

150 years

 **BASF**
We create chemistry

Nachhaltige Entwicklung Herausforderung in der Unternehmenspraxis

RASMUS – Symposium (Hochschule Darmstadt) | 1.10.2015

Dirk Voeste, Sustainability Strategy



Key assumptions

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Sustainability will not go away
Risks and opportunities at the same time
Business as driver for sustainability

We create chemistry
for a sustainable future.

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We add value as one company.



We innovate to make our customers
more successful.



We drive sustainable solutions.



We form the best team.

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Our sustainability approach consists of five major levers

**Strategy &
organization**

**Assets &
operations**

**Business &
innovation**

**Employees &
engagement**

**Stakeholder
& commu-
nication**

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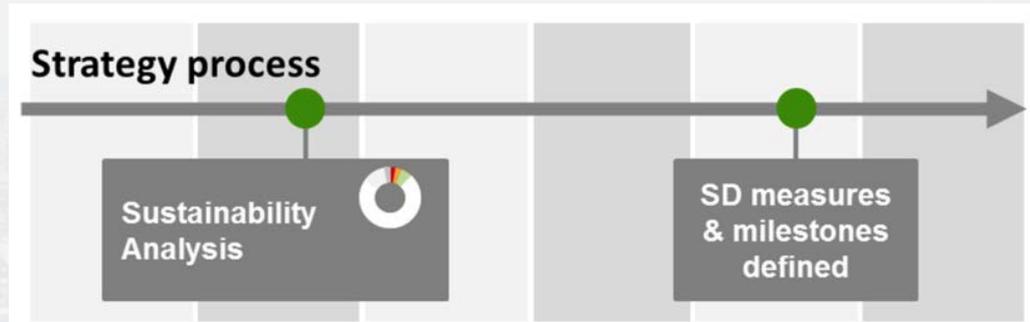
**Business &
innovation**

**Employees &
engagement**

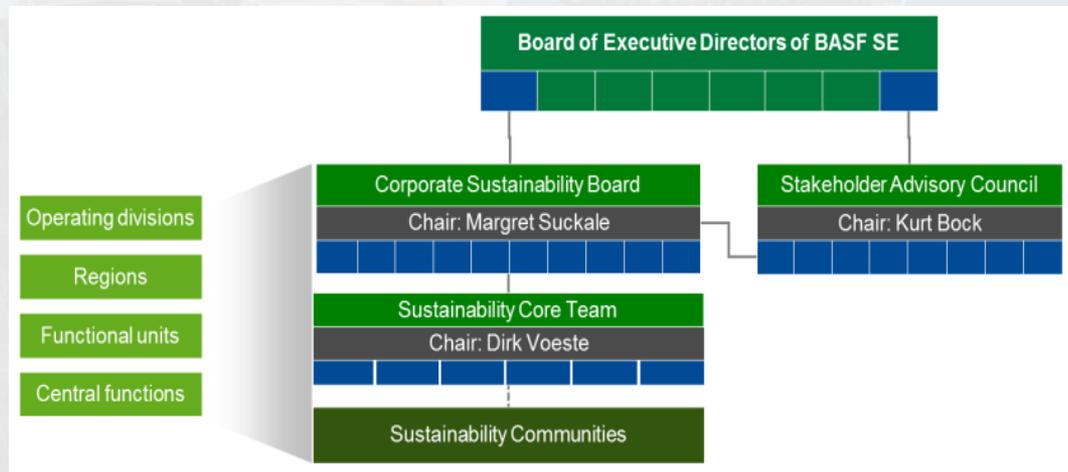
**Stakeholder
& commu-
nication**

We integrate sustainability in our core management systems

Sustainability integrated in our business strategies



Sustainability anchored in our organization



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We establish goals to address sustainability along the value chain



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We screen all assets and investments for relevant sustainability improvements

Sustainability
Team



Division

Sustainability statement

- Evaluates fit with sustainability strategy & criteria
- Identifies sustainability opportunities or risks
- Suggests improvements

Result

Improved sustainability in investments, financial assets and real estate

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Green Sense® Concrete Technology

Eco-efficient concrete optimization

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- Reduced carbon footprint
- Formulations with recycled materials
- Less production costs

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Integrated process

Shortened automotive coating process

- Reduced energy use
- Less material consumption
- Cost savings



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Precious metals recovery

Doubled capacity for catalyst recycling

- Higher production throughput
- Efficient recovery/ recycling of platinum group metals
- Faster metal returns for customers



