



# BASF Canada Food and Nutrition

 **BASF**

We create chemistry

# Our Purpose

**We create chemistry for a sustainable future.**

We want to contribute to a world that provides a viable future with enhanced quality of life for everyone. We do so by creating chemistry for our customers and society and by making the best use of available resources. We live our corporate purpose by: sourcing and producing responsibly, acting as a fair and reliable partner, connecting creative minds to find the best solutions for market needs.

**For us, this is what successful business is all about.**



# Our targets: Measuring success



## Financial targets

- Grow sales volumes faster than global chemical production
- Increase EBITDA before special items by 3% to 5% per year
- Achieve a ROCE\* well above the cost of capital percentage every year
- Increase the dividend per share every year based on a strong free cash flow

\* Return on capital employed (ROCE) is a measure of the profitability of our operations. We calculate this indicator as the EBIT generated by the operating divisions as a percentage of the average cost of capital basis.

\*\* Accelerator products are intended to contribute to sustainable development.

## Non-financial targets

- CO<sub>2</sub>-neutral growth until 2030
- €22 billion of sales with Accelerator products\*\* by 2025
- With sustainability evaluations we cover 90% of our relevant spend by 2025 and 80% of suppliers improve their sustainability performance upon re-evaluation
- More than 80% of our employees feel that at BASF they can thrive and perform at their best

## Global key measures

- Decouple our CO<sub>2</sub> emissions from organic growth through a Carbon Management program.
- Invest in cutting-edge technologies to speed up the transition to a circular economy, such as our ChemCycling project.
- Further increase our sales from Accelerator products, which are designed to contribute towards the potential for sustainability in the value chain.

# 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 value chain...

## We source responsibly

We connect across our supply chain, we collaborate closely with suppliers, we source responsibly.

## We produce safely for people and the environment

We take care of our employees, we operate responsibly, we produce safely – for people and the environment.

## We produce efficiently

We use resources in a circular, efficient way – an approach that's at the heart of our Verbund principle – we continuously improve our operations, we produce efficiently.

## We drive sustainable solutions

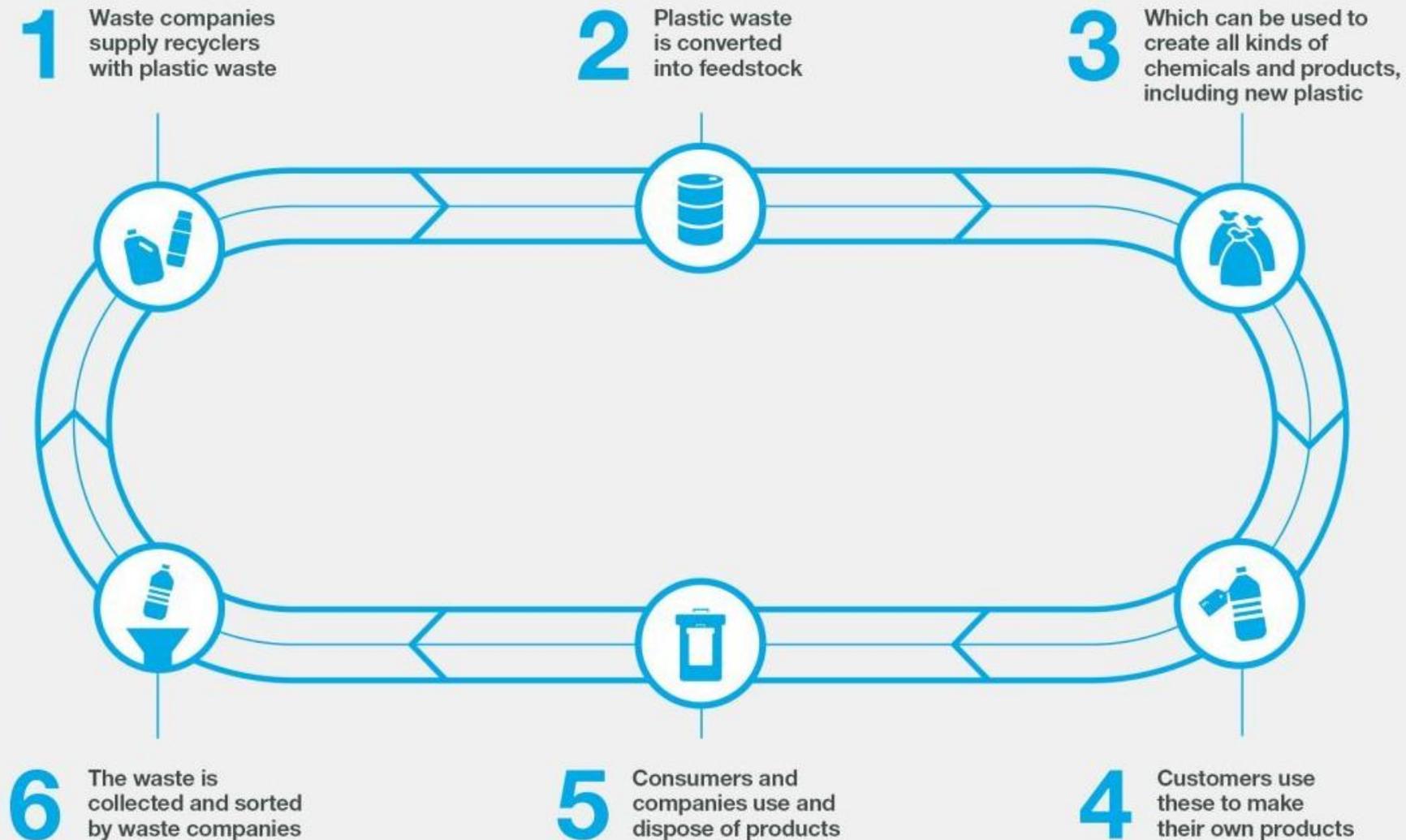
We bring innovative minds together to solve great challenges, we assess our solutions, which are designed to drive sustainability, then we shape our portfolio accordingly.

