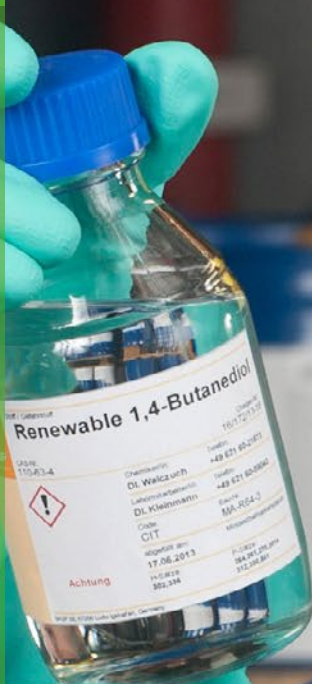




The Chemical Company

# SD Update

Newsletter Sustainable Development



4/2014

December

## In this issue

<b>Sunscreen for people with albinism</b>	Page 2
<b>Ultrafiltration business secures major contract in India</b>	Page 3
<b>“Working for Water” film receives award</b>	Page 3
<b>Emission catalysts expands manufacturing operation in Shanghai</b>	Page 4
<b>New process for steering BASF's portfolio introduced at Sustainable Brands conferences</b>	Page 4
<b>Resource Saving: from Biomass to Plastics</b>	Page 5
<b>Renewables Roadshow</b>	Page 5
<b>Information and Training: Employee Engagement Program on Sustainability</b>	Page 6
<b>Joint conference of Chemie<sup>3</sup> and Council for Sustainable Development</b>	Page 6
<b>BASF in Chile awarded for its sustainability program “Espacio Inclusivo”</b>	Page 7
<b>BASF in Brazil awarded as one of the most sustainable companies</b>	Page 7
<b>CSR Online Award for BASF</b>	Page 8
<b>Cooperation between BASF in Poland and the UN Global Compact</b>	Page 8

## About this issue

As of January 2015, BASF is introducing the claim “We create chemistry” in its logo. With this, BASF underlines how we collaborate and innovate with customers and partners to contribute to a sustainable future.

In its anniversary year, BASF is inviting people to collaborate on developing solutions to global challenges related to urban living, smart energy, and food. As part of the global co-creation program it is the

aim to drive innovation and make a lasting contribution to society and BASF’s business.

In this issue, you will find current examples on how we are implementing the corporate purpose “We create chemistry for a sustainable future” globally. We will introduce you to an expanded manufacturing operation for emissions catalysts in Shanghai; explain how we are conserving resources by

turning biomass into plastic, and why we have started a renewables roadshow.

For more information on BASF and sustainability please go to the section “Read on”.

We wish you an inspiring reading.

### The editorial team



Responsible  
Partnering

## Sunscreen for people with albinism

Each year, 20,000 people in Tanzania fight the consequences of a congenital pigmentation disorder. Those affected have light-colored skin, hair, and eyes, making them more susceptible to sunburn and putting them at increased risk of skin cancer. In the East African equatorial country one in every 2,500 inhabitants is a person with albinism. The average life expectancy of the affected is 30 years. In Moshi, located at the foot of Kilimanjaro, the Regional Dermatology Training Centre (RDTC) has helped these people for more than 22 years by providing an extensive support program. Part of it is a local sunscreen production. BASF supports the RDTC in the development of an improved sunscreen for people with albinism.

Since November 2012, the RDTC has produced a self-developed sunscreen with a sun protection factor (SPF) of 30 – the Kilimanjaro Suncare – in its own facility and has distributed it free of charge to 2,000 people suffering from albinism in North Tanzania through outposts. Since 2013, BASF has provided ingredients and the expertise for the further expansion of the production. In the meantime, an even better way to protect the affected from the sun is sought together: “First we only delivered free ingredients for sunscreen”, said Uli Osterwalder, an expert at BASF for the sun protection segment. “Now we are working together on a suitable sunscreen that protects the skin of the affected people under the ex-



*BASF provides ingredients and expertise for improved sunscreen and expansion of the Regional Dermatology Training Centre.*

treme local conditions even better against the rays of the sun.”



