DISCLOSURES ON SUSTAINABILITY REPORTING

Covestro aims to help protect the environment, conserve limited resources, advance society, and create value, all by firmly integrating sustainability into the 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 is additionally required in accordance with the standards of the Global Reporting Initiative (GRI) “Core” option.

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 of high or very high relevance for Covestro. 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)

<table>
<thead>
<tr>
<th>Key topics of the Group’s nonfinancial statement (German Commercial Code)</th>
<th>Relevant aspects in accordance with the Group’s nonfinancial statement (German Commercial Code)</th>
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<td>Compliance</td>
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<td>“Opportunities and Risks Report,” “Compliance.”</td>
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<td>Diversity, equity, and inclusion</td>
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<td>Employee matters</td>
<td>“Health and Safety.”</td>
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<td>Human rights due diligence</td>
<td>Social matters, respect for human rights</td>
<td>“Management,” “Social Responsibility.”</td>
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<td>Inclusive business</td>
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<td>“Management,” “Social Responsibility.”</td>
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<td>Product safety</td>
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<td>Recyclability and end-of-life solutions</td>
<td>Environmental matters</td>
<td>“Strategy,” “Circular Economy and Climate Neutrality.”</td>
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<tr>
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<td>“Strategy,” “Circular Economy and Climate Neutrality.”</td>
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<td>Sustainable R&amp;D-based innovation portfolio</td>
<td>Environmental matters, social matters</td>
<td>“Management,” “Innovation.”</td>
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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. As a company required to submit a nonfinancial statement, Covestro must, 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. The Taxonomy Regulation introduces key performance indicators (KPIs) to enable and improve performance measurement. In fiscal 2021, our report includes information in line with the Taxonomy Regulation and its delegated acts, two of which were published at the reporting date. One delegated act defines technical screening criteria for determining activities that contribute substantially to the environmental objectives of climate change mitigation and adaptation. The other delegated act spells out the content and presentation of the information to be disclosed.

We have elected to exercise the exemptions permitted in fiscal 2021. These allow us to initially only report on our taxonomy-eligible economic activities in connection with the aforementioned environmental objectives. Reporting on our taxonomy-aligned activities is not required. Some legal concepts in the EU Taxonomy have not been defined conclusively, which has led to uncertainty regarding their interpretation.

Taxonomy-Eligible Economic Activities

In fiscal 2021, we identified the following taxonomy-eligible economic activities as defined in Article 3 of the Taxonomy Regulation relating to the environmental objectives of climate change mitigation and adaptation:

- Manufacture of hydrogen
- Manufacture of chlorine
- Manufacture of organic base chemicals
- Manufacture of nitric acid
- Manufacture of plastics in primary form

Some activities in our portfolio are not covered by the taxonomy (e.g., the manufacture of isocyanates such as MDI, TDI, etc.)

Calculation of Taxonomy KPIs

We calculate taxonomy KPIs and report on the nature of our taxonomy-eligible economic activities in accordance with Article 10(3) and Article 11(3) of Regulation (EU) 2020/852. The KPIs we are required to report the share of turnover, capital expenditure (CapEx), and operating expenditure (OpEx) that are generated by taxonomy-eligible 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, we apply suitable allocation models to appropriately reflect them in the KPI calculation. Controls in our internal control system are used to support accurate calculation of the taxonomy KPIs reported and the underlying processes.

See “Internal Control System for (Group) Accounting and Financial Reporting.”

In accordance with section 1.2.3. of Annex 1 of the delegated act specifying the content and presentation of information to be disclosed, we have elected not to report on the activities of joint ventures.
Turnover
The EU Taxonomy defines turnover as net sales of goods or services, including intangible goods. The share of turnover generated from taxonomy-eligible economic activities is divided by net sales. 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 the fiscal 2021 was then calculated for the identified products and a ratio derived using Covestro’s sales reported in the Income Statement (denominator).

See “Covestro Group Consolidated Income Statement.”

