

# DISCLOSURES ON SUSTAINABILITY REPORTING AND GRI INDEX

Covestro aims to help protect the environment, conserve limited resources, advance society, and create value, all by firmly integrating sustainability into our Group strategy and management.

Our sustainability reporting is based on recognized standards. We report on material topics and nonfinancial performance indicators pursuant to Section 315 (3) of the German Commercial Code (HGB) in our Group Management Report and supplement this information with additional content, which meets the requirements of the "with reference to" reporting option of the Global Reporting Initiative's (GRI) Sustainability Reporting Standards (SRS); this option has been available since the year 2022. We voluntarily report the management approaches for material topics in accordance with GRI 3-3 (2021). We plan to check whether the use of voluntary GRI reporting under the "in accordance with GRI" option is appropriate against the backdrop of regulatory developments.

## Nonfinancial Group Statement

We publish the nonfinancial Group statement pursuant to Sections 315b and 315c in conjunction with Sections 289c through 289e HGB as an integrated part of the Group Management Report. The respective sections include the strategies we pursue in addressing environmental, labor, and social issues as well as protecting human rights and fighting corruption and bribery, including the due diligence processes followed and measures implemented, as well as the outcomes of these strategies.

We applied the GRI standards as a framework for preparing the nonfinancial Group statement.

Key topics relevant to the nonfinancial Group statement are identified in an internal process and in consideration of their significance and implementation within the company. The starting point for this is the materiality assessment and the material sustainability topics identified or updated as a result, i.e., the topics that are of medium or high relevance to Covestro and on the aspects of which Covestro's business activities have a medium or high impact. The following table provides an overview of the key sustainability topics with an eye to the relevant aspects and contains references to the specific sections in the Group Management Report. In order to identify and address current developments and sustainability-related opportunities and risks at an early stage, we also review whether there are any new findings relevant to opportunity and risk management. No material risks have been identified in connection with Covestro's own business activities, business relationships, or products that have or are very likely to have a severely negative impact on the nonfinancial aspects of the company's business.

→ See "Opportunities and Risks Report."

**Key sustainability topics of the Group's nonfinancial statement (HGB)**

Key topics of the Group's nonfinancial statement (German Commercial Code)	Relevant aspects in accordance with the Group's nonfinancial statement (German Commercial Code)	Section reference in the Group Management Report
Circular economy	Environmental matters, social matters	"Strategy," "Circular Economy," "Innovation."
Climate neutrality	Environmental matters, social matters	"Strategy," "Management," "Climate Neutrality."
Sustainable R&D based innovation portfolio	Environmental matters, social matters	"Management," "Innovation."
Sustainable products & product stewardship	Environmental matters, social matters	"Strategy," "Sustainable Products and Product Stewardship."
Employer attractiveness	Employee matters	"Employees."
Compliance	Environmental matters, fighting corruption and bribery, respect for human rights	"Opportunities and Risks Report," "Compliance."
Diversity, equity & inclusion	Employee matters, respect for human rights, social matters	"Employees."
Inclusive business	Social matters	"Social Responsibility."
Human rights	Respect for human rights, social matters	"Social Responsibility."
Sustainability in sourcing	Environmental matters, social matters, fighting corruption and bribery, respect for human rights	"Procurement," "Sustainability in the Supply Chain."
Health & safety	Employee matters, environmental matters, social matters	"Integrated Management System for Health, Safety, Environment, Energy, and Quality," „Health & Safety."

As an integral part of the Group Management Report, the nonfinancial Group statement was audited by the financial statement auditor, KPMG AG Wirtschaftsprüfungsgesellschaft, Düsseldorf (Germany), as part of the audit of the Consolidated Financial Statements based on an expansion of the audit engagement.

A nonfinancial statement or nonfinancial report does not have to be provided at this time for Covestro AG.

## EU Taxonomy

The European Union's Taxonomy Regulation 2020/852 (EU Taxonomy), and particularly its delegated acts, are the basis for various current and future initiatives by the European Union (EU) to facilitate sustainable financial reporting. The Covestro Group is required to submit a nonfinancial statement and must therefore, in accordance with Article 8(1) of the Taxonomy Regulation, disclose information about how and the extent to which our activities are associated with economic activities which qualify as environmentally sustainable economic activities based on the Taxonomy Regulation. To this end, the Taxonomy Regulation introduces key performance indicators (KPIs) to enable and improve performance measurement.

In fiscal 2022, our report includes information in line with the Taxonomy Regulation and its delegated acts applicable at the reporting date. For fiscal 2021, we exercised the exemptions that allowed us initially to report only on our taxonomy-eligible economic activities associated with the first two environmental objectives. Taxonomy-aligned activities are reported for the first time for the year 2022. Some legal concepts in the EU Taxonomy have not been defined conclusively, which has led to continuing uncertainty regarding their interpretation.

### Taxonomy-Eligible Economic Activities

In the fiscal year under review, we centrally identified at Group level the following taxonomy-eligible economic activities associated with the environmental objective of climate change mitigation: 3.10 – Manufacture of hydrogen, 3.13 – Manufacture of chlorine, 3.14 – Manufacture of other organic basic chemicals, 3.16 – Manufacture of nitric acid, and 3.17 – Manufacture of plastics in primary form. In addition, in accordance with Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 (Complementary Climate Delegated Act), the following taxonomy-eligible economic activity associated with the environmental objective of climate change mitigation was identified in certain energy sectors: 4.30 – High-efficiency co-generation of heat/cool and power from fossil gaseous fuels. Taxonomy-eligible economic activities result in connection with CapEx and operating expenditure (OpEx) (categories b and c): 6.5 – Transport by motorbikes, passenger cars and light commercial vehicles, 7.1 – Construction of new buildings, and 7.7 – Acquisition and ownership of buildings.

No taxonomy-eligible economic activities associated with the climate change adaptation environmental objective were identified, since our business model in the activities covered by the Taxonomy Regulation are aimed at climate change mitigation. Parts of our portfolio are not covered by the EU Taxonomy at present, e.g., the manufacture of diisocyanates such as diphenylmethane diisocyanate (MDI), toluylene diisocyanate (TDI), etc., which are required for processing into polyurethane.

