

# Futuring and Sustainable Development at BASF

Klaus Heinzlbecker  
Director  
Strategic Planning  
BASF AG  
Ludwigshafen  
Germany



 **BASF**

The Chemical Company

# BASF The Chemical Company

## Invisible contribution. Visible success.



Invisible Contribution, Visible Success.

**Invisible Contribution** - BASF is an essential partner in many industries, working with customers to develop and optimize solutions. Throughout the world we meet the most diverse challenges, mainly from behind the scenes.

**Visible Success** - The results of our partnerships are worth seeing. Additives to aircraft fuel-bearing building materials and to protect valuable structures are one example of the way in which we improve processes, increase quality and lower costs - contributing to the success of our customers and a better quality of life for us all.

[www.basf.com/more](http://www.basf.com/more)

PLASTICS  
POLYMER PERFORMANCE  
AGRICULTURE, PROTECTION & NUTRITION  
PHARMA & CARE

Invisible Contribution, Visible Success.

**Invisible Contribution** - The mountaineer's life depends on the strength and durability of the rope. The contribution made by our materials cannot be seen. But, the most BASF products, their performance is visible.

**Visible Success** - Working closely with customers in many industries, we develop and optimize solutions. The results of these partnerships are worth seeing: improved processes, increased quality and lower costs contribute to the success of our customers. And a better quality of life for us all.

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Invisible Contribution, Visible Success.

**Invisible Contribution** - The effects of newly developed plastics are not always obvious at first glance. But, for many of our solutions, they are crucial. They make seats and figurines lighter and more resilient at the same time. And they are only part of our many innovations for the automotive industry.

**Visible Success** - Working closely with customers in many industries, we develop and optimize solutions. The results of these partnerships are worth seeing: improved processes, increased quality and lower costs contribute to the success of our customers. And a better quality of life for us all.

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Invisible Contribution, Visible Success.

**Invisible Contribution** - With just a dash of our additives all companies significantly improve the performance of their fuel. Engines run cleaner, more economically, under higher load. And emissions are reduced by up to 20 per cent.

**Visible Success** - Working closely with customers in many industries, we develop and optimize solutions. The results of these partnerships are worth seeing: improved processes, increased quality and lower costs contribute to the success of our customers. And a better quality of life for us all.

