

**Public**

## Environmental and Social Data Sheet

### Overview

Project Name:	COVESTRO CIRCULAR ECONOMY RDI
Project Number:	2019-0757
Country:	Germany, Regional - EU countries
Project Description:	The project concerns the promoter's RDI program for the period 2020-2022 supporting transition towards circular low fossil carbon polymers production for a producer of high performance durable plastics and elastomers.
EIA required:	no
Project included in Carbon Footprint Exercise <sup>1</sup> :	no
(details for projects included are provided in section: "EIB Carbon Footprint Exercise")	

### Environmental and Social Assessment

#### Environmental Assessment

The project concerns the promoter's R&D activities that are fully focussed on more sustainable products and processes, striving for full circularity of the value chain and therefore fully in line with the company's recently announced circular economy strategic program. In particular, the company aims to depart from fossil resources such as crude oil and move to using raw materials from renewable/secondary sources such as plastic waste and CO<sub>2</sub>, and enabling a closed loop production. For this purpose, the company is developing new process technology that allows production based on these renewable/secondary materials, and new products that are better recyclable by the use of computational chemistry, as well as new recycling technologies for polycarbonate and polyurethane to enable a closed loop flow of materials.

The R&D activities will be managed and carried out in already existing and authorised R&D facilities, mostly located in Germany and rest in other EU countries. As the project will not result in a change to the authorised scope of the RDI facilities, the project is not subject to the Environmental Impact Assessment Directive – Directive 2014/52/EU amending Directive 2011/92/EU.

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<sup>1</sup> Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO<sub>2</sub>e/year absolute (gross) or 20,000 tonnes CO<sub>2</sub>e/year relative (net) – both increases and savings.

## Other Environmental and Social Aspects

Besides defining a clear circular strategy, Covestro has set ambitious sustainability actions for 2025:

- to further reduce specific emissions: the company aims to reduce specific greenhouse gas emissions i.e. emissions per metric ton of product produced by 50 percent when compared to 2005;
- to align their R&D with the sustainable development goals of the United Nations: by 2025, 80 percent of the R&D project spending will be targeted in areas that contribute to achieving the UN sustainable development goals – currently they are at around 50 percent;
- to improve the livelihoods of ten million people in underserved markets with a focus on affordable housing, sanitation and food security, for which the company's materials offer significant benefits;
- to use carbon as intelligently as possible to maximise return on carbon employed;
- to ensure all its suppliers comply with strict sustainability requirements, on which they are all assessed.

Furthermore, Covestro is the co-founder of the Alliance to End Plastic Waste (AEPW), a non-profit organization dedicated to developing, deploying and bringing to scale solutions to reduce, reuse and recover plastic waste.

Covestro is also a co-founder of the Carbon Productivity Consortium, which in collaboration with external partners was formed to develop a methodology to track the use of carbon employed as a resource throughout the life cycle of a product with the goal to increase the return on carbon employed. In order to increase carbon productivity and reduce dependence on fossil fuels, Covestro has been increasingly using alternative raw materials to manufacture innovative and sustainable products – all with the aim to use carbon as intelligently as possible.

## Conclusions and Recommendations

The R&D activities will be managed and carried out in already existing R&D facilities with no change to the authorised scope. As such, the project is not subject to the Environmental Impact Assessment Directive.

The R&D activities covered by the project aim at supporting the company's move towards a circular and low carbon production and product portfolio, in line with the EU Circular Strategy and the European Green Deal ambitions.

Considering the above, the project is considered acceptable for Bank financing.