



# We Will Be Fully Circular

Sustainability @ Covestro  
Covestro 2025

# Forward-looking statements



This presentation 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 on the Covestro website at [www.covestro.com](http://www.covestro.com).

Covestro assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.

# Inventor and leader in high-tech material solutions

## Covestro at a glance



### WHAT WE DO

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 and health.

Together with our partners and customers, we are taking big steps to tackle a fundamental challenge: Shifting towards a Circular Economy.

To achieve this bold goal, we are innovating efficient ways to close energy and material cycles. We are pushing boundaries in polymers.

### WHAT WE STRIVE FOR

#### Purpose



To make the world a brighter place

#### Vision



We will be fully circular

#### Values



Curious, courageous, colorful

#### Goals



Financial 2025 and non-financial 2025 goals

€14.2bn

Sales 2024

17,503

Employees (in FTE) 2024

#1

Global producer of PU and its derivatives as well as PC<sup>(a)</sup>

# A clear connection to customers and our ambitions

## Our strategy – setting the path for tomorrow

Strategy Updated



Customer perspective anchored in strategy: You are never more than 10 meters away from a Covestro product



Be a reliable partner for our customers

**BECOME THE BEST OF WHO WE ARE**



We OPERATE competitively



Grow our product portfolio based on customers needs

**DRIVE GROWTH SUSTAINABLY**



We GROW our attractive, sustainable portfolio organically, inorganically and through innovation



Develop sustainable solutions for and with our customers

**BECOME CLIMATE NEUTRAL AND FULLY CIRCULAR**



We REALIZE our climate targets and our vision to become fully circular



Financial and non-financial ambitions

ADVANCE AI & DIGITAL TRANSFORMATION

STRENGTHEN CULTURE AND BUILD WORKFORCE OF THE FUTURE

# Pursuing long-term goals that transform the company

## Covestro strategic objectives

### BECOME THE BEST OF WHO WE ARE



Mid-cycle EBITDA with yearly increasing EBITDA based on capacity increases



Structuring business into the 2 segments and profitably developing the business with focus on sustainability and CE



Customer centricity concept consisting of knowing the customer, thinking customer first and co-creating customer value

### DRIVE SUSTAINABLE GROWTH



Grow by long-term average capex slightly above D&A



Managing and steering the product portfolio toward greater sustainability and circularity



Pursue options for bolt-on acquisitions in S & S segment

### BECOME FULLY CIRCULAR



Invest in CE projects almost €1bn of capex over 10 years



Produce 100% of our products from alternative raw materials long-term



Transform polymer research through increasing investments in digital R&D

# Covestro products positively impact sustainability in our daily lives



## Covestro product applications



### PERFORMANCE RAW MATERIALS



Increasing energy efficiency of buildings through materials and technologies for insulation



Mass-balanced polymers used in flexible and rigid foam saving crude oil, e.g. Desmodur CQ®



Food preservation along the cold chain



### ENGINEERING PLASTICS



Enabling electro-mobility with materials for battery housings, housings for charging stations



Recycled content grades on a virgin performance level



Use in protective gear and medical applications, e.g. drug delivery devices



### SPECIALTY SOLUTIONS



Waterborne coatings and adhesives, replacing solvent





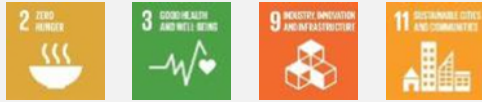

Bio-based raw materials to improve CO<sub>2</sub> footprint, e.g. Baycusan® eco



Fully recyclable shoes made from thermoplastic PU powder and filament

# Our innovative products tap into attractive new markets

## Structural growth drivers

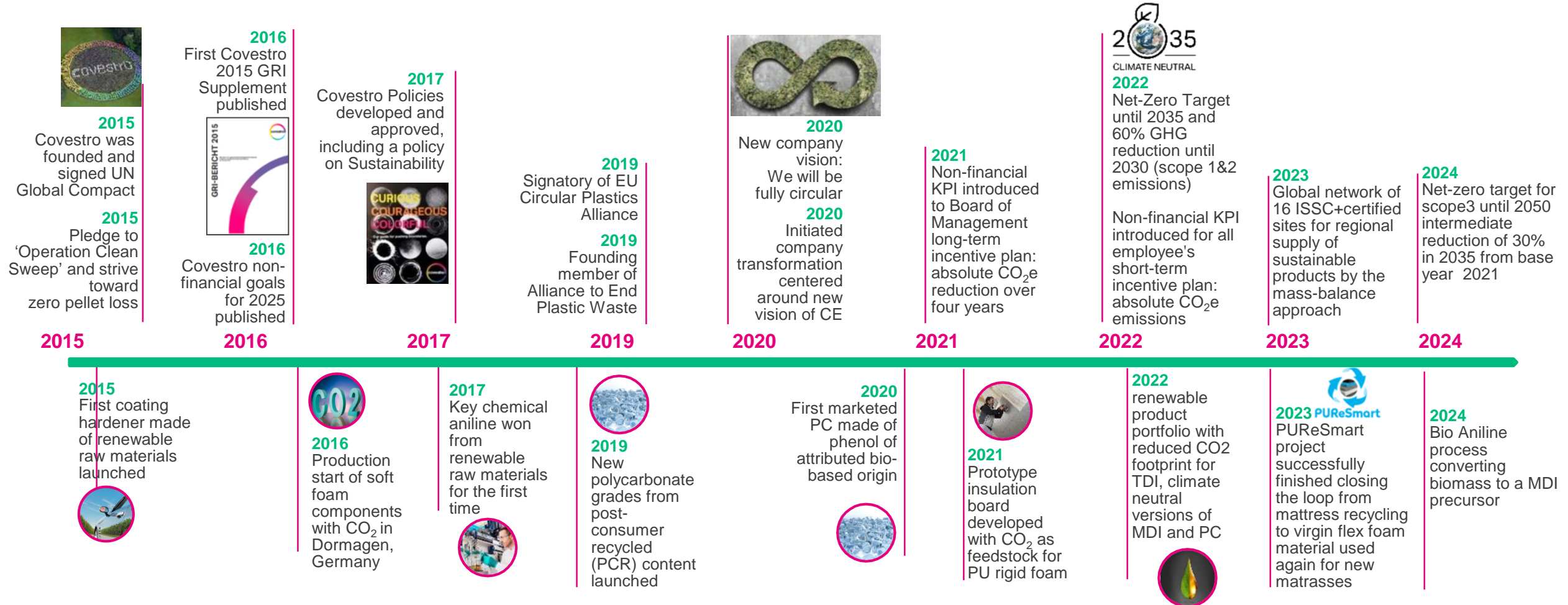
UN SDGs(a)	NEEDS	SAMPLE APPLICATIONS(7)
<p>related to climate change:</p> 	<ul style="list-style-type: none"> <li>Alternative energy sources, stepping away from fossil fuels</li> <li>Zero emission concepts</li> <li>Electricity key to green hydrogen economy</li> </ul>	<ul style="list-style-type: none"> <li>Increase in electricity demand from 2019 to 2050 ~75%<sup>1</sup></li> <li>On- &amp; Offshore wind energy CAGR: ~7%<sup>2</sup></li> </ul>
<p>related to increasing mobility:</p> 	<ul style="list-style-type: none"> <li>Energy-efficient mobility</li> <li>E-mobility</li> <li>Autonomous driving</li> </ul>	<ul style="list-style-type: none"> <li>Global car production CAGR: ~3-4%<sup>3</sup></li> <li>Global EV prod. CAGR: ~26%<sup>4</sup></li> </ul>
<p>related to growing population and prosperity:</p> 	<ul style="list-style-type: none"> <li>Sustainable fashion</li> <li>Food preservation</li> <li>Medical applications</li> </ul>	<ul style="list-style-type: none"> <li>Healthcare device market CAGR: ~5.5%<sup>5</sup></li> <li>Covestro relevant market CAGR: ~6%<sup>5</sup></li> </ul>
<p>related to increasing urbanization:</p> 	<ul style="list-style-type: none"> <li>Energy-efficient lighting</li> <li>Affordable housing</li> <li>Public infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Luminaire market CAGR: ~4%<sup>6</sup></li> <li>Luminaire LED CAGR: ~17%<sup>6</sup></li> </ul>

Notes: (a) Most impacted goals out of 17 Sustainable Development Goals, set by the United Nations' "2030 Agenda for Sustainable Development  
 1) BP, Energy Outlook, 2023 for 2023-2050; 2) Preview GWEC, Global Wind Executive Council: Annual-Wind-Report 2023 for 2023-2030; 3) GD, Feb 2024, for years 2022-2027  
 4) GD, Feb 2024, for years 2022-2027; 5) Fortune Business Insight, CAGR 2022-2029, Covestro estimates for 2023 to 2030; 6) Fortune Business Insights Report on Lighting (CAGR 2022-2029) / LED Lighting Market (CAGR 2022-2029) 7) Covestro industry demand outlook assumes global GDP CAGR of 2-3% in 2024 - 2029e

# Long history of innovations inspired by sustainability



## Covestro milestones in sustainability



# On track to achieve our ambitious non-financial targets

## Covestro sustainability targets



### Five ambitious goals

2025



Align **research and development** with the UN Sustainable Development Goals



Apply sustainability standards to all **suppliers**



Improve **living conditions** of 10 million people in underserved markets



Use **carbon** in the most intelligent way

2030-50



Covestro aims for scope 1-3 climate neutrality with intermediate targets

### Our Achievement

54% of R&D project expenditures in 2024

79% by end of 2024

~7.3 million people by end of 2024

Company vision to become fully circular announced in 2020, concept merged into CE approach

-17% GHG emissions in Scope 1-3 vs reference years<sup>(1)</sup>



# Covestro ESG rating results and index membership

As of April 2025



ESG Ratings & Indices	Scoring Range (Worst → Best)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Distinction
CDP CLIMATE	D- to A	-	-	-	-	-	A-	A-	A-	Update pending		(1) Leadership Level
ecoVadis SUPPLIER SUSTAINABILITY RATINGS	0 to 100	73			80			72				(2)  SILVER   Top 15% Sustainability Rating FEB 2025
MSCI ESG	CCC to AAA	BBB	BBB	A	A	A	A	AA	A	AA		(3)  MSCI ESG RATINGS AAA AA A BBB BB B CCC
SUSTAINALYTICS	100 to 0	74	75		80	23.3	20.0	18.3	20.9	20.1	21.4	(4)  ESG RISK RATINGS 2024 INDUSTRY TOP RATED
FTSE Russell	Excluded / Listed	Listed	Listed	Listed	Listed	Listed	Listed	Listed	Listed	Listed	Listed	FTSE4Good

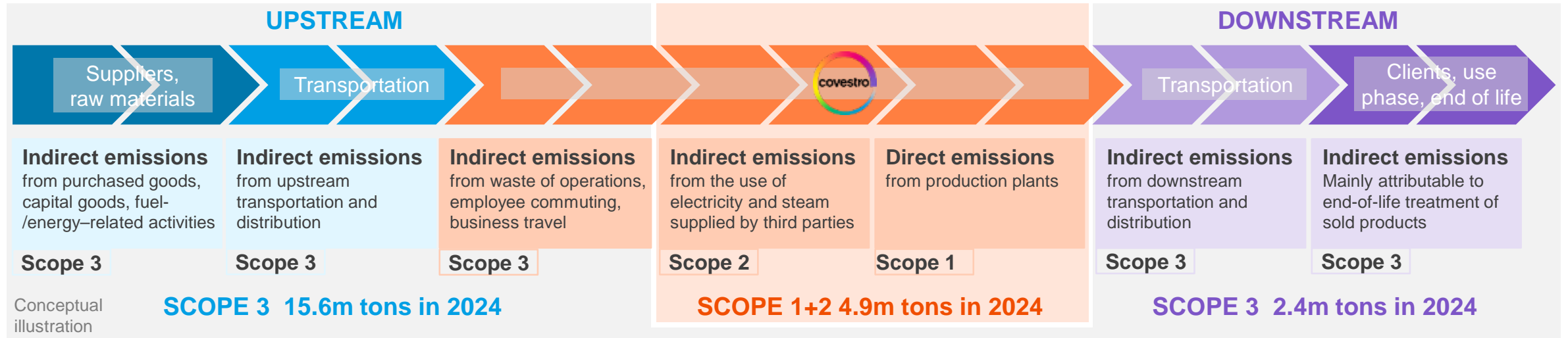
Notes: (1) Leading within the chemical industry in managing the most significant climate related questions.  
 (2) Covestro belongs to the Top 10% within the chemical industry.  
 (3) Covestro belongs to the Top 20% within specialty chemicals.  
 (4) Covestro is identified as a TOP ESG performer of Sustainalytics' ESG Risk Ratings out of more >4,000 comprehensive companies. Covestro belongs to the Top 11% within the chemical industry.



