



NORTH AMERICA

Diversity, Equity & Inclusion

2020 Annual Report



NORTH AMERICA
MEXICO-UNITED STATES

Diversity, Equity & Inclusion

The background features two stylized human head silhouettes facing each other. The silhouette on the left is filled with a rainbow gradient from yellow at the top to blue at the bottom. The silhouette on the right is filled with a rainbow gradient from purple at the top to orange at the bottom. A solid black vertical bar is positioned between the two silhouettes, containing the text "2020 ANNUAL REPORT" in white.

2020
ANNUAL
REPORT

Content

Reflection and Resilience	06
Growing the Seeds	12
Global Positioning	18
Structure	22
Strategy	32
Colleagues	40
Company	48
Community	52
Speaking from experience	60
Sustainability and DEI	70
Supplier Diversity	76
Employee Resource Groups	84
Acknowledgements	100



Reflection & Resilience

“ They tried to bury us. They didn't know we were seeds.”

DINOS CHRISTIANOPOULOS

GREEK POET



Forward

Against the 2020 backdrop of a global pandemic, concerns around racial and social injustice, political divisions and economic challenges, one thing has become clearer upon reflection. While this past year has shown us how much work we have to do, we also have seen the power that diversity, equity and inclusion (DEI) have in pulling us forward, teaching us to be resilient in moments of darkness and reminding us of our potential for unity.

DEI extends beyond the challenges of 2020. In the face of division, it will continue to bring us together as a workforce, community and region so that we can carry on the important work of making every person feel welcomed, heard, respected and treated fairly.

While DEI has the power to unite us, the process is far from automatic. It's imperative that we stay the DEI course but on a deeper level. We must more actively listen to our employees, understand their challenges and support them in their endeavors through training and development opportunities. Starting in our region and extending to the global level, we need our people to embrace the goals of DEI while holding our leaders accountable for their achievements.

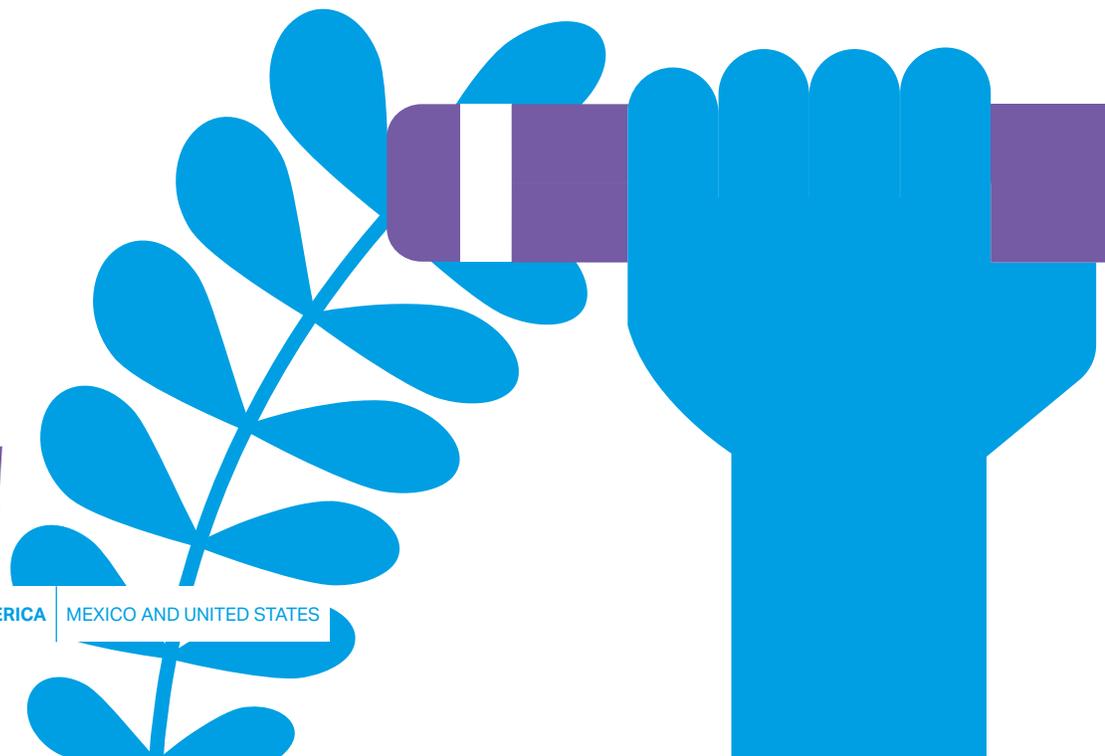
On this journey, we must be prepared to pause often, take a look in the mirror and honestly acknowledge what we see in our reflection. We must identify gaps, measure our performance and provide transparency. We need to make informed decisions based on data pertaining to our talent pipeline, employees, suppliers and pay equity.

We may not agree on everything, but we remain ONE Covestro in our pursuit of DEI.

We may not agree on everything, but we remain ONE Covestro in our pursuit of DEI.

The responsibility in front of us

Haakan Jonsson, chairman and president of Covestro LLC, wrote the following opinion piece last summer to address the prevailing issues of violence and racial injustice in the U.S.



My heart is heavy. Our communities are feeling grief, anger, pain and sadness over the recent killings of Breonna Taylor, Ahmaud Arbery, Tony McDade and George Floyd. These deaths are only the most recent wounds in the long history of violence and racial injustice against African Americans and other People of Color.

My hope is that this moment compels us to reflect on how we can bring more inclusion, kindness and respect into our country.

In order to learn from this moment, I have been doing some personal reflection – both as a privileged white male and as someone who happens to be the president of a company, another position of privilege.

In this position, I must honestly face a reality that has been painfully obvious to African Americans from the very beginning – that any obstacles I face or that my children will face are not brought on by the color of our skin.

This privilege has forced me to consider the following question with new eyes: What can I do as a leader in the face of injustice?

The answer will be ever-evolving for me, but right now I can tell you this:

It is my responsibility to leverage my privilege – both as a white male and as a leader – to call out and act against racism and inequality. It is also my responsibility to make sure that when our employees walk through our doors, they feel safe, welcome, respected and seen.

We cannot fully respect one another unless we see each other for who we truly are and what we can uniquely contribute. We cannot look away from pain or struggle; no person should be “unseen” and no role should go unrecognized.

I hope that by taking a hard look at the privilege we may or may not have, we can push ourselves to confront the things that make us uncomfortable and, ultimately, to create lasting change in ourselves and in our society. This is a journey, and I want you to know that I’m taking it with you.

I know that we can do better – especially those of us who can use our privilege to fight injustice.

I can do better. So, to the leaders in the Pittsburgh community, I will leave you with a question that we should all ask ourselves:

Do you see your employees? All of them.



Growing the Seeds

Four of our thought leaders reflect on a moment, experience or belief that helped define their understanding of – and commitment to – DEI.

“

Throughout my life, I've made enough money to pay my bills. I've had enough food to eat. I've been given the opportunity to pursue an education. I've had regular access to healthcare. I've been able to travel across the world without being profiled or regarded with suspicion.

From my perspective, these are all basic human rights.

My passion for DEI is that everyone – no matter who they are – deserves access to these same basic rights and freedoms. In a society with so much division, I have hope that the principles of human rights can unify us.

Fighting for human rights is an act of compassion. At Covestro, we're working to create a future where everyone is treated equally and provided with their basic needs – the same needs that I've had the privilege to fulfill.”

Haakan Jonsson

CHAIRMAN AND PRESIDENT

COVESTRO LLC



“

When I was a kid, I used to love cake (still do) and many other sweets. My mom always wanted to make things fair, so my sister and I would often split desserts. My mom would say 'One of you will cut the dessert in half, and the other will choose her slice first.' My mom's goal was to be as fair as possible with each slice so both my sister and I were able to enjoy the dessert.

As I fast forward to my life today, my mom's dessert lesson in equality and fairness is a key focus for what I want to work toward in my life (far beyond just dessert).

I often state that our world is not fair. That means we have an obligation within our work environments to strive for fairness, inclusion, equality and equity for everyone, because it may be the only place in the world where people can count on fairness in their lives on a regular basis.

Our inclusion work should never be about checking a box. Instead, it should be focused on supporting individual people as they, too, seek to be treated equally and look for a fair 'slice of the pie' in life.”

Dina L. Clark

HEAD OF DIVERSITY, EQUITY
& INCLUSION, NORTH AMERICA

COVESTRO LLC



“

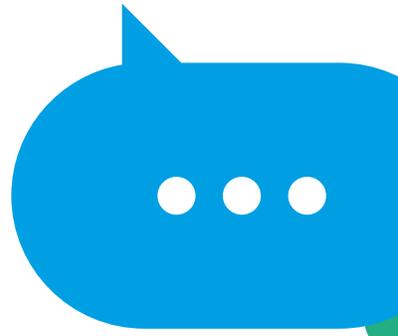
While in high school, I remember being passive about people bullying a particular schoolmate and not doing anything to stop it. A couple of years ago while walking down the street, I witnessed a disadvantaged person being mistreated by a security employee of a big chain hotel. This time I was able to speak up.

I asked the security person not to be rude and to be respectful of the other person's condition. He accepted the comment and stopped. I felt very good that I had done this, and it made me reflect on how important it is to not only respect others but also speak up when something isn't right. To increase someone's awareness about inclusion is an excellent way to stop mistreatment and, hopefully, prevent it from happening in the future.”

Arturo Molina

MANAGING DIRECTOR

COVESTRO MEXICO



“

When I was a little girl, my parents got divorced. My mother had to work extra hours to earn more money since she alone supported our family. My brother and I basically grew up by ourselves. In that environment, you sometimes – or almost always – must deal with things that no child should. That made me mature faster than my friends.

As a child, I came to understand that a lot of things that I lived through or saw were unfair. My heart always told me to fight for justice, so I always did. Known as the girl with a big mouth, I got into trouble many times at school. I didn't care, because I knew it was for justice.

As an adult, I've not changed at all. The difference is that now I don't fight – I work for justice. When I got this job, I could not be happier. It was if my dream had come true! Now I work for equity, respect and tolerance and for everybody to have the same rights and opportunities.

I really love everything that I do, and I'm grateful. All that I want is to keep making this world a better place in which to live.”

Marylú
Villanueva

ENGAGEMENT AND DEI SPECIALIST

COVESTRO MEXICO





Global Positioning

At Covestro, we're committed to making the world a brighter place. That's why we foster DEI as the foundation of innovation and growth.

We value differences, and we're dedicated to an inclusive work environment that ensures dignity and respect for all of our stakeholders. We're convinced that the power of a diverse and inclusive workforce drives innovation, sustainability and employee engagement, improves decision making and contributes to Covestro's success.



Diversity

is our **strength**



Equity

is our **focus**

Inclusion

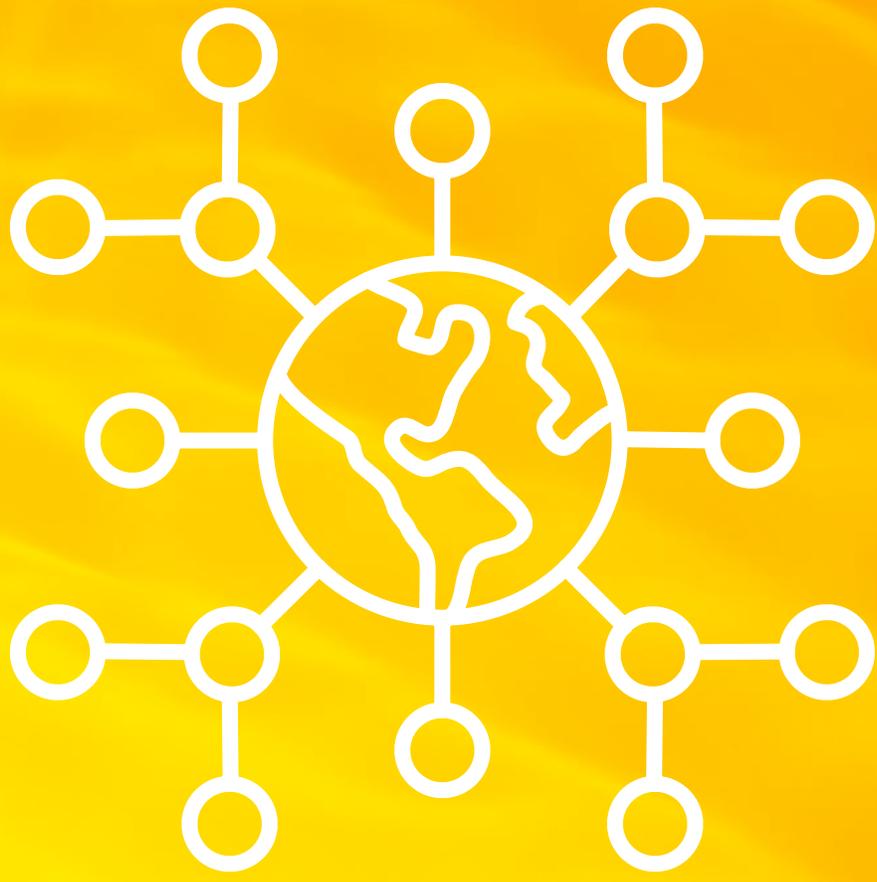
is our **commitment**



Innovation

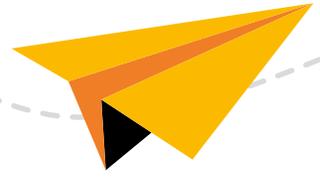
inspired by sustainability

is our **direction**



Structure

Our levels of engagement



All employees – from the executive suite to the plant floor – are responsible for driving DEI throughout our organization. They're supported by councils, teams and groups that implement the strategy at the local, regional and global levels.

Our work in the North America region is linked directly to Covestro's global efforts through representation on both the Global Diversity, Equity and Inclusion Council and Global Diversity, Equity and Inclusion Core Team. We also have ongoing engagement with the company's global DEI leaders and the Global People and Culture Team.

We're proud of our regional alignment between Mexico and the United States. In 2020, we further cemented this partnership as we began to identify DEI goals that we will achieve together. Our leaders also anchored their commitment even more during the year, stepping up to expand the goals within their business areas.



Global Diversity, Equity & Inclusion Core Team

This global group is convened by DEI representatives from Covestro's three largest regions (Asia Pacific; Europe, Middle East and Africa; and North America), global Communications, global People and Culture and the two global DEI sponsors. The Global DEI Core Team works to shape the agenda for the Global DEI Council and works to align and implement global DEI efforts for Covestro.



Global Diversity, Equity & Inclusion Council

The council comprises leaders from the major business units, service units and largest manufacturing facilities in our primary regions, as well as all participating members of the Global DEI Core Team. It serves as an advisory group for planning and supporting DEI efforts for all Covestro offices globally.



North American Diversity, Equity & Inclusion Council

This council represents the overarching DEI structure for North America. Its focus is to support regional DEI alignment and the important cultural flavor of both countries.



United States

United States Diversity, Equity & Inclusion Council

This small group of senior leaders (primarily members of the U.S. Country Council) works to support Covestro's global DEI positioning and strategy by identifying specific ways to educate and engage business leaders on this important business imperative. This group is co- led by the president and managing director in the U.S. and the head of DEI, North America.

United States Diversity, Equity & Inclusion Ambassadors

The ambassadors are primarily site leadership and co-leads of each site-based DEI council. Their main focus is to create and sustain site-based councils and DEI efforts that are aligned with the strategic DEI framework. Ambassadors at sites with a smaller number of employees work directly with the head of DEI to identify specific ways they can support and/or participate in regional DEI efforts based on the focus and needs of their site and/or region.

Employee Resource Group Council

Consisting of leaders from our employee resource groups (ERGs), this council brings together all ERGs to share successes, best practices, resources and lessons learned. This group is specific to the United States since there were not Mexico-based ERGs in 2020.





Mexico

Mexico Diversity, Equity & Inclusion Council

This small group of senior leaders (primarily members of the Mexico Country Council) works to support Covestro's global DEI positioning and strategy by identifying specific ways to educate and engage business leaders on this important business imperative. The council is co-led by our president and managing director, engagement and DEI specialist, and head of Human Resources in Mexico.

Mexico Diversity, Equity & Inclusion Ambassadors

This group includes employees from our Santa Clara and Cervantes sites who have committed to the advancement of DEI between both sites in Mexico. Supported by the engagement/diversity and inclusion specialist, the ambassadors primarily focus on DEI training/educational opportunities, employee/community engagement and other business-aligned DEI efforts in Mexico.

Pulling on the past to shape the future



Looking back, **Bruno Aparicio Ochoa**

realizes that his strong commitment to diversity and inclusion started forming in his childhood and solidified early in his career.

"As a child, I thought it was unfair that the culture in Mexico at the time meant that my sisters were expected to cook but my brothers and I were not," said Bruno, second site manager and engineering and maintenance manager, Santa Clara, Mexico. "When I started my career, I had managers who were openly disrespectful of their employees and favored certain people for growth and development. Both experiences impacted me."

Now a leader, Bruno believes he is responsible for creating a fair, open and inclusive work environment that is rich in diversity and that engages all employees in issues that impact them and the business.

