

Environmental and Social Data Sheet

Overview

Project Name:	BASF RDI PROGRAMME
Project Number:	2019-0119
Country:	Germany
Project Description:	The project concerns the promoter's RDI investments in 2019 focusing on five segments, Chemicals, Materials, Industrial Solutions, Surface Technologies and Nutrition & Care as well as on central Corporate Research.
EIA required:	no
Project included in Carbon Footprint Exercise ¹ :	no

Environmental and Social Assessment

Environmental Assessment

The project concerns the promoter's R&D activities focusing on the company's Chemicals, Materials, Industrial Solutions, Surface Technologies and Nutrition & Care segments. It also includes the significant cross-divisional Corporate Research. The R&D activities of the project will be managed and carried out by the promoter's existing R&D staff mainly in Germany as well as in other locations in the EU28. Most of the related sites are ISO 9001 certified. In addition most of the promoter's major manufacturing sites worldwide are certified ISO 14001. The project's R&D activities are a central part of the promoter's operations and, as such, will be embedded in the existing organisational and management structure.

BASF has a sound environmental policy including strong commitments to comply with legal requirements, prevent pollution, continual improvement, regular audits and annual report of its environmental performance. R&D facilities and practices carried are in compliance with applicable national and EU relevant regulations and the operating procedures in place are in line with best industry standards.

BASF products are involved in a large number of climate protection technologies, enabling energy efficiency and climate protection in a variety of sectors, such as the construction industry, the automotive industry and in industrial processes amongst others.

Other Environmental and Social Aspects

The promoter was one of the first companies in the chemical industry to implement (in 1996) the so-called "Eco-Efficiency Analysis" which involves carrying out an overall study of alternative solutions to include a total cost determination and the calculation of ecological impact over the entire life cycle. In 2016, BASF's Eco-Efficiency Analysis has been validated

¹ Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO₂e/year absolute (gross) or 20,000 tons CO₂e/year relative (net) – both increases and savings.

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by NSF International. The Eco-Efficiency Analysis follows ISO 14040:2006 and 14044:2006 for environmental life cycle assessments. The assessment of life cycle costs and aggregation to an overall Eco-Efficiency is based on ISO 14045:2012.

The company has also a robust Safety and Health management system in place that allowed the promoter to bring the number of work-related accidents per 200,000 working hours down to 0.3 in 2018 considering all BASF sites worldwide. The improvement of S&H is a key priority for the company and in a new target was recently set up to bring this figure further down to 0.1 by 2025.

Conclusions and Recommendations

The Research and Development activities are not specifically mentioned in the EIA directive and are therefore not subject to mandatory Environmental Impact Assessment. Furthermore, the project concerns investments in research and development that will be carried out in existing facilities mainly at the promoter central R&D site in Germany (Ludwigshafen) and to a lesser extent in other smaller R&D sites within the EU-28 (primarily Germany), without changing their already authorised scope. An Environmental Impact Assessment (EIA) is therefore not required under Directive 2014/52/EU amending Directive 2011/92/EU.

A number of innovative products/processes resulting from the R&D activities of the project will have important impacts in downstream industries through increased cost effectiveness, increased environmental sustainability (lower environmental impacts) and increased energy efficiency. Therefore, the project is acceptable, in social and environmental terms, for financing by the Bank.

PJ/SQM/ECSO