



We create chemistry

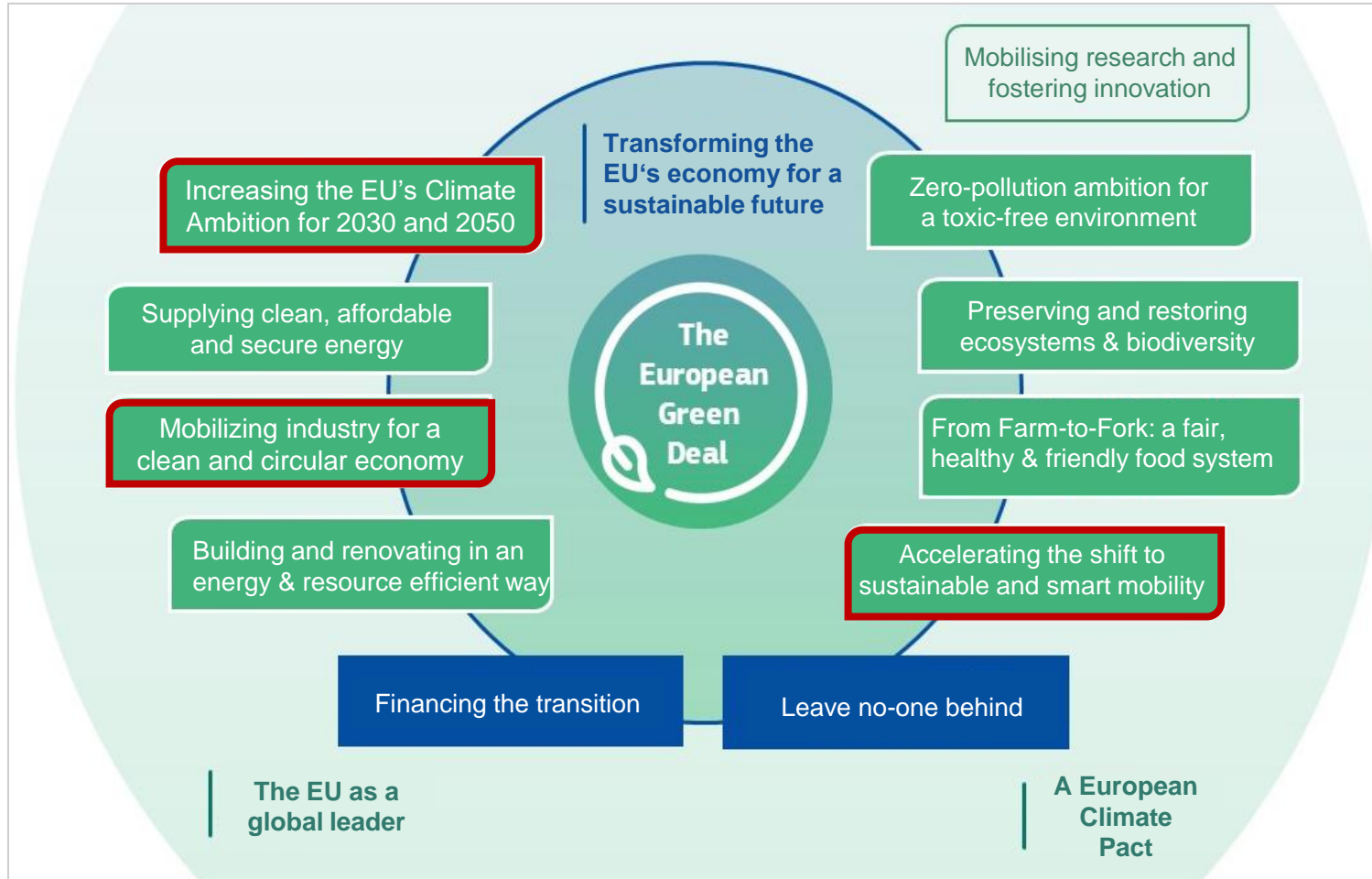
BASF's view on the EU Chemicals Strategy for Sustainability (CSS)

Webinar ZCHFP, May 5th, 2021

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The European Green Deal: BASF contributes



Ongoing transformation of the industry

- **BASF** contributes on several ends:
 - Carbon Management: approaching a carbon neutral production.
 - Circular Economy: dedicated program with targets of 250 kt recycled feedback by 2025 and € 17 bn circular sales by 2030
 - Battery materials for e-mobility.
- This requires investment and innovation spirit.