"I tell my people that we're part of a movement to create a culture where everyone has an opportunity to grow and be involved," he said. "In the past, for example, employees weren't engaged in developing standards and procedures like they are today. I'm part of the leadership team that ensures their voices are heard and every decision is transparent."

Meeting the DEI challenges

The challenges of a 24/7 shift operation and a surrounding community with little diversity have not deterred **Barbara Buck** from moving DEI forward in the South Charleston, West Virginia, location.



"Hiring the best people, making them happy and feeling welcomed, and having them want to keep working at our site is at the heart of our DEI vision," said Barbara, the site's manager. "Our challenge is finding the channels to educate and engage our employees in DEI. More than 50 percent of our 105 employees work 12-hour rotating shifts, and they rarely cross paths with coworkers outside of their work group."

The location's leadership, DEI council and DEI ambassador are implementing activities and programs that reach across shifts and work groups. DEI messaging is included in quarterly newsletters and, at times, in daily safety meetings that are held before each shift. DEI Lunch and Learns originally scheduled for 2020 are still planned for when it's safe to hold in-person events. In addition, the site is looking to establish ERGs that align with employee interests.

"We're also trying to overcome the lack of diversity in the region's talent pool by focusing on the next generation," said Barbara. "By conducting i3 STEM activities in local schools and helping a local community center with its after-school program, we're hoping to get a more diverse workforce of the future interested in manufacturing."

Value, respect and act... deliberately



Craig Graybill's

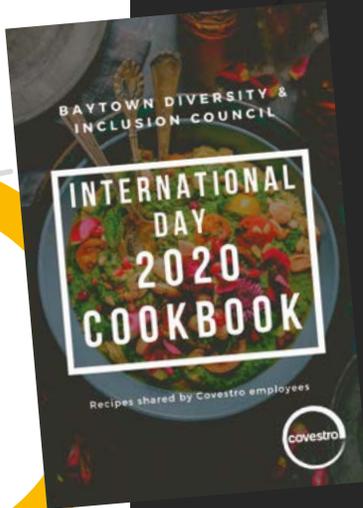
commitment to diversity and inclusion stems, in part, from his own experience as an American child living in Rome, Italy.

"I felt like an outsider for a while until I was finally accepted by my peers," said Craig, vice president and general plant manager, New Martinsville, West Virginia. "When my family returned to the U.S., I again felt like an outsider. That early experience influenced me to respect, value and embrace others who are different from me. Today, a lot of my inspiration comes from the diversity of my family and friends."

A strong proponent of diversity and inclusion in his professional life, Craig understands the business benefits of attracting diverse talent and making each person feel valued, accepted and heard once onboard. He encouraged the formation of a DEI council at his location, and he forms diverse teams to bring diversity of thought and inspiration to each challenge or opportunity.

"I believe each individual must be a change agent who is willing to step out and not go with the flow if something isn't right," he said. "If you want to make change happen, you have to act deliberately."

A recipe for connection



Celebrating the rich and diverse ethnic heritage of Covestro employees is an annual tradition that even the COVID pandemic could not stop.

For the virtual 2020 International Day event, the Baytown Diversity and Inclusion Council invited employees and contractors throughout North and South America to learn about the cuisine and culture of China, Germany, Greece, India, Morocco and Spain as presented by fellow employees. Video-based cooking demonstrations, open conversations and a trivia game rounded out the day's activities.

Nearly 100 people attended each of the four sessions, which offered attendees multiple opportunities to discover new bucket-list destinations, share facts and recipes, and interact with coworkers that they had not seen or talked to in months.

"Food has always been a big part of Baytown's International Day, and we didn't want to lose that aspect in the virtual event," said

Sky Cantrell, process control technology engineering trainee and an event organizer. "Leading up to the event, we encouraged employees to submit recipes, stories, pictures and travel tips. We turned these into an electronic cookbook that all colleagues and contractors could access and enjoy."

She adds, "International Day has always connected people from different departments, functions and locations. It took on even greater importance this year since people were feeling disconnected and missing that sense of community."



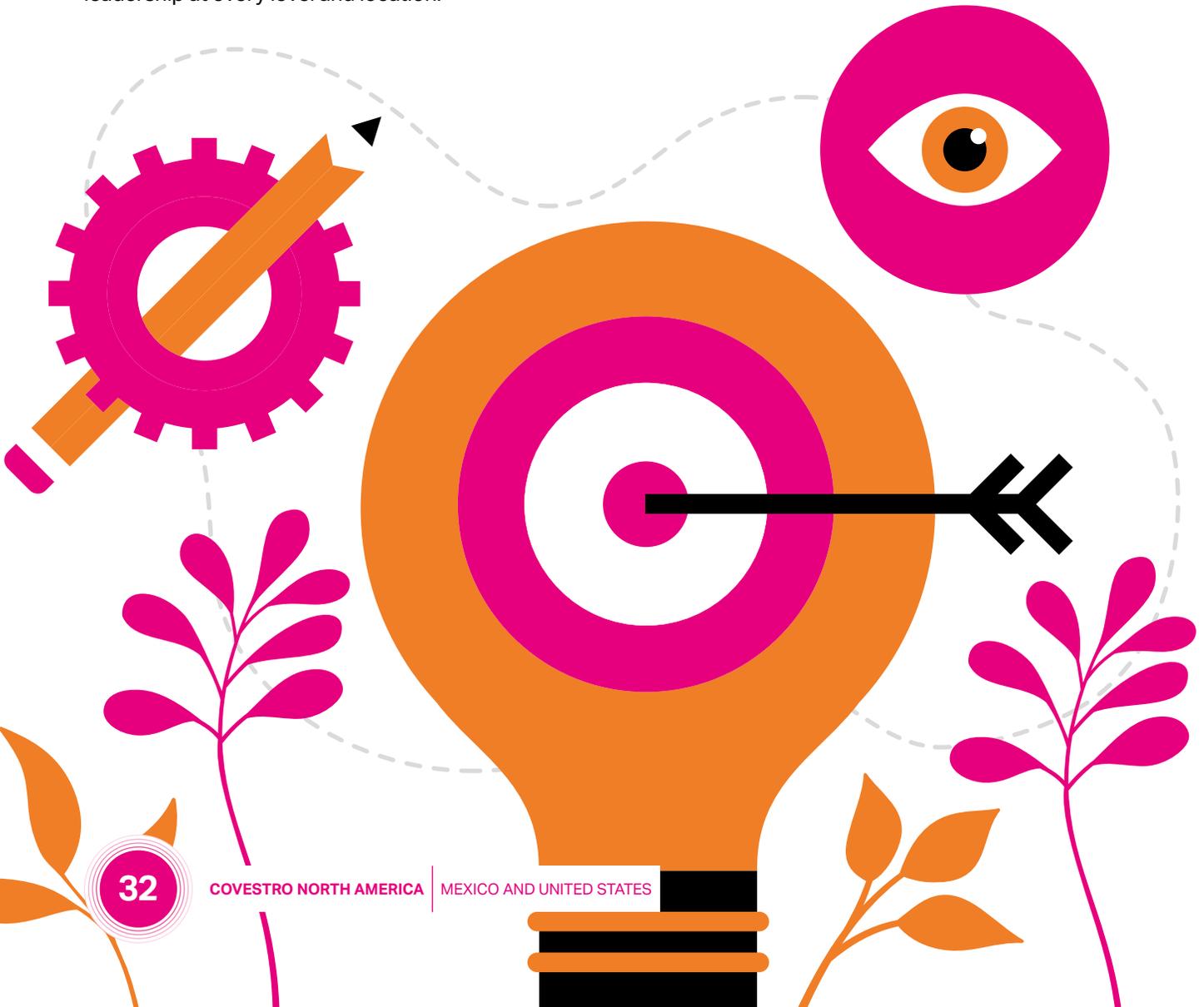
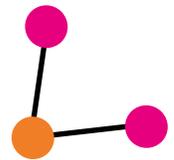


Strategy

How we will get there

Our vision and values form the foundation of our DEI strategy, which is aligned with our business goals and linked to the United Nations Sustainable Development Goals.

Essential to our success in creating a DEI culture is combining the strategy's primary focus areas of colleagues, company and community with actionable leadership at every level and location.



Colleagues

Build, engage and develop a strong, diverse workforce.



Company

Establish an inclusive, supportive work environment and culture for everyone.



Community

Develop genuine relationships and expand opportunities for achieving business objectives through community engagement, supplier diversity and customer interactions.



Listening to all voices

Loud voices are always heard. It's the soft ones that are often missed.



"As a leader, I'm responsible for ensuring every voice is heard and each person receives fair and equal treatment," said **Christine Bryant**, senior vice president, Polyurethanes, North America. "When everyone has an opportunity to contribute to the conversation, there are more opportunities for diversity of thought."

According to Christine, the first step is a deeper understanding of diversity and what it means to be part of an underrepresented or marginalized group. A 2020 goal for her leadership team was gaining this insight, with presentations from many of Covestro's ERGs serving as the starting point.

A second goal focused on listening and increasing two-way engagement with employees, many of whom were physically distant due to COVID. Weekly town halls with question and answer sessions, coffee chats, roundtables and other conversation-generating activities expanded the lines of communication.

"Once we all started actively listening to each other, we made better business decisions," said Christine. "I also believe we made progress in creating an environment where everyone feels comfortable speaking up when they feel something is unfair, knowing that their voices will be heard."

An outside perspective

When **Ivan Castillo** returned to Covestro Mexico to head up the Coatings, Adhesives & Specialties business after working in another industry, one goal was clear.



"I wanted to create a team that reflected different ages, experiences, perspectives, genders, ethnicities and more," he said. "I also learned through my own experience that people who come from an industry different than your own bring insights that enable you to gain business in new industries and applications."

He believes diversity in age also offers significant opportunities.

"We have people who have worked for our business for 25 years and others who have been here less than a year," said Ivan. "Each generation has different knowledge, experience and ways of working. Those differences provide learning opportunities for each of us that will make our business stronger."

Having a diverse workforce is one part of the equation.

"Everyone must feel included and respected so they're comfortable sharing their ideas and opinions," he said. "We also need to provide more opportunities that are dependent solely on a person's abilities and skills. As a company, we're strong in diversity and inclusion, but we also must recognize that we have room to improve."

Walk the DEI talk



When it comes to DEI, **Isaura de la Fuente** believes leaders must walk the talk.

“Our leaders need to understand, embrace and model all aspects of diversity and inclusion so they can foster it in their teams and with their peers,” said Isaura, head, Polyurethanes, Covestro Mexico. “If you talk and talk but don’t act accordingly, it doesn’t make any sense.”

His vision is always valuing the differences among individuals, which he feels leads to inclusion, and giving each person equal opportunities and resources.

“When you start including different opinions and ways of looking at things, you get a very innovative group,” said Isaura. “The path to achieving business targets is always better when you foster innovation.”

He’s walking the talk. Isaura championed building a diverse talent pipeline, which has resulted in a significant increase of women in commercial and technical services roles.

“Our efforts are helping attract and retain qualified talent, especially millennials who seek flexibility and transparency,” he said. “Once they see our inclusion and diversity efforts, they want to work for Covestro.”

Diversity powers the team

Providing fair opportunities and working to eliminate individual and collective unconscious bias are two commitments that **Ivan Escalante** is working on continuously in his business unit.



"For decades, our industry was made up of males with an engineering degree," said Ivan, head, Polycarbonates, Mexico. "My goal for every open position is to find the candidate with the best skills and competencies regardless of gender, age, education and background. For example, when an experienced member of my team in Brazil was retiring, we promoted the most qualified candidate, a female, into the position. She now heads that business and is an example to other women that there are opportunities for them."

Today, around 40% of positions on Ivan's team are held by women who were chosen not because of their gender but because they were the best candidates. There's also diversity of age, education, background, experience and more.

"The power of the team comes to life when we have different points of view, which allows us to look at things from many angles," he said. "We all can make ourselves and the company better if we have open minds and are free of unconscious bias, which could cause us to miss opportunities."

A natural way of operating



Aleta Richards' vision for DEI is clear.

"If you create a culture where every voice is heard, every person is respected, each individual feels included, and policies and practices are equitable, then you will no longer have to worry about DEI," said Aleta, senior vice president, Coatings, Adhesives & Specialties. "We need to ingrain diversity and inclusion into our culture like safety has been ingrained. It simply becomes a natural way of operating."

To make progress on this journey, Aleta holds her leadership team accountable for demonstrating the behaviors that are expected from every employee. Quarterly surveys, one-on-one dialogues, diverse talent pools and other initiatives are helping the business acquire and retain talent that's diverse in age, race, abilities, gender, sexual identity, experience, ethnic heritage and more.

"We have one of the most diverse leadership teams within Covestro globally, and the results of our employee engagement surveys have been very positive despite a reorganization in the business in 2019," said Aleta. "Our teams are working well together, and there's increased trust, respect and communication among colleagues. This tells me we're focused on the right things."

A brighter place through DEI

After being named senior vice president and global head of Electronics, Electrical and Appliances in 2018, **Lily Wang** traveled the world to meet with 20 key customers. In each meeting, she was the only woman and sole Asian.



"The reaction of the customers changed from initial surprise to really appreciating the inclusive and diverse culture of Covestro," said Lily. "From a business perspective, it added value to the Covestro brand by positioning us as a truly global player in our industry. It also motivated these customers to more closely align with us."

That experience reinforced her vision of creating a diverse, inclusive and innovative workforce and culture to lead the company to be a brighter place for employees and customers.

"My personal goal is to be a role model by respecting differences, being fair and open-minded, and showing compassion," she said.

"The goal for my team is to create a respectful and trusting culture, where each person feels safe, respects differences and has the courage to speak up. If we achieve this throughout the business, we'll have the agility needed to better understand and adapt to customer needs."

There are challenges to overcome. Having employees and customers located around the world brings cultural complexity. Individual accountability and commitment and transparent communication are also fundamental for Covestro's success. Lily believes a DEI culture will enable the company to make it happen.

"We're integrating a DEI mindset into our leadership competencies to drive improvement, and we're becoming more transparent in how we communicate accomplishments and challenges," said Lily. "We're also empowering our Diversity, Equity and Inclusion Council to engage our leaders, managers and employees."

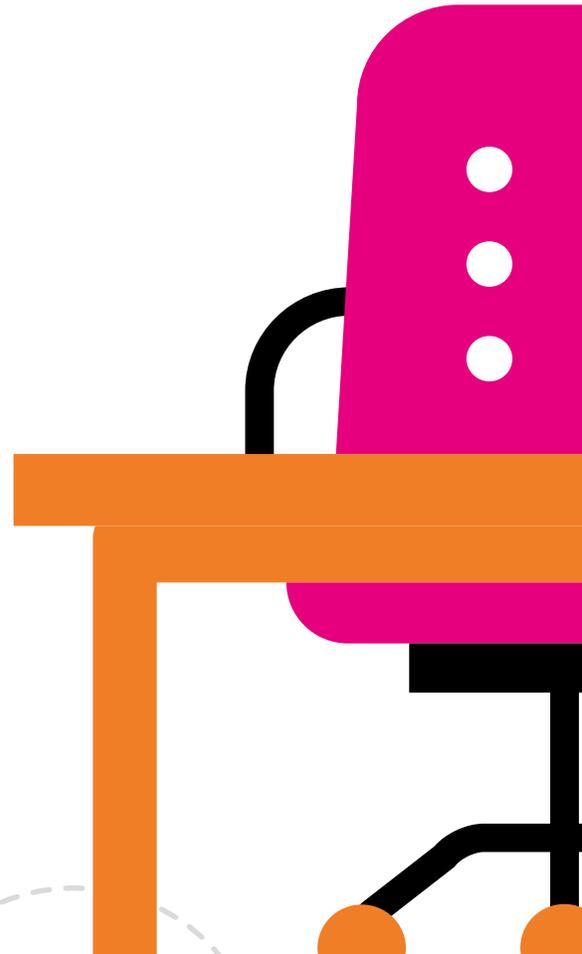
Colleagues

BROADENING OUR SPECTRUM

Build, engage and develop
a strong, diverse workforce

The unique knowledge, ideas, cultures and experiences of our employees make Covestro – and the world – a brighter place. Our success individually and as a company relies on finding, developing and celebrating these differences.

Through our recruitment efforts, we actively seek people who might look, act and think differently but share common values. We strive to listen to the loud and soft voices equally and support those with similar goals, interests and cultures through our ERGs.



A business imperative

For **Antonio Bello**, inclusion is a business imperative.

"If we listen to and understand the people who are in front of us, we will enrich our experience and become better people," said Antonio, head of Human Resources, Mexico. "An inclusive culture brings different points of view, allowing us to better solve challenges and capture opportunities. This is fundamental for business success."

He believes the biggest challenge to inclusion is apathy, where people overlook, deny or simply aren't aware that colleagues aren't being heard or appreciated.

"If we understand that each of us is different and open ourselves up to these differences, we would be magnificent," he said. "That work starts with leaders, who must be committed to and involved in driving an inclusive culture. Such leaders act when they see a wrong, and they ensure every voice is heard. They walk the talk."

He believes Covestro Mexico is in the early stages of its inclusion journey.

"We aren't a role model for inclusion yet, but we're creating a solid foundation on which to create this culture," he said. "We're educating our people that this is not an initiative of the month but something that will be a cornerstone for our company. If we keep walking this road, a few years from now we will be a role model for many companies."



