

# BASF and Sustainability

**Charlene Wall-Warren**  
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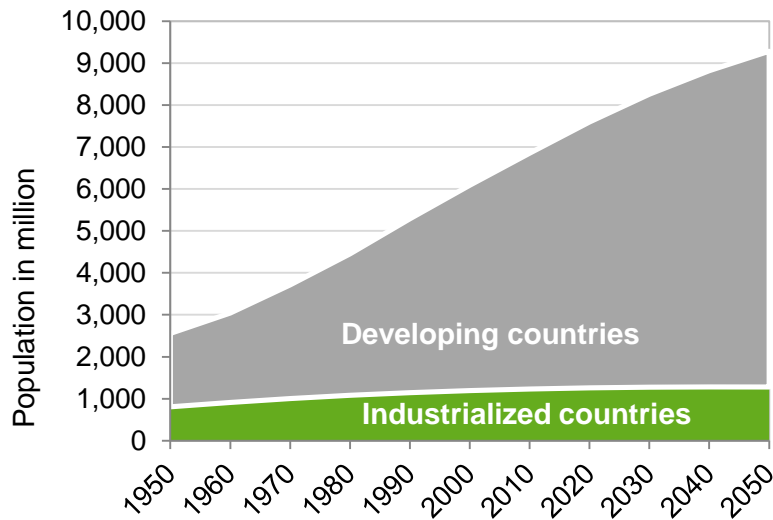
# We are active in diverse industries and markets

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The Chemical Company



# 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



**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

**Stakeholder  
& commu-  
nication**

**Employees &  
engagement**

**Strategy &  
organization**

**Assets &  
operations**

**Business &  
innovation**

# We integrate sustainability in our business strategies

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## 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**

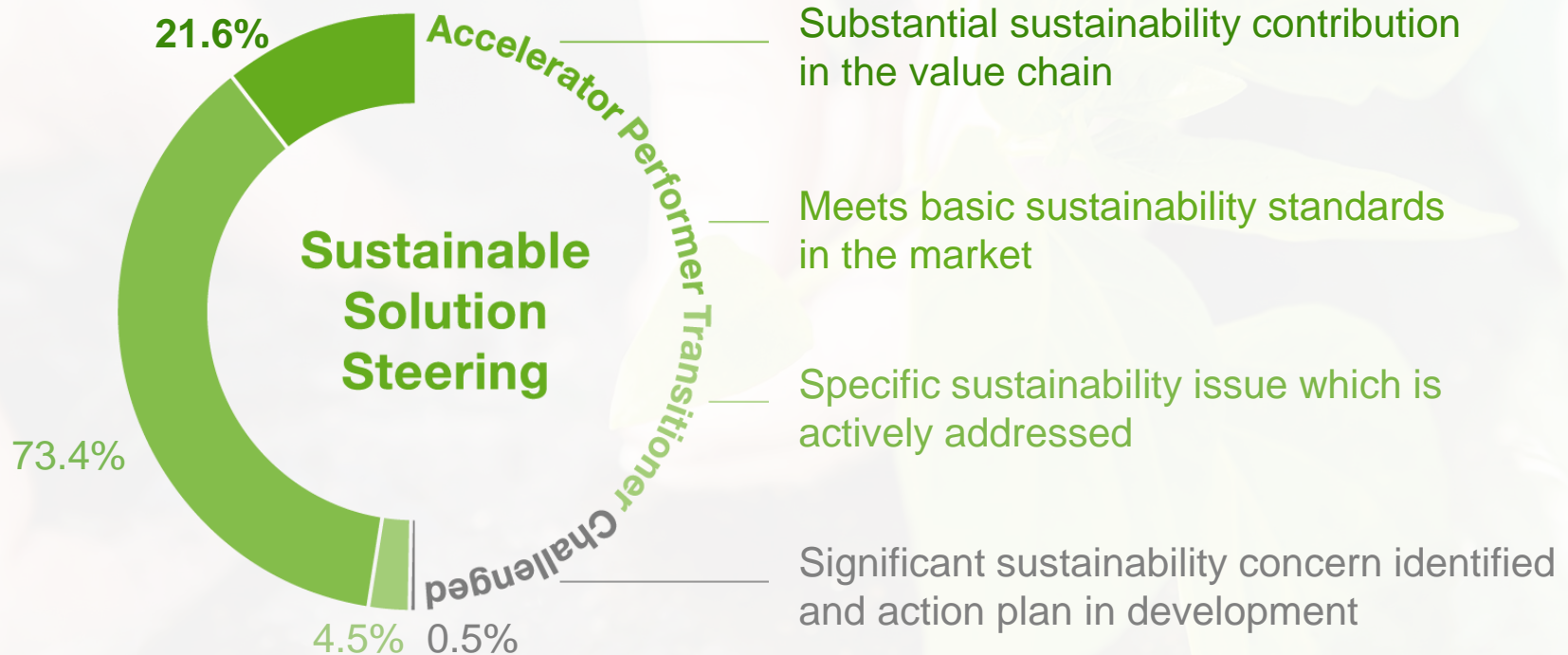
experts involved  
e.g. R&D, Product Safety,  
Marketing & Sales

All **4**  regions covered

**>1,000**  
action plans in place

**>50,000**  
solutions assessed

# We categorized all our products into four categories



Status: August 2014; 81% of relevant sales assessed

Our goal: Increasing the sustainability contribution of our solutions



**We are highly aware of the sustainability needs of the packaging industry...**

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**Reduction  
of weight and  
environmental  
impact**

**Recyclability**

**Renewable  
raw  
materials**

**Health and  
safety  
aspects**




# ... and meet them with our “Accelerators”

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 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 ...

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... reduces our  
business risks

... delivers  
opportunities in  
the markets

... is an integral  
part of our  
management  
systems

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# 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

## Stakeholder engagement & disclosure



## SD communications & Employee engagement



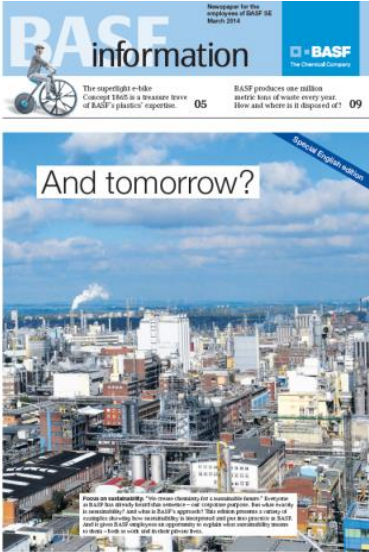
The image displays two publications: 'SD Update' (June 2014) featuring a BASF employee and 'BASF information' magazine with the headline 'And tomorrow?'. The 'SD Update' cover lists topics such as 'BASF already a member of the United Nations Global Compact' and 'BASF's commitment to sustainable development'.

## 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



We add value as one company



We innovate to make our customers more successful



We drive sustainable solutions



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



Robust Supply of Great Talent

## Business Performance



# Talent Strategy


*A lever to change culture*

Attract



- Early Identification of Talent
- PDP/LDP
- STEM

Develop

- Talent Dialogue
- Leadership Pipeline 

Engage/Retain

- Reward/Recognize behaviors
- Diversity/Employee Groups