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Water

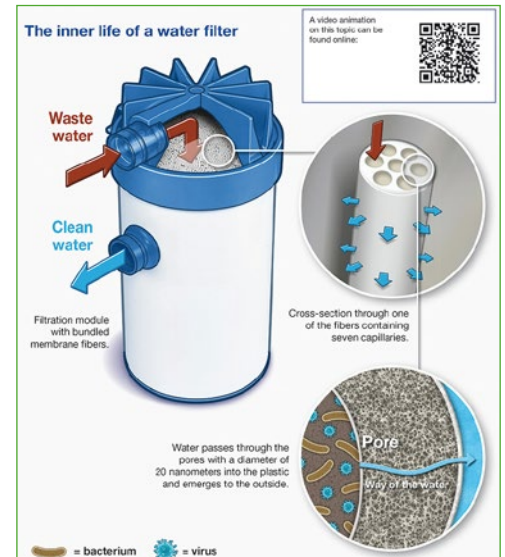
## Ultrafiltration business secures major contract in India

inge GmbH, a subsidiary of BASF SE and technology leader in ultrafiltration (UF) membranes, has secured the biggest project in the company's history and will supply high-capacity ultrafiltration technology for a desalination plant in Jamnagar/India. More than 4,000 modules from the T-Rack® 3.0 series will provide 450,000 cubic meters of pretreated water per day to one of the country's largest oil refineries.

The desalination plant is built by IDE Technologies, one of the world's leading water treatment specialists, and will use inge® UF to protect the sensitive reverse osmosis membranes and to minimize the

energy footprint of the plant. After multiple sea water pretreatment steps, the desalination plant will deliver up to 170,000 cubic meters of process water per day. "Onsite pilot testing confirmed that our T-Rack® 3.0 ultrafiltration modules meet the very demanding performance requirements in terms of process stability, filtrate quality, and yield – especially during the monsoon period," explains inge® CEO Bruno Steis.

Professional water treatment and environmentally beneficial water recycling are taking on increasing importance, particularly in water-stressed regions. inge® ultrafiltration technology helps



promoting the sustainable use of the valuable resource water.



Water

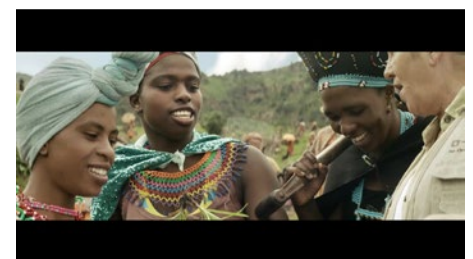
## "Working for Water" film receives award

Water is a scarce resource in South Africa. And it threatens to become even scarcer. The Maloti Drakensberg Mountains are an important water source of the country. But they are threatened by overgrazing and resulting soil erosion.

The film "Working for Water" shows the cooperation between the BASF Stiftung, the environmental program of the United Nations (UNEP), and BASF South Africa. It was released on digital platforms such as YouTube and facebook. The main question of the film is how to improve protection of the valuable

resource water in the future. The experience of the affected people, the expertise of individuals, and the exchange of this knowledge are the central points of the "Drakensberg Project".

Sharing the expertise about sustainable agriculture and measures against soil erosion helps the participants of the project to find a solution together with the local residents. This is how it is intended to retain the supply and the quality of the Drakensberg Mountains' water permanently. "Because when knowledge flows, water will flow."



Film scene from "Working for Water".

The film about this project was recently honored with the EVCOM Clarion Award in London, named as the winner in the category "Advertising & Promotional". The judges were particularly impressed by the social contribution of the project and the artistic realization of the subject.





Products and  
Solutions

## Emission catalysts expands manufacturing operation in Shanghai

The manufacturing operation further strengthens the company's regional presence and its position as a leading supplier to the automotive industry. The recent inauguration culminates a three-year expansion project which doubles BASF's production capacity for mobile emissions catalysts in China, adding new light duty emissions catalysts production lines, a new heavy duty diesel catalysts plant, and a state-of-the-art automated warehousing facility. The project increases the site's employee base by 120 positions.

"Our Shanghai expansion project positions BASF to meet grow-



*Bird view on BASF's expanded emissions catalysts manufacturing operation in Shanghai.*

ing demand in China by providing a full line of innovative emissions catalysts solutions that allow our customers to address increasingly stringent emissions requirements", said Marc Ehrhardt, Senior Vice President of BASF's Mobile Emissions Catalysts business.

Catalyst technologies such as the Three-Way Catalyst (TWC), Diesel Oxidation Catalyst (DOC), and the advanced Selective Catalytic Reduction (SCR) technology system for heavy duty diesel applications will be manufactured in Shanghai.