**NEW CLIMATE  
GOALS OF  
COVESTRO  
OUR PATH TO CLIMATE  
NEUTRALITY**

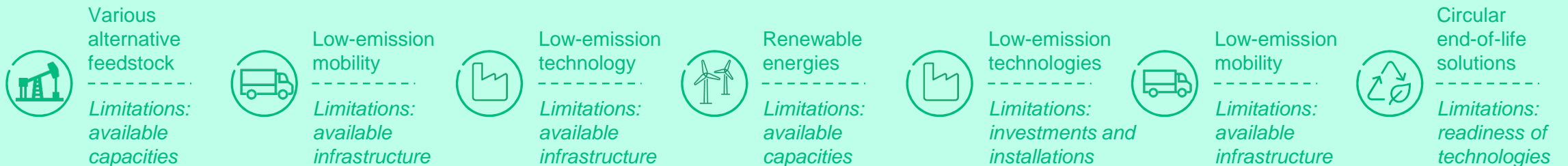
# Climate neutrality with existing technologies and assets

## Covestro greenhouse gas emissions



### EXISTING OPTIONS AND CURRENT LIMITATIONS TO REDUCE GHG EMISSIONS

Selective examples only



# Pioneering a sustainable future: climate neutral in 2035

## New climate neutrality target for GHG emissions scope 1 and 2



### OUR PURPOSE



To make the world a brighter place

### OUR VISION



We will be fully circular

#### CLIMATE NEUTRALITY IN 2035

- Covestro target relates to absolute GHG emissions
- Comprises direct (scope 1) and indirect (scope 2) GHG emissions

#### 60% REDUCTION IN 2030

- Interim target of 2.2 million tons GHG emissions in 2030
- Base year 2020 with 5.6 million tons GHG emissions

#### ALIGNED WITH GLOBAL 1.5°-GOAL

- Covestro target aligned with 1.5°C goal of the Paris Climate agreement

#### CLIMATE NEUTRAL GROWTH SINCE 2005

- Previous specific GHG emission reduction target for 2025 achieved ahead of time

#### TARGET FOR UP- AND DOWNSTREAM CLIMATE NEUTRALITY

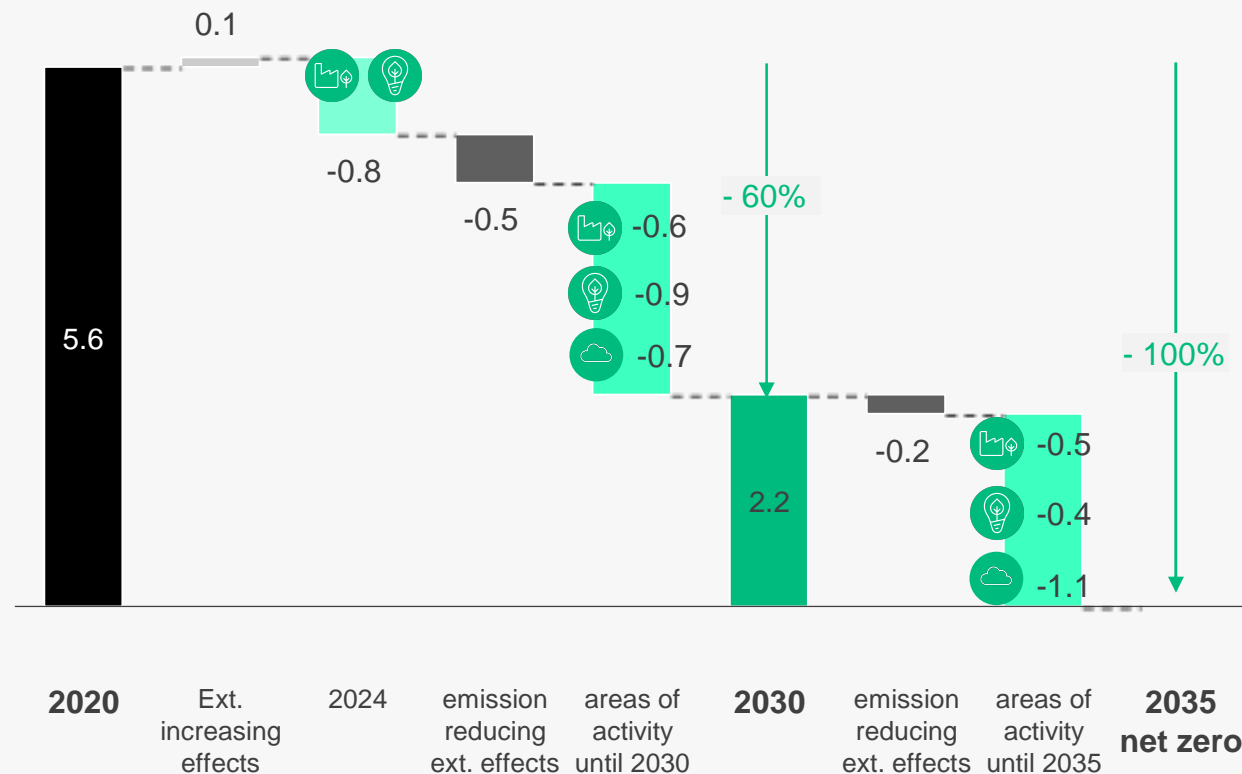
- Scope 3 GHG emission reduction target published in 2024
- Roadmap and measures largely linked to transition to a circular economy

# Sustainable manufacturing and renewable energy to lead path

## Climate neutrality target for GHG emissions scope 1 and 2



GHG emissions in million metric tons, scope 1 and 2



### EMISSION REDUCTION MEASURES

- Three main levers make a vital contribution to reduce GHG emissions:
  - More sustainable manufacturing (scope 1 and 2)
  - Renewable electricity (scope 2)
  - Renewable steam (scope 2)
- Net external effects comprise known future changes in the energy mix of public grids (e.g. nuclear exit in Germany and Belgium) and in public energy allocation schemes (e.g. EEG in Germany)
- Roadmap for 2030 interim target based on identified 'lighthouse projects'
- Further roadmap until 2035 climate neutrality target in preparation based on similar key measures; no negative impact from business growth as future growth investment are required to support climate neutral growth latest by 2030

# Numerous measures effectively reduce GHG emissions



## Climate neutrality target for GHG emissions scope 1 and 2



### MORE SUSTAINABLE MANUFACTURING



Reducing nitrous oxide emissions by installation of highly efficient catalysts



Optimizing production processes to increase energy efficiency



Employing digital technologies for efficient production control



### RENEWABLE ELECTRICITY



Onshore wind energy, PPA with ENGIE since 2021 for 45% of site's electricity in Antwerp



Offshore wind energy, PPA with Ørsted starting 2025 for 10% of sites' electricity in Germany



Solar&wind energy, PPAs for ~45% of Shanghai site electricity with Datang Power&CGN New Energy



### RENEWABLE STEAM



Converting steam generation from fossil to renewable energy sources



Develop options to electrify steam generation based on renewable energies



Develop options to use e.g. biogas or green hydrogen as energy source to generate steam

# Continuously improving global renewable electricity footprint

## Additional PPAs became active end 2024



### MILESTONES TO RENEWABLE ELECTRICITY SUPPLY

#### EMLA

PPAs with BP, Engie and Ørsted for 650 GWh solar and wind energy:

- 45% of electricity for Antwerp site since 2022 increasing to 60% as of 2026<sup>(1)</sup>
- 10% of German sites as of 2026<sup>(2)</sup>
- 30% of Spanish sites as of end 2024

#### APAC

PPAs with CGN and Datang for 400 GWh solar and wind energy:

- 45% of electricity for Shanghai site since 2023

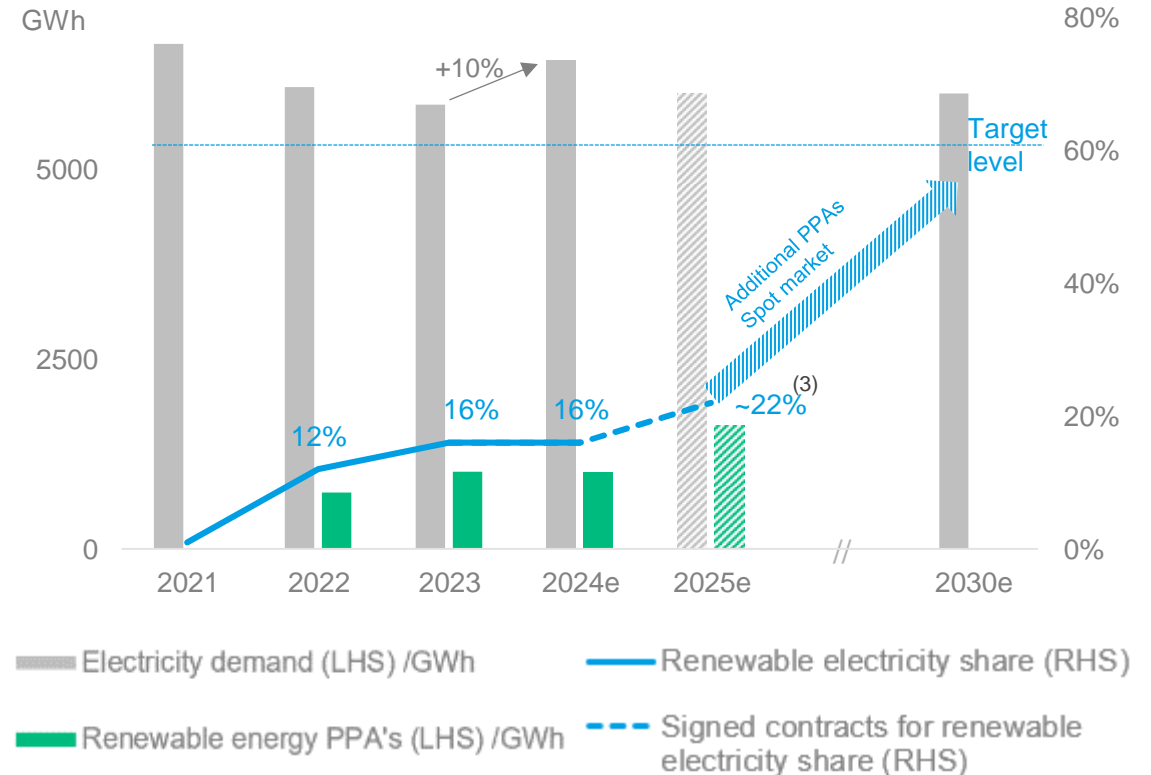
#### NA

Virtual PPA with Ørsted for 200 GWh solar power:

- 12% of electricity for US sites as of end 2024

Starting global coverage of renewable PPA's

### ELECTRICITY TRANSFORMATION PROGRESS



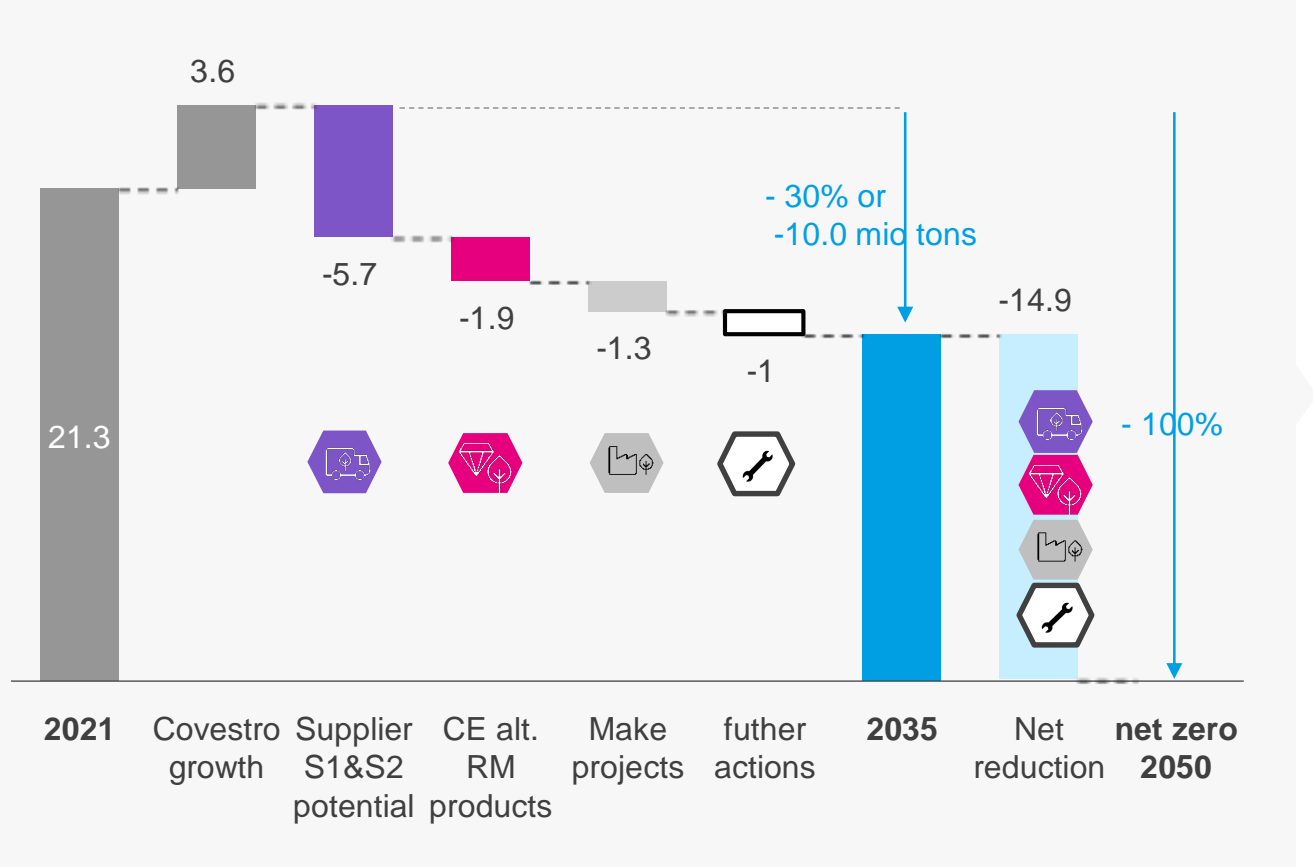
Well on track to our intermediate target of 60% GHG reduction until 2030