Capital Expenditure
Covestro’s capital expenditure (CapEx) as defined in the EU Taxonomy includes acquisitions of property, plant and equipment and intangible assets during the fiscal year under review before depreciation/amortization/-impairment losses and remeasurement, including those arising from remeasurement and impairment losses for the relevant fiscal year without changes in fair value. This also includes all property, plant and equipment, and intangible assets resulting from business combinations. The taxonomy-eligible CapEx relates to assets or processes associated with taxonomy-eligible economic activities, or that are part of a plan to expand taxonomy-aligned economic activities or to develop taxonomy-eligible into taxonomy-aligned economic activities, or that relate to the acquisition of products from taxonomy-eligible economic activities and individual measures that enable target activities to be conducted in a low-carbon manner or reduce emissions of greenhouse gases.

Covestro uses the investments in and acquisitions of property, plant and equipment and intangible assets as reported in the Notes to the Consolidated Financial Statements in the Annual Report 2021 (denominator). Of these, the share of taxonomy-eligible CapEx must be determined (numerator). To this end, the products identified as originating from taxonomy-eligible economic activities were allocated to the corresponding CapEx. In addition, individual expenditures from the acquisition of products from taxonomy-eligible economic activities and individual measures implemented to reduce greenhouse gas (GHG) emissions are taken into account. For this KPI, we calculated the ratio of various taxonomy-eligible CapEx to investments in and acquisitions of property, plant and equipment and intangible assets for Covestro as reported in the Annual Report.

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
Operating expenditure (OpEx) as defined in the EU Taxonomy comprises direct, uncapitalized costs relating to research and development, building renovation projects, short-term leases, maintenance and repairs, and all other expenses directly related to the daily maintenance of assets classified as property, plant and equipment that are necessary for ensuring the Group’s functioning. The taxonomy-eligible operating expenditure relates to assets or processes associated with taxonomy-eligible economic activities, or that are part of a plan to expand taxonomy-aligned economic activities or to develop taxonomy-eligible into taxonomy-aligned economic activities, or that relate to the acquisition of products from taxonomy-eligible economic activities and individual measures that enable target activities to be conducted in a low-carbon manner or reduce emissions of greenhouse gases, or to individual building renovation projects.

Covestro uses its expenditure on maintenance and repairs, renovations, research and development, and short-term leasing costs (denominator). Of these, the share of taxonomy-eligible OpEx must be determined (numerator). To this end, the products identified as originating from taxonomy-eligible economic activities were allocated to the corresponding OpEx. In addition, individual operating expenses from the acquisition of products from taxonomy-eligible economic activities and individual measures implemented to reduce GHG emissions and renovate buildings were taken into account. This ratio is calculated exclusively for taxonomy reporting.
Reporting of Taxonomy KPIs

The KPIs below were calculated according to the aforementioned methods:

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Share of taxonomy-eligible economic activities</th>
<th>Share of taxonomy-non-eligible economic activities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€ million</td>
<td>in %</td>
<td>in %</td>
</tr>
<tr>
<td>Turnover</td>
<td>15,903</td>
<td>+32.0</td>
<td>+68.0</td>
</tr>
<tr>
<td>Capital Expenditure</td>
<td>2,552</td>
<td>+8.3</td>
<td>+91.7</td>
</tr>
<tr>
<td>Operating Expenditure</td>
<td>1,147</td>
<td>+25.6</td>
<td>+74.4</td>
</tr>
</tbody>
</table>

1 The calculation of the KPIs does not include the activities of the Resins & Functional Materials (RFM) business acquired from Koninklijke DSM N.V., Heerlen (Netherlands), due to the ongoing systems integration process. They are therefore included in the taxonomy-non-eligible share of Covestro’s activities. The share attributable to RFM, if available, is included in the denominator of all of these KPIs; RFM is included in full in the denominator for turnover and CapEx. Regarding OpEx, the RFM share of the costs arising from research and development is included in the denominator. In the future, RFM activities will also be integrated completely into the analysis of taxonomy eligibility.
## GRI Index

