



BASF Canada Mobility

 **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

- 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.

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

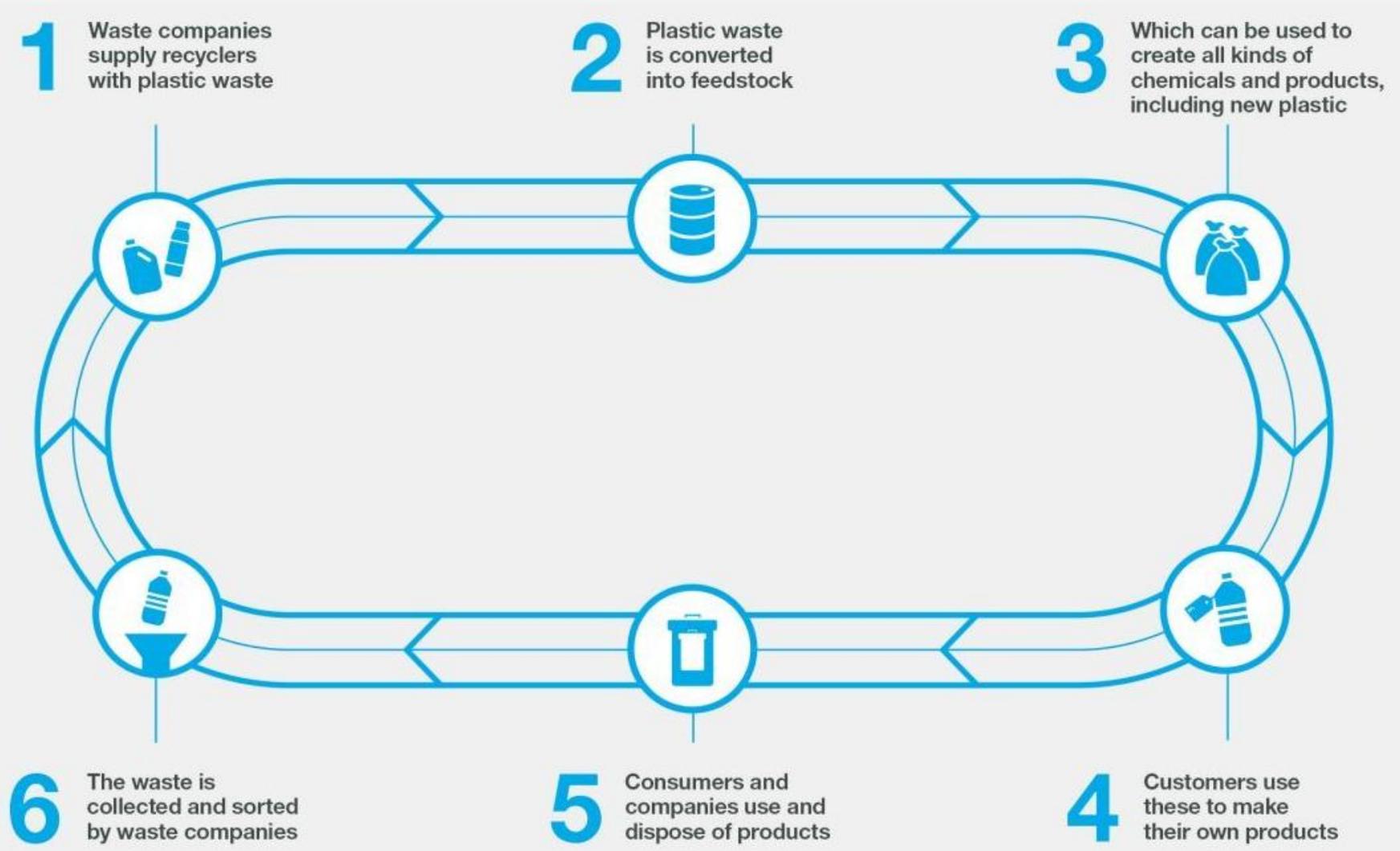
We bring innovative minds together to solve great challenges, we assess our solutions, which are designed to drive sustainability, then we shape our portfolio accordingly.

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



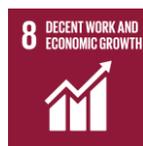
Industry Associations



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



Through our business we contribute to the UN SDGs





Mobility

Greater fuel efficiency, a lower environmental impact, freedom of design as well as greater comfort and safety.

- BASF operates closely with customers all over the world. We supply and develop functional materials and solutions that enable vehicles to be built and to operate more efficiently.
- Our product range includes engineering plastics, polyurethane and specialty foams, coatings, pigments, catalysts, axle and transmission lubricants, fuel additives, coolants and brake fluids, as well as battery materials.

Contributions to Canada from Mobility Industry



The electrification of transportation is one of the most effective strategies for achieving sustainable transportation



Canada surpassed 2 million new motor vehicles sold for the second year in a row in 2018



Vehicle emissions accounted for approximately 50% of Canada GHG emissions, and 12% percent of the country's total emissions



\$120 million investment for electric vehicle and alternative fuelling infrastructure



\$229 million in support of Clean Energy and Clean Transportation Innovation Programming

Trends

Growth towards 10 billion people in 2050, with 70% living in cities, will trigger transformation to enable sustainable transport of goods and people.



Transitioning transportation to emission-free, while expanding public transport and car sharing services.



Electric vehicles are projected to be the most relevant trend in emerging technology, key regions for EVs are Asia, Europe and North America.

BASF Solutions

- Products designed to be efficient and promote sustainable development and growth for our customers

Reducing emissions through innovative technologies

- Our innovative technologies shorten the coating process, save materials and improve productivity.
- Advantages of our Integrated Process II include:
 - Reduced CO2 emissions up to 20%
 - Save energy by as much as 15 – 20%
 - Lower material consumption



- Our technologies offer low volatile organic compounds (VOC) solutions or alternatives to critical substances
- Waterborne coatings
 - BASF is a pioneer of waterborne basecoats reducing emissions of volatile organic compounds (VOCs).



Solutions to achieving a circular economy

- Our coatings protect and extend the lifetime of products
- Oxsilan®
 - An efficient and multi-metal pretreatment process.
 - The innovative thin-film technology is used for the pretreatment of premium car bodies and for the automotive component industry, appliance and construction industries.



- We offer services for our customers designed to improve their sustainability performance:
 - Global Training Network
 - Events for efficient painting
 - Eco-Efficiency Analysis of application processes





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