
Customer credit liabilities	17	–	–	–	17	17
Miscellaneous other financial liabilities	63	–	–	–	63	63
Other financial liabilities	2,893	113	189	1,001	4,196	3,156
Financial liabilities	4,493	113	189	1,001	5,796	4,756

Carrying amounts and fair values of financial liabilities as of December 31, 2023

T163

in € million	Carrying amounts by IFRS 9 valuation category				Carrying amount	Fair value IFRS 9 categories
	At amortized cost	At fair value through profit or loss	Not allocated to any category	Not measured in accordance with IFRS 9		
Trade accounts payable	1,521	–	–	–	1,521	1,521
Bonds	2,976	–	–	–	2,976	2,842
Liabilities to banks	80	–	–	–	80	81
Schuldschein loans	254	–	–	–	254	252
Loans from non-banks ^a	17	–	–	–	17	19
Lease liabilities	–	–	–	937	937	–
Liabilities from derivatives	–	37	129	55	221	166
Liabilities from rebate and bonus agreements	–	–	–	54	54	–
Customer credit liabilities	54	–	–	–	54	54
Miscellaneous other financial liabilities	62	–	–	–	62	59
Other financial liabilities	3,443	37	129	1,046	4,655	3,473
Financial liabilities	4,964	37	129	1,046	6,176	4,994

^a As of December 31, 2023, the loans from non-banks were recognized in miscellaneous other financial liabilities in the notes to the consolidated financial statements.

Financial instruments recognized at fair value are allocated to the levels in the fair value hierarchy.

Financial instruments recognized at fair value

T164

in € million	Level	Description	Valuation method	Material non-observable inputs	2023	2024
Other investments	Level 1	Borussia Dortmund GmbH & Co. KGaA	Present stock market price	–	33	28
	Level 3	Vivawest GmbH	Discounted cash flow method	Cost of capital and growth	277	301
	Level 3	Unlisted equity instruments	Observable prices from equity refinancing, and discounted cash flow and multiples methods	Cost of capital and growth Adjusted market multipliers	74	73
Loans	Level 3	Convertible bonds	Nominal value of the bonds; where material, a conversion right is taken into account	Quoted market price	1	1
Securities and similar claims	Level 1	Short-term money market instruments	Present stock market price	–	261	128
	Level 3	Unlisted investment funds	Net asset values provided by investment fund companies, which are determined using internationally recognized valuation guidelines	Cost of capital and growth Market multipliers Cash flow forecasts	43	43
Receivables from derivatives	Level 2	Currency and commodity derivatives	Discounted cash flow method based on exchange rates at the European Central Bank, observable yield structure curves, exchange rate volatilities, commodity prices, and credit default premiums	–		
					63	36
Commercial paper	Level 1	Short-term money market instruments	Present stock market price	–	–	–50
Liabilities from derivatives	Level 2	Currency and commodity derivatives	Discounted cash flow method based on exchange rates at the European Central Bank, observable yield structure curves, exchange rate volatilities, commodity prices, and credit default premiums	–	–63	–101
	Level 3	Commodity derivatives	Discounted cash flow method based on future commodity price trends	Development of energy prices Volume assessments Quality factors	–103	–151

For the shares in **Borussia Dortmund GmbH & Co. KGaA**, a rise or fall of 10 percent in the share price would result in an increase or decrease in the other equity components of €3 million (2023: €3 million).

For the 7.5 percent shareholding in **Vivawest GmbH**, an increase in the cost of capital accompanied by a drop in sales growth of 10 percent in each case would reduce the fair value by €159 million (2023: €161 million). A reduction in the cost of capital accompanied by an increase in sales growth of 10 percent in each case would increase the fair value by €235 million (2023: €243 million).

The other **unlisted equity instruments** comprise a mid-double-digit number of investments whose individual fair values are immaterial in a range of €0 million to €10 million. Of this amount, €65 million (2023: €66 million) comprises equity investments resulting from venture capital activities. A 10 percent relative change in the key valuation parameters (segment-specific cost of capital, sustained dividend expectations, EBITDA multiple) does not result in a material change in the fair values. There is no intention of selling these investments.

Similarly, a 10 percent relative change in the input factors for the **convertible bonds** and the **unlisted investment funds** does not result in a material change in the fair values.

Fair value of level 3: Reconciliation from the opening to the closing balances

T165

in € million	Other investments	Loans	Securities and similar claims	Receivables/ liabilities from derivatives	Total
As of January 1, 2023	290	6	49	74	419
Additions/disposals	12	-5	-	-	7
Recognized in other comprehensive income for the period	49	-	-	-177	-128
Recognized in other financial income/expense for the period	-	-	-6	-	-6
As of December 31, 2023	351	1	43	-103	292
Additions/disposals	5	-	3	-15	-7
Recognized in other comprehensive income for the period	18	-	-	-33	-15
Recognized in other financial income/expense for the period	-	-	-3	-	-3
As of December 31, 2024	374	1	43	-151	267

The **fair value of financial instruments recognized at amortized cost** was calculated as follows: The directly observable stock market price of the bonds on the reporting date was taken as their fair value. For loans, miscellaneous other financial assets, liabilities to banks, and loans from non-banks, the fair value was determined as the present value of the expected future cash inflows or outflows and therefore allocated to level 2. Discounting was based on the interest rate for the respective

maturity on the reporting date, taking the creditworthiness of the counterparties into account. Since the majority of miscellaneous other financial receivables and liabilities and trade accounts receivable and payable were current, their fair values—like the fair value of cash and cash equivalents—corresponded to their carrying amounts.

9.4.2 Results of financial instruments

Net result by valuation category 2024

T166

in € million	Financial assets at amortized cost	Financial liabilities at amortized cost	Financial assets at fair value through OCI	Financial assets and liabilities at fair value through profit or loss	Total
Proceeds from disposals	-17	-	-	-	-17
Result from measurement at fair value	-	-	-	-5	-5
Result from currency hedging	-	-	-	-37	-37
Result from currency translation of monetary assets and liabilities	-15	-	-	-	-15
Impairment losses/reversal of impairment losses	-5	-	-	-	-5
Interest income	26	-	-	8	34
Interest expense	-	-47	-	-22	-69
Result from securities and other investments ^a	-	-	11	-1	10
Total	-11	-47	11	-57	-104

^a In 2024, dividends of €11 million were received from other investments. They did not contain any dividends received from other investments divested during the fiscal year.

Net result by valuation category 2023

T167

in € million	Financial assets at amortized cost	Financial liabilities at amortized cost	Financial assets at fair value through OCI	Financial assets and liabilities at fair value through profit or loss	Total
Proceeds from disposals	-16	-	-	-	-16
Result from measurement at fair value	-	-	-	2	2
Result from currency hedging	-	-	-	6	6
Result from currency translation of monetary assets and liabilities	-116	-	-	-	-116
Impairment losses/reversal of impairment losses	-14	-	-	-	-14
Interest income	24	-	-	7	31
Interest expense	-	-61	-	-19	-80
Result from securities and other investments ^a	-	-	11	-	11
Total	-122	-61	11	-4	-176

^a In 2023, dividends of €11 million were received from other investments. They did not contain any dividends received from other investments divested during the fiscal year.

The result from currency hedging and the result from currency translation of operating monetary assets and liabilities did not contain the results from financial derivatives for which hedge accounting was applied. As in 2023, net interest income/expense did not include any interest income on the impaired portion of financial assets or trade accounts receivable.

9.4.3 Hedge accounting

Derivatives used as hedging instruments and the corresponding hedged items form a hedging relationship. Hedge accounting requires, in particular, extensive documentation of the hedging relationship and its effectiveness. The effectiveness of the hedging relationship is determined prospectively. It takes account of the economic relationship between the hedged item and the hedging instrument, and the credit risk. A derivative no longer qualifies for hedge accounting if these conditions are not fulfilled. While hedging instruments with a positive fair value are contained in the balance sheet item other financial assets, those with a negative fair value are recognized in other financial liabilities. The cost of hedging is shown in the other equity components from hedging instruments.

The purpose of **cash flow hedges** is to minimize the risk of volatility of future cash flows. This risk may result from a recognized asset or liability or a forecast transaction that is considered highly probable. The effective portion of changes in the fair value of a hedging instrument is recognized in other comprehensive income, and the ineffective portion of the change in value is recognized in the income statement. The ineffective portion of hedges is recognized in other operating income or expense if the hedges relate to forecast sales in foreign currencies or to forecast purchases of raw materials, in other financial income/expense if they relate to intra-group loans in foreign currencies and planned acquisitions, and in interest expense if they relate to the interest rate risk. Possible ineffectiveness may result from significant changes in the default risk of Evonik or the counterparty to the derivatives transaction, irrespective of the risk category. Amounts recognized in other comprehensive income in the statement of comprehensive income are reclassified to the income statement as soon as the hedged item has an impact on the income statement. In the case of interest rate hedges, such amounts are included in net interest income or expense, while in the case of currency hedges for forecast sales in foreign currencies, they are included in sales revenues, and hedges on the procurement of goods are included directly in the cost of sales. If the hedged future transaction comprises a non-financial

asset or a non-financial liability, the gain or loss previously recognized in other comprehensive income is included in the cost of acquisition of the asset or liability when it is initially recognized. Hedge accounting must also be halted if the forecast transaction is no longer expected. The amount recognized in other comprehensive income is reclassified to the income statement.

The purpose of a **hedge of a net investment** is to reduce the foreign currency risk involved in an investment in a company whose functional currency is not the euro. Such hedges are accounted for in the same way as cash flow hedges. Gains and losses recognized in other comprehensive income are reclassified to the income statement when the foreign subsidiary is divested or the investment in it is reduced.

The purpose of **fair value hedges** is to hedge the fair value of assets or liabilities reflected on the balance sheet. Both changes in the fair value of the hedging instrument and changes in the value of the hedged item are recognized in the income statement. In view of this method, changes in the value of the hedged item and the hedge cancel each other out in the income statement.

The effectiveness of the hedging relationships is determined using the dollar offset method, critical terms match, the hypothetical derivatives method, and regression analysis.

