



Luxembourg, 16 December 2024

Environmental and Social Completion Sheet (ESCS)

Overview

Project Name:	BASF INNOVATIVE CHEMICALS RDI
Project Number:	2022-0317
Country:	Germany
Project Description:	The project concerned the promoter's RDI investments over a 2-year period (2022-2023), focusing on five segments, Chemicals, Materials, Industrial Solutions, Surface Technologies and Nutrition & Care as well as on central Corporate Research.

Summary of Environmental and Social Assessment at Completion

EIB notes the following Environmental and Social performance and key outcomes at Project Completion:

No significant environment or social issues were noted. The project concerned **investments in research and development activities**, focusing on the company's Chemicals, Materials, Industrial Solutions, Surface Technologies and Nutrition & Care segments as well as its significant cross-divisional Corporate Research, that were carried out in existing facilities in Germany, without changing their already authorised scope. Overall, the project has been assessed as acceptable having no adverse impact on the environment.

The R&D activities of the project have significant impacts in downstream industries through increased cost effectiveness, increased environmental sustainability (lower environmental impacts) and increased energy efficiency. The promoter's annual report (2023) provides a few examples of recently developed products and improved processes that give good illustrations of the positive contribution of the promoter's R&D activities to society.

One particularly interesting example is the electrification of steam crackers, as heating concepts that use electricity from renewable sources could reduce process-related emissions by at least 90% in the near future. At the beginning of 2024 and as a result of recent R&D activities, the promoter completed a new demonstration prototype, fully integrated into one of the two existing steam crackers of the Ludwigshafen site, that will be used to test the electrified process at industrial scale.

In addition, BASF also recently decided to focus its product portfolio even more strongly on resource efficiency, climate change and energy efficiency as well as circular economy, in order: (i) to meet the increasing sustainability requirements of its customers with innovative solutions; and (ii) to comply with permanently evolving regulatory requirements. To achieve this strategic objective, BASF completely revised its "Sustainable Solution Steering" (TripleS) methodology in 2022 (during the first year of the project implementation). The purpose of BASF's TripleS methodology is to steer the product portfolio based on sustainability criteria, starting at initial R&D development stage. BASF's TripleS methodology received the European Responsible Care® Award 2023.

Summary opinion of Environmental and Social aspects at completion:

Based on the report provided by the promoter, EIB is of the opinion that the Project has been implemented in line with EIB Environmental and Social Standards, applicable at the time of appraisal.