### Taxonomy-Aligned Economic Activities

The move to taxonomy-aligned activities can only be made if, in addition to the description of the activity that determines whether an economic activity is taxonomy-eligible, a testing scheme of technical screening criteria (TSCs) is applied to each environmental objective. One component of these TSCs is criteria for making a substantial contribution to meeting the environmental objective. Secondly, it has to be ensured that no harm is done to any of the five other environmental objectives at the same time (do no significant harm, DNSH). The TSCs contain specific guidance for this as well and specific TSCs have been defined for each of the environmental objectives. For fiscal 2022, the TSCs for the environmental objectives of climate change mitigation and climate change adaptation were in force. The European Commission is expected to publish the TSCs for the other environmental objectives in the course of the year 2023. In addition, compliance with the minimum safeguards pursuant to Article 18 of the Taxonomy Regulation must be examined.

### Substantial Contribution

In the year 2021, Covestro assessed whether its economic activities are taxonomy-eligible; in fiscal 2022 we conducted an analysis centrally to determine taxonomy-aligned activities. In this process, we examined the taxonomy-eligible products identified to determine whether they make a substantial contribution to the environmental objective of climate change mitigation. To assess whether the criteria of substantial contribution (and furthermore also the criteria relating to doing no significant harm) are met, the analysis was conducted centrally at the level of the sites. The reason is that the review of the criteria for the same product can deliver different results, depending on the production site (e.g., because power consumption or the energy mix is different at the sites). In such cases, the taxonomy-aligned proportions are allocated to the KPIs according to the production volume at the sites.

For economic activity 3.10 – Manufacture of hydrogen, we potentially make a substantial contribution to the environmental objective of climate change mitigation for selected sites. However, we are not yet able at present to fully meet the stringent quality requirements (e.g., product-related lifecycle assessments [LCAs] that go beyond externally certified methodology assessments) that the EU Taxonomy imposes on the evidence to be provided.

### Do No Significant Harm (DNSH)

For an activity to qualify as a substantial contribution to one environmental objective, the EU Taxonomy requires that it does not cause significant harm to the five other environmental objectives. In connection with the environmental objective of climate change mitigation, a climate risk and vulnerability assessment was conducted for activity 3.10 – Manufacture of hydrogen at site level, using Representative Concentration Pathways RCP 2.6, 4.5, and 8.5. With regard to the environmental objective of sustainable use and protection of water and marine resources, a risk assessment was likewise performed to establish any possible environmental damage at site level. For the environmental objective of transition to a circular economy, no criteria had been defined for the economic activity analyzed at the time of publication of this report. As a result, compliance is currently not bound by any criteria. The criteria for ensuring that no significant harm is done for the environmental objective of pollution prevention and control were reviewed in two steps. Employees with the relevant professional expertise examined compliance with the requirements for the environmental objective of climate change mitigation set out in Appendix C of Annex 1 of the Commission Delegated Regulation on climate change mitigation in connection with the specified guidelines and regulations. At the same time, compliance with the emission values in connection with the best available techniques (BATs) was verified for the sites at which products are manufactured with which we make a substantial contribution to meeting the environmental objective of climate change mitigation. Finally, a check was performed at site level to make sure that no significant harm is done to the environmental objective of protection and restoration of biodiversity and ecosystems.

For activity 3.10 – Manufacture of hydrogen, proof could be provided for the environmental objective of climate change mitigation that no significant harm was done to the other five environmental objectives. The only exception is Appendix C of Annex 1 of the Commission Delegated Regulation for the environmental objective of climate change mitigation due to interpretation uncertainty about the provision of evidence, especially in relation to subitem g. Taxonomy-eligible products that either do not make a substantial contribution to meeting the environmental objective of climate change mitigation or cause significant harm to at least one environmental objective are not classified as taxonomy-aligned.

### Minimum Safeguards

Article 18 of the Taxonomy Regulation requires companies to establish processes and procedures to ensure compliance with different rules and regulations. They relate in particular to human rights (including labor and consumer rights), corruption and bribery, taxation, and fair competition. These requirements correspond to Covestro's culture, which we have made an integral part of our actions on the basis of existing Corporate Commitments, the Supplier Code of Conduct, and various Group regulations. To ensure compliance with all legal and Group-wide provisions, regulations, guidelines, and standards, including those relevant to the minimum safeguards of the EU Taxonomy, we have implemented processes and controls (e.g., as part of the compliance management system, the internal control system, or the integrated Health, Safety, Environment, Energy and Quality management system).

→ See "Corporate Policies," "Health and Safety," "Sustainability in the Supply Chain," "Human Rights," "Compliance," and note 26 "Legal Risks" in the Notes to the Consolidated Financial Statements.

The review of the minimum safeguards for human rights relates to Covestro's overarching management approach to respecting human rights, and primarily to the risk analysis conducted as part of the human rights due diligence. In addition to the company's own business activities, this also covers our direct suppliers. It also considers the upstream supply chain, especially if there are specific allegations. The comprehensive and ongoing risk analysis covers all of Covestro's own sites, the supply chain, as well as the use phase and end-of-life of our products. Depending on the respective risk assessments, various measures are agreed with the suppliers, e.g., supplier assessments under the TFS initiative\* or special human rights training.

→ See "Sustainability in the Supply Chain" and "Human Rights."

In addition, as part of the review to establish compliance with the minimum safeguards, we verified at Group level that no final court judgments have been handed down against Covestro in connection with the above issues. Although no economic activities were reported as taxonomy-aligned in the year 2022, there are no indications based on the review described above to suggest that Covestro does not meet the minimum safeguards under Article 18 of the EU Taxonomy Regulation.

We are planning further activities to be undertaken by our cross-functional Human Rights Task Force, such as additional training for buyers, the completion of guidance for buyers with various measures for suppliers prioritized during the risk analysis, or the introduction of a Group-wide guideline on our human rights-related management system.

### Result of the Alignment Check

In fiscal 2022, we did not identify any taxonomy-aligned economic activities associated with the environmental objective of climate change mitigation.

### Calculation of Taxonomy KPIs

We calculate taxonomy KPIs and report on the nature of taxonomy-eligible and taxonomy-aligned economic activities in accordance with Article 10(3) and Article 11(3) of the Taxonomy Regulation. We are required to report the share of turnover, capital expenditure (CapEx), and operating expenditure (OpEx) that are generated by taxonomy-eligible and taxonomy-aligned activities. The way in which we define and document these KPIs and run the data queries for the calculations prevents double-counting amounts when allocating turnover, CapEx, and OpEx to our economic activities. Where data could not be definitively allocated or KPIs had to be split between economic activities, we applied allocation models appropriate for the particular process to reflect the technical circumstances in the KPI calculation. The taxonomy KPIs are determined with system support in processes established for the purpose. Validation steps are taken and the data is checked against the figures in the Group's Consolidated Financial Statements to ensure the data is complete and correct. Controls in our Internal Control System are used to support the underlying systems and processes.

