News Release

Press conference: 150 Years of BASF

BASF celebrates 150th anniversary with an interactive program

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The spoken word applies.
Ladies and gentlemen,

Welcome to our press conference in Ludwigshafen.

BASF is turning 150 in 2015. This kind of anniversary can be viewed through a mathematical lens: The more times it is evenly divisible by 50, the more meaningful it is. At 150 years, we are talking about a factor of 3 – which is quite impressive. Not even its founder, Friedrich Engelhorn, imagined that BASF would one day be so old. Remaining successful for so many years is an accomplishment in itself. This number speaks for the creativity and determination of BASF’s employees – past and present. For 150 years, they have managed to find the right balance between risk-taking and responsibility.

We know that many are now watching us with interest. How will BASF celebrate this anniversary?

To answer that question, we started with an analytical approach. An anniversary needs a party. But: A party itself is not very special and wouldn’t do justice to an occasion like this. Because BASF is a science and research-based company, we wanted to try something new for our anniversary. And it was clear that this new concept must be connected with our strategy and our corporate purpose, “We create chemistry for a sustainable future.” This statement contains the following three ideas: We develop innovations. We do this together with others. And: The solutions we develop help make the future more sustainable.

“We create chemistry for a sustainable future” expresses in one sentence what has made and continues to make us successful. The recipe hasn’t changed since 1865: We recognize societal trends and the needs of people. With research and development, we find new solutions for them, again and again.

It all started in 1865, with dyes. Ammonia production followed a few years later in order to make fertilizer. Then, plastics came along. Since then our portfolio has continuously developed and today it ranges from chemicals, plastics, performance products and crop
protection to oil and gas. We work with customers in almost every industry.

Today’s requirements and the expectations of society are much more complex. But our focus is still on improving people’s quality of life. However: This should not come at the expense of the next generations. When we conduct research today, we keep one guiding principle in mind: sustainability. We treat resources with care. That’s why we strive to strike a balance between all three dimensions: economy, environment and society.

This is necessary because more and more people are living on our planet. In 2050, the world’s population will reach 9 billion. 70% of the people will live in cities. And we know today that resources are scarce. We have already reached almost seven billion people – mainly in the megacities of the developing countries. Everyone needs a roof over their heads, clean water, electricity. They want to be mobile and move around – when they want. People want to live in an intact environment. To feed nine billion people in 2050, we will need twice as much food as today. How can that be accomplished if we can’t simply double the amount of farmland?

**BASF is working on the challenges of the future in its anniversary year**

We already looked at these issues in 2011 in our “We create chemistry” strategy. These challenges open up major opportunities for BASF – because it is only through innovations in chemistry that we can get closer to answers and solutions. In 2015, we will focus on three topics: energy, food and urban living.

These topics look quite different from region to region. In Germany, the energy transition means we are still faced with many unanswered questions. In India, water is scarce. There, almost 40% more water is consumed than provided through natural means. And in some parts of the world, we need more nutritious food. A company that works on a global scale has to look at issues from the perspectives of different markets and understand local requirements.
From Ludwigshafen into the world

The German chemical industry has operated internationally since its beginnings. Shortly after it was founded, BASF was selling its dyes worldwide. Thanks to indigo, chemistry soon became a global market leader: The industry reversed the flow of goods in only six years. In 1896, Germany had been importing blue dye for almost 20 million German gold marks. Just after the turn of the century, the country was exporting synthetic indigo for the same amount.

BASF first had a sales network to sell its products overseas. Production came much later – in the 1960s. And then came research, quite some time after that. We initially invested in Europe, then in North and South America. Starting in the mid-1990s, Asia took on an increasingly larger role.

But, as always, there is an exception to every rule: sometimes, exporting a product simply didn't pay off. Usually this was due to especially high tariffs or particularly complicated regulations. That's why BASF was already producing at its own plants in Russia, France and the United Kingdom at the end of the 19th and beginning of the 20th centuries. It wasn’t until the 1960s that we began the strategic buildup of sites abroad. We wanted to get closer to customers, and not only sell to them. This is how our sites came about in Antwerp and Spain.

Following the Second World War, we took our production to South America. And shortly after that, the United States. We started purchasing companies in North America early on. The acquisition of catalyst manufacturer Engelhard Corporation in New Jersey was the largest purchase for us to date.

Let’s go back a bit further in history again: In 1885, BASF sent a manager to China with the aim of seeking opportunities for the company. The country seemed terrifically attractive due to its large population. China was also a new market on a largely unknown continent. There was real pioneer work to be done.
At the end of the 1980s, we decided to build a Verbund site in Nanjing, together with the leading Chinese chemical company, Sinopec. This decision resulted in long discussions within the company, and it was not only met with approval. It was unclear at the time whether China would open up further or seal itself off.

Looking back, it was the right decision: Today, we are the largest foreign chemical investor in China. We have compiled BASF’s history in China in a book just in time for the anniversary. The title is “Breaking New Ground.” Many of you know the author well: It’s Michael Grabicki, the longtime head of our media relations team.

