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

Non-financial targets
- CO₂-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 CO₂ 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.

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

**Suppliers**

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.

**BASF operations**

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.

**Customers**

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.

And along the value chain…
Contributing to a circular economy through ChemCycling

1. Waste companies supply recyclers with plastic waste
2. Plastic waste is converted into feedstock
3. Which can be used to create all kinds of chemicals and products, including new plastic
4. Customers use these to make their own products
5. Consumers and companies use and dispose of products
6. The waste is collected and sorted by waste companies
We drive Sustainable Solutions
Leverage our innovation power to achieve $32 billion in Accelerator sales in 2025

Sustainability Indicators

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- 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

- Excel
- Earth Rangers
- World Business Council for Sustainable Development
- Bullfrog Power
- Canadian Council for Aboriginal Business

Multi-stakeholder Initiatives

- Global Reporting Initiative
- The Carbon Impact Initiative
- Ellen MacArthur Foundation
- UN Global Compact
- Alliance to End Plastic Waste

Sustainability Leadership

- CDP A List 2018
- RobecoSAM Sustainability Award Silver Class 2017

Industry Associations

- CleanFarms
- CropLife
- CSTA
- ACCS
- CERT
- CPIA
- Chemistry Industry Association of Canada

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

Through our business, we contribute to the UN SDGs
BASF supplies a wide range of products to every application sector within oilfield: drilling, cementing, stimulation, production and enhanced oil recovery (EOR). Our solutions act as enablers for our customers to achieve maximum results in their oilfield operations.

Efficient and sustainable mining solutions - As a leading chemical solutions provider to the mining industry, BASF provides solutions that are designed to contribute to efficient and sustainable mining. We have products and solutions for mineral processing and underground construction.
Contributions to Canada from Mining, Oil & Gas Industry

- Mining industry contributed $97 billion to Canada’s GDP in 2017.
- $67 billion - in payments to the Alberta provincial government over the last 10 years.
- 426,000 directly employed workers across the country in mineral extraction, smelting, fabrication and manufacturing.
- Canada has about 165 billion barrels of oil that can be recovered with 96% located in the oil sands.
- $1.4 Billion invested in technology development contributing to 981 projects through COSIA.
- Largest private sector employer of Indigenous peoples in Canada on a proportional basis.
Global demand for energy is expected to increase 27% by 2040 as economies in both developed and emerging countries continue to grow and standards of living improve.

IEA states that hydrocarbons are forecast to remain the world’s dominant source of energy, meeting more than 70 per cent of the world’s energy needs by 2040.

Natural gas consumption is expected to increase 43 per cent over the forecast period, making it the fastest-growing fossil fuel.

Digitalization is expected to empower the energy transition with smart data-driven energy management solutions.

Experts predict that energy transition built on renewable energy and energy efficiency are key trends for 2030 but will not completely replace traditional energy.
BASF Solutions

- Offering a wide range of solutions designed to help optimize for efficiency and sustainability

- Exploration
  - Field survey, engineering, metallurgy, feasibility
  - Drilling fluids
  - Lab studies/Plant & process design

- Construction
  - Insulation
  - Coatings
  - Flooring
  - Waterproofing
  - Grouting
  - Admixtures
  - Emissions catalysts
  - Opening and closure of facilities

- Mine Operations
  - Tunnel boring
  - Shotcrete / Sprayed concrete
  - Cementing additives

- Rehabilitation
  - Backfill pumping aids
  - Hydroseeding
  - Weed management

- Refinery
  - Refining catalysts such as fluid catalytic cracking (FCC)
  - Lubricants
  - Fuel additives
  - i.e. Keropur AP

- Transport
  - Insulation and pipeline chemicals
  - Elastopor pipeline insulation

- Solutions differ by respective value chain, and may be provided directly or via value chain partners

For Exploration & Production, BASF offers cementing and stimulation additives, OASE natural gas processing amines, absorbents, etc.

For Renewables, BASF offers enzymes for ethanol plants, surfactants and other chemistries