→ See "Main Features of the Internal Control System."

### Turnover

In order to determine the turnover generated by Covestro from taxonomy-eligible economic activities, we allocated the relevant Covestro products to these activities. The corresponding turnover for fiscal 2022 was then calculated for the identified products and a ratio derived using the Covestro Group's sales reported in the Income Statement (denominator). Turnover generated from the activity of high-efficiency co-generation of heat/cool and power from fossil gaseous fuels is calculated in the same way.

→ See "Covestro Group Consolidated Income Statement."

\* STOXX Europe 600 Chemicals: Sector index by index issuer STOXX; the STOXX Europe 600 comprises 600 European companies.

## Capital Expenditure

In order to determine capital expenditure (CapEx) associated with taxonomy-eligible economic activities as defined in the Taxonomy Regulation, we use the investments in and acquisitions of property, plant and equipment and intangible assets, excluding acquired goodwill, as reported in the Notes to the Consolidated Financial Statements in this Annual Report (denominator). This must be used as the basis for determining the proportion of taxonomy-eligible and taxonomy-aligned CapEx relating primarily to additions to noncurrent assets (numerator). To this end, the products identified as originating from these economic activities were allocated to the corresponding CapEx (category a). Furthermore, taxonomy-eligible and taxonomy-aligned CapEx could be identified that is part of a plan to expand taxonomy-eligible and taxonomy-aligned economic activities or a plan to allow taxonomy-eligible economic activities to become taxonomy-aligned (category b). In addition, individual capital expenditure from the acquisition of products from taxonomy-eligible and taxonomy-aligned economic activities and individual measures implemented to reduce greenhouse gas (GHG) emissions had to be taken into account (category c). We cannot provide proof of the purchase of taxonomy-aligned category c products because we have no documentary evidence from suppliers. CapEx associated with the activity of high-efficiency co-generation of heat/cool and power from fossil gaseous fuels is calculated in the same way.

→ See note 13 “Goodwill and Other Intangible Assets” and note 14 “Property, Plant and Equipment” in the Notes to the Consolidated Financial Statements.

## Operating Expenditure

In order to determine operating expenditure (OpEx) as defined in the Taxonomy Regulation, we use the Covestro Group’s expenditure on maintenance and repairs, renovations, research and development, and short-term leasing costs (nominator). Of these, the share of taxonomy-eligible or taxonomy-aligned OpEx must be determined (numerator). To this end, the products identified as originating from the corresponding economic activities were allocated to the respective OpEx (category a). Furthermore, taxonomy-eligible OpEx was identified that is part of a plan to expand taxonomy-eligible and taxonomy-aligned economic activities or a plan to allow taxonomy-eligible economic activities to become taxonomy-aligned (category b). In addition, individual operating expenditure from the acquisition of products from taxonomy-eligible and taxonomy-aligned economic activities and individual measures implemented to reduce GHG emissions and renovate buildings had to be taken into account (category c). We cannot provide proof of the purchase of taxonomy-aligned category c products because we have no documentary evidence from suppliers. The OpEx data determined in this way is gathered exclusively for taxonomy reporting. OpEx associated with the activity of high-efficiency co-generation of heat/cool and power from fossil gaseous fuels is calculated in the same way.

## Other Information

In fiscal 2022, Covestro published a Green Financing Framework under which the company can issue green bonds and other green debt instruments. These financing instruments are to be used to finance products or projects with a clear benefit for the environment and/or society. Under the Green Financing Framework, a bond amounting to €500 million was issued in fiscal 2022. No taxonomy-aligned CapEx or OpEx is currently being financed with the green bond.

+ Further information at: [www.covestro.com/en/investors/debt/green-financing-framework](https://www.covestro.com/en/investors/debt/green-financing-framework)

## Reporting of Taxonomy KPIs

The purpose of the EU Taxonomy is to set out details for the EU’s Sustainable Finance Action Plan. It outlines objectives and steering options to inspire companies to develop sustainable products. The Taxonomy Regulation classifies the chemical industry, for example, as a sector with transitional activities because it operates at a point of transition from fossil-based raw materials toward renewable and alternative raw materials.

Covestro’s portfolio contains a small proportion of potentially taxonomy-aligned activities. Some activities in our portfolio are not covered by the taxonomy at present, e.g., the manufacture of diisocyanates such as diphenylmethane diisocyanate (MDI), toluylene diisocyanate (TDI), etc., which are required for processing into polyurethane. In the case of activities relevant to Covestro in support of the environmental objective of climate change mitigation, the Taxonomy defines sustainability in particular with regard to the carbon footprint of the production process. However, this process does not consider the entire lifecycle of our products, with the result that the positive effect of our products, known as handprint, does not become apparent during application and use of the Covestro products. Low taxonomy KPIs do not mean, therefore, that we do not make any contribution to achieving a circular economy and climate neutrality. Our objectives are reflected in particular in our vision of becoming fully circular, from which our Group’s Sustainable Future strategy and our sustainability targets –

including a focus on climate neutrality – are derived. The review of sustainability in accordance with this vision and with our sustainability targets relates to Covestro's entire product portfolio.

→ See "Organization and Business Model," "Management," "Sustainability," "Circular Economy," "Climate Neutrality," "Sustainable Products," and "Innovation."

The calculation of the KPIs considers separately the activities of the Resins & Functional Materials business (RFM) acquired from Koninklijke DSM N.V., Heerlen (Netherlands), in the year 2021. Due to the ongoing systems integration process, they could not be analyzed in detail in fiscal 2021 and were therefore not included in the taxonomy-eligible share of Covestro's activities. The share attributable to RFM (for OpEx only where available) was included in the denominator of all of KPIs for the year 2021. Completion of the system integration in June 2022 meant that RFM's products could also be fully included in the OpEx denominator. In the assessment of taxonomy-eligible and taxonomy-aligned activities (numerator), RFM's products could be included for turnover for the full year and for CapEx and OpEx from the date of completion of the system integration. Since the system integration was completed, RFM has been reflected in full.