The principal hedging transactions for which hedge accounting was applied in the reporting period are outlined below:

Forward exchange contracts, currency options, and currency swaps were used as cash flow hedges to hedge **forecast foreign currency sales** against exchange rate movements. Only part of the forecast foreign currency sales was hedged. The currency component was designated using the spot-to-spot method, while the forward components and the foreign currency basis spreads were managed as hedging costs. The effective portions of these components were recognized in other equity components. A direct hedging relationship was used, and the economic relationship was reviewed by comparing the notional values of the hedging instruments and the hedged items. Ineffectiveness

may occur if the notional value of the hedging instruments and hedged items do not correspond or their maturities differ. A maturity mismatch may be caused by the fact that the hedging instruments expire as of the date of revenue recognition, while the hypothetical derivative that reflects the characteristics of the hedged item and is used to measure effectiveness expires as of the expected date of payment. As in the previous year, the resulting ineffectiveness was not material. The following weighted average hedging rates for the major currency pairs were derived from hedging of the currency risk:

Hedging of currency risk T168

	Average hedging rate		Average exchange rate	Closing rate
	Maturing in 2025	Maturing in 2026	2024	Dec. 31, 2024
EUR/USD	1.10	1.09	1.08	1.04
EUR/CNH ^a	7.87	7.68	7.78	7.58

^a CNH is the technical market designation for renminbi that are tradable and deliverable outside the territory of China.

Forward exchange contracts were used as **net investment hedges** to hedge subsidiaries in the UK against **foreign currency risks** on a rolling basis. In addition, there was a hedge of a net investment that had ended but will only be reclassified when the hedged company is divested.

To hedge the **risk of changes in interest rates**, Evonik generally uses cash flow hedges and fair value hedges. In the reporting period, there was an interest rate swap, which matures in 2025, to swap a fixed interest rate for a variable rate. Furthermore, in the fourth quarter of 2024, Evonik concluded an interest rate swap to hedge the bond issued in January 2025 at a fixed interest rate.

The **price risk relating to forecast purchases of raw materials** was hedged using gas commodity swaps recognized as cash flow hedges.

Derivative financial instruments as of December 31, 2024

T169

in € million	Notional value, total		Carrying amount	
	Total	thereof non-current	Receivables from derivatives	Liabilities from derivatives
Currency risks				
Forward exchange contracts, currency options, and currency swaps	4,954	243	22	78
thereof cash flow hedges	1,171	243	4	28
thereof hedges of a net investment	366	–	–	–
Total	4,954	243	22	78
Interest rate risks				
Interest rate swaps	1,000	500	–	10
thereof fair value hedges	500	–	–	8
thereof cash flow hedges	500	500	–	2
Total	1,000	500	–	10
Commodity price risks				
Power derivatives ^{a, b}	747	671	–	160
thereof cash flow hedges	611	611	–	151
Gas derivatives ^c	129	66	14	4
thereof cash flow hedges	4	2	–	–
Total	876	737	14	164

^a The liabilities from power derivatives did not include the net day one gain of €37 million from the power purchase agreements.

^b Hedged volume of power derivatives 9,147 thousand MWh (of which non-current: 8,278 thousand Mwh), some of which are not included in hedge accounting.

^c Hedged volume of gas derivatives 43 million m³ (of which non-current: 15 million m³).

Derivative financial instruments as of December 31, 2023

T170

in € million	Notional value, total		Carrying amount	
	Total	thereof non-current	Receivables from derivatives	Liabilities from derivatives
Currency risks				
Forward exchange contracts, currency options, and currency swaps	5,141	193	45	25
thereof cash flow hedges	1,377	193	22	2
thereof hedges of a net investment	75	–	–	–
Total	5,141	193	45	25
Interest rate risks				
Interest rate swaps	500	500	–	23
thereof fair value hedges	500	500	–	23
Total	500	500	–	23
Commodity price risks				
Power derivatives ^{a, b}	610	546	18	103
thereof cash flow hedges	546	546	–	103
Gas derivatives ^c	67	1	–	15
thereof cash flow hedges	4	1	–	1
Total	677	547	18	118

^a The liabilities from power derivatives did not include the day one gain of €55 million on a power purchase agreement.

^b Hedged volume of power derivatives 7,092 thousand MWh (of which non-current: 6,582 thousand Mwh), some of which are not included in hedge accounting.

^c Hedged volume of gas derivatives 56 million m³ (of which non-current: 17 million m³).

The costs of hedging resulted from changes in the forward components that were not designated and from foreign currency basis spreads. There were no effects from changes in the time value of currency options transactions in the reporting period. In 2023 and 2024, there were no reclassifications due to the early termination of a hedging relationship. Excluding deferred taxes, the other equity components from hedging instruments for designated risk components and other equity components for the cost of hedging pursuant to IFRS 9 changed as follows:

Development of other equity components (before taxes) from cash flow hedges**T171**

in € million	Designated risk components			Cost of hedging		
	Currency hedges	Interest rate hedges	Commodity price hedges	Total	Hedged items realized at a point in time	Total
As of January 1, 2023	4	–	–36	–32	–8	–8
Gains/losses from effective hedging relationships recognized in OCI	27	–	–193	–166	3	3
Reclassification to the income statement due to realization of the hedged item	–23	–	–	–23	9	9
Offset against cost of acquisition	5	–	52	57	–	–
As of December 31, 2023	13	–	–177	–164	4	4
Gains/losses from effective hedging relationships recognized in OCI	–24	–2	–31	–57	–4	–4
Reclassification to the income statement due to realization of the hedged item	–12	–	–	–12	–3	–3
Offset against cost of acquisition	–	–	–1	–1	–	–
As of December 31, 2024	–23	–2	–209	–234	–3	–3

As in the previous year, the other equity components from cash flow hedges did not include any hedging relationships that had ended.

Development of other equity components (before taxes) from net investment hedges**T172**

in € million	Designated risk components
As of January 1, 2023	–2
Gains/losses from effective hedging relationships recognized in OCI	–2
As of December 31, 2023	–4
Gains/losses from effective hedging relationships recognized in OCI	–14
As of December 31, 2024	–18

€3 million (2023: €3 million) of the other equity components from net investment hedges related to the early termination of hedging relationships.

An interest rate swap with a notional value of €500 million was used to hedge the interest rate risk of a fair value hedge. The hedged item is the fair value of the fixed interest on a bond.

Fair value hedges recognized on the balance sheet**T173**

in € million	Interest rate hedges	
	2023	2024
Carrying amount of the hedged items on the balance sheet	23	8
Cumulative fair value adjustment of active hedging relationships	–23	–8

To present the effectiveness of designated hedging relationships, the following table compares the changes in the fair value of the designated hedged items with the designated hedging instruments. No ineffective portions were recognized in profit or loss for any of the hedging relationships.

Effectiveness of the hedging relationships 2024**T174**

in € million	Currency hedges	Interest rate hedges	Commodity price hedges
Change in the value of the hedged item	24	2	31
Change in the designated value of the hedging instrument	–24	–2	–31
Cash flow hedges	–	–	–
Change in the value of the hedged item	14	–	–
Change in the designated value of the hedging instrument	–14	–	–
Hedge of a net investment	–	–	–
Change in the value of the hedged item	–	–15	–
Change in the designated value of the hedging instrument	–	15	–
Fair value hedges	–	–	–

Effectiveness of the hedging relationships 2023

T175

in € million	Currency hedges	Interest rate hedges	Commodity price hedges
Change in the value of the hedged item	-27	-	193
Change in the designated value of the hedging instrument	27	-	-193
Cash flow hedges	-	-	-
Change in the value of the hedged item	2	-	-
Change in the designated value of the hedging instrument	-2	-	-
Hedge of a net investment	-	-	-
Change in the value of the hedged item	-	-19	-
Change in the designated value of the hedging instrument	-	19	-
Fair value hedges	-	-	-

9.4.4 Notes on financial risk management

As an international company, Evonik is exposed to financial risks in the normal course of business. A major objective of corporate policy is to minimize the impact of market, liquidity, and default risks on both the value of the company and profitability in order to check adverse fluctuations in cash flows and earnings without forgoing the opportunity to benefit from positive market trends. For this purpose, a systematic financial and risk management system has been established. Interest rate and exchange rate risks are managed centrally by the Finance function of Evonik Industries AG, while commodity risks are managed by the divisions in accordance with established corporate policies.

The financial derivatives contracts used by Evonik are entered into exclusively in connection with a corresponding underlying transaction (hedged item) relating to normal operating business, which provides a risk profile directly opposite to that of the hedged item. The instruments used are customary products found on the market. For the management of interest rates and exchange rates, they comprise currency swaps, forward exchange contracts, currency options, cross-currency interest rate swaps, and interest rate swaps. Commodity swaps are used to hedge the risk of fluctuations in the price of natural gas and electricity. The procurement of emission allowances to meet obligations pursuant to section 6 of the German Greenhouse Gas Emissions Trading Act (TEHG) can be optimized using emission allowance and emission reduction transactions based on swaps and futures.

Overview of financial risks

T176

Risk	Exposure arising from	Measurement	Management
Market risk—foreign exchange	Off-balance-sheet transactions (firmly agreed or forecast) Recognized financial assets and liabilities denominated in currencies other than the company's functional currency	Cash flow forecasting; Sensitivity analyses	Forward exchange contracts; Currency options; Currency swaps; Cross-currency interest rate swaps
Market risk—risk of changes in variable interest rates	Non-current loans/bonds with variable interest rates	Sensitivity analyses	Interest rate swaps
Market risk—risk of changes in fixed interest rates	Non-current loans/bonds with fixed interest rates	Sensitivity analyses	Interest rate swaps
Market risk—impairment risk	Investments in equity instruments	Sensitivity analyses	Observation and portfolio decisions
Market risk—commodity risk	Purchase and sale of raw materials	Sensitivity analyses	Price escalation clauses; Swaps
Liquidity risk	Unplanned liquidity requirements	Rolling cash flow forecasts	Cash and cash equivalents; Availability of committed credit lines
Default risk	Cash and cash equivalents, trade accounts receivable, derivative financial instruments, debt instruments, and contract assets	Analysis of residual maturity; Credit scoring/ratings	Diversification of bank deposits, credit lines, and letters of credit; Credit insurance; Investment guidelines for debt instruments

9.4.4.1 Market risk

Exchange rate risks relate to both the sourcing of raw materials and the sale of end-products in currencies other than the functional currency of the company concerned. One aim of currency risk management is to protect the company's operating business from fluctuations in earnings and cash flows resulting from changes in exchange rates. The opposite effects arising from procurement and sales activities are taken into account. Another objective of currency risk management is to eliminate the currency risk relating to financing transactions that are not denominated in the functional currency of the respective Group companies.

