WE TURN YOUR FORMULATIONS INTO SUSTAINABLE OUTPERFORMULATIONS

EVONIK
Leading Beyond Chemistry

WE TURN YOUR FORMULATIONS INTO SUSTAINABLE OUTPERFORMULATIONS

» The world is evolving and the need for sustainability is greater than ever. At Coating Additives, we're convinced that long-term success depends on responsible action. Companies that prioritize social value are the ones that succeed. Our products are designed to support our customers in outperforming their sustainability goals, improving their competitiveness and ensuring a better future.

Coating Additives is fully committed to the Next Generation Evonik transformation program. We're dedicated to integrating sustainability and circularity into the very fabric of our customers' paint, coating and ink formulations. «

– Elias Lacerda,
Head of Evonik Coating Additives

Content

#01 EVONIK'S SUSTAINABILITY APPROACH

How do you add value with sustainable solutions?

Sustainability becomes the backbone of Evonik's purpose and strategy

CONCRETE GOALS AND ACTIVITIES »

1 Next Generation Portfolio

+ Increase proportion of sales generated with Next Generation Solutions to > 50 % by 2030
+ Proportion of sales from challenged products should be < 5 %

2 Next Generation Innovation

+ €1 bn new sales from Innovation Growth Fields by 2025 driven by new products such as membranes or biosurfactants

3 Next Generation Culture

+ Employee empowerment
+ ESG targets integrated into mgmt. compensation

NEXTGEN

Interactive Sustainability Report *Sustainability Strategy*

IMPLEMENT! CONCRETE GOALS AND ACTIVITIES

We have integrated sustainability comprehensively into our corporate strategy – from research & development through portfolio management to our corporate culture. The core process is the sustainability analysis of our business.

NEXTGEN Technologies is our asset perspective and includes specific targets for saving CO_2 emissions and water consumption.

NEXTGEN Solutions include the market perspective and implements a sustainability analysis for our porfolio and a sustainable growth.

Find out more about Evonik's sustainability goals

NEXTGEN Technologies

CO_2

Committed to SBTi
Absolute reduction of Scope 1&2 emissions (2021-2030): -25 %

Absolute reduction of Scope 3 emissions: upstream as well as emissions from downstream transportation and distribution (2021-2030): -11 %

Emissions from sold products covering fossil fuels sold and distributed (2021-2030): -22.5 %

WATER

Further reduction of specific water intake

Global water management system: reduction of freshwater consumption per ton by 3 %

Site-specific action plans potentially exposed to water stress

NEXTGEN Solutions

PORTFOLIO

Strategic focus on growth businesses with a strong sustainability profile

Sustainability analysis of the business covering all chemical activities

Portfolio Target until 2030: > 50 % sales generated from NextGen Solution

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

#02 RATINGS & RANKINGS

Can you prove Evonik's commitment?

#02 RATINGS & RANKINGS

Our ratings and incides 2024

We are proud to be one of the leading companies in terms of sustainability within the chemical industry. To substantiate this, view our results from the most important independent rating and ranking agencies.