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<td>102-5</td>
<td>Ownership and legal form</td>
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<td>Covestro on the Capital Market</td>
<td>The Covestro Group has been legally and financially independent since September 1, 2015. Covestro AG, the parent company of the Covestro Group, is headquartered in Leverkusen (Germany), and has been listed on the stock exchange in Germany since October 6, 2015.</td>
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<td>Scale of the organization</td>
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<td>• Results of Operations, Financial Position, and Net Assets of the Covestro Group</td>
<td>Around the world, Covestro has about 500 temporary employees, corresponding to approximately 3.1% of our workforce. In addition, a number of people work for Covestro externally through contracts for work or service agreements. 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.</td>
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<td>None.</td>
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<tr>
<td>102-50</td>
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<td>This report covers the period from January 1 to December 31, 2021.</td>
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<td>102-51</td>
<td>Date of most recent report</td>
<td>The previous Annual Report for fiscal 2020 and the associated GRI supplementary information were published in February 2021.</td>
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<tr>
<td>102-52</td>
<td>Reporting cycle</td>
<td>Covestro’s sustainability reporting is carried out annually.</td>
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## Specific Standard Disclosures

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<tr>
<td>103-1,2,3 Management Approach</td>
<td>• Company Profile – Procurement</td>
<td></td>
<td></td>
<td>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.</td>
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<td>204-1 Proportion of spending on local suppliers</td>
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<td>205-1 Operations assessed for risks related to corruption</td>
<td>• Opportunities and Risks Report – Group-wide Opportunities and Risk Management System</td>
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<td>In 2020 a risk analysis was conducted for every country/every company. Risk analysis was not updated in the reporting period. Definition of location of operations as a legal entity.</td>
<td></td>
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<td>• Compliance – Compliance Management System</td>
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<tr>
<td>206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices</td>
<td>• Management – Corporate Policies</td>
<td></td>
<td>No actions were reported through internal reporting in fiscal 2021.</td>
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<tr>
<td><strong>GRI 207 – Tax (2019)</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>103-1,2,3</td>
<td>Management Approach</td>
<td>• Compliance – Tax Compliance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>207-1</td>
<td>Approach to tax</td>
<td>• Compliance – Tax Compliance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>207-2</td>
<td>Tax governance, control, and risk management</td>
<td>• Compliance – Tax Compliance • Opportunities and Risks Report – Group-wide Opportunities and Risk Management System</td>
<td></td>
<td></td>
</tr>
<tr>
<td>207-3</td>
<td>Stakeholder engagement and management of concerns related to tax</td>
<td>• Compliance – Compliance Management System • Compliance – Tax Compliance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>207-4</td>
<td>Country-by-country reporting</td>
<td></td>
<td>A country-by-country report is not currently provided.</td>
<td></td>
</tr>
<tr>
<td><strong>GRI 300 – Environmental topics</strong></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>GRI 302 – Energy (2016)</strong></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>103-1,2,3</td>
<td>Management Approach</td>
<td>• Sustainability – Material Sustainability Topics • Circular Economy and Climate Neutrality – Climate Neutrality • Opportunities and Risks Report – Opportunities and Risks</td>
<td>• Management – Corporate Policies • Circular Economy and Climate Neutrality – Climate Neutrality</td>
<td>Information pertaining to the share of renewable energy was not included in this report.</td>
</tr>
<tr>
<td>302-1</td>
<td>Energy consumption within the organization</td>
<td>• Circular Economy and Climate Neutrality</td>
<td></td>
<td></td>
</tr>
<tr>
<td>302-3</td>
<td>Energy intensity</td>
<td>• Circular Economy and Climate Neutrality</td>
<td></td>
<td>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.</td>
</tr>
<tr>
<td>302-4</td>
<td>Reduction of energy consumption</td>
<td>• Circular Economy and Climate Neutrality</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>GRI 303 – Water (2018)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>103-1,2,3</td>
