COVESTRO TCFD INDEX 2025

Our reporting according to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)



ABOUT THIS INDEX

The Task Force on Climate-related Financial Disclosures (TCFD) was initially established by the Financial Stability Board for the purpose of developing a uniform framework for reporting on climate-related opportunities and risks. The focus is on disclosing financial risks that companies face due to climate change and the strategies they employ to address these. At this point, the TCFD organization was fully consolidated by the International Sustainability Standards Board (ISSB).

Covestro publishes relevant information on its ongoing transformation toward a climate-neutral company alongside other sustainability-related information within its Annual Report, mainly within the Group Sustainability Statement as a separate section in the Combined Management Report. As of fiscal 2024, Covestro applies the European Sustainability Reporting Standards (ESRS) set out by the EU Corporate Sustainability Reporting Directive (CSRD). The Non-Financial Group Statement is prepared in accordance with the ESRS framework. Due to the close alignment between the ISSB and the European Financial Reporting Advisory Group (EFRAG) that designed the ESRS on behalf of the European Commission, the ESRS, specifically ESRS E1: Climate Change, cover all TCFD recommendations and partially exceed them.

To address investors' dedicated information needs, we provide an index to showcase where the TCFD-related recommendations are addressed in our Annual Report.

The index includes references to thematically relevant parts of the text for the TCFD-recommended core areas: Governance, Strategy, Risk Management, as well as Metrics and Targets.

TCFD recommendations within Covestro's Annual Report 2025

General item	Specific TCFD recommendation	Section in the Annual Report 2024	Page
1 Governance Our governance around climate-related risks and opportunities.	Board oversight of climate-related risks and opportunities.	• Sustainability Statement: Governance – Role of the administrative, management and supervisory bodies; Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	112f.
	Management's role in assessing and managing climate-related risks and opportunities.	• Sustainability Statement: Governance – Role of the administrative, management and supervisory bodies; Integration of sustainability-related performance in incentive schemes	113f.
	Incentivization for climate action through our compensation scheme.	• Sustainability Statement: Governance - Integration of sustainability-related performance in incentive schemes	113f.
2 Strategy Actual and potential impacts of climate-related risks and opportunities on our business, strategy, and financial planning.	Climate-related risks and opportunities Covestro has identified over the short, medium, and long term.	• Sustainability Statement: Strategy - Material effects, risks and opportunities; • Sustainability Statement: Impacts, risks, and opportunities management – Process to identify and assess material impacts, risks, and opportunities; • Sustainability Statement: ESRS E1: Climate Change – Strategy	119 120ff. 136f.
	Impact of climate-related risks and opportunities on our business, strategy, and financial planning.	• Sustainability Statement: Strategy - Strategy, business model and value chain; Material effects, risks, and opportunities; • Sustainability Statement: Impacts, risks, and opportunities management – Process to identify and assess material impacts, risks, and opportunities; • Sustainability Statement: ESRS E1: Climate Change – Impacts, Risks and Opportunities; Strategy; Policies and Action; Targets; Metrics	117; 119 120f. 136ff.
	Resilience of our strategy.	• Sustainability Statement: Strategy - Material effects, risks, and opportunities; • Sustainability Statement: Impacts, risks and opportunities management – Process to identify and assess material impacts, risks, and opportunities; • Sustainability Statement: ESRS E1: Climate Change - Strategy	119 120ff. 136f.
3 Risk Management Our process for identifying, assessing, and managing climate-related risks.	Our process for identifying and assessing climate-related risks.	• Sustainability Statement: Impacts, risks and opportunities management – Process to identify and assess material impacts, risks and opportunities; • Sustainability Statement: ESRS E1: Climate Change – Impacts, risks, and opportunities	120ff. 136f.
	Our process for managing climate-related risks.	• Sustainability Statement: ESRS E1: Climate Change – Policies and Actions; Targets	140ff.
	Our integration of managing climate-related risks into our overall risk management.	• Sustainability Statement: Impacts, risks and opportunities management – Identification, assessment and monitoring of material impacts on people and the environment, risks and opportunities; • Report on future perspectives and on opportunities and risks: Opportunities and Risks Report – Group-wise opportunities and risk management	123f. 74ff.
4 Metrics & Targets Metrics and targets we use to assess and manage relevant climate-related risks and opportunities.	Metrics we use to assess climate-related risks and opportunities in line with our strategy and risk management process.	• Sustainability Statement: ESRS E1: Climate Change – Policies and Actions; Metrics	140ff.
	Our Scope 1, Scope 2, and determined Scope 3 greenhouse gas (GHG) emissions.	• Sustainability Statement: ESRS E1: Climate Change - Metrics	146ff.
	Our targets to manage climate-related risks and opportunities and performance against targets.	• Sustainability Statement: ESRS E1: Climate Change - Targets	143ff.

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.