In the **management of currency risks**, Evonik distinguishes between risk positions recognized on the balance sheet and off-balance-sheet (i.e., firmly agreed or forecast) exposures. For currency hedging of current risk positions on the balance sheet, Evonik uses a portfolio approach where the hedged items and hedging instruments are accounted for separately. By contrast, micro-hedging is applied for non-current loans and exposures arising from firmly agreed or forecast transactions. The hedging instrument and related hedged item are then designated in a formal hedge relationship (cash flow hedge accounting or net investment hedge accounting). This synchronizes the earnings impact of the hedging instruments with hedged items that can only be recognized on the balance sheet at a later date. In the case of hedges on loans, it allows the distribution of the cost of hedging on a straight-line basis over the term of the hedging relationship. In individual cases, there may be a shift in the timing of the hedged item in forecast transactions. In this case, the hedging strategy is maintained unchanged, the amount exposed to the risk is updated, and the hedging transactions are adjusted.

In the **portfolio approach**, the net risk position in each foreign currency is determined for each company in the Evonik Group and then hedged via intragroup investment or borrowing via the cash pool. The net risk positions on cash pool balances at Group level are hedged on the market on a currency-by-currency basis using external derivatives. Gross income and expenses from currency translation of operating monetary assets and liabilities are netted; so are gross income and expenses from the corresponding operational currency hedging. The net result from the translation of operating monetary assets and liabilities and the net result of operational currency hedging calculated in this way are recognized in other operating income or other operating expense as appropriate. Gross income and expenses from the currency translation of financing-related risk positions and

financing-related currency hedging are netted analogously. The resulting net results for currency translation and currency hedging are recognized in other financial income/expense. The net presentation of the results reflects both the management of risk positions in the Evonik Group and the economic substance.

Due to the application of hedge accounting for **micro-hedging** of foreign currency balance sheet exposure (for example, financing-related currency hedging of non-current loans through cross-currency interest rate swaps) and the hedging of forecast or firmly agreed foreign currency cash flows (for example, hedging of forecast sales revenues), their hedge results are only reflected in profit or loss in any ineffective portions that are excluded from the hedge accounting relationship. By contrast, the effective results of micro-hedges reflected in cash flow hedge accounting and the cost of hedging (forward components, time value of options, and foreign currency basis spreads) are recognized in other equity components until the hedged transaction is realized. Subsequently, they are transferred to sales if they were used as a sales hedge, to inventories or the cost of sales if they were used to hedge cost risks relating to procurement, or to the initial carrying balance of property, plant and equipment if the purpose was to hedge the foreign currency risk relating to the procurement of assets of this type. In the case of currency hedges for loans for which cash flow hedge accounting is applied, the effective portion of the hedge is transferred from other equity components to offset the net result of currency translation of monetary assets and liabilities triggered by the hedged item (see also note 6.9 p.256ff.). In addition, the currency risks relating to net investments in foreign operations are hedged and included in hedge accounting as hedges of a net investment.

The aim of **interest rate management** is to protect net income from the negative effects of fluctuations in market interest rates and the resulting changes in fair values or cash flows. Interest rate risk is generally managed using derivative and non-derivative financial instruments. The aim is to achieve an appropriate ratio of fixed rates (with interest rates fixed for more than one year) and variable rates (terms of less than one year), taking costs and risks into account. In the reporting period, 100 percent (2023: 100 percent) of the instruments recognized as financial assets were variable-interest instruments. At year-end 2024, 82 percent (2023: 85 percent) of financial instruments recognized in other financial liabilities were fixed-interest instruments. The bonds and money market paper recognized in securities and similar claims entail interest rate risks. These are minimized by a short investment horizon. The average interest rate duration is one year.

Several scenario analyses were carried out to **measure exchange rate and interest rate risk** as of December 31, 2024. The most important currencies for Evonik are the US dollar (USD) and the Chinese renminbi yuan (CNY/CNH). CNH is the technical market designation for renminbi that are tradable and deliverable outside the territory of China. A sensitivity analysis was performed for these currencies as of December 31, 2024 by modeling a change of 5 percent and 10 percent in the exchange rate relative to all other currencies to simulate the possible impact on derivative and

non-derivative financial instruments in the event of the appreciation or depreciation of these currencies. The percentage standard deviation of changes in exchange rates versus the euro in 2024 was 6.0 percent for the USD (2023: 7.7 percent) and 5.0 percent for the CNY/CNH (2023: 6.3 percent). The exposure is the net nominal amount of derivative and non-derivative financial instruments subject to exchange rate risks. Counter items within a currency are netted.

Exchange rate sensitivity analysis**T177**

Dec. 31, 2023						Dec. 31, 2024					
in € million	Exposure	Impact on income before income taxes		Impact on other comprehensive income before taxes		Exposure	Impact on income before income taxes		Impact on other comprehensive income before taxes		
		+ 5%	+ 10%	+ 5%	+ 10%		+ 5%	+ 10%	+ 5%	+ 10%	
USD	679	3	6	-37	-74	641	15	31	-48	-95	
CNY	89	-1	-2	-3	-7	86	8	16	-12	-24	

Several scenario analyses were carried out to measure interest rate risk as of December 31, 2024. These analyzed shifts of 50 and 100 basis points in the EUR yield curve due to changes in EUR interest rates to simulate the possible impact on earnings and equity of a loss of value of derivative and non-derivative financial instruments.

Interest rate sensitivity analysis**T178**

Dec. 31, 2023						Dec. 31, 2024				
in € million	Exposure	Impact on income before income taxes		Impact on other comprehensive income before taxes		Exposure	Impact on income before income taxes		Impact on other comprehensive income before taxes	
		+ 50 BP	+ 100 BP	+ 50 BP	+ 100 BP		+ 50 BP	+ 100 BP	+ 50 BP	+ 100 BP
EUR	266	-1	-2	-	-	1,124	-2	-3	12	23

BP = basis points (1 basis point corresponds to 0.01 percent).

Impairment risks relating to exchange-listed equity instruments result from company-specific data of individual funds and listed companies and from the general risk of possible negative developments on the equity market. For unlisted equity instruments, the risk results from company-specific aspects and the general economic situation. The risk is measured using sensitivity analysis, and risk management comprises constant observation and the related portfolio decisions.

Commodity risks result from changes in the market prices for the purchase and sale of raw materials. Raw materials were purchased principally to meet in-house demand. Other factors of importance for Evonik's risk position are the availability and price of relevant raw materials, starting products, and intermediates. In particular, raw material prices of significance to the Evonik Group are dependent on exchange rates and the price of crude oil. Moreover, procuring electricity through power purchase agreements to minimize price risks is an important risk management tool.

Commodity management, which is the responsibility of the divisions, involves identifying procurement risks and defining effective measures to minimize them. For example, price escalation clauses and swaps are used to reduce price volatility. Pricing and procurement risks are reduced through worldwide procurement and optimized processes to ensure immediate sourcing of additional raw material requirements. Further, the use of alternative raw materials is examined for various production processes, and Evonik is working on the development of alternative production technologies.

Evonik has firmly agreed transactions relating to its own electricity generation and power requirements. These agreements relate exclusively to use by Evonik and, apart from two exceptions, are not recognized in the financial statements, in accordance with the exception for own usage set forth in IFRS 9. In view of the fluctuations in output, the restrictive requirements for the own-usage exception cannot be fully ensured in the case of two power purchase agreements. Therefore, these agreements are accounted for as cash flow hedges. The power purchase agreements run for a maximum of 15 years. The amounts to be recognized in the corresponding balance sheet items were determined principally by the development of electricity prices since conclusion of the contract. If the price had been 10 percent higher or lower, this would have resulted in a corresponding reduction or increase in other equity components from hedging instruments of €32 million (2023: €27 million). There would not have been any impact on income before income taxes (2023: €0 million).

Financial derivatives were also used to hedge the procurement price risks relating to natural gas. As of the reporting date, the average hedging rate for natural gas was €0.13 per cubic meter. If the price of natural gas had been 10 percent higher or lower, the valuation of the commodity derivatives held on the reporting date would have resulted in a corresponding increase or reduction in other equity components from hedging instruments of €0 million (2023: €0 million). As in 2023, the impact on income before income taxes would have been immaterial.

9.4.4.2 Liquidity risk

Liquidity risk is managed through business planning to ensure that the funds required to finance the current operating business and current and future investments at all companies in the Evonik Group are available at the right time and in the right currency at optimum cost. Liquidity requirements for business operations, investments, and other financial activities are derived from a financing status and liquidity planning, which form part of liquidity risk management. Liquidity is pooled in a central cash management pool where this makes economic sense and is legally permissible. Central liquidity risk management facilitates low-cost borrowing and advantageous offsetting of financial requirements. Evonik is aware that a small number of its suppliers take part in receivables financing programs. Under these programs, suppliers sell their Evonik receivables to financial partners. These programs do not entail any material change in the level and terms of obligation, nor do they result in any change in the classification and presentation of the liabilities to suppliers or the cash flows. In view of the low level of participation by suppliers in such programs relative to total liabilities to suppliers, Evonik's highly diversified supplier base, high level of cash and cash equivalents, current securities, firmly committed credit lines, and its solid investment rating, the resulting liquidity risk for Evonik is deemed to be very low.

As of December 31, 2024, Evonik had cash and cash equivalents amounting to €461 million and current securities totaling €128 million. In addition, Evonik has a €1.75 billion syndicated credit facility as a central source of liquidity. Following the exercise of two extension options in 2023 and 2024, this credit facility, which was agreed in November 2022 with an original term of five years, now runs until November 2029. It represents a long-term liquidity reserve for the Evonik Group and was not drawn at any time in fiscal 2024. It still does not contain any covenants requiring Evonik to meet certain financial ratios. Furthermore, Evonik has bilateral credit facilities from banks totaling €800 million.

These had not been drawn as of December 31, 2024. They are available alongside the syndicated credit facility as an additional liquidity reserve. In addition, €250 million of the €500 million loan commitment by the European Investment Bank has not been drawn and is available to Evonik.

The remaining maturities of the non-derivative financial instruments presented here are based on the agreed dates for the nominal amounts of the combined interest and redemption payments.