<td>Management Approach</td>
<td>• Sustainability – Material Sustainability Topics • Environmental Impact of Own Operations – Water and Wastewater</td>
<td>• Environmental Impact of Own Operations – Water Usage</td>
<td>The standards to be applied are oriented to local laws. Water withdrawal is measured in m$^3$ (cubic meters) since this is the more common approach to measurement. Here, 1 megaliter (ML) corresponds to 1,000 m$^3$. Usage of other than fresh water &lt;1,000 mg 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 &gt;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.</td>
</tr>
<tr>
<td>303-1</td>
<td>Interactions with water as a shared resource</td>
<td>• Environmental Impact of Own Operations – Water and Wastewater</td>
<td>• Environmental Impact of Own Operations – Water Usage</td>
<td></td>
</tr>
<tr>
<td>303-2</td>
<td>Management of water discharge-related impacts</td>
<td>• Environmental Impact of Own Operations – Water and Wastewater</td>
<td>• Environmental Impact of Own Operations – Water Usage</td>
<td></td>
</tr>
<tr>
<td>303-3</td>
<td>Water withdrawal</td>
<td>• Environmental Impact of Own Operations – Water and Wastewater</td>
<td>• Environmental Impact of Own Operations – Water Usage</td>
<td></td>
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<tr>
<td><strong>GRI 305 – Emissions (2016)</strong></td>
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<tr>
<td>103-1,2,3</td>
<td>Management Approach</td>
<td>• Sustainability – Material Sustainability Topics</td>
<td>• Circular Economy and Climate Neutrality – Climate Neutrality</td>
<td></td>
</tr>
<tr>
<td>305-1 Direct (Scope 1) GHG emissions</td>
<td></td>
<td>• Opportunities and Risks Report – Opportunities and Risks</td>
<td>• Circular Economy and Climate Neutrality – Climate Neutrality</td>
<td>Biogenic CO₂ emissions are not reported because they are irrelevant.</td>
</tr>
<tr>
<td>305-2 Energy indirect (Scope 2) GHG emissions</td>
<td></td>
<td>• Circular Economy and Climate Neutrality – Climate Neutrality</td>
<td></td>
<td></td>
</tr>
<tr>
<td>305-3 Other indirect (Scope 3) GHG emissions</td>
<td></td>
<td>• Circular Economy and Climate Neutrality – Climate Neutrality</td>
<td></td>
<td></td>
</tr>
<tr>
<td>305-4 GHG emissions intensity</td>
<td></td>
<td>• Circular Economy and Climate Neutrality – Climate Neutrality</td>
<td></td>
<td>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.</td>
</tr>
<tr>
<td>305-5 Reduction of GHG emissions</td>
<td></td>
<td>• Circular Economy and Climate Neutrality – Climate Neutrality</td>
<td></td>
<td>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.</td>
</tr>
<tr>
<td>305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions</td>
<td></td>
<td>• Environmental Impact of Own Operations – Air Quality</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>GRI 306 – Waste (2020)</strong></td>
<td></td>
<td></td>
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<tr>
<td>103-1,2,3</td>
<td>Management Approach</td>
<td>• Sustainability – Material Sustainability Topics</td>
<td>• Environmental Impact of Own Operations – Waste and Recycling</td>
<td></td>
</tr>
<tr>
<td>306-1 Waste generation and significant waste-related impacts</td>
<td></td>
<td>• Environmental Impact of Own Operations – Waste and Recycling</td>
<td></td>
<td></td>
</tr>
<tr>
<td>306-2 Management of significant waste-related impacts</td>
<td></td>
<td>• Circular Economy and Climate Neutrality – Climate Neutrality</td>
<td>• Environmental Impact of Own Operations – Waste and Recycling</td>
<td></td>
</tr>
<tr>
<td>306-3 Waste generated</td>
<td></td>
<td>• Environmental Impact of Own Operations – Waste and Recycling</td>
<td></td>
<td>The distinction of hazardous and non-hazardous waste is only drawn for landfill waste; no differentiation is made for other disposal methods.</td>
</tr>
<tr>
<td>306-5 Waste diverted from disposal</td>
<td></td>
<td>• Environmental Impact of Own Operations – Waste and Recycling</td>
<td></td>
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<tr>
<td>GRI 307 – Environmental Compliance (2016)</td>
<td></td>
<td>• Environmental Impact of Own Operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>103-1,2,3 Management Approach</td>
<td>Non-compliance with environmental laws and regulations</td>
<td>• Opportunities and Risks Report – Opportunities and Risks</td>
<td></td>
<td>In fiscal 2021, no significant administrative or court-ordered sanctions (fines, nonmonetary sanctions) for noncompliance with environmental laws and regulations were reported through internal reporting.</td>
</tr>
<tr>
<td>307-1</td>
<td></td>
<td>• Compliance – Compliance Management System</td>
<td></td>
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<tr>
<td>GRI 308 – Supplier Environmental Assessment</td>
<td></td>
<td>• Sustainability in the Supply Chain</td>
<td>• Sustainability in the Supply Chain – Detailed Results of the Supplier Evaluations</td>
<td></td>
</tr>
<tr>
<td>103-1,2,3 Management Approach</td>
