Press release



Evonik allocates \in 100 million for digitalization and enters into cooperation with IBM and the University of Duisburg-Essen

Essen, Germany. Evonik is setting aside \in 100 million for the topic of digitalization and is also entering into a strategic partnership with IBM and the University of Duisburg–Essen, aimed at forging ahead with the digital change in the chemical industry. "For us as a specialty chemicals company, digitalization brings with it a world of possibilities. Now it's about identifying them, testing them out, and being able to put them to good use. This is why we took this initiative." explains Christian Kullmann, chairman of the Executive Board of Evonik Industries AG.

By providing the financial means and establishing the new strategic partnerships, the specialty chemicals company is aiming to further strengthen its position in the digital world. Henrik Hahn, who coordinates digitalization activities for the Group in his role as chief digital officer (CDO), said, "By the year 2020, we aim to see around € 100 million going into development and testing of digital technologies and the development of digital skills. It's not just about data and technology, but especially about new business models, solutions, services for customers, and training qualified staff."

The partnership with IBM will see Evonik benefit from the latest technologies and innovative projects IBM is spearheading, encompassing technologies such as cognitive and cloud based technologies such as blockchain, Internet of Things, and Industry 4.0 amongst others. The partnership also allows Evonik to tap into IBM's R&D technological breakthroughs such as Quantum computing.

In July 2017 the first pilot project will start with Evonik and IBM set to co-develop a Cognitive Evonik-specific Chemical and Life Science Knowledge Corpus based on data analyzed by IBM Watson Explorer and Watson Knowledge Studio. Watson Explorer is IBM's cognitive search and content analysis platform; Watson Knowledge Studio is the company's cloud-based app that enables developers to identify relationships in unstructured data and can be used in Watson Explorer. The resulting insights from this solution will be made available as a Digital Advisory Services but also to be used for efficiency improvements. July 7, 2017

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Martina Koederitz, General Manager IBM Germany, Austria and Switzerland, said: "With Watson, IBM is creating the foundation for companies to make wise use of existing knowledge and to further develop it in the spirit of a learning organization. We are very pleased to partner with Evonik and bring our most advanced Cognitive and Cloud technologies and our newest research findings combined with our deep expertise, to support Evonik stand out and taking a pioneering role in the chemical industry in digital transformation."

The new strategic cooperation between Evonik and the University of Duisburg-Essen (UDE) will focus on the people and skills at the center of digital transformation. Topics include, for example, interactive knowledge transfer and individually tailored training concepts in industrial practice. The cooperation will also look into the benefits of data exchange and digital business partnerships.

Prof. Ulrich Radtke, rector of the University Duisburg-Essen (UDE), said: "Digitalization is one of the key challenges of our time. It is a fascinating field of research because it has an impact on almost every aspect of our lives. The cooperation with Evonik offers us the chance to relate our expertise in the interaction of people and digital systems to industrial applications and to transfer our insight gained from fundamental research into practice more quickly."

Evonik sees itself as a pioneer in digitalization within the chemical industry and in early 2017 founded Evonik Digital GmbH to develop and advance ideas in this area, even through unconventional ideas – focusing on new products and services that will also support the success of Evonik's customers.



Dr. Henrik Hahn, Chief Digital Officer (CDO) and Chairman of the Management Board of Evonik Digital GmbH

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Company information

Evonik, the creative industrial group from Germany, is one of the world leaders in specialty chemicals. Profitable growth and a sustained increase in the value of the company form the heart of Evonik's corporate strategy. Its activities focus on the key megatrends health, nutrition, resource efficiency and globalization. Evonik benefits specifically from its innovative prowess and integrated technology platforms. Evonik is active in over 100 countries around the world with more than 35,000 employees. In fiscal 2016 the enterprise generated sales of around \in 12.7 billion and an operating profit (adjusted EBITDA) of about \in 2.165 billion.

Evonik Industries has been producing specialty chemical products in the Greater China region (Mainland China, Hong Kong and Taiwan) since the late 1970's; with wide-ranging trading relations already in place prior to this in the region. Evonik regards Greater China as one of the driving forces of the global economy and we consequently endeavor to grow our business in the region. The company now has around 3,200 employees in the Greater China region, the regional sales reached about $\in 1.3$ billion in 2016.

Disclaimer

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