Media Release

Clariant expands partnership network with farmers in Oltenia

- **Second farmer workshop held to facilitate further discussions to secure feedstock supply chain for the sunliquid® cellulosic ethanol production plant**
- **More than 200 partnership contracts already concluded**
- **20,000 tons of straw collected in 2019 in the region**

Craiova, November 29, 2019 – Clariant, a focused and innovative specialty chemical company, and their consortium partner Industrielle Biotechnologie Bayern Netzwerk GmbH, organized the second workshop dedicated to farmers in the Oltenia region yesterday. This event is another milestone to reach the objective of building long-term relationships with farmers to ensure a stable feedstock supply for the sunliquid® cellulosic ethanol plant in Podari in the Craiova region. Since 2017, a dedicated feedstock crew of four team members has established long-term contracts with over 200 farmers to acquire agricultural residues for the plant.

During the workshop, Dragoș Gavriluță, Project Director sunliquid® Romania and Paul Popescu, Feedstock Supply and Logistics Manager at Clariant, provided the participants with more information regarding the construction status of Clariant's sunliquid® plant in Podari. Furthermore, they presented the opportunities for farmers brought by this project and the results obtained in the 2019 harvest campaign.

"*Farmers from Oltenia are the first ones in Romania to turn agricultural residues into an additional source of revenue while delivering their straw to the sunliquid® plant where it is transformed into advanced biofuels. Our objective is to create a well-developed supply chain through strong partnerships with the local farmers and we have already made some important steps in this direction,*" said Dragoș Gavriluță.

The attendees were pleased to learn that they can participate in multiple ways in the feedstock supply chain, e.g. as a straw supplier or as a provider of related straw logistic services, for example baling, loading, transport or various types of storing.

Clariant started its harvesting campaign back in 2018 with an initial 3,000 tons of straw collected. In 2019, around 20,000 tons of wheat straw have been collected from a total land surface of approx. 8,000 hectares. The ramp-up of the supply chain will continue to finally reach 250,000 tons for full-scale plant capacity. With the partnership contracts concluded so far, Clariant has already secured the majority of the raw material needed for the sunliquid® plant in Podari.

"*The workshop convinced me that a long-term partnership with Clariant is indeed an opportunity to obtain some additional income from straw that was not of any benefit to us in the past. This money can be used to invest in agricultural machinery to provide further services within the supply chain,*" stated one of the participants at the event.

Besides the farmer workshop, Clariant has taken important measures to efficiently coordinate the straw supply chain for the sunliquid® plant. For example, since 2019, straw harvest operations are coordinated, managed and monitored through a digital application that enables Clariant's feedstock supply team to closely monitor all activities and corresponding machinery for baling, transport and storage.

The Clariant plant in Podari brings to Romania an industrial innovation for producing cellulosic ethanol from agricultural residues using the sunliquid® technology. Once the plant is operational, 250,000 tons of straw will be needed annually to produce 50,000 tons of cellulosic ethanol. Clariant is investing over EUR 100 million in this project, which also receives around EUR 40 million of funding from the European Union.

Cellulosic ethanol is an advanced and truly sustainable biofuel, which is almost carbon neutral and produced from agricultural residues such as wheat straw by using Clariant's award-winning sunliquid® technology. Its importance increases significantly considering the sustainability regulations adopted by the European Union, which aim to support the use of renewable energy in the transportation sector. As a result, the cellulosic ethanol produced in Podari will have a significant economic impact at regional level.

Key facts on Clariant's sunliquid® cellulosic ethanol plant in Podari:

- The investment made by Clariant in Podari is the largest ongoing one in the Craiova region.
- Over 800 new jobs will be created during the construction phase.
- The sunliquid® plant will lead to the creation of green jobs in the predominantly rural area of Podari: around 100 permanent full-time employees in the plant and around 300 persons outside the plant (field/logistics).
- The sunliquid® plant is being built on a 98,000 sqm area observing the highest technology standards.
- The sunliquid® technology allows to produce cellulosic ethanol sustainable and competitively at commercial scale with maximum greenhouse gas emission savings.

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Clariant is a focused and innovative specialty chemical company, based in Muttenz near Basel/Switzerland. On 31 December 2018 the company employed a total workforce of 17 901. In the financial year 2018, Clariant recorded sales of CHF 4.404 billion for its continuing businesses. The company reports in three business areas: Care Chemicals, Catalysis and Natural Resources. Clariant's corporate strategy is based on five pillars: focus on innovation and R&D, add value with sustainability, reposition portfolio, intensify growth, and increase profitability.