A shared responsibility



Katherine McEvilly wants a place where employees can be their whole selves and not have to suspend a piece of their identity at the door when they come to work. Achieving such inclusion is a shared responsibility.

"Covestro certainly must ensure that its policies, processes and actions are creating and reinforcing an equal playing field for everyone, but equity and inclusion aren't solely the responsibility of the company, leadership or one department," said Katherine, vice president and head, Human Resources, U.S. "We each must seek diverse perspectives and hear opinions and input from those with different characteristics to ourselves."

Getting everyone to take on responsibility for equity and inclusion can be challenging.

"This is about making sure we treat everyone fairly and equally, and no one would say they didn't want that," she said.

Simple steps include opening meetings to people with different opinions and forming interview panels with broad representation. All contributions need to be heard, and assumptions about people should never be made.

"Equity and inclusion are not just nice to have," said Katherine. "They are the foundation of a culture that we must grow to succeed as individuals and as a company."

Connection and validation

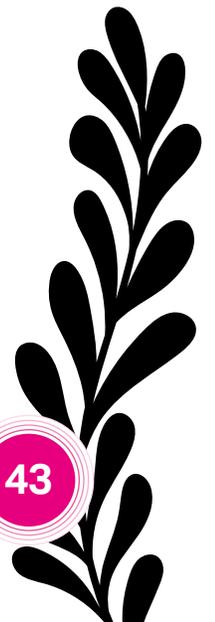
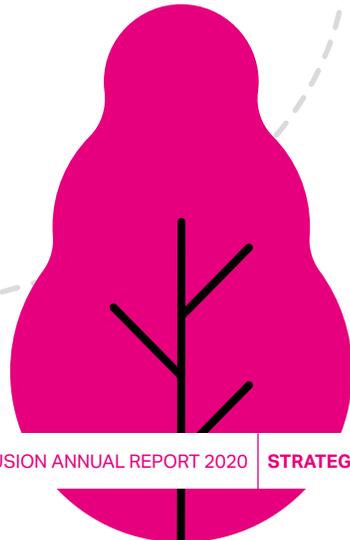
Returning to his hometown of Pittsburgh, Pennsylvania, after years away, **Aaron Lockhart** had two initial thoughts. It seemed like there were very few African American leaders and professionals in the area, and he needed to connect with them.



"As a minority, my cultural references are very different from those of the majority," said Aaron, head of Industrial Coatings, North America. "I have to put in extra effort to communicate in a way that's palatable and similar to my colleagues to fit in and overcome barriers to a deeper relationship."

Aaron became a 2020 cohort in the [Executive Leadership Academy](#), which is sponsored in part by Covestro and coordinated by The Advanced Leadership Initiative in partnership with Carnegie Mellon University. This executive development program offers the tools, exposure and training necessary to prepare African Americans in the Pittsburgh region to contribute to their organizations and community at the highest levels.

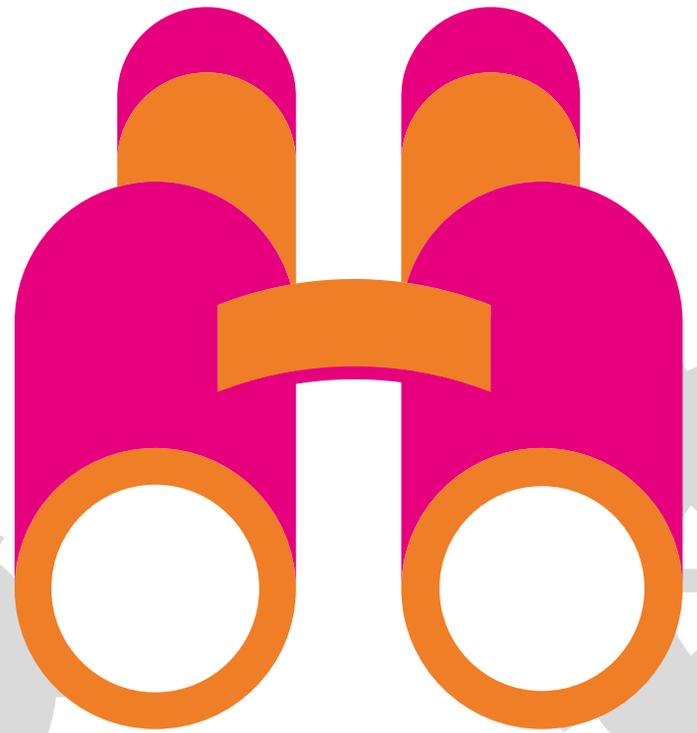
"This program showed me that some things that I recognized and adjusted for early in my career were real," said Aaron. "It also taught me that I have to be an active change agent, and I need to take an intentional and intense approach to managing my career. Perhaps the most value from the program was getting to know other African American professionals in the region. It gave me a strong sense of not being alone and really buoyed me to press on."



Recruitment

CASTING A WIDER NET

During a challenging 2020, our Talent Acquisition teams adapted to new ways of recruiting. The teams successfully conducted interviews virtually and also participated in virtual career fairs and other outreach events with internal and external partners.



Recruiting in the U.S.

Minority/Female Organizations

In February 2020, we partnered with the Pittsburgh chapter of the Urban League of Young Professionals (ULYP) to celebrate the organization's 18th birthday.

The Talent Acquisition team, along with other employees from Human Resources as well as Covestro engineers, partnered with the National Society of Black Engineers (NSBE) Southwest Region – Collegiate Chapter for a mock interviewing event. The event helped students fine-tune their interviewing skills and gain valuable feedback from Covestro professionals. It also gave us the opportunity to share information about our company and #LifeAtCovestro.



ERG Partnerships

In December 2020, the team conducted its second ERG/Recruitment Strategy Summit to share ideas on how to attract talent into the organization and build a pipeline for the future.

Covestro's ERGs are a valuable contributor to our continued DEI recruitment strategy. This forum allowed us to hear directly from them on how to best share what #LifeAtCovestro is like with their networks.



Military

In honor of Veterans Day, the Talent Acquisition team launched an internal and external campaign called Celebrating Covestro's Veterans to recognize all that our veterans have done to make our lives better, our world safer and our future brighter. The series allowed our veterans to share how their military experience has shaped their lives or helped in their career at Covestro.

Disability Outreach

We believe in the value of increasing access to opportunity and remain committed to hiring people with disabilities.

In honor of the 75th Anniversary of National Disability Employment Awareness Month, the Recruiting team participated in a virtual career fair held by the American Association of People with Disabilities. The event gave us a unique opportunity to connect with potential job seekers with disabilities to promote our company, mission, strategies and open positions to college and high school students.

We continued our partnership with Bender Consulting Services, which provides disability employment expertise in the areas of recruitment, workplace mentoring, strategic planning, training and digital accessibility.

We're also a participant in the Bender Leadership Academy, which helps school-age students build the critical skills and competencies needed to transition from school to work, meet the expectations of employers and develop a long-term career path. From November 2020 to April 2021, we participated in six virtual sessions that discussed mentorship, career development, leadership training and civic engagement opportunities to prepare students for their future.

Recruiting in Mexico

The pandemic also impacted recruitment activities at Covestro Mexico. **Montserrat Lazos**, talent attraction specialist, provides her personal insight on 2020.

"The almost five years that I've been with Covestro have been quite challenging and enriching. I joined the company at the beginning of 2016 as an HR Mexico intern when I was 21 years old. I'm now in Talent Attraction, where I'm responsible for the recruitment processes for Mexico.

"I could not be happier to be part of this great company, which has enabled my professional and personal growth. Covestro has taught me a lot and allowed me to meet wonderful people who today I can say are friends.

"The challenges we faced in 2020 came even before the pandemic arrived. We previously handled recruitment in Mexico through headhunters, but cost reductions eliminated our use of these services. We now handle candidate searches internally, with job boards and agreements with universities serving as our most important means of achieving recruitment success.

"With the onset of the pandemic, we needed to accelerate the migration of our recruitment processes from in-person to virtual to ensure the continuity of business. In doing this, something really positive happened. I noticed that each person involved in interviews was empathetic, valued the different circumstances in which people found themselves and understood that one person's situation is not the same as someone else's situation.

"COVID gave us the push that we needed to further transform into a digital company and begin to migrate to new technologies and work methods to meet health and other requirements. I think it's an opportunity that arose and that we must take advantage of to advance to the next step.

"One of the projects that we will implement in 2021 is completely digitizing the assessment center process since the new normal of working remotely and from our homes is benefitting our employees. For example, I managed to adapt perfectly to working from home because my work and responsibilities did not change. What did change and improve was my quality of life. Before COVID, I woke up at 5:30 a.m. to leave my house at a time when I would not have traffic getting to the plant or office. If I got stuck in traffic, it could take an hour getting to or coming home from work. Now, I can get up at 7:30 a.m. to start work at 8 a.m. I use the time that I wasted in traffic to continue working.

"This situation definitely changed our work model and took us from our comfort zones to seek new ways of working and innovating. Without a doubt, 2021 will be more challenging, because we need to transform ourselves and our work based on what we learned in 2020.

"I'm confident that by working together, we will be a more competitive company."





Company

LETTING OUR VOICES BE HEARD

Establish an inclusive, supportive work environment and culture for everyone

Innovation thrives with fresh ideas and differing viewpoints. We must ensure all employees are heard and feel safe in being their authentic selves because their workplace is open, engaging, supportive, fair and respectful.

We're building this DEI culture on a foundation of leadership, policies and actions. Our policy on discrimination, harassment and retaliation, for example, encompasses zero tolerance for inappropriate or unprofessional work behavior.

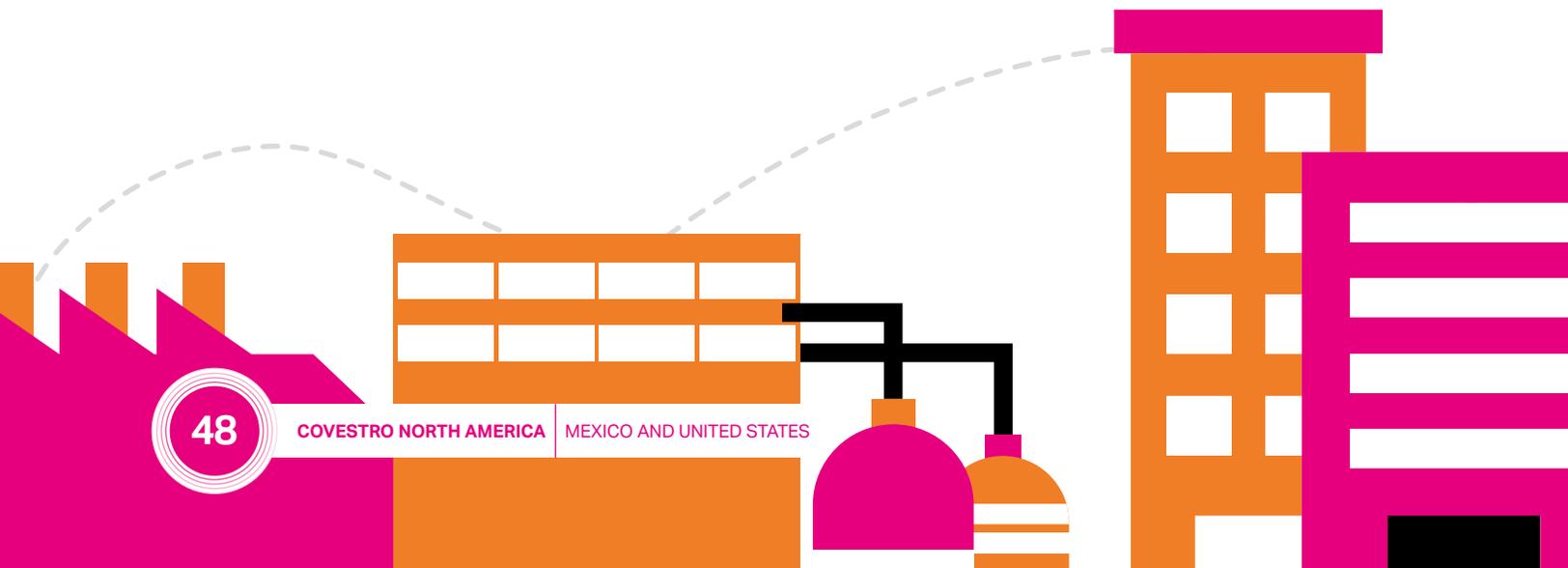
Our cross-functional Equal Employment Opportunity (EEO) Engagement Team supports the EEO reporting process and identifies ways to build upon those requirements to evolve and align closer with Covestro's DEI efforts. Areas of focus include a team approach to EEO reporting, DEI demographics, people development and recruitment practices.

We are committed to creating and maintaining a fair working environment, which includes a commitment

to ensuring pay equity. To that end, we perform an annual pay equity review, which includes analysis by an independent external third-party and internal subject matter experts. We also regularly review and analyze pay equity as part of our day-to-day compensation-related activities.

Unconventional thinking and creative ideas are often spurred when we leave the known and venture into the unknown. As such, we encourage our employees to build relationships across business units, functional areas and job levels. We expect our leaders to have open doors and open minds and also provide opportunities for employees to share, connect and appreciate our differences.

We also believe that it's important our employees feel comfortable being who they are at work. Covestro Mexico's flexible dress code, for example, encourages employees to wear clothing that expresses their individuality while remaining professional in the workplace.



Part of inclusion is respecting our employees' work-life balance through benefits that we offer. These include:



Non-traditional and flexible work hours



Paid parental leave



Adoption assistance



Home office



Tuition reimbursement



Student loans relief program

Award Winning

Here are some of the awards and recognitions that we received in 2020 for DEI-focused programs and initiatives.

- For the third consecutive year, named a Top 5 Super Company (second place overall and number one in DEI) by Expansión Magazine
- Received Expansión Magazine's Break Friendly Award, which goes to companies that seek work/life balance and well-being for their employees
- Designated a Most Ethical Company (sixth place) by Fortune magazine and AMITAI
- Named a finalist for the INcluye Award, which honors excellence in DEI
- Crowned the winner of the SparkPittsburgh 2020 Fit City Challenge
- Named one of the Healthiest Employers® in Pittsburgh
- For the seventh year, a female Covestro employee received a Manufacturing Institute STEP Ahead Award.

A DEI Example in Mexico

The 30-plus companies that are members of the INcluye organization in Mexico have two things in common. They're all proponents of DEI, and they're willing to learn from each other by sharing initiatives, successes, failures and lessons learned.

A member since 2016, Covestro Mexico hosted INcluye's bimonthly meeting in September 2020 virtually due to the pandemic. Every member of the Mexico Diversity, Equity & Inclusion Council attended the meeting, sharing experiences in launching DEI-focused programs, initiatives and processes.

"All the INcluye members publicly recognized us for having the entire council present, which they had never seen before,"

said **Marylú Villanueva**,

engagement and DEI specialist, Covestro Mexico. "As a company with only five years of experience with DEI in Mexico, we have done a lot and have had many successes. That fills us with pride, and it's why we're recognized as one of the best places to work in Mexico."



Toasting achievements in a challenging year

Many employees are working from home, and others continue to go into the plant. While those at home have had to transform their living spaces into offices, those in the plants have been challenged with fewer coworkers on the floor at one time. Everyone is dealing with new routines, children studying at home and pets demanding attention. Despite the distractions and added work, our employees in Mexico delivered 100 percent of their goals.

To celebrate the achievement, Covestro Mexico held a virtual and colorful End of the Year Toast for all employees. Arturo Molina, managing director of Covestro Mexico, kicked off the event by recognizing the significant effort of each employee.

Twelve employees – Martin Arroyo, Daniel Cano, Sandra Arteaga, Manuel Garza, Salvador González, Emma Hernández, Marco Obregón, Jesús Chávez, Norma Ocaña, Nicolás Meza, Raúl Méndez and Paulina Robles – next shared their biggest 2020 challenge, what they learned from the challenge and their wish for 2021.

“My wishes for Covestro 2021 are that we may we continue to be a family that

is curious to learn, curious to grow and curious to reach our goals, because, for the first time, I know that curiosity did not kill the cat but rather added to our company,” said Paulina Robles, planning and logistics. “May we have a lot of courage and work at being courageous not only to be a better human being but also to make this world a better place. And finally, I wish that we see the colorful side of everything. Although this year was gray, Covestro taught us that we are, and will continue to be, a great family!”

“Thank you Covestro for the strength and all the support you gave us throughout 2020 – this ‘unforgettable year in our history,’” said Nicolas Meza, office management. “I hope that 2021 arrives with great joy and great health and fills us with peace so that unity is manifested daily in our lives.”

In an emotional video played during the event, eight employees thanked Covestro for the support they received during the challenging year ([view the video](#)). The event concluded with the traditional Christmas tree decorating contest, the now-famous talent show ([view the video](#)), and words of thanks and well wishes from members of the Mexico DEI Council.

Community

EXTENDING OUR COMMITMENT

Develop genuine relationships and expand opportunities for achieving business objectives through community engagement, supplier diversity and customer interactions

The communities where we live and work offer rich resources and experiences for advancing DEI. At the forefront are community organizations that increase opportunities for women, people with disabilities, people of color, veterans and the LGBTQ community. Our engagement with them takes many forms.

