



Press Release

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First joint project of ten companies

Covestro and Circularise partner in ISCC PLUS certification across value chains

Testing a blockchain system to complement ISCC PLUS

Covestro is proud to announce the successful completion of Circularise's pioneering project with the certification scheme ISCC in which partners tested a blockchain system to complement the ISCC PLUS certification. For the first time ten companies from the chemical industry and respective downstream sectors got together to test such a digital system to bridge the inter-company gap in the sustainability certification process across complex value chains.

Circularise's blockchain-based digital system was tested with the ISCC PLUS certification to make auditing of certified parties more efficient, and to strengthen the integrity of certified data. Participants used a public blockchain enabling authentication, accessibility, decentralization, and encryption of data verifying material flows and related sustainability attributes. "We are excited to bring our knowledge in supply chain traceability and data management to project partners to test a public decentralised blockchain with the ISCC PLUS certification," said Mesbah Sabur, Founder of Circularise.

Material traceability and verification of data at individual sites and across the value chain are guaranteed by ISCC PLUS certification of each site of the operators, requiring site-specific audits, certification, and company-specific mass balance calculations to provide reassurance about the sustainable content. The data was uploaded to the Circularise software system to improve mass balance bookkeeping and reporting along the value chain through several companies.

"Certification will become more digital in the future. It will allow certification schemes to simplify the auditing process of supply chain actors and reduce the risk of mistakes. Companies will have an easier way to show compliance and adhere to auditing rules," says Jan Henke from ISCC. "We are excited to have tested Circularise's traceability software on ISCC procedures."

Digitized ISCC certification for Covestro downstream customers

Covestro joined the ISCC pilot to understand how they can more efficiently communicate their sustainability information to their downstream partners.

"With other Circularise pilot projects, for example with Porsche, we were able to communicate raw sustainability data without a problem, but we had not yet

addressed sustainability certifications. In the ISCC pilot we have shown now how we can easily attach certifications that can be digitally carried all the way through the value chain from Covestro to our downstream partners and finally to OEMs and beyond," explains John Fox from the Digital R&D area at Covestro. The company is seeing increasing demand from customers and partners for a digital certification system that can validate material sustainability claims via a system like ISCC.

Mass balancing is an emerging concept, not yet fully understood on the consumer side. So, in order to help ISCC and the entire mass balancing approach to reach out further down the value chain, the delivery of digital certified information through a simple and compatible system can give downstream partners an easier and more recognized tool to communicate and share sustainability attributes externally, all the way down to the consumer.

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 is striving to become climate neutral by 2035 (scope 1 and 2). Covestro generated sales of 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).

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