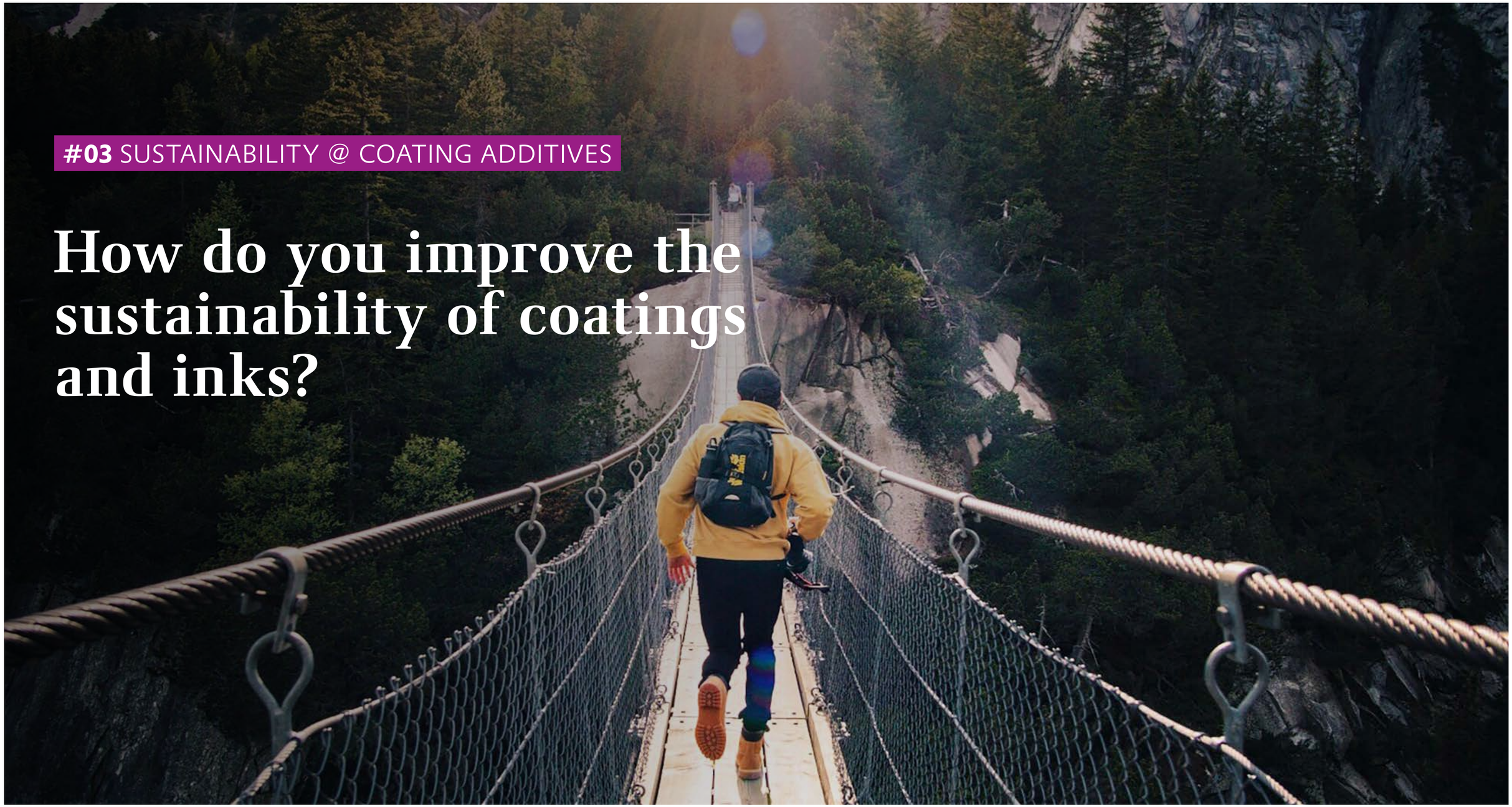
Morgan Stanley Capital International (MSCI) has awarded Evonik an AA rating for its sustainability performance. Evonik is therefore in the leader category. We scored particularly highly on corporate governance.

An analysis by the Morningstar Sustainalytics rating agency ranks Evonik's sustainability performance among the top 5 percent of the roughly 600 chemical companies evaluated.

CDP Climate Change again awarded us a grade of A- and CDP Water Security awarded us a grade of B. We also participated in CDP Forest, where we were awarded a grade of B-. In addition, Evonik achieved an A- in the CDP Supplier Engagement Rating in 2023.

As a founding member of the Together for Sustainability (TfS) initiative, Evonik drives forward transparency and sustainability in the supply chain and is subject to annual assessments. In 2024, the EcoVadis rating agency, a partner of TfS, also awarded us platinum status for our sustainability performance.

Evonik's sustainability performance is rated B- by ISS-ESG. Evonik therefore retains its prime status, the highest level awarded, ranking it among the top 15 percent of companies in the chemical sector.



#03 SUSTAINABILITY @ COATING ADDITIVES

How do you improve the sustainability of coatings and inks?

