

UK Modern Slavery Statement for 2018

This statement is made in accordance with Section 54 of the UK Modern Slavery Act 2015 and sets out the measures Evonik has taken during the financial year ending on 30 December 2018 to fulfil its policies and commitments and ensure that modern slavery and human trafficking are not taking place in its own operations and its supply chains.

We understand modern slavery as an overarching term including forced labor, forced child labor, bonded labor or debt bondage, and human trafficking.

Organizational structure and supply chains of Evonik Industries

Evonik is a specialty chemicals company with headquarters in Germany, productions plants in 28 countries and activities in more than 100 countries and almost 36,000 employees worldwide. Major sites are in Western Europe, USA, China, Singapore, India and Brazil. Our specialty chemicals operations are divided into three chemical manufacturing segments: Nutrition & Care, Resource Efficiency and Performance Materials. In addition, Evonik Industries has Services for internal and external customers at Evonik sites and Group-wide administrative services. In 2018 Evonik has sales of €15,024 million. Evonik sees sustainable business activities and responsible conduct as the cornerstone of its business model.

The supply chain of Evonik is worldwide. In 2018, the Group sourced raw materials and supplies, technical goods, services, energy, and other operating supplies with a total value of around €9.9 billion from around 35,000 suppliers. We had the highest purchase volume in Europe, followed by North America, Asia and Central & South America.

Policies on human rights including modern slavery

Evonik has clearly defined standards of conduct in place. We comply with laws or go beyond them. Our standards are based on internationally recognized principles and standards like the Bill of Human Rights, the OECD Guidelines for Multinational Enterprises, the ILO Core Labor Standards and the 10 Principles of the United Nations Global Compact. The most relevant policies are:

- Evonik Code of Conduct
- Evonik Global Social Policy
- Evonik Policy Statement on Human Rights
- ESHQ Values
- Evonik Code of Conduct for Suppliers

All policies can be found on our website: www.evonik.com/responsibility.

Risk Assessment and due diligence in relation to human rights including modern slavery and human trafficking

Own operations

Since 2017 we use a human rights risk map for mapping and assessing potential human rights risks mainly in our own operations. The map is based on a range of human rights indicators and is updated several times a year according to changes of the company structure and new information concerning the indicators. In 2018 we added a human trafficking indicator. At the end of 2018 we used 9 weighted human rights indicators; some of them are composed of two or three indicators.

The map forms the basis for projected measures:

As planned, the presentation of the risk map within the company raised awareness of human rights topics and the willingness to conduct human rights trainings.

Human rights training for own staff

The target for human rights trainings was exceeded. Instead of 5 planned human rights training sessions we conducted 12 trainings sessions with participants from Germany, Brazil and India. The trainings will be continued in 2019.

Our target for 2019 is to conduct at least 5 human rights trainings in countries with high potential human rights risks.

Compliance/Whistleblowing

We did not receive any reports concerning human rights violations in 2018.

Supply chains

We expect our suppliers to share our principles and to act correctly in all respects, which means accepting the responsibility towards their employees, business partners, society, and the environment. Every new supplier must pass a validation process, based on the values in our Code of Conduct for Suppliers. Amongst other criteria the validation process includes human rights. In the reporting year around 1,350 new suppliers of raw materials, technical goods, and services were examined.

Under the sharing principle of the Together for Sustainability Initiative (TfS) of the chemical industry – Evonik is a founding member – the member companies initiated more than 350 audits and around 1,500 assessments of suppliers worldwide. 22 of the audits and 130 of the assessments were initiated by Evonik. No cases of child labor or forced labor were identified in on-site-inspections.

We see potential human rights risks in our palm oil supply chain. For that reason, our business line Care Solution defined Responsible Sourcing Criteria for supply chains down to plantation levels. Among the criteria are: compliance and informed consent from indigenous people and local communities

influenced by new plantations with focus on land grabbing procedures and ILO rights of workers.

(see: <https://personal-care.evonik.com/product/personal-care/en/sustainability/sustainability-insights/Responsible-Sourcing/Pages/default.aspx>)

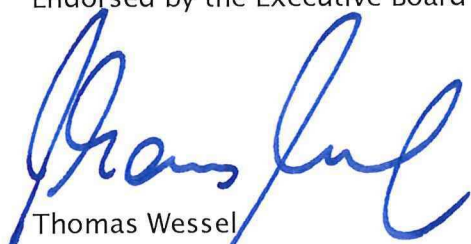
Target attainment 2018 in the supply chain

The following targets were set and achieved for the year 2018:

- Conduct at least 20 supplier sustainability audits under the shared audit principle of the Together for Sustainability initiative.
 - *22 audits conducted*
- Continue the supplier analysis by reviewing at least 80 TfS assessments.
 - *As of year-end 2018: 130 reviews*
- Evaluate the sustainability performance of 90 percent of suppliers of critical raw materials by 2020 (status at year-end 2017: > 74 percent)
 - *As of year-end 2018: around 83%*

The targets for 2019 are published in our Sustainability Report 2018 which is available from the Responsibility section of Evonik's website.

Endorsed by the Executive Board (February 18, 2019)



Thomas Wessel
Chief Human Resource Officer