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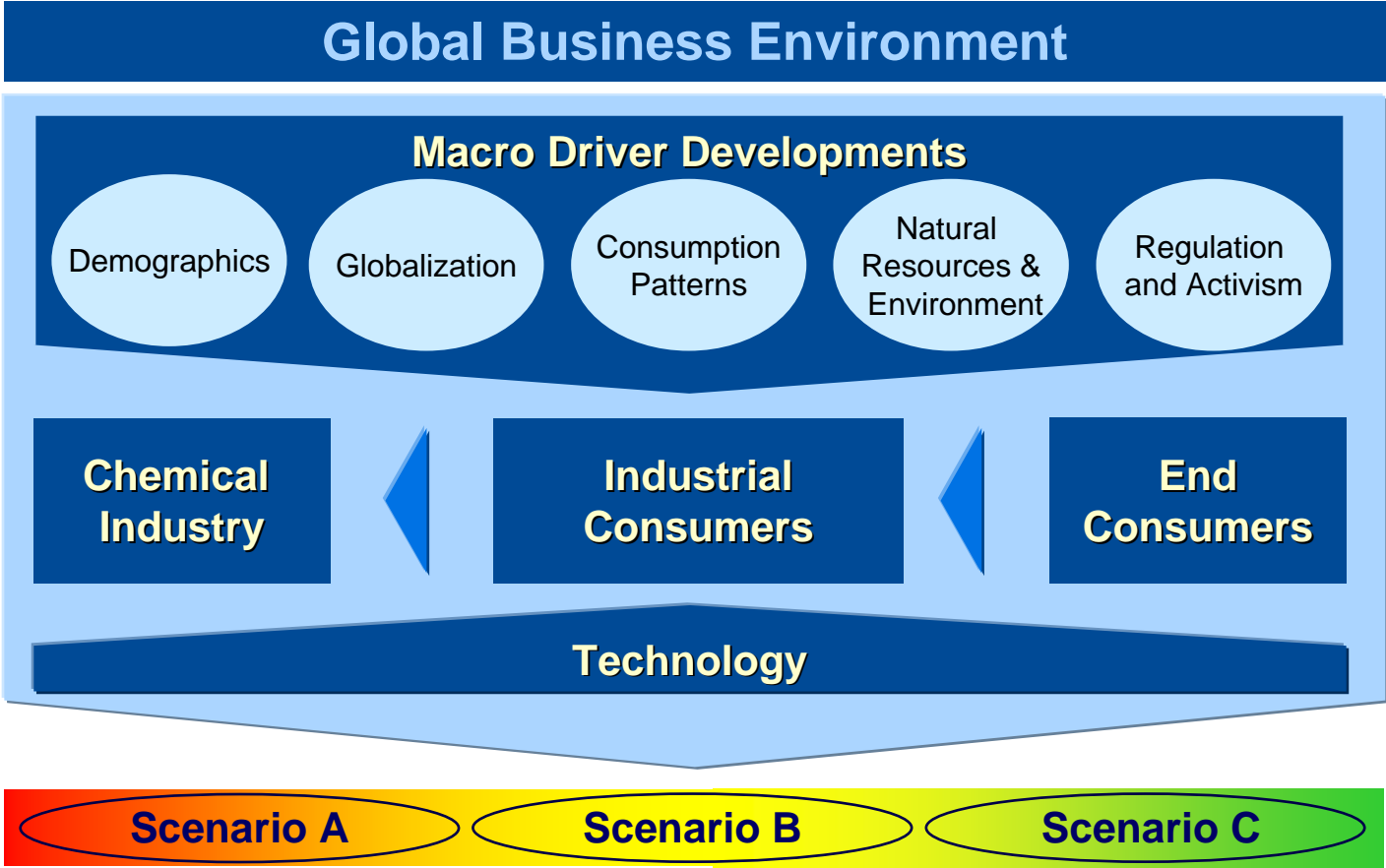
