

# Background: Joint Solutions

## Renewable Energy



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Circular economy relies on green power

### **Jointly promoting renewable energy**

#### **Rapid expansion of plants and infrastructure needed**

Clean energy is on the rise. In 2021, renewables are expected to account for 30 percent of electricity generation worldwide. In 2050, the figure could triple to 90 percent, according to the experts from the International Energy Agency (IEA). They also see the opportunity to bring global energy-related CO<sub>2</sub> emissions to net zero by then.

This is good news for another giant global project: the transition to a circular economy. Because circularity not only means more recycling and closing loops by using non-fossil raw materials. What we need is a holistic approach which also includes energy from renewable sources.

#### **Enormous amounts of cheap green energy needed**

In particular the chemical and plastics industry's long-term transition to the circular economy requires enormous amounts of green energy at reasonable cost. In Germany, for example, the sector would need about 600 terawatt hours of green power to become climate-neutral by 2050. This is more than the country's total electricity demand of today.

Here and elsewhere rapid expansion of plants and infrastructure such as grids and storage systems is needed. There is a lot of research going on. The publicly supported Copernicus project "Power-to-X" in Germany, for example, looks at converting renewable electricity into other forms of energy such as fuels, heat or chemical raw materials. This is a good way to store the fluctuating energy from wind, solar and hydropower.



Covestro has already forged some partnerships to boost clean energy usage. Since April 2021, the company covers 45 percent of its electricity needs in Belgium from wind power provided by ENGIE, the largest producer of renewable energy in the country. This reduces Covestro's environmental footprint in Belgium by more than 38,000 metric tons of CO<sub>2</sub>, equivalent to the emissions of 20,000 cars per year.

Covestro will also meet a significant portion of its electricity needs in Germany in the future with wind energy from the North Sea. To this end, the company signed what was at the time the world's largest industrial customer supply contract for electricity from offshore wind farms with the Danish energy provider Ørsted. Starting in 2025, Ørsted will deliver green power over a ten-year period from a newly constructed wind farm off the island of Borkum.

#### **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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