



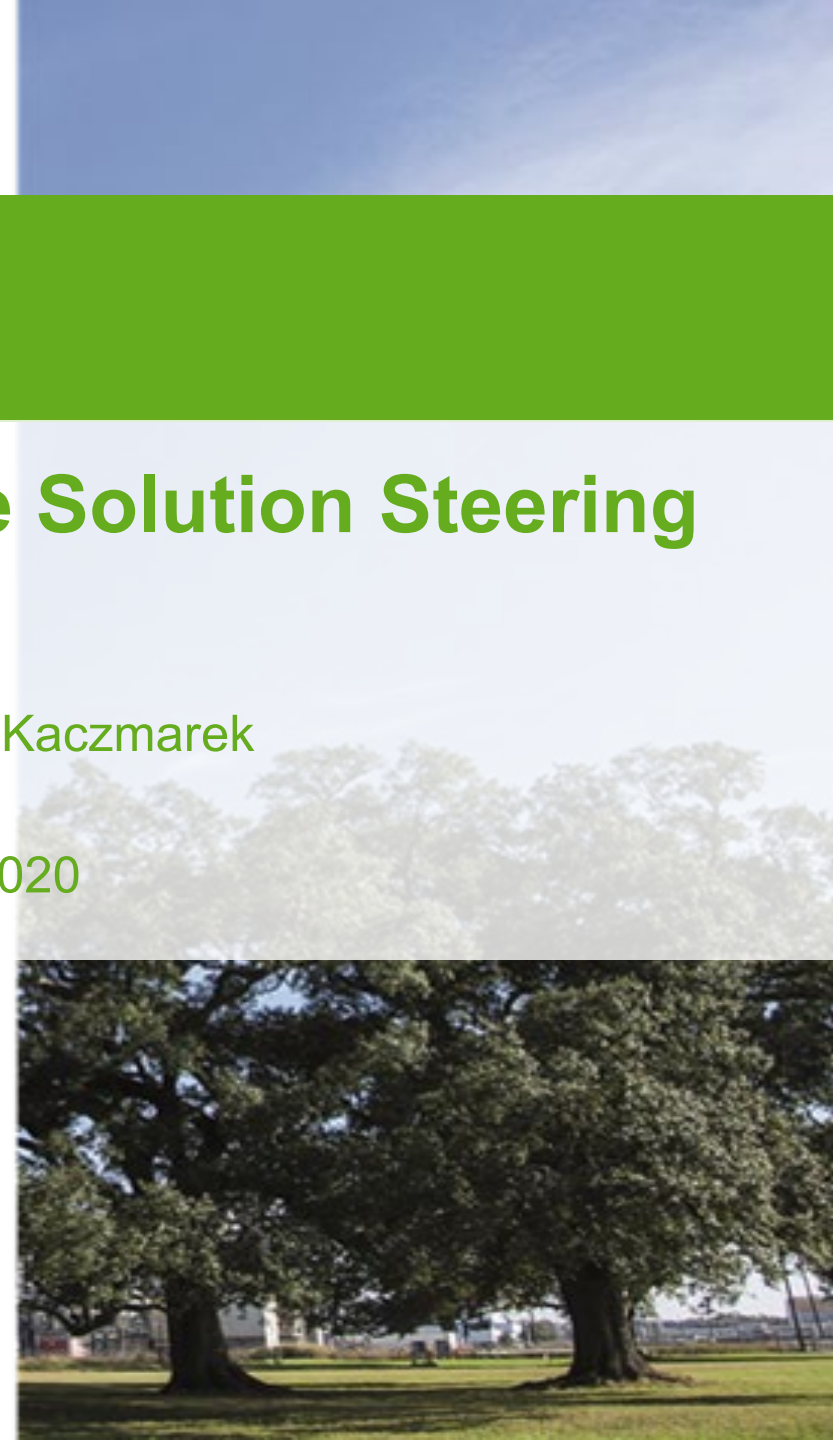
We create chemistry

Sustainable Solution Steering

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Agenda

- 1 Sustainability at BASF

- 2 Sustainable Solution Steering - methodology

- 3 Examples of Accelerator solutions



Our purpose:

We create
chemistry for a
sustainable future

BASF Corporate Commitments

Our Corporate Commitments cover every part of our value chain and operations to deliver long-term business success.

