

# Press Release



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Further step in expanding circular portfolio

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## Covestro signs first global agreement to supply mass-balanced TDI to Sinomax

[Covestro](#) has signed its first commercial contract for supplying its ISCC Plus certified polyurethane raw material TDI from mass-balanced feedstock to [Sinomax](#), a global manufacturer and distributor of polyurethane-based comfort products, as it continues to help downstream industries reduce their carbon footprint with a broader portfolio of more sustainable raw materials.

The first batch of the bio-attributed TDI via mass balance is expected to be delivered from Covestro Integrated Site Shanghai in the first quarter of 2022, and be applied to Sinomax's medium and high-end product lines for mattresses, pillows and mattress toppers. Both partners signed an agreement to this effect at the Hong Kong office of Covestro on December 15. Covestro and Sinomax, based in Hong Kong, China, also agreed to extend their regional partnership to a global scale, with Sinomax scaling up their operations in the United States.

TDI (toluene diisocyanate) is a key building block of polyurethane flexible foams, which are widely used in the furniture, automotive, and shoe industries. It can also be used in the production of polyurethane coatings and adhesives.

Eric Cheung, President of Sinomax said, "We have been working hard to reduce carbon emissions, and Covestro's mass-balanced TDI products can effectively help us meet emissions reduction goals. With a global footprint, Covestro has sufficient, stable and fast delivery capacity in major markets, which is crucial to our global development."

"With this mass-balanced lower-carbon-footprint TDI, we are further enriching our broad portfolio focused on the circular economy, in response to the rising demand for more sustainable products," said Sucheta Govil, Chief Commercial



Officer of Covestro. "By helping an increasing number of customers and value chain partners across industries meet their sustainability targets, we are accelerating the transition to the circular economy together."

Mass balance is a chain of custody method that allows fossil and alternative feedstock to be mixed in production, but separated in bookkeeping. It is able to track materials through the value chains and allows attribution of alternative feedstock, like bio-based raw materials, to selected end products.

"With this new approach of incorporating sustainable raw materials into our TDI, the reduction of CO<sub>2</sub> footprints in the flexible foam industry can be accelerated immediately and also become easily scalable. We are excited to take this first step globally here in Asia Pacific with our partner Sinomax that shares our vision and commitment towards the circular economy," outlines Marius Wirtz, Head of Sales in the Performance Materials segment of Covestro in the Asia Pacific region.

Covestro earlier received the ISCC Plus certification for its Shanghai production site. Now the site is able to offer Asia Pacific customers large volumes of TDI, in addition to polycarbonate and MDI with alternative feedstock attributed via mass balance. These products are of the same good quality as their fossil-based counterparts and can be used as a drop-in solution, meaning they can be implemented in existing production processes without the need for technical modification.

#### **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).

#### **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](http://www.covestro.com). The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.