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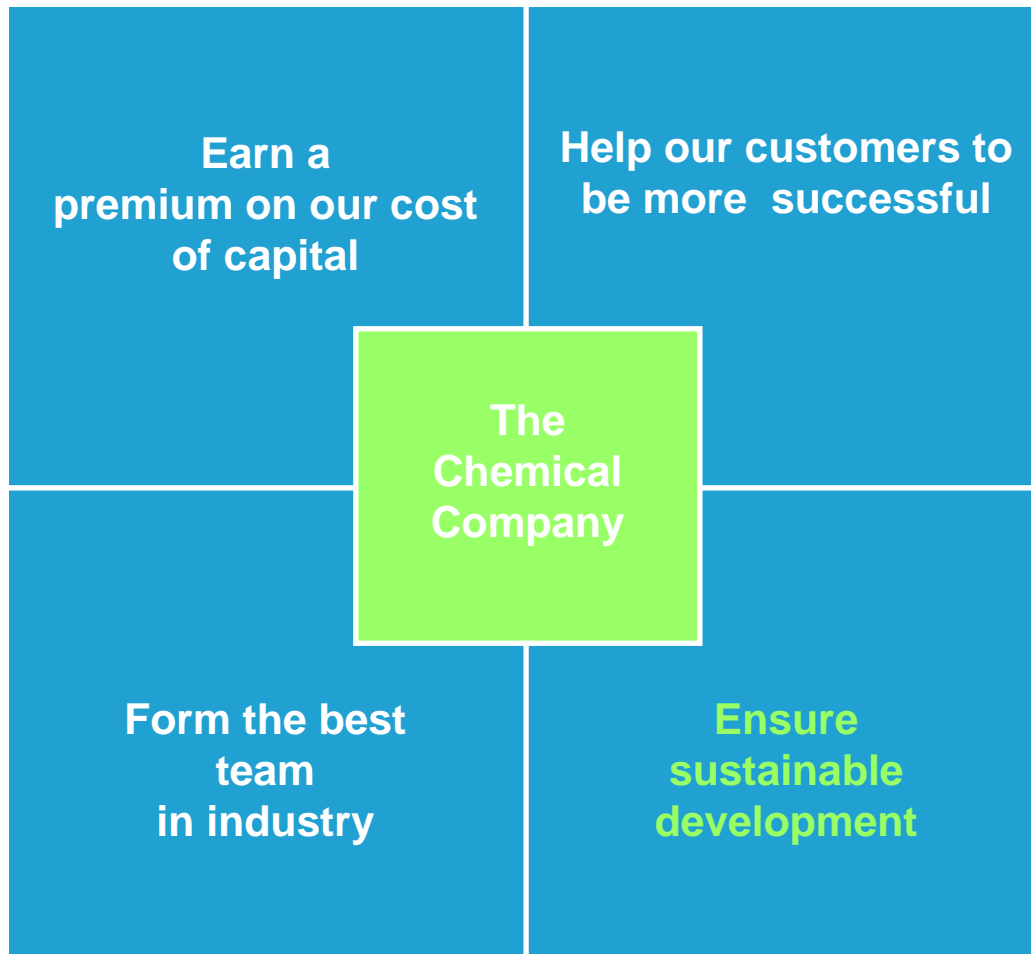
## BASF – The Chemical Company

