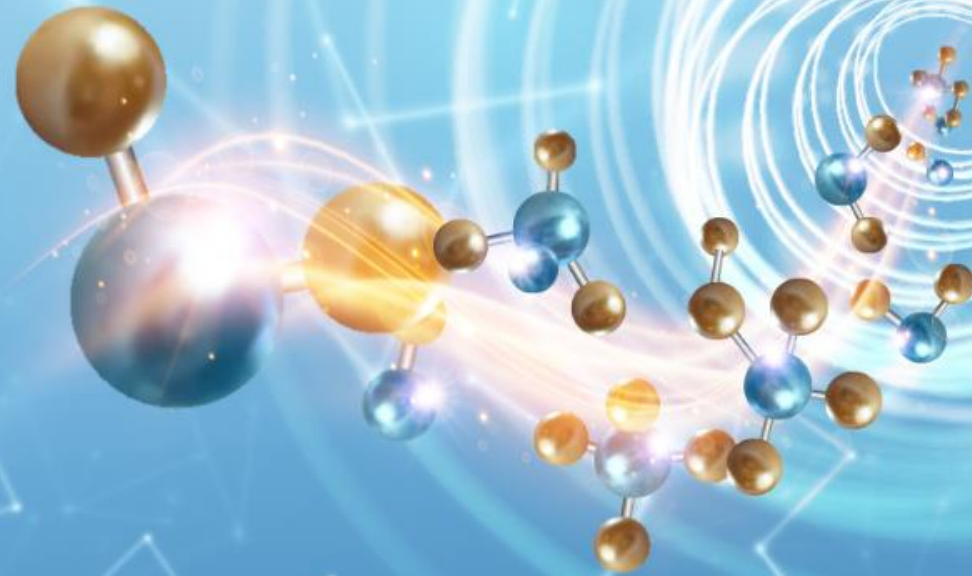


THE CHEMICAL INDUSTRY IN TRANSFORMATION: A NEW JOURNEY BEGINS



COMPANY TRANSFORMATION TO MEET TODAY'S MEGATRENDS

Dr. Markus Steilemann
Chief Commercial Officer
Covestro

Changing world – need for bold answers

- Global megatrends require urgent action
 - Challenges such as climate change, urbanization, population growth
 - Immense demand for bold sustainable solutions
- Industry has to provide right answers
 - Key sectors and markets expect deep transformation
 - Greener economy relies on right materials



High-tech plastics – material for our millenium

- Ubiquitous in modern society
 - Indispensable in our daily lives
 - Based on know-how of the chemical industry
- Making dreams come true
 - Perfect properties for revolutionary new possibilities
 - Replace conventional materials such as steel, glass and wood



Covestro – world leading expert in materials

- Inventor and producer of high-value polymers
 - High-performance plastic polycarbonate
 - Polyurethane components for foams, coatings and more
- Our purpose:
make the world a brighter place
 - Pushing the boundaries of what is possible
 - Independence and IPO have boosted flexibility



Sustainability – the growth engine

- Global megatrends to provide tremendous growth
 - Major opportunities through UN Sustainability Goals
 - Above average growth of important industries
- Covestro leverages sustainability driven growth
 - “People, Planet, Profit” principle as guideline
 - Holistic approach along entire value chain



Rapid innovation – the right answer

- Identify true needs of today and tomorrow
 - Closely listen to customers' demands and challenges
 - Actually launch innovations in due time
- Covestro:
Targeted R&D for sustainable solutions
 - 80 % sustainability-related R&D projects by 2025
 - Open innovation and cross-industry cooperation



Becoming digital – the game changer

- Digitization hits all industries
 - Offering new opportunities and huge value potential
 - Chemical sector still trailing but must get ready
- Covestro embraces and drives digitization
 - Focus on digital operations, customer experience, business models
 - Empower others to also benefit from digitization



Agile company culture – activating potential

- Suitable culture as foundation for success
 - High team spirit and identification
 - Embracing change and willingness to achieve
- The Covestro way
 - Encourage employees to be curious, courageous, colorful
 - Free up space, tolerate mistakes, acknowledge achievements



Towards new production – #pushing boundaries

- Broaden resource base
 - Alternative raw materials to save fossil sources
 - First products made from CO₂ and plants launched
- Carbon Productivity vision
 - Drive a new perspective on value creation through carbon
 - New initiative recently announced at UN Global Compact summit



Towards new products – #pushing boundaries

- Propel new forms of mobility
 - Lightweight materials to reduce energy consumption
 - High-tech plastics for advanced lighting technologies
- Make wind energy more efficient
 - Innovative material for more stable and durable rotor blades
 - Improved production technology for corrosion protection



Towards new business models – #pushing boundaries

- Foster collaboration
 - Inclusive business to support underserved markets
 - Sustainable partner program for global textiles industry
- Seize opportunities of digitization
 - New ways to run our business: digital sales platform
 - New way to support customers: process optimization



Change as opportunity – let's get started

- Embark on sustainability and digitization
 - Use momentum and show leadership
 - Come up with great solutions for our changing world's needs
- Flexibility as fundament
 - Have the right people with an agile mind-set
 - Have the right structure and mechanisms to respond quickly

