



Becoming Fully Circular

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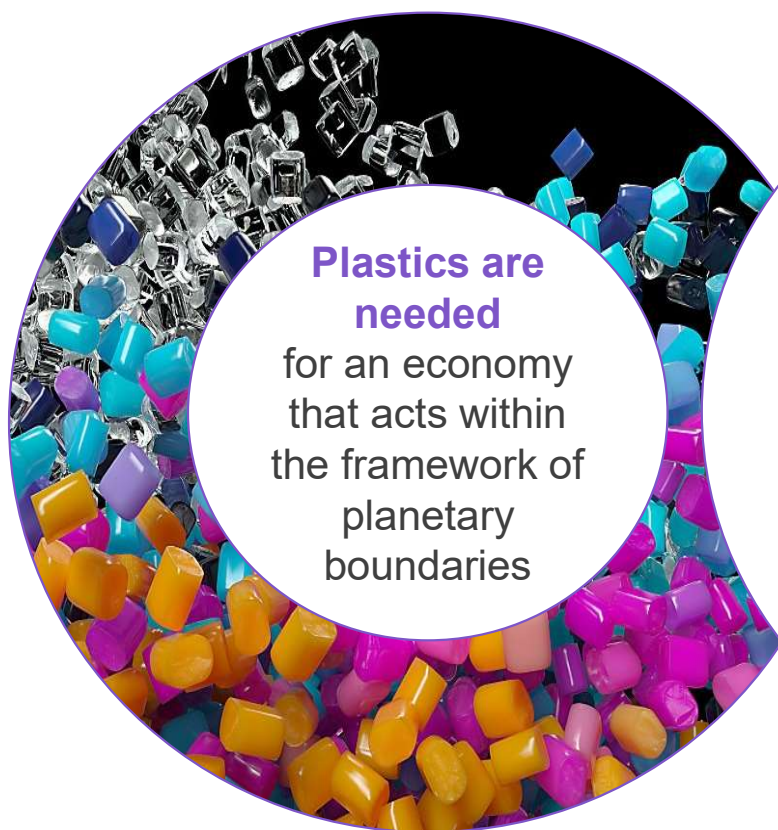
INTERNAL

11/22/2021 – Journey to the Future Seminar – Becoming Fully Circular Frank Dörner



Key to the Future

Plastics are driving the Circular Economy forward



Plastics are needed
for an economy
that acts within
the framework of
planetary
boundaries

**Plastics industry as
decisive force**
for the transition to a
Circular Economy

- Resource-intensive production
- Supplier to many key industries



Setting the path for tomorrow

Our commitment to circularity



BECOME FULLY CIRCULAR



Accelerate the transition to a fossil-free economy



DRIVE SUSTAINABLE GROWTH



Address sustainability in a profitable way



BECOME THE BEST OF WHO WE ARE



Transform the company to exploit its full potential

ADVANCE DIGITALIZATION

EXPAND 'WE ARE 1' CULTURE

Comprehensive Program

Four focus areas to promote the Circular Economy



Alternative raw materials



Innovative recycling



Renewable energy



Joint solutions

Long-term program

- Four core areas to promote the Circular Economy
- Company-wide strategic program



INTRODUCING THE WORLD'S FIRST

CLIMATE-NEUTRAL POLYCARBONATES

- With zero carbon footprint from cradle to gate,* thanks to the introduction of raw materials from mass-balanced bio-waste and residues and use of renewable energy.

*Cradle to gate is an assessment of a partial production life cycle from resource extraction to the factory gate, biogenic carbon included. According preliminary reviewed LCA impact assessment according to CML 2001 - Aug.2016.



Example: Sustainable raw materials for polycarbonate

Use of waste and residual oils and fats

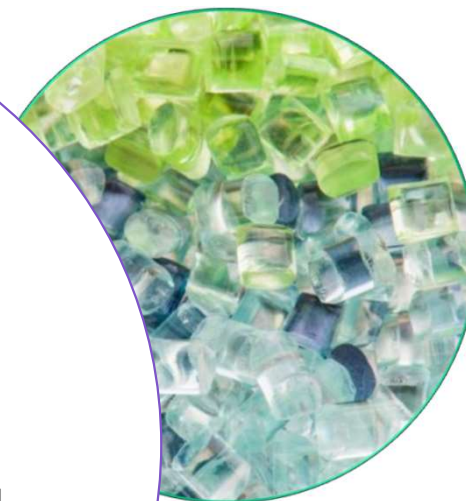


Covestro entering into **strategic cooperation** with suppliers Borealis and Neste

Phenol produced for the first time from **renewable hydrocarbons**

Important building block for high-performance plastic polycarbonate, certified according to ISCC+

First delivery to Krefeld-Uerdingen site in October 2020



Series of Drop in Solutions to be introduced

Important step towards full circularity



Certified alternative feedstock serve as drop-in solutions

Alternative raw materials



ALTERNATIVE PHENOL/ ACETONE

- ISCC Plus-certified raw material
- Drop-in precursor for PC



- First delivery of 1,000 tons of ISCC Plus-certified mass balanced phenol received in Q4 2020, another 2,000 tons received in Q1 2021
- Neste produced ISCC Plus-certified 100 percent bio-based hydrocarbons from renewable raw materials, such as waste and residual oils / fats
- Borealis converts hydrocarbons from Neste into ISCC Plus-certified phenol and acetone

ALTERNATIVE BENZENE

- ISCC Plus-certified raw material
- Drop-in precursor for MDI



- First delivery of 2,000 tons of ISCC Plus-certified mass balanced benzene received in Q1 2021
- Resulting product quality on par with petrochemical-based MDI
- Drop-in solution with alternative raw material helps clients to reduce carbon footprint

PRODUCTION SITES

- ISCC Plus-certification for Covestro production sites



- ISCC Plus-certification for Covestro sites received
 - for PC made in Antwerp, Belgium, Uerdingen, Germany, and Shanghai, PRC
 - for MDI made in Uerdingen, Germany, and Shanghai, PRC
- Drop-in solutions for customers with constant product quality compared to fossil-based product

Thank you for your attention!



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