Corporate Social Responsibility

United States

More than 40% of our North American giving budget is aligned with DEI. Organizations that we supported in 2020 included Pittsburgh Promise, Bay Area Homeless Shelter, Big Brothers & Big Sisters, Love Network, Blind Vision Rehabilitation Services, Homeless Children's Education Fund and Achieva.

One of our giving focus areas is combatting hunger, and this need was exacerbated in 2020 by the pandemic. To support local communities and ease the burden for families who struggled to put food on the table, we donated nearly \$70,000 to 10 food programs in six site communities – Baytown, Texas; New Martinsville, West Virginia; Newark, Ohio; Pittsburgh, Pennsylvania; South Charleston, West Virginia; and South Deerfield, Massachusetts.

We encourage our employees to volunteer in their communities through two paid days of volunteer time annually and our support of the SkillShare volunteering program, which is part of the Covestro Center for Community Engagement (CCCE) at Robert Morris University.

Our leaders are encouraged to serve on boards and committees of community organizations, and we cultivate this through CCCE's BoardsWork! Program. One of our leaders, for example, is the co-chair of the Impact Cabinet of the United Way of Southwestern Pennsylvania. Cabinet members manage the pool of money that's not designated for a specific charity, focusing on social and economic justice for children, families, people with disabilities and the elderly.

Mexico

Despite Mexico's large population and 7.4% of its citizens living in extreme poverty, philanthropic activities are not widely conducted or recognized in Mexican culture. It's against this backdrop that we're implementing a corporate social responsibility strategy that's based on three pillars – safety, science and technology, and community engagement.

Most of our CSR activities are centered in Ecatepec, where our production site is located. Ecatepec is one of the most populated municipalities in Mexico, and it also has one of the highest averages for people living in extreme poverty.

In recent years, we've provided both financial and non-financial support to shelters, orphanages, community food kitchens and schools. We've arranged volunteer activities for our employees to participate in to help develop a culture of giving within and outside of our company, and we've developed strategic alliances

with local government to foster common activities and initiatives. We're also working with nonprofit organizations, such as [greenlight for girls](#).

The pandemic forced us to rethink our approach to CSR activities in Mexico, focusing on partnerships that include digital projects. For example, we participated in the fourth annual Churumbela Festival, which brought culture and science to children and teenagers in a virtual setting. The festival's objective was to educate the participants about science and chemistry in a fun and easy-to-understand approach.

We also provided scholarships to 32 disadvantaged secondary school, high school and college students during the year. Through the scholarship, each student had weekly tutoring sessions and other academic support as needed. Each recipient was also involved in volunteer activities.



Service to others

While the pandemic limited our capability to offer structured volunteer activities, Covestro Mexico employees continued to volunteer on their own initiative. Here are a few of their stories



“ There is always a need to help the vulnerable people that we support. As a result of the global pandemic, that help is less while the need is increasing. It has been very gratifying to continue being that support for those who lack the most basic things. I'm truly convinced that these kinds of activities are some of the worthiest things in life.”

Mireya Ruiz

HEAD, CREDIT & COLLECTIONS
INTERNATIONAL TRADE COMPLIANCE

“ At the beginning of the pandemic, I collected funds to deliver to people who lost their jobs. I've been a blood donor, and every year I've helped deliver box lunches, coffee and cookies to the families of people in the hospital and donuts for the medical staff. It's very gratifying to work with people who contribute time, money, effort and affection through these types of projects. I strongly believe that if we all did a little volunteering, this would be a better world.”

Edna Paola Bustos

BUSINESS SUPPORT ASSISTANT
OFFICE MANAGEMENT



“ I consider myself a very fortunate person, and I feel grateful for my life. To me, one of the ways of expressing gratefulness is being of service – sharing with others all the good that I can, whether it's through words, time or actions. Volunteering is one of the ways to share all the good. In my experience, it's one of the greatest satisfactions.”

Maria Eugenia Burgos

DIRECTION ASSISTANT
POLYURETHANES

Government Affairs

Our Government Affairs teams in the U.S. and Mexico work to advance DEI principles within industry and government.

In 2020, our U.S. team offered senior Covestro executives to serve in leadership roles with the West Virginia Manufacturers Association (WVMA) and American Chemistry Council (ACC). Barbara Buck, site leader at our South Charleston, West Virginia location,

was appointed WVMA's first female board chair. The ACC named Christine Bryant, senior vice president, Polyurethanes, North America, as vice chair of the Plastics Division Operating Committee.

The U.S. team also worked with CovestroPAC to develop criteria that incorporate DEI concerns more directly into contribution decisions.

Commitments, Memberships & Partnerships

To extend our influence over and understanding of DEI, we seek out commitments, partnerships and memberships with industry associations, nongovernmental organizations and other groups that are committed to advancing the issue. In 2020, we specifically sought out opportunities to address racial injustice.

The following are examples of our commitments, memberships and partnerships.

Industry Associations

Through our membership in the American Chemical Society, American Chemistry Council, American Institute of Chemical Engineers, National Association of Manufacturers and The Manufacturing Institute, we're supporting industry-led DEI initiatives.

In 2020, for example, we committed our support to the American Chemical Society for programs and initiatives that advance DEI. The funding provided will support the [ACS Bridge Project](#) to increase the number of chemical science Ph.D. degrees awarded to underrepresented minority students.

We also work to advance DEI through membership in regional and local associations in the communities where we operate.

United Nations (UN) Declaration of Human Rights

We support the UN declaration and several other globally recognized declarations. These include the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy from the International Labour Organization and Guidelines for Multinational Enterprises from the Organization for Economic Cooperation and Development.

UN Sustainable Development Goals

We're supporting the achievement of these 17 goals, which are focused on ending all forms of poverty, fighting inequalities and tackling climate change.

UN Global Compact

We formally committed to the compact's 10 principles on human rights, labor, environment and anti-corruption on the first day that Covestro was established.

UN Women's Empowerment Principles

We're a signatory to these principles, which focus on promoting gender equality and women's empowerment in the workplace, marketplace and community.

Bidwell Training Center

Some 30 years ago, [Bidwell Training Center](#) (BTC) developed its Chemical Laboratory Technician program with the support of Bayer, Covestro's predecessor. Students in the 13-month program pay no tuition and earn an associate degree upon completion.

We continue to be a strong supporter of the program through funding, externships and career opportunities. Two of our 77 past and present employees who graduated from the program share their experience.

Derick Henderson

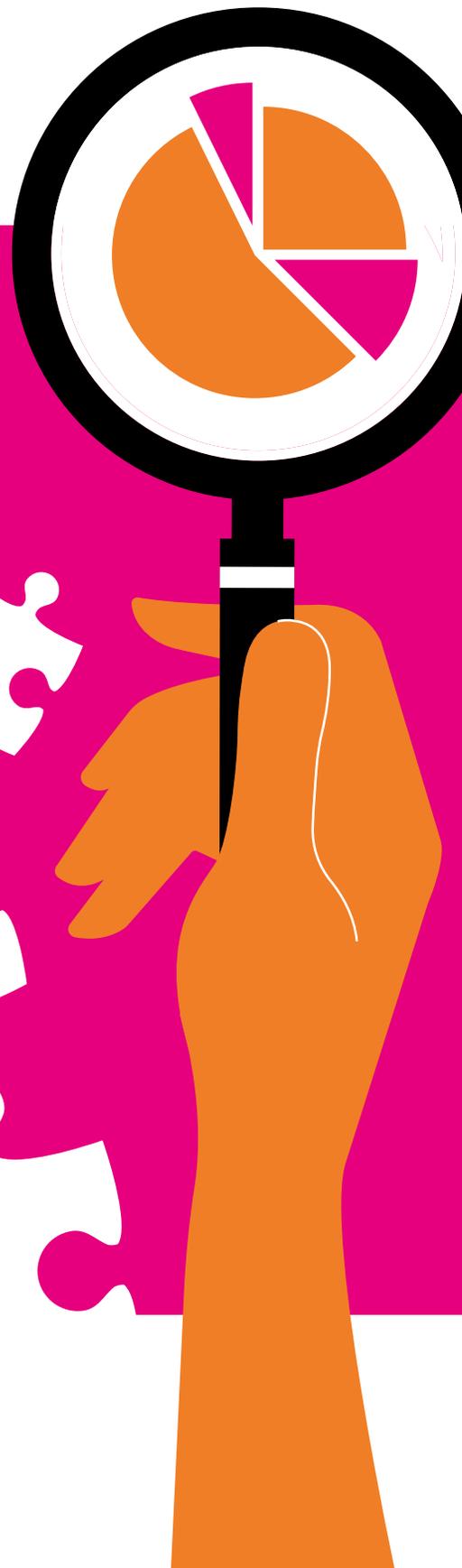
SALES OPERATIONS/INSIDE SALES
ACCOUNT MANAGER

“ After entering the workforce as a debt collector, I soon realized that I wasn't going to achieve my career and financial goals with a high school education.

My parents were researching school grants for my younger brother when they came across BTC. I looked into it further and decided to apply for the Chemical Laboratory Technician Program. Since it was the most challenging one offered, I figured it would be the most rewarding. I was also always interested in science.

For my required two-month externship at the end of the program, I worked one-on-one with a Covestro chemist. The externship ended on a Friday, and the head of the department asked if I would like to come back on Monday as a full-time temporary employee. A few months later in January 2000, I became a permanent employee.

BTC gives people of all ages, backgrounds and life experiences an opportunity to start or reset their careers. I feel the sky is the limit for me at Covestro.”





Jamie Vano
SENIOR LABORATORY
TECHNICIAN

“ During the first part of my career, I advanced in retail sales until becoming general manager of a big box store. I then moved into executive real estate sales but took a severance package when the company I was working for was sold to a competitor in 2016. I was married with a young child at the time, and I went from good income to zero income.

Realizing that I wanted a change in my life, I decided to look into BTC after hearing about it through CareerLink. I had a million questions. My thought was that it couldn't be a good education because it didn't cost anything, so what's the catch? After talking with a Covestro employee who had gone to BTC, touring the facility and seeing how structured the coursework was, I enrolled in the Chemical Laboratory Technician program.

It was an amazing experience. Everybody in my class was there for the same reason – to change their life. We came from all walks of life and backgrounds, and we were helping each other to succeed every day.

I did my externship at Covestro and knew that I wanted to work there. I loved the culture and the environment, and my past experience told me this was what a good company looked like. I graduated from BTC in October 2017 and, by God's grace, was offered a contracting job at Covestro. Six months later, I was hired as a full-time employee in a new field for me thanks to BTC.

BTC helps people more than you can ever imagine. It gave me a second chance in life.”



Pedal power

At a time when bicycles were some of the most sought-after items of the pandemic, dozens of children with disabilities were riding their new bikes in Covestro's parking lot or spacious cafeteria in Pittsburgh.

"For 13 years, we partnered with [Variety of Pittsburgh](#) to host the annual Variety Halloween Party for children with disabilities and their families," said **Ben Renwick**, STEM education lead. "When the 2020 party was cancelled due to the pandemic, we offered to host two of the charity's equipment presentations."

These celebratory family events are the first time the children get to see and ride their bikes, which have been adapted to meet their specific needs. Adaptive strollers are also presented to children and their families.

Strict COVID protocols were in place during the two events at Covestro, but that didn't dampen the enthusiasm of around 60 children who, for perhaps the first time, got to ride a bike. Other children underwent their initial equipment fitting, with their bikes or strollers presented at a future event.



Helping nonprofits in a flash

Their work may have been done in a flash, but its impact could last for years.

On [Giving Tuesday](#) in December 2020, eight employees from various Covestro communities shared their talents with one of two Pittsburgh nonprofit organizations during the company's first Virtual Flash SkillShare.

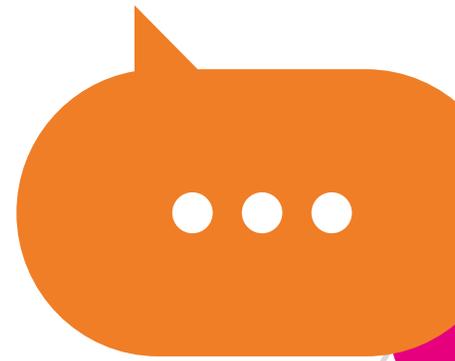
The initiative was an abbreviated version of the regular SkillShare, which is usually done in person over 10 to 12 weeks. SkillShare aims to connect people in transformative cross-sector partnerships, bridging the talents and passion of the nonprofit and for-profit sectors for true mutual benefit in a short timeframe. The program is part of the Covestro Center for Community Engagement at Robert Morris University.

"This was an opportunity to step back from the manufacturing environment and put some of our skills to work in a different context in support of the local community," said **Paul Prince-Wright**, process safety specialist, Health, Safety, Environment and Quality.

Added **Erik Zambelli**, project engineering manager, "I wanted to take part in the Flash SkillShare as a way to give back to my community and support Covestro through its generous outreach programs. Since this was my first volunteer experience, I wasn't sure what to expect. I was pleasantly surprised with the amount of work accomplished in one day, and I have a new appreciation for the challenges nonprofits face."



Speaking from experience



Every person's DEI journey is unique. We asked some of our leaders to share experiences that have shaped their paths.

“I started my professional career at Bayer as an intern at the Lerma pharmaceutical plant, which is three hours from Mexico City. Due to the distance, I asked some engineers for permission to stay in a house they rented. My salary did not allow me to pay for a room, so I slept on the floor with only some sheets.

“At that time, I was a very shy, introverted person who was always looking for a role model to guide me on my professional path. Instead, I experienced poor leadership typical of those times and was close to resigning. However, I was very clear about where I should direct my career.

“Time went by and opportunities began to arrive thanks to hard work. That's how I accepted an assignment in Baytown, Texas. By then, I had a lot of unfounded prejudices about people from other countries. This experience changed me completely, particularly because the Baytown site has a diversity of cultures and nationalities that's not found at many sites.

“My boss at the time was an engineer whose nationality was Indian. Her kind treatment and good direction made all my thoughts change radically. Her continuous way of recognizing my work, no matter how minimal the task, left me delighted.

“After a few months, I had to move to Kansas. The group in which I worked was the most diverse yet – German, Thai, Chinese, Nigerian and Mexican (me). I certainly left a bit of my culture's festive spirit in each of them.

“Now as a leader, I realize that I've become the person that I was looking for early in my career. It's my pleasure to support several of my collaborators in their career development. As a personal objective, I want to increase the collaboration between the Santa Clara plant and other Covestro sites, particularly Baytown due to its proximity, to promote our values through participation in joint projects.

“By the way, I'm not shy anymore.”



Bruno Aparicio

SECOND SITE MANAGER AND ENGINEERING AND
MAINTENANCE MANAGER, SANTA CLARA
COVESTRO MEXICO

“ During my 22-year career, I have been really fortunate to work in different countries and companies. I've had male and female bosses from Germany, Mexico, Italy and the U.S., including an African American supervisor.

“I really welcome the interchange of ideas from different cultures and people not only for business, but also to understand and embrace different points of view and thinking about daily life and activities. This has shown me that if we value the differences, we will always foster a robust DEI culture.

“I've applied almost all that I've learned with my teams and colleagues, and this has resulted in a very positive working environment and very effective teams. I really invite people to not just think about gender, nationality or heritage but instead look at how we can include people with ideas or experiences from a diverse point of view.”



Isauro de la Fuente
HEAD, POLYURETHANES
COVESTRO MEXICO



My parents gave me everything I needed, but they couldn't afford to pay for private education. Instead, they showed me the importance of effort and hard work.

"Beginning when I was seven years old, I earned multiple scholarships over the years that enabled me to study in high-quality institutions until I graduated from college. I had the privilege of an education that eventually enabled me to work for international companies, where I had the pleasure of working with colleagues from many countries, backgrounds and cultures. Besides being an awesome learning experience from a professional point of view, it was even more enriching from a personal perspective. All those experiences opened my eyes and my mind. Having the opportunity to look at things from different angles and perspectives has made me a better professional and a better person.

"I've always been very lucky, I had two strong women at home – my mother and my sister – who also fought for their dreams. They both made a positive impact on other people and the community. I married an extraordinary woman who is a very successful human resources professional and with whom I'm raising a beautiful girl, my daughter Sofia. They all have been a constant source of inspiration.

"I'm committed to diversity because I genuinely believe that it make us stronger, better, faster and unstoppable. I want my daughter to live in a world where she can be safe and respected, offered equal opportunities and have a fulfilling life.

"As a leader, I'm always looking to hire and develop the best professionals regardless of their gender or background. I'm more interested in their skills, competencies and willingness to change the world.



Ivan Escalante
HEAD, POLYCARBONATES
COVESTRO MEXICO





I look back on 2020 and reflect on what it could have been, but also what it became and what it could be.

"It became a very challenging year early on when our MDI-500 plant expansion project at our Baytown site was paused in January, impacting a team that truly expressed DEI. We had team members from around the world to ensure our project would be a success. However, the economics needed to drive our key business investments were not where they needed to be—so we adapted.

"Then came COVID-19, which could have totally upset our company culture. Did we give up? You bet we didn't. We persevered and shared our best practices across our sites and across our industry like I've never seen before, with solutions from folks with various backgrounds who wanted to make a difference.

"My family and colleagues discussed civil rights and human rights like never before, just like discussions I barely remember back in the 1960s.