#03 SUSTAINABILITY @ COATING ADDITIVES

Our holistic view on the sustainability of coatings

NEXTGEN Technologies minimize our footprint by using resources more efficiently and minimizing emissions, and we go one step further:

With our **NEXTGEN Solutions** we develop products and technologies that also reduce the environmental footprint of our customers and end users in order to maximize the handprint.

FOOTPRINT VS.

The footprint of a product covers all negative environmental impacts to manufacture and ship the product, such as:

- Emissions from purchased raw materials
- Emissions from utilities, such as steam, electricity, or natural gas used for production
- Emissions from transport and logistics
- Waste occurring in production

NEXTGEN Technologies

HANDPRINT

The handprint describes an improvement between an established solution (= benchmark) compared to an improved condition regarding one or more relevant indicators. A handprint can be quantified as the difference of two footprints. Examples are:

- Energy and material savings by switching to a high-performance dispersant in the grinding of pigments
- Extended lifetime of coated objects, e.g. by higher durability of the coating resin compared to the standard
- Exchange of a hazardous product in a formulation by a safer alternative

NEXTGEN Solutions

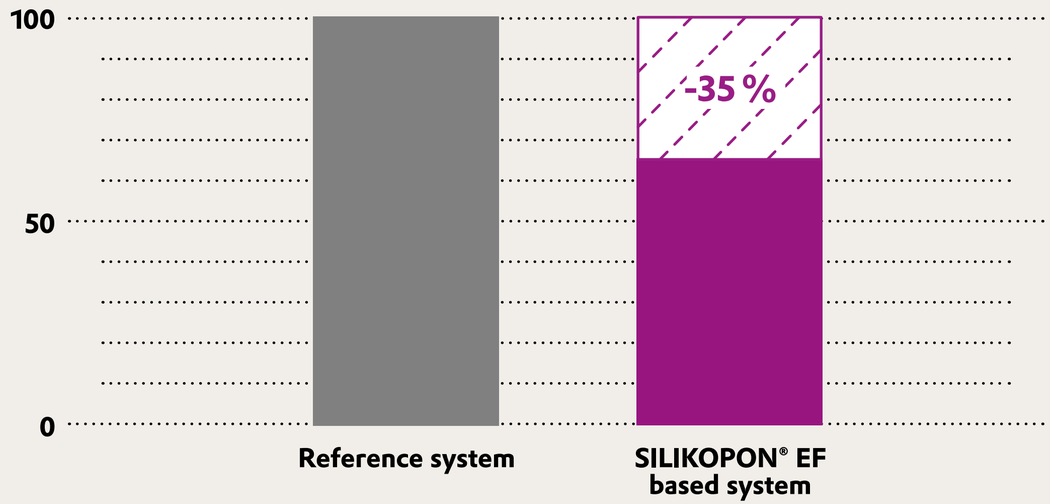
EXAMPLE

The standard system for C5 corrosion protection coatings is a 3-layer system with a zinc rich primer, an epoxy intermediate coat and a 2K polyurethane topcoat.

By using a SILIKOPON® EF based 2-layer system with significantly lower film thickness, the same corrosion performance can be achieved. However, due to savings of raw materials, the carbon footprint per coated area is reduced by 35 %. This reduction is the handprint achieved by the SILIKOPON® EF, making the total coating system more sustainable.

GLOBAL WARMING POTENTIAL

Specific CO_2 emissions per m^2 of a reference system (=100 %) and sustainable solution [%]



