Press Release

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Planned Portfolio adjustment in Europe

Covestro NV intends to reorganize polycarbonate production at Antwerp site

- **Intention to consolidate polycarbonate production**
- **Up to 260 employees potentially affected**
- **Stronger focus planned on high-value materials and technologies**
- **Aniline investment to continue as planned**
- **Employee consultation process launched**

Covestro NV today announced its intention to reorganize polycarbonate production at its Antwerp site to strengthen the site's long-term competitiveness. The company intends to consolidate polycarbonate production from four lines to one and discontinue local production of the polycarbonate precursor Bisphenol-A (BPA). The intended reorganization reflects the need to adapt to fundamentally changed market realities in Europe and is part of the ongoing transformation of Covestro to strengthen its global competitiveness and profitability.

"Europe's chemical industry is at a crossroads. The structural challenges are severe, and market realities have changed fundamentally. We need to adapt our portfolio to where we can compete successfully in the long term to ensure a future for our production in Europe," says Markus Steilemann, CEO of Covestro. "This is not an easy step for anyone involved, and we are fully aware of what it would mean for our colleagues in Antwerp should this intention be confirmed. Covestro NV will approach this intended transformation responsibly and discuss its intention openly and constructively with the local employee representatives."

Structural market pressure on European polycarbonates
The announcement reflects broader structural challenges currently affecting the European chemical industry. High production and energy costs, weak demand and increasing international competition continue to weigh on Europe's competitiveness. To date, European industrial policy has failed to provide an adequate response to these structural challenges and to close this competitiveness gap.

At the same time, significant capacity additions, particularly in Asia, have created persistent global overcapacity in standard polycarbonates. Capacity utilization has dropped significantly and is expected to remain at a low level for the foreseeable future. Against this backdrop, Covestro NV's operations in Antwerp have been increasingly loss-making since 2022, making the current setup, in the company's view, economically unsustainable. Covestro NV believes that failing to act now would undermine the long-term economic viability of the Antwerp site.

Clear future perspective for Antwerp site
Covestro NV continues to see a clear future for its Antwerp site as an important part of the group's European production and innovation network. The majority of activities at the site would be retained and fall outside the scope of this intention. The remaining polycarbonate line would focus on higher value specialty grades such as heat-resistant APEC®. The previously announced investment in a new aniline production unit would continue as planned, strengthening the role of Antwerp as the aniline hub for Europe. The polyether production lines in Antwerp are also unaffected by this intention, as is the Technology Centre based in Antwerp, which drives global process technology development for polycarbonates.

"Commodity production in Europe is increasingly difficult to operate competitively, while we continue to see attractive opportunities in high-value specialty materials," says Thorsten Dreier, CTO of Covestro. "To remain competitive on a global scale, we need a cost base that allows us to invest in innovation and future-oriented technologies. By focusing Antwerp accordingly and continuing the investment in a new aniline plant, Covestro NV aims to strengthen the long-term competitiveness of the site."

Information and consultation process starts
The intended measures could affect up to 260 employees in production and support functions out of currently around 970 employees at the site. Covestro NV is now launching the formal information and consultation process with employee representatives in accordance to local laws. No final decision will be taken before this process has been completed and its outcome carefully considered.

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, telecommunications and health, as well as in the chemical industry itself.

The company is geared completely to the circular economy. In addition, Covestro aims to achieve climate neutrality for its Scope 1 and Scope 2 emissions by 2035, and the Group's Scope 3 emissions are also set to be climate neutral by 2050. Covestro generated sales of EUR 12.9 billion in fiscal year 2025. At the end of 2025, the company had 46 production sites worldwide and employed approximately 17,600 people (calculated as full-time equivalents).

You can find more information on the Covestro homepage.
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