"I took it upon myself to learn more about DEI, specifically in and around Texas and the southern U.S.

Juneteenth, Ted Talks and movies were some of the useful tools. My family and I thought we knew a lot about a topic only to find out that we had lots more to learn and appreciate – where people come from, what they have experienced growing up and why they have their views and feelings.

"Just take a look at how we acted over the last months of 2020. We shared and provided solutions globally. We communicated like never before. We became more agile. We kept our customers whole. Yes, we acted together as true owners of our business. Now, we have a workforce of leaders that understands fully what DEI means to Covestro. I reflect on these topics, because at Covestro, we do care for all of our people' .

"What will each of us now do differently in the years to come to further grow the DEI framework?"



Roderick A. Herrick

SENIOR VICE PRESIDENT AND MDI 500 VENTURE MANAGER
COVESTRO LLC



“

Twenty-two years ago, I flew to Pittsburgh and took the scenic drive to New Martinsville to interview for my first job at Bayer (Covestro). I immediately fell in love with the verdant hills and the natural beauty of West Virginia, and I was excited to land an offer with this great company.

“However, there was a sense of trepidation as to whether I would indeed be welcomed at a site that was not very diverse and where the Asian population would actually double with my addition! After some deliberation, I decided to take the offer.

“What followed was clearly my indoctrination and journey in DEI. I found a site that had a family atmosphere and one that welcomed this young engineer and made him feel included from the beginning. I found great mentors and coworkers, and I built strong relationships. This left a lasting impression and a conviction that someday when I assumed a leadership role, I would foster this culture of respect and inclusivity.

“After five years in New Martinsville, my career journey took me to many places – Pittsburgh, Baytown, Caojing, China, and Ankleshwar, India – and positions of increasing responsibility. In each role, I have embraced and witnessed the power of DEI in all aspects – race, gender, nationality, ability and opinion.

“Every employee brings something unique to Covestro, and it is this unity in diversity that makes us successful. I’m an active proponent of DEI principles, from recruitment to talent development, recognition and outreach. Our DEI councils are remarkable ambassadors in this journey.

“In 2019, my journey went a full circle, as I took on responsibilities in New Martinsville. As I re-visited the site, I felt a sense of homecoming and experienced the same warmth that I always remembered. It also reminded me of those anxious moments of debating whether to join this company. I’m so glad that I did.”

Atul Khettry

SENIOR VICE PRESIDENT AND GLOBAL
HEAD OF POLYURETHANE PROPYLENE
OXIDE-POLYETHER AND JOINT
VENTURE SITES
COVESTRO LLC



“

My father passed away when my brothers and I were kids. My mom had to change from a part-time job to a full-time one right when we became teens. She worked to the best of her abilities to give us an education and opportunities, but it was hard to see her only after work and on weekends.

“I’m proud of my mom. I’m also proud to work for a company that values the work/life balance, providing us with programs and strategies to achieve professional and personal goals at the same time. Home offices, flexible schedules, and maternity and paternity leave are just some examples that could have given my brothers and me an easier transition from childhood to youth. These benefits now are available to all of us at Covestro because diversity is also about keeping successful working moms and dads on our teams.”

Guillermo Martinez

HEAD, SUPPLY CHAIN CENTER
COVESTRO MEXICO



“

My motivation to be committed to DEI is growing up with a person who had an intellectual disability – my brother. He showed me there are no limits, even when people or the culture are always creating them.

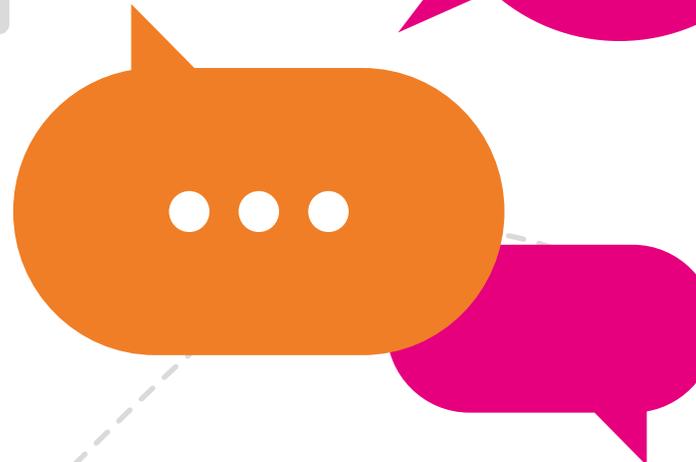
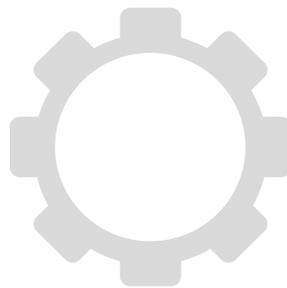
“Because I understand how privileged I was and am, my commitment is to provide as much equity as possible in the areas where I have influence. It’s not an easy task, because even in Covestro you can find people without that sensitivity. But Covestro is a place where the possibilities grow exponentially and allow you to make the world a brighter place from a DEI perspective.

“In my role as plant manager, I’m committed to providing equal opportunities to everybody and seeing opportunities where others see obstacles. I’m also committed to breaking down historical barriers, such as you have to be fired if you fail once. At the Santa Clara plant, we went from zero to four women working in production and warehousing in the past three year. And, our Celebrating the Learning initiative promotes learning instead of pointing out failures.”



Marco Martinez

PLANT MANAGER, SANTA CLARA
COVESTRO MEXICO





“As a middle-aged, straight white guy, I’m not exactly an expected role model for DEI awareness. But you can’t judge a book by its cover.

“I grew up with a tough mother who came on her own to the U.S. as a young woman to find opportunity and a better life. I also have two sisters who gave me grief and kept me in line—they still do. Now, I live with a wife who has her own successful company and a daughter who isn’t willing to cut her dad any slack. So, I really miss going to the office....

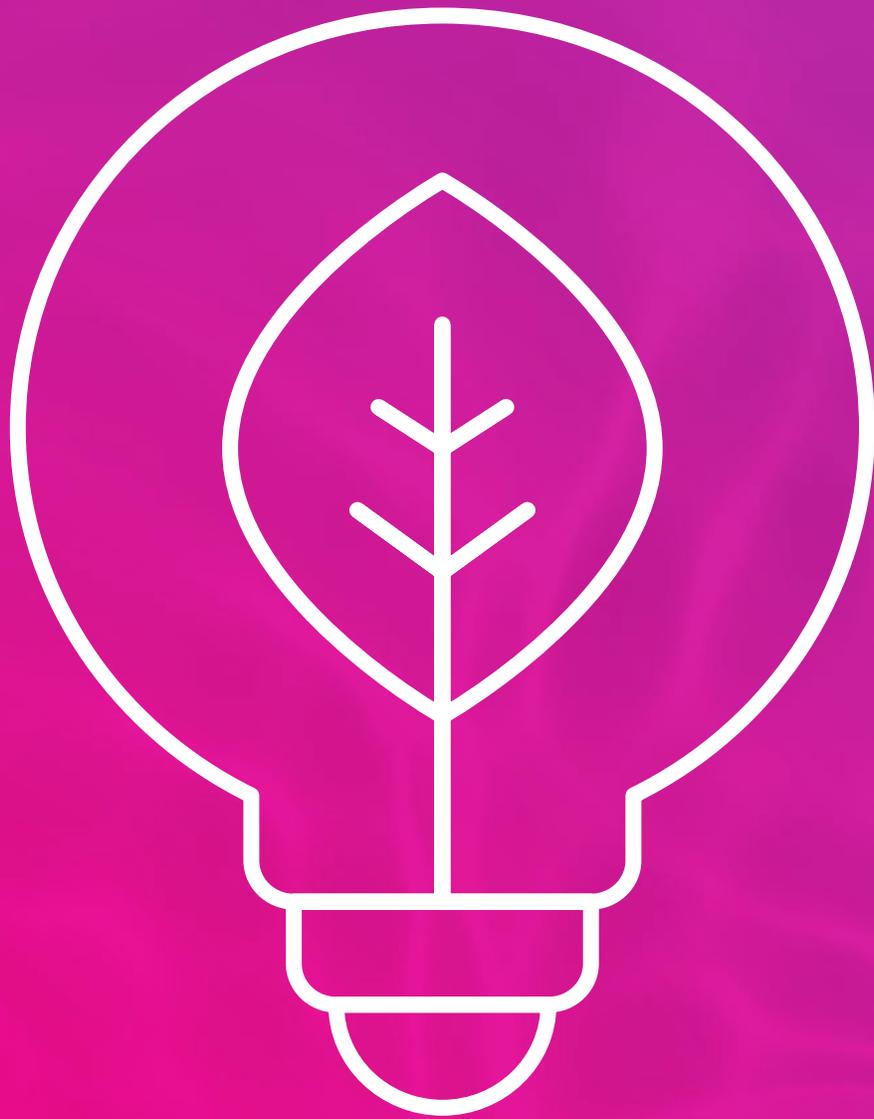
“That office is in Washington, DC, and we live right across the river in Alexandria, Virginia. Washington and the country have been pretty divided lately, and not everyone is happy with what happens here. Much of that I wish my 17-year-old daughter didn’t have to see and hear and read about. Even so, I love the fact that she has come of age in a time when we had our first black president, our first female presidential nominee and our first black and South Asian vice president. She has seen a lot of the ugliness of our current politics, but she also has seen the possibilities that should exist for everyone in this country.

“I don’t particularly care where she eventually ends up on the political spectrum. But I very much care that she feels that this is a country where anything is possible, regardless of what you look like, who you know, where you went to school and who you love. I’m not naïve enough to think we live in a society free of discrimination, but I’d like to think we are headed in that direction. And it would be great if my daughter winds up leading the charge!”



Robert D. McArver

HEAD OF GOVERNMENT AFFAIRS,
NORTH AMERICA
COVESTRO LLC



Sustainability and DEI

Our three-pronged DEI strategy is aligned with the United Nations Sustainable Development Goals (UN SDGs), specifically those focused on gender equality, reduced inequalities and partnerships for the goals. In addition, a large part of Covestro North America's giving is aligned with the UN SDGs, supporting diverse local and national programs that address inequalities, hunger, education, health and well-being, and affordable energy, to name a few.

DEI is also a foundation of Covestro's broader approach to sustainability. Focus areas include:

- **Investing in STEM education programs** that level the playing field so all students can achieve academically – regardless of gender, race, ethnicity or socioeconomic background.
- **Providing all voices** –especially those largely unheard– with a platform to present their ideas for defining and solving our most pressing social issues.
- **Ensuring people**, particularly students, get the nutrition they need through our support of hunger initiatives around the country, including backpack programs.
- **Building our local nonprofit communities** with skills-based and other volunteers whose contributions ensure the work continues in areas, such as poverty, equity, housing, education and workforce development, among others.

In Mexico, we're developing innovation projects that are aligned with the circular economy. To foster a culture of sustainability within these operations, we conducted our first town hall in 2020.

Additional information about our sustainability initiatives can be found on the Covestro North America website.



SUSTAINABLE DEVELOPMENT GOALS



Justice for all

The roots of **Jeffrey Scanlon's** commitment to social and environmental justice can be found in the Mississippi delta and hills of Tennessee.



"I was a science teacher at schools in low-income communities in both states," said Jeffrey, a graduate student at Carnegie Mellon University who spent almost three months in 2020 as an Environmental Defense Fund (EDF) [Climate Corps®](#) fellow at Covestro. "I had the privilege of getting to know students and families that were marginalized and vulnerable, and I saw firsthand how policies failed them and their communities. I was scared and concerned for them as well as my partner, who is a Black man, whenever I saw the news reports about police shootings and civil unrest. It was personal for me."

Against this backdrop of social unrest, Jeffrey and other Climate Corps fellows formed a coalition to discuss racial justice on a weekly basis. His experience with that group and his background as a teacher made him an obvious choice to lead two virtual discussions on social and environmental justice for Covestro employees.

"Part of what I tried to do during my time at Covestro was develop the ability and capacity of others to take charge and continue to move these issues forward," said Jeffrey. "I found that Covestro as a company has the right mindset and values to take a hard look at these issues, as well as a willingness to do so. That's most important."

Leading forward

As Pittsburgh grappled with the economic impact of the COVID-19 pandemic, many of the region's CEOs pledged to support short- and long-term recovery efforts through Pittsburgh's [CEOs for Sustainability](#) initiative.

Covestro was a founding member and co-lead of the initiative, which sets sustainability goals aimed at improving business practices, bottom lines and economic competition. It was launched by the business leaders of 17 Pittsburgh-area companies.

Participating CEOs, including Covestro's Haakan Jonsson, have committed to:

- Support local business survival through the immediate economic crisis;
- Support long-term sustainable economy recovery; and
- Reduce carbon emissions associated with business operations.

Many existing Covestro programs and initiatives, such as the Supplier Diversity Program and 2025 emission-reduction goal, are addressing these commitments.

Be the change

Three days. Forty speakers. Countless thought-provoking conversations.

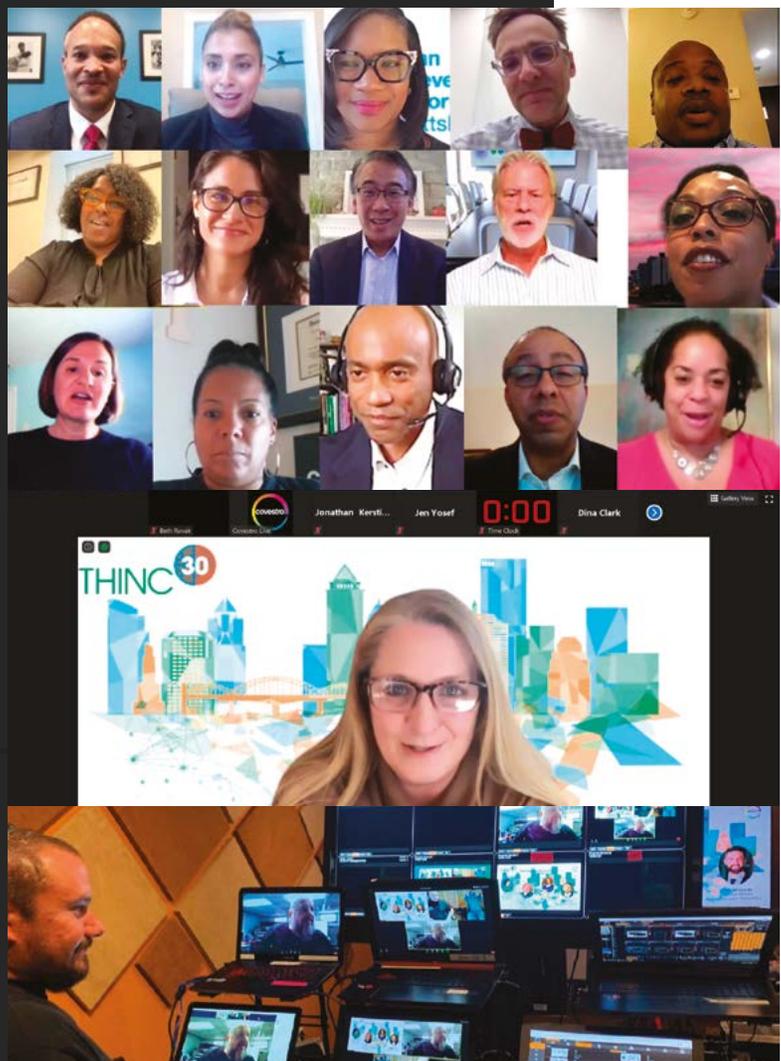
For the fourth consecutive year, the THINC³⁰ summit hosted by Covestro galvanized leaders from all sectors to use the United Nations Sustainable Development Goals as a roadmap to achieve social, environmental and economic equity. Typically an in-person event that brings hundreds of attendees together, the summit transitioned to a virtual format in 2020 due to the pandemic.

Each day of the event was devoted to one of the three sustainability pillars under the following themes:

- Social resilience: How do we achieve equity in public health and education, as well as food justice? ([View the session](#)).
- Environmental equity: How can Pittsburgh, its neighborhoods and businesses step up sustainable practices that drive environmental justice? ([View the session](#)).
- Economic empowerment: As we plan our economic recovery, how do we ensure everyone has a fair shot to participate and prosper? ([View the session](#)).

“So much of the social upheaval and racial reckoning we’re experiencing today are rooted in long-standing

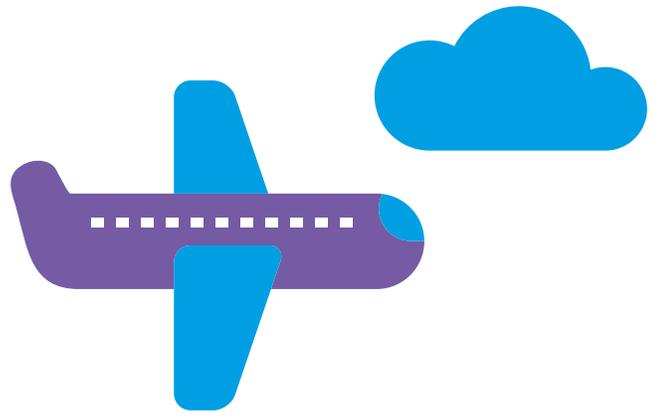
imbalances that are no longer sustainable,” said **Rebecca Lucore**, head, Corporate Social Responsibility and Sustainability, Covestro LLC. “The UN SDGs have provided Covestro with a framework for achieving our global sustainability goals. With THINC³⁰, we want to show how they can just as easily be used by communities, companies, organizations and individuals as we work together in the rebalancing work ahead.”