Payments for non-derivative financial instruments by remaining maturity as of December 31, 2024

T179

in € million	Up to 1 year	More than 1 and up to 3 years	More than 3 and up to 5 years	More than 5 years	Total
Trade accounts payable	1,600	–	–	–	1,600
Bonds	531	1,298	504	–	2,333
Commercial paper	50	–	–	–	50
Liabilities to banks	51	24	265	–	340
Schuldschein loans	84	105	85	–	274
Loans from non-banks	16	1	–	–	17
Lease liabilities	177	322	132	441	1,072
Liabilities from rebate and bonus agreements	46	–	–	–	46
Customer credit liabilities	17	–	–	–	17
Miscellaneous other financial liabilities	46	18	–	–	64
Other financial liabilities	1,018	1,768	986	441	4,213

Payments for non-derivative financial instruments by remaining maturity as of December 31, 2023

T180

in € million	Up to 1 year	More than 1 and up to 3 years	More than 3 and up to 5 years	More than 5 years	Total
Trade accounts payable	1,521	–	–	–	1,521
Bonds	783	1,058	1,274	–	3,115
Liabilities to banks	40	21	2	19	82
Schuldschein loans	9	183	91	–	283
Loans from non-banks ^a	–	17	–	–	17
Lease liabilities	193	250	183	534	1,160
Liabilities from rebate and bonus agreements	54	–	–	–	54
Customer credit liabilities	54	–	–	–	54
Miscellaneous other financial liabilities	54	9	–	–	63
Other financial liabilities	1,187	1,538	1,550	553	4,828

^a As of December 31, 2023, the loans from non-banks were recognized in miscellaneous other financial liabilities in the notes to the consolidated financial statements.

A disclosure on the maturity of existing financial guarantees can be found in note 9.4.4.3 p.296 ff. The Evonik Group met all payment terms agreed for its financial liabilities.

The breakdown of the sum of interest and redemption payments by maturity in the table relates to derivative financial instruments with positive and negative fair values. The table shows the net value of cash inflows and outflows. Since netting was not agreed for forward exchange contracts, currency swaps, interest rate swaps, or cross-currency interest rate swaps, they are presented as gross amounts.

**Payments relating to derivative financial instruments by remaining maturity
as of December 31, 2024**

T181

in € million	Up to 1 year	More than 1 and up to 3 years	More than 3 years	Total
Forward exchange contracts, currency options, and currency swaps	19	1	–	20
thereof cash inflows	2,140	25	–	2,165
thereof cash outflows	–2,121	–24	–	–2,145
Commodity derivatives	9	5	–	14
Receivables from derivatives	28	6	–	34
Interest rate swaps	–2	–2	–6	–10
Forward exchange contracts, currency options, and currency swaps	–85	–8	–	–93
thereof cash inflows	2,342	218	–	2,560
thereof cash outflows	–2,427	–226	–	–2,653
Commodity derivatives	–7	–27	–181	–215
Liabilities from derivatives	–94	–37	–187	–318

**Payments relating to derivative financial instruments by remaining maturity
as of December 31, 2023**

T182

in € million	Up to 1 year	More than 1 and up to 3 years	More than 3 years	Total
Forward exchange contracts, currency options, and currency swaps	40	1	–	41
thereof cash inflows	2,243	65	–	2,308
thereof cash outflows	–2,203	–64	–	–2,267
Commodity derivatives	18	–	–	18
Receivables from derivatives	58	1	–	59
Interest rate swaps	–17	–7	–	–24
Forward exchange contracts, currency options, and currency swaps	–25	–	–	–25
thereof cash inflows	2,010	11	–	2,021
thereof cash outflows	–2,035	–11	–	–2,046
Commodity derivatives	–15	–	–103	–118
Liabilities from derivatives	–57	–7	–103	–167

9.4.4.3 Default risk

The default risk (credit risk) is managed at Group level. Three categories are defined for credit risk management, each of which is treated separately on the basis of its specific features. The categories are financial counterparties (generally banks but also other financial institutions and industrial counterparties, insofar as derivatives transactions are concluded with them), other counterparties (mainly debtors and creditors), and countries. Credit risks are defined generally as a potential threat to earnings power and/or corporate value resulting from a deterioration of the respective contractual counterparty. More precisely, it means defaulting on payments as a result of financial difficulties/insolvency by the counterparty. On principle, Evonik does not hold any purchased or originated credit-impaired financial assets. To monitor any risk concentrations, the individual risk limits are set for business partners on the basis of internal and external ratings. The expected future development of the potential default risk of each category is taken into account in the definition and monitoring of the risk categories.

The credit risk of **financial counterparties** also includes additional earnings and value effects, which may be either direct (for example, a security issued by a counterparty loses value as a result of a rating downgrade) or indirect due to a deterioration in the credit rating (for example, reduction in the probability that a counterparty will be able to fulfill a future obligation to Evonik—for example, from a guarantee bond or a loan commitment—in the manner originally agreed). In addition, a specific limit is set for financial counterparties for each type of risk (money market, capital market, and derivatives). Maximum limits for each contracting party are set on the basis of the creditworthiness analyses. These are predominantly based on ratings and our own internal credit analysis. In addition, the development of the prices of CDS (credit default swaps) and equity prices (where available) is analyzed. Country limits are set for the money and capital markets to ensure diversification of country risks.

In the case of **debtors, creditors, and other counterparties**, credit risk management also covers possible damage from orders that have been placed but not yet fulfilled and further potential damage to Evonik resulting from non-performance of a counterparty's supply, service, or other obligation. An internal limit system is used for risk assessment and monitoring. Political risk (country risk) is also taken into account for export orders so that the overall risk assessment takes account of both political and economic risk factors. Based on this analysis, a maximum default risk is set

for the contracting party. The credit standing of contracting parties is updated constantly via ratings or scoring processes. The internal credit scoring model used for this comprises six risk categories (1 = high creditworthiness; 6 = low creditworthiness) and is presented in the following table.

Scoring model for credit risk default T183

Risk category	Attributes
1 = high creditworthiness	<ul style="list-style-type: none">• Very good payment profile in the past year• Long-term business relationships• Countries with good to very good economic and political risk assessments
2 = good creditworthiness	<ul style="list-style-type: none">• Good payment profile in the past year• Business relationships over several months• Countries with good economic and political risk assessments
3 = medium creditworthiness	<ul style="list-style-type: none">• Payments are made regularly• Relatively new business relationships• Countries with weaker economic and political prospects
4–6 = low creditworthiness	<ul style="list-style-type: none">• Payments are sometimes unpunctual• Countries with economic and political risks



Evonik applies the **IFRS 9 impairment model** for expected credit losses as follows: For loans recognized at amortized cost and miscellaneous other financial assets, the general impairment model is applied. For trade accounts receivable, receivables from finance leases, and contract assets (with and without a financing component), the simplified approach is applied using an impairment matrix.

As a matter of principle, Evonik only places investments with financial counterparties with an investment grade rating. A low default risk (**level 1 of the general approach**) is assumed for financial counterparties that have an investment grade rating (at least Baa3 from Moody's or BBB– from Standard & Poor's or Fitch). Other instruments are considered to have a low risk of default if the risk of non-performance is low, and the issuer is able to meet its contractual payment obligations at all times. The 12-month expected credit loss is calculated on the basis of the probability of default for each CDS as of the reporting date, and a group-wide LGD (loss given

default) of 40 percent is assumed. Forward-looking information is implicitly included in the CDS. The exposure at default (EAD) is the nominal value. A review of whether there has been a significant increase in the default risk since the initial assessment (**level 2 of the general approach**) must be made at least quarterly. Transfer to level 2 takes place if payment is 30 days overdue. Unless there were indicators of an impairment of creditworthiness at an earlier period (**level 3 of the general approach**), impairment is generally assumed when payments are more than 90 days overdue. Financial assets that are significantly overdue, possibly by more than 90 days as a result of the customer structure, or where insolvency or similar proceedings have been initiated against the debtor, are tested individually for impairment.

The **impairment matrix used in the simplified approach** is based on the lifetime expected credit losses. Components of receivables that are not exposed to credit losses (especially any value-added tax or sales tax and receivables covered by credit insurance) are disregarded when calculating the loss allowance. The matrix takes account of all components of receivables that are exposed to a risk of credit losses, except where they are subject to an individual loss allowance. It has a two-step structure. In the first step (ECL1), for all receivables deemed to be at risk, the expected credit loss is initially determined for all customers in customer risk categories 1 to 3 and for those receivables in categories 4 to 6 that are not past-due. In a second step, an additional loss allowance is calculated for all past-due customer receivables in risk categories 4–6 on the basis of a past-due analysis (ECL2). The expected loss ratios depend on actual days overdue based on the payment profiles for sales in the past five years and the corresponding defaults in the same period. The historical loss ratios are adjusted to reflect current and future-oriented information on macroeconomic factors that affect the ability of customers to settle receivables. The determination of loss allowances for receivables from finance leases and contract assets is analogous to the procedure for trade accounts receivable, based on common risk characteristics and number of days overdue, because they essentially have the same risk characteristics and expected loss ratios as trade accounts receivable. Therefore, the expected loss ratios for trade accounts receivable represent an appropriate approximation for contract assets and receivables from finance leases.

In principle, cash and cash equivalents are also subject to the impairment provisions of IFRS 9. However, since they are due daily, impairment losses are normally immaterial.

As of December 31, 2024, the **general approach** was applied for loans amounting to €19 million (2023: €37 million) and miscellaneous other financial assets of €28 million (2023: €16 million), which were measured at amortized cost. Of these, loans amounting to €5 million and miscellaneous other financial assets totaling €17 million had an investment grade rating. Miscellaneous other financial assets totaling €3 million did not have an external rating. Analogously to the previous year, all loans and other financial assets had a low absolute default risk, so they were allocated to level 1, for which only the 12-month expected credit loss is calculated. No significant increase in the credit risk was identified in fiscal 2024. As of December 31, 2024, the allocation to level 1 was therefore unchanged for both loans and miscellaneous other financial assets. Calculation of the 12-month expected credit loss did not result in a material impairment in the reporting period. There were no overdue items.

As of December 31, 2024, the **simplified approach** was used for trade accounts receivable totaling €1,622 million (2023: €1,607 million) and contract assets totaling €5 million (2023: €4 million). The loss allowances for receivables from finance leases and contract assets calculated on this basis and the change in these loss allowances were not material.