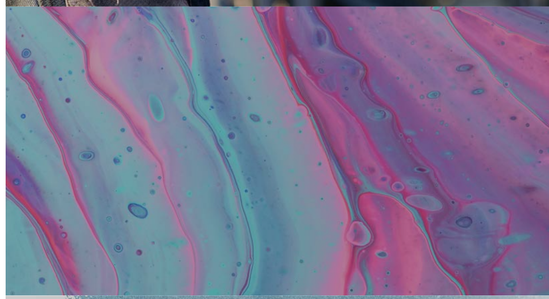
Life Cycle Assessments at Evonik

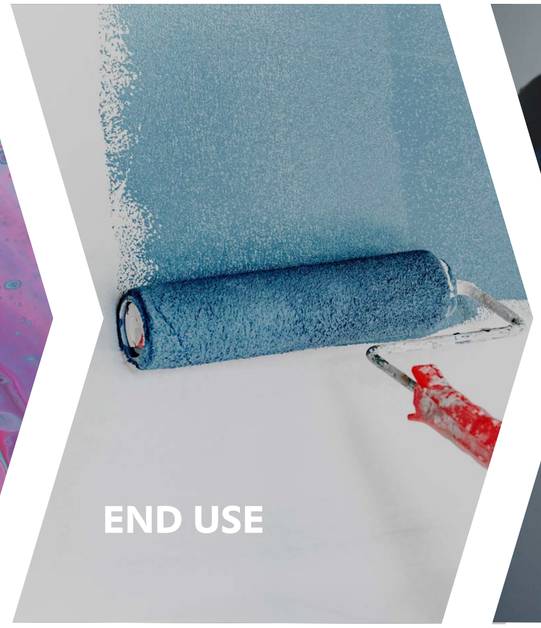
#03 SUSTAINABILITY @ COATING ADDITIVES

Our sustainability approach

Our **NEXTGEN Technologies** minimize the footprint by using resources more efficiently and minimizing emissions, and we go one step further:
Our **NEXTGEN Solutions** develop products and technologies that also reduce the environmental impact of our customers and end users to maximize the handprint.







NEXTGEN TECHNOLOGIES

- Sustainable feedstocks
- Renewable energy
- Process optimization

NEXTGEN SOLUTIONS

- Production efficiency
- VOC reduction
- Safe use
- Labels / Compliance
- Durability
- Circular Solutions

How our NEXTGEN Technologies minimize our footprint »

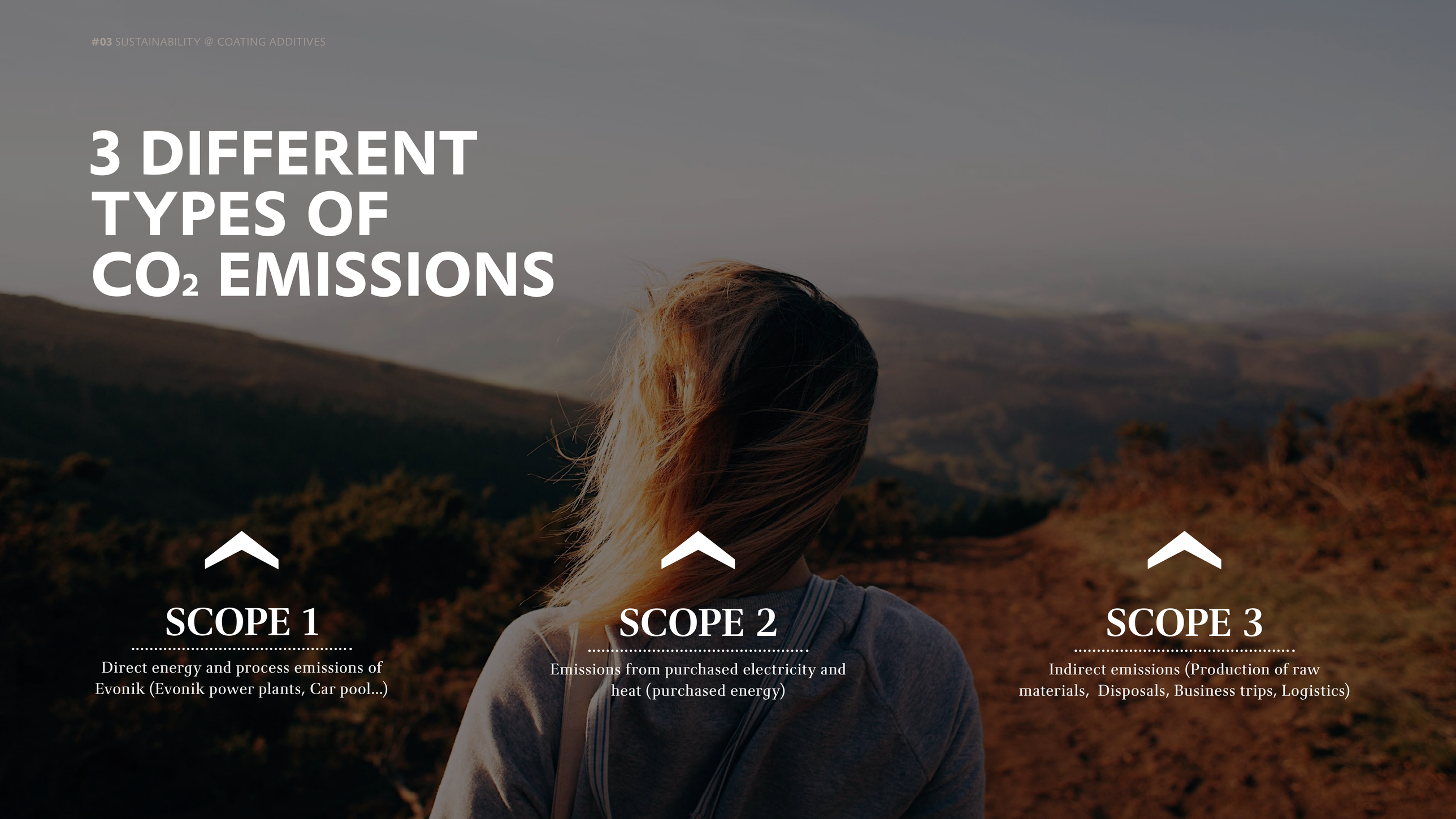
How our NEXTGEN Solutions maximize our handprint »