**[Presentation Kurt Bock]**

**Collaboration means success**

For BASF’s founders, innovation, and what a company needs to look like to foster it, was already high on the agenda. The first director of research was appointed only three years after our founding. And we were working closely with university chemists from an early stage, on dyes or ammonia synthesis. Especially these collaborations were very successful and provided cornerstones for our research.

BASF continues to be marked by close collaboration between chemists and engineers. What one discovers and solves in the lab, the other translates into large-scale production in our plants.

Compared with the past, today’s joint endeavors involve many more disciplines. The construction of a wind power turbine, for example, requires a team of researchers, developers and market experts. It’s not only about improving material properties, but, critically, ensuring they fit and work together in the best possible way. This means that, internally, we need to work across different divisions and combine the knowledge of many experts. We need to consider solutions together with customers and scientists.

**We are collaborating more closely with employees and partners to jointly innovate**

As you can see, conducting research together with universities, research institutions and companies has a rich tradition at BASF.
Today, we are involved in more than 600 cooperations around the world. We see our anniversary as an opportunity to open up in ways that go beyond these proven collaborations. The way innovations arise has changed considerably compared to the past. This is because of new methods of communication as well as a different self-awareness and changed expectations of people. They want to solve societal problems and make their contribution. They discuss online, in blogs and social networks, and share their ideas.

We are convinced that when we add the expertise from chemistry and other industries to these ideas, we will be closer to finding answers for the challenges of today and tomorrow. For society, these are solutions. For BASF, these are business opportunities. The better we understand market needs, the better our innovations will be – regardless of whether we’re talking about products, entire systems or new business models.

This is where the anniversary comes into play. We see the anniversary program as a sort of laboratory, in which we can try out new ways of working together over the next year – within BASF and with people outside the company. We have developed an innovation program that helps employees make new contacts and meet decision-makers that they don’t yet know. The program will also provide new methods and ways of working.

**[Presentation Martin Brudermüller]**

**BASF has developed the Creator Space™ program**

Our anniversary program is called Creator Space. Maybe that sounds a bit odd at first. But as Albert Einstein said: “If at first, the idea is not absurd, then there is no hope for it.”

The program creates numerous opportunities to think about and work on innovations virtually – that is, online – or through personal contact – face-to-face, the old-fashioned way. Not only customers and scientists can participate in this innovation process. In fact, everyone who wants to contribute is invited – including you.
Our website **Creator Space online** went live in September 2014. It is interactive, and brought to life by the ideas, comments and contributions of its users. In addition, entries from various social media channels appear automatically. More than 2,000 participants are currently exchanging ideas in real-time on our three anniversary topics: urban living, energy, and food. These include, for example, how the energy from day-to-day movements can be used or what to do about rising temperatures in cities – the “heat island effect” is the technical term for it. One participant posed this question, and since then, various solutions have been discussed – from coating building façades to planting green roofs.

We will take the ideas and solutions from these discussions and feed them into other anniversary activities such as our **Creator Space tour**. Unlike Creator Space online, the tour is about personal exchange in an environment that motivates creativity and an urge to design the future. The 2015 tour will stop for one week each in six cities: in January in Mumbai, and then in Shanghai, New York, São Paulo, Barcelona and Ludwigshafen. It provides space for workshops, conferences, idea competitions and cultural events. Employees, customers, scientists, politicians and NGO representatives will all have the opportunity to get involved with the anniversary topics.

Each stop concentrates on one challenge that is particularly important for that city or country. The tour and its equipment are at this very moment on a ship headed to Mumbai. There, from January 16 to 23, the focus will be on water. We will work, for example, with customers, institutes, authorities and artists, leveraging studies and the know-how of external experts. The goal is to provide as many people as possible with clean water. We want to contribute to this.

A team of BASF employees and employees from the NGO “Save the Children” will live in Mumbai for ten days to work on what we learn from this Creator Space tour. They want to understand how people deal with water on a daily basis, and which solutions already work
well or could prove useful in the future. The results will be analyzed and developed, and presented at a conference at the end of 2015.

This is just a small selection of the Creator Space activities that we have planned for 2015. The focus will be on trying out new innovation methods with science, customers and society. Until the end of 2015, all employees who took part in Creator Space will be able to submit project proposals and we on the Board will recognize the most promising ideas. These projects proposals will also receive startup funding.

We are also planning three high-level science symposia. The symposium in November 2015 in Shanghai will revolve around how we can live and work better. Science symposia will also be held in Chicago and here in Ludwigshafen. Renowned scientists from various disciplines will meet at each event. Among them are Nobel prize winners including the physicist and energy politician Steven Chu, the chemist Jean-Marie Lehn, and Frances Arnold, the pioneer of evolution in a test tube. We will hold discussions with a total of more than 1,500 guests from science, politics and industry. In Ludwigshafen, we will talk about the energy transition and ask how chemical research can help make it a success. In Chicago, we will spend two days on various aspects of food and nutrition.

