



Press Release

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Covestro signs first major renewable energy agreement for its US operations

- **Long-term agreement signed with Ørsted as part of its planned Mockingbird Solar Center in Texas, U.S.**
- **Covestro's 90MW share of renewable energy estimated to offset 70,000 tons of CO₂ emissions at its Baytown, Texas, site annually, starting in late 2024**
- **Agreement equivalent to energy used to power more than 15,000 homes**

Covestro, a leading manufacturer of high-quality polymer materials and their components, has signed a 90 megawatt (MW) virtual power purchase agreement (vPPA) with Ørsted, a clean energy leader in the U.S. market, headquartered in Denmark.

With various agreements in place, Covestro fosters the growth of renewable energy projects around the world. This newest 15-year agreement secures a portion of power from the Mockingbird Solar Center in Lamar County, Texas, marking Covestro's first renewable energy agreement in the U.S. The vPPA is estimated to offset 70,000 tons of CO₂ emissions annually and will reduce the scope 2 emissions from Covestro's third largest production site, located in Baytown, Texas.

"This important new announcement builds upon Covestro's [existing agreement](#) with Ørsted and clearly signals our commitment to the use of renewable energy," said Markus Steilemann, CEO of Covestro. "The inclusion of renewable energy to help power our facilities is a critical component to reducing our scope 2 emissions and becoming operationally climate neutral by 2035."

Covestro set itself ambitious climate neutrality goals in 2022. One major lever to reach these goals is energy from renewable sources, such as wind and solar power.

"The vPPA with Ørsted comes on the heels of our recent announcement of [ISCC PLUS certification](#) for our production site in Baytown, Texas," explains Haakan Jonsson, chairman and president of Covestro LLC. "These two initiatives represent our focus on sustainability and the strategic path we have set to minimize our carbon footprint across Covestro's operations in the United States. Cumulatively, projects like this help us realize our path to becoming fully circular."



One concrete measure on this path is climate neutrality, which includes the switch to power from renewable sources. Covestro relies on agreements with power suppliers to facilitate this transition.

“We are thrilled to help facilitate Covestro’s entry into the U.S. renewable energy market with this newly signed virtual power purchase agreement,” said Monica Testa, Head of Origination at Ørsted. “The Mockingbird Solar Center is a unique project that represents both preservation and progress. The clean energy produced by the solar center will help Covestro to decarbonize its operations, while the [conservation of rare native tallgrass prairie](#) habitat supports plant and wildlife biodiversity in the region. We’re proud of the important outcomes this project achieves and look forward to our continued partnership with Covestro.”

Edison Energy worked with Covestro to broker the agreement for the vPPA. Ørsted’s Mockingbird Solar Center will produce enough clean energy to power roughly 80,000 homes and is expected to begin operation in late 2024. At that time, Covestro will start executing on the vPPA, which represents nearly 20% of the Mockingbird Solar Center’s capacity.

In December 2019, Covestro concluded a supply agreement for electricity from offshore wind turbines with energy supplier Ørsted. Starting in 2025, Ørsted will provide green electricity for ten years to supply Covestro’s production sites in Germany, generated in a newly built wind farm off the island of Borkum, Germany. At the end of 2022, Covestro had already covered 12 percent of its global energy requirements with electricity from renewable sources. That figure is expected to rise to 16 to 18 percent in 2023.

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 18 billion in fiscal 2022. At the end of 2022, the company had 50 production sites worldwide and employed approximately 18,000 people (calculated as full-time equivalents).

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