- The world's leading chemical company
- Offers intelligent system solutions and high-value products for almost all industries
- Sales 2006: €52,610 million
- Income from operations (EBIT) 2006: €6,750 million
- Employees at year-end 2006: 95,247

# Trend- and Scenario Analysis as Input to the BASF Corporate Strategy 2015



# Four Strategic Guidelines for Long-Term Success

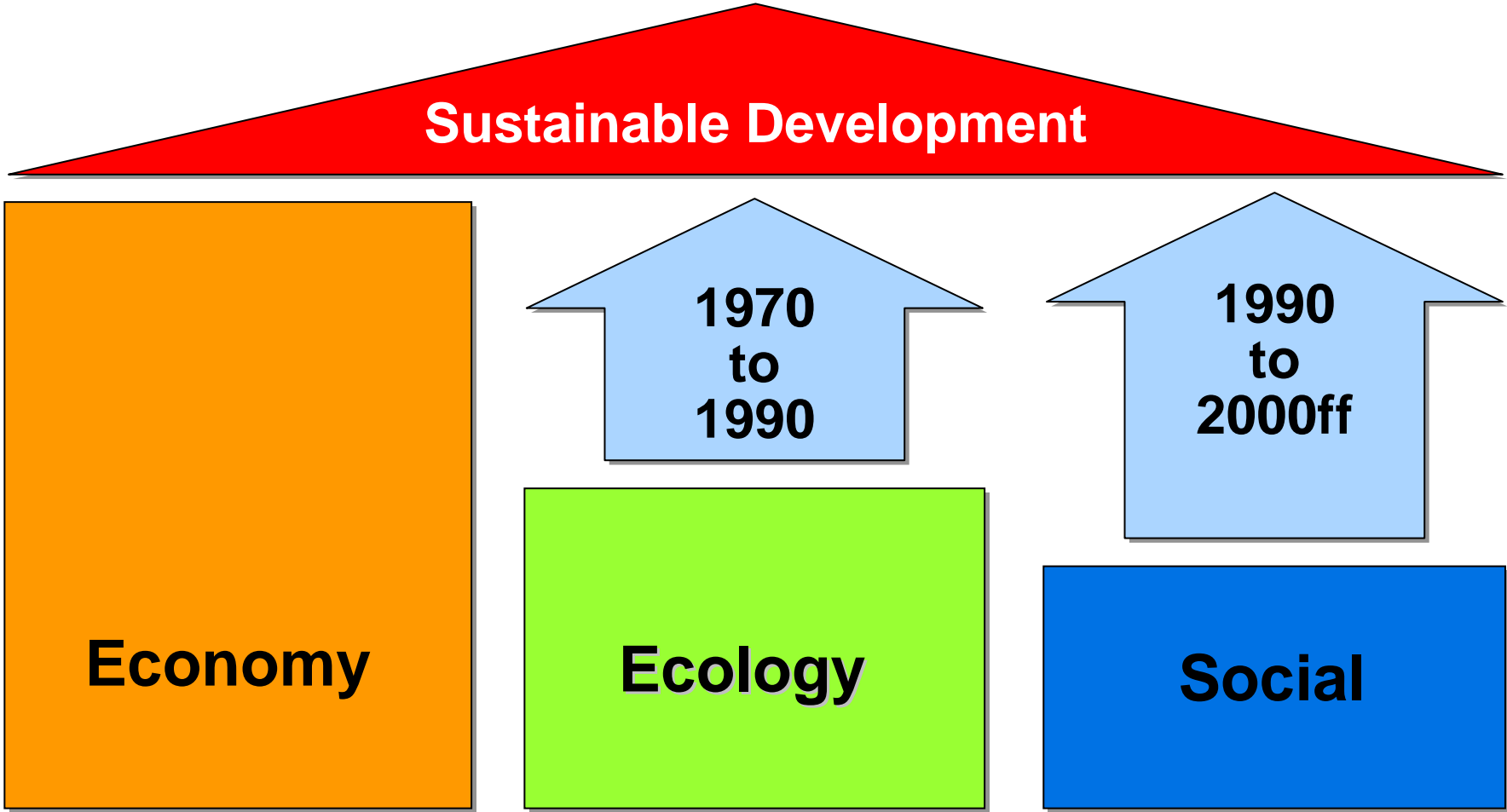


# Challenges of Sustainable Development

- Growing world population
- Limited natural resources
- Limited capacity of ecosystems
- Economic and social differences

