

# Background: Joint Solutions

## Alternative Raw Materials



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Biomass, CO<sub>2</sub> and waste a new carbon sources

### **Jointly spreading alternative raw materials**

#### **Industry must replace crude oil in production processes**

Despite appeals and countermeasures, mankind continues to burn far too much fossil fuels. In 2021, demand for coal and oil is rebounding strongly after the coronavirus-induced decline, leading to another surge of CO<sub>2</sub> emissions. This underscores the urgency to switch to other, climate-friendly carbon sources. This is a challenge for many climate-intensive sectors and particularly holds true for the plastics industry, which depends on carbon in its production processes and accounts for about six percent of global oil consumption. Since demand for plastics is expected to increase significantly, the need for a true raw materials revolution is all too evident.

Moving into the future, companies should strive to quit fossil fuels to the greatest possible extent, replacing them with biomass, CO<sub>2</sub> as well as end-of-life products and waste. In this way, carbon can be recirculated and kept in the value creation cycle instead of being released into the atmosphere – a major contribution to climate neutrality, resource efficiency and the circular economy. Academic institutions and think tanks as well as start-ups and established companies across the globe are addressing this topic, often alongside political initiatives such as Horizon 2020 in the EU.

#### **Plastics from vegetable oil**

Covestro is also increasingly using alternative, sustainable raw materials in plastics production. To this end, Covestro has for example entered into a strategic alliance with Neste in 2020. The Finnish petroleum company produces renewable hydrocarbons from vegetable oil and fat which stem from leftover food. These have a mass balance certification from ISCC PLUS. The Austrian plastics manufacturer Borealis in turn uses them to manufacture sustainable



phenol – a key component of the high-performance plastic polycarbonate. Covestro has also been receiving ISCC PLUS-certified benzene from French petroleum company Total since 2021, which is used to produce rigid polyurethane foam.

Covestro is also a forerunner when it comes to make plastics from CO<sub>2</sub>. There are already several types of plastic components on the market with up to 20 percent CO<sub>2</sub> instead of crude oil. This is possible due to an innovative platform technology developed by Covestro and its partners from the CAT Catalytic Center at RWTH Aachen University, Germany.

**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 [www.covestro.com](http://www.covestro.com).

**Forward-looking statements**

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