

UK Modern Slavery Statement for 2020

May 28th 2021

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 31 December 2020 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.

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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, more than 100 production facilities in 26 countries and around 33.000 employees worldwide. Major sites are in Western Europe, USA, China, Singapore, India and Brazil. Our specialty chemicals operations are divided into four chemical manufacturing divisions: Specialty Additives, Nutrition & Care, Smart Materials and Performance Materials. They are supported by our services operations. In 2020, Evonik generated sales of €12.2 billion. The company sees sustainable business activities and responsible conduct as the cornerstone of its business model.

In 2020, the Group sourced raw materials and supplies, technical goods, services, energy, and other operating supplies with a total value of around €8 billion from around 29,000 suppliers. We had the highest purchase volume in Europe, followed by North America, Asia and Central & South America.

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Register Court Essen Local Court
Commercial Registry B 19474

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

We use a human rights risk map for mapping and assessing potential human rights risks in our own operations and the countries with the highest purchasing volume. 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. For human rights impact analysis we also use the CSR Risk Check of MOV Nederland.

In May 2020, we implemented a new tool for business partner assessments including human rights impacts.

Human rights training for own staff

Our target for 2020 was to conduct at least 5 human rights trainings in countries with high potential human rights risks. We conducted 6 online human rights training sessions in Europe, North America and Asia with over 260 participants. We also implemented an online human rights training for our employees.

Compliance/Whistleblowing

Reports of possible human rights violations that we received through our whistleblower system or assessment tool for business partners have been reviewed and all proved to be invalid.

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 labor and social standards (the right to freedom association and collective bargaining), human rights (compulsory, forced, or child labor), conflict minerals, and responsibility within the supply chain. In 2020, we evaluated approximately 2,000 new suppliers, representing more than 90 percent of new suppliers.

Under the sharing principle of the Together for Sustainability Initiative (TfS) of the chemical industry – Evonik is a founding member – the member companies initiated 258 audits, 1,148 new assessments and 3,527 re-assessments of suppliers worldwide. 31 of the audits and 186 of the assessments were initiated by Evonik. As in 2019 no cases of child labor or forced labor were identified in on-site-inspections in 2020.

We see potential human rights risks in our palm oil supply chain. For that reason, a group-wide expert circle drew up recommendations for sustainable procurement and use of palm oil to sharpen our employees' awareness of the need to take a responsible approach to palm-based derivatives. 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/responsible-sourcing/>)

Target and target attainment in the supply chain

We achieved our target of evaluating the sustainability performance of 90 percent of suppliers of critical raw material by 2020 in 2019. Therefore, we set a new target:

- 100 percent of all raw materials suppliers where annual procurement volume is >€100 thousand to be covered by TfS assessments by year-end 2025.

We are well on our way to achieving the goal.

Endorsed by the executive board (signed 28th May 2021).



Thomas Wessel
CHRO