NEXTGEN **TECHNOLOGIES**

Activities @ Coating Additives

We analyze our supply chain and operations in order to quantify the different types of emissions from scope 1 to scope 3. Based on the findings, we carry out actions with the highest potential for a reduction of our footprint.

3 DIFFERENT TYPES OF CO_2 EMISSIONS



SCOPE 1

Direct energy and process emissions of Evonik (Evonik power plants, Car pool...)

SCOPE 2

Emissions from purchased electricity and heat (purchased energy)

SCOPE 3

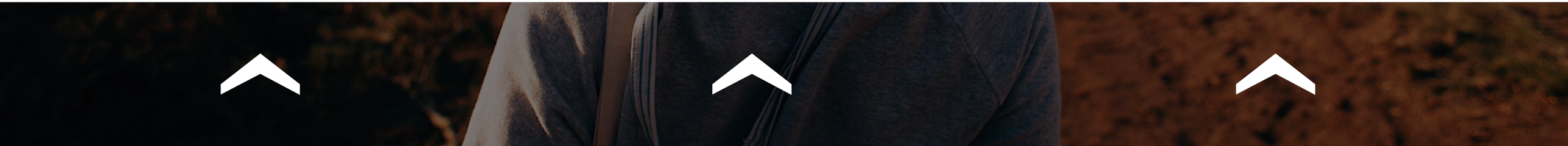
Indirect emissions (Production of raw materials, Disposals, Business trips, Logistics)

Scope 1 and 2

We create transparency via the monitoring of plant specific energy consumptions as well as information from LCAs of our products. Based on this information, we identify reduction potentials and carry out projects for the most attractive reduction potentials. Concerning the use of purchased energy, we are in exchange with our suppliers, e.g. to switch to renewable electricity.

Scope 3

Together with Procurement and Supply Chain Management, we constantly screen the market for alternatives to fossil based raw materials as well as less carbon intensive raw materials. We want to expand our portfolio of products based on renewable resources by switching to fully biobased raw materials and by using the mass balance approach.