<td>Negative environmental impacts in the supply chain and actions taken</td>
<td>• Opportunities and Risks Report – Opportunities and Risks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>308-2</td>
<td></td>
<td>• Sustainability in the Supply Chain – Supplier Evaluation Results</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GRI 401 – Employment (2016)</td>
<td></td>
<td>• Management – Corporate Policies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>103-1,2,3 Management Approach</td>
<td>New employee hires and employee turnover</td>
<td>• Employees – Human Resources Profile and Focus, Winning Qualified Employees and Promoting Covestro’s Employer Brand</td>
<td></td>
<td>In fiscal 2021, 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 footnotes to the small number of employees who did not state their gender. If this should change, the tables will be adjusted accordingly in future.</td>
</tr>
<tr>
<td>401-1</td>
<td></td>
<td>• Opportunities and Risks Report – Opportunities and Risks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>103-1,2,3 Management Approach</td>
<td>New employee hires and employee turnover</td>
<td>• Employees – Designing Healthy Working Conditions and Work Models</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>• Health and Safety – Occupational Health and Safety</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>• Opportunities and Risks Report – Opportunities and Risks</td>
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<tr>
<td>403-1</td>
<td>Occupational health and safety management system</td>
<td>• Management – Integrated Management System for Health, Safety, Environment, Energy, and Quality</td>
<td>• Management – Integrated Management System for Health, Safety, Environment, Energy, and Quality</td>
<td>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.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Health and Safety – Occupational Health and Safety, Corporate Security</td>
<td>• Health and Safety – Corporate Security</td>
<td></td>
</tr>
<tr>
<td>403-2</td>
<td>Hazard identification, risk assessment, and incident investigation</td>
<td>• Health and Safety – Occupational Health and Safety, Corporate Security</td>
<td>• Compliance – Compliance Management System</td>
<td>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.</td>
</tr>
<tr>
<td>403-3</td>
<td>Occupational health services</td>
<td>• Employees – Designing Healthy Working Conditions and Work Models</td>
<td></td>
<td>Depending on site-specific local circumstances, there are dedicated occupational health staff or occupational health services provided in conjunction with external parties. A country-specific description of the functions of the occupational health services has been dispensed with.</td>
</tr>
<tr>
<td>403-4</td>
<td>Worker participation, consultation, and communication on occupational health and safety</td>
<td>• Health and Safety</td>
<td></td>
<td>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.</td>
</tr>
<tr>
<td>403-5</td>
<td>Worker training on occupational health and safety</td>
<td>• Health and Safety</td>
<td></td>
<td>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.</td>
</tr>
<tr>
<td>403-6</td>
<td>Promotion of worker health</td>
<td>• Employees – Designing Healthy Working Conditions and Work Models</td>
<td>• Health and Safety – Occupational Health and Safety</td>
<td>Voluntary services for the promotion and maintenance of health are made available only to Covestro employees.</td>
</tr>
<tr>
<td>403-7</td>
<td>Prevention and mitigation of occupational health and safety impacts directly linked by business relationships</td>
<td>• Management – Integrated Management System for Health, Safety, Environment, Energy, and Quality</td>
<td>• Health and Safety</td>
<td>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).</td>
</tr>
<tr>
<td>403-9</td>
<td>Work-related injuries</td>
<td>• Health and Safety – Occupational Health and Safety, Corporate Security</td>
<td>• Health and Safety – Corporate Security</td>
<td></td>
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| **GRI 404 – Training and Education (2016)** | 103-1,2,3 Management Approach | • Management – Corporate Policies  
• Employees – Promoting and Developing Employees  
• Opportunities and Risks Report – Opportunities and Risks | | |
| | 404-2 Programs for upgrading employee skills and transition assistance programs | • Employees – Promoting and Developing Employees | • Employees – Compensating Employees Transparently and Competitively | |
| **GRI 405 – Diversity and Equal Opportunity (2016)** | 103-1,2,3 Management Approach | • Sustainability – Material Sustainability Topics  
• Employees – Promoting Diversity, Equity, and Inclusion  
• Opportunities and Risks Report – Opportunities and Risks | | At the end of the year, 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 2021, 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. |
| | 405-1 Diversity of governance bodies and employees | • Declaration on Corporate Governance – Composition, duties and activities of the Board of Management and Supervisory Board | • Employees – Promoting Diversity, Equity, and Inclusion | |
