

Press Release



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Joint market study to kick-off new business opportunities

Covestro AG
Communications
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Germany

Covestro taps into China's growing start-up scene

- **Comprehensive analysis of Chinese founders' landscape**
- **Innovative materials supplier for consumer start-ups**

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The vast Chinese start-up ecosystem is a new field of engagement for the materials manufacturer Covestro. For this reason, the company, together with the market research consultants of 'KAIROS Future', facilitated a new, comprehensive study of the broad landscape that has developed over recent years. A short version of the joint study is available for download.

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Nurtured through government policies and investments and triggered through entrepreneurial success stories like Alibaba and Tencent, a new ideal of becoming entrepreneurs has emerged among young Chinese. In 2017, over 100 Chinese start-ups were listed in stock markets around the world, and more than 270 companies were in the list of Chinese 'unicorns', meaning companies younger than ten years and valued with around one billion Euro or more. With venture capital assets of around 650 billion Euro, China is now second only to the US when it comes to global venture capital. Covestro wants to take part in this development and looks into ways to cooperate, invest, teach and learn from the start-up environment in China.

"Lead innovation times for products and new business models shorten rapidly. So we need to source additional ideas outside of our own innovation processes to leverage speed, new technologies and new concepts. Tapping into the highly dynamic start-up environment in China is promising," says Hermann Bach, Head of Innovation Management and Commercial Services at Covestro. "Thus, we already offer materials and solutions for growing Chinese start-ups with innovative product ideas and become an integral part of the ecosystem."



The company is already a supplier for different start-ups of consumer industries to improve their products and material choice within the first mile of their development. For that reason, Covestro is present in accelerators or incubating spaces in innovation hubs like Shenzhen. In “China’s Silicon Valley” it meets and approaches entrepreneurs to offer help, advice and sharing of know-how on materials and solutions that help them to bring their products to market readiness.

Covestro fosters its start-up engagement globally by partnering with the US-based founders platform Plug & Play on digital and new material solutions. In Germany, the company actively supports the development of sustainable chemistry start-ups together with the “Federal Association of German Start-ups”.

About Covestro:

With 2017 sales of EUR 14.1 billion, Covestro is among the world’s largest polymer companies. Business activities are focused on the manufacture of high-tech polymer materials and the development of innovative solutions for products used in many areas of daily life. The main segments served are the automotive, construction, wood processing and furniture, and electrical and electronics industries. Other sectors include sports and leisure, cosmetics, health and the chemical industry itself. Covestro has 30 production sites worldwide and employs approximately 16,200 people (calculated as full-time equivalents) at the end of 2017.

This press release is available for download from the Covestro press server at www.covestro.com. A photo is available there for download as well. Please acknowledge the source of any pictures used.

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