The year-over-year rise in the taxonomy-eligible share of CapEx is primarily due to the fact that the acquisition of the RFM business was included in the numerator and denominator in the previous year.

The KPIs below were calculated according to the abovementioned methods:

## Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering fiscal 2022

Economic activities	Code(s)	Absolute turnover	Proportion of turnover	Substantial contribution criteria							Do no significant harm (DNSH) criteria						Taxonomy-aligned proportion of turnover in 2022	Taxonomy-aligned proportion of turnover in 2021	Category "enabling activity"	Category "transitional activity"
				Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards				
		€ million	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A Taxonomy-eligible activities																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Manufacture of hydrogen	3.10	48	0.3																	
Manufacture of chlorine	3.13	145	0.8																	
Manufacture of organic basic chemicals	3.14	< 1	< 0.1																	
Manufacture of nitric acid	3.16	21	0.1																	
Manufacture of plastics in primary form	3.17	5,699	31.7																	
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	4.30	8	< 0.1																	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		5,921	33.0														-		-	-
Total (A.1 + A.2)		5,921	33.0														-		-	-
B Taxonomy-non-eligible activities		12,047	67.0																	
Turnover of Taxonomy-non-eligible activities (B)		12,047	67.0																	
Total (A+B)		17,968	100.0																	



## Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering fiscal 2022

Economic activities	Code(s)	Absolute CapEx	Proportion of CapEx	Substantial contribution criteria							Do no significant harm (DNSH) criteria							Taxonomy-aligned proportion of CapEx in fiscal 2022	Taxonomy-aligned proportion of CapEx in fiscal 2021 <sup>1</sup>	Category "enabling activity"	Category "transitional activity"
				Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards					
		€ million	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T	
A Taxonomy-eligible activities <sup>2</sup>																					
A.1 Environmentally sustainable activities (Taxonomy-aligned)																					
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																					
Manufacture of hydrogen	3.10	< 1	< 0.1																		
Manufacture of chlorine	3.13	53	5.5																		
Manufacture of organic basic chemicals	3.14	< 1	< 0.1																		
Manufacture of nitric acid	3.16	18	1.9																		
Manufacture of plastics in primary form	3.17	152	15.6																		
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	4.30	6	0.7																		
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	1	0.1																		
Construction of new buildings	7.1	1	0.1																		
Acquisition and ownership of buildings	7.7	30	3.1																		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		262	26.9														–		–	–	
Total (A.1 + A.2)		262	26.9														–		–	–	
B Taxonomy-non-eligible activities		711	73.1																		
CapEx of Taxonomy-non-eligible activities (B)		711	73.1																		
Total (A+B)		973	100																		

<sup>1</sup> Based on recent findings, the CapEx denominator does not include the proportion of acquired goodwill. This results in a proportion of 10.2% for the year 2021. The numerator remains unchanged.

<sup>2</sup> Due to the completion of the systems integration in the course of the year under review, the analysis of activities includes those of the Resins & Functional Materials business (RFM) acquired from Koninklijke DSM N.V., Heerlen (Netherlands), in the year 2021 in the numerator only from June 1, 2022, onward.

## Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering fiscal 2022

Economic activities	Code(s)	Absolute OpEx	Proportion of OpEx	Substantial contribution criteria							Do no significant harm (DNSH) criteria							Taxonomy-aligned proportion of OpEx in fiscal 2022	Taxonomy-aligned proportion of OpEx in fiscal 2021	Category "enabling activity"	Category "transitional activity"
				Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards					
		€ million	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T	
A Taxonomy-eligible activities <sup>1</sup>																					
A.1 Environmentally sustainable activities (Taxonomy-aligned)																					
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																					
Manufacture of hydrogen	3.10	8	0.6																		
Manufacture of chlorine	3.13	54	4.2																		
Manufacture of organic basic chemicals	3.14	< 1	< 0.1																		
Manufacture of nitric acid	3.16	16	1.3																		
Manufacture of plastics in primary form	3.17	272	21.1																		
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	4.30	< 1	< 0.1																		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		350	27.2														-		-	-	
Total (A.1 + A.2)		350	27.2														-		-	-	
B Taxonomy-non-eligible activities		939	72.8																		
OpEx of Taxonomy-non-eligible activities (B)		939	72.8																		
Total (A+B)		9,386	100.0																		

<sup>1</sup> Due to the completion of the systems integration in the course of the year under review, the analysis of activities includes those of the Resins & Functional Materials (RFM) business acquired from Koninklijke DSM N.V., Heerlen (Netherlands), in the year 2021 in the respective denominator and the costs of building renovation projects, short-term leases, maintenance, and repairs in the respective numerator only from June 1, 2022 onward.

Activities covered by separate reporting requirements in the Complementary Climate Delegated Act must be disclosed on the basis of templates. In this context, Covestro has identified the economic activity of high-efficiency co-generation of heat/cool and power from fossil gaseous fuels. Following completion of the alignment check, Covestro has only taxonomy-eligible activities to report here. For this reason, templates 2 and 3, which relate to taxonomy-aligned activities, are not reported separately.

**Template 1: Nuclear- and fossil-gas-related activities<sup>1</sup>**

Row	Nuclear-energy-related activities	Result
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades	No
Row	Fossil-gas-related activities	Result
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

<sup>1</sup> Based on our understanding, the activities presented in template 1 refer to the activities defined in the Complementary Climate Delegated Act.

**Template 2: Taxonomy-aligned economic activities (denominator)**

Row	Economic activity	Amount and proportion of turnover						Amount and proportion of CapEx						Amount and proportion of OpEx					
		Climate change mitigation		Climate change adaptation		CCM + CCA <sup>1</sup>		Climate change mitigation		Climate change adaptation		CCM + CCA <sup>1</sup>		Climate change mitigation		Climate change adaptation		CCM + CCA <sup>1</sup>	
		€ million	%	€ million	%	€ million	%	€ million	%	€ million	%	€ million	%	€ million	%	€ million	%	€ million	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Total applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

<sup>1</sup> Climate change mitigation (CCM) and climate change adaptation (CCA)

**Template 3: Taxonomy-aligned economic activities (numerator)**

Row	Economic activity	Amount and proportion of turnover						Amount and proportion of CapEx						Amount and proportion of OpEx					
		Climate change mitigation		Climate change adaptation		CCM + CCA <sup>1</sup>		Climate change mitigation		Climate change adaptation		CCM + CCA <sup>1</sup>		Climate change mitigation		Climate change adaptation		CCM + CCA <sup>1</sup>	
		€ million	%	€ million	%	€ million	%	€ million	%	€ million	%	€ million	%	€ million	%	€ million	%	€ million	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	<b>Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	<b>Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