Loss allowances for financial assets—simplified approach (loss allowance matrix)

T184

in € million	Trade accounts receivable
As of January 1, 2023	4
Change	1
As of December 31, 2023	5
Change	–
As of December 31, 2024	5

Credit loss matrix for trade accounts receivable as of December 31, 2024

T185

in € million	Low default risk			High default risk	Total
	Risk category 1	Risk category 2	Risk category 3	Risk category 4–6	
Credit default rate in %	–	–	–	0.5	–
Gross carrying amount ^a	1	17	120	975	1,113
Expected credit losses (risk provisioning)	–	–	–	5	5
thereof based on credit risk attributes	–	–	–	4	4
thereof 1–180 days past-due	–	–	–	–	–
thereof 181–365 days past-due	–	–	–	–	–
thereof >365 days past-due	–	–	–	1	1

For receivables in categories 1–3, the lifetime expected credit losses based on credit risk criteria were negligible. Therefore, they are not shown separately in the table.

^a The gross carrying amount only applied to non-credit-insured receivables and receivables that were not examined individually for impairment.

Credit loss matrix for trade accounts receivable as of December 31, 2023**T186**

in € million	Low default risk			High default risk	Total
	Risk category 1	Risk category 2	Risk category 3	Risk category 4–6	
Credit default rate in %	–	–	–	1.3	1.3
Gross carrying amount ^a	45	364	286	392	1,087
Expected credit losses (risk provisioning)	–	–	–	5	5
thereof based on credit risk attributes	–	–	–	2	2
thereof 1–180 days past-due	–	–	–	1	1
thereof 181–365 days past-due	–	–	–	–	–
thereof >365 days past-due	–	–	–	2	2

For receivables in categories 1–3, the lifetime expected credit losses based on credit risk criteria were negligible. Therefore, they are not shown separately in the table.

^a The gross carrying amount only applied to non-credit-insured receivables and receivables that were not examined individually for impairment.

Loss allowances for financial assets that have to be tested individually for impairment**T187**

in € million	Trade accounts receivable
As of January 1, 2023	5
Additions	5
Utilization	–1
Reversal	–2
As of December 31, 2023	7
Changes in the scope of consolidation	–4
Additions	6
Utilization	–1
Reversal	–2
As of December 31, 2024	6

In the reporting period, no write-downs were made on financial assets where the amount was still outstanding under contract law, and the receivables were still subject to enforcement proceedings. Receivables are only derecognized when, based on an appropriate assessment, realization is no longer expected. This is the case, in particular, when insolvency proceedings in respect of the debt have been completed.

At year-end 2024, trade accounts receivable totaling €402 million (2023: €337 million) were covered by credit insurance (after factoring out the deductible). The maximum default risk at year-end from items for which the simplified model was applied was €1,113 million (2023: €1,263 million).

As of the reporting date, no collateral had been received for any further financial assets subject to the scope of the general impairment model. Their maximum default risk was therefore their carrying amount. As in the previous year, no terms were renegotiated for non-current loans or trade accounts receivable not yet due.

All further financial assets that are not subject to the IFRS 9 impairment model are carried at fair value through profit or loss. The maximum default risk of these instruments was therefore their carrying amount. There was no default risk relating to the other investments as they were equity instruments.

Owing to the diversity of business and the large number of customers and financial counterparties, there were no significant cluster risks.

The **default risk on financial derivatives** is equivalent to their positive fair value. This risk is minimized by setting high standards for the creditworthiness of counterparties. Only common instruments found on the market with sufficient liquidity are used. Consequently, no material risk of default is expected in this field. Evonik concludes master netting arrangements and similar agreements for financial derivatives on a limited scale. These mainly come into effect in the event of the insolvency of a counterparty. The resulting net positions of receivables and liabilities from derivatives are presented in the following tables:

Offsetting rights for financial assets and liabilities as of December 31, 2024

T188

in € million	Amounts set off			Amounts not set off		
	Gross amount	Netting	Net amount recognized	Affected by enforceable master netting arrangements	Amounts related to financial collateral	Potential net amount
Receivables from derivatives	17	–	17	15	–	2
Liabilities from derivatives	72	–	72	15	–	57

Offsetting rights for financial assets and liabilities as of December 31, 2023

T189

in € million	Amounts set off			Amounts not set off		
	Gross amount	Netting	Net amount recognized	Affected by enforceable master netting arrangements	Amounts related to financial collateral	Potential net amount
Receivables from derivatives	45	–	45	30	–	15
Liabilities from derivatives	48	–	48	30	–	18

Further, there is a default risk relating to the granting of financial guarantees, see note 9.5 p.301f. At present, there is no indication that these financial guarantees will result in a loss.

9.5 Related parties

In addition to the subsidiaries included in the consolidated financial statements, the Evonik Group maintains relationships with related parties.

Related parties comprised RAG-Stiftung, Essen (Germany), as a shareholder of Evonik Industries AG, due to its controlling influence, fellow subsidiaries of Evonik owned by the RAG-Stiftung Group, including associates in the RAG-Stiftung Group, and associates and joint ventures of Evonik. Furthermore, subsidiaries of Evonik that are not consolidated on materiality grounds also constituted related parties. Post-employment benefit plans for employees were also regarded as related parties. Transactions with these post-employment benefit plans related to occupational pension plans. For further information, see note 6.10 p. 259 ff. In addition, the Evonik Group provided services for these plans. These transactions are presented in the table below.

The dividend for fiscal 2023 was paid following the resolution adopted by the annual shareholders' meeting on June 4, 2024. RAG-Stiftung, Essen (Germany) received €254 million (2023: €297 million). In 2024, Evonik received dividends of €18 million (2023: €24 million) from fellow subsidiaries, associates and joint ventures.

The Federal Republic of Germany and the federal states of North Rhine-Westphalia and Saarland were also classified as **related parties** as they were able to exercise a significant influence on RAG-Stiftung through their membership of the board of trustees of RAG-Stiftung.

Transactions effected between Evonik and these federal and state governments and their subsidiaries or joint ventures in the reporting period comprised generally available government grants. Customary business relationships were maintained with the Deutsche Bahn Group, PRG Propylenpipeline Ruhr GmbH & Co. KG, and the Deutsche Telekom Group, as well as immaterial business relationships with further federal and state governments. In addition, Evonik concludes forward electricity and natural gas transactions with public-sector utilities.

Individuals defined as related parties include members of the management who are directly or indirectly responsible for corporate planning, management, and oversight of the Evonik Group or its parent company, and members of their families. At Evonik, these parties comprised members of the executive board and supervisory board of Evonik Industries AG, members of the executive board and board of trustees of RAG-Stiftung, and other management members who held key positions in the Evonik Group and at RAG-Stiftung.

Business relations with related parties

T190

in € million	RAG-Stiftung		Fellow subsidiaries		Subsidiaries		Joint ventures		Associates		Post-employment benefit plans	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Goods and services supplied	2	2	2	3	18	23	36	37	9	7	7	7
Goods and services received	–	–	–2	–1	–1	–2	–9	–1	–17	–11	–	–
Other income	–	–	11	11	–	–	12	6	4	11	–	–
Other expense	–	–	–	–	–	4	–	–	–	–	–	–
Receivables as of December 31	–	–	–	1	12	15	2	3	1	–	–	–
Liabilities as of December 31	–	–	–	–	–	–	–1	–	–2	–1	–	–

Short-term remuneration comprised both amounts not related to performance and short-term performance-related payments. As of December 31, 2024, there were provisions of €3,764 thousand (2023: €1,200 thousand) for short-term performance-related remuneration of members of the executive board and €1,909 thousand (2023: €691 thousand) for other management members.

As of December 31, 2024, provisions for share-based payments amounted to €8,306 thousand (2023: €6,069 thousand) for members of the executive board and €1,502 thousand (2023: €1,415 thousand) for other management members. The share-based payments were expenses incurred in 2023 for LTI tranches from 2021 to 2024.

The present value of pension obligations (defined benefit obligations) was €24,066 thousand (2023: €25,211 thousand) for the executive board and €6,251 thousand (2023: €6,371 thousand) for other members of the management. Further, the employee representatives elected to the supervisory board of Evonik Industries AG continued to receive the regular salary agreed in their employment contract.

Apart from the relationships stated above, Evonik did not have any other significant business relationships with related parties.

Remuneration paid to related parties

T191

in €'000	Executive Board of Evonik Industries AG		Supervisory Board of Evonik Industries AG		Other management members		Total	
	2023	2024	2023	2024	2023	2024	2023	2024
Short-term remuneration	5,215	8,290	3,432	3,421	3,167	3,738	11,814	15,449
Share-based payment	3,114	3,821	–	–	521	692	3,635	4,513
Current service cost for pensions and other post-employment benefits	1,676	1,938	–	–	353	239	2,029	2,177
Termination benefits	724	–	–	–	–	2,344	724	2,344

9.6 Contingent liabilities, contingent receivables, and other financial commitments



Contingent liabilities, except for those recognized in connection with a business combination, are possible or present obligations arising from past events where an outflow of resources is not improbable but which are not recognized on the balance sheet.

Contingent liabilities

T192

in € million	2023	2024
Guarantee and warranty obligations	35	8
Obligations to make contributions to the fund assets of corporate venture capital investments	29	24
Total	64	32

In the previous year, the **guarantee and warranty obligations** included guarantees of €29 million in favor of the joint venture Saudi Acrylic Polymers Company, Ltd., Jubail (Saudi Arabia), which was sold in December 2023. The maximum default risk was the full amount of the guarantees.

Through its corporate venture capital activities, the Evonik Group has also invested indirectly in specialized technology funds. Evonik held between 0.66 percent and 24.98 percent of the respective (sub-)fund assets and recognized them in financial assets as securities and similar claims with a total carrying amount of €42 million (2023: €42 million). As a result of contractual agreements, the **corporate venture capital activities have obligations to make payments into the fund assets** at the request of the fund management companies. The maximum default risk arising from these investments is the sum of the carrying amounts on the balance sheet and the outstanding payment obligations is €66 million (2023: €71 million). There is no intention of providing further financial or other support.

There were no **contingent receivables** as of December 31, 2024.