Suppliers

BASF operations

Customers

And along the way...

**We
source
responsibly**



**We produce
safely for
people and
the
environment**



**We
produce
efficiently**

**We drive
sustainable
solutions**



**We value
people and
treat them
with respect**



Sustainability networks

Sustainability requires dialogue and partnership with stakeholders

We engage in sustainability networks

- to better **understand trends** in society as the drivers of our business
- to help **shape** measurement and performance **standards**
- to **partner for** joint **contributions** to Sustainable Development

Examples



Our ambitious nonfinancial targets

Business success tomorrow means creating value for the environment, society and business

Grow CO₂-neutrally until 2030
(compared with baseline 2018)



Achieve €22 billion in Accelerator sales¹ by 2025



Reduce worldwide process safety incidents per 200,000 working hours to ≤ 0.1 by 2025



Reduce the worldwide lost-time injury rate per 200,000 working hours to ≤ 0.1 by 2025



More than 80% of our employees feel that at BASF, they can thrive and perform at their best



Increase the proportion of women in leadership positions with disciplinary responsibility to 30% by 2030



Introduce sustainable water management at all production sites in water stress areas and at all Verbund sites by 2030



Cover 90% of our relevant spend² with sustainability evaluations by 2025
Have 80% of our suppliers improve their sustainability performance upon re-evaluation



¹ Accelerator products are products that make a substantial sustainability contribution in the value chain.

² We understand relevant spend as procurement volumes with relevant suppliers.

That's why we initiated the systematic Sustainable Solution Steering approach

It's a three step process



Step 1

Analysis of **sustainability needs** and trends in the value chains

Step 2

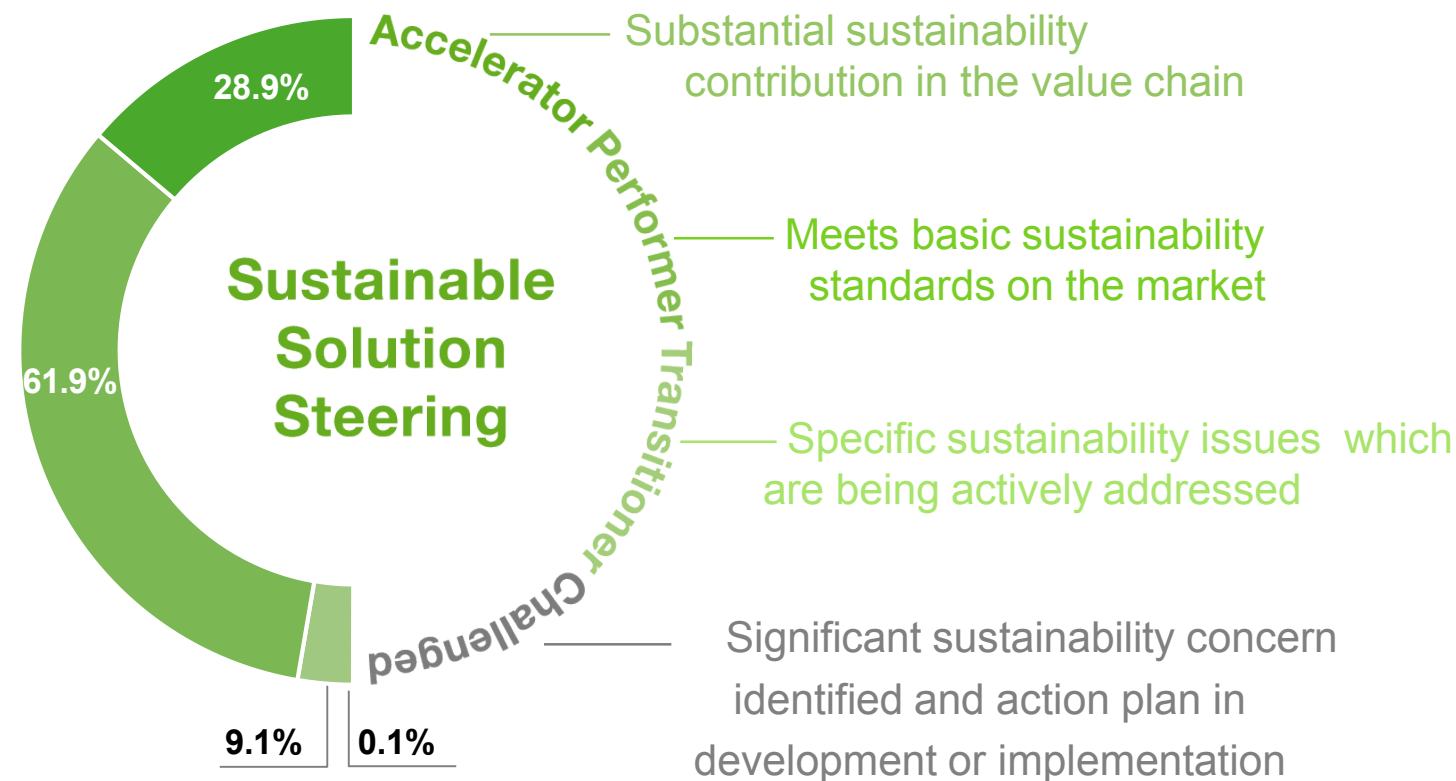
Evaluation and categorization of product sustainability performance in the market application