<sup>1</sup> Climate change mitigation (CCM) and climate change adaptation (CCA)

**Template 4: Taxonomy-eligible but not taxonomy-aligned economic activities**

Row	Economic activity	Amount and proportion of turnover						Amount and proportion of CapEx						Amount and proportion of OpEx					
		Climate change mitigation		Climate change adaptation		CCM + CCA <sup>1</sup>		Climate change mitigation		Climate change adaptation		CCM + CCA <sup>1</sup>		Climate change mitigation		Climate change adaptation		CCM + CCA <sup>1</sup>	
		€ million	%	€ million	%	€ million	%	€ million	%	€ million	%	€ million	%	€ million	%	€ million	%	€ million	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	8	0.1	0	0.0	8	0.1	6	2.3	0	0.0	6	2.3	< 1	< 0.1	0	0.0	< 1	< 0.1
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
7	<b>Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>	<b>5,913</b>	<b>99.9</b>	<b>0</b>	<b>0.0</b>	<b>5,913</b>	<b>99.9</b>	<b>256</b>	<b>97.7</b>	<b>0</b>	<b>0.0</b>	<b>256</b>	<b>97.7</b>	<b>350</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>350</b>	<b>100.0</b>
8	<b>Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI</b>	<b>5,921</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>5,921</b>	<b>100.0</b>	<b>262</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>262</b>	<b>100.0</b>	<b>350</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>350</b>	<b>100.0</b>

<sup>1</sup> Climate change mitigation (CCM) and climate change adaptation (CCA)

**Template 5: Taxonomy-non-eligible activities**

Row	Economic activity	Turnover		CapEx		OpEx	
		Amount	Proportion	Amount	Proportion	Amount	Proportion
		€ million	%	€ million	%	€ million	%
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
7	<b>Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>	<b>12,047</b>	<b>100.0</b>	<b>711</b>	<b>100.0</b>	<b>939</b>	<b>100.0</b>
8	<b>Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI</b>	<b>12,047</b>	<b>100.0</b>	<b>711</b>	<b>100.0</b>	<b>939</b>	<b>100.0</b>

# GRI Index

## General Disclosures

Disclosure number	Disclosure title	Section in Annual Report	Section in supplementary information on sustainability	Explanation/omission
<b>GRI 1 – Foundation (2021)</b>				
<b>GRI 2 – General Disclosures (2021)</b>				
2-7	Information on employees and other workers	<ul style="list-style-type: none"> <li>• Employees</li> <li>• Employees – Human Resources Guiding Principles and Strategy – “Proud to Belong” Action Area - Employee Metrics on Diversity and Internationality</li> </ul>		
2-8	Workers who are not employees			<p>Around the world, Covestro has about 350 temporary employees, corresponding to approximately 2.0% of our workforce.</p> <p>In addition, a number of people work for Covestro externally through contracts for work or service agreements.</p> <p>It is not possible to determine the precise number, since performance is defined via trades or in service-level agreements rather than by the number of people or the hours worked.</p>
2-22	Statement from the most senior decision-maker	<ul style="list-style-type: none"> <li>• Foreword</li> </ul>		
2-23	Policy Commitments	<ul style="list-style-type: none"> <li>• Management – Corporate Policies</li> </ul>	<ul style="list-style-type: none"> <li>• Management – Corporate Policies; Corporate Commitments</li> </ul>	The policies applicable throughout the Group have been approved by the Board of Management. Communications are conducted via the internet, intranet, and site-specific communication channels.
2-27	Compliance with laws and regulations	<ul style="list-style-type: none"> <li>• Opportunities and Risks Report – Opportunities and Risks</li> <li>• Compliance – Compliance Management System</li> </ul>		In fiscal 2022, no significant administrative or court-ordered sanctions (fines, nonmonetary sanctions) for noncompliance with laws and regulations were reported through internal reporting.
2-28	Membership of associations	<ul style="list-style-type: none"> <li>• Circular Economy – Global and Regional Promotion and Advocacy of the Circular Economy</li> <li>• Sustainable Products and Product Stewardship – Product Stewardship</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability – Sustainability Management – Stakeholder Dialogue</li> </ul>	
2-29	Approach to stakeholder engagement	<ul style="list-style-type: none"> <li>• Sustainability- Materiality Assessment – Materiality Assessment Process</li> <li>• Sustainability – Sustainability Management – Monitoring</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability – Sustainability Management – Stakeholder Dialogue</li> </ul>	
2-30	Collective bargaining agreements	<ul style="list-style-type: none"> <li>• Employees - Human Resources Guiding Principles and Strategy – “Committed to Perform” Action Area</li> </ul>	<ul style="list-style-type: none"> <li>• Employees - Human Resources Guiding Principles and Strategy – “Committed to Perform” Action Area</li> </ul>	



