



Project Partners



Implementing solutions





Implementing solutions

Written by **Nell Walker**

Produced by **Richard Durrant**

Covestro aims to brighten up the world with its innovative high-tech chemical solutions, extending its reach to a global scale

Previously known as Bayer MaterialScience, the German-based chemicals company rebranded itself as Covestro in September 2015. 69 percent of the shares are still in the hands of Bayer, with the other 31 percent traded in the MDAX. The company's focus is split into three units; one for the production of polyurethane raw materials, TDI, MDI and polyols; the second for a high-tech plastic named polycarbonate; and the third for raw materials for coatings, adhesives, and specialties. The latter

unit supplies over 4,000 products for different industrial applications, with all of Covestro's dealings being business-to-business.

The company's vision, according to CPO Dirk Jan De With and Board Member Klaus Schäfer, is to make the world a brighter place. Covestro wants to contribute to this goal with products and technologies that benefit society and reduce the impact on the environment. "Many of our materials are within one metre reach of you," says Schäfer. "Sofas, mattresses, sports accessories such

€12.1 billion
Annual Revenue





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“When a sustainability assessment has been positive it doesn't mean we stop there - we want to see how we can improve further”

as running shoes, skiing equipment, and everything in between.”

Covestro's values

Covestro centres the way it does business on what it calls The Three Cs: curious, courageous, and colourful. “Curious very much refers to the fact that we are interested in understanding what happens out there in the world and beyond our own industry,” De With explains. “We look for best practice there and bring it in-house. We're curious about understanding other practices and how we can improve our performance.

“Courageous is about having the courage to step up, come up with refreshing new ideas, challenging

each other within the company and externally for the better. Colourful is probably a value you haven't heard often, and I think that's exactly what sets us apart in the chemical industry – because it's not exactly seen as one of the sexier industries – but colourful is what we aim for. The kinds of applications in which our products end up are the things that make our lives brighter,” says de With.

Integrated sustainability is also at the heart of Covestro's business, which affects many of its business decisions from a People, Planet and Profit perspective: “We are working on challenges of our time, including climate change, growing cities, and ageing populations,”

A portrait of Dirk Jan De With, a man with short brown hair and glasses, wearing a dark grey suit, a light blue shirt, and a red and white striped tie. He is smiling and standing in front of a large, blurred Covestro logo. The logo features a stylized 'C' with a rainbow gradient and the word 'covestro' in white lowercase letters on a dark background.

DIRK JAN DE WITH

Chief Procurement Officer

Dirk Jan De With joined Covestro in April 2015 as Chief Procurement Officer being responsible for the procurement of all materials and services for the company. Previously he has spent 27 years with Unilever in The Netherlands, Germany, Israel, Italy and Switzerland and held senior management positions in all areas of the supply chain. He has been leading the supply chain in Unilever Israel, Planning & Customer Service for Ice Cream Europe and established the Unilever supply chain Company in Switzerland and implemented SAP across all operations in Europe. In his most recent role he was leading Ingredients Procurement and implemented Sustainable Sourcing in line with the Unilever Sustainable Living Plan. During that period he served as President of the Sustainable Agriculture Initiative (SAI) Platform. De With has a MSc degree in Mechanical Engineering from Twente University in The Netherlands and a MBA from the European University, Antwerp/Belgium.

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Key Personnel

DR KLAUS SCHÄFER

Chief Industrial Operations Officer

Dr. Klaus Schäfer became Chief Industrial Operations Officer at Covestro in 2015 and is responsible for production and technology. Previously, Schäfer held the same responsibility in the Polyurethanes segment, was the Country Representative in China for predecessor company Bayer MaterialScience, and Managing Director of German site operator Currenta, which provides services to Covestro at the Dormagen, Krefeld-Uerdingen and Leverkusen sites.

Born in Cologne, Germany, in 1962, Schäfer studied physics at the city's university. After obtaining his PhD, he worked for Erdölchemie and BP, before joining the Bayer Group in 2001.

Schäfer says. "For example, we provide materials for making cars lighter, saving on fuel, and also materials to reduce energy consumption and CO2 emissions."

"Sustainability is something embedded in everything we do in this company," De With adds. "We constantly evaluate the chemical processes we are using and the energy-saving measures we have implemented over the years. We're always saving energy and, because of that, are reducing our carbon



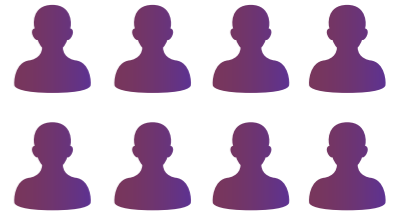
footprint and saving money. It's a good business approach."