# Target reduction of 10m tons GHG until 2035 and net-zero until 2050



## Climate neutrality target for GHG emissions scope 3

GHG emissions in million metric tons, scope 3 - categories 1, 3, 4, 12<sup>(1)</sup>



### EMISSION REDUCTION MEASURES

- Four main levers make a vital contribution to reduce scope 3 GHG emissions:
  - Supplier scope 1&2 reduction
  - Advancing MAKE projects
  - Profitable sales of products based on alternative raw materials
  - Other measures
- Contribution of different levers can vary depending on technical realization of MAKE projects
- Scope 3 emissions represent ~80% of Covestro's 2024 greenhouse gas emissions
- Strict commitment to net-zero underlines consistent implementation of the green transformation
- Net-zero 2050 target in line with SBTi and 1.5° goal

Notes: GHG emissions = Greenhouse gas emissions, calculated in accordance with GHG Protocol and WBCSD recommendations  
 MAKE = Covestro internal sustainable raw material sources  
 (1) Raw materials (part of category 3.1), End of Life (EoL) Treatment (category 3.12), Fuel and energy related (category 3.3), Upstream transportation (category 3.4)

# Strategic levers supporting transformation towards climate neutrality



## Target for GHG emissions scope 3



### FOCUS ON SUPPLIERS



Broaden engagement with suppliers that achieve scope 1&2 reductions



Identify first mover supplier



Develop strategy on CO<sub>2</sub> reduced top raw materials



### ADVANCING MAKE PROJECTS



Continue innovation & digital R&D in renewable technologies



Prove technical feasibility of own technologies



Execute investments according to strategy-based asset planning



### FOCUS ON CUSTOMERS



Identify first mover customers to deliver climate neutral products



Enhance value proposition & active customer engagement



Secure access to strategic waste feedstock



### OTHER MEASURES



Green logistics initiatives



Primary energy generation



Increased recycling quota

# MATERIAL TOPICS THAT PUSH US TO EVOLVE OUR MANAGEMENT APPROACHES

Examples of full list of material topics on p. 17

# Material topics with high stakeholder relevance

## Material topics at Covestro

### Covestro management actively pursuing high impact topics with evolving management approaches

#### Circular and climate-neutral economy

- [Business models](#)
- [Renewable energy](#)
- [Alternative raw materials](#)
- [Recyclability and end-of-life solutions](#)
- [Bio-based raw materials](#)
- [Greenhouse gas emissions](#)



#### Solutions contributing to UN SDGs

- [Sustainable innovation portfolio](#)
- [UN SDG-conform product portfolio](#)
- [Inclusive business](#)

#### Environmental impact of own operations

- [Water and wastewater](#)
- [Waste](#)



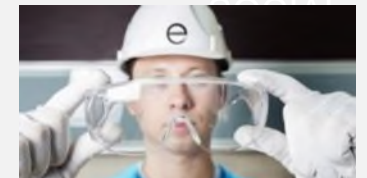
#### Corporate culture

- [Employer attractiveness](#)
- [Diversity, equity and inclusion](#)



#### Health and safety

- [Product safety](#)
- [Process and plant safety](#)
- [Health and safety of workforce](#)



#### Responsible business practices

- [Compliance](#)
- [Community engagement](#)
- [Human rights due diligence](#)
- [Sustainability in sourcing](#)
- [Transparency and trust](#)
- [Tax transparency](#)



#### Responsible governance

- [Corporate Governance](#)
- [Board responsibilities and oversight](#)

#### Board diversity

- [Board qualification matrix](#)

#### Board compensation system

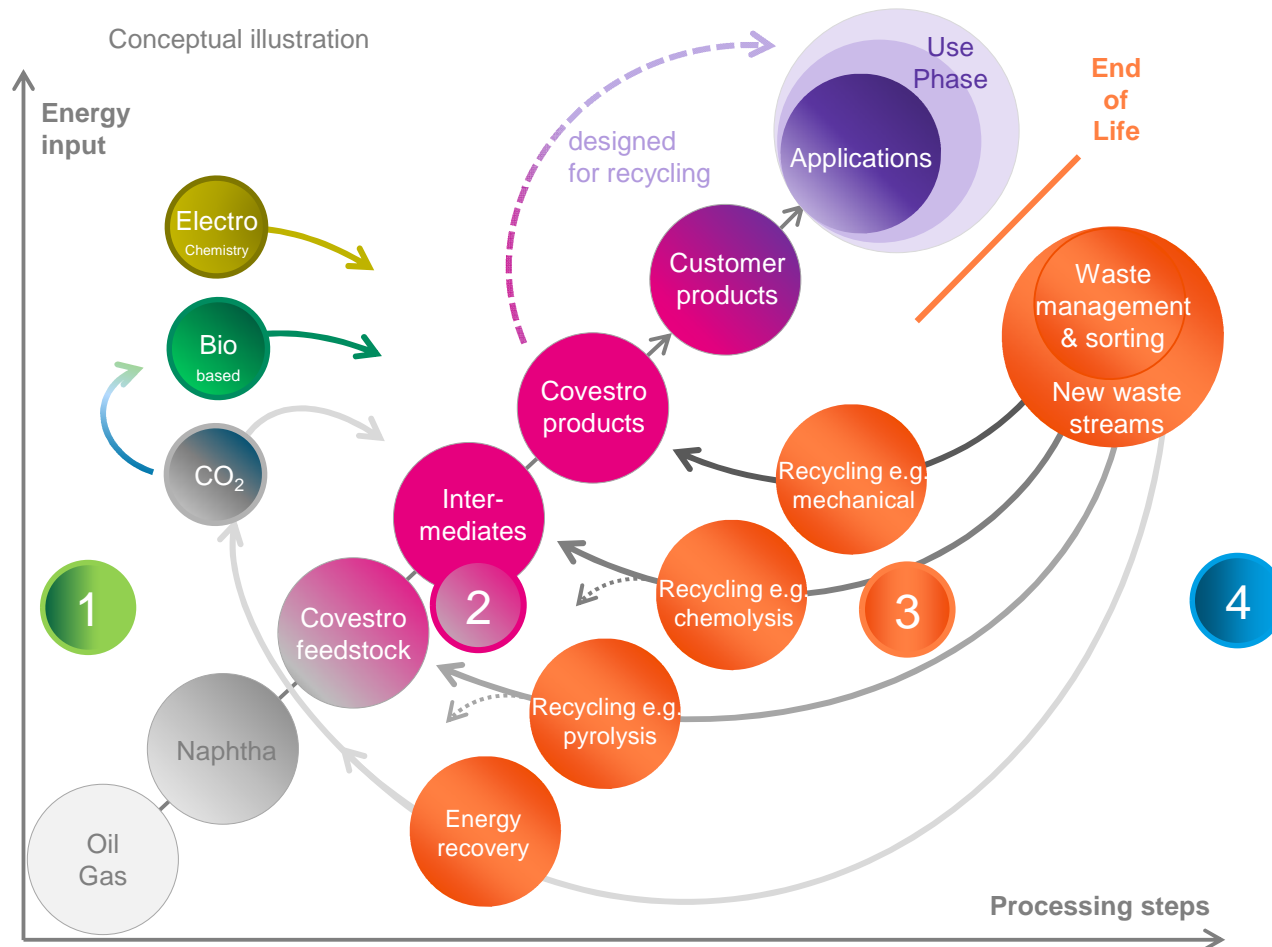
- [Management compensation system](#)



# CIRCULAR AND CLIMATE-NEUTRAL ECONOMY

# Closing material and carbon loops

## Circular economy business models



### COVESTRO APPROACH TO CIRCULARITY

- 1 Renewable energy 
- 2 Alternative raw materials 
- 3 Innovative recycling for end-of-life solutions 
- 4 Cross-industry collaborations 

# Product offering made from biomass and recycled plastics

Alternative raw materials available today from mass-balance



## CQ: OUR NEW LABEL FOR CIRCULAR SOLUTIONS



## SUPPORTING CUSTOMERS



Customers demand ways to reduce their scope 3 emissions. We help them with a portfolio of labeled circular solutions



CQ-labeled materials are made from at least 25 % alternative raw materials like biomass, recycled plastics or green hydrogen



Overall reduced environmental footprint, visible via better LCA<sup>(1)</sup> compared to fossil-based products up to climate neutrality



Product portfolio already comprises climate neutral MDI and polycarbonate and a lower carbon footprint TDI

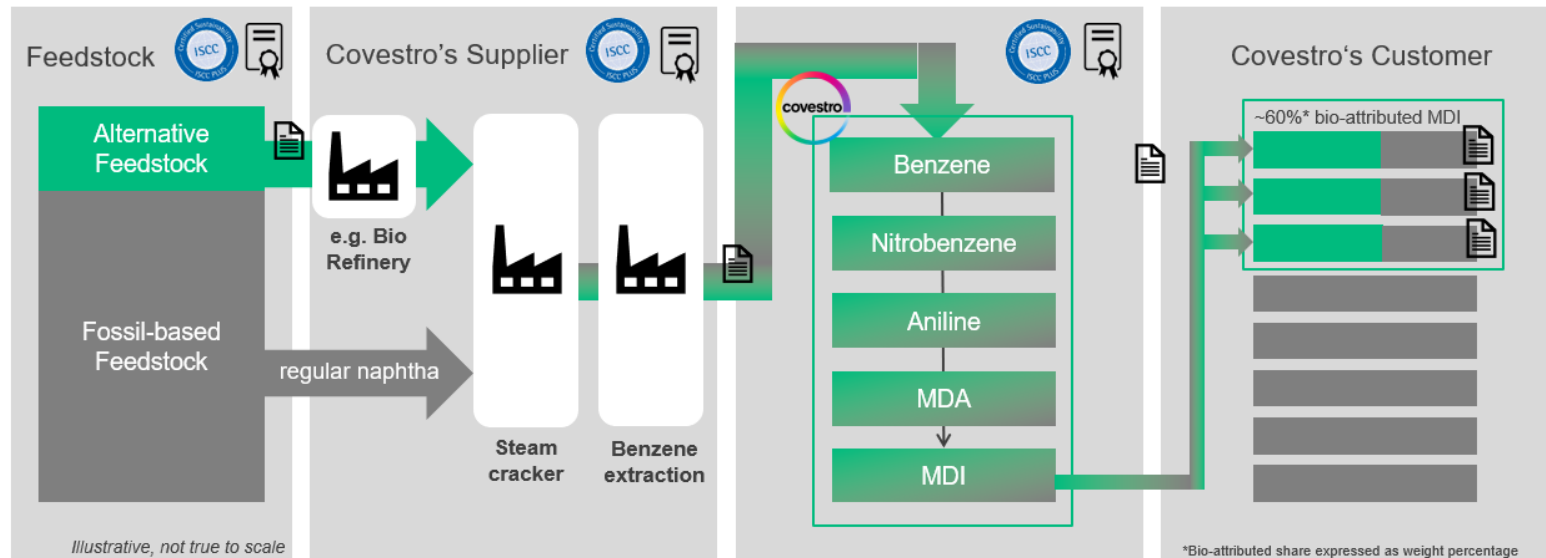
# Mass-balance approach supports sustainable product offerings

## Certified alternative feedstock made available through mass-balance



### EXAMPLE MDI

Conceptual illustration



ISCC Plus certification Sustainability Declaration

### MASS BALANCE APPROACH

#### Principle

- Mass balance is a chain of custody method
- Fossil and alternative feedstock mixed in production but separated in bookkeeping
- Tracks materials through the value chains and allows attribution of alternative feedstock to selected end products
- ISCC standard applies to all stages of the value chain and is recognized worldwide

