Solving supply chain challenges together

**Press Release**

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Covestro AG

Communications

51365 Leverkusen

Germany

Contact

Petra Schaefer

Telephone

+49 172 6708 416

EMail

Petra.Schaefer

@covestro.com

Contact

Markus Kleine-Beck

Telephone

+49 173 2320 686

EMail

Markus.Kleine-Beck

@covestro.com

Contact

Unternehmenskommuni-kation international Lidl Stiftung & Co. KG

EMail

Corporate.Communications.International@Lidl.com

Covestro transports products from Asia on ships of Lidl subsidiary Tailwind Shipping Lines

* Faster and more timely thanks to greater independence from major shipping companies
* More flexibility: direct route from Asia to Europe, smaller ships, several possible destinations

German materials manufacturer Covestro will from now on ship its plastic precursors on ships of Tailwind Shipping Lines, a subsidiary of German food retailer Lidl. Since this year, the discount giant has been developing its own capacity in sea freight due to the continuing difficulties of large shipping companies on the busy sea routes between Europe and Asia.

Currently, two of its own ships and two additional chartered ships belong to Tailwind Shipping Lines. In addition to the non-food products from and for Lidl, Tailwind offers space on these ships also for interested companies. Covestro uses this now to also become more independent from the busy main routes and shipping companies and to increase the speed and punctuality of its own deliveries.

"Ocean shipments have been severely disrupted since the pandemic began, and the scheduling accuracy of large shipowners has fallen from 70 to 20 percent," says Sucheta Govil, Chief Commercial Officer at Covestro. "To increase our reliability and punctuality, we are therefore actively looking for alternatives. With Tailwind, we have found a partner to navigate the direct route from Asia to Europe with its ships - and who is therefore exactly where it helps us."

**Smaller vessels, more flexibility and punctuality**

The Tailwind ships have a capacity of around 5,000 "Twenty Foot Equivalent Units", or TEU, per month. TEU is a standard measure for shipping containers. Large ships from the big shipping companies can hold three to five times more. However, those mega ships can also only discharge at large ports and travel rather fixed routes with pre-determined stops, which increases the susceptibility to delays.

"We now determine the route ourselves. And because our ships are smaller, we can also have them sail to and discharge at smaller ports. This gives us a great advantage in terms of flexibility, speed and thus also punctuality," says Wolf Tiedemann, CEO of Sales, Logistics and Central Divisions of Lidl Stiftung & Co. KG. "This allows us to import our own goods reliably from Asia - but at the same time we still have room that we can offer. We are pleased to have found a first interested customer and partner with Covestro and hope to be able to expand the cooperation further and find other interested parties."

A first container of Covestro materials successfully completed the route from the company's largest production site near Shanghai to Europe. Currently Covestro ships a good 8,000 containers a year on that route alone. How many of these will be transported by Tailwind in the future is currently being negotiated.

**About Tailwind**

Tailwind Shipping Lines officially started shipping on 18 July 2022. The activities around Tailwind Shipping Lines are another building block for Lidl to protect its supply chains and the availability of goods in its stores. The aim is to be able to control the increased volume of goods from different production facilities more flexibly in the long term. Tailwind Shipping Lines has therefore purchased two ships and charters more. The ships of the Tailwind Shipping Lines will mainly serve the Asia-Europe / Europe-Asia route and predominantly transport non-food products.

**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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*Read our* [*Corporate Blog*](http://www.covestro.com/blog/de)*.*

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