



The Chemical Company

SD Update

Newsletter Sustainable Development

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About this issue

For the continuous development of our sustainability management we updated our materiality analysis in 2013 and identified eight material aspects for BASF: employment and employability, energy and climate, food, operational excellence, responsible partnering, products and solutions, resources and ecosystems, and water. As a new feature in this newsletter, we have marked the articles with a small

icon to show to which material aspect BASF's activity contributes. On page eight you can find a legend explaining the icons.

Read in this issue how BASF in collaboration with partners works on improving safety in chemical transportation in Africa and how the company is developing the production of industrial sugars from non-food biomass.

Read about the new Global Reporting Initiative G4 Guidelines as well as on BASF's participation in sustainability conferences. For more information on BASF and sustainability please go to the section "Read on".

We wish you an inspiring reading.

The editorial team

BASF Report 2013 with new materiality analysis

With the Annual Press Conference at the End of February, 2014 BASF released its integrated report for 2013. The publication documents the company's economic, environmental and social performance and contains all significant facts and figures for the business year.

The materiality analysis was updated last year in order to identify sustainability issues for the company and its stakeholders. Approximately 350 external stakeholders worldwide, as well as around 90 experts and managers from various functions within the company, provided information on 38 topics potentially relevant for BASF. The participants rated them in terms of their current and future relevance for BASF. Afterwards, the results of the materiality matrix have been

discussed in workshops with employees from different BASF specialist units and identified overarching material aspects. The evaluation focused among other things on how BASF's business is impacted by these topics.

For the BASF Report 2013, the Global Reporting Initiative (GRI) has once again confirmed that BASF's reporting fulfills the internationally recognized and expanded GRI

guideline 3.1 with the application level A+. The online version of the report is available on the internet.



BASF Report 2013 includes an updated materiality analysis.



BASF at GLOBE 2014

Held in Vancouver, B.C., Canada, from March 26 to 28, the biennial GLOBE series is North America's largest international forum on business and environment. The event brings together senior representatives from the public, private and NGO sectors to discuss current trends and showcase innovative solutions to the world's challenges.

As a sponsor and the largest chemical company in attendance, BASF illustrates how chemistry is enabling

to meet the current and future needs of society. This included high profile speaking engagements, a diverse sustainability showcase, on-site business development meetings and networking events.

At the opening plenary, Dr. Hans-Ulrich Engel, Chief Financial Officer of BASF and Chairman and Chief Executive Officer of BASF Corporation, was interviewed from Marc Gunther, business and sustainability journalist for Fortune Magazine. BASF execu-



tives also took part in panel discussions, including Charlene Wall-Warren, Sustainability Director for BASF in North America and Cristian Barcan, Head of Applied Sustainability and SET, Americas & Asia Pacific.



Cooperation for the production of industrial sugars from biomass

BASF and American technology provider Renmatix Inc. will jointly scale up the Renmatix Plantrose process for the production of industrial sugars based on lignocellulosic biomass. The Plantrose™ technology developed by Renmatix enables industrial sugar to be produced, at

competitive costs, from a variety of non-edible biomass (lignocellulose) sources. The proprietary process breaks down lignocellulosic sources (e.g. wood or agricultural-residues) into industrial sugars using supercritical water (water at high temperature and pressure).

Industrial sugars should be available in sufficient quantities and at competitive cost is important to enable both environmentally-friendly and cost-competitive bio-based products. Incorporating biomass feedstocks as a first step in the value chain, creates a raw material change that can reduce reliance on fossil raw material sources like naphtha as principal feedstock.



The starting materials for the Plantrose process: Biomass such as wood and straw together with water form the basis of the technology.

Both companies signed a non-exclusive joint development agreement and have agreed to key financial terms for future commercial licenses, which BASF can exercise at its discretion. The collaboration follows BASF's \$30 million investment in Renmatix in January 2012.





More chemical transportation safety in Africa

The International Council of Chemical Associations (ICCA), the United Nations Environment Programme (UNEP), BASF and other companies in the chemical industry want to improve the chemical transportation safety in Africa. The project “Promoting Chemical Safety Management in the African Region” runs for

BASF strives for more chemical transportation safety.



two years. On November 28 and 29, 2013, a workshop took place at the port of Mombasa in Kenya.

Chemicals arrive in Mombasa by ships and are then loaded on trucks for connecting transportation to East and Central Africa. The port Tema in Ghana supplies West Africa. The handling of chemicals at the ports is important to improve the chemical transportation safety. For this reason, ICCA, UNEP and chemical companies practice on site in close cooperation with authorities and logistics companies how to handle chemicals in a safe way and how to act in emergencies. Together with the port authorities, ex-

perts of the BASF fire department elaborate which steps have to be taken in case of emergency and who is responsible for which tasks. First and foremost, it is about what has to be done so that emergencies can be avoided.

The project is part of the initiative “Responsible Care” of the chemical industry. The voluntary initiative aims to continuously improve issues of the chemical industry such as environment, health and safety as well as a transparent dialogue with different stakeholders.