#### Advantages

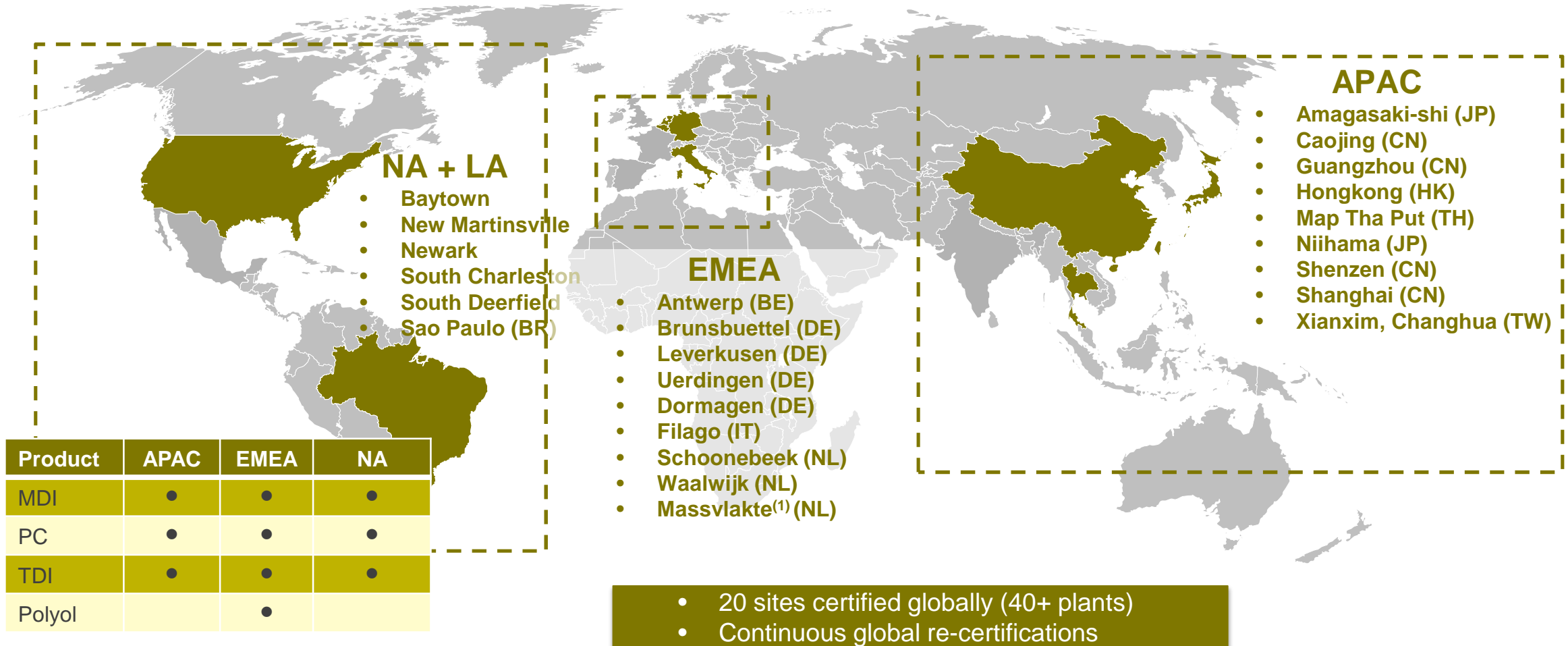
- Alternative raw materials are introduced into the value chain as drop-in solution
- Taking advantage of existing chemical infrastructure with its high efficiency and economies of scale
- Product quality and properties remain the same

→ Mathematic attribution of alternative materials is certified by ISCC PLUS\*

# ISCC+ certified plants/traders for regional mass-balanced product supply



Alternative raw materials to be used globally employing the mass-balance methodology



# Certified alternative feedstock serve as drop-in solutions

Alternative raw material supplier co-operations to ensure first mover advantage

## ALTERNATIVE PHENOL/ACETONE

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



- Delivery of 30,000 tons of ISCC Plus-certified mass balanced phenol and 8,000 tons of ISCC Plus-certified mass balanced acetone received since 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/TOLUENE

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



- Delivery of 45,000 tons of ISCC Plus-certified mass balanced benzene and 12,000 tons of ISCC Plus-certified mass balanced toluene received since 2021
- Resulting product quality on par with petrochemical-based MDI/TDI
- Drop-in solution with alternative raw material helps clients to reduce carbon footprint

## ALTERNATIVE PROPYLENE OXIDE

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



- Delivery of 5,000 tons of ISCC Plus-certified mass balanced propylene oxide received since 2021
- Resulting product quality on par with petrochemical-based Polyols
- Drop-in solution with alternative raw material helps clients to reduce carbon footprint

# Re-shaping the PU value chain for soft foams into a closed loop

## Innovative recycling / joint solutions



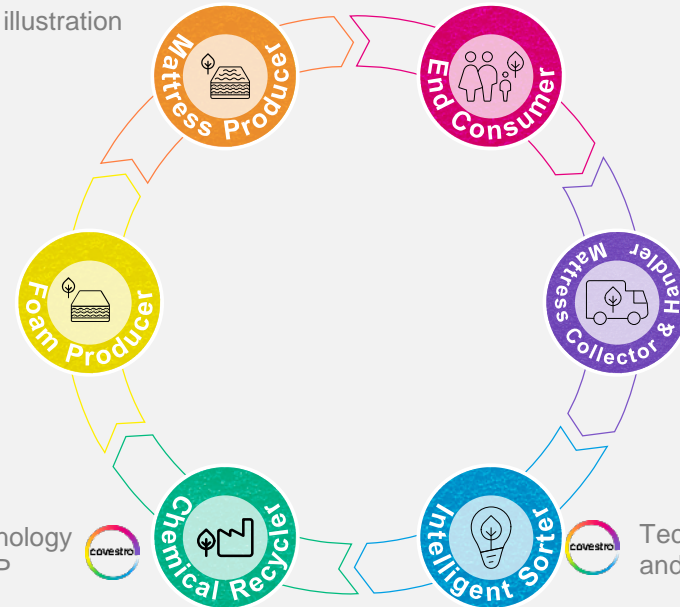
### COVESTRO TECHNOLOGY

- Chemical recycling of polyurethane (PU) mattress foams, turning waste into valuable resources
- Proprietary process for recycling *both* PU components polyol and TDA (precursor for TDI), enabling 100% recycling of these components for soft foam
- New brand label to support our customers to quickly identify circular solutions:  
**Evocycle® CQ Mattress - the straight path to circular**
- Significant improvement of CO2 footprint compared to fossil route (LCA), meeting high customer and consumer demand
- Intelligent sorting solution to efficiently separate different PU foams from post-consumer mattresses



### FUTURE PU SOFT FOAM LOOP

Conceptual illustration



### Timeline:



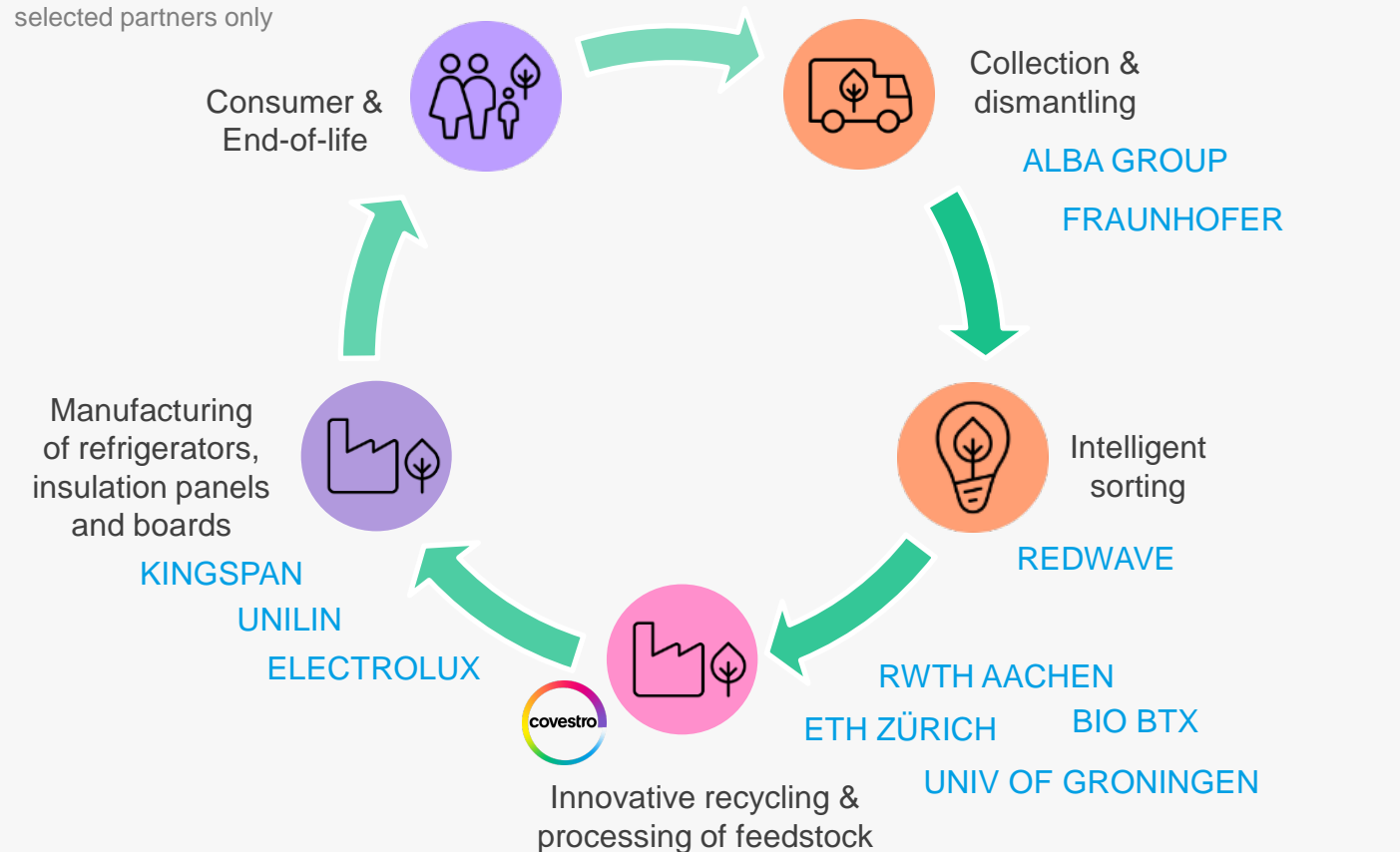
# Circular Foam – closing the material cycle for PU rigid foams



## Innovative recycling / joint solutions

### 'CIRCULAR FOAM' PROJECT – COORDINATED BY COVESTRO WITH 22 PARTNERS

Conceptual illustration,  
selected partners only



### HIGHLIGHTS

#### GOAL AND BENEFIT

- Establish coordinated waste management and suitable recycling processes for sustainable circular economy
- Develop innovative chemical recycling processes for rigid polyurethane foams
- Savings potential of one million tons of waste and 2.9 million tons CO<sub>2</sub> annually from 2040 onwards

#### INNOVATIVE RECYCLING

- Enable reuse of materials at end of useful life where mechanical recycling is no suitable option
- Develop new processes in chemolysis and smart pyrolysis to obtain polyols and amines as circular raw materials for production of polyurethane (PU) rigid foams