NEXTGEN SOLUTIONS

Sustainability analysis and portfolio management

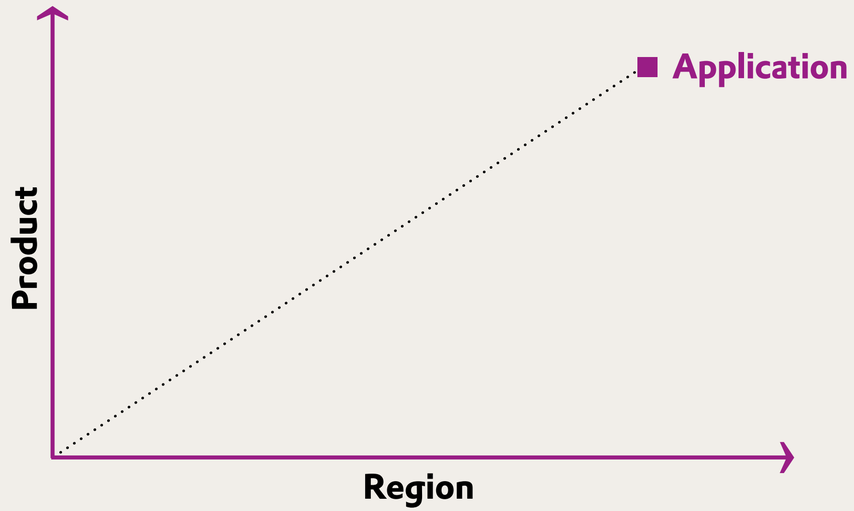
To have a transparent view on our portfolio and to identify sustainability related chances and risks, we are carrying out the Portfolio Sustainability Analysis (PSA) according to framework from the World Business Council for Sustainable Development (WBCSD). The different steps of the PSA are explained here.

More information of the PSA @ Evonik

Portfolio Sustainability Analysis @ WBCSD

4 STEPS OF THE PORTFOLIO SUSTAINABILITY ANALYSIS

PARC Product-application-region combination



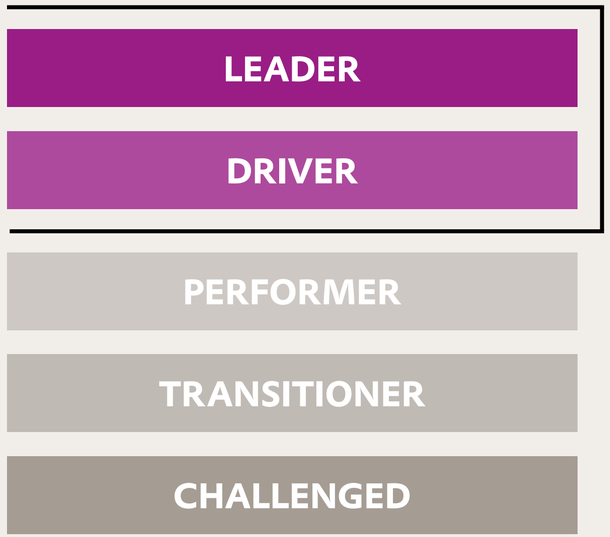
1. Critical substances
2. Regulatory trends and global conventions
3. Sustainability ambitions along the value chain
4. Eco labels, certification and standards
5. Relative ecological and social sustainability perfomance

1. DEFINITION OF PARCS

As a first step, we split our total portfolio into different parts, the so called Product - Application - Region - Combinations (PARCs). The goal of the PARCs is to divide the portfolio into uniform parts in order to achieve a clear assessments of each PARC.

2. EVALUATION OF MARKET SIGNALS

Each PARC will be evaluated in five signal categories. These signal categories cover different aspects of sustainability. For instance, the category “Critical substances” is focusing on the safety and potential hazards of chemical substances. In another example, “Sustainability ambitions along the value chain” is focusing on the sustainability related needs of direct customers and downstream users.



NEXTGEN Solutions

NEXTGEN Solutions
Product with a clearly positive sustainability profile

3. PORTFOLIO CATEGORIZATION

The findings from the market signal evaluation are used in a structured determination of the sustainability performance of the PARCs. The categorization ranges from the best category “Leader” to the worst category “Challenged”. Products and solutions with a clearly positive sustainability profile that is above or even well above the market reference level (Leader and Driver categories) are our NEXTGEN Solutions.

4. USING THE RESULTS

The results from the portfolio categorization are shown on our COATINO product finder by using a green badge. For customers it is now much easier to identify products with a positive sustainability profile. In addition to this we are using the results as a key resource in our portfolio management process. Based on the findings, we start new innovation or capex projects. We also take these findings for potential M&A activities into account.

#04 SOLUTIONS FOR MORE SUSTAINABLE COATINGS

What solutions do you offer?