BASF Brazil awarded for innovation and sustainability

In 2013, BASF was recognized with three awards of the Brazilian industry: BASF was elected the most admirable company in the chemical sector by “Carta Capital”, one of the most respected magazines in Brazil. The magazine asked 1,300 executives to evaluate companies and leaders that stood out with initiatives that contribute

to the development of the country. The main points highlighted by the magazine were the creation of the acrylic acid production complex in Camaçari and the importance of BASF’s agriculture and coating business.

With great emphasis on CasaE, the first energy efficient house from BASF

in Brazil, BASF received the second position in the most innovative companies list from “Best Innovator”, developed by A.T. Kearney and the Época NEGÓCIOS magazine.

BASF also conquered an important position in a well-established sustainability index in Brazil, being nominated as one of the most sustainable companies in the country. The research “Guia Exame de Sustentabilidade” presented ecovio® pilot project with Mogi Mirim City Hall, state of São Paulo, as an important initiative, that proves the efficiency of the composting process as a contribution towards the management of urban solid waste.



The BASF Brazil sustainability team: (from left) Renata Alves, Sustainability Coordinator, Flavia Tozzato, Sustainability Manager and Thiago Caixeta, Sustainability Analyst and responsible for the CasaE activities.



G4 Launch in Germany

The new GRI G4 Sustainable Reporting Guidelines were introduced on February 26 at a joint conference of the Global Reporting Initiative (GRI), Federal Ministry of Labor and Social Affairs and econsense – Forum for Sustainable Development German Business – in Berlin. More than 200 guests from the business sector, agencies and academia had the chance to get acquainted with the new reporting standards for the societal responsibility of companies. In his keynote speech, Thor-

sten Pinkepank, Director Corporate Sustainability Relations BASF and econsense sponsor for reporting and rankings, emphasized that the increasing variety in the reporting framework indicates the importance of the issue on the one hand but leads to additional work for companies on the other hand. This explains the growing gap between leading and less experienced companies when it comes to available resources and knowhow in reporting. Therefore, econsense wel-



Thorsten Pinkepank, Director Corporate Sustainability Relations BASF, as keynote speaker at the launch of the G4 guidelines in Germany.

comes the focus on the essentials in the new guidelines. “This will help to improve the benefit of the reports for stakeholders,”

Pinkepank said.



BASF at Sustainable Brands Conferences

Leveraging sustainable innovations as a driver of business and brand value was the central theme of the Sustainable Brands Conference in London. For the second time BASF was a major sponsor of the event that took place in November 2013.

The conference convened the world’s leading thinkers and practitioners of environmental and social innovation and hosted more than 500 attendees from 28 countries.

Saori Dubourg, President of BASF’s Nutrition & Health division, gave a keynote speech. She outlined BASF’s company purpose “We create chemistry for a sustainable future” for the area of nutrition. “With a future population of nine billion people on earth, four billion of them coming from developing countries, the nutrition and health industry

meets serious challenges: To provide good and affordable food for everyone and to save resources and costs, collaborations along the value chain become more and more important,” Dubourg explained.

The next Sustainable Brands Conference takes place in Rio de Janeiro, Brazil, from April 24 to 25. Ralph Schweens, President for BASF in South America will be one of the speakers.



Saori Dubourg, President of BASF's Nutrition & Health division, at the Sustainable Brands 2013 Conference in London.



Exhibition: Sustainability – a Change of Perspective

Begin of March the exhibition “Sustainability – a Change of Perspective” opened at the BASF Learning Center in Ludwigshafen. Interactive modules give a new perspective on sustainability and allow visitors to

join in and shape the exhibition with their own contributions.

On show until March 2015, the exhibition will feature, in the course of the year, the eight topics that have

been identified in BASF’s materiality assessment in 2013.

The first two featured themes to start of the exhibition are Water and Energy & Climate.



The exhibition “Sustainability – a Change of Perspective” makes sustainability tangible for the visitors.



BASF named sustainability leader in China

At the end of February, BASF was named the winner of the Sustainability Leadership Award, the highest honor of the inaugural Deloitte China Sustainability Awards, supported by the United Nations Development Programme (UNDP).

The award aims to encourage and reward best practices in corporate sustainability among multinationals in China. The selection criteria for this award included governance (globally and in China), management structures, and identification of environmental and social risks and opportunities. The companies’ initiatives to improve sustainability performance were also assessed.



At the awards from left: Patrick Tsang, Deloitte Shanghai Managing Partner; Angelica Berg, Manager, ERS, Deloitte Sustainability; Albert Heuser, President Greater China and Functions Asia Pacific, BASF.





BASF listed in the Climate Disclosure Leadership Index DACH 2013

With a Disclosure Score of 100 BASF received the CDP Climate Disclosure Leadership Index (CDLI) DACH 2013 in autumn last year. As a basis for the analysis 4,500 company responses to CDP annual climate change information request had been taken. The CDLI DACH includes the best ten percent disclosure scores of the requested companies at the DACH region (Germany, Austria, Swiss). The score assesses the quality and transparency of companies on a

scale of 0 to 100. BASF was commended of its deep and long-term understanding of the impacts of climate-related risks and opportunities to its own business.

