



Covestro Corporate Commitment

**Contribution to the United Nations
Sustainable Development Goals**



Corporate Commitment on our contribution to the United Nations Sustainable Development Goals (UN SDGs)

Covestro explicitly advocates the comprehensive and global approach of the UN SDGs. As a world-leading supplier of high-tech polymer materials we are able to make a significant contribution to overcoming some of the world's biggest challenges and work on solutions to tackle them. We want to push boundaries to make the world a brighter place by addressing the UN SDGs.

In September 2015, the [United Nations](#) (UN) published the [17 Sustainable Development Goals](#) which came into effect on Jan 1st 2016. The 195 UN countries committed to mobilize efforts to end all forms of poverty, fight inequalities and tackle climate change. The 17 SDGs and their 169 sub-targets recognize that ending poverty must go hand-in-hand with strategies that build economic growth. The ambition of the new agenda requires global partnerships between governments, the private sector, civil society, the UN organizations and other actors.

Covestro pursues its overarching **purpose of making the world a brighter place**. We **aim to contribute to finding answers to global challenges** like climate change, increasing urbanization and mobility, and population growth. To this end, we provide innovative products, technologies and solutions. **Our activities address the UN SDGs** in support of global progress at the ecological, economic and social levels.

We understand that the **SDGs are deeply interrelated** and therefore **adopt a holistic approach** to them **without making compromises**. We are aware that we bear a **special responsibility**, especially with regards to potential **challenging issues**. We strategically **set the path to broaden our positive impact on the SDGs**. With this, we also consciously include SDGs that are less obvious to our industry. We **want to find solutions** that make the world a brighter place and spur innovation.

UN SDGs are part of our non-financial company goals and a driver for innovation

In 2016, Covestro set five ambitious [non-financial goals](#) to be reached by 2025. These **have a positive impact on all 17 SDGs** to differing degrees.

With our **innovation-related goal** we are pushing boundaries by **directly targeting the UN SDGs** with our research and development projects. We have set ourselves



the following goal: “Our project portfolio is aligned with the United Nations Sustainable Development Goals.” By 2025, **80% of our Research & Development** project spending will be **targeted** in areas that specifically **contribute to achieving the UN SDGs**, either in partnerships with or endorsed by recognized institutions.

UN SDGs are part of our management system

Covestro has developed six essential principles that guide how we think and act (our six [company policies](#)). These six policies form the basis of living up to our company vision and mission and all further internal guidelines are derived from them. In **our Sustainability Policy we commit ourselves “to finding ways of contributing towards reaching the UN SDGs”**, thereby forming the base of “UN SDG application” in our management system.

UN SDG responsibility

We acknowledge that individual stakeholders might see challenges, that if neglected or not addressed, have the potential to negatively affect individual UN SDGs.

We are aware that we bear a special responsibility as part of the chemical industry. For this reason, we ensure that the **challenges** we identify **are addressed systematically and continually monitored**. This is our way of assuring - no matter how challenging the issue - that Covestro is making a **positive contribution to the UN SDGs – or at least, has a neutral impact**.

Our current contribution to the UN SDGs

Covestro **contributes to all 17 UN SDGs** to differing degrees and in different areas (*internal study conducted in 2017*). We categorized our area of contribution to reflect different aspects of contribution and different sizes of target groups:

- Core business products
- Covestro’s workflows and production processes, internal standards, culture and business ethics
- Research and development (R&D) projects
- Inclusive business (improving the living standards of low-income communities with innovative solutions)
- Social engagement (mostly by way of partnerships and donations, educational activities and employee volunteering)

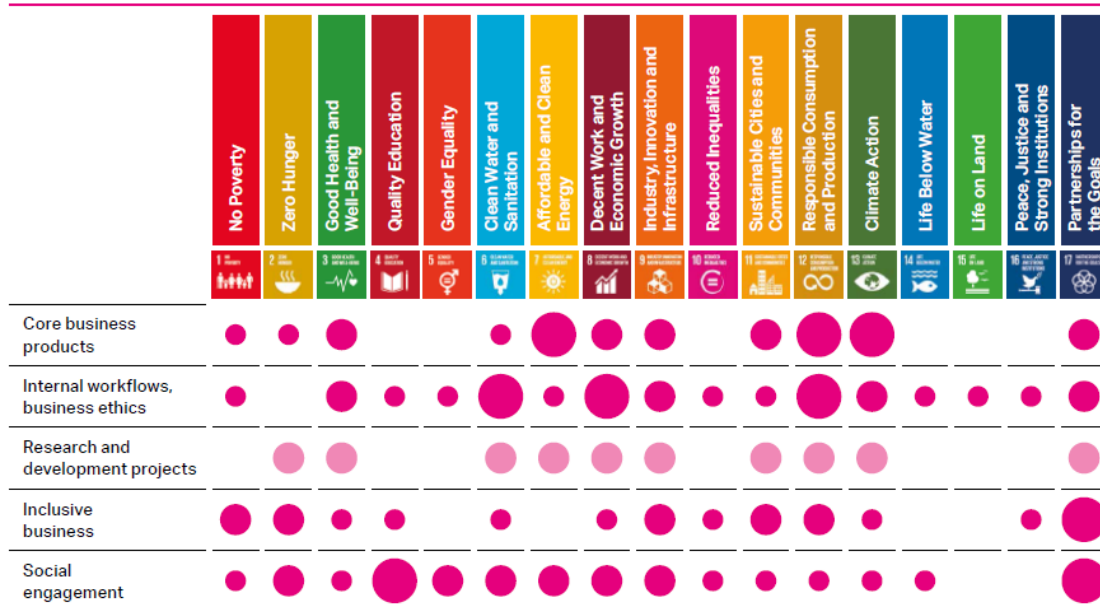
Most of our current positive contribution to achieving the SDGs **relate to our core products**, which, among other aspects, help to save large amounts of energy in their use phase, allow technical upgrading or are used in medical applications. These SDGs are also supported by our current R&D projects.

Through our HSEQ, HR, Product Safety and Compliance standards, our energy efficiency programs, water risk and waste management activities, innovation and



ongoing technological upgrading in our production facilities we are also contributing to the SDGs in our direct area of influence. Furthermore, we consider our responsible supplier management and collaboration with value chain partners to leverage sustainable development as a contribution to SDGs.

Covestro's Current Contribution to UN Sustainable Development Goals (2017 Internal Study)¹



¹ Assessment of contribution using for example the sales amount for core products, internal processes, business practices, portion of R&D project spending, donation budgets, etc.



Our contributions to the SDGs with a social focus primarily lay in our business ethics, social engagement and Inclusive Business activities.

We are convinced that we can only be successful by working in partnership with others. Many of our activities are therefore conducted through partnerships or consortia (No. 17 Partnerships for the goals).

The above mentioned only reflects the current status quo.

We are committed to further develop innovative solutions – efficiently, economically and sustainably, while living up to our responsibility as a chemical company. We are committed to finding solutions for the great challenges of our age – driven by and addressing the UN Sustainable Development Goals.