Step 3

Development of action plans for strategies, R&D, and market approach

Sustainable Solution Steering

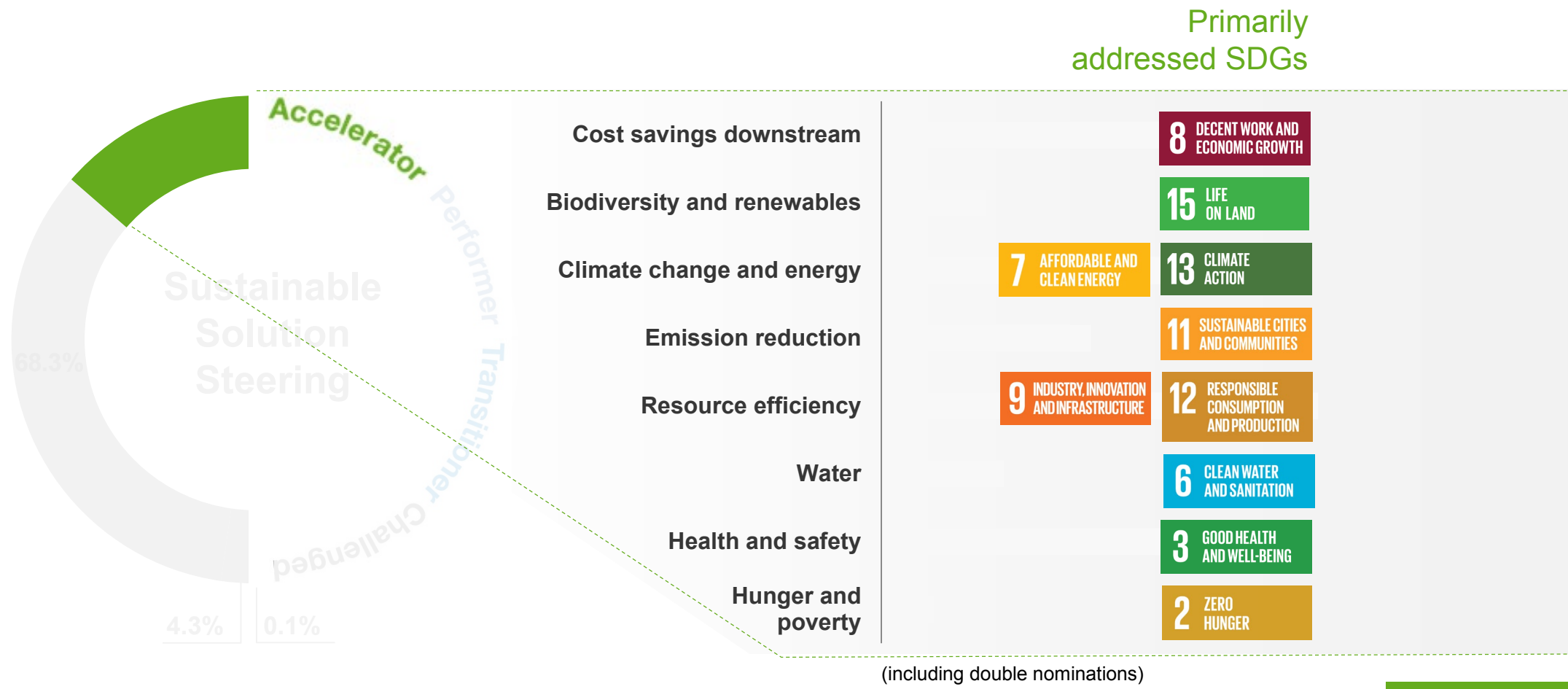
Leverage our innovation power to achieve €22 billion in Accelerator sales by 2025