Supplier Diversity

Partners for success



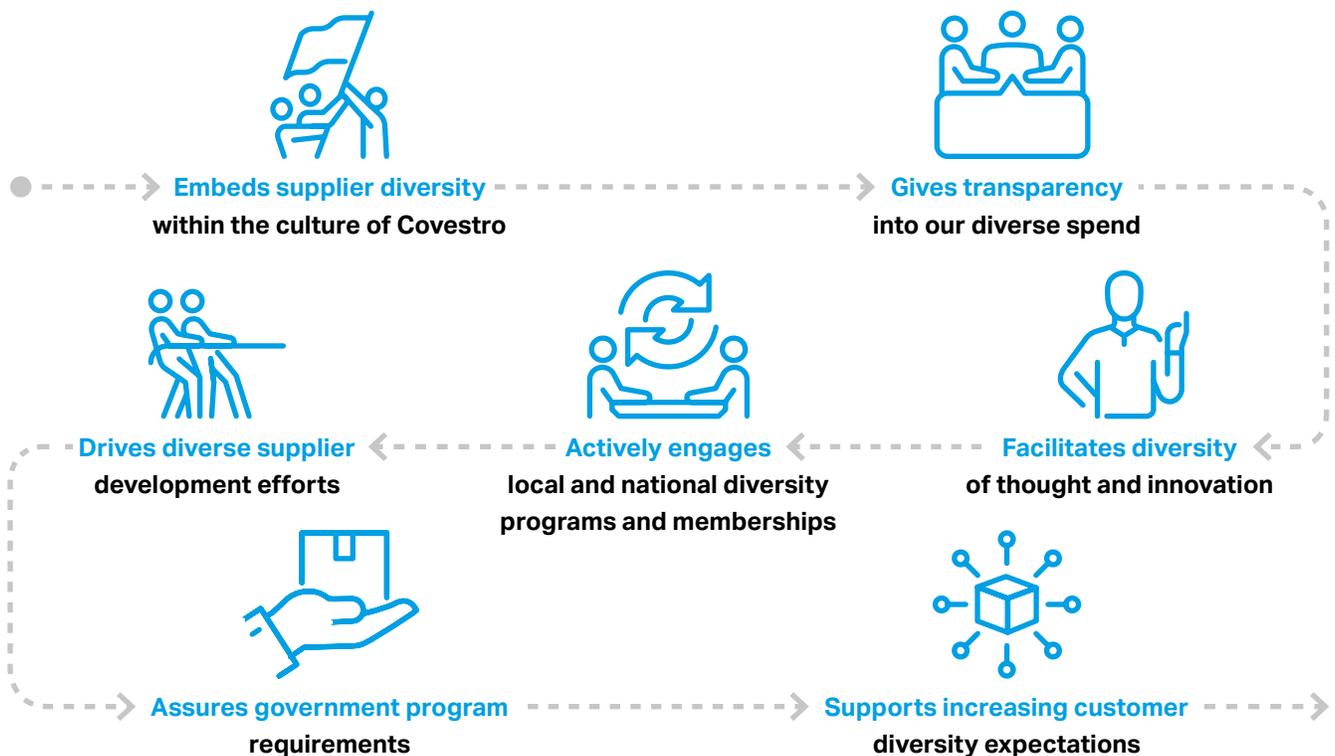
Suppliers bring diversity of knowledge, culture and experiences to our company. Giving diverse firms the opportunity to grow with us forges strategic alliances that allow us to better serve our customers, strengthen our culture of innovation and promote local economic growth.

Our goal is to significantly increase the number of diverse suppliers with whom we do business. To accomplish this, we ensure these suppliers are invited to participate in bidding opportunities and provide transparency when they're not awarded business.

Through our Supplier Diversity Program, we connect with diverse firms, historically disadvantaged businesses and/or small businesses that share our passion for innovation. These include businesses that are owned by minorities, women, veterans and LGBTQ individuals. Partnering with diverse suppliers engages qualified firms that can create value and meet our requirements of quality, service, reliability and cost.

Diverse suppliers can self-register via our dedicated Supplier Diversity Portal. Their information is entered into a database that our procurement and supply chain professionals use to identify potential diverse suppliers.

Our supplier diversity program:



We support the program through ongoing engagement, communication and training both internally and externally to increase awareness among potential diverse suppliers, help develop the supply base, and educate and support our procurement and supply chain professionals.

As sourcing events were identified in 2020, for example, our Supplier Diversity Team provided colleagues with details and options for using companies registered in the database and also how to capture key sourcing metrics and data. The team continued to raise awareness of the program by providing several internal presentations with additional training and educational materials.

We maintain membership to national organizations that represent and certify diverse suppliers. These include the National LGBT Chamber of Commerce (NGLCC), National Minority Supplier Development Council (NMSDC), National Veteran Business Development Council (NVBDC) and Women's Business Enterprise National Council (WBENC). Local memberships include professional organizations such as the

African American Chamber of Commerce of Western Pennsylvania (AACCWP), Pittsburgh Metropolitan Area Hispanic Chamber of Commerce (PMAHCC) and Three Rivers Business Alliance (3RBA).

While 2020 provided many challenges to attending in-person events, members of our Supplier Diversity Team were able to participate virtually in the following events:

- **Allegheny Conference:** Supplier Diversity workshop;
- **Duquesne University Small Business Development Center:** International Networking Forum & Business Fair;
- **African American Chamber of Commerce:** Annual Membership Luncheon;
- **NMSDC:** Supplier Diversity Series and The Future of Supplier Diversity; and
- **University of Pittsburgh:** 2020 Diversity Forum – Advancing Social Justice: A Call To Action.



Fresh perspectives

In 2020, we expanded our Supplier Diversity Program to include members from Baytown, Mexico and Pittsburgh to our Supplier Diversity Team. These new members are tapping into their diverse experience to help create a more efficient program. They're also serving as ambassadors to take the program to a higher level of excellence.

Here, the three new members and the head of the Supplier Diversity Team share their insights.



“ Supplier diversity begins with the organization by recognizing the need to support underrepresented businesses and enriching communities where those businesses are located. A well-rounded supplier diversity program helps create jobs, increase wages and make communities stronger. All suppliers should be considered, and encouraging underrepresented businesses to engage helps Covestro surpass industry standards.”

Vonda Atchley
STRATEGIC SOURCING SPECIALIST FOR TECHNICAL GOODS
BAYTOWN

“ I'm happy to promote diversity as part of my work in Procurement. It's wonderful to have contact with many people – from stakeholders to suppliers. They are an important channel for achieving not only Covestro's economic objectives but also for promoting new ways of working and creating new synergies that do not have barriers from a company, country, gender, service or product perspective.”

Denisse Ramirez
BUSINESS SERVICES SOURCER
MEXICO CITY





“ When the opportunity was shared with Procurement to participate on the Supplier Diversity Team, I knew that I wanted to be a part of the group. I feel that everyone deserves a seat at the table. Working with diverse suppliers improves the possibility of Covestro developing new and creative solutions. By including diverse suppliers in our procurement sourcing activities, it makes an impact on the community, which is one of the most important aspects of the Supplier Diversity Program. I look forward to helping grow the program and being a part of something that has such a strong impact.”

Marisa Jakubovic

BUSINESS SERVICES PROCUREMENT SOURCING MANAGER FOR HUMAN RESOURCE SERVICES
PITTSBURGH

“ I’m an advocate for all forms of diversity. When I entered the workforce, there was a limited number of women in business roles. Over the past few decades, roles for women have increased tremendously.

“Working in Procurement for more than 20 years and having the opportunity to learn from and grow with diverse suppliers provide me with a channel to not only bring these benefits to Covestro, but also to have an impact on those suppliers and in the communities where we live and work.

“Diverse businesses help make organizations like Covestro better companies. Those opportunities have shown that partnering with diverse supplies has a positive financial impact on our business and communities. This important work solidifies my commitment to leading our supplier diversity efforts and urgently expanding our partnership to additional diverse suppliers.”

Stacey Vigliotti

HEAD, BUSINESS SERVICES PROCUREMENT NORTH AMERICA AND LEAD, SUPPLIER DIVERSITY TEAM



Designed for diversity

When searching for a print and design partner in the U.S., our Procurement team reached deep into the supply base to ensure diverse companies were invited to participate. The cross-functional team selected Pittsburgh-based [AlphaGraphics in the Cultural District](#) after evaluating each supplier against the same criteria. The bonus – the company is a certified woman-owned business.

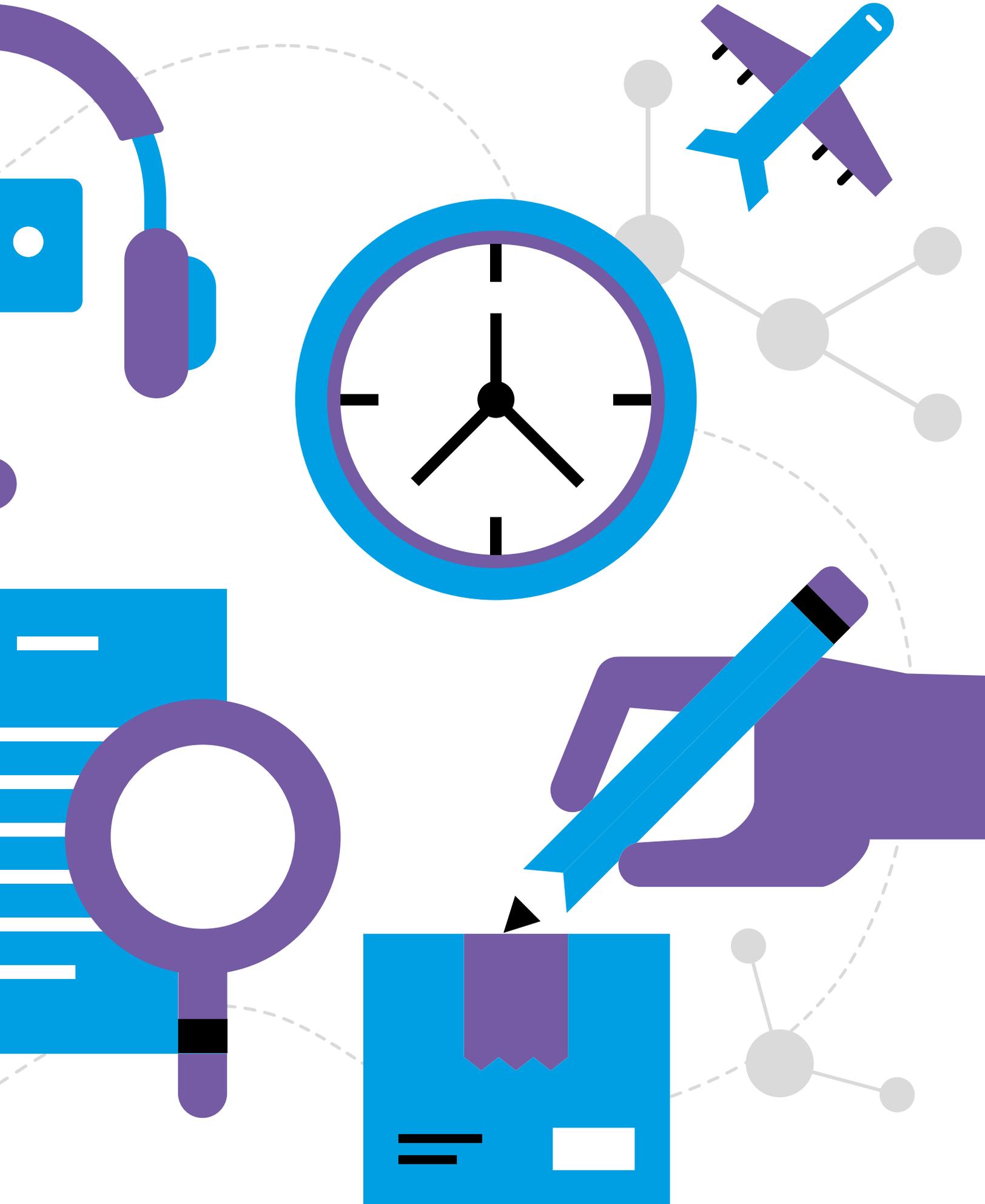
“As this example shows, our sourcing process enables us to partner with excellent and diverse businesses,” said **Matt Morelli**, Covestro sourcing lead. “AlphaGraphics was able to offer competitive pricing compared to the rest of the industry while also introducing a more efficient and advanced ordering method to Covestro.”

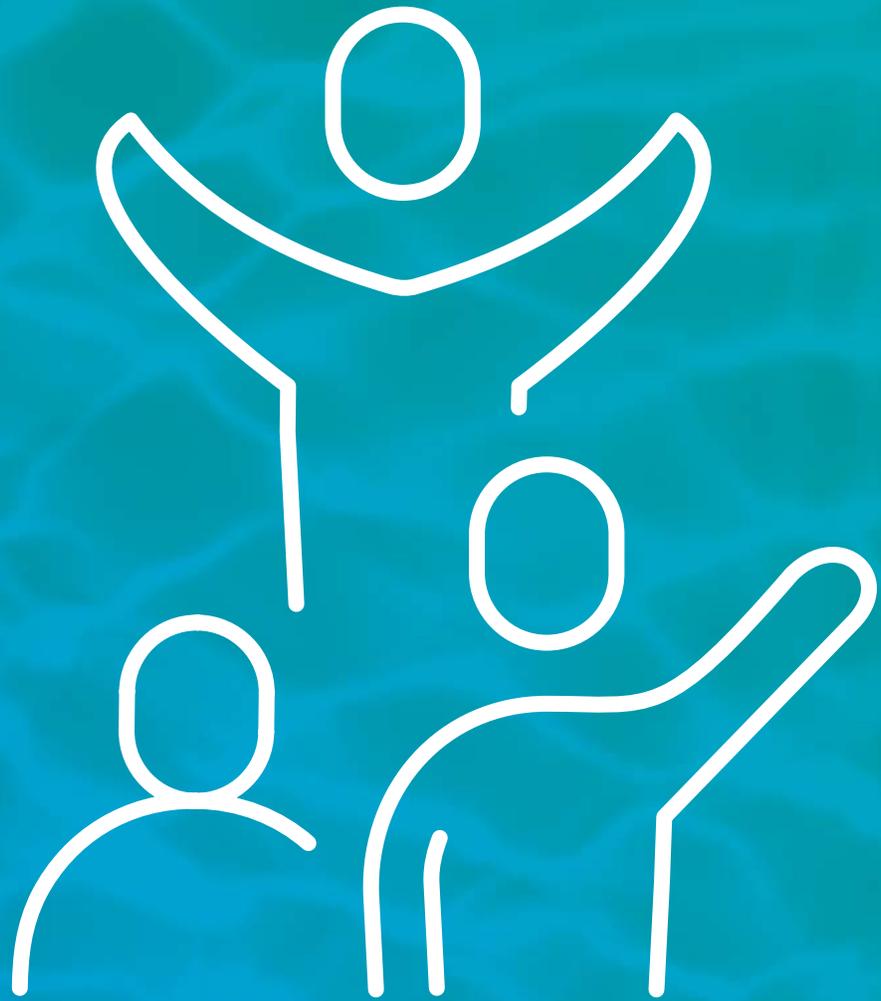
The relationship’s benefits extend to AlphaGraphics.

“Having Covestro as a client adds to my company’s credibility and expands our business opportunities,” said Clare Meehan, president, AlphaGraphics in the Cultural District. “As a woman-owned business, we’re so grateful to have a strong partnership with Covestro.”