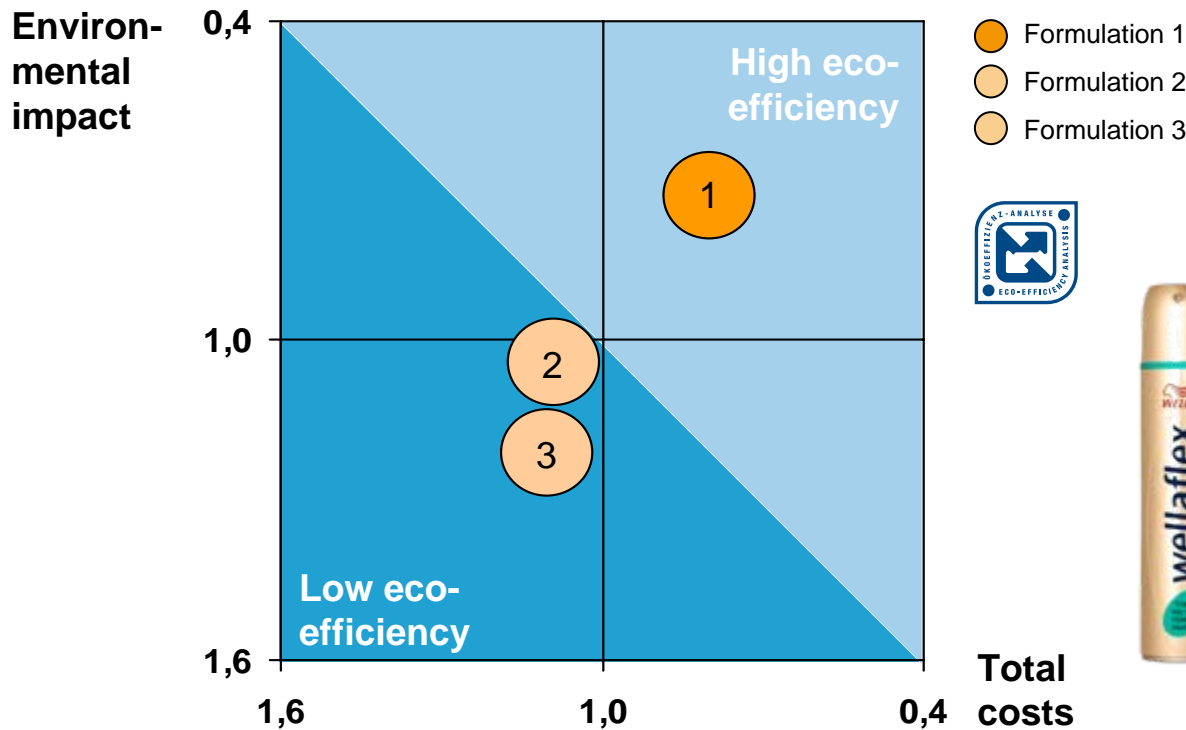


# Integration of the Three Pillars



# Ensure Sustainable Development: Eco-Efficiency Analysis

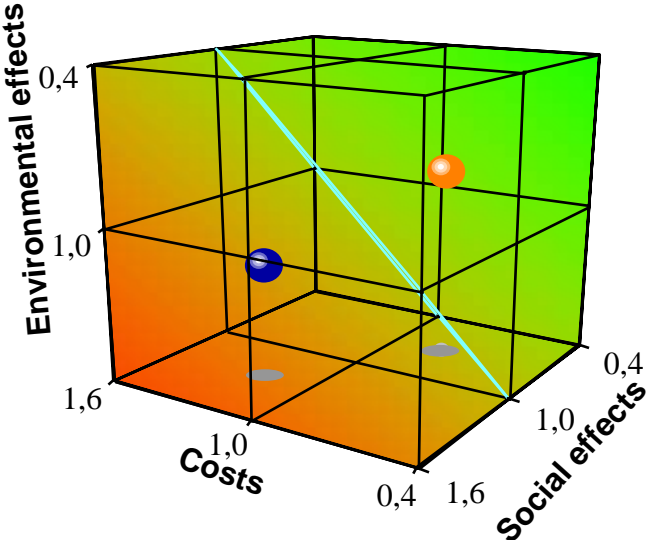
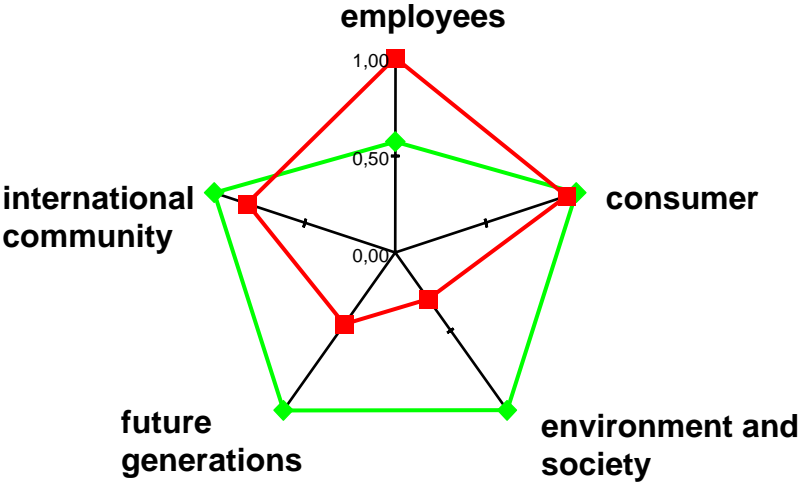
Example: Eco-efficiency analysis for 3 types of hair sprays



- Eco-efficiency analysis is a strategic management tool invented and used by BASF
- Assessing economic and ecological impact of products and processes
- Benefit: Simultaneously optimizes total cost and environmental impact
- Today 90 % of all product areas have completed at least one strategic evaluation on a major product

# Sustainability Tool: Integration of the Social Dimension into the Eco-Efficiency Analysis

- Integrated assessment of economic, ecological and social aspects of products and processes
- Cooperation with Universities and NGOs



# The global Poor & Rich Gap

**Annual per capita income\***

**Population in millions**

More than \$20,000

**Mature  
Markets**

75 – 100

\$1,500 – \$20,000

**Emerging  
Markets**

1,500 – 1,750

Less than \$1,500

**Survival  
Markets**

4,000

\* Based on purchasing power parity in U.S. dollars.

Source: U.N. World Development Reports.