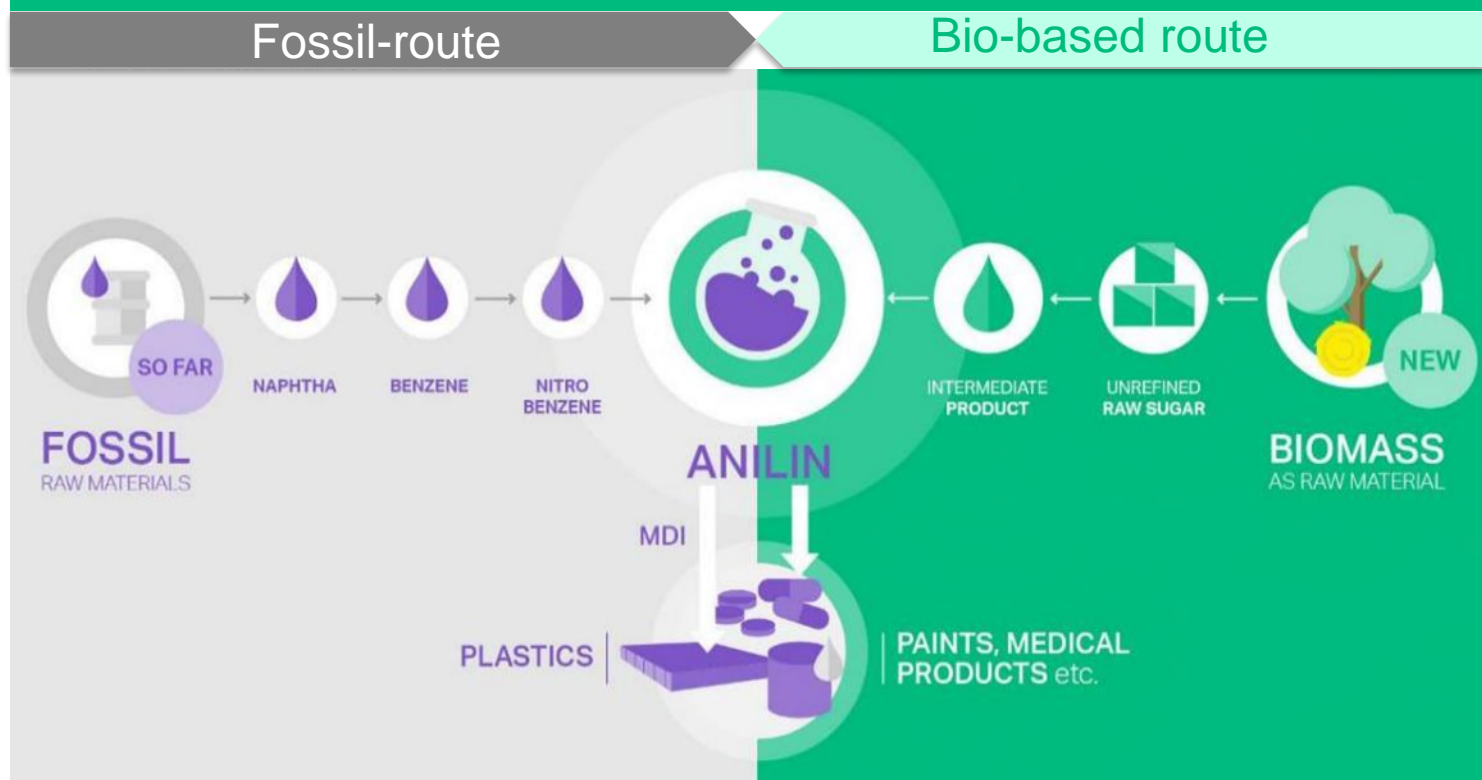


# Covestro invests in industrial maturity of non-fossil process for aniline



## Plastics precursor made from Biomass

### SCHEMATIC SYNTHESIS OF ANILINE



### HIGHLIGHTS

- Aniline is an important precursor of MDI used in energy saving polyurethane insulation foam for buildings and refrigerators
- Up to now aniline has been purely based on fossil raw materials
- New process uses biomass that gets converted by microorganisms into industrial sugar which then undergoes catalytic transformation into aniline
- Covestro invests into a pilot plant for upscaling into industrial scale
- Joint R&D program of the CAT Catalytic Center of RWTH Aachen, the University of Stuttgart and Covestro funded by the German Government

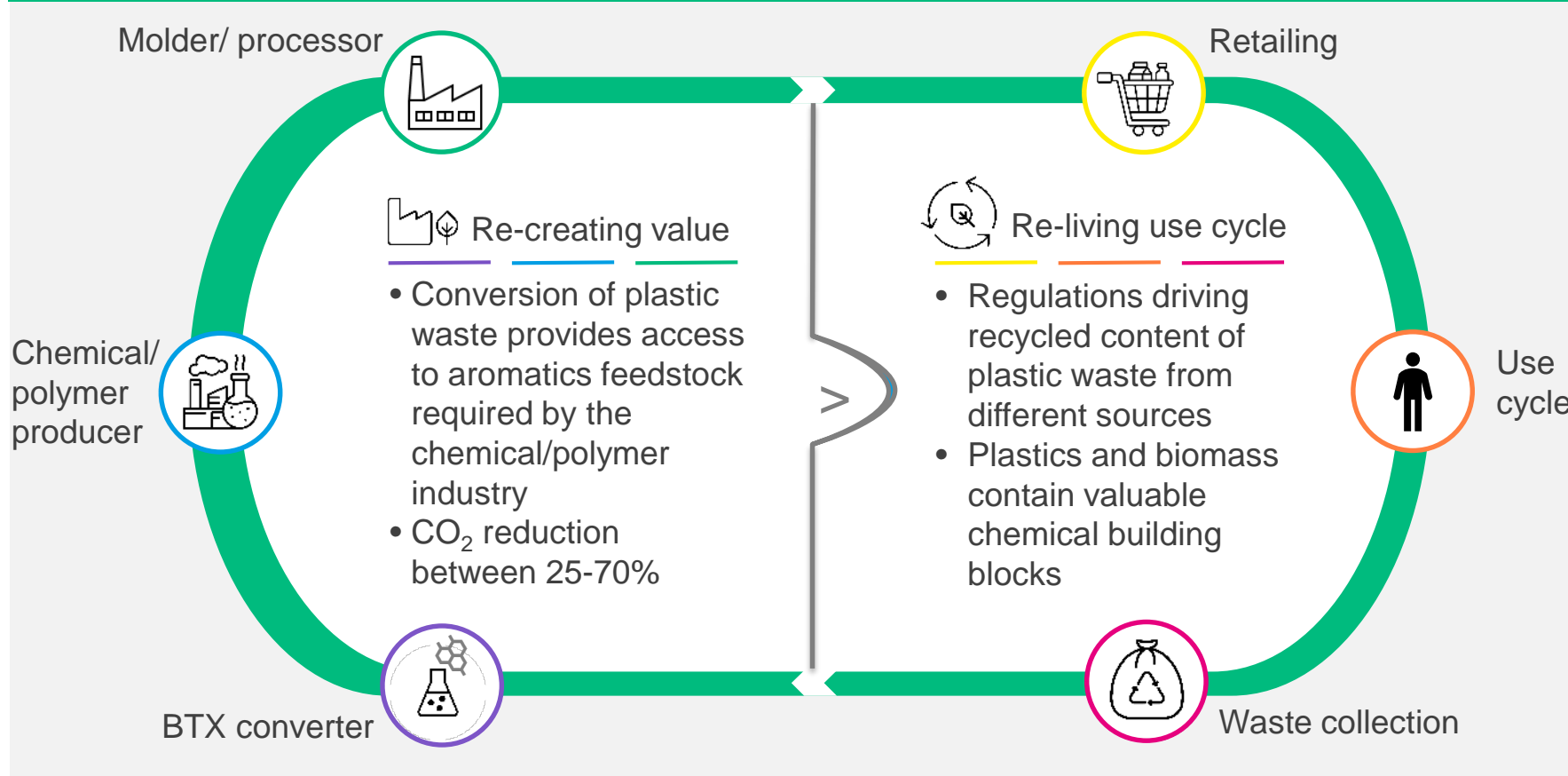
Covestro underlines its ambition to become fully circular and reduce scope 3 GHG emissions

# Converting waste to valuable raw materials

## Circular raw materials



### ACCESS TO KEY AROMATICS (BTX = Benzene, Toluene, Xylene)



### HIGHLIGHTS

- Covestro has teamed up with two BTX pioneers for supplies of sustainable raw materials
  - Encina for a supply contract
  - Bio BTX for R&D and upscaling activity
- Benzene and Toluene are precursors for all core products of Covestro



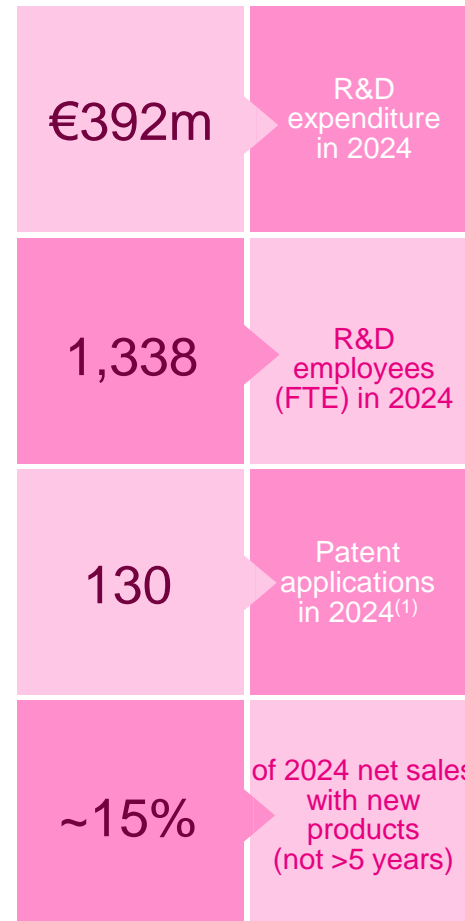
# SOLUTIONS CONTRIBUTING TO UN SDGS

# Sustainability-driven innovations, innovation-driven sustainability

## Early-on adoption of the UN SDGs with focus on sustainable innovation portfolio



- Research & Development activities aligned with the People Planet Profit principle since 2013
- Focus on the UN Sustainable Development Goals (UN SDGs)
- Capture promising growth opportunities with innovative sustainable solutions



### Non-financial target

By 2025, 80% of project expenditures for research and development will go toward areas that contribute to reaching the UN SDGs

Achievement: 54% of R&D project expenditures in 2024

# Bring product innovations to people in underserved markets

## Inclusive business as Covestro way to link UN SDGs to our business model



### Food Security

- Focus on Post Harvest Management with sustainable solutions based on Polyurethane and Polycarbonate
- Includes Green House Dryers/Cultivation, Solar Cold Storage and Portable cold boxes
- Significant savings of Greenhouse gas emission
- Location : Pan India, SE Asia and Africa
- About 10000 units installed



### Bio Solid Management

- End to End Solutions for fecal Sludge, Sewerage and Municipal solid waste
- Our USP is super efficient drying of sludge using Green House to enable inputs for soil conditioning and co-fuel
- Enabling circular solutions in waste management
- Locations: Pan India
- About 30 units installed in as many cities

“Our Inclusive Business activities positively contribute to **13** out of **17** UN SDGs



### Non-financial target

We want ten million people in underserved markets to benefit from our solutions by 2024

Achievement: 7,300,000 people by end of 2024 (cumulative since in 2016)



# ENVIRONMENTAL IMPACT OF OUR OWN OPERATIONS

# Covestro risk-based water approach expanded

## Water and wastewater impact of our operations

### Risk

Growing world population and climate change will lead to changes in the global water situation:

- **Water scarcity** may limit water access for manufacturing companies which may not be sufficient for 100% production
- **Flooding** may impede production by destroying transport routes, supply chains or production facilities

**Covestro relies on water supply as ~79% of water usage is once-through cooling water**

**Risk-based approach helps to spot risks at an early stage and to identify potential for improvement**

**Our objective: Further develop the risk-based water approach and establish a global water community**

### Measure


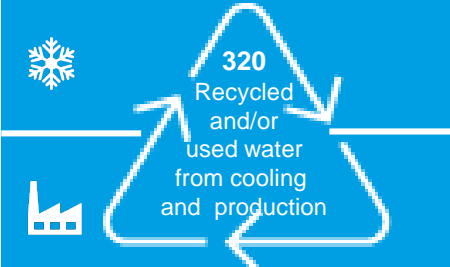



- Analysis of physical water risks conducted for all Covestro sites
- Site evaluation by occurrence probability and economic loss
- Implementation of information management system
- “Covestro Water Community” serves as a global platform for exchange of information and best practices between sites



# Vast majority of water usage is once-through cooling water

## Water and wastewater impact of our operations

### Use of water in the year 2024 (million cubic meters)

Sources of water		Water usage	Water discharge
 Surface water	143 (58%)		Once through cooling water 201 (79%)
 Boreholes/springs	1 (1%)		Evaporation loss 13 (5%)
 Ext. water suppliers	99 (40%)		Waste water with treatment 29 (11%)
 Other sources <sup>(2)</sup>	4 (2%)		Waste water without treatment 13 (5%)
<b>Total<sup>(5)</sup></b>	<b>247</b>	<b>247</b>	<b>255</b>

### 2024 highlights

- 247 million cubic meters overall water usage, below previous year
- Once-through cooling water accounts for 201 million cubic meters or over 79% of this figure, representing most of the used water
- Once-through cooling water is only heated, does not come into contact with products and can be returned to the water cycle without further treatment (in line with relevant permits)
- Sites in current areas with water stress<sup>(1)</sup> account for 7% of our total water consumption
- Total water consumption is calculated according to GRI standard 303-5 (2018)
- Goal to minimize wastewater emissions, depends largely on our production volumes and the current product portfolio
- Roll out of Covestro Water Program in 2023 to address water risks strategically and understand the site's impact on the local watershed to develop mid-to long-term context-specific action plans per site