Covestro is striving to grow into its assets, leverage its leadership in the industry, and improve its cost

TRANSPORT,
CONTRACT MANUFACTURING,
WAREHOUSING AND DISTRIBUTION
FOR THE CHEMICAL INDUSTRY

15,800

Number of employees at Covestro



base. It achieves these partially through a savvy approach to procurement and by forming a number of strategic partnerships.

“We’ve set ourselves the ambition to deliver value for the company of 1 billion Euros by 2020,” says De With. “We want to create value in four strategic areas: cost transformation, reliability – which is essential in this industry – sustainability, and innovation. Innovation is in everything we do; in our processes and our technology, but also in partnership with others to use their capabilities. Delivering value in a broader sense rather than just cost savings is what we

really aim for with procurement.”

Partnerships

Covestro picks its suppliers and partners carefully, ensuring they also adhere to the company’s high standards. It has a very large supplier base including around 100 key suppliers: “We are very selective in understanding who the real strategic suppliers are that can add significant value,” De With explains. “It’s not just a procurement job; board members, marketing, sales, operations and R&D colleagues are involved – we all talk about our four key strategic areas. In addressing sustainability with those suppliers, we don’t



stop at a positive sustainability assessment, but we want to see how we can improve further.”

Schäfer describes the industry initiative for supplier sustainability assessments: “We are a member of Together for Sustainability, an initiative of the chemical industry with 16 members now which are all well-known in the chemical industry, with the objective to accelerate the implementation of sustainable practices within the supply chains of the chemical industry.

“There are many assessments along the way, beginning with a risk assessment. If it’s a smaller operation in a higher-risk country, we do an evaluation there or an audit by a third party to measure them against economic, environmental, and social standards that we have agreed.”

Covestro highly values the partnerships it works so hard to forge; the relationship with INEOS, for example, is one of the company’s most highly-valued, says De With: “INEOS is a very like-minded business which operates in one of the same chemical parks as we do, so there’s a lot that we do share anyway. It’s a long-standing relationship and we manage multiple businesses together. It goes in both directions; we make materials they



need and they make materials we need. Or the relationship with Mitsui that is key for our polycarbonate business, especially in Asia.

“In terms of logistics we use companies like Hoyer, which has a container terminal in Dormagen,

integrated into the chemical park there, meaning public roads aren't required. Hoyer covers the bulk liquids transport market for us. It was a pioneer of intermodal transport in the early 70's, so we're benefitting from the company's expertise.

“Hoyer is a partner that goes around the globe with us, and is starting to work with us in our logistics in China. Imperial Logistics, too, has a long history with us. It's very important for the supply of many of our raw materials. Salt, for example, is a big raw material for us.”

With Covestro's group of trusted suppliers behind it, the company is able to run with optimum efficiency, allowing its operations to be as



“ We strive for the right kind of diversity in the company to get different views, approaches, and angles to problems, and to really become much better ”

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integrated as possible: “Our task as industrial operations is to manage the whole supply chain from raw materials to production and our commercial operations pick it up at the factory gate and sell it to customers,” Schäfer says. “Everything that is necessary, from buying the raw materials through to production on-site, building plants, managing safety health and environmental aspects and project engineering; these are tasks that we as an industrial operation have in this company.”

“Currenta is the chemical park operator for our production plants in North-Rhine Westphalia,” Schäfer adds. “They are providing the complete infrastructure within the parks, and for that we are buying services from site security, fire brigade, rail connections, and then the biggest part in

there is the energy supply.”

“I always say it’s basically a partner you’re married to by definition,” says De With, “because you’re dependent on each other in these chemical parks. It really requires a strong relationship.”

“Managing things like costs, reliability, and sustainability jointly also ensures that innovation is implemented in all activities,” Schäfer explains.

Covestro’s unique and multi-faceted business model has ensured that it is now a world leader in material solutions, and De With thanks the company’s community of people and skills for that: “We strive for the right kind of diversity in the company to get different views, approaches, and angles to problems, and to really become much better. I think that sets us aside and will do even more in the future.” ■



Kaiser-Wilhelm-Allee 60, Leverkusen,
North Rhine-Westphalia, Germany, 51373
+49 214 6009-2000
info@covestro.com
www.covestro.com