## We value people and treat them with respect

We motivate and engage, we champion appreciation and fairness, we value people and treat them with respect.



# Contributing to a circular economy through ChemCycling



# We drive Sustainable Solutions

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

## Sustainability Indicators

### Economy



Cost Savings

### Society



Health and Safety



Hunger and Poverty

### Ecology



Biodiversity



Renewables



Climate change



Energy



Emissions



Biodegradability



Resource efficiency



Waste reduction



Durability



Water



- We aim to increase the sale of products classified as Accelerators.
- Accelerators are products within our portfolio that contribute most to sustainability based on economic, ecological and societal indicators.
- Sustainable Solutions Steering, a BASF trademarked methodology externally verified by PwC GmbH, uses these indicators to classify our products

# Partnerships

Through our partnership and memberships, we strive to be a lead contributor towards corporate sustainability in Canada.

## Sustainability and Business Partnerships



## Multi-stakeholder Initiatives



## Sustainability Leadership



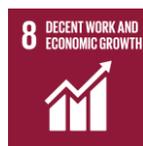
## Industry Associations



This is a sample of industry associations that BASF Canada belongs to.



Through our business we contribute to the UN SDGs



# Food and Nutrition

Successful farming depends on many factors. At the centre of it all is change and the understanding that constant innovation is vital to meeting the current and future food needs of Canadians.

- As an industry leader with a broad portfolio of fungicides, insecticides, herbicides and seed treatments BASF finds solutions for farmers to help increase the yields and the quality of their crops.
- By nurturing a culture of innovation in alignment with customers' needs, our technologies aim to ensure that crops grow healthier, stronger and more resistant to stress factors, such as heat or drought.

# Contribution to Canada from Food and Nutrition Industry



Most common farm types are oilseed and grain at 33% and cattle ranching at 24%



In 2016 there were 260,000 farm operators and 193,000 farms across Canada



\$3 billion government investment to strengthen agriculture and agri-food sector. \$85B national export target by 2025



Canadian grown canola contributes over \$19 billion to the Canadian economy each year



Over \$100 billion contributed annually to Canada's economy



1 in 8 jobs: Agriculture and agri-food industry employs 2.3 million Canadians



Canada is the fifth largest agricultural exporter in the world at \$56 Billion/year

# Trends

The agriculture & food sector is a key in global sustainable transformation. Solutions are needed to feed and supply 10 billion people with agriculture products while protecting ecosystems.



Upcoming technologies such as digital & precision farming can help to limit ecosystem impact.



Food waste reduction and improving living conditions of responsibly-raised livestock.



Regional and local food production close to consumers.

# ecovio® M 2351

Over time, ecovio® certified compostable mulch film helps to avoid adverse consequences.

- Compostable
  - Resource efficiency and water savings over time (higher yields by avoiding white pollution).
  - Avoiding emissions of toxic substances from open burning of polyethylene (PE) mulch film.
  - Waste reduction, avoiding soil displacement.
- Helps to avoid white pollution in agriculture such as crop yield decrease, and water savings.



# AgBalance™

**Along the food value chain, stakeholders view sustainability with different interests and needs. AgBalance™ enables all stakeholders to test their views against the common ground of sustainable agriculture.**

- An assessment tool BASF developed that allows farmers to monitor the impact of their farming practices using a variety of societal, ecological and economic indicators.
- Simulates virtual scenarios, and calculates different options and indicates areas for improvement in overall yield, erosion, emissions and more.
- AgBalance™ is a holistic method, assessing all the sustainability dimensions (economical, ecological and social).
- AgBalance™ assessments are based on an extensive data set, gathered during BASF's 15-years of experience with Eco-Efficiency Analysis.
- AgBalance™ includes 69 agriculture specific indicators such as land use, crop rotation and nutrient balance of soil.



# Nealta ® , Sultan ®

This is a foundational tool for Integrated Pest and Resistance Management programs.

- Provides today's growers with a novel high performing miticide that helps safe and integrated pest management and resistance programs.
- Novel mode of action.
- Strong and competitive performance on mites
- Controls all life stages of mites (eggs, nymphs, adults).
- Safe to use.





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