# CORPORATE CULTURE

# Global Covestro diversity & inclusion initiatives support UN SDGs

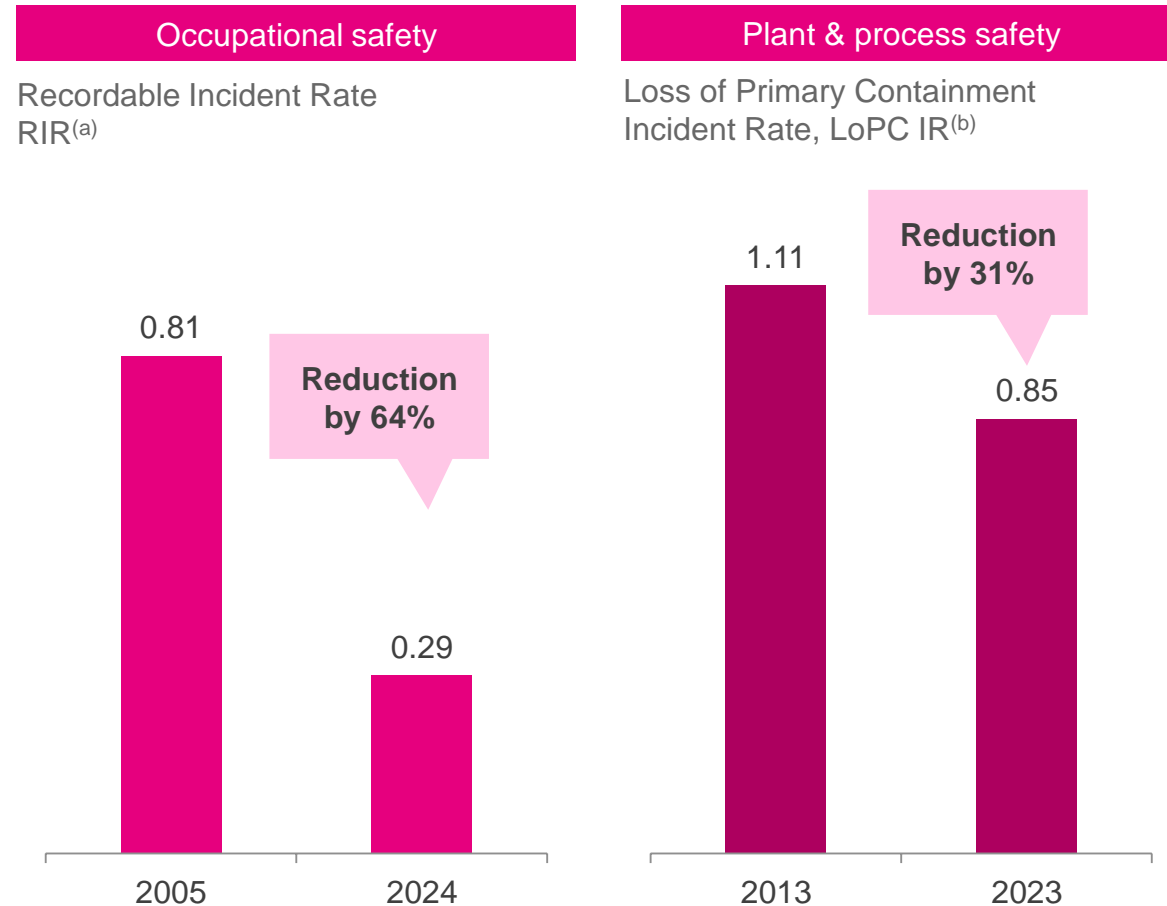
Diversity, equity and inclusion as key element of Covestro's corporate culture



# HEALTH AND SAFETY

# Our mantra: Nothing we do is worth getting hurt for

## Health & safety of workforce / Process & plant safety



- Continuous improvement of a safe work environment as key component of corporate responsibility and corporate culture
- Integrated management system implemented throughout Covestro to report and process work incidents and potential hazards
- Active safety and incident awareness and prevention campaigns, e.g. CEO Safety Award and global Covestro Safety Day
- RIR part of the long-term incentive for managerial employees starting 2024
- We aim for safe processes and plants that avoid unacceptable risks to our employees, neighbors and the environment
- Long-term we aim to prevent workplace accidents and occupational illnesses entirely





# RESPONSIBLE BUSINESS PRACTICES

# Our priority: We play by the rules

## Compliance as a key pillar of our responsible business practices



# Translating the RC Global Charter into actionable company directives

## Responsible business practices – Compliance

**Responsible Care Global Charter**  
of the International Council of Chemicals Associations

- 1 **A Corporate Leadership Culture** that proactively supports safe chemicals management through the global Responsible Care initiative
- 2 **Safeguarding People and the Environment** by continuously improving our environmental, health and safety performance; the security of our facilities, processes and technologies; and by driving continuous improvement in chemical product safety and stewardship throughout the supply chain
- 3 **Strengthening Chemicals Management Systems** by participating in the development and implementation of lifecycle-oriented, sound-science and risk-based chemical safety legislation and best practices
- 4 **Influencing Business Partners** to promote the safe management of chemicals within their own operations
- 5 **Engaging Stakeholders**, understanding and responding to their concerns and expectations for safer operations and products and communicating openly on our performance and products
- 6 **Contributing to Sustainability** through improved performance, expanded economic opportunities and the development of innovative technologies and other solutions to societal challenges

Sample to illustrate the implementation of a public charter into Covestro corporate policies and directives



Head of HSEQ Management System commissioned by Board of Management

# Taking a broad view on human rights throughout our value chains

## Responsible business practices involving human rights due diligence



“Human Rights Due Diligence requires Covestro to continuously monitor and evaluate processes with regards to potential and actual human rights violations

“A cross-departmental Human Rights Office drives the implementation of a comprehensive human rights management system and directly reports to the Board of Management

# Together for Sustainability – compliance along the value chain

## Responsible business practices expressed as sustainability in sourcing



### Non-financial target

All of our suppliers with regular purchasing volumes of more than €1 million per year are expected to comply with our sustainability requirements by the year 2025.

Achievement: 79% by end of 2024

“ This standardized approach for supplier assessment improves sustainability practices within the supply chain while minimizing monitoring and audit efforts ”

- Initiative founded in 2011, with ~50 members as of December 2024, members use same approach, share assessments and audits results within the initiative
- A total of 1,615 audits have been performed of which 65 were conducted as on-site audits
- Of our target-relevant suppliers who underwent a repeat assessment in 2024, 63% showed improved vs previous results
- EcoVadis responsible for high-quality, third-party sustainability assessments and on-site audits, with criteria are based on GRI, UN Global Compact, and ISO 26000 global standards
- Covestro uses TfS methodology as one approach towards suppliers as well as customers



# Committed to tax transparency

## Tax transparency in line with responsible business practices

### Covestro tax principles

- Zero tolerance regarding any non-compliance, foremost tax fraud
- Tax payments in line with respective value creation in each country and territory
- Tax optimization in line with business reasons and needs
- Cooperative approach with tax authorities

- Covestro and its affiliated companies believe that it is their obligation to pay the amount of tax legally due in any country and/or territory, in accordance with the rules set by the respective governments
- Appropriate tax payments is one core element of Covestro's corporate social responsibility
- Tax payments by Covestro provide essential revenues for governments needed to fulfill their social, economic and societal tasks
- Covestro complies with all relevant tax regulations as well as filing, documentation, disclosure and approval requirements in all countries and territories it operates in



# CORPORATE GOVERNANCE

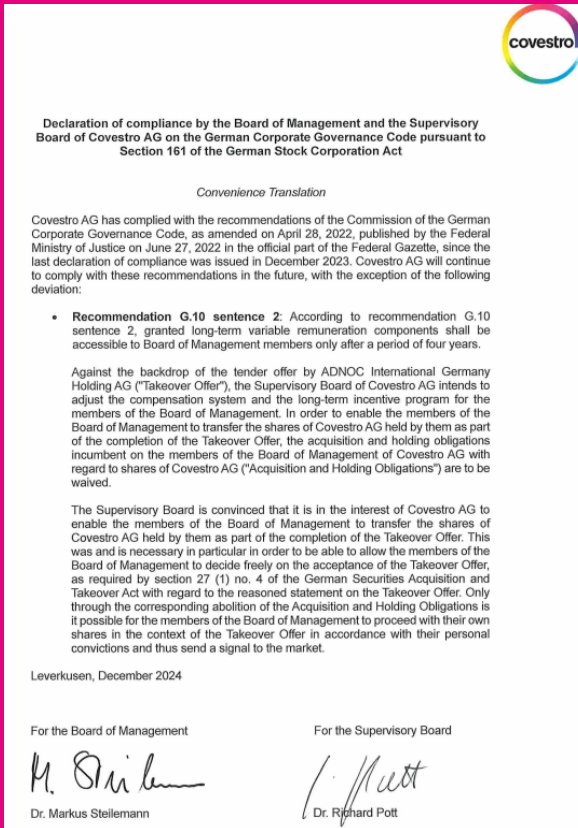
# Annually declaring conformity with the GCGC

## Corporate Governance for Covestro means responsible governance



### Responsible governance

- The German Corporate Governance Code (GCGC) reflects material legal requirements for responsible governance
- Covestro annually declares and publishes conformity with the GCGC
- In compliance with all principles and recommendations of the GCGC since company IPO in 2015
- Detailed corporate governance report as an integral part of the annual report

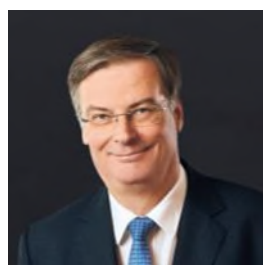


# Supervisory Board advises and oversees Board of Management

## Board responsibilities and oversight



### Shareholder representatives



**Dr. Richard Pott**  
**Chair**  
Presidial Committee,  
Chair  
Human Resources  
Committee, Chair  
Nominations  
Committee, Chair



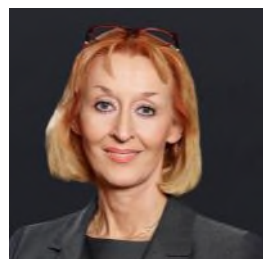
**Lise Kingo**  
Sustainability  
Committee, Chair



**Dr. Christine  
Bortenlänger**  
Audit Committee



**Dr. Sven Schneider**  
Audit Committee, Chair



**Regine Stachelhaus**  
Presidial Committee  
Human Resources  
Committee  
Nominations  
Committee

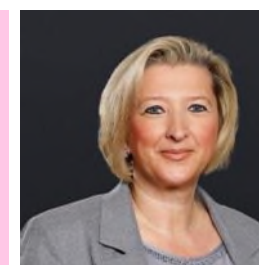


**Patrick W. Thomas**  
Audit Committee  
Nominations  
Committee  
Sustainability  
Committee

### Employee representatives



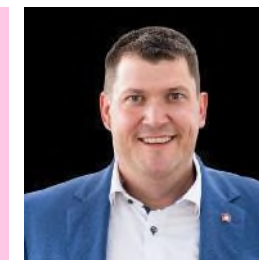
**Kerstin Spendel<sup>(1)</sup>**  
**Vice Chair**  
Audit Committee



**Irena Küstner<sup>(1)</sup>**  
Presidial Committee  
Audit Committee



**Dr. Christoph  
Gürtler<sup>(1)</sup>**  
Sustainability  
Committee  
Human Resources  
Committee



**Oliver Heinrich<sup>(2)</sup>**  
Sustainability  
Committee



**Marc Stothfang<sup>(2)</sup>**  
Sustainability  
Committee  
Human Resources  
Committee



**Frank Löllgen<sup>(2)</sup>**  
Presidial Committee  
Audit Committee

# Corporate Governance in line with latest DCGC additions



## Qualification matrix for Supervisory Board Members<sup>(1)</sup>

Category	Field of expertise	Supervisory Board members													
		C. Bortenlänger <sup>2</sup>	C. Gürtler <sup>3</sup>	O. Heinrich <sup>3</sup>	L. Kingo <sup>2</sup>	P. Kronen <sup>3</sup>	I. Küstner <sup>3</sup>	F. Löllgen <sup>3</sup>	R. Pott <sup>2</sup>	P. Reinbold-Knappe <sup>3</sup>	S. Schneider <sup>2</sup>	R. Stachelhaus <sup>2</sup>	M. Stothfang <sup>3</sup>	P. Thomas <sup>2</sup>	
Industry- and company-specific knowledge/ experience	(Polymer)Chemistry	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	
	Production and technology	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	
	Strategy, M&A, capital market	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	
Function-specific knowledge	Marketing/sales/supply chain	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	
	R&D, innovation	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	
	Sustainability (environment/ circular economy/ new technologies)	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	
	Digitalization	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	
	Human resources/ change management/ sustainability (social)	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	
	Corporate governance/ compliance	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	
	Accounting	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	
	Financial statement audit	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	
	Management- and leadership experience	Leadership in an international enterprise	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark
		Corporate culture and employee engagement (Covestro focus)	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark
Membership in supervisory boards and governing bodies		Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	

(1) Based on a self-assessment by the Supervisory Board, incorporating the individual assessments of individual Supervisory Board members and the recommendations of the Nomination Committee and Presidial Committee to the full Supervisory Board. The three shades of color refer to the levels of know-how, from basic know-how (light) through extensive know-how (medium) down to profound know-how (dark).

(2) Members representing shareholders.

(3) Members representing employees.

(4) In accordance with GCGC 2022.