Other financial obligations result from non-onerous executory contracts, continuous obligations, statutory requirements, and other commercial obligations that are not already included in the liabilities shown on the balance sheet or in contingent liabilities.

Other financial obligations			T193
in € million	2023	2024	
Obligations to acquire property, plant and equipment	210	217	
Miscellaneous other financial obligations	2,186	2,005	
Total	2,396	2,222	

The **miscellaneous other financial obligations** mainly resulted from long-term agreements for the sourcing of energy and raw materials. The long-term power purchase agreements made up a material component of these obligations. For further information, see note 9.4 p.280f.

9.7 Events after the reporting date

On January 8, 2025, Evonik issued a **green bond** in a nominal amount of €500 million with a tenor of five years. The issue price was 99.973 percent and the bond has an annual coupon of 3.25 percent. Evonik’s financing needs for 2025, including redemption of a conventional bond of the same nominal amount that matures in September 2025, have therefore already been secured.

10. Disclosures in compliance with German legislation

10.1 Information on shareholdings pursuant to section 313 paragraph 2 of the German Commercial Code (HGB)

The overview of all companies included in the consolidated financial statements and full details of the shareholdings in accordance with section 313 paragraph 2 of the German Commercial Code (HGB), along with details of the subsidiaries that are exempt from the obligation to prepare and publish financial statements, forms part of the audited consolidated financial statements submitted to the companies’ register. The complete list of shareholdings is also available on the internet.

www.evonik.finance/list-of-shareholdings

Evonik held more than 5 percent of the voting rights in the following stock corporations:

Disclosure pursuant to section 313 paragraph 2 nos. 4 and 5 of the German Commercial Code (HGB)

T194

in € million	Shareholding in %		Income after taxes		Equity	
	2023	2024	2023	2024	2023	2024
Borussia Dortmund GmbH & Co. KGaA, Dortmund (Germany)	8.19	8.19	9	38	318	356
Vivawest GmbH, Essen (Germany) ^a	15.00	15.00	86	131	1,720	1,708

^a Based on their nature as plan assets, shares amounting to 7.5 percent of this shareholding (2023: 7.5 percent) are measured at fair value in accordance with IAS 19. The disclosures on income after taxes and equity relate to the consolidated financial statements of Vivawest GmbH.

10.2 Personnel expense and number of employees pursuant to section 314 paragraph 1 no. 4 of the German Commercial Code (HGB)

Personnel expense		T195
in € million	2023	2024
Wages and salaries	2,605	3,170
Social security contributions	465	488
Pension expenses	125	141
Other personnel expense	59	57
Total	3,254	3,856

Wages and salaries also included expenses related to restructuring. The net interest expense for pension provisions is shown in the financial result; see note 5.6 [p.243f.](#)

Headcount by divisions (annual average)		T196
No. of employees	2023	2024
Specialty Additives	3,538	3,427
Nutrition & Care	5,724	5,543
Smart Materials	8,084	8,056
Technology & Infrastructure	10,013	9,326
Enabling functions, other activities	6,258	6,181
Total	33,617	32,533

Prior-year figures restated.

The companies included in the consolidated financial statements on a pro rata basis did not have any employees.

10.3 Remuneration of the executive board and supervisory board pursuant to section 314 paragraph 1 no. 6 of the German Commercial Code (HGB)

Remuneration paid to the members of the **executive board of Evonik Industries AG** for their work in 2024 amounted to €12,548 thousand (2023: €9,811 thousand).

The figures for the reporting period contain bonus payments of €193 thousand for the previous year, which were not included in the provisions for 2023. Further details, including an individual breakdown of remuneration, can be found in the remuneration report. www.evonik.finance/remuneration-report

Total remuneration of **former members of the executive board and their surviving dependents** was €3,687 thousand in 2024 (2023: €3,244 thousand). As of the reporting date, there were provisions of €78,464 thousand (2023: €79,041 thousand) for pension obligations for former members of the executive board and their surviving dependents. The present value of pension obligations (defined benefit obligations) for former members of the executive board and their surviving dependents amounted to €64,653 thousand as of the reporting date (2023: €63,091 thousand).

The remuneration of the **supervisory board** for 2024 totaled €3,421 thousand (2023: €3,432 thousand).

10.4 Declaration of conformity with the German Corporate Governance Code

In December 2024, the executive board and supervisory board of Evonik Industries AG submitted the declaration of conformity required by section 161 of the German Stock Corporation Act (AktG) and made it permanently available to the public on the company’s website. <https://corporate.evonik.de/en/investor-relations/corporate-governance>

10.5 Auditor’s fees pursuant to section 314 paragraph 1 no. 9 of the German Commercial Code (HGB)

The following table presents the total fees charged to the Evonik Group for the services of the auditor KPMG AG Wirtschaftsprüfungsgesellschaft and companies in the global KPMG group for fiscal 2024 and 2023:

Auditor's fees						T197
in € million	Germany		Other countries		Total fees	
	2023	2024	2023	2024	2023	2024
Auditing of financial statements	4.2	4.3	2.8	2.7	7.0	7.0
Other audit-related services	2.3	2.6	0.4	0.2	2.7	2.8
Other services	0.1	0.1	–	0.1	0.1	0.2
Total	6.6	7.0	3.2	3.0	9.8	10.0

The fees charged for auditing financial statements mainly comprised expenses for the statutory audit of the separate and consolidated financial statements of Evonik Industries AG and its German and foreign subsidiaries, the closely related audit of information systems and processes, and audit-related support in connection with changes in the structure of the Evonik Group. The other audit-related services mainly comprised services in connection with reviews of interim financial statements, the review of sustainability-related disclosures and non-financial reporting, ISO certification, emissions reporting, and other regulatory and statutory requirements. The other services principally comprised advisory services in connection with the implementation of regulatory requirements and other project-related consulting services.

10.6 Date of preparation of the financial statements

The executive board of Evonik Industries AG prepared the consolidated financial statements on February 26, 2025 and approved them for publication. The consolidated financial statements will be submitted to the audit committee at its meeting on February 27, 2025 for a preliminary examination and to the supervisory board for approval at its meeting on March 4, 2025.

Essen, February 26, 2025

Evonik Industries AG
The Executive Board

Kullmann Dr. Schwager

Schuh Wessel

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To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Evonik Group, and the management report for the Evonik Group, which is combined with the management report of Evonik Industries AG, includes a fair review of the development and performance of the business and the position of the Evonik Group, together with a description of the material opportunities and risks associated with the expected development of the Evonik Group.

Essen, February 26, 2025

Evonik Industries AG
The Executive Board

Kullmann Dr. Schwager

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Independent Auditor's Report

Note: This is a translation of the German original. Solely the original text in German language is authoritative.

To Evonik Industries AG, Essen

Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report

Opinions

We have audited the consolidated financial statements of Evonik Industries AG, Essen, and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2024, and the statement of profit and loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year from 1 January to 31 December 2024, and notes to the consolidated financial statements, including significant information on the accounting policies. In addition, we have audited the combined management report of Evonik Industries AG for the financial year from 1 January to 31 December 2024.

In accordance with German legal requirements, we have not audited the content of those components of the group management report specified in the "Other Information" chapter of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter referred to as "IFRS Accounting Standards") as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2024, and of its financial performance for the financial year from 1 January to 31 December 2024, and
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and

appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those components of the combined management report specified in the "Other Information" chapter of the auditor's report.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation No 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). We performed the audit of the consolidated financial statements in supplementary compliance with the International Standards on Auditing (ISAs).] Our responsibilities under those requirements, principles and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" chapter of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2)(f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Impairment testing of goodwill

Information on the accounting and valuation principles applied, the assumptions used and the amount of goodwill is provided in chapter 6.5 of the notes.

THE FINANCIAL STATEMENT RISK

Goodwill amounted to EUR 4,707 million as of 31 December 2024, and at 24 % of total assets accounts for a substantial share of assets.

Goodwill is tested for impairment annually at the level of the operating segments, irrespective of events. If impairment triggers arise during the financial year, an event-driven goodwill impairment test is also carried out during the year. For goodwill impairment testing, the carrying amount is compared with the recoverable amount of the respective operating segment. If the carrying amount exceeds the recoverable amount, an impairment loss is recognized. The recoverable amount is the higher of fair value less costs to sell and value in use of the operating segment. The cut-off date for the impairment test independent of event is 30 September 2024.

Impairment testing of goodwill is complex and based on a number of assumptions requiring judgment. These include the expected business and earnings performance of the operating segments, future investments and the discount rate used.

There is the risk for the consolidated financial statements that impairment existing as of the reporting date was not identified.

OUR AUDIT APPROACH

We obtained an understanding of the Company's process including the controls established for this purpose for the identification of indications of impairment of goodwill based on explanations provided by accounting staff as well as an assessment of the in-house policies.

With the involvement of our valuation experts, we also assessed the appropriateness of the key assumptions and calculation method of the Company. To this end, we discussed the expected development of business and earnings as well as the future investments with those responsible for planning. We also reconciled this information with the 2025 budget prepared by management and approved by the Supervisory Board as well as the medium-term planning up to and including 2027. Furthermore, we evaluated the consistency of assumptions with external market assessments.

We also examined the accuracy of the Company's previous forecasts by comparing the budgets of previous financial years with actual earnings and by analyzing deviations. We compared the assumptions and data underlying the discount rate, in particular the risk-free rate, the market risk premium and the beta coefficient, with our own assumptions and publicly available data.

To assess the computational accuracy of the method used, we verified the Company's calculations on the basis of selected risk-based elements.

In order to take account of the existing forecast uncertainty and the earlier deadline selected for impairment testing, we examined the effects of possible changes in the discount rate, earnings performance and the long-term growth rate on the recoverable amount by calculating alternative scenarios and comparing them with the values stated by the Company (sensitivity analysis).

OUR OBSERVATIONS

The calculation method used for impairment testing of goodwill is appropriate and in line with the applicable accounting policies. The Company's assumptions and data used for measurement are appropriate overall.

Impairment of property, plant and equipment

Please refer to note 6.5 in the notes to the financial statements for information on the accounting policies applied and the assumptions used. Disclosures on the value of property, plant and equipment can be found under note 6.2.

THE FINANCIAL STATEMENT RISK

Property, plant and equipment amounted to EUR 6,450 million as of 31 December 2024, and at 33% of total assets accounts for a considerable share of the assets.