 **More**



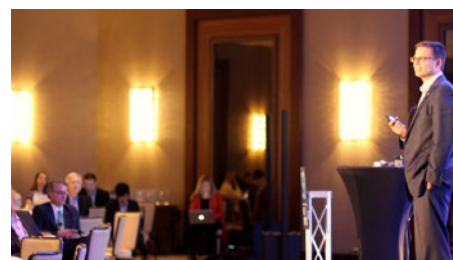
Responsible  
Partnering

## New process for steering BASF's portfolio introduced at Sustainable Brands conferences

Sustainable Solution Steering, BASF's new method for steering its portfolio based on sustainability criteria, was the company's central topic at the Sustainable Brands conferences in the past months. At the Sustainable Brands New Metrics in Boston (September 24 – 26, 2014), Dr. Dirk Voeste, Vice President Sustainability Strategy BASF, introduced the method to an audience of experts in detail. In his keynote speech, Voeste explained how BASF strives to support its customers with innovative solutions in increasing their contribution to sustainable development. Approximately 50,000 relevant product applications in BASF's port-

folio, representing sales of €56 billion, are systematically reviewed and evaluated with the Sustainable Solution Steering method for sustainability aspects. This externally validated process makes it possible to measure the products' contribution to sustainability within their various markets and industries, and to increase this contribution through targeted steps.

Dr. Andrea Frenzel, Senior Vice President Strategic Planning BASF, presented the method at the Sustainable Brands conference in London (November 3 – 5, 2014). You can find a livestream recording of the presentation [here](#).



*Sustainable Solution Steering explained by Dr. Andrea Frenzel, Senior Vice President Strategic Planning, and Dr. Dirk Voeste, Vice President Sustainability Strategy.*



Products and  
Solutions

## Resource Saving: from Biomass to Plastics

Kunststoffwerk AG Buchs, a subsidiary of Wiha Werkzeuge GmbH, is the first BASF customer to process and use the engineering plastic Ultramid® B3EG6 MB for serial production of its Longlife® brand of meter rules. The polyamide used is one of the first BASF products to be produced and marketed on the basis of the mass balance approach. The MB material is derived from bio-based feedstock and thus helps to save fossil raw materials and to reduce greenhouse gas emissions.

Following the mass balance approach certified by TÜV SÜD, 100 percent of the fossil raw materials

needed to make Ultramid B3EG6 MB are replaced with renewable raw materials already at the beginning of the production process. The abbreviation MB indicates the calculation via the mass balance approach. The certified MB plastic is identical to its fossil counterpart in terms of formulation and quality, and is already available in commercial quantities.

The mass balance approach is comparable to feeding “green” electricity into the power grid. It offers a way to utilize renewable raw materials in BASF’s existing system of integrated production known as Verbund. Under the mass balance



*The folding rule looks like any other of its kind, but is based on the use of renewable raw materials in the production process.*

approach, biomass – for instance in form of biogas or bio-naphtha from certified sustainable production – is used as a feedstock in place of fossil resources at the beginning of the value chain and is subsequently allocated to individual products in a defined manner.



More



Employment and  
Employability

## Renewables Roadshow

Products made from renewable resources at BASF were recently in the focus of sales meetings in Europe and Asia; another meeting will take place in North America. As part of the roadshow, the sales force which is acting as the bridge between customers and BASF, had the opportunity for discussions.

The events were accompanied by an exhibition of products made from renewable raw materials of different operating divisions. The product portfolio displayed included T-shirts made of fibers with butanediol based on renewable resources, the Winkel w127

designer lamp made of Ultramid® S Balance produced from castor oil, as well as shower gels with the anionic surfactant Texapon® and diapers with the superabsorber HySorb® MB.

BASF offers products from all steps of the value chain which partly consist of renewable raw materials. At present, renewables account for about four percent of raw materials purchased at BASF worldwide; in fact, this figure can be much higher in various business units. An option for interested customers also is the mass balance approach: It allows BASF to replace a proportion of fossil feedstock by renewable feedstock.



*Production worker Thorsten Karl with Butanediol from renewable raw material.*



More





Employment and  
Employability

## Information and Training: Employee Engagement Program on Sustainability

BASF's Employee Engagement program gives insights to workforce and management into what sustainability means for the company. Here, the employees find out how they can personally contribute to the compa-



*The exhibition "Sustainability – a Change of Perspective" is taking place in BASF's Learning Center in Ludwigshafen.*

ny's purpose, "We create chemistry for a sustainable future."

The program is made up of various modules and uses actual examples to show employees what BASF understands by sustainability. This does not only include addressing sustainability in employee media and on the intranet, but also as a talking point at internal events. Sustainability also becomes tangible for employees in the BASF Learning Center until March 2015 in an exhibition called "Sustainability – a Change of Perspective." The exhibition allows a first-hand experience of sustainability

by offering interactive displays and giving employees the opportunity to join in and shape the exhibition with their own contributions. Therefore, visitors get a new perspective on sustainability.