| **GRI 406 – Non-discrimination (2016)** | 103-1,2,3 Management Approach | • Sustainability – Material Sustainability Topics  
• Employees – Promoting Diversity, Equity, and Inclusion  
• Opportunities and Risks Report – Opportunities and Risks | | For confidentiality reasons, we do not disclose the type and scope of the incidents reported. |
| | 406-1 Incidents of discrimination and corrective actions taken | | |
| **GRI 407 – Freedom of Association and Collective Bargaining** | 103-1,2,3 Management Approach | • Sustainability in the Supply Chain  
• Social Responsibility – Human Rights  
• Compliance – Compliance Management System | • Sustainability in the Supply Chain – Supplier Evaluation Results  
• Sustainability in the Supply Chain – Detailed Results of the Supplier Evaluations | In fiscal 2021, 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. |
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<td>103-1,2,3 Management Approach</td>
<td>• Sustainability in the Supply Chain</td>
<td>• Sustainability in the Supply Chain – Detailed Results of the Supplier Evaluations</td>
<td></td>
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<tr>
<td>414-2</td>
<td>Negative social impacts in the supply chain and actions taken</td>
<td>• Sustainability in the Supply Chain – Supplier Evaluation Results</td>
<td></td>
<td></td>
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<tr>
<td>GRI 415 – Public Policy (2016)</td>
<td>103-1,2,3 Management Approach</td>
<td>• Sustainability – Material Sustainability Topics</td>
<td>• Management – Corporate Policies</td>
<td></td>
</tr>
<tr>
<td>415-1</td>
<td>Political contributions</td>
<td>• Management – Corporate Policies</td>
<td></td>
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<td>GRI 416 – Customer Health and Safety (2016)</td>
<td>103-1,2,3 Management Approach</td>
<td>• Sustainability – Material Sustainability Topics</td>
<td>• Management – Integrated Management System for Health, Safety, Environment, Energy, and Quality</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Health and Safety – Product Stewardship</td>
<td>• Health and Safety – Product Stewardship</td>
<td>No significant incidents were reported through internal reporting in fiscal 2021.</td>
</tr>
<tr>
<td></td>
<td>416-2</td>
<td>• Opportunities and Risks Report – Opportunities and Risks</td>
<td>• Opportunities and Risks Report – Opportunities and Risks</td>
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<tr>
<td></td>
<td></td>
<td>• Compliance – Compliance Management System</td>
<td>• Compliance – Compliance Management System</td>
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<tr>
<td>GRI 417 – Marketing and Labeling (2016)</td>
<td>103-1,2,3 Management Approach</td>
<td>• Company Profile – Marketing and Sales</td>
<td>• Management – Integrated Management System for Health, Safety, Environment, Energy, and Quality</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Sustainability – Material Sustainability Topics</td>
<td>• Health and Safety – Product Stewardship</td>
<td>No significant incidents were reported through internal reporting in fiscal 2021.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Opportunities and Risks Report – Opportunities and Risks</td>
<td>• Opportunities and Risks Report – Opportunities and Risks</td>
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<tr>
<td></td>
<td></td>
<td>• Compliance – Compliance Management System</td>
<td>• Compliance – Compliance Management System</td>
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</tr>
<tr>
<td></td>
<td>417-2</td>
<td>• Health and Safety – Product Stewardship</td>
<td>• Health and Safety – Product Stewardship</td>
<td>No significant incidents were reported through internal reporting in fiscal 2021.</td>
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| GRI 419 – Socioeconomic Compliance (2016) | • Sustainability – Material Sustainability Topics  
• Opportunities and Risks Report – Opportunities and Risks  
• Compliance – Compliance Management System | • Management – Corporate Policies | In fiscal 2021, no significant administrative or court-ordered sanctions (fines, nonmonetary sanctions) for noncompliance with laws and regulations with respect to the provision and use of products and services were reported through internal reporting. |
| 103-1,2,3         | Management Approach                                  | • Compliance – Compliance Management System                   |                                                                                                                                                      |
| 419-1             | Non-compliance with laws and regulations in the social and economic area | • Management – Corporate Policies                              |                                                                                                                                                      |