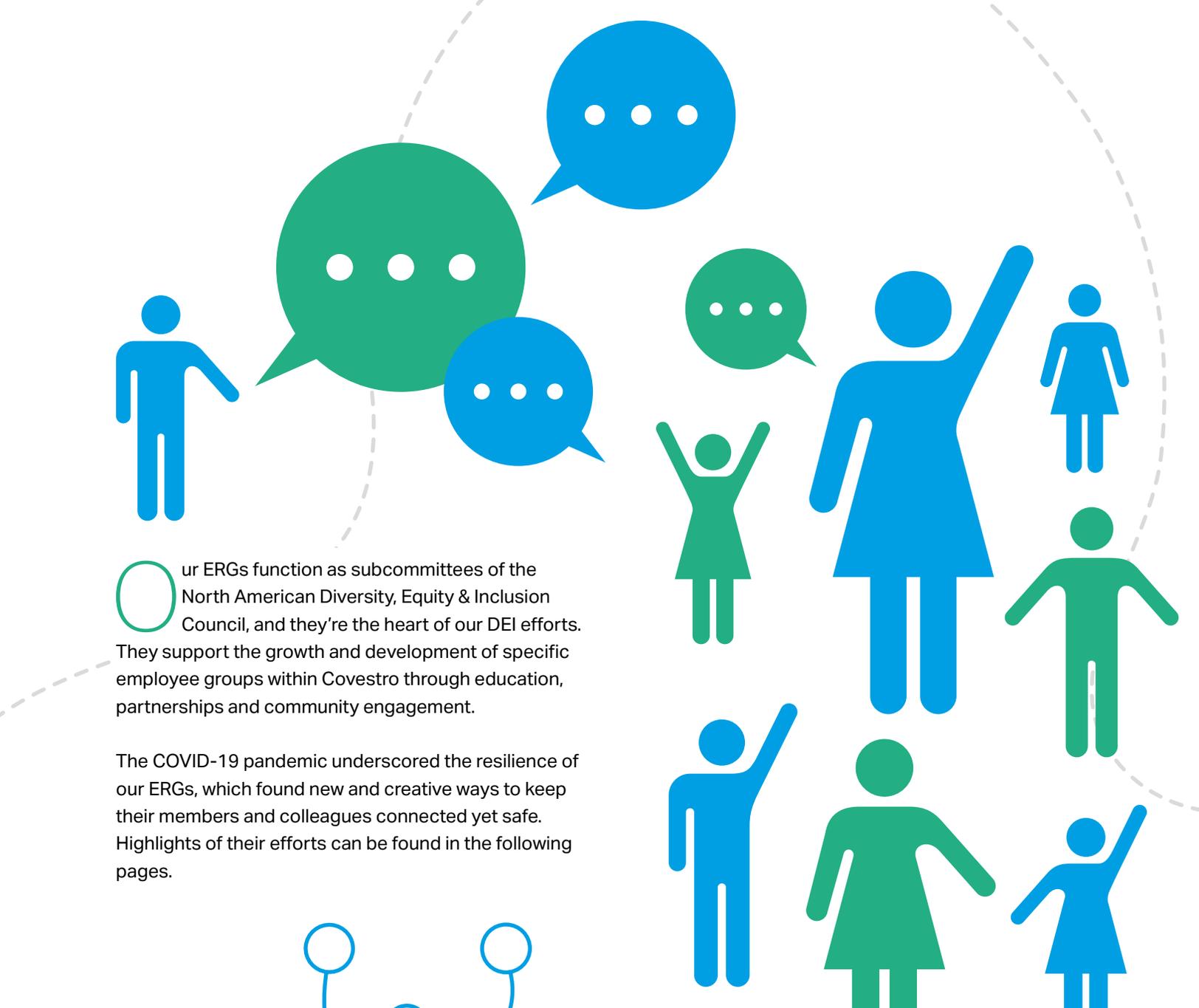


Clare Meehan





Employee Resource Groups

An illustration featuring stylized human figures in blue and green, some with arms raised in celebration. Several speech bubbles in blue and green are scattered around, containing three white dots. The background is white with faint dashed lines forming a circle.

Our ERGs function as subcommittees of the North American Diversity, Equity & Inclusion Council, and they're the heart of our DEI efforts. They support the growth and development of specific employee groups within Covestro through education, partnerships and community engagement.

The COVID-19 pandemic underscored the resilience of our ERGs, which found new and creative ways to keep their members and colleagues connected yet safe. Highlights of their efforts can be found in the following pages.



ACCESS

Focus Area

African American and African Diaspora cultural awareness (specifically including, but not limited to, Ghana, Jamaica, Nigeria, Rwanda and the United States)

Mission

Create African American and African Diaspora cultural awareness within Covestro and encourage an environment where diverse opinions are freely expressed and valued. ACCESS actively supports Covestro's business objectives through community engagement, talent recruitment strategy advocacy, holistic (personal and professional) member development and the promotion of STEM education to underrepresented students around our Covestro site locations.

Site Chapters

Pittsburgh, Pennsylvania

Leaders

Leaders Co-leads: Paris Norman, Natalee Smith

Communications representative: Natalie Austin

Community engagement: Sharlene Lewis

Professional development/engagement advisor: Aaron Lockhart

2020 Highlights

With the uncertainties of 2020, ACCESS engaged Myah Moore Irick, senior vice president of private wealth management for the Irick Group at Merrill Lynch, to lead a virtual discussion on how to focus on individual financial goals in this climate and beyond retirement. The ERG also helped organize two virtual discussions on social and environmental justice with the SPARK ERG.

Committed to change

As a high school student during the race riots in the early 1970s, **Cathy Britsch** had an awakening.

"I wanted to make a difference in the world," said Cathy, single point of contact, Commercial and Technical Sales. "I'm White, and I've witnessed a lot of prejudice against African Americans in my lifetime. I don't like it, but I don't know how to stop it. I don't know how to change the world, but I want to."

That desire led her to participate in ACCESS events to better understand the issues and hopefully find a path forward for change. The 2020 virtual

discussions on social and environmental justice were especially welcome given the current state of race relations.

"I was appalled at some of the things I learned in that discussion," said Cathy. "ACCESS does a good job of enlightening people who are not African American as to the challenges and biases that remain. I think the next step is discussing how we can make meaningful change in our work environment and our communities."





ASIA PACIFIC CIRCLE

Asia Pacific Circle

Focus Area

Asian Pacific

Mission

Attract talent from Asia Pacific regions and create a supportive workplace. Introduce the business culture of Asia Pacific to North American employees to help grow business in Asia and North America and promote cross-region communication and collaboration. Expand horizons by guiding employees who are interested in short- and long-term career opportunities in APAC.

Site Chapters

Pittsburgh, Pennsylvania

Leaders

Co-chairs through October 2020: Nima Radhakrishnan, Izzie Xu

Co-chairs beginning in November 2020: Payal Sinha, Daniel Wang

2020 Highlight

To remain connected during the pandemic, APC created an online group where employees could share ideas, ask questions and pass along tips. The ERG also conducted several virtual webinars focused on a variety of topics that included COVID-19, mental health and leadership.

Cultural draw



Originally from India, **Payal Sinha** enjoys introducing Covestro colleagues to her country's culture and also learning about theirs.

"I like diversity, and having the Asia Pacific Circle and other ERGs helps us bring focus to particular people and cultures so we can have a better

understanding of each other," said Payal, senior SAP IT finance to manage analyst.

That understanding fosters an inclusive workplace, which she began experiencing 15 years ago when she joined the company.

"It's a wonderful work environment," she said. "People are wholeheartedly welcoming, and we are encouraged to talk about and celebrate our differences. That draws people together, which helps not only employees but also the company."



CARE

Focus Area

People with disabilities; accessibility and inclusion

Mission

Serve as a support and resource for accessibility and inclusion and raise the awareness of opportunities for people with disabilities.

Site Chapters

Pittsburgh, Pennsylvania

Leaders

Co-leads: Greg Chapman, Jennifer Pannill, Nikki Stewart

2020 Highlight

Throughout July, CARE celebrated the 30th anniversary of American with Disabilities Act by encouraging employees to learn about disabilities, share stories and continue to grow as an inclusive workplace.

Around 70 students with disabilities participated in CARE's Virtual Disability Mentoring Day in October. Activities included two hours of home science experiments along with presentations and virtual tours from Covestro's Coatings, Adhesives and Specialties, Polycarbonate and Polyurethane business units.

Why I CARE

To celebrate the 30th anniversary of the signing of the [American with Disabilities Act](#), CARE launched the Why I CARE series to highlight Covestro employees who have a disability, are a caregiver of a parent or child with a disability, or are an advocate for people with disabilities. **Jennifer Pannill**, head of Recruiting and Employer Branding in the U.S., shares why she cares.

"All talent deserves equal access to opportunities. As the leader of the Recruiting function at Covestro LLC, I believe it's important for us to cast our net wide and deep to attract the best talent into our organization. This includes people coming from various industries, backgrounds and walks of life. It also includes people with disabilities."

"Hiring people with disabilities is not charity work. In fact, data suggests that diverse teams, including

teams that contain people with disabilities, have higher rates of productivity, are more innovative and outperform non-diverse teams."

"In my role, I work to identify and remove any barriers to inclusion that may be preventing great candidates from applying to our jobs or getting hired. Our people are our greatest asset and competitive advantage, so I'm passionate about creating a positive, engaged and inclusive workplace culture. I believe in having a culture of acceptance, where every employee can come to work as their full, authentic self, contribute and succeed. I am deeply committed to developing a culture where the focus is every person's unique ability, not their disABILITY."





CHAMP

COVESTRO HELPING ARMED FORCES MILITARY PERSONNEL

Focus Area

Veterans and military personnel

Mission

Support veterans and military personnel by building strong relationships within Covestro and the community.

Site Chapters

Baytown, Texas; Newark, Ohio; Pittsburgh, Pennsylvania; and New Martinsville and South Charleston, West Virginia

Leaders

BAYTOWN

Co-leads: Christopher Olson, Darren Robertson

NEWARK

Co-leads: Kevan Lloyd, Melissa Van Balen

PITTSBURGH

Lead: Kristi Hoffman

WEST VIRGINIA

Co-chairs: Jeff Amos, Jay Cales, Susan Caldwell, Lori Heintz, Susan Kimble, Mike Sirockman, John Snodgrass, Barry Suter

2020 Highlights

The Pittsburgh CHAMP chapter provided support for the Pittsburgh Veterans Leadership Program's Crucible, which is a 70-mile, three-day hike in the Laurel Highlands. In Baytown, nearly 10 CHAMP members worked with the United Way and the city to remove heavy trash in a distressed area of town. The Newark chapter hosted a virtual Veterans Day Celebration to recognize veterans who work at the facility and raise awareness on the significance of the day.

Helping those who served

Already enrolled in a local community college, **Melissa Van Balen** learned about the GI Bill's education assistance from a coworker at her summer job. Six months later, she was in the Air Force.

"Rather than graduating from college with just a degree and student loans, I left the service with a degree, four years of on-the-job experience and zero debt," said Melissa, training coordinator at the Newark site. "The Air Force also taught me to remain flexible, be prepared for anything that comes my way and strive for excellence in all that I do."

As the co-lead of the CHAMP chapter at her location, she's passionate about helping fellow veterans in Covestro and the community. Some are grappling with lingering issues from their military service, while others find it difficult to transition into civilian life and the workforce.

"COVID-19 made it all the more imperative that we as a team look out for each other and those around us, especially older veterans who are isolated, have health issues or are struggling financially," she said. "It's been an amazing journey helping others while also helping ourselves."





Compass

Focus Area

Women

Mission

Foster the professional growth and development of Covestro women of all backgrounds and career stages.

Site Chapters

Baytown, Texas, and Pittsburgh, Pennsylvania

Leaders

BAYTOWN

Co-chairs: Karen Broussard, Angeliki Papathanasiou

Membership: Sky Cantrell, Carlo Fontenot, Patricia McHenry, Sarah Shah, Janette White

PITTSBURGH

Co-chairs: Danielle Devin, Elizabeth DiFiore

Communications: Andy Sharfman

Community service: Jessica Fletcher, Kingsley Sebastian

Membership: Katie Peluso, Marie Urick

Professional development: Andrea Baker, Julia Rubino

2020 Highlights

The Baytown and Pittsburgh Compass chapters recognized two recent Covestro recipients of Step Ahead Awards from The Manufacturing Institute. Attended by 30 ERG members, the virtual event showcased the careers of Susan Dadd and Kayleigh Hogan.

The Baytown chapter also organized a Jeopardy-inspired STEM activity for the Girl Scouts of San Jacinto in Houston during the year, while the Pittsburgh chapter teamed up with the FIT ERG to educate more than 50 employees on heart health at a February happy hour.

Pathways found with Compass

For **Janette White**, becoming a member of the Baytown chapter of Compass in 2020 gave her an opportunity to experience some normalcy and sense of community during trying times.



“Having actual conversations and doing activities – albeit virtually – that I would do normally helped me de-stress from COVID and focus on something else,” said Janette, strategic services sourcing specialist.

She joined Compass after volunteering to help with some of the ERG’s activities. In 2020, she participated in the group’s STEM event with the Girl Scouts, helping open young minds to the myriad career opportunities in STEM-related fields. In turn, Compass has helped Janette expand her own horizons.

“Compass provides a really good networking opportunity,” she said. “I get to interact with women and men at Baytown who are in different departments and functions, exposing me to other viewpoints and activities. It’s been a very enjoyable and rewarding experience.”



connect

Connect

Focus Area

Cross-cultural, cross-functional, cross-generational

Mission

Enhance company culture and efficiency by breaking down silos and connecting Covestro employees of all experience levels through cross-cultural, cross-functional and cross-generational collaboration, networking and learning opportunities.

Site Chapters

Baytown, Texas; Newark, Ohio; and Pittsburgh, Pennsylvania

Leaders

BAYTOWN

Co-chairs: Sky Cantrell, Saurabh Harohalli

NEWARK

Co-chairs: Jeremy Bennett, Jessica McHugh

PITTSBURGH

Co-chairs: Alex Gionta, Rebecca Tomei

Board member: Shannon Locke

2020 Highlights

During the initial transition to employees working remotely, the Connect board sent e-cards to all Connect members and Covestro's U.S. Country Council. The ERG also held a virtual coffee chat to touch base with members and other Covestro colleagues to share experiences working from home as well as tips and tricks. To further combat a sense of separation, Connect transitioned its Connect Executive Breakfast series to a new Connect Executive Coffee Chat series.

The year's achievements also included the launch of Connect chapters at the Baytown and Newark sites.

Connecting over coffee

What better way to get to know someone than over a cup of coffee, even if the meetup is virtual?

During each of the three Connect Executive Coffee Chats, which were held throughout 2020 to replace the traditional in-person Connect Executive Breakfast Series, Covestro employees got to know one of the company's executives on a more personal level. The featured executives were Rod Herrick, senior vice president and venture manager, Baytown; Craig Graybill, vice president and general plant manager, New Martinsville, West Virginia; and John Lemmex, vice president and Chief Financial Officer.

"Although I deal with many of these colleagues in the work environment, it's really interesting to learn more about their careers, interests and experiences," said **Mike Burns**, director, Controlling.

"The different career paths that they have taken to get to that level is helpful to understand the different routes taken by each person. I especially enjoyed the career insights and suggestions that they provided, such as taking risks, finding a mentor/advisor and continuing to learn new things."

Adds Mike, "As we work from home, I also really enjoyed seeing and hearing from other coworkers throughout the organization. These events were a good opportunity to stay connected in the Covestro community."





FIT

Focus Area

Physical activity, nutrition, mental and physical health and well-being

Mission

Promote healthy lifestyle behaviors by offering programs centered on physical activity, nutrition, mental and physical health, and total well-being. FIT collaborates with the myTotal Wellbeing Program to encourage others to lead an active and nourishing lifestyle.

Site Chapters

Baytown, Texas, and Pittsburgh, Pennsylvania

Leaders

Co-chairs: Sunny Petty, Josh Staniscia

Executive team: Catherine Britsch, Marisa Jakubovic

2020 Highlights

The FIT ERG coordinated the participation of more than 150 Covestro employees in the SPARK Pittsburgh 2020 Fit City Challenge, where participants from various area companies tracked daily fitness activity minutes in a fun fitness game. Covestro won the Pittsburgh challenge in the large company category and also had the most activity minutes (more than 309,000) among companies participating in separate SPARK competitions across five Pennsylvania and Ohio cities.

To connect and engage employees as they practiced social distancing and worked from home, FIT created the Courageous Covestro Challenge to showcase how individual employees were staying physically, mentally and emotionally fit during the pandemic.

Fit as a family

When a stay-at-home order was issued by the government during the early days of the COVID pandemic, **Jenny Allison** and her family found their busy schedules screeching to a halt.

Instead of hockey practice, school and energy-burning playtime with friends, her two kids were planted in front of computers and other electronics. Jenny and her husband also stared at computer screens all day while working from home.

"With no routine or organized physical activity, we were all miserable," said Jenny, global key account business analyst.

"We had too much screen time and lots of pent-up anxious energy. My husband and I realized that we needed to make some changes individually and as a family."



With constant reminders from the FIT ERG regarding the importance of weaving mental, emotional and physical wellness into one's day, Jenny, her husband and kids committed to at least 10 minutes of physical activity each day as a family. Yoga, strength training, walks and bike rides provided a much-needed mental and physical break.

"I feel the kids especially benefitted from this family time, which helped them mentally adapt to and process life during the pandemic," said Jenny. "It definitely brought us closer as a family."

Focus Area

Cross-cultural youth science engagement

Mission

Ignite young minds to become the innovators of tomorrow through hands-on, inquiry-based science, technology, engineering and math education, workforce experience and employee volunteerism.

Site Chapters

Baytown, Texas; Newark, Ohio; New Martinsville, West Virginia; Pittsburgh, Pennsylvania; South Charleston, West Virginia; and South Deerfield, Massachusetts

Leaders

BAYTOWN

Co-leads: Preslie Cox, Seth Robins

NEWARK

Co-leads: Timothy Frisch, Jim Hamilton

NEW MARTINSVILLE

Co-leads: Ann Landers, Lori Heintz

PITTSBURGH

Lead: Ben Renwick

Steering committee members: Jenna Caputo, Marianne Donley, Laine Mosco, Cassie Popovski

SOUTH CHARLESTON

Co-leads: Jay Cales, Susan Kimble

SOUTH DEERFIELD

Lead: Nicole Gallagher

2020 Highlight

Over two days in early 2020, employees from Covestro's compounding facility in Hebron, Ohio, conducted STEM demonstrations for hundreds of students, parents and community members as part of STEMfest at The Works: Ohio Center for History, Art & Technology. The i³ STEM ERG also helped create the Stay at Home STEM video series featuring Covestro employees demonstrating basic science experiments that parents could do with their children, many of whom were learning remotely during the pandemic.