Specific training formats such as an online training course teaching the basics of sustainability and a lunchtime learning event on sustainability have been developed with the aim not just to create employee awareness, but to build up actual knowledge and explore opportunities for taking action.



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## Joint conference of Chemie<sup>3</sup> and Council for Sustainable Development

In a partnership between the German Chemical Industry Association (VCI), the Mining, Chemical and Energy Industrial Union (IG BCE), and the German Federation of Chemical Employers' Associations (BAVC), the chemical industry is the first sector in Germany which has brought a collaborative sustainability initiative on its way – Chemie<sup>3</sup>.

To develop sustainability further, a conference on the topic "Sustainable Development – a question of the right chemistry?" was held in Berlin on November 12, 2014. Its focus was on questions such as "From vision to reality: what can companies and politics do to advance sustainable solutions?",

as well as "Which measures and partnerships are necessary for the chemical industry to be able to further develop towards sustainability?"

The Council for Sustainable Development and Chemie<sup>3</sup> hosted the event. Discussions and expert forums were also held on aspects for achieving sustainability goals which could be contributed to by the chemical industry. 200 participants from the private sector, politics, and NGOs also discussed how the industry can integrate sustainability more into its everyday business.

Margret Suckale, Member of the Board of Executive Directors of BASF SE and in her function as president



*200 guests followed the invitation of Chemie<sup>3</sup> and the Council for Sustainable Development to the Humboldt-Carré in Berlin.*

of the German Federation of Chemical Employers' Associations (BAVC) a member of the Chemie<sup>3</sup> steering committee, emphasized the importance of exchange for the sector initiative: "Right from the very beginning, transparency was very important to Chemie<sup>3</sup>. Therefore, we have set up a stakeholder dialog accompanying the initiative. The credibility of Chemie<sup>3</sup> does not only stand and fall by concrete results, but also with the willingness to have an open discussion with all stakeholders."



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## BASF in Chile awarded for its sustainability program “Espacio Inclusivo”

BASF's Glasurit Team in Chile started its initiative called “Espacio Inclusivo” (English: Inclusive Space), with the objective to train people who have scarce opportunities for personal and professional development in a category where skilled labor is needed and where an important growth potential is possible, such as in automotive refinishing.

On how to materialize this idea, Fernando Farias, Head of the Automotive Refinish Business for Glasurit, explains: “In order to guarantee the program's realization

we contacted the ‘Emplea’ Foundation, a NGO in Chile. Their specific mission is to provide education and employability. They are an institution dedicated to school reintegration and on-the-job training through various grants and sponsorships. Thus we came to ‘Emplea’ with our Glasurit team in order to actively participate in the annual training of around 15 socially disadvantaged students between 18 and 26 years.”

The team has been recognized for this initiative with a first place in the category of Greater Companies by the organization “Correspon-



*Fernando Farias, Head of the Automotive Refinish Business for Glasurit, accepted the award.*

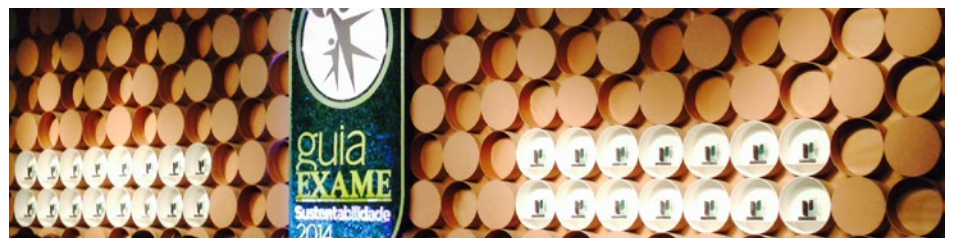
sables”, belonging to the Spanish bank group La Caixa.

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## BASF in Brazil awarded as one of the most sustainable companies

For the second time in a row, BASF was recognized as one of the most sustainable companies in Brazil by “Guia Exame de Sustentabilidade”, a well-established sustainability index conducted by “Exame” magazine. The awarded companies were defined through a questionnaire, containing about 140 questions which measured the companies in the dimensions general, social, environmental, and economic. BASF was highlighted for its “Demarchi + Ecoeficiente” program.