If there are indications of impairment or of the elimination or reduction of previously recognised impairment losses on property, plant and equipment, the Company determines the recoverable amount and compares this amount with the respective carrying amount. If the carrying amount exceeds the recoverable amount, an impairment loss is recognized. If the carrying amount is below the recoverable amount, the impairment loss is reversed. The reversal of impairment losses is limited by the amortized cost. The recoverable amount is determined using the discounted cash flow method. The calculation of the recoverable amount is carried out regularly on the level of cash-generating units.

Impairment testing of property, plant and equipment is complex and based on a range of assumptions that require judgment. This is particularly the case for estimated future cash flows and the discount rates used.

As the economic performance of selected cash-generating units was worse or better than expected, the value of the property, plant and equipment was tested for impairment during the year on an ad hoc basis. As a result of the impairment tests performed, a reversal of impairment losses of EUR 21 million was recognized for one cash-generating unit. The trigger-based impairment tests did not result in any impairment losses.

There is a risk for the consolidated financial statements that existing impairments have not been recognized in an appropriate amount or that impairment losses have not been reversed or are not appropriate.

OUR AUDIT APPROACH

We obtained an understanding of the Company's process including the controls established for this purpose for the identification of indications of impairment or reversal of impairment losses as well as for the determination of recoverable amounts based on explanations provided by accounting staff as well as an assessment of the in-house policies.

With the involvement of our valuation experts, we assessed the computational accuracy and IFRS compliance of the Company's valuation methods and the appropriateness of significant assumptions made therein. In addition, we also discussed the expected cash inflows with those responsible for planning. Through reconciliation of the 2025 budget prepared by management and approved by the Supervisory Board and medium-term planning up to and including 2027, we ensured their internal consistency.

We also examined the accuracy of the Company's previous forecasts by comparing the budgets of previous financial years with actual earnings and by analyzing deviations. We compared the assumptions and data underlying the discount rate, in particular the risk-free rate, the market risk premium and the beta coefficient, with our own assumptions and publicly available data.

To assess the computational accuracy of the method used, we verified the Company's calculations on the basis of selected risk-based elements.

In order to take account of the existing forecast uncertainty, we also examined the effects of possible changes in the discount rate and the expected cash flows on the recoverable amount by calculating alternative scenarios and comparing them with the company's valuation results (sensitivity analysis).

OUR OPINIONS

The valuation method on which the impairment test for property, plant and equipment is based is in line with the valuation principles. The assumptions and data used by the company are appropriate overall.

Measurement of pension obligations and plan assets

Information on the accounting policies applied, the assumptions used and the amount of pension obligations and plan assets is presented in note 6.10 to the consolidated financial statements.

THE FINANCIAL STATEMENT RISK

As of 31 December 2024, the provisions for employee benefits and similar obligations amounted to EUR 1,662 million. This is the net balance of the present value of pension obligations of EUR 8,898 million and the fair value of plan assets of EUR 7,249 million less the surplus of assets from obligations of EUR 6 million and after taking into account the effects of the asset ceiling of EUR 7 million. The majority of this is attributable to pension commitments in Germany, the USA and the United Kingdom (UK).

Pension obligations (defined benefit obligations) are measured using the projected unit credit method in accordance with IAS 19. The actuarial calculation of pension obligations is complex and is based on judgemental assumptions. Plan assets are measured at fair value. This includes assets for which the fair value can be determined based on prices quoted on an active market, is directly or indirectly observable or can be determined using a valuation technique. Measurement of the fair value of assets for which there is no active market is subject to estimation uncertainties or judgments.

There is the risk for the consolidated financial statements that the pension obligations or plan assets have been measured inaccurately. There is also the risk that the disclosures in the notes relating to measurement are not appropriate.

OUR AUDIT APPROACH

Based on our understanding of the process, we have evaluated the establishment and design of identified internal controls for the transmission of information relevant to measurement to the actuaries engaged by Evonik Industries AG.

With the involvement of our actuaries, we assessed the actuarial reports obtained by Evonik Industries AG as well as the competence, capabilities and objectivity of the external experts. Our audit procedures also included evaluating the appropriateness of the valuation method applied and assumptions made. In addition, we verified the computational accuracy of the resulting obligations based on a deliberate selection of pension commitments.

We obtained a basic overview of the process of measuring the fair values of plan assets.

For the audit of the fair values of unlisted interest-bearing investments, we made our own calculations with the involvement of our valuation specialists for a risk-oriented, conscious selection and compared them with the values determined by the company. We compared the fair values of listed interest-bearing investments with external price information. For non-interest-bearing investments, we assessed whether the unit prices determined by the capital management companies were appropriate. For the audit of the fair value of the share in Vivawest GmbH included in the plan assets, we assessed, among other things, the appropriateness of the calculation method and the plausibility of the key planning assumptions based on industry-specific market expectations with the involvement of our valuation specialists. With regard to the discount rate determined, we performed both a substantive assessment of the individual assumptions and data based on available market data and a critical overall assessment in comparison to other companies in the property sector.

We also assessed whether the related disclosures in the notes are appropriate.

OUR OBSERVATIONS

The calculation method used for the pension obligations is appropriate and consistent with the accounting policies to be applied. The assumptions and data used for measurement of the pension obligations and plan assets are appropriate overall. The related disclosures in the notes are appropriate.

Other Information

Management and the Supervisory Board are/is responsible for the other information. The other information comprises the following components of the combined management report, whose content was not audited:

- the sustainability report including the combined non-financial statement of the company and the Group pursuant to Sections 315b, 315c in conjunction with Sections 289b (1), 289c HGB, which is included in the combined management report, and
- the combined corporate governance statement of the company and the Group included in the corresponding chapter of the combined management report.

The other information also includes the remaining parts of the financial report. The other information does not include the consolidated financial statements, the combined management report information audited for content and our auditor's report thereon.

Our opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the combined management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Furthermore, we have performed a separate assurance engagement on the sustainability report including the combined non-financial statement. With regard to the nature, scope and results of this audit, we refer to our audit opinion dated 27 February 2025.

Responsibilities of Management and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report

Management is responsible for the preparation of consolidated financial statements that comply, in all material respects, with the IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, management is responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, management is responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) and supplementary compliance with the ISAs will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control or of these arrangements and measures.
- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.

- Plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business segments within the Group to provide a basis for our opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by management in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory Requirements

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Combined Management Report Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file Evonik_KA+KLB_ESEF-2024-12-31.zip" (SHA256-Hashwert: 5fc6a2ecd32ca7a092c174378b281115f-d84a262d6454ef5338d946fba9109be) made available and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained in these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the combined management report contained in the electronic file made available, identified above and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from 1 January to 31 December 2024 contained in the "Report on the Audit of the Consolidated Financial Statements and the Combined Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

We conducted our assurance work on the rendering of the consolidated financial statements and the combined management report contained in the file made available and identified above in accordance with Section 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described below. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in Audit Firms (IDW QMS 1 (09.2022)).

The Company's management is responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

In addition, the company's management is responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The supervisory board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e. whether the file made available containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, as amended as at the reporting date, on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and the audited combined management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, as amended as at the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor of the consolidated financial statements at the annual general meeting on 4 June 2024. We were engaged by the supervisory board on 11 September 2024. We have been the auditor of the consolidated financial statements of Evonik Industries AG since financial year 2021.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Other matter – Use of the Auditor's Report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the examined ESEF documents. The consolidated financial statements and combined management report converted to the ESEF format – including the versions to be entered in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents made available in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Dr. Thorsten Hain.

Essen, 27 February 2025
KPMG AG
Wirtschaftsprüfungsgesellschaft

Dr. Hain
Wirtschaftsprüfer
[German Public Auditor]

Dr. Ackermann
Wirtschaftsprüferin
[German Public Auditor]

Assurance report of the independent German Public Auditor on a limited assurance engagement in relation to the Consolidated Sustainability Statement

To Evonik Industries AG

Assurance Conclusion

We have conducted a limited assurance engagement on the Consolidated Sustainability Statement, included in chapters 9 to 12 of the combined management report of Evonik Industries AG for the financial year from January 1, 2024 to December 31, 2024. The Consolidated Sustainability Statement was prepared to fulfil the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852 as well as Sections 315b and 315c of the HGB [Handelsgesetzbuch: German Commercial Code] for a consolidated non-financial statement and Sections §§ 289b to 289e of the HGB for a non-financial statement of the company.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying Consolidated Sustainability Statement is not prepared, in all material respects, in accordance with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852, Sections 315b and 315c HGB for a consolidated non-financial statement, Sections §§ 289b to 289e of the HGB for a non-financial statement of the company and the supplementary criteria presented by the executive directors of the Company. This assurance conclusion includes that nothing has come to our attention that causes us to believe that:

- the accompanying Consolidated Sustainability Statement does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the entity to identify information to be included in the Consolidated Sustainability Statement (the materiality assessment) is not, in all material respects, in accordance with the description set out in chapter 9 of the Consolidated Sustainability Statement, or
- the disclosures in chapter 10.7 "Disclosures on the EU taxonomy" of the Consolidated Sustainability Statement do not comply, in all material respects, with Article 8 of Regulation (EU) 2020/852.

Basis for the Assurance Conclusion

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in the chapter "German Public Auditor's Responsibilities for the Assurance Engagement on the Consolidated Sustainability Statement".

We are independent of the entity in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has applied the requirements for a system of quality control as set forth in the IDW Quality Management Standard issued by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW): Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)) and International Standard on Quality Management (ISQM) 1 issued by the IAASB. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Sustainability Statement

The executive directors are responsible for the preparation of the Consolidated Sustainability Statement in accordance with the requirements of the CSRD and the applicable German legal and other European requirements as well as with the supplementary criteria presented by the executive directors of the Company and for designing, implementing and maintaining such internal control that they have considered necessary to enable the preparation of a Consolidated Sustainability Statement in accordance with these requirements that is free from material misstatement, whether due to fraud (i.e., fraudulent sustainability reporting in the Consolidated Sustainability Statement) or error.

This responsibility of the executive directors includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the Consolidated Sustainability Statement, as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The Supervisory Board is responsible for overseeing the process for the preparation of the Consolidated Sustainability Statement.

