Sustainable Development Goals (SDGs)  
Why they matter for BASF

ABIS Annual Colloquium 2017
Dirk Voeste, VP Sustainability Strategy
Brussels, Nov 16, 2017
BASF – We create chemistry for a sustainable future
Our business models relies on strong partnerships along value chains

- Sales 2016: €57,550 million
- 30,000 raw materials purchased from 70,000 direct suppliers
- 114,000 employees working at 6 Verbund sites and 352 other production sites
- 60,000 product applications by 300,000 customers in almost all industries

How to assess the contribution of our company to the Sustainability Development Goals?
# BASF’s Sustainability Goals

## Procurement

<table>
<thead>
<tr>
<th>Goal 2020</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainability performance assessment of relevant suppliers</td>
<td>70%</td>
</tr>
</tbody>
</table>

## Employees

<table>
<thead>
<tr>
<th>Goal 2021</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women in leadership positions</td>
<td>22-24%</td>
</tr>
</tbody>
</table>

### Long-term goal 2016

<table>
<thead>
<tr>
<th>Goal 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-German senior executives</td>
</tr>
<tr>
<td>Senior executives with international experience</td>
</tr>
</tbody>
</table>

## Production

<table>
<thead>
<tr>
<th>Goal 2025</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Process safety incidents</td>
<td>≤0.5</td>
</tr>
<tr>
<td>Lost-time injury rate</td>
<td>≤0.5</td>
</tr>
</tbody>
</table>

### Annual goal 2016

<table>
<thead>
<tr>
<th>Goal 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Performance Index</td>
</tr>
</tbody>
</table>

## Product stewardship

<table>
<thead>
<tr>
<th>Goal 2020</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk assessment of products</td>
<td>&gt;99%</td>
</tr>
</tbody>
</table>

## Energy & climate protection

<table>
<thead>
<tr>
<th>Goal 2020</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greenhouse gas emissions</td>
<td>-40%</td>
</tr>
<tr>
<td>Introduction of ISO 50001 energy management system</td>
<td>90%</td>
</tr>
</tbody>
</table>

## Water

<table>
<thead>
<tr>
<th>Goal 2025</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainable water management at Verbund sites and sites in water stress areas</td>
<td>100%</td>
</tr>
</tbody>
</table>

## Products & solutions

<table>
<thead>
<tr>
<th>Goal 2020</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proportion of sales generated by “Accelerators” in product portfolio</td>
<td>28%</td>
</tr>
</tbody>
</table>

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1) Per one million working hours
2) For products >1 metric ton per year
3) Per metric ton of sales products; excl. Oil & Gas, baseline 2002
4) At all relevant sites (primary energy demand, local energy prices)
5) Products with substantial contribution to sustainability
SDGs contributions along the Value Chain

**Supplier**
- Procurement

**BASF Operations**
- Growth and profitability; Employees; Production; Product Stewardship; Energy & Climate Protection; Water

**Customer**
- Product & solutions

Understanding risks & opportunities along the value chain
BASF’s sustainability assessments
From product environmental performance to corporate multi-dimensional value creation

SDGs: integral part of sustainability measurements
Integration of SDGs in our Sustainable Solution Steering®
Enhancing product sustainability performance from R&D to market

Results 2016

Target 2020: 28%

As of December 2016

27.2%
Cost savings downstream

Target 2020: 28%

68.3%

Biodiversity and renewables
Climate change and energy
Emission reduction
Resource efficiency
Water

4.2%
Health and safety

0.3%
UN Sustainable Development Goals
Hunger and poverty

0% 10%
(Double nomination possible)
Value-to-Society
Assessing the real impact of business on society

Full external supply chain

- Net income
- Amortization
- Taxes
- Wages & benefits
- Human capital
- Health & safety
- Air pollution
- GHGs
- Land use
- Waste
- Water consumption
- Water pollution

Own operations

Customer industries

Value contribution from BASF procurement

Value contribution from BASF operations

Value contribution from BASF sales

Linking SDGs with impact assessment
For BASF the Sustainable Development Goals

- provide orientation as a strategic frame in target setting and in reporting
- are in the process of getting integrated into decision making
- are implemented in sustainability assessments
BASF
We create chemistry
Integration of all three dimensions into Sustainability assessment

SEEBALANCE®

Eco-Efficiency Analysis
- Life Cycle Assessment
- Life Cycle Costing

Social Analysis
- Social Hot Spot Assessment
- Social Life Cycle Assessment

Ecology
Economy
Social