- >50,000 product applications analyzed by 2019¹ (€51.9 billion in sales, 96.3% of relevant portfolio)
- 14,000 solutions for enhanced quality of life
- Goal: €22 billion of Sales with Accelerator products by 2025 (2019: 15€ billion)
- Stronger integration in R&D pipeline, business strategies and mergers and acquisition projects.
- We will phase out all Challenged products within five years of initial classification as such at the latest.

¹ The product portfolio acquired from Bayer has been partially assessed
The relevant portfolio is defined in the Sustainable Solution Steering Manual at basf.com/en/sustainable-solution-steering

BASF's Accelerators contribute to a wide range of the UN Sustainable Development Goals



Examples of Accelerator solutions

For packaging

ecovio®

Process information

Application: organic waste bags, packaging

Customer Industry: Consumer goods

Market: Global

Sustainability performance

- Biodegradability: enables composting of human wastes which helps enriching depleted soil
- Valuable nutrients for farming as a substitute for fertilizers enable energy savings and resource efficiency.
- Helps achieving safety and health standards beyond industry level



Differentiation potential

- Differentiation potential
- Cost savings downstream
- UN Millennium Development Goals (#7)
- Resource efficiency
- Water scarcity and pollution
- Biodiversity and renewables
- Health and safety

Examples of Accelerator solutions

For personal & home care

Products based on sustainable palm oil

Process information

Application: personal care products

Customer Industry: Personal care

Market: Europe, Asia, USA



Sustainability performance

- In 2018 a major part of the cosmetic specialties portfolio is shifted and will be exclusively offered as Roundtable on Sustainable Palm Oil (RSPO) certified sustainable ingredients to the personal care market.
- Shift of a portfolio of this size and complexity for the first time to foster market transformation

Lavergy Pro 104L + Sokalan HP 20

Process information

Application: low temperature washing

Customer Industry: Home care

Market: Global



Sustainability performance

- BASF's new protease Lavergy™ Pro 104 L is a high-performance alternative to established market standards in liquid laundry detergents.
- Low washing temperatures between 20° and 30°C
- Removal of specific stains such as egg, blood, and milk types.

Examples of Accelerator solutions

For CO₂ emission reduction

OASE®

Process information

Application: Gas treatment

Customer Industry: Energy sector

Market: Global



Sustainability performance

- Emission reduction
- Cost saving downstream
- Climate change and energy
- Resource efficiency

Carbon Management R&D program



E-furnace for electrification of steam crackers



Methane pyrolysis for CO₂-free hydrogen



CO₂-free synthesis of olefins



Sodium acrylate from CO₂ for superabsorbents



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