## Specific Standard Disclosures

Disclosure number	Disclosure title	Section in Annual Report	Section in supplementary information on sustainability	Explanation/omission
<b>GRI 200 – Economic topics</b>				
<b>GRI 201 – Economic Performance (2016)</b>				
3-3	Management Approach	<ul style="list-style-type: none"> <li>• Strategy – Group Strategy</li> <li>• Management – Management System</li> </ul>		
201-1	Direct economic value generated and distributed	<ul style="list-style-type: none"> <li>• Consolidated Financial Statements and Notes</li> </ul>		
<b>GRI 204 – Procurement Practices (2016)</b>				
3-3	Management Approach	<ul style="list-style-type: none"> <li>• Company Profile – Procurement</li> <li>• Sustainability – Materiality Assessment</li> <li>• Sustainability in the Supply Chain</li> <li>• Social Responsibility – Human Rights</li> <li>• Opportunities and Risks Report – Opportunities and Risks</li> </ul>		
204-1	Proportion of spending on local suppliers	<ul style="list-style-type: none"> <li>• Company Profile – Procurement</li> </ul>		Since our locations in Germany, the United States and China cover most of our procurement volume, the sites located in these countries are referred to as main sites within the meaning of the GRI terminology. Local procurement is regarded as purchasing from suppliers located in the same country as the legal entity they supply.
<b>GRI 205 – Anti-corruption (2016)</b>				
3-3	Management Approach	<ul style="list-style-type: none"> <li>• Sustainability – Materiality Assessment</li> <li>• Compliance – Compliance Management System</li> </ul>	<ul style="list-style-type: none"> <li>• Management – Corporate Policies</li> </ul>	
205-1	Operations assessed for risks related to corruption	<ul style="list-style-type: none"> <li>• Opportunities and Risks Report – Group-wide Opportunities and Risk Management System</li> <li>• Compliance – Compliance Management System</li> </ul>		A risk analysis was conducted for every country/every company in the year 2022. Definition of location of operations as a legal entity.
<b>GRI 206 – Anti-competitive Behavior (2016)</b>				
3-3	Management Approach	<ul style="list-style-type: none"> <li>• Opportunities and Risks Report – Opportunities and Risks</li> <li>• Compliance – Compliance Management System</li> </ul>	<ul style="list-style-type: none"> <li>• Management – Corporate Policies</li> </ul>	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices			No actions were reported through internal reporting in fiscal 2022.
<b>GRI 207 – Tax (2019)</b>				
3-3	Management Approach		<ul style="list-style-type: none"> <li>• Compliance – Tax Compliance</li> </ul>	
207-1	Approach to tax		<ul style="list-style-type: none"> <li>• Compliance – Tax Compliance</li> </ul>	
207-2	Tax governance, control, and risk management	<ul style="list-style-type: none"> <li>• Opportunities and Risks Report – Group-wide Opportunities and Risk Management System</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance – Tax Compliance</li> </ul>	
207-3	Stakeholder engagement and management of concerns related to tax	<ul style="list-style-type: none"> <li>• Compliance – Compliance Management System</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance – Tax Compliance</li> </ul>	
207-4	Country-by-country reporting			A country-by-country report is not currently provided.

## Specific Standard Disclosures

Disclosure number	Disclosure title	Section in Annual Report	Section in supplementary information on sustainability	Explanation/omission
<b>GRI 300 – Environmental topics</b>				
<b>GRI 302 – Energy (2016)</b>				
3-3	Management Approach	<ul style="list-style-type: none"> <li>Sustainability – Materiality Assessment</li> <li>Climate Neutrality</li> <li>Opportunities and Risks Report – Opportunities and Risks</li> </ul>	<ul style="list-style-type: none"> <li>Management – Corporate Policies</li> </ul>	
302-1	Energy consumption within the organization	<ul style="list-style-type: none"> <li>Climate Neutrality – Energy Usage</li> </ul>		
302-3	Energy intensity	<ul style="list-style-type: none"> <li>Climate Neutrality – Energy Usage</li> </ul>		
302-4	Reduction of energy consumption	<ul style="list-style-type: none"> <li>Climate Neutrality – Energy Usage</li> </ul>		In 2005, Covestro began to introduce a certified energy management system. This requires that we compare our performance with a designated base year, and that year was 2005.
<b>GRI 303 – Water (2018)</b>				
3-3	Management Approach	<ul style="list-style-type: none"> <li>Sustainability – Materiality Assessment</li> <li>Environmental Impact of Own Operations – Water and Wastewater</li> </ul>	<ul style="list-style-type: none"> <li>Environmental Impact of Own Operations – Water Usage</li> </ul>	
303-1	Interactions with water as a shared resource	<ul style="list-style-type: none"> <li>Environmental Impact of Own Operations – Water and Wastewater</li> </ul>	<ul style="list-style-type: none"> <li>Environmental Impact of Own Operations – Water Usage</li> </ul>	
303-2	Management of water discharge-related impacts	<ul style="list-style-type: none"> <li>Environmental Impact of Own Operations – Water and Wastewater</li> </ul>	<ul style="list-style-type: none"> <li>Environmental Impact of Own Operations – Water Usage</li> </ul>	The standards to be applied are oriented to local laws.
303-3	Water withdrawal	<ul style="list-style-type: none"> <li>Environmental Impact of Own Operations – Water and Wastewater</li> </ul>	<ul style="list-style-type: none"> <li>Environmental Impact of Own Operations – Water Usage</li> </ul>	Water withdrawal is measured in m <sup>3</sup> (cubic meters) since this is the more common approach to measurement. Here, 1 megaliter (ML) corresponds to 1,000 m <sup>3</sup> . Usage of other than fresh water <1,000 mg of total dissolved solids (TDS)/l: Pursuant to ISO 14046, Covestro uses no water from sea water sources, thus there is no figure for this in the water balance. At some facilities, it is possible that brackish water >1,000 mg TDS/l is used as cooling water. These amounts are included in the water balance and not reported separately. This water can be returned to the water cycle without further treatment in line with the relevant official permits.
<b>GRI 305 – Emissions (2016)</b>				
3-3	Management Approach	<ul style="list-style-type: none"> <li>Sustainability – Materiality Assessment</li> <li>Climate Neutrality</li> <li>Opportunities and Risks Report</li> </ul>		
305-1	Direct (Scope 1) GHG emissions	<ul style="list-style-type: none"> <li>Climate Neutrality – Greenhouse Gas Emissions</li> </ul>		Biogenic CO <sub>2</sub> emissions are not reported because they are irrelevant.
305-2	Energy indirect (Scope 2) GHG emissions	<ul style="list-style-type: none"> <li>Climate Neutrality – Greenhouse Gas Emissions</li> </ul>		
305-3	Other indirect (Scope 3) GHG emissions	<ul style="list-style-type: none"> <li>Climate Neutrality – Greenhouse Gas Emissions</li> </ul>		
305-4	GHG emissions intensity	<ul style="list-style-type: none"> <li>Climate Neutrality – Greenhouse Gas Emissions</li> </ul>		Disclosure as CO <sub>2</sub> equivalent of specific GHG. Emissions of sulfur hexafluoride (SF <sub>6</sub> ) have been recorded.
305-5	Reduction of GHG emissions	<ul style="list-style-type: none"> <li>Climate Neutrality – Greenhouse Gas Emissions</li> </ul>		Greenhouse gas emissions are reported separately for Scopes 1 and 2. When considering GHG reductions, the specific greenhouse gas emissions are calculated using the total emissions for Scopes 1 and 2 because otherwise any shifts between the categories would lessen the informative value of the results.

