

## Megacities offer Growth Opportunities for Evonik

- Evonik offers technologies to address the challenges of megacities
- Expert panel organized in Shanghai as part of the traditional event “Evonik meets Science”

Evonik has identified increasing global urbanization and the resulting megacities as drivers of new growth and innovative business ideas. To explore this topic further, the company invited experts and researchers to Shanghai, China, on November 28 and 29 to discuss solutions and ideas associated with megacity challenges. The specialty chemical company regularly seeks dialog with scientists as part of its “Evonik Meets Science” concept.

Life in megacities is heavily influenced by the megatrends of health, nutrition, resource efficiency, and globalization, which are of such importance to Evonik that the Company consistently aligns its business with them. Evonik already has a number of products in its portfolio that can contribute to solving the challenges of megacities.

According to expert estimates, approximately two-thirds of the global population—compared to currently one half—will live in cities by 2030. The world now has about twenty megacities with populations over 10 million and their number will increase further. This creates enormous challenges for transportation systems, energy supply, living space, water and food supply as well as environmental pollution in these metropolitan areas. Thanks to its creativity and full spectrum of products and technologies, Evonik has the potential to offer new and intelligent solutions for megacities in the intermediate and long term. To discuss these concerns, Evonik invited renowned scientist, including Prof. Wenyuan Niu, Counsellor of the State Council of the People's Republic of China.

The presentations given by Evonik scientists in Shanghai provided further glimpses of the future in megacities. Special challenges exist, for example depending on the region, densely populated cities have as much need for air-conditioning as for a comprehensive heat supply. The sustainable generation of refrigeration from heat for air conditioning and industrial applications relies on so-called absorption refrigerators, which are powered by exhaust heat and solar energy. The chemical system solutions

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of Evonik may contribute to new application areas and an increased use of this technology in the future.

Vacuum-insulated panels (VIPs) provide highly efficient insulation appliances such as refrigerators. The excellent insulating effect of the Evonik silica AERSOSIL® leads to optimal results in highly confined spaces, using the same functional principle as a thermos bottle in a vacuum. Evonik also employs this insulating effect of AEROSIL® in a completely new product that may find use as an insulation panel in the construction industry. The new panels are permeable, including for moisture, non-flammable, and provide the same insulating performance as conventional materials although they are much thinner.

Polymethylmethacrylate offers a wide range of options for megacity lighting. Thanks to its high optical purity, easy processing properties, and high resistance to weather, polymethylmethacrylate is particularly well suited for use in light technology applications.

“To systematically identify potential new growth areas, Evonik uses approaches such as Open Innovation, investments in promising start-ups through corporate venturing, and an in-house Corporate Foresight team to boost our own expertise in future research,” explained Dr. Peter Nagler, Chief Innovation Officer of Evonik. The team is developing promising business for the specialty chemicals company with a timeline of ten to 15 years to make the most of future demand. Using trend analyses, it identifies challenges that will affect markets in the future, with technologies for urban areas as a current focus area.

#### **About Evonik**

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. In fiscal 2011 more than 33,000 employees generated sales of around €14.5 billion and an operating profit (adjusted EBITDA) of about €2.8 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 endeavour to grow our business in the region. The company now has around 3,500 employees in the Greater China region, the regional sales reached over 1.2 billion in 2011.

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