Good health and well-being

OUR GOAL

We help you formulate coatings and inks that are compliant with current and future regulations and can be applied safely. By doing that, we actively contribute to the UN Sustainable Development Goal 3.

SUB TARGET 3.9

"By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water, and soil pollution and contamination."

Good health and well-being

Our NEXTGEN Solutions

SAFE USE

We constantly monitor regulatory, consumer, and society trends in the chemical and relevant downstream industries. Based on this, we analyze our portfolio for current and upcoming risks. We proactively carry out individual actions to reduce safety related risks of our products, e.g. by replacing hazardous components.

LABELS & COMPLIANCE

Driven by legislation, brand owners or independent organizations, there's an increasing need for compliance of coatings and inks to ecolabels, food contact regulations and many more regulatory standards. We analyze out portfolio for compliance and clearly communicate the status of our products. We consider today's and future compliance needs in our product development.

#04 SOLUTIONS FOR MORE SUSTAINABLE COATINGS

Efficient and environmentally sound formulations

OUR GOAL

Our products support your efforts to reduce energy and material consumption in the formulation and application phase. We also help you to reduce the VOC content in your formulations. By doing that, we actively contribute to the UN Sustainable Development Goal 9.

MOST RELEVANT TARGET 9.4

"By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities."

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Efficient and environmentally sound formulations

Our NEXTGEN Solutions

VOC REDUCTION

The negative impact of VOCs to the environment is well known. As a consequence, the emission of VOCs from paints, coatings, and inks is strictly regulated in more and more countries. We offer a broad portfolio of additives and resins that enable you to reduce VOC contents in your formulations.

PRODUCTION EFFICIENCY

The formulation and application of paints, coatings, and inks includes several time- and energy-consuming steps. We offer solutions to optimize and reduce your material and utility input, e.g. in the following situations:

- Pigment grinding and dispersion
- Substrate wetting and foam destruction in the application phase
- Curing of coatings and inks at lower temperatures

#04 SOLUTIONS FOR MORE SUSTAINABLE COATINGS

A responsible use of coatings and inks

OUR GOAL

Our products help you formulate long-lasting products that save resources. With our products from sustainable sources we reduce the dependency on fossil resources. By doing that, we actively contribute to the UN Sustainable Development Goal 12.

MOST RELEVANT TARGETS 12.2, 12.5

12.2: “By 2030, achieve the sustainable management and efficient use of natural resources.”

12.5: “By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse.”

A responsible use of coatings and inks

Our NEXTGEN Solutions

DURABILITY

The function of paints and coatings in the use phase of coated articles is to provide appealing surfaces and to protect the substrate against various kinds of damages. We offer powerful solutions for durable coatings, such as:

- Corrosion resistance
- Scratch resistance
- Burnish Resistance

SUSTAINABLE FEEDSTOCKS

The use of mineral oil based resources is a main driver for the ongoing climate change. By replacing fossil raw materials with renewable alternatives, we address this issue and further expand our portfolio of biobased additives.

Biobased Additives

CIRCULAR SOLUTIONS

Current value streams are in most of the cases linear, resulting in the ongoing exploitation of natural resources and ever-increasing volumes of waste. Evonik pools it‘s activities for circular solutions. We are part of this activity and develop circular solutions for paints, coatings, and inks.