Inherent Limitations in Preparing the Consolidated Sustainability Statement

The CSRD and the applicable German legal and other European requirements contain wording and terms that are subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. As such wording and terms may be interpreted differently by regulators or courts, the legality of measurements or evaluations of sustainability matters based on these interpretations is uncertain. As further set forth in the Consolidated Sustainability Statement, the quantification of the non-financial performance indicators is also subject to inherent uncertainties.

These inherent limitations also affect the assurance engagement on the Consolidated Sustainability Statement.

German Public Auditor's Responsibilities for the Assurance Engagement on the Consolidated Sustainability Statement

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Consolidated Sustainability Statement has not been prepared, in all material respects, in accordance with the CSRD, the applicable German legal and other European requirements and the supplementary criteria presented by the company's executive directors, and to issue an assurance report that includes our assurance conclusion on the Consolidated Sustainability Statement.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also:

- obtain an understanding of the process used to prepare the Consolidated Sustainability Statement, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the Consolidated Sustainability Statement.
- identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. In addition, the risk of not detecting a material misstatement in information obtained from sources not within the entity's control (value chain information) is ordinarily higher than the risk of not detecting a material misstatement in information obtained from sources within the entity's control, as both the entity's executive directors and we as practitioners are ordinarily subject to restrictions on direct access to the sources of the value chain information.
- consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

Summary of the Procedures Performed by the German Public Auditor

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgment.

In performing our limited assurance engagement, we, among others,:

- evaluated the suitability of the criteria as a whole presented by the executive directors in the Consolidated Sustainability Statement
- inquired of the executive directors and relevant employees involved in the preparation of the Consolidated Sustainability Statement about the preparation process, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the Consolidated Sustainability Statement, and about the internal controls relating to this process
- evaluated the reporting policies used by the executive directors to prepare the Consolidated Sustainability Statement
- evaluated the reasonableness of the estimates and related information provided by the executive directors. If, in accordance with the ESRS, the executive directors estimate the value chain information to be reported for a case in which the executive directors are unable to obtain the information from the value chain despite making reasonable efforts, our assurance engagement is limited to evaluating whether the executive directors have undertaken these estimates in accordance with the ESRS and assessing the reasonableness of these estimates, but does not include identifying information in the value chain that the executive directors were unable to obtain
- performed analytical procedures and made inquiries in relation to selected information in the Consolidated Sustainability Statement
- conducted site visits

- considered the presentation of the information in the Consolidated Sustainability Statement
- considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Consolidated Sustainability Statement.

Restriction of Use/Clause on General Engagement Term

This assurance report is solely addressed to Evonik Industries AG.

The engagement, in the performance of which we have provided the services described above on behalf of Evonik Industries AG, was carried out on the basis of the General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften (Allgemeine Auftragsbedingungen für Wirtschaftsprüferinnen, Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) dated as of January 1, 2024 (www.kpmg.de/AAB_2024). By taking note of and using the information as contained in our report each recipient confirms to have taken note of the terms and conditions stipulated in the aforementioned General Engagement Terms (including the liability limitations specified in item No. 9 included therein) and acknowledges their validity in relation to us.

Düsseldorf, 27 February 2025

KPMG AG

Wirtschaftsprüfungsgesellschaft

[Original German version signed by:]

Brandt

Wirtschaftsprüferin

[German Public Auditor]

Baur

Wirtschaftsprüferin

[German Public Auditor]

Further information on corporate officers

Supervisory board of Evonik Industries AG

Bernd Tönjes, Marl

Chairman of the Supervisory Board
Chairman of the Executive Board of RAG-Stiftung
a) • RAG Aktiengesellschaft (Chair)
b) • DEKRA e.V.

Alexander Bercht, Berlin

Deputy Chairman of the Supervisory Board
Member of the Central Board of
Executive Directors of the IGBCE
a) • Vivawest GmbH
• Vivawest Wohnen GmbH
• Sandoz Deutschland GmbH

Martin Albers, Dorsten

Chairman of the General Works
Council of Evonik Industries AG
Chairman of the Works Council
of the jointly operated Essen campus
b) • Board of Trustees of RAG-Stiftung

Prof. Barbara Albert, Darmstadt

Rector of the University of Duisburg-Essen
a) • Schunk GmbH
• Essen University Hospital

Dr. Cornelius Baur, Munich

Independent management consultant
a) • CTS Eventim AG & Co. KGaA
• Eventim Management AG
b) • Lenzing Aktiengesellschaft, Lenzing (Austria)

Prof. Aldo Belloni, Eurasburg

Former Chairman of the Executive Board
of Linde Aktiengesellschaft

Alexandra Boy, Solingen

Head of Site Communications
Marl Chemical Park, Herne, Witten
Chairwoman of the Executive Staff Council of
the Evonik Group
Chairwoman of the Executive Staff Council of
the site in Marl

Hussin El Moussaoui, Arnstein

Deputy Chairman of the General Works Council of
Evonik Industries AG
Deputy Chairman of the Works Council for the
jointly operated Hanau site

Werner Fuhrmann, Gronau

Former member of the Executive Committee of
Akzo Nobel N.V.
b) • Kemira Oyj, Helsinki (Finland)
• Ten Brinke B.V., Varsseveld (Netherlands)

Dr. Christian Kohlpaintner, Ingelheim

Chief Executive Officer of Brenntag SE

Alexandra Krieger, Langenhagen

Secretary to the Board of Executive Directors and
Head of Controlling at the IGBCE
a) • AbbVie Komplementär GmbH

Martin Kubessa, Velbert

Member of the Works Council for Evonik's Marl facilities

Thomas Meiers, Cologne

District Director, IGBCE Westfalen
a) • Ineos Deutschland Holding GmbH
• Ineos Köln GmbH
• Currenta GmbH & Co. OHG (until March 30, 2024)
b) • Ruhrfestspiele Recklinghausen GmbH

a) Membership of statutory supervisory boards.

b) Membership of comparable German and foreign supervisory bodies of business enterprises pursuant to section 125 paragraph 1 sentence 5 of the German Stock Corporation Act (AktG).

Cedrik Neike, Berlin

Member of the Managing Board of Siemens Aktiengesellschaft and CEO of the Digital Industries business unit

- b) • Siemens France Holding S.A., Saint-Denis (France)
- Siemens Aktiengesellschaft Österreich, Vienna (Austria)

Dr. Ariane Reinhart, Glücksburg

Member of the Executive Board and Director of Labor Relations of Continental Aktiengesellschaft

- a) • Vonovia SE

Martina Reisch, Rheinfelden

Chairwoman of the Works Council of the jointly operated Rheinfelden site

Gerhard Ribbeheger, Haltern am See

(until December 31, 2024)

Deputy Chairman of the General Works Council of Evonik Industries AG

- b) • PEAG Holding GmbH

Michael Rüdiger, Utting am Ammersee

Independent management consultant

- a) • BlackRock Asset Management Deutschland AG (Chair)
- Deutsche Börse AG (until May 14, 2024)

Gerd Schlengermann, Bornheim

Chairman of the Works Council of the jointly operated Wesseling site and member of the General Works Council of Evonik Industries AG

Britta Sorge, Herne

(from January 1, 2025)

Member of the Works Council for Evonik's Marl facilities

Deputy Chairwoman of the General Works Council of Evonik Industries AG

Angela Titzrath, Hamburg

Chairman of the Executive Board of Hamburger Hafen und Logistik Aktiengesellschaft

- a) • Deutsche Lufthansa AG
- HDI Haftpflichtverband der Deutschen Industrie VVaG
- Talanx AG
- b) • Metrans a.s., Prague (Czech Republic)

a) Membership of statutory supervisory boards.

b) Membership of comparable German and foreign supervisory bodies of business enterprises pursuant to section 125 paragraph 1 sentence 5 of the German Stock Corporation Act (AktG).

Executive board of Evonik Industries AG

Christian Kullmann, Hamminkeln

Chairman of the Executive Board

- a) • Borussia Dortmund GmbH & Co. KGaA
(Chair) (until November 25, 2024)

Dr. Harald Schwager, Speyer

Deputy Chairman of the Executive Board

- a) • Evonik Operations GmbH (Chair)
 - Currenta Geschäftsführungs-GmbH
- b) • DEKRA e.V.
 - KSB Management SE

Maike Schuh, Krefeld

Chief Financial Officer

- a) • Pensionskasse Degussa VVaG

Thomas Wessel, Recklinghausen

Chief Human Resources Officer and
Labor Relations Director

- a) • Evonik Operations GmbH (until December 31, 2024)
 - Pensionskasse Degussa VVaG
(Deputy chairman since June 28, 2024)
 - Vivawest GmbH
 - Vivawest Wohnen GmbH
- b) • Gesellschaft zur Sicherung
von Bergmannswohnungen mbH

a) Membership of statutory supervisory boards.

b) Membership of comparable German and foreign supervisory bodies of business enterprises pursuant to section 125 paragraph 1 sentence 5 of the German Stock Corporation Act (AktG).

Alternative performance measures

For internal management purposes, we use alternative performance measures that are not defined by IFRS. The calculation of these measures and their development are outlined in the management report in addition to the IFRS performance measures. The most important alternative performance measures are also presented in the segment reporting.

Alternative performance measures used		T198
	For definition and calculation see page	
Adjusted EBITDA		31, 36, 229, 274
Adjusted EBITDA margin		31, 36, 229, 274
Adjusted EBIT		31, 36, 229, 274
Adjustments		31, 36, 274
Adjusted net income		37
Adjusted earnings per share		37
Capital employed		38, 229, 275
Economic value added (EVA®)		38
Free cash flow		31, 47
Net financial debt		48
ROCE		31, 37, 229, 276

Financial calendar

Financial calendar 2025		T199
Event	Date	
Interim report Q1 2025	May 12, 2025	
Annual shareholders' meeting 2025	May 28, 2025	
Interim report Q2 2025	August 1, 2025	
Interim report Q3 2025	November 4, 2025	

Credits

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Page 9	Top right: Carsten Strübbe, bottom left: Evonik Industries AG
Pages 12, 14	Evonik Industries AG, Frank Preuß
Page 15	Jens Nieth
Pages 126, 168, 186	Evonik Industries AG

This report contains forward-looking statements based on the present expectations, assumptions, and forecasts made by the executive board and the information available to it. These forward-looking statements do not constitute a guarantee of future developments and earnings expectations. Future performance and developments depend on a wide variety of factors which contain a number of risks and unforeseeable factors and are based on assumptions that may prove incorrect.