The transparency to stakeholders about emissions, management, strategies and other climate change related activities had been assessed positive as well.



BASF at environmental conference in Sweden

At the beginning of the year more than 100 representatives of the Swedish economy have met in Stockholm at the first environmental conference held by the Swedish magazine "Miljörapporten".

In a panel discussion Dirk Voeste, Vice President Sustainability Strategy BASF, gave an insight how BASF is driving sustainable and innovative solutions. "It is how we live the strategy", said Voeste. "When it comes to handling sustainability on a strategic level, it needs clear senior management commitment, implementation in the businesses and in the daily live of our people", Voeste stated.

The panel discussion was followed by speeches from environment and sustainability experts of the Swe-

dish economy and academia such as Karin Bodin, Chief Executive Officer of Polarbröd and Lisen Schulz, researcher with the Stockholm Resilience Center.



Dirk Voeste, Vice President Sustainability Strategy BASF (right) in an interview with Claes Sjöberg, Journalist und Managing Director for Miljörapporten.

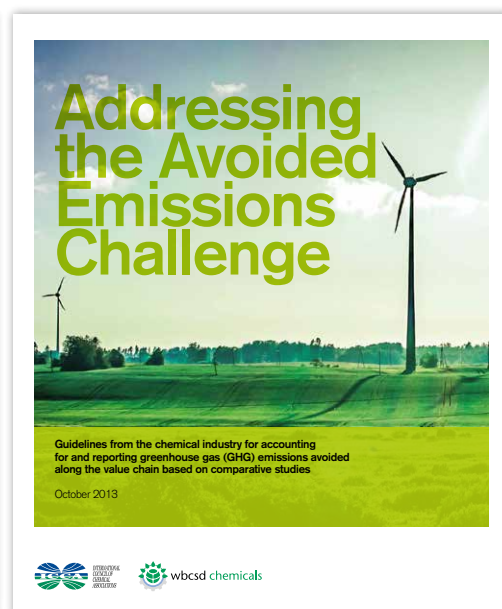
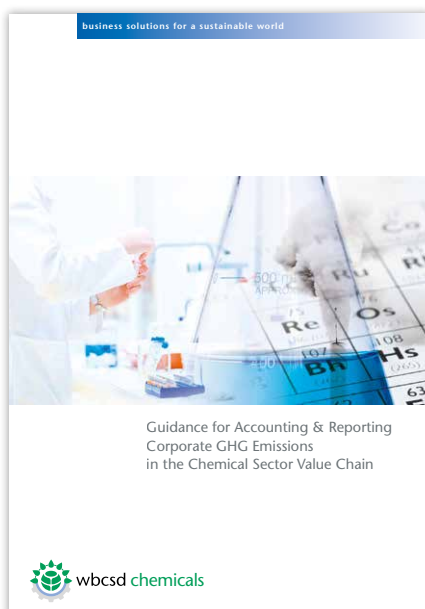


Guidelines on Greenhouse Gas emissions for the Chemical Sector

The World Business Council for Sustainable Development (WBCSD) and the International Council of Chemical Associations (ICCA) released two new guidelines that support chemical companies in accounting and reporting of Greenhouse Gas (GHG) emissions.

Both works have been co-chaired by BASF experts and were signed by Board of Executive Directors of BASF SE.

“Guidance for Accounting & Reporting Corporate GHG Emissions in the Chemical Sector Value Chain” supports chemical companies in the consistent measuring and reporting of GHG emissions, including the company’s own emissions and those of its value chain. The guidance builds upon existing best practice standards – the “GHG Protocol Standards for Corporate Reporting.”



“Addressing the Avoided Emissions Challenge” is a comprehensive document providing guidelines on how to calculate and report avoided GHG emissions of value chains where chemical products

are used by comparing two solutions with the same user benefit. The guidelines are intended to help the chemical sector communicate the role of chemical products in reducing GHG emissions.

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



Operational Excellence



Responsible Partnering



Products and Solutions



Resources and Ecosystems



Water

Read on & Events:

[Eleven BASF sites awarded Good Manufacturing Practice certification for cosmetic ingredients](#)

[CSR Europe General Assembly & Marketplace 2014](#)

[BASF and top Asian universities establish joint research network](#)

[Succinity produces first commercial quantities of biobased succinic acid](#)

[BASF progressing well with global goals for environment, health and safety](#)

[BASF launches diverse range of ingredients based on certified sustainable palm \(kernel\) oil](#)

[Green Sense® Concrete technology now also available on the European market](#)

[Building alliances for better nutrition - Study about the cooperation between BASF and the GIZ on the topic of SAFO](#)

[More information about BASF and Food Fortification](#)

[BASF to build new chelating agent plant for more sustainable detergents and cleaners](#)

[BASF listed in Global 100 by Corporate Knights](#)

[BASF receives 2013 Animal Protection Research Prize](#)

[BASF produces first commercial volumes of butanediol from renewable raw material](#)

[Video series about water education project in india](#)

[More information about BASF und Water](#)

[“Pitch for Nature” video from WBCSD on the value of natural capital for companies](#)

Contact

Do you have questions or comments?

We are looking forward to your suggestions.

BASF SE

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