

Policy No. 1006

(Version: 1.0)

Issue Date: November 18, 2017

Health, Safety, Environment & Energy and Quality (HSEQ)

As **Managing Director** of a Covestro Legal Entity you are required to:

- **commit to a future Estimated Enactment Date** (EED) within 4 weeks upon receipt of this Policy and inform Corporate Office-Corporate Administration (CO-CA) of the enactment;
- conduct an **examination of any legal implications**;
- take into consideration the local laws and regulations regarding the **participation of employee representative committees**;
- **confirm the Actual Enactment Date** (AED) to CO-CA and
- **inform all staff of your Legal Entity** of the contents of this Corporate Policy. If beneficial please provide a local translation.

As **Department Head** within Covestro AG or Covestro Deutschland AG:

- **inform all staff** of the contents of this Corporate Policy.

Disclaimer:

The corresponding electronic version of this document is a true copy of the original Corporate Regulation and thus the relevant document to follow. Any paper copies/prints are not considered true copies unless controlled by a local system compliant to applicable requirements. This document is for internal use only. Utilization or dissemination of this material outside the Covestro Group is not permitted except with the explicit approval of the Compliance Officer responsible.

Please consider that the English version is a "convenience translation". In case of doubt the German version shall prevail.

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| 1. Responsible Corporate Function: | Corporate Office –Corporate Administrations |
| 2. Approvers: | Patrick Thomas, Chairman of the Board of Management Frank H. Lutz, Chief Financial Officer Klaus Schaefer, Board Member responsible for Production and Technology Markus Steilemann, Board member responsible for Innovation |
| 3. Replaces: | -- |
| 4. Recipient: | Managing Directors of all Covestro Legal Entities globally Department Heads COV AG and COV Deutschland AG |
| 5. Issued by: | Covestro AG Corporate Office-Corporate Administration 51365 Leverkusen / Germany K12, #722 Email: COV-CPP |
| 0. Change(s) to previous version: | -- |

Our Policies contain our six essential principles that guide how we think and act. HSEQ is one of them and is explained within this document.

It is our core belief that health, safety, environmental protection and energy performance as well as product and process quality and commercial efficiency are of equal importance in achieving our corporate objectives. We are signatories to the Global Charter of Responsible Care® – a worldwide initiative of the chemical industry – as a commitment by management and all of our employees to drive continuous improvement and to achieve excellence in the HSEQ areas.

Health

We make continual progress towards the goal of no harm to health from products and operations. We continually improve the quality of the health benefits provided for employees in many countries to prevent ill health. We encourage awareness of healthy lifestyles, especially in view of the challenges facing us as a result of demographic changes and the rising retirement age in many countries.

Safety

Safety management and the continuous development of our safety culture are cornerstones of our corporate responsibility. We distinguish three main fields: personal safety, process safety and product safety.

Regarding personal safety we strive to prevent accidents and incidents in day-to-day work and on work-related travel. According to our mantra “Nothing we do is worth getting hurt for” we strive for a reduction of hazards targeting a Recordable Incident Rate (RIR) – the total number of recordable incidents per 100 full-time employees – of zero.

Process safety relates to the secure and reliable operation of our plants. It is essential to the health and well-being of our employees and neighbors, and hence to our success. We continually identify, reduce and manage process safety risks. For example by monitoring the Loss of Primary Containment (LoPC) – which means the leakage of

chemicals from primary containers, such as pipelines, pumps, tanks and drums – to improve the reliability of our operations. We handle dangerous substances in a fully responsible manner to maintain the trust of society and the authorities.

Product stewardship is about design and development, production, handling, packaging, storage, transportation and the use of our products. All of this must be safe and efficient and, after proper use, our products should be available for recycling and safe for disposal.

Environment & Energy

We constantly work to lessen the environmental impact of our activities, products and services, and to develop innovative solutions that support our customers in improving their resource efficiency and reducing emissions. Resource-efficient processes in our operations help to protect the environment and at the same time cut the costs associated with materials, energy, emissions and disposal management.

Economic and environmental considerations encourage us to use resources, materials and energy conscientiously. This also includes topics such as water scarcity and the purchase of resource and energy-efficient products and services as appropriate.

Quality

We set high standards in terms of the quality of the raw materials and their processing into high-tech materials. We strive to improve the quality of our activities and offerings to the satisfaction of our customers and stakeholders and hence to our benefit.

For the operational implementation of these commitments, we have established an Integrated Management System covering all HSEQ aspects. We have also defined rules and regulations that comply with internationally recognized standards. We are committed to continually improve our Integrated Management System through, for example, results of analysis and evaluation, open dialogue with stakeholders and the outputs from management reviews.

To this end, our objectives regarding health, occupational, process and plant safety, environment, energy and quality are expressed as specific and measurable targets on which we openly report. The achievement of these targets is supported with appropriate resources and information and the same diligence as economic goals.