

# Press Release



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Another exciting step for Covestro on its way to full circularity

## Covestro invests in the production of more sustainable polycarbonates in Asia Pacific

- Capability to deliver over 60,000 tons per year of recycled polycarbonates annually by 2026 in region amid strong demand
- Groundbreaking on company's first dedicated mechanical recycling production line in Shanghai
- Repurposing of an existing production line in Thailand

Recycling plastic waste through mechanical processes such as sorting, grinding, re-granulating and compounding is an essential part of the circular economy. [Covestro](#) has now announced plans to set up its first dedicated line for the mechanical recycling (MCR) of polycarbonates at its integrated site in Shanghai. The new MCR line will address the growing demand for more sustainable solutions, in particular with Post-Consumer-Recycled (PCR) products, to be used primarily for the compounding step in the manufacture of electrical and electronic products, automotive applications, and consumer goods.

The line, which represents an investment of more than EUR 27 million, will be capable of delivering more than 25,000 tons of high-quality polycarbonates and blends containing mechanically recycled content annually when it is planned to be commissioned in 2023. Overall, the company aims to be capable to deliver more than 60,000 tons of polycarbonates with recycled content in Asia Pacific per year until 2026.

"The MCR production line is another exciting step we have taken to fulfill our commitment toward a circular economy and achieve our goal to become operational climate neutral by 2035," said Sucheta Govil, Chief Commercial Officer of Covestro. "Recycling plastic waste is absolutely essential to the circular economy, and addresses one of the major global challenges we face



together as a society. We will continue to invest in expanding and improving our capacity for recycled plastics, and leading the industry to create materials with higher recycled content."

"To meet the rapid growth in demand for more sustainable and circular solutions from our downstream customers, we will continue to invest in expanding our capabilities," said Lily Wang, Head of Covestro's Engineering Plastics segment, at the groundbreaking event. "This MCR production line is the latest example of our efforts in this regard and signals our commitment to driving the transition to more sustainable products in this region, especially in China."

### **Repurposing a compounding facility in Thailand for the ASEAN market**

Covestro will also be repurposing an existing compounding line at its Map Ta Phut site in Thailand to a plant for mechanical recycling. The conversion of the plant is scheduled to be accomplished by the end of 2022 and continue to pave the way and meet market demand for polycarbonates from post-consumer recycled (PCR) content across multiple industries in the ASEAN region. Based on the current forecast, the unit will supply up to 10 percent PCR based product of its annual production volume by 2030.

Dr. Nicolas Stoeckel, Head of Operations in the Engineering Plastics segment, said: "The new developments in China and Thailand are not only about investing in capacity increase, but also about improving our capability to produce more products with higher recycled content and more consistent quality. These developments will further strengthen Asia's reputation as the world's leading producer of polycarbonate PCR grades."

The two facilities in Shanghai and Map Ta Phut will boost Covestro's output of PCR polycarbonates Makrolon® R and Bayblend® R, which contain up to 75 percent recycled content and can contribute to a carbon footprint reduction of up to 50 percent while meeting performance and eco-labels' requirements.

### **About Covestro:**

Covestro is one of the world's leading manufacturers of high-quality polymer materials and their components. With its innovative products, processes and methods, the company helps enhance sustainability and the quality of life in many areas. Covestro supplies customers around the world in key industries such as mobility, building and living, as well as the electrical and electronics sector. In addition, polymers from Covestro are also used in sectors such as sports and leisure, cosmetics and health, as well as in the chemical industry itself.

The company is committed to becoming fully circular and aims to become climate neutral by 2035 (scope 1 and 2). Covestro generated sales of around EUR 15.9 billion in fiscal 2021. At the end of 2021, the company had 50 production sites worldwide and employed approximately 17,900 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.

**Photo**



Caption: Groundbreaking ceremony for the new line for mechanical recycling of polycarbonate with (from left to right) Roman Wang, Vice President of Procurement Strategy, Process Excellence & Chief of Staff, Schneider Electric, Guopei Yang, Director of Body & Exterior & Interior, Human Horizons, Lily Wang, President of Business Entity Engineering Plastics, Covestro, Dr. Yun Chen, Head of Covestro Integrated Site Shanghai, and Renqi Hu, Senior Manager of Center Lab, SAIC Motor. © Covestro