

## Environmental and Social Data Sheet

### Overview

Project Name:	BASF INNOVATIONS
Project Number:	2016-0328
Country:	Germany
Project Description:	Research Development and Innovation related to speciality chemical programmes.
EIA required:	no
Project included in Carbon Footprint Exercise <sup>1</sup> :	no

### Environmental and Social Assessment

#### Environmental Assessment

The project concerns the promoter's R&D activities focusing on the company's Chemicals, Performance Products and Functional & Materials Solutions segments. 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 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 million working hours down to

<sup>1</sup> 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 CO<sub>2</sub>e/year absolute (gross) or 20,000 tons CO<sub>2</sub>e/year relative (net) – both increases and savings.

Luxembourg, 30 September 2016

1.4 in 2015 considering all BASF sites worldwide. The improvement of S&H is a key priority for the company and in 2015 a new target was set up to bring this figure further down to 0.5 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's 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 2011/92/EU as amended.

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 for financing by the Bank.

PJ/SQM/ECSO 15.10.15