



Press Release

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Covestro signs major renewable energy supply contracts with Chinese producer CGN

- **Multi-year contract calls for annual purchase of 300 gigawatt hours of wind and solar power from CGN**
- **Plans to cover 30 percent of electricity demand at Covestro's Shanghai site**
- **Solid basis for significant reduction in greenhouse gas emissions**

[Covestro](#) is taking another major step forward on its path to climate neutrality. The company has signed several multi-year power purchase agreements (PPA) with [CGN New Energy](#), including one that will cover around 30 percent of the electricity needs of the important production site in Shanghai.

"Covestro aims to become climate-neutral by 2035 and is systematically converting its production worldwide to renewable energies to achieve this goal," says CEO Dr. Markus Steilemann. "On the way to achieving this, we have reached a new milestone with this agreement. At the same time, we are contributing to the further expansion of the entire market for renewable energies with our investments and our commitment."

Under the PPA, the Covestro Integrated Site Shanghai will purchase approximately 300 gigawatt hours of green power annually from CGN's wind and solar farms in the town of Lenghu in northwest China's Qinghai province. The agreement will reduce Covestro's carbon emissions in China by around 126,000 metric tons of CO₂ per year. This is equivalent to the emissions of around 60,000 gasoline-powered cars annually. The PPA is scheduled to take effect in January 2023.

"We are delighted to support leading chemical companies like Covestro in converting their production sites to renewable electricity. We look forward to our further cooperation with Covestro, and together we will also contribute to China's dual carbon targets and sustainable development," says Qi Fang, Deputy General Manager of CGN New Energy.

The Shanghai site is already partly supplied by renewable energy. For example, in 2022 alone, it is expected to use more than 300 gigawatt hours of solar power generated in northwest China.

"This new contract is a milestone in the Shanghai site's journey to net-zero emissions. We have increased energy efficiency and significantly reduced emissions over the years, and the use of green power and alternative raw materials will be a key focus as we strive for carbon-neutral production in the next decade," says Holly Lei, President of Covestro China.

Meanwhile, Covestro's Guangzhou and Foshan sites in south China will be powered with 100 percent renewable electricity. Starting next year, both sites will be using power generated from CGN's offshore wind farms in Guangdong province.

The latest PPAs in China follow purchase agreements Covestro had already signed with energy suppliers in Europe. Under one agreement, utility Ørsted will supply offshore wind energy starting in 2025, which is expected to meet 10 percent of the electricity needs of Covestro's sites in Germany. Under another, ENGIE, Belgium's largest renewable energy producer, will provide onshore wind energy to meet 45 percent of the electricity demand of Covestro's Antwerp production site in Belgium.

About CGN New Energy:

CGN New Energy Holdings Co., Ltd. (hereinafter referred to as CGN New Energy), a holding subsidiary of China General Nuclear Power Corporation (CGN), was listed in Hong Kong in October 2014. It is targeted as an important platform for CGN to develop and operate new energy power generation projects and is fully responsible for the business development, reform, and innovation of the new energy industry. CGN started its new energy business in 2007. After over a decade of development, the new energy business has become the second pillar of CGN, covering wind power, solar power, hydropower, gas-fired generation, and cogeneration. As of October 2022, the installed capacity operated or controlled by CGN New Energy exceeded 30,000 MW.

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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