The “Demarchi + Ecoeficiente” program, implemented in partnership with the Espaço Eco® Founda-



*Award celebration of the “Guia Exame de Sustentabilidade”, a sustainability index conducted by the Brazilian “Exame” magazine.*

tion, analyses the eco-efficiency of BASF's industrial complex paints and coatings production processes in São Bernardo do Campo, where automotive, industrial, refinishing, and decorative coatings are produced, including Suvinil and Glasurit brands. Additionally, the program promotes sustainability education for about 1,200 employees and their families.

Rui Goerck, BASF Sustainability Committee President South America, underlines the importance of this recognition in sustainability: “It considers BASF's sustainable solutions that add value and meet the needs of business, customers, and society.”





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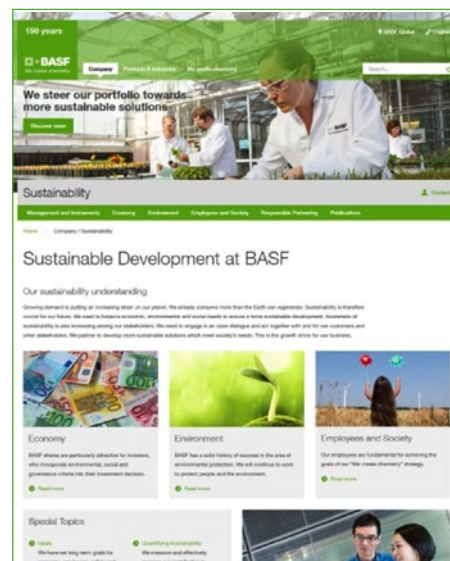
## CSR Online Award for BASF

BASF has received the CSR Online Award 2014 by Lundquist for its successful online communication on CSR topics on the corporate website [BASF.com](http://BASF.com), within its social media channels as well as for the [Online Report](#). Here, BASF was ranked second in Germany and sixth in Europe. The ranking included the 100 largest listed companies in Europe.

Lundquist, an agency specialized in online corporate communications, investigates how companies communicate sustainability and corporate responsibility on the internet and how they involve stake-

holders in digital and social channels.

At the end of November 2014, the corporate website [BASF.com](http://BASF.com) has been relaunched, bringing the company yet another step closer to its stakeholders such as journalists, sustainability experts, investors, customers, suppliers, or applicants. For BASF, social media is an integral part of innovative two-way communication. To foster the dialog, social media are integrated into the new corporate website even better; it is also optimized for mobile devices such as tablets and smartphones. Based on a new technical platform,



*Sustainability sub-website on the new corporate website [BASF.com](http://BASF.com).*

with an updated structure and new functionalities, together with one consistent navigation, the corporate website is in excellent shape for the 150th anniversary BASF is celebrating in 2015.



Responsible  
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## Cooperation between BASF in Poland and the UN Global Compact

Together with the United Nations Global Compact (UNGC) Network, BASF in Poland has developed a Responsible Chemistry Program as one of the activities under the United Nations "Caring for Climate Initiative". It is a response to the chemical

industry's need for a constructive debate on environmental responsibility and sustainable solutions across its whole value chain. In 2014, two topics were taken on the agenda, namely: energy efficiency in buildings and sustainable palm kernel oil.

main conclusions was the need for business and public administration to carry a constructive dialog and to develop a jointly agreed approach on how to bring the best available solutions to the market.



*Keynote speech by Kamil Wyszowski, national representative of the UNGC Poland.*

According to the Building Performance Institute Europe, Poland could save up to 65 million tons of CO<sub>2</sub> per year by 2030 through energy-efficient solutions in the construction industry. The meeting co-hosted by BASF in Poland and the UNGC aimed at discussing potential activities which would move the topic of energy efficiency closer to actual implementation. One of the

A conference organized in cooperation with the Polish Association of the Cosmetics Industry and the UNGC aimed at bringing the concept of certified palm kernel oil closer to the Polish cosmetics producers. With regard to the growing global demand, certified palm oil and palm kernel oil are becoming an important topic for the food and the cosmetics industry.





## Read on:

[Tailored superconductors for energy technology](#)

[Chemistry-driven innovations for future mobility](#)

[BASF and Volkswagen present Science Award Electrochemistry](#)

[High-performance offshore grout achieves approval for offshore wind farms](#)

[CDP publishes Global Water Report 2014](#)

[BASF starts partnership for energy storage devices](#)

## Material Aspects

Eight material aspects have been identified for BASF based on the results of the stakeholder survey and internal workshops.



Employment and  
Employability



Energy and  
Climate



Food



Responsible  
Production



Responsible  
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Products and  
Solutions



Resources and  
Ecosystems



Water

## Contact

Do you have questions or comments?  
We are looking forward to your  
suggestions.

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