# The Fortune at the Bottom of the Pyramid (C.K.Prahalad)

- Two-thirds of world population is at BOP with 1 or 2 \$ income (nom) per day
- Six billion in 40 years
- 4–5% annual growth over next decade
- Those in dire poverty will drop 30–40%
- BoP is becoming aware of many products
- Investment climate becoming more hospitable
- BoP represents *a multi-trillion dollar market*



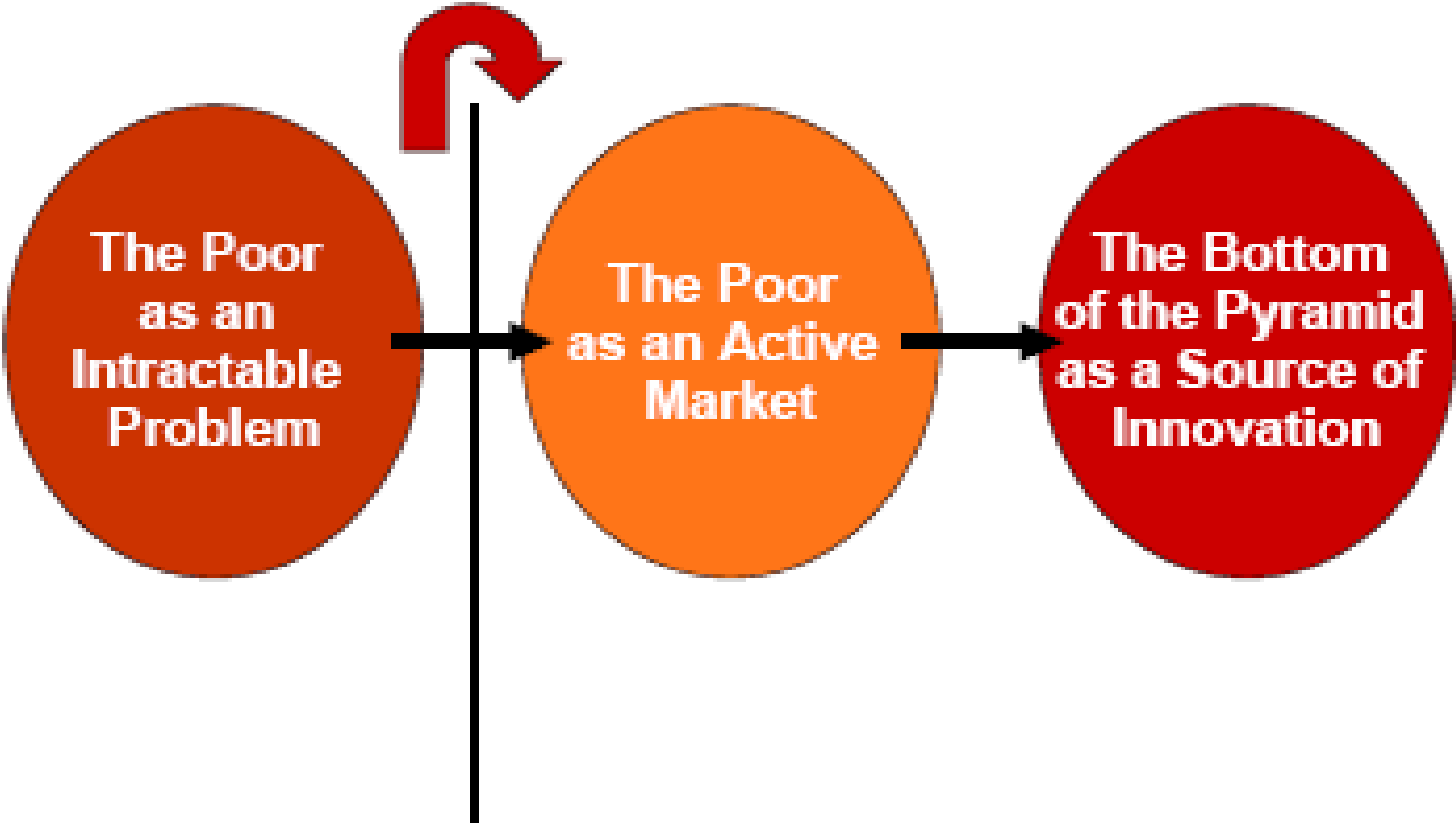
# BASF India: BoP Projects



- **Malaria prevention**
- **Food Fortification – The way to healthier life**
- **Super Absorbents in agriculture – Efficient use of scarce water**
- **The Monsoon shoe – affordable water proof leather shoes**

# Challenging managers mindset

## The Needed Shift in Mindset



Source: C.K. Prahalad, "India as a Source of Innovations," 30 September 2009



**Thank you for your attention !**