## Specific Standard Disclosures

Disclosure number	Disclosure title	Section in Annual Report	Section in supplementary information on sustainability	Explanation/omission
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions		<ul style="list-style-type: none"> <li>Environmental Impact of Own Operations – Air Quality</li> </ul>	Reporting focuses on significant air emissions; persistent organic pollutants (POPs) and hazardous organic pollutants (HAPs) are not reported. Air emissions are generally measured directly at the source of the emission or are calculated from the stoichiometric determination of the formula mass.
<b>GRI 306 – Waste (2020)</b>				
3-3	Management Approach	<ul style="list-style-type: none"> <li>Sustainability – Materiality Assessment</li> <li>Circular Economy</li> <li>Environmental Impact of Own Operations – Waste</li> </ul>	<ul style="list-style-type: none"> <li>Environmental Impact of Own Operations – Waste and Recycling</li> </ul>	
306-1	Waste generation and significant waste-related impacts	<ul style="list-style-type: none"> <li>Environmental Impact of Own Operations – Waste</li> </ul>	<ul style="list-style-type: none"> <li>Environmental Impact of Own Operations – Waste and Recycling</li> </ul>	
306-2	Management of significant waste-related impacts	<ul style="list-style-type: none"> <li>Circular Economy</li> <li>Environmental Impact of Own Operations – Waste</li> </ul>	<ul style="list-style-type: none"> <li>Environmental Impact of Own Operations – Waste and Recycling</li> </ul>	
306-3	Waste generated		<ul style="list-style-type: none"> <li>Environmental Impact of Own Operations – Waste and Recycling</li> </ul>	
306-5	Waste diverted from disposal		<ul style="list-style-type: none"> <li>Environmental Impact of Own Operations – Waste and Recycling</li> </ul>	The distinction of hazardous and non-hazardous waste is only drawn for landfill waste; no differentiation is made for other disposal methods.
<b>GRI 308 – Supplier Environmental Assessment</b>				
3-3	Management Approach	<ul style="list-style-type: none"> <li>Sustainability in the Supply Chain</li> <li>Opportunities and Risks Report – Opportunities and Risks</li> </ul>		
308-2	Negative environmental impacts in the supply chain and actions taken	<ul style="list-style-type: none"> <li>Sustainability in the Supply Chain – Supplier Evaluation Results</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability in the Supply Chain – Detailed Results of the Supplier Evaluations</li> </ul>	
<b>GRI 400 – Social topics</b>				
<b>GRI 401 – Employment (2016)</b>				
3-3	Management Approach	<ul style="list-style-type: none"> <li>Management – Corporate Policies</li> <li>Employees – Corporate Values and Corporate Culture; Human Resources Guiding Principles and Strategy - "Place to Be" Action Area</li> <li>Opportunities and Risks Report – Opportunities and Risks</li> </ul>		
401-1	New employee hires and employee turnover		<ul style="list-style-type: none"> <li>Employees – Human Resources Guiding Principles and Strategy - "Place to Be" Action Area</li> </ul>	In fiscal 2022, the gender distribution of new hires and the attrition rate was broken down into male and female, as the company was not aware of any employees with other gender identities. Reference is made in the footnote to the small number of employees who did not state their gender. If this should change, the tables will be adjusted accordingly in future.

## Specific Standard Disclosures

Disclosure number	Disclosure title	Section in Annual Report	Section in supplementary information on sustainability	Explanation/omission
<b>GRI 403 – Occupational Health and Safety (2018)</b>				
3-3	Management Approach	<ul style="list-style-type: none"> <li>• Management – Integrated Management System for Health, Safety, Environment, Energy, and Quality</li> <li>• Employees – Human Resources Guiding Principles and Strategy - "Proud to Belong" Action Area</li> <li>• Health and Safety – Health and Safety of Our Workforce</li> <li>• Opportunities and Risks Report – Opportunities and Risks</li> </ul>		
403-1	Occupational health and safety management system	<ul style="list-style-type: none"> <li>• Management – Integrated Management System for Health, Safety, Environment, Energy, and Quality</li> <li>• Health and Safety – Occupational Health and Safety</li> </ul>		A list of the legal requirements has been dispensed with. The integrated management system for occupational health and safety covers all our employees across the Group and in some cases also our contractors, regardless of the type of work environment or activity performed.
403-2	Hazard identification, risk assessment, and incident investigation	<ul style="list-style-type: none"> <li>• Health and Safety – Occupational Health and Safety</li> <li>• Compliance – Compliance Management System</li> </ul>		Every employee, contractor or – as appropriate – visitor must comply with the applicable occupational safety procedures, rules, and relevant protective measures. Employees are authorized to withdraw from work situations that seem to them to represent a direct and serious threat to their lives or health. They are obligated to report such situations to their supervisors immediately. Employees may not be sanctioned for such actions.
403-3	Occupational health services	<ul style="list-style-type: none"> <li>• Employees – Human Resources Guiding Principles and Strategy - "Proud to Belong" Action Area</li> </ul>		Depending on site-specific local circumstances, there are dedicated occupational health staff or occupational health services are provided in conjunction with external parties. A country-specific description of the functions of the occupational health services has been dispensed with.
403-4	Worker participation, consultation, and communication on occupational health and safety	<ul style="list-style-type: none"> <li>• Health and Safety</li> </ul>		Depending on legal requirements, some sites have formal employer-employee committees for occupational health and safety that hold regular meetings. In Germany, for instance, this is the occupational safety and health committee as legally required by Section 11 of the Act on Occupational Physicians, Safety Engineers and Other Occupational Safety Specialists (AsiG). All sites are networked in corresponding regional HSE communities. A country-specific list and a description of the committees has been dispensed with.
403-5	Worker training on occupational health and safety	<ul style="list-style-type: none"> <li>• Health and Safety</li> </ul>		Our employees receive the applicable statutorily required training as well as further training that exceeds these requirements depending on the individual circumstances at our sites. Our contractors receive site-specific safety instructions.
403-6	Promotion of worker health	<ul style="list-style-type: none"> <li>• Employees – Human Resources Guiding Principles and Strategy - "Proud to Belong" Action Area</li> <li>• Health and Safety – Occupational Health and Safety</li> </ul>		Voluntary services for the promotion and maintenance of health are made available only to Covestro employees.