Opening young minds to STEM

One day while at a customer site, **Steven Reinstadtler** crossed paths with a young man in a white lab coat.

"He said that I probably didn't remember him, but he was one of the students in a seventh grade class where I did chemistry experiments as part of Covestro's i3 STEM program," said Steven, construction market manager, Infrastructure Coatings. "When he said he's now a chemist, the hair on the back of my neck stood up."

For more than 30 years, Steven has been conducting science experiments, judging science fairs and attending career days at schools throughout the Pittsburgh region. He believes in giving little nudges to get young minds excited about STEM.

"I have to admit that I also go into the schools for some selfish reasons," he said. "I can't help but come out of a session with a big grin on my face and feeling really good about doing something that can benefit all these students in the future, no matter what line of work they pursue. As a STEM advocate, I'm a firm believer that everyone should have the chance to learn about science."

That includes during a pandemic, when Steven and other Covestro employees involved with i3 STEM took their advocacy virtual to keep the experiments running in 2020.





Lo Latino

Focus Area

Latinx, Latinos, Latinas and other employees with Latin roots

Mission

Learn, live, celebrate and spread the Latino culture to Covestro and its community. Immerse Covestro into a journey to Latin America, from the Caribbean to the Andes, from the Gulf to Patagonia, to further support Covestro's D&I strategy and the company's employee engagement effort.

Site Chapters

Pittsburgh, Pennsylvania

Leaders

Co-leaders: Antonieta Farnen, Ingrid Rodriguez

Executive board members: Gamaliel Martinez, Viviane Rondon, Jim Thompson

2020 Highlight

From June through September, Lo Latino celebrated the independence days of various Latin American countries, Portugal and Spain. The virtual celebrations included sharing information on each country's population, type of government, culture and other fun facts.

Lessening the culture shock

When **Erika Cárdenas** arrived in Pittsburgh from Mexico for an 11-month assignment in May 2019, she knew no one. Two weeks later, she was making guacamole with members of Lo Latino to celebrate a Mexican holiday.

"I can't imagine my time in the U.S. without this group," said Erika, people development expert, Covestro Mexico. "I received support every single day that I was in Pittsburgh, whether through tips about the city or business etiquette. Its members are driven by a genuine willingness to share and cultivate a diverse community that includes everyone and values differences."

They're also willing to have honest conversations about cultural differences to help those new to the

U.S. better interact with their colleagues.

"Colleagues in Mexico who know each other often greet with a kiss on the cheek, and we also tend to talk a lot before getting to the point," said Erika. "One colleague advised me that touching people was not typical in the U.S. work environment, and that I should be prepared to communicate messages very succinctly. Without Lo Latino, learning these things would have taken a lot longer, and I might not have returned to Mexico with the feeling that I had friends in another country."





Focus Area

Emerging professionals

Mission

Create an environment where emerging professionals feel valued and fully utilized and are given opportunities to expand their horizons. By creating a supportive, collaborative and sustainable culture, we can establish a workplace that is attractive to emerging professionals both internally and externally.

Site Chapters

Pittsburgh, Pennsylvania

Leaders

Co-chairs: Brittney Barclay, Michelle Montgomery, Matt Pulleo

Treasurer: Mark Bondi

Event planning: Ryan McGowan, Caitlin Morrow

2020 Highlight

With many of its members isolated from coworkers during the pandemic, SPARK kicked off a podcast club for members and other employees to discuss career navigation and personal growth to help build a foundation for career success and keep members engaged. Podcast topics included how to network, handle workplace arguments, find a mentor, self-advocate and manage finances. These were supplemented with discussions around race relations, personal relationships and current events. Around 20 to 25 people attended each podcast.

SPARK

An advocate...



Cheyenne Shankle has always believed strongly in speaking up for the rights of marginalized groups.

"I was part of the Society of Women Engineers while in college, advocating for women in the workplace and in engineering specifically," said Cheyenne, Covestro sustainability analyst. "When I joined Covestro, I gained a platform to also act upon my commitment to racial and environmental justice."

Following a series of police shootings in the U.S. in 2020, Cheyenne participated in a weekly call with three coworkers to discuss social and environmental justice. Thoughts turned to widening the circle to include other interested Covestro employees, leading Cheyenne to reach out to the SPARK and ACCESS ERGs. Two structured virtual discussions – one on social justice and the other on environmental justice – resulted.

"It's so important for any company to focus on these topics, and Covestro has created a work environment where employees feel comfortable discussing them," said Cheyenne. "Each discussion ended with participants identifying the risks facing Covestro and where the company could improve. Many of these circled back to my daily work, giving me an opportunity to start addressing them. Our hope is that we can take actionable steps within Covestro and the community while also engaging more employees in the conversation."



Toastmasters

Focus Area

Leadership and communication development

Mission

Provide a supportive and positive learning experience in which members are empowered to develop communication and leadership skills, resulting in greater self-confidence and personal growth.

Site Chapters

Baytown, Texas, and Pittsburgh, Pennsylvania

Leaders

BAYTOWN

President: Karen Broussard

Vice president of education: Durgesh Bhat Kalya

Vice president of membership: Wayne Liu

Vice president of public relations: Jimmy Chahine

Secretary: Qing Cai

Treasurer: Yen Nhi Nguyen

Sergeant at arms: Robert Perry

PITTSBURGH

President: John Skabardonis, DTM

Vice president of education: Mark Smith, CC, CL

Vice president of membership: Kelsey Ponick, DL1

Vice president of public relations: Maggie Halligan, PM1

Secretary: Jennifer Pasinski, CC, CL

Treasurer: Callan Kerley, VC1

Sergeant at arms: Diana Kelley, IP1

2020 Highlight

The Toastmasters virtual open house gave employees from Baytown, Pittsburgh and New Martinsville an opportunity to observe, participate in and learn more about the ERG. A table talk segment had attendees share why they wanted to join and the goals they hoped to achieve. Additional discussion focused on the increasing importance of being persuasive, effective and able to “touch” an audience in the new normal of virtual meetings.

Self-improvement opportunities

John Skabardonis

always thought he was a great presenter... until a trusted friend pointed out his overuse of “ums” and “ahs” and a habit of talking with his hands in his pockets.

“This friend suggested I look into Toastmasters, which had just chartered a club within Bayer in 2007,”

said John, technical marketing manager, Electronics, Electrical and Appliances, Americas. “I joined and gave a couple speeches in front of the club’s members. After receiving some gently provided feedback, I realized that I could do better.”

John dove in, pulling on the program to improve his public speaking and leadership skills while also volunteering to serve in various Toastmaster leadership roles. In 2017, he was named a Distinguished Toastmaster, which represents the organization’s highest level of educational achievement.

“Give me a topic, and I can do a respectable presentation on it within 24 hours because of the skills and confidence that I gained through Toastmasters,” said John. “Covestro sees the value its employees get out of the program and covers the cost to participate. It’s an excellent self-improvement tool for those who want to improve.”

What’s next on John’s Toastmasters journey now that he’s reached the pinnacle? Starting from scratch with a new learning pathway.



Focus Area

LGBTQ

Mission

Raise awareness and acceptance of all people regardless of sexual orientation and gender identity, including colleagues who identify as LGBTQ and their allies.

Site Chapters

Pittsburgh, Pennsylvania

Leaders

Co-chairs: Richard Bender, Sarah Roberson

Executive team: Melanie Matovich

2020 Highlights

In August, UNITE hosted a virtual presentation from K&L Gates law firm highlighting the 2020 landmark Supreme Court ruling that decided discrimination on the basis of sexual orientation or gender identity is discrimination on the basis of sex, which is prohibited by Title VII of the 1964 Civil Rights Act. More than 25 people attended the presentation, and any attorney participating could earn one continuing legal education (CLE) credit.

UNITE collaborated with Covestro's Communications group to highlight International Day Against Homophobia, Transphobia and Biphobia in May and Pride Month in June. The ERG also gave colleagues and allies a colorful Pride background with Covestro colors to use in their Microsoft Teams app as a show of support.

In November, the UNITE hosted a virtual networking event with LGBTQ ERGs from other companies and organizations in the Pittsburgh region to share ideas and keep communication open.

Collaboration with connection

A chance meeting at a 2018 business event in Pittsburgh between **Richard Bender**, UNITE's co-chair, and his counterpart at the K&L Gates law firm opened the door to cross-company promotion of LGBTQ equality and opportunities.

"We discussed doing more things together to enhance our mutual interest in LGBTQ issues," said Richard, patent counsel. "That led to a meeting where we shared what each of our groups was doing and to look for ways to further promote the work of our groups and those at other companies in the region."

Since then, the Covestro and K&L Gates ERGs have shared information and participated in each other's events. UNITE also has connected with its peers at KPMG, Thermo-Fisher Scientific and other companies in the Pittsburgh area.

"The value of these connections is not only collaboration on events but also working together to understand and act upon emerging LGBTQ issues," said Richard. "Our groups are small, but together we have a bigger platform from which to achieve our common goal of promoting LGBTQ equality."







Acknowledgements

We were supported by many employees from all areas within Covestro as we continued building our D&I culture in 2020. We especially would like to thank the following people for their efforts in moving our company forward.

North American Diversity, Equity and Inclusion Council

Mexico Diversity, Equity & Inclusion Council

Antonio Bello, Michelle Buhl, Erika Díaz, Isauro de la Fuente, Marisol López, Guillermo Martínez, Arturo Molina, Marylú Villanueva

Mexico Diversity, Equity & Inclusion Ambassadors

Juan Manuel Arciniega, Maru Burgos, Paola Bustos, Samantha Chavez, Gabriela Cisneros, Josué Cortés, Montserrat Lazos, Carlos Adrian Lopez, Marco Martínez, Alejandro Márquez, Denisse Ramírez, Amaranta Rodríguez, Angélica Sánchez, Lina Santos, Edgar Serrano, Marylú Villanueva

U.S. Diversity, Equity & Inclusion Council

Tom Balzer, Christine Bryant, Dina L. Clark, Rod Herrick, Shane Jakubovic, Haakan Jonsson, Atul Khettry, John Lemmex, Rebecca Lucore, Katherine McEville, Kristin Maritz, Arturo Molina, Aleta Richards, David Rzepecki, Alice Sox, Lily Wang, Demetri Zervoudis

U.S. Diversity, Equity & Inclusion Ambassadors

Ram Balakrishna, Jim Boehm, Barbara Buck, Sky Cantrell, Cynthia Capistran, Greg Chapman, Cathy Edly, Nicole Gallagher, Craig Graybill, Lori Heintz, Rob McArver, Patricia McHenry, Darnell Perry, Rich Rogers, Sarah Shah, Michael Sirockman, Tony Vasquez, Janette White

Additional Contributors

Paul Appolonia, Guy Behanna, Brenda Besket, Riggs Botta, Anna Clark Emerick, Chelsie Coll, Renee Cottrill, Tynesha Frasier, Maggie Halligan, Bill Hassan, Kristine Heilman, Dyan Hornung, Shane Jakubovic, Ange Loiseau, Susan McVey, Heather Mustin, Jennifer Pannill, Steven Reinstadtler, Beth Revak, Angélica Sandoval, Andy Sharfman, Jill Sobieralski, Alice Sox, Nikki Stewart, Stacey Vigliotti, Bob Walker, Kristin Wilmus, Mike Wolf.





To the team

We would like to specifically acknowledge the project team for pulling this report together! Without your help, we would not have been able to effectively share our story, and that means the world to us. This team really demonstrated what true teamwork and collaboration can accomplish (even during a pandemic). We continue to be honored to work with each of you.

From the bottom of our hearts, once again a big THANK YOU to the team!

With sincerest appreciation,
Dina and Marylú

Project Team

Guy Behanna
Josué Cortés
Kristine Heilman
Kelly O'Toole
Andy Sharfman

Joshi, the colorful artist

With his ingenuity and creativity, Josué Cortés –also known as Joshi– is the artist who makes it possible for our Communications area in Mexico to be VERY COLORFUL. He's also a son, brother, friend and partner.



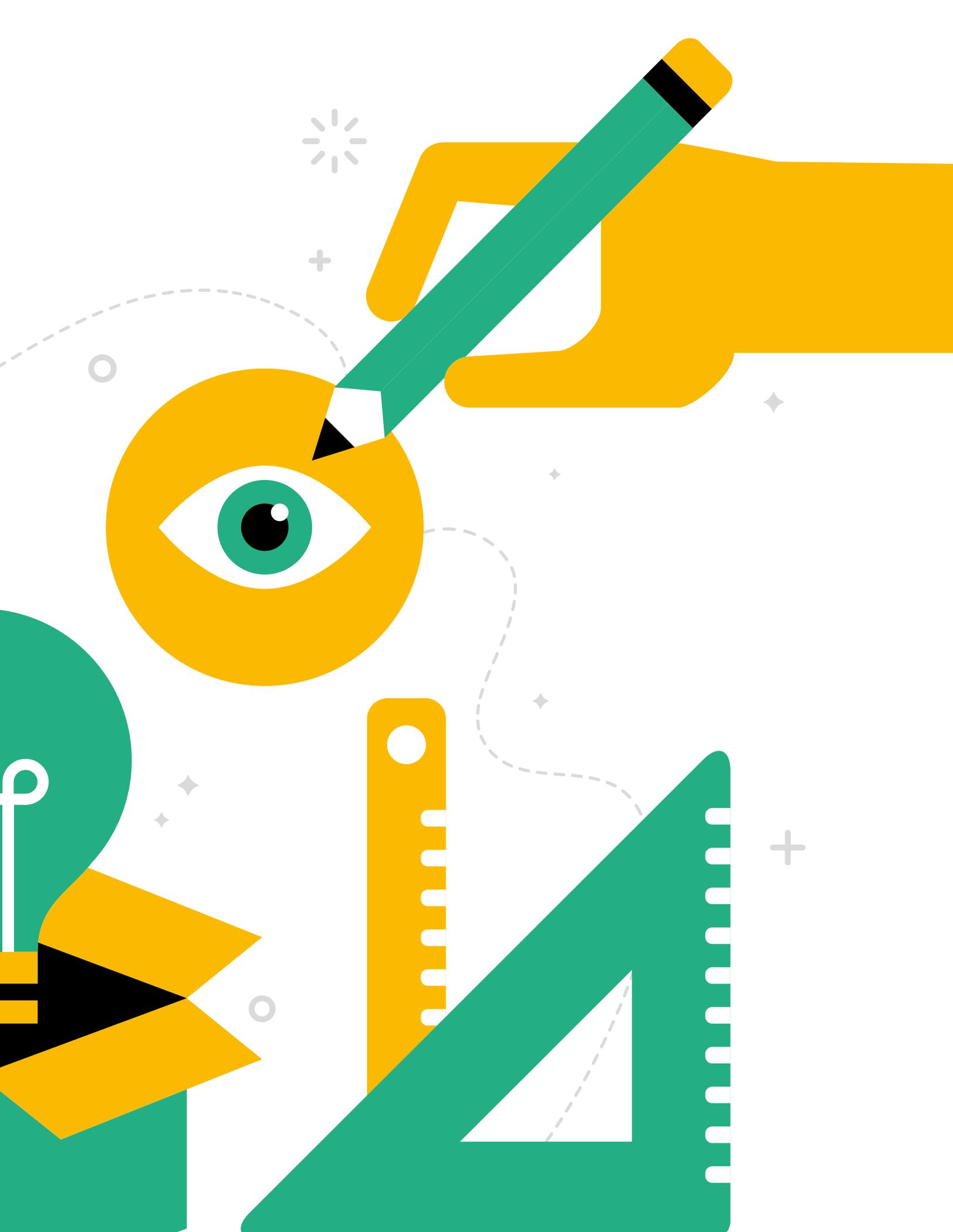
Originally from Mexico City, Josué studied graphic design at the Universidad Autónoma Metropolitana (UAM). During his professional career, he has devoted himself mainly to design within the publishing industry.

Although he had never worked in the chemical industry, he has filled with color and magic all the jobs and projects in which he has participated since he arrived at Covestro in 2017. His enthusiasm and charisma are reflected in his graphic design but also when working with him. He's always willing to help and collaborate as well as give different perspectives that enrich everyone's work.

Joshi is active in the causes and activities of the LGBTQ+ community in Mexico. He's highly committed to equal rights and opportunities as well as to the social causes demanded by different groups in situations of inequality in the country.

We're proud to acknowledge Josué's great work, collaboration and creativity over the past three years as he has made this annual DEI report more colorful and fun.

Thanks, Josué.





Covestro North America
Diversity & Inclusion
2020 Annual Report

Covestro LLC

1 Covestro Circle, Pittsburgh, PA 15205, United States.

Covestro Mexico

Blvd. Miguel de Cervantes Saavedra 169, Floor 3,
Granada, Miguel Hidalgo, 11520, Mexico City, México.

covestro.us

Covestro is a world-leading supplier of high-tech polymer materials:
innovative, sustainable and diverse.

All content in this report is intellectual property of Covestro.