



Press Release

Leverkusen,
October 14, 2019

Materials manufacturer launches strategic program

Covestro plans to promote circular economy

Covestro AG
Communications
51365 Leverkusen,
Germany

- **Seeing plastic waste as a valuable resource**
- **Alternative raw materials to break away from crude oil**
- **Fostering recycling through innovative processes**

Contact
Stefan Paul Mechnig
Telephone
+49 214 6009 3635
E-mail
stefanpaul.mechnig
@covestro.com

With a long-term program, Covestro plans to place a strong focus on the circular economy and to be a creative force for the entire plastics industry. In particular, the company aims to use raw materials from sustainable sources such as waste, plants and CO₂ as much as possible in production. The aim is to achieve the greatest possible departure from fossil resources such as crude oil. Above all, used plastics must be recycled systematically and to the greatest possible extent. Covestro intends to develop new technologies exactly for this purpose. Overall, the company wants to shape the transition from a disposable economy to a circular economy with as many partners as possible and expects this to open up entirely new business opportunities.

"The great challenges of our time, such as climate change and the increasing consumption of resources by the growing world population, make truly sustainable ways of living and economies an indispensable necessity. The linear patterns in consumption and production based on one-time use have become obsolete – we must rather strengthen the idea of recycling and consistently align our actions accordingly," stresses Covestro CEO Dr. Markus Steilemann.

According to Steilemann, the plastics industry in particular can and must drive the change to achieve a circular economy. "Our company wants to be a pioneer in this process – for the benefit of the environment and society, but of course also for the benefit of our customers, who want to join us on our path to the circular economy."

Moving carbon in circles

In order to promote the circular economy, Covestro has taken a first step in establishing a global strategic program to establish circularity throughout all areas of the company. It will then be backed by concrete and measurable objectives. The materials manufacturer has already taken several steps in this direction. For instance, it has recently been using alternative raw materials instead of crude oil to move the important element carbon virtually in a circle. Especially when it comes to using CO₂ as a new raw material, Covestro sees itself as a pioneer and, with its innovative technology, is now in the grand finale of the prestigious German President's Award.

However, the greatest potential for closing cycles is likely to lie in the recycling of plastic waste. In order to be able to make greater use of it than before, waste disposal systems must be considerably improved and redesigned. Covestro wants to contribute to this above all by developing new recycling technologies. The aim must be to use the most energy-efficient methods possible to convert used plastics back into their molecules. In a joint project, for example, the company is conducting concrete research into the reuse of soft polyurethane foam, which is used to make mattresses.

On top of this, Covestro intends to increasingly design plastics from the outset so that they can be effectively recycled. At the same time, plastic products must last as long as possible and be used to avoid waste.

Plastics as problem solvers

"Society, but also industry, must produce less waste. Above all, waste has to be disposed of systematically and must no longer end up uncontrolled in the environment," says CEO Steilemann. "Plastic waste in our oceans is essentially the result of inadequate waste management. Plastic in itself is not the problem and should not be prohibited. On the contrary, high-quality plastics are a problem solver and are urgently needed – for renewable energies, new forms of mobility and sustainable construction, for instance."

In order to stop the flow of plastic waste into the bodies of water, Covestro is also involved in the Alliance to End Plastic Waste, a worldwide company network that has been active since early 2019. In the new Circular Plastics Alliance, the company is also working with numerous other businesses and organizations to promote the recycling of plastics in Europe.

Overall, Covestro wants to cooperate with as many players as possible in all areas of the value chain in order to find the best solutions for the circular economy. The company assumes that a recycling-oriented economy will also



lead to new business opportunities. New value creation paths and new business relationships beyond the existing B2B business are potential opportunities.

At the world's largest plastics trade fair, K 2019 in Düsseldorf, Covestro will be presenting many prime examples of products and technologies that can help close material cycles in various sectors. Together with its partners, Covestro has for example developed a concept for manufacturing new electronic components from used polycarbonate. Covestro will also be hosting a special theme day at its booth on October 23 dedicated to the topic of the circular economy.

About Covestro:

With 2018 sales of EUR 14.6 billion, Covestro is among the world's largest polymer companies. Business activities are focused on the manufacture of high-tech polymer materials and the development of innovative solutions for products used in many areas of daily life. The main segments served are the automotive, construction, wood processing and furniture, and electrical and electronics industries. Other sectors include sports and leisure, cosmetics, health and the chemical industry itself. Covestro has 30 production sites worldwide and employs approximately 16,800 people (calculated as full-time equivalents) at the end of 2018.

This press release is available for download from the Covestro press server at www.covestro.com. A Photo is available there for download as well. Please mind the source of the pictures.

Find more information at www.covestro.com.

Follow us on Twitter: <https://twitter.com/covestro>

stm (2019-169E)

Forward-looking statements

This news release may contain forward-looking statements based on current assumptions and forecasts made by Covestro AG. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. These factors include those discussed in Covestro's public reports which are available at www.covestro.com. The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.