We implement active sustainable portfolio steering

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Sustainable Solution Steering™

- Specific for industries and regions
- Structured approach
- Focus on application
- Pragmatic, interactive, scalable

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We categorized all our products into four categories

2014
% of analyzed
sales to 3rd parties



Substantial sustainability contribution in the value chain

Meets basic sustainability standards in the market

Specific sustainability issue which is actively addressed

Significant sustainability concern identified and action plan in development

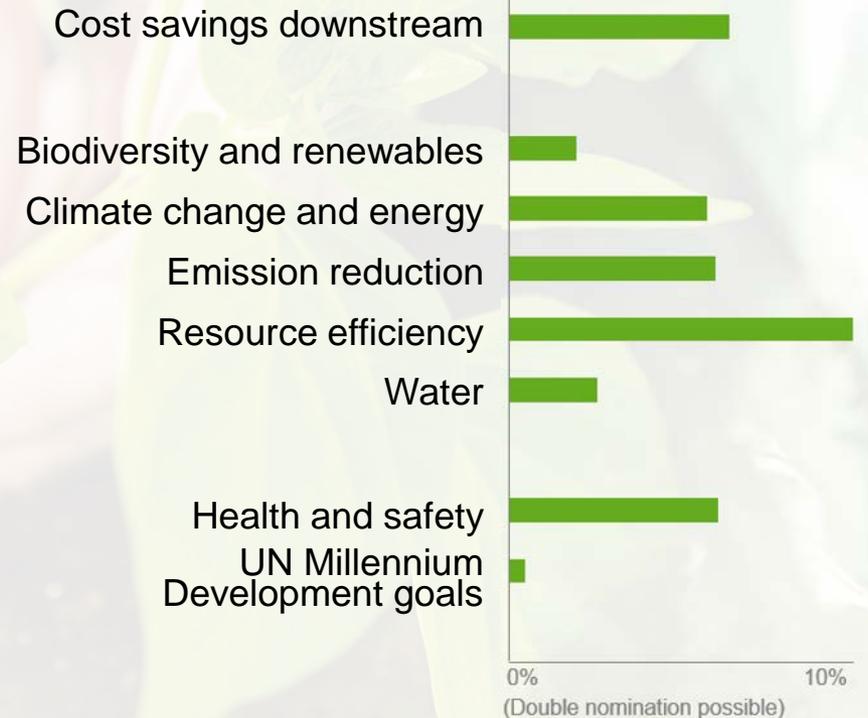
Our goal: Increasing the sustainability contribution of our solutions

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We categorized all our products into four categories

2014
% of analyzed sales to 3rd parties



> Consistent method from R&D to commercial solutions

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By 2020, we will increase the sales share of Accelerators to 28 %

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28%

Accelerators ...

- ... outgrow their markets
- ... meet the sustainability needs of our customers
- ... are driven by our power to innovate

**Sustainable
Solution
Steering™**

Accelerator Performer
Transitioner
Challenged

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We used Sustainable Solution Steering™ to launch entirely new Accelerators



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

› We will develop action plans for all Challenged solutions by end of 2015

Responsible application of Nanomaterials in the market

150 years



Resources, Environment & Climate Food & Nutrition Quality of life

Chemistry as enabler

Key Customer Sectors	Transportation	Construction	Consumer Goods	Health & Nutrition	Electronics	Agriculture	Energy & Resources
Growth Fields	Batteries for Mobility	Heat Management	Enzymes	Medical Solutions	Organic Electronics	Plant Biotechnology	E-Power Management
	Lightweight Composites					Functional Crop Care	Wind Energy
Technology Fields	Materials, Systems & Nanotechnology						
	Raw Material Change						Water Solutions
			White Biotechnology				