## Specific Standard Disclosures

Disclosure number	Disclosure title	Section in Annual Report	Section in supplementary information on sustainability	Explanation/omission
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<ul style="list-style-type: none"> <li>Management – Integrated Management System for Health, Safety, Environment, Energy, and Quality</li> <li>Health and Safety</li> <li>Sustainability in the Supply Chain</li> </ul>		
403-9	Work-related injuries	<ul style="list-style-type: none"> <li>Health and Safety – Occupational Health and Safety</li> </ul>		We record the most important types and frequency of work-related injuries for all employee groups according to the ASTM standard E2920-14, "Severe Incidents and Fatalities" (A. deaths, B. life-changing/life-altering cases, C. other).
<b>GRI 404 – Training and Education (2016)</b>				
3-3	Management Approach	<ul style="list-style-type: none"> <li>Management – Corporate Policies</li> <li>Employees – Human Resources Guiding Principles and Strategy - "Ready to grow" Action Area</li> <li>Opportunities and Risks Report – Opportunities and Risks</li> </ul>		
404-2	Programs for upgrading employee skills and transition assistance programs	<ul style="list-style-type: none"> <li>Employees – Human Resources Guiding Principles and Strategy - "Ready to grow" Action Area</li> </ul>	<ul style="list-style-type: none"> <li>Employees – Human Resources Guiding Principles and Strategy - "Committed to Perform" Action Area</li> </ul>	
<b>GRI 405 – Diversity and Equal Opportunity (2016)</b>				
3-3	Management Approach	<ul style="list-style-type: none"> <li>Sustainability – Materiality Assessment</li> <li>Employees – Human Resources Guiding Principles and Strategy - "Proud to Belong" Action Area</li> <li>Opportunities and Risks Report – Opportunities and Risks</li> </ul>		
405-1	Diversity of governance bodies and employees	<ul style="list-style-type: none"> <li>Declaration on Corporate Governance – Composition, Duties and Activities of the Board of Management and Supervisory Board</li> </ul>	<ul style="list-style-type: none"> <li>Employees – Human Resources Guiding Principles and Strategy - "Proud to Belong" Action Area</li> </ul>	At the end of the year 2022, the Supervisory Board consisted of six women (50%) and six men (50%). The age structure is as follows: 0% are 30-50 years old, and 100% are over 50. Membership in a minority is not recorded for legal reasons. In fiscal 2022, the gender distribution of employees was broken down into male and female, as the company was not aware of any employees with other gender identities. Reference is made in the footnote to the small number of employees who did not state their gender. If this should change, the tables will be adjusted accordingly in future.
<b>GRI 406 – Non-discrimination (2016)</b>				
3-3	Management Approach	<ul style="list-style-type: none"> <li>Sustainability – Materiality Assessment</li> <li>Employees – Human Resources Guiding Principles and Strategy - "Proud to Belong" Action Area</li> <li>Opportunities and Risks Report – Opportunities and Risks</li> </ul>		
406-1	Incidents of discrimination and corrective actions taken			For confidentiality reasons, we do not disclose the type and scope of the incidents reported.

## Specific Standard Disclosures

Disclosure number	Disclosure title	Section in Annual Report	Section in supplementary information on sustainability	Explanation/omission
<b>GRI 407 – Freedom of Association and Collective Bargaining</b>				
3-3	Management Approach	<ul style="list-style-type: none"> <li>• Sustainability in the Supply Chain</li> <li>• Social Responsibility – Human Rights</li> <li>• Compliance – Compliance Management System</li> </ul>		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<ul style="list-style-type: none"> <li>• Sustainability in the Supply Chain – Supplier Evaluation Results</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability in the Supply Chain – Detailed Results of the Supplier Evaluations</li> </ul>	In fiscal 2022, no significant cases were reported using formal grievance mechanisms. There was no high risk for the sites in the year 2021, as the local heads of Human Resources and the local managing directors are required by internal rules to maintain a regular exchange of information with unions and employee representatives.
<b>GRI 414 – Supplier Social Assessment (2016)</b>				
3-3	Management Approach	<ul style="list-style-type: none"> <li>• Sustainability in the Supply Chain</li> <li>• Opportunities and Risks Report – Opportunities and Risks</li> </ul>		
414-2	Negative social impacts in the supply chain and actions taken	<ul style="list-style-type: none"> <li>• Sustainability in the Supply Chain – Supplier Evaluation Results</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability in the Supply Chain – Detailed Results of the Supplier Evaluations</li> </ul>	
<b>GRI 415 – Public Policy (2016)</b>				
3-3	Management Approach	<ul style="list-style-type: none"> <li>• Sustainability – Materiality Assessment</li> </ul>	<ul style="list-style-type: none"> <li>• Management – Corporate Policies</li> </ul>	
415-1	Political contributions		<ul style="list-style-type: none"> <li>• Management – Corporate Policies</li> </ul>	
<b>GRI 416 – Customer Health and Safety (2016)</b>				
3-3	Management Approach	<ul style="list-style-type: none"> <li>• Sustainability – Materiality Assessment</li> <li>• Management – Integrated Management System for Health, Safety, Environment, Energy, and Quality</li> <li>• Sustainable Products and Product Stewardship – Product Stewardship</li> <li>• Opportunities and Risks Report – Opportunities and Risks</li> <li>• Compliance – Compliance Management System</li> </ul>		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	<ul style="list-style-type: none"> <li>• Sustainable Products and Product Stewardship – Product Stewardship</li> </ul>		No significant incidents were reported through internal reporting in fiscal 2022.

## Specific Standard Disclosures

Disclosure number	Disclosure title	Section in Annual Report	Section in supplementary information on sustainability	Explanation/omission
<b>GRI 417 – Marketing and Labeling (2016)</b>				
3-3	Management Approach	<ul style="list-style-type: none"> <li>• Company Profile – Marketing and Sales</li> <li>• Sustainability – Materiality Assessment</li> </ul>		
417-1	Requirements for product and service information and labeling	<ul style="list-style-type: none"> <li>• Management – Integrated Management System for Health, Safety, Environment, Energy, and Quality</li> <li>• Sustainable Products and Product Stewardship – Product Stewardship</li> <li>• Opportunities and Risks Report – Opportunities and Risks</li> <li>• Compliance – Compliance Management System</li> </ul>		
417-2	Incidents of non-compliance concerning product and service information and labeling	<ul style="list-style-type: none"> <li>• Sustainable Products and Product Stewardship – Product Stewardship</li> </ul>		No significant incidents were reported through internal reporting in fiscal 2022.