Chemical Strategy for Sustainability: Opportunities and Challenges

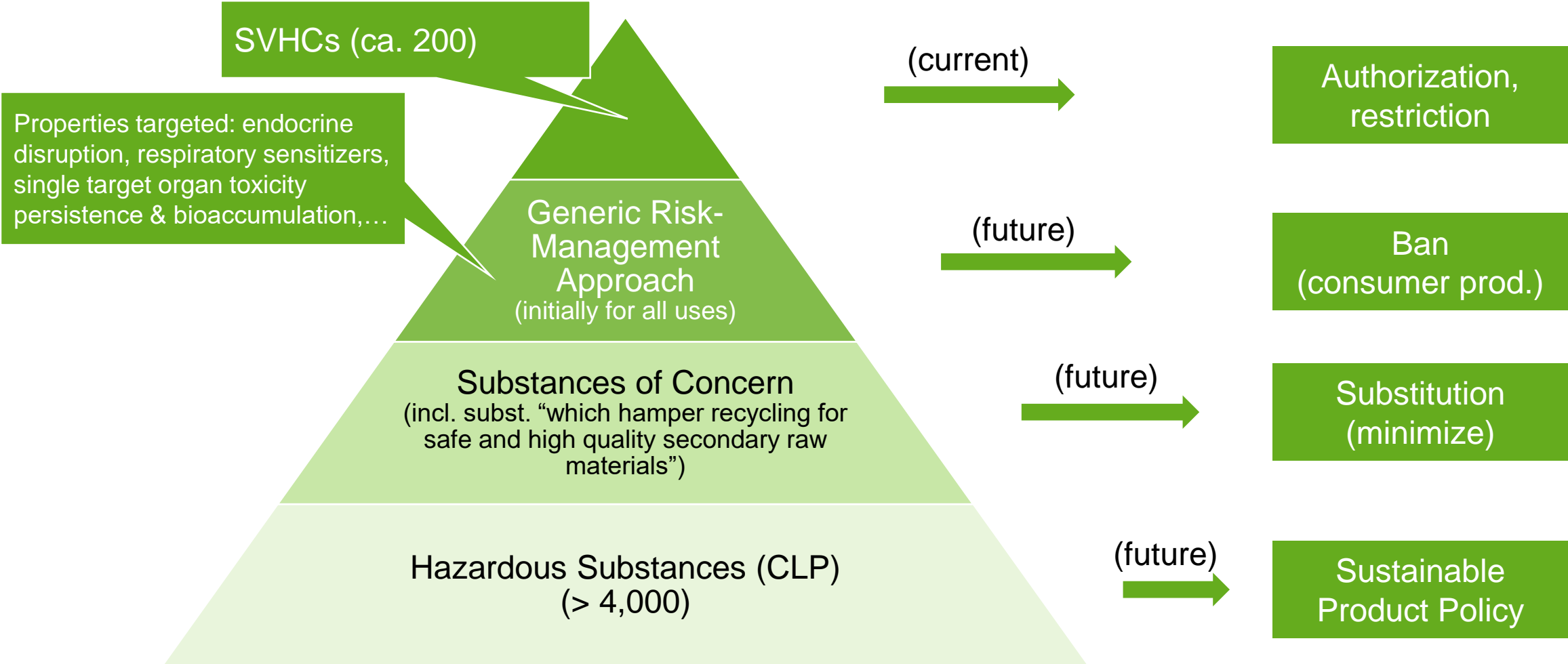


Includes Chemicals Strategy for sustainability

Objectives:

- Opportunity:
Boost innovation to enable transition to safe and sustainable chemicals
- Challenge:
Regulation aimed at an enhanced protection of human health and the environment