We’ve spent about one year preparing for our anniversary. Many employees are involved from around the world – because an anniversary also requires knowledge from various disciplines. And it needs employees who want to combine our business success with social responsibility.

There is someone else who is also joining us for our anniversary – and he has already been active for a number of months. This is filmmaker Thomas Grube. His documentaries include “Rhythm is it” and “Trip to Asia.” For him, it’s not about recording and documenting technical information. Thomas Grube likes to convey what he thinks and feels when he experiences something personally. This is what he is doing with BASF’s 150th anniversary. Let’s look at his first impressions.
Celebrating 150 years

We see Creator Space as a great opportunity to bring BASF closer to our target groups. Of course we have opened up a lot more in the last 20 years than in the past. You can read on our website or in our corporate report all about what we’re doing and how we behave. We invite our neighbors to visit sites so that they can get a glimpse inside a chemical company. And yet: The Creator Space program goes a step further. And that is an experiment for us.

But it’s not all. We are combining these activities with celebrating our 150th anniversary – first and foremost with our employees. Every site is doing it a bit differently, according to their respective size and culture. In Ludwigshafen, there will be a multiday party in September for employees and their partners to celebrate our birthday. What else will there be for employees? They can apply for funding for social projects in their area and receive up to €5,000 per project. They can meet interesting personalities from art, culture, sport, science and politics. And they can get to know the various careers and jobs at BASF. This is how the anniversary program will increase understanding, even among coworkers, of the different functions and diversity within BASF.

Since May, employees around the world have been recording the typical sounds of BASF – the humming of plants, the hissing of the coffee machine or the rustling of laboratories. We have collected more than 1,200 sounds and gathered them into a “sound library.” They form the basis of a composition we commissioned for the anniversary. We were able to engage English composer Michael Nyman for this work. You may know Michael Nyman for his music in the Oscar-winning film “The Piano.” We are especially glad of his great sense of humor and his joy in experimentation. We are very excited to hear how BASF sounds as a musical work.

The composition will premiere on April 23, 2015, during our official anniversary event with around 1,000 guests: customers, scientists and representatives from politics. April 23 is, by the way, not the
exact date of our founding: That would be April 6. But in 2015, that falls on Easter Monday. The celebration will take place in Ludwigshafen, at the Feierabendhaus. Our history is, after all, closely tied with the Ludwigshafen site. The event will be transmitted on the intranet, so that all employees around the world can watch the celebration live.

[Presentation Martin Brudermüller]

Cultural engagement in the anniversary year

Over 90 years ago, on November 30, 1921, an important event took place in Ludwigshafen: BASF had hired the Palatinate Orchestra, now the German State Philharmonic of Rhineland-Palatinate, to play the first concert for employees of BASF. Thus began our sponsorship of the arts. Today, our cultural program comprises much more than just music. In our anniversary year, we are supporting a display at the Wilhelm Hack Museum in Ludwigshafen and BASF will also contribute exhibits. On view from December 2015, to February 2016, it will show pictures of what life in the future could look like seen from both a current perspective and what was imagined in the past. The exhibition will concentrate on points in time from industrialization up to the present in which significant concepts for the future arose. These concepts will be presented in the context of cultural and industrial history.

Education has an equally long tradition in our social responsibility. That’s why we have been involved in “Jugend forscht” – a German-wide youth science competition – since its establishment in 1965, as sponsor of the Rhineland-Palatinate state competition. The most well-known youth competition in Germany will also celebrate an anniversary next year, turning 50 years old. And because 150 and 50 simply go well together, we will hold the federal competition in Ludwigshafen in 2015. Here the best young researchers in Germany will present their work and ideas at the Feierabendhaus. The German President Joachim Gauck is the patron and will join us in Ludwigshafen for the award ceremony.
I will end our look at the activities in 2015 here. We haven't mentioned everything that will take place at our sites worldwide in 2015; we will give you more information over the course of the year.

[Presentation Kurt Bock]

Michael Grabicki is in the foyer, ready to answer your questions on his book about China. If you would like to delve a bit deeper into our history, please take a look at our digital display outside. It is arranged according to the topics of responsibility, solutions, global presence, and joint success. You can find examples of these topics in 150 years of BASF. I would also like to draw your attention to our freshly printed chronicle, “BASF History – We create chemistry.” It is richly illustrated and offers a good, readable overview of our company.

So that you can also experience how the Creator Space program works, we would like to try it out with you. The concept will simply become more accessible that way. We therefore warmly invite you to a short “jamming session.” Maybe that also sounds a bit strange and, as Einstein would say, a little absurd.

You probably are familiar with this term from music. It describes artists spontaneously coming together to improvise and play. Sounds like total chaos. But in fact, such jam sessions are often the source of unusual and creative compositions. Now we want to head off on the search for good ideas. The topic we have picked is “urban living” – specifically, public transportation. We would be very pleased if you took a little time to engage with this experiment and co-create with us.