Creating value

Reducing risk

> We assess benefits and risks of nanomaterials case-by-case for applications

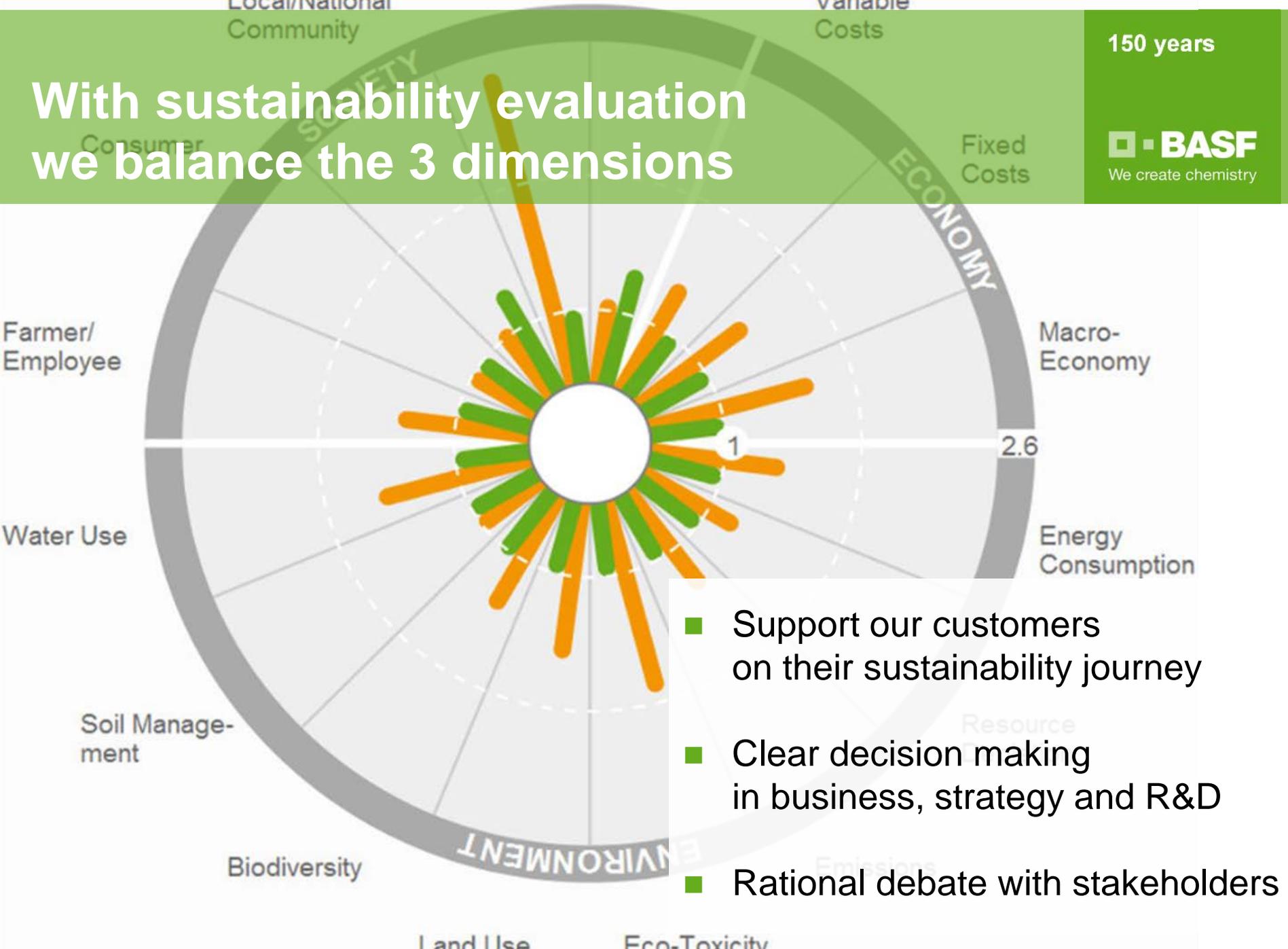
Local/National
Community

Variable
Costs

150 years

With sustainability evaluation we balance the 3 dimensions

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Sustainability is part of our Global Competency Model

- Eight competencies for all employees
- Drive Sustainable Solutions as competency
- All competencies are an important part of HR processes

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Connected to Care

Making our neighborhood a better place

- Realizing 150 charitable projects together with colleagues and partners
- Idea contest with funding of best projects



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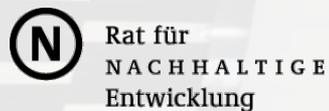
Stakeholder
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We talk and connect with our stakeholders on sustainability

Multi-stakeholder initiatives



Bi-lateral stakeholder consultations

Business associations & networks at corporate level



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BASF Stiftung International development projects

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Committed to...

- disaster relief
- long-term improvement:
living conditions
of disadvantaged
people, especially
children/youth

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Urban Space Show sustainable solutions

- Campaign in major cities
- Cross-medial promotion of our sustainable solutions
- Demonstrate sustainable contributions



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Sustainability at BASF...

... is an integral part of our management systems

... reduces our business risks

... delivers opportunities in the markets



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