Many substances will be affected: the chemical toolbox shrinks



Fewer substances on the market – industrial uses affected

CSS: impact on Industry – example

- BASF OASE[®] green: solvent (optimized mixture) for the energy efficient cleaning of bio-gas (removal of H₂S and CO₂)
- BASF rating as Accelerator: product which makes a special contribution to sustainability
- The mixture contains components with hazard properties which would lead to a ban under the CSS.
- No relevant exposure of humans or the environment during use, transport and storage. Current assessment concludes: no risk.
 - For the regulation of chemicals, the assessment of risks under the intended use is indispensable.
 - Impact not only on BASF as producer but also on users which run the bio-methane production.



OASE[®]
GAS TREATING EXCELLENCE BY BASF

Assessing impact

Cefic: impact assessment for **chemical and downstream industries**

- Cefic closes a gap as EU COM will not conduct holistic impact assessment
- Implications for **downstream industries** from lack of substances needs to be shown
- **Country-specific** impact to be assessed
- 240 companies participate, Results in Q3/2021
- Initial BASF assessment shows significant potential impact



CSS: Staying aligned with Global Chemicals Regulation

What is the issue?

- CSS aims at new classification for endocrine disruptors and persistent chemicals.
- This would by-pass the Globally Harmonized System for classifying chemicals (GHS) and may derail the whole GHS process.

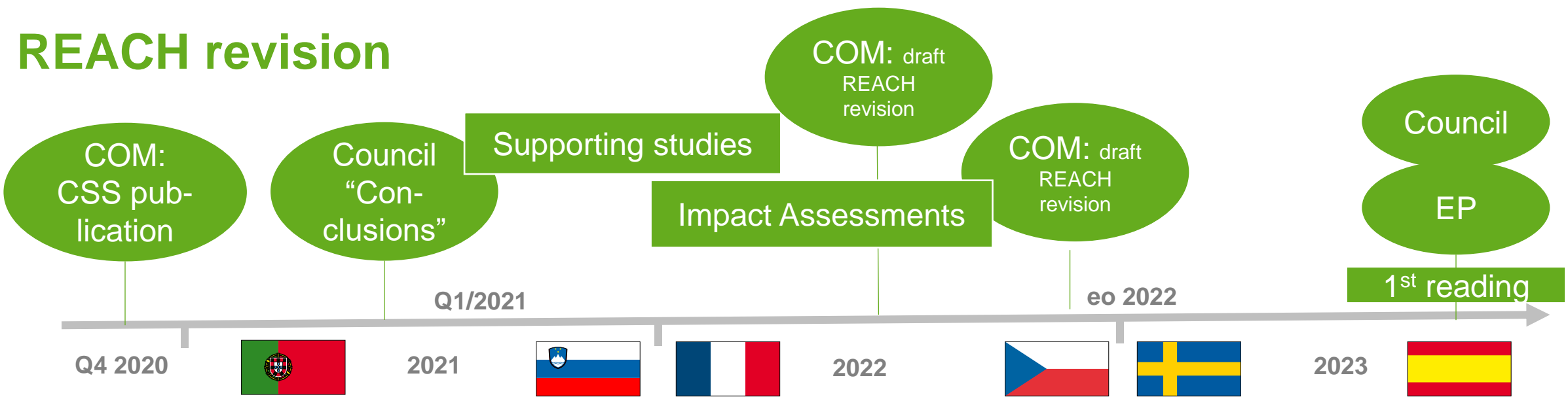
Why is it important?

- Common classification is the basis for common rules.
- The EU chemical industry is globally active and exposed to global competition.
- GHS is essential for chemical safety, particularly outside the developed world

What is our request to the Slovak Government?

- Support the position: Commission to introduce new classification in GHS first

REACH revision



EU COM

Proposal for a revision of the Regulation for Classification and Labelling as well as for REACH

EP & Council

Compromise on final text

BASF

- Content: suggest regulatory concepts
- Preparedness:
 - industry impact assessment
 - communication (crisis ?)
- Awareness raising

• Advocacy on draft/ amendments





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