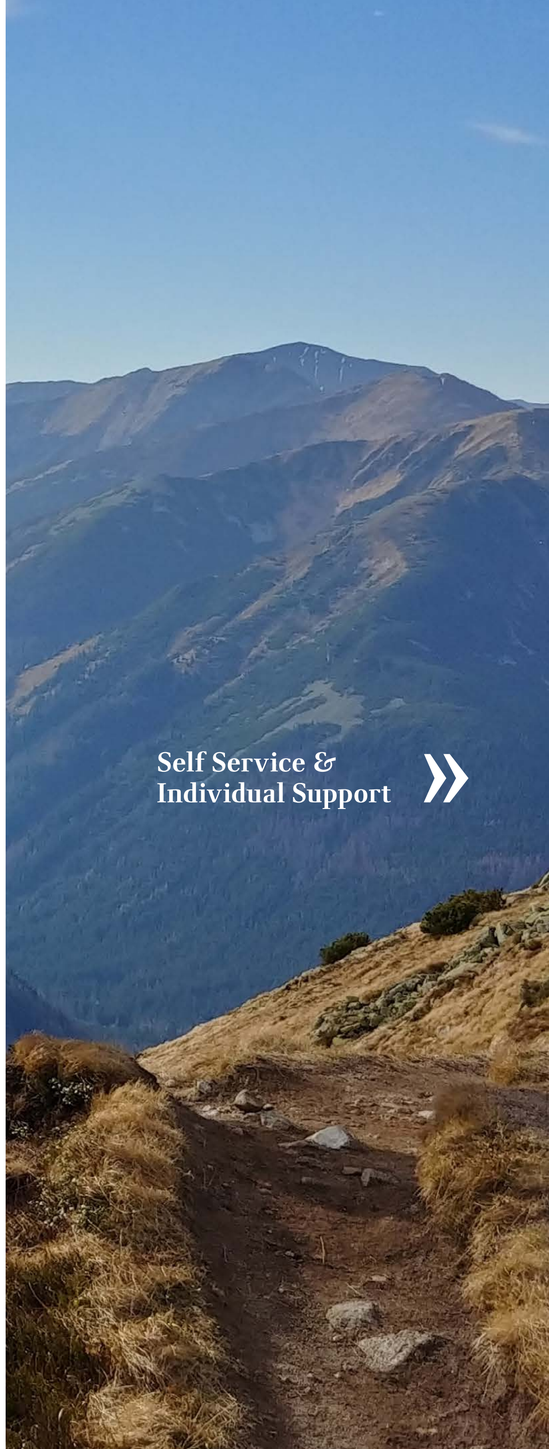
#05 SERVICES

How do you provide helpful data and information?

#05 SERVICES

Our quick access to information and in-depth expertise

We want to enable our customers to transform their business to become more sustainable, while making their daily work easier. That's why we provide easy access to product information, technical data sheets, regulatory guidance and, of course, personal support from our experts.



#05 SERVICES

Self Service

Our platforms provide quick and easy access to technical data and expert knowledge for more sustainable formulations.

COATINO® Product Search

COATINO® Campus

Product fact sheets

Coating Additives Responsibility

Individual support

Get in Touch

This information and any recommendations, technical or otherwise, are presented in good faith and believed to be correct as of the date prepared. Recipients of this information and recommendations must make their own determination as to its suitability for their purposes. In no event shall Evonik assume liability for damages or losses of any kind or nature that result from the use of or reliance upon this information and recommendations. EVONIK EXPRESSLY DISCLAIMS ANY REPRESENTATIONS AND WARRANTIES OF ANY KIND,WHETHER EXPRESS OR IMPLIED, AS TO THE ACCURACY, COMPLETENESS, NONINFRINGEMENT, MERCHANTABILITY AND / OR FITNESS FOR A PARTICULAR PURPOSE (EVEN IF EVONIK IS AWARE OF SUCH PURPOSE) WITH RESPECT TO ANY INFORMATION AND RECOMMENDATIONS PROVIDED. Reference to any trade names used by other companies is neither a recommendation nor an endorsement of the corresponding product, and does not imply that similar products could not be used. Evonik reserves the right to make any changes to the information and/or recommendations at any time, without prior or subsequent notice. ACEMATT®, ADDID®, AEROSIL®, AIRASE®, ALBIDUR®, CARBOWET®, DYNOLTM, NANOCRYL®, SILIKOFTAL®, SILIKOPHEN®, SILIKOPON®, SILIKOPUR®, SILIKOTOP®, SIPERNAT®, SURFYNOL®, TEGO®, TEGOMER® and ZETASPERSE® are registered trademarks of Evonik Industries or its subsidiaries. Evonik supports you in selecting the best suited product and optimizing current formulations through our Application Technology Group.

EVONIK OPERATIONS GMBH
Goldschmidtstraße 100
45127 Essen
www.coating-additives.com

EVONIK
Leading Beyond Chemistry