# Objectives for the composition and diversity concept

Clearly defined board responsibilities and oversight exhibiting responsible governance

## Supervisory Board Duties and composition

- Advises and oversees the Board of Management
- Activities governed by rules of procedure (published)
- Composed of at least 30% women and at least 30% men<sup>(1)</sup>
- 75% of members and more than half of shareholder representatives are to be independent
- Not more than two former members of the Board of Management

## Supervisory Board Membership

- Co-determined with 12 seats, thereof six shareholder and six employee representatives<sup>(1)</sup>
- Not serve more than three full terms
- Not serve beyond AGM following 72nd birthday

### Gender structure

**50% women**  
Supervisory Board

**50% women**  
Shareholder representatives

**50% women**  
Employee representatives

## Supervisory Board Skills

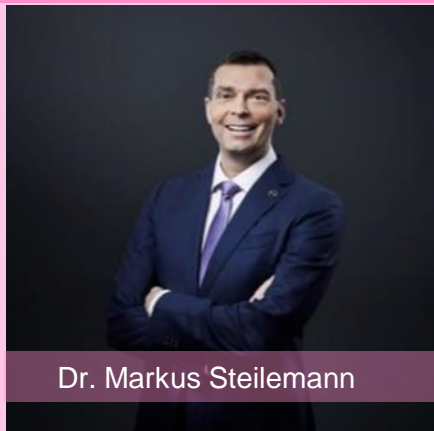
- At least two members with function-specific knowledge in each of the following areas:
  - Accounting and/or auditing
  - Strategy, mergers and acquisitions, capital markets
  - Marketing, sales, supply chain
  - Research and development, innovation
  - Sustainability, circular economy and new technologies
  - Digitalization
  - Human resources, change management
  - Corporate governance, compliance
- At least two members with Covestro-relevant experience in industries, sales markets and/or divisions, e.g. polymer chemistry, production and technology
- At least three members should have managerial experience in an international enterprise and/or experience serving on other supervisory boards or supervisory bodies
- The Board shall strive to ensure sufficient diversity among its members

# Board of Management responsible for operational businesses and goals

Defined board responsibilities and oversight as required by corporate governance



## CHIEF EXECUTIVE OFFICER



Dr. Markus Steilemann

Year of Birth: 1963  
Nationality: German

### Areas or responsibility:

- Communications
- Corporate Audit
- Human Resources
- Strategy
- Sustainability & Public Affairs
- Group Innovation

Contract: June 2023 – May 2028

## CHIEF FINANCIAL OFFICER



Christian Baier

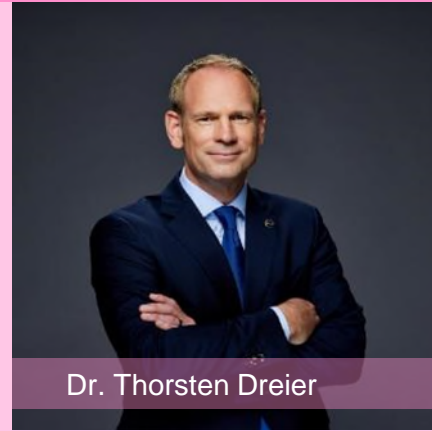
Year of Birth: 1976  
Nationality: German

### Areas or responsibility:

- Accounting
- MDs Greater China, USA
- Controlling
- Finance & Insurance
- IT & Digitalization
- Investor Relations
- Law, IP & Compliance
- Portfolio Development
- Taxes

Contract: Oct 2023 – Sept. 2026

## CHIEF TECHNOLOGY OFFICER



Dr. Thorsten Dreier

Year of Birth: 1972  
Nationality: German

### Areas or responsibility:

- Performance Materials
- Engineering
- Process Technology
- Group Health, Safety and Environment
- Group Procurement

Contract: July 2023 – June 2026

## CHIEF COMMERCIAL OFFICER



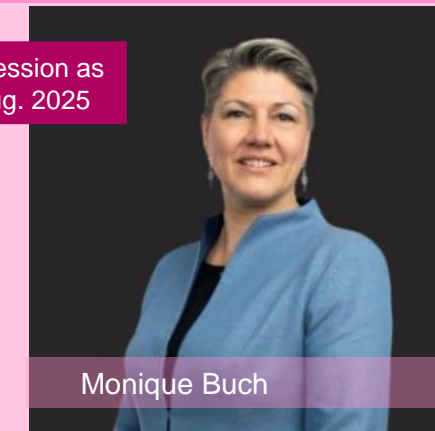
Sucheta Govil

Year of Birth: 1963  
Nationality: British

### Areas or responsibility:

- Solutions & Specialties
  - Tailored Urethanes
  - Coatings & Adhesives
  - Engineering Plastics
  - Specialty Films
  - Elastomers
  - Thermoplastic Polyurethanes
- Supply Chain & Logistics

Contract: June 2022 – July 2025



Monique Buch

Year of Birth: 1974  
Nationality: Dutch

Contract: June 2025 – May 2028

Succession as of Aug. 2025

# Board of Management is paid for performance



## Responsible governance with transparent board compensation system

Component	2024 determination base and parameters	Component	2023 determination base and parameters
Fixed compensation ~30%	<ul style="list-style-type: none"> <li>Annual benchmark: horizontally again DAX/MDAX and vertically against all German employees</li> <li>Annual adjustments determined by Supervisory Board in line with the increase in the consumer price index in Germany</li> <li>2024 values: CEO €1.3m; CFO €0.9m; CCO/CTO €0.7m</li> </ul>	Cap on compensation	<ul style="list-style-type: none"> <li>Total remuneration capped at € 9.0 million for CEO and € 5.5 million for other Board members</li> </ul>
Short-term variable component ~30%	<ul style="list-style-type: none"> <li>Target value: 100% of the respective annual base salary</li> <li>Key performance indicators, each weighted 1/4: EBITDA, liquidity (FOCF), profitability (ROCE); Sustainability (CO<sub>2</sub>e)</li> <li>Threshold values fixed for three years (2022-2024)</li> <li>Payout between 0 and 250% of target</li> </ul>	Pension entitlements	<ul style="list-style-type: none"> <li>Introduction of new pension plan for all employees: direct pension promise (defined contribution-oriented plan) based on capital account</li> <li>Personal contribution adjusted to max. 10%, company contribution adjusted to up to 36% accordingly</li> <li>Board members offered to transfer into new plan in 2021</li> </ul>
Long-term variable component ~40%	<ul style="list-style-type: none"> <li>Target value: 130% of respective annual base salary</li> <li>Key performance indicators, linked by multiplication:                             <ul style="list-style-type: none"> <li>Total Shareholder Return (TSR factor)</li> <li>Relative share price development (Outperformance factor)</li> <li>ESG basket of GHG emission (scope 1+2), Recordable Incident Rate and participation rate of internal "Engage" survey, 30%</li> </ul> </li> <li>Rolling performance periods of four years, e.g. 2025-2028</li> <li>Payout between 0 and 200% of target</li> </ul>	Fringe benefits	<ul style="list-style-type: none"> <li>Company car / vehicle allowance; driver service</li> <li>Security equipment; health screening examinations; other</li> <li>Payments upon start of office, if applicable</li> </ul>
Share ownership guidelines	<ul style="list-style-type: none"> <li>Obligation to purchase Covestro shares equivalent in value to 100% of the fixed annual compensation within three years</li> <li>Hold shares for the duration of Board membership</li> <li>Voluntary disclosure of individual shareholdings in Annual Report</li> </ul>	Contract termination	<ul style="list-style-type: none"> <li>Payments made, including fringe benefits, capped to the value of two years' compensation</li> <li>Exception: termination for good cause</li> </ul>
		Change of control	<ul style="list-style-type: none"> <li>Indemnity payments of 250% of fixed annual compensation</li> <li>Capped at the compensation for the remainder of the contract term</li> </ul>

# Entire organization aligned for performance and sustainability



## Group Profit Sharing Plan (PSP) for 2025-2027

### BOARD OF MANAGEMENT STI PROPOSAL

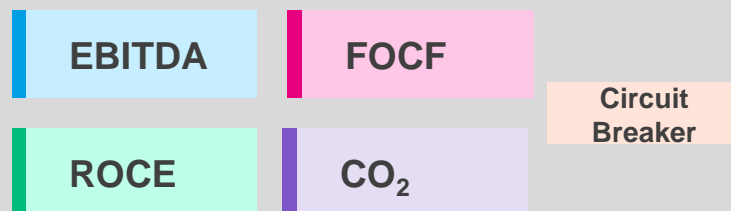
Old PSP system  
2022-2024



Based on three-year business plan

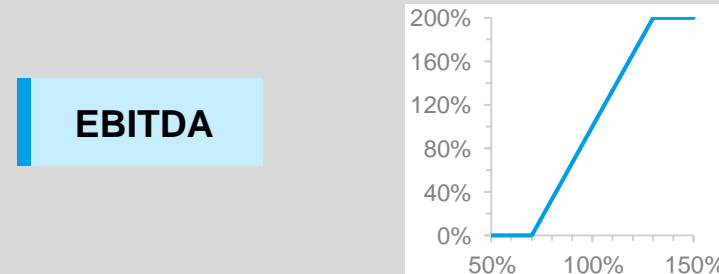
PSP adjustment  
2025-2027<sup>1</sup>

**Mid-term component – 50%** 1



→ GRID: 100% on three-year Business Plan

**One-year component – 50%** 2



→ GRID: 100% on one-year target as approved by BoM and Supervisory Board

# Short-term incentive fully based on profit sharing

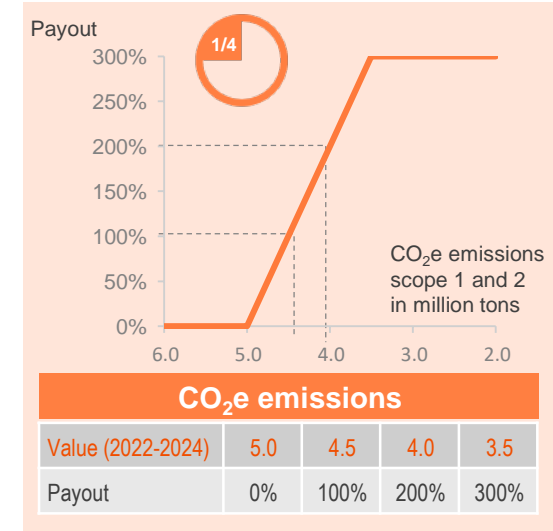
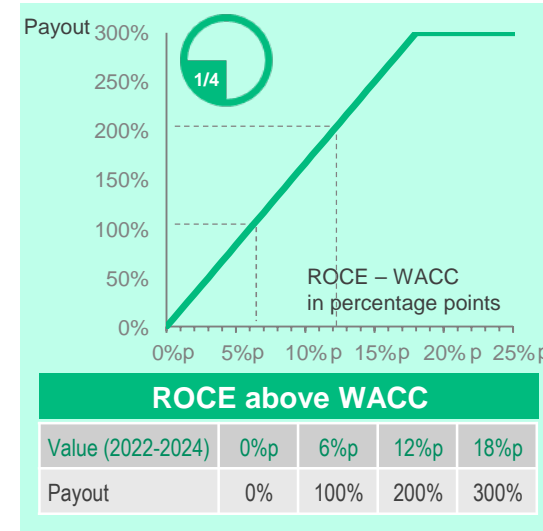
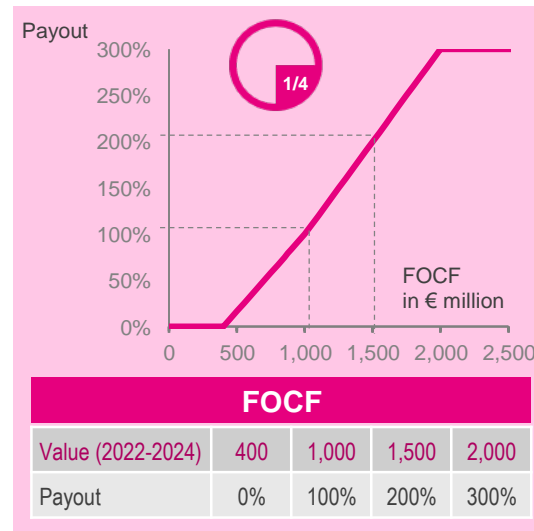
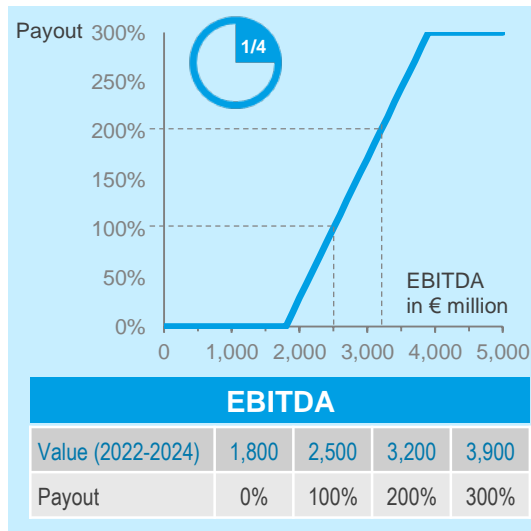
## Covestro short-term incentive plan

### BOARD OF MANAGEMENT STI – 2025 to 2027

Key performance indicators of Covestro PSP, each weighted 1/4:

- 1) Growth (EBITDA)
- 2) Liquidity (FOCF)
- 3) Profitability (ROCE above WACC)
- 4) Sustainability (CO<sub>2</sub>-related KPI)

