

Investor News

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Covestro AG
Investor Relations
51373 Leverkusen
Germany

IR Contact
Ronald Köhler
Telephone
+49 214 6009 5098
Email
ronald.koehler
@covestro.com

IR Contact
Ilia Kürten
Telephone
+49 214 6009 7429
Email
ilia.kuerten
@covestro.com

IR Contact
Carsten Intveen
Telephone
+49 214 6009 5861
Email
carsten.intveen
@covestro.com

Sustainable production with solar power

Covestro and EnBW sign long-term purchase agreement for solar power

- **First power purchase agreement for “Weesow-Willmersdorf”, Germany’s largest solar farm**
- **Purchase of 63 megawatts for 15 years from 2022**
- **Renewable energy to power the production of more sustainable plastics**

Karlsruhe/Leverkusen Materials manufacturer Covestro and [energy provider EnBW](#) have signed a long-term corporate power purchase agreement (PPA) for solar-generated electricity. Under the agreement, Covestro has secured 63 megawatts (MW) of capacity from EnBW’s 187 MW “Weesow-Willmersdorf” solar farm in Brandenburg, Germany. The EnBW-operated solar array is the biggest of its kind in Germany and has been implemented without any subsidy under the German Renewable Energy Sources Act. This agreement with Covestro is the first PPA for the project. The solar power will be deployed at the german Covestro sites in Dormagen and Krefeld-Uerdingen for 15 years from the beginning of 2022. The company will use the renewable energy there primarily for the production of more sustainable, mass-balanced plastics manufactured in a so-called drop-in-process using alternative raw materials. These include mass-balanced polycarbonates and mass-balanced thermoplastic polyurethanes.

Converting its energy supply to renewable energy sources is a central pillar in the strategy of Covestro. The company is fully aligning itself with the circular economy and aims to make its production climate-neutral in the long term. “By sourcing solar power from EnBW’s farm, we are underlining our ambition to play a pioneering role on the road to a climate-neutral future and once again sending out a signal for the expansion of renewable energies in Germany. The climate-



neutral transformation of the industry requires large quantities of renewable energies at internationally competitive prices,” said Dr. Klaus Schäfer, Chief Technology Officer at Covestro.

EnBW's solar farm near Berlin with its 465,000 solar panels has been fully connected to the grid since March 2021. “We have long worked on the principle that renewable energy can hold its own on the market without subsidies. PPAs are an important tool for making subsidy-free generating assets commercially viable. They are also pivotal to the energy transition, as they help industrial consumers achieve their climate targets quickly and efficiently. This makes PPAs particularly attractive for companies with energy-intensive production. We are delighted to be able to support Covestro's production with our solar energy,” explained Dr. Georg Stamatelopoulos, Chief Operating Officer Generation & Trading at EnBW.

More sustainable plastics thanks to green energy

Covestro intends to primarily use the solar power from EnBW in the production of mass-balanced and ISCC Plus-certified high-performance plastics of the Makrolon® RE and Desmopan® product series at its sites in Dormagen and Krefeld-Uerdingen. “This enables us to further enhance the sustainability of our production processes and to help our customers reduce their carbon footprint while maintaining the same quality,” Dr. Klaus Schäfer added.

The Group is already able to produce selected grades of Makrolon® RE polycarbonate that are climate-neutral¹ from cradle to factory gate. Covestro also produces Desmopan® thermoplastic polyurethane with an improved carbon footprint. Polycarbonates are used in electronics products and car headlights, among other things. Thermoplastic polyurethanes are used, for example, in household products, ski boots and industrial applications.

A key factor in being able to produce more sustainable plastics is the use of renewable energy. Covestro was an early mover in converting its energy

¹ Climate neutral is the result of an assessment of a partial product life cycle from resource extraction (cradle) to the factory gate, also referred to as cradle to gate assessment. The methodology of our Life Cycle Assessment is based on the ISO 14040 standard, critically reviewed by TÜV Rheinland on the basis of a plausibility check. The calculation considers biogenic carbon sequestration based on preliminary supply chain data and replacing electricity grid mix with renewable electricity used for the manufacturing process. The electricity was allocated on the basis of so-called "Guarantee of Origin" certificates. No offsetting measures have been applied. In the future, the mass-balanced products are to be produced using the renewable energies from the PPA with EnBW.



supplies to renewables and has built up a portfolio of various PPAs in Germany, Belgium and China since 2019. The agreement with EnBW is the first PPA for solar power in Europe.

Pioneer in power purchase agreements

EnBW is among the pioneers with regard to long-term PPAs in Germany and recently signed an 85 MW corporate PPA with Fraport, the Frankfurt Airport operating company. It plans to further step up renewable energy marketing activities in 2022 – both for the “Weesow-Willmersdorf” solar farm and for its two other large-scale subsidy-free projects, “Gottesgabe” and “Alttrebbin”. These two 150-MW photovoltaic installations are currently under construction and are scheduled to go on stream in spring 2022.

About EnBW:

EnBW is one of the largest energy supply companies in Germany and Europe, with a workforce of 24,000 employees. It supplies electricity, gas and water together with infrastructure and energy-related products and services to around 5.5 million customers. Expansion of renewables is a cornerstone of the Company's growth strategy and a major focus of capital expenditure. EnBW plans to invest about €4 billion in the further expansion of wind and solar energy by 2025. Over half of the generation portfolio is to consist of renewables by 2025. This is already having a noticeable impact in terms of reducing CO₂ emissions, which EnBW plans to halve by 2030. EnBW aims to attain climate neutrality by 2035. EnBW is a pioneer in PPAs, having signed the first PPA of its kind in Germany with Energiekontor in 2019.

About Covestro:

With 2020 sales of EUR 10.7 billion, Covestro is among the world's leading polymer companies. Business activities are focused on the manufacture of high-tech polymer materials and the development of innovative, sustainable solutions for products used in many areas of daily life. In doing so, Covestro is fully committed to the circular economy. The main industries served are the automotive and transportation industries, construction, furniture and wood processing, as well as electrical, electronics, and household appliances industries. Other sectors include sports and leisure, cosmetics, health and the chemical industry itself. At the end of 2020, Covestro has 33 production sites worldwide and employs approximately 16,500 people (calculated as full-time equivalents).

Find more information at covestro.com/investors.



Forward-looking statements

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