

BASF Group News & Media Relations Press Releases

-BASF Group

Press Releases

BASF establishes Sustainability Council

06/26/01
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- Committee to develop strategies for Sustainable Development on behalf of the Board
- Practical guidelines for BASF's sites worldwide

BASF has become one of the first companies to establish a Sustainability Council. The task of this Council is to create structures and instruments to foster the company's Sustainable Development. In this way, BASF wants the company's activities to contribute toward economic, ecological and social development without compromising the development prospects of future generations.

Headed by Eggert Voscherau, member of BASF's Board of Executive Directors and Industrial Relations Director, the Council is composed of presidents of operating and functional divisions. Together, they will develop strategies for the three key areas of Sustainable Development - economy, ecology and society. The resulting projects will then be implemented by the business units and divisions at BASF. As a result, the concept of sustainability will be anchored more strongly in the company's goals and strategies and in its day-to-day business. This approach also ensures that decisions are made that are tailored to local conditions at BASF's sites around the world.

Examples of on-going projects are as follows:

One project is focusing on product assessments and investment decisions.

- This will be done, for example, using the eco-efficiency analysis developed by BASF. The company is working to include social criteria in the analysis and in consultation with prestigious German partners such as the Institute of Applied Ecology (Eco-Institute) in Freiburg, Karlsruhe University and the Wuppertal Institute. As a result, the analysis will in future cover all three dimensions of Sustainable Development.
- In addition, BASF will be developing and monitoring Sustainable Development criteria.

Another team is seeking ways to integrate the idea of sustainability more strongly in BASF's relationships with its suppliers and customers.

A first concrete project has almost been completed. This year, BASF's Annual Report and Environment, Safety, Health Report will be supplemented by a Social Responsibility Report for the BASF Group. This report is the third and final pillar of BASF's sustainability reporting and will be published in summer 2001.

Sustainability has long been a part of BASF's Verbund structure. Sustainability management can therefore build on existing strengths. BASF's Verbund means that chemical products can be produced extremely efficiently, conserving energy and raw materials. Research at BASF also contributes to the future in the form of innovative materials and system solutions. In order to reduce the energy consumed by buildings, BASF has developed a

"three-liter house" that requires only three liters of heating oil per square meter of living space each year.

"Sustainable Development in the areas of economy, ecology and society will be the key to success in the 21st Century," said Dr. Jürgen F. Strube, Chairman of the BASF's Board of Executive Directors, explaining the reasons behind the creation of the Sustainability Council. "BASF's strategy is to increase and sustain the value of the company through growth and innovation. We want to consistently post high profits in a way that continually maintains and expands the conditions needed for further growth. We will best be able to achieve this by combining our economic growth with environmental protection and social stability."

"The Sustainability Council is an internal control mechanism that will help us to secure and extend competitive advantages," is how its head, Eggert Voscherau, sums up the tasks of the new body. "It will allow us to tailor our research, production and marketing at an early stage to meet future economic, environmental and social challenges. As a result, we are making a long-term contribution to the success of our business."

BASF is a transnational chemical company that aims to increase and sustain its corporate value through growth and innovation. The company's product range includes high-value chemicals, plastics, colorants and pigments, dispersions, automotive and industrial coatings, agricultural products and fine chemicals as well as crude oil and natural gas. BASF's approach to integration, known in German as "Verbund," is one of its particular strengths, ensuring cost leadership and a unique competitive advantage. With sales of about ?36 billion (circa \$34 billion) and a workforce of 103,000 employees in 2000, BASF is one of the world's leading chemical companies. BASF acts in accordance with the principles of Sustainable Development. BASF shares are traded on the stock exchanges in Frankfurt (BAS), London (BFA) and New York (BF). The company's Internet address is www.basf.com.

For media inquiries please contact: [Mister Dr. Hartmut Unger](#)

For investor inquiries please contact: [Investor Relations Team](#)

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