Performance targets fixed for three years 2025-2027

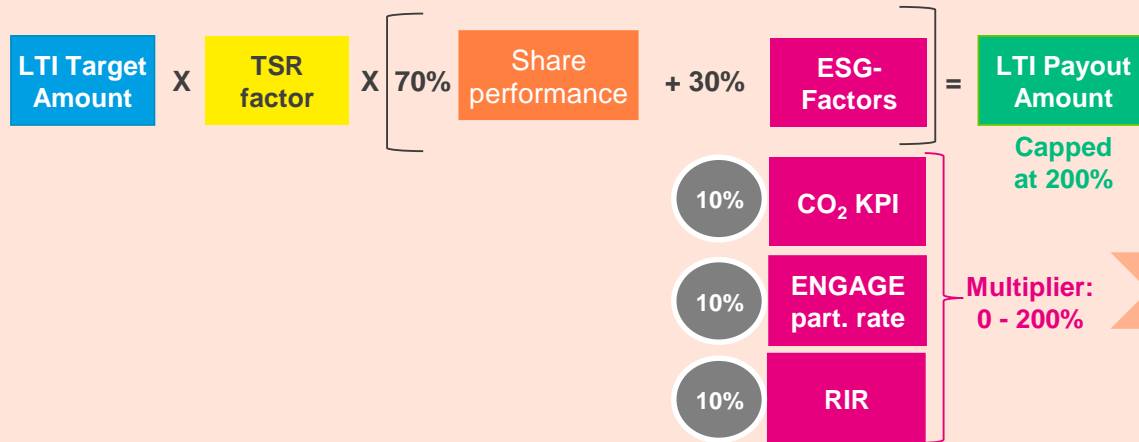


# Adjusted LTI System 2025

## Approval of the remuneration systems for the BoM members

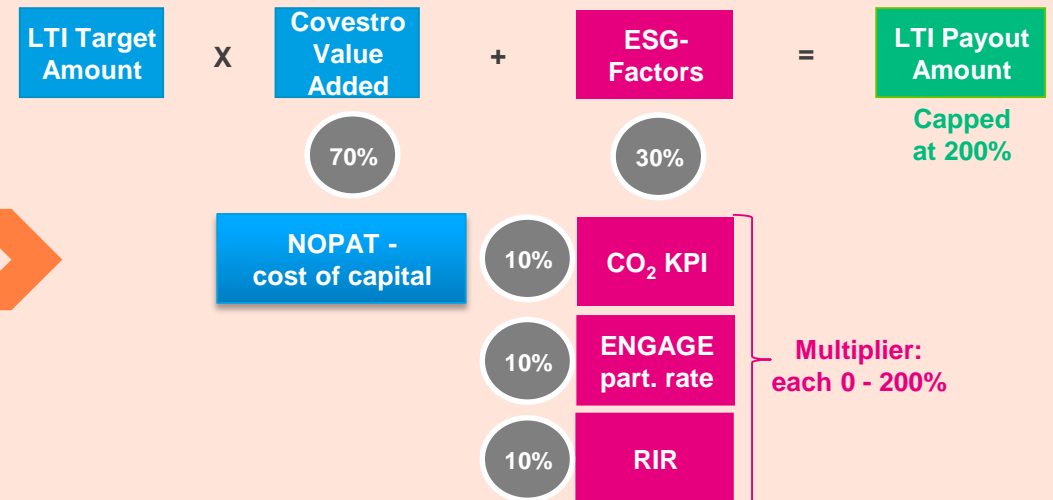
### BOARD OF MANAGEMENT LTI

#### Past LTI system



- Significantly reduced free float of shares (<5%)
- Future share price driven by speculation of further ADNOC share purchases and a possible squeeze-out scenario
- Share price development based LTI system therefore not suitable for measurement of company performance

#### New LTI system 2025-2028



- “CVA” similar to “Economic Value Added”
- CVA: (EBIT–taxes) – (average capital employed<sup>(1)</sup>x WACC)

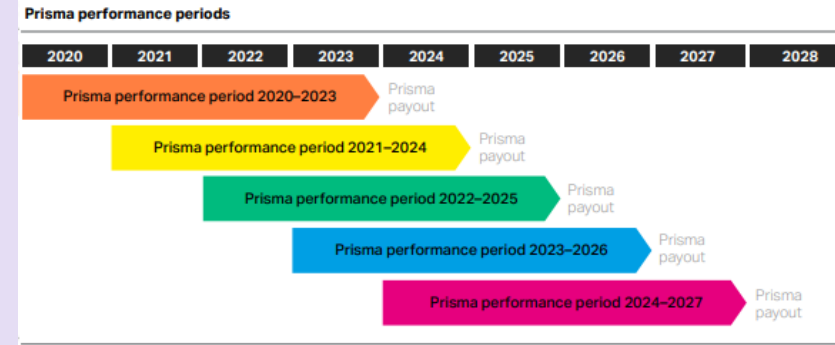


# Long-term incentive plan linked to value addition and ESG basket

## Covestro long-term incentive plan 2025 eliminating share price development

### KEY FEATURES “PRISMA”

- Cash settled plan with four-year performance periods
- Globally consistent program for all eligible employees
- Target amount based on fixed percentage of annual base salary
- Cash payout (capped at 200% of target) based on:
  1. *CVA (Covestro Value Added) as absolute performance criterion*
  2. *ESG Basket: reduction of absolute GHG emissions (CO<sub>2</sub> equivalents, CO<sub>2</sub>e), classified in Scope 1&2 + RIR + Employee Survey*



$$(\text{NOPAT}) - (\text{av. capital employed}^{(1)} \times \text{WACC}) = \text{CVA Factor}$$

$$(\text{Change in annual CO}_2 \text{ emissions (scope 1+2) + RIR}^{(2)} + \text{„Engage“ employee survey participatio rate}) = \text{ESG Factor}$$



# ESG basket explanation

## Covestro long-term incentive plan since 2024 with enhanced ESG basket

### ENGAGE EMPLOYEE SURVEY

ENGAGE established as regular feedback (3 times per y through external provider) of employees about strengths and weaknesses and satisfaction level across four areas:

- Employee Engagement
- Diversity, Equity, Inclusion
- Health and Wellbeing
- Transformation and Change

Important measurable foundation for cultural development at Covestro



### RECORDABLE INCIDENT RATE

*“Nothing is worth getting hurt for”*

- Our employees are our greatest assets and should always go home unharmed
- Ensured by standardized and systematic safety procedures established globally
- Accidents despite these efforts are recorded, measured in the Recordable Incident Rate\* (incident rate per 200,000 work hours) and analyzed to prevent repetition
- Basis for payout is RIR for Covestro employees and contractors during the last calendar year of the Performance Period.



# Paid for financial and environmental performance

## Compensation system for Board of Management (1/2)

COMPONENT	2024 SYSTEM	2024 DETERMINATION BASE	2025 CHANGES
Fixed annual compensation ~30%	<ul style="list-style-type: none"> <li>Annual benchmark: horizontally against DAX/MDAX and vertically against all German employees</li> <li>Annual adjustments determined by Supervisory Board in line with German consumer price index</li> </ul>	<ul style="list-style-type: none"> <li>2022 values: CEO €1.2m; CFO €0.8m; CCO/CTO €0.6m</li> </ul>	<ul style="list-style-type: none"> <li>2025e values adjusted under consideration of German consumer price index</li> </ul>
Short-term variable compensation (STI, "PSP") ~30%	<ul style="list-style-type: none"> <li>Target value: 100% of respective annual base salary</li> <li>Payout between 0 and 250% of target</li> <li>Key performance indicators, each weighted 1/3: growth, liquidity and profitability</li> <li>Supervisory Board reserves the right to cancel PSP for a given year if ROCE is below WACC</li> </ul>	<ul style="list-style-type: none"> <li>Performance targets fixed for the three years of 2022-2024</li> <li>Key performance indicators: EBITDA (growth), FOCF (liquidity) and ROCE above WACC (profitability) and GHG emissions on scope 1 + 2 (sustainability)</li> </ul>	<ul style="list-style-type: none"> <li>50% one-year KPI (EBITDA)</li> <li>50% Key performance indicators: EBITDA (growth), FOCF (liquidity) and ROCE above WACC (profitability) and GHG emissions on scope 1 + 2 (sustainability)</li> </ul>
Long-term variable compensation (LTI, "Prisma") ~40%	<ul style="list-style-type: none"> <li>Target value: 130% of respective annual base salary</li> <li>Payout between 0 and 200% of target</li> <li>Key performance indicators, linked by multiplication:               <ul style="list-style-type: none"> <li>Total shareholder return (TSR factor)</li> <li>Outperformance factor</li> <li>CO<sub>2</sub> factor</li> </ul> </li> <li>Rolling performance periods of four years</li> </ul>	<ul style="list-style-type: none"> <li>Performance period 2021-2024</li> <li>Key performance indicators, linked by multiplication:               <ul style="list-style-type: none"> <li>TSR factor</li> <li>Relative share price development, 75%</li> <li>Reduction of absolute scope 1+2 GHG emissions, 25%</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Key performance indicators, linked by addition:               <ul style="list-style-type: none"> <li>Value addition: EBITDA or ROCE, 70%</li> <li>ESG basket of GHG emission (scope 1+2), Recordable Incident Rate and participation rate of internal "Engage" survey, 30%</li> </ul> </li> </ul>
Share ownership guidelines	<ul style="list-style-type: none"> <li>Obligation to purchase Covestro shares equivalent in value to 100% of the fixed annual compensation within three years</li> <li>Hold shares for the duration of Board membership</li> </ul>	<ul style="list-style-type: none"> <li>Voluntary disclosure of individual shareholdings in Annual Report</li> </ul>	<ul style="list-style-type: none"> <li>No ownership guideline due to ADNOC take-over offer supported by BoM</li> </ul>



# Fully fixed compensation system for Supervisory Board

## Responsible governance with transparent board compensation system

Component	Determination base and parameters
<p>Fixed compensation 100%</p>	<ul style="list-style-type: none"> <li>• Fixed annual compensation of €120,000</li> <li>• Chairperson's fixed annual compensation of €360,000, also covering committee memberships</li> <li>• Vice chairperson's fixed annual compensation of €240,000, also covering committee memberships</li> <li>• Additional compensation for committee memberships               <ul style="list-style-type: none"> <li>– Audit Committee: €90,000 for the chairperson and €25,000 for all other members</li> <li>– Other committees: €60,000 for the chairpersons and €30,000 for all other members</li> <li>– Nominations Committee: €30,000 for the chairperson and €15,000 for each other member</li> <li>– In case of multiple committee memberships, compensation limited to the two functions with the highest compensation</li> </ul> </li> </ul>
<p>Attendance fee</p>	<ul style="list-style-type: none"> <li>• €1,000 for each person or virtual attendance of a board or committee meeting</li> <li>• In case of multiple meetings on one day, only one attendance fee is paid</li> </ul>
<p>Reimbursements</p>	<ul style="list-style-type: none"> <li>• Reimbursement of expenses incurred through the exercise of their office, including value-added tax payable on their compensation and on the reimbursement of their expenses</li> <li>• The Company may take out liability insurance for the benefit of the members of the Supervisory Board to cover the legal liability arising from their activities as members of the Supervisory Board</li> </ul>

# OVERVIEW OF COVESTRO'S SET OF NON-FINANCIAL KPIs AND GOALS

# Comprehensive set of KPIs and goals



## Covestro non-financial disclosures

ESG baset of KPI including CO<sub>2</sub>e reduction, RIR rate and Engage survey participation rate for all managerial employees incl. BoM

LTI remuneration

STI remuneration

Addition of non-financial sustainability KPI for all employees endorsed in AGM 2022

Data submitted in 2023 resulting in excellent A- rating, 2024 result pending

CDP Climate 2023

Scope 3 GHG emissions

Disclosure since 2021 in annual report 2021, target announced with annual report 2023 with climate neutrality in 2050 and 30% reduction in 2035

Reporting according to TCFD standard published for FY 2024

TCFD report 2024

EU Taxonomy

Disclosure according to Non-Financial Reporting Directive (NFRD) in FY 2024 reporting

Company steering KPI comprises non-financial sustainability KPI for 2024 including but not limited to GHG emission

Core KPIs

Climate neutrality target






Absolute CO<sub>2</sub>e reduction targets:  
 Scope 1&2 Climate neutrality in 2035 and 60% reduction in 2030  
 Scope 3 Climate neutrality in 2050 and 30% reduction in 2035

# Find more information online




## Useful links and sources

### Topics related to Environment, Social and Governance



#### Circular and climate-neutral economy

- Alternative raw materials 
- Renewable energy 
- Business models 
- Recyclability and end of life solutions 
- Green house gas emissions 




#### Solutions contributing to UN SDGs

- Sustainable innovation portfolio 
- UN SDG conform product portfolio 
- Inclusive business 




#### Corporate culture

- Employer attractiveness 
- Diversity, equity and inclusion 






#### Environmental impact of own Operations

- Air quality 
- Waste 
- Water and wastewater 






#### Health and safety


- Health and safety of workforce 
- Process and plant safety 
- Product safety 



#### Responsible business practices


- Community engagement 
- Compliance 
- Human rights due diligence 
- Sustainability in sourcing 
- Transparency and trust 

#### Responsible governance

- Corporate Governance 
- Board of Management 
- Supervisory Board 
- Board compensation system 
- Tax transparency 
- Compliance hotline 

- Annual Report 2024 
- GRI reporting 

- TCFD disclosure (index) 
- CDP disclosure (index) 

- Covestro non-financial goals 
- ESG ratings and indices 