BASF and Sustainability

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We are active in diverse industries and markets:

- Transportation
- Construction
- Agriculture
- Health & Nutrition
- Consumer Goods
- Electronics
- Energy & Resources
Nine billion people in 2050 but only one earth

The situation: significant increase in resource demands

The vision: In 2050, around 9 billion people live well, and within the limits of the planet*

* World business Council for Sustainable Development (WBCSD)
Four main drivers anchor sustainability on our agenda

The challenge: satisfying the needs of a growing population within the limits of the planet

- Population increase
- Aging
- Middle Class Growth
- Urbanization
Demographic challenges set the stage for the future of the chemical industry

Nine billion people in 2050 but only one earth

Resources, Environment & Climate  
Food & Nutrition  
Quality of life

Chemistry as enabler
Sustainability at BASF
What we stand for

Together with our partners we drive sustainable solutions to improve quality of life. Innovation, continuous improvements and responsible action along the value chains ensure most efficient resource use and long-term business success.
Our sustainability approach consists of five major levers
We integrate sustainability in our business strategies

Step 1
Analysis of sustainability needs and trends in the value chains

Step 2
Evaluation and categorization of product sustainability performance in the market application

Step 3
Development of action plans for strategies, R&D, and market approach
Sustainable Solution Steering
We drive sustainable solutions

~9,000 accelerator solutions with about
10,000,000,000 € sales

~85% of products covered

>1,500 experts involved
  e.g. R&D, Product Safety, Marketing & Sales

All 4 regions covered

>50,000 solutions assessed

>1,000 action plans in place
We categorized all our products into four categories:

- **21.6%**: Substantial sustainability contribution in the value chain
- **73.4%**: Meets basic sustainability standards in the market
- **4.5%**: Specific sustainability issue which is actively addressed
- **0.5%**: Significant sustainability concern identified and action plan in development

Our goal: Increasing the sustainability contribution of our solutions

Status: August 2014; 81% of relevant sales assessed
We are highly aware of the sustainability needs of the packaging industry...
... and meet them with our “Accelerators”

Epotal® SP-101 D for paper coating

Biodegradable ecovio® paper coating

Polyamide films

Water-based resins Joncryl FLX®
Sustainable Solution Steering supports the launch of new “Accelerator”

Example: Paper coating

1 Identification of “Challenged” polyfluorinated substances (environmental concern)

2 Development of action plan: start of research project

3 Launch of “Accelerator” recyclable Epotal® SP-101 D and biodegradable ecovio® paper coating

Resource efficiency

Renewables
Sustainability at BASF ...

... reduces our business risks

... delivers opportunities in the markets

... is an integral part of our management systems
Our main measures to contribute to a more sustainable future

Material aspects
- Employment and Employability
- Energy and Climate
- Food
- Operational Excellence
- Partnering
- Products and Solutions
- Resources and Ecosystems
- Water

SD communications & Employee engagement

Stakeholder engagement & disclosure

Responsibility along the value chain
Sustainability Communications and Employee Engagement

- Web-based training on sustainability
- SD Update – Newsletter Sustainable Development
- Employee Training & Workshops
- Sustainability in BASF’s Innovation Centers
Our Strategic Principles

We Create Chemistry

BASF Strategic Principles

1. We add value as one company

2. We innovate to make our customers more successful

3. We drive sustainable solutions

4. We form the best team

Excellent leaders

Excellent place to work

Excellent people

We form the best team
Talent Strategy
For Today and For Tomorrow

Ensure a robust supply of great talent for BASF

Talent Actions
- Attract
- Develop
- Engage/Retain

Talent Outcomes

Business Performance

Robust Supply of Great Talent
Talent Strategy

A lever to change culture

Attract
- Early Identification of Talent
- PDP/LDP
- STEM

Develop
- Talent Dialogue
- Leadership Pipeline

Engage/Rtain
- Reward/Recognize behaviors
- Diversity/Employee Groups