

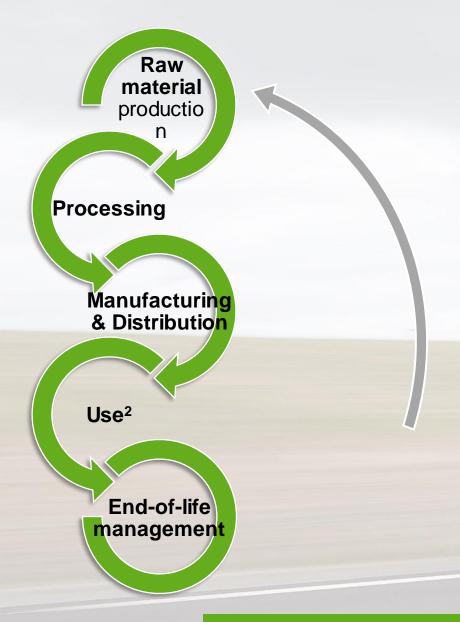
MORTEN MELDAL Nobel Prize in Chemistry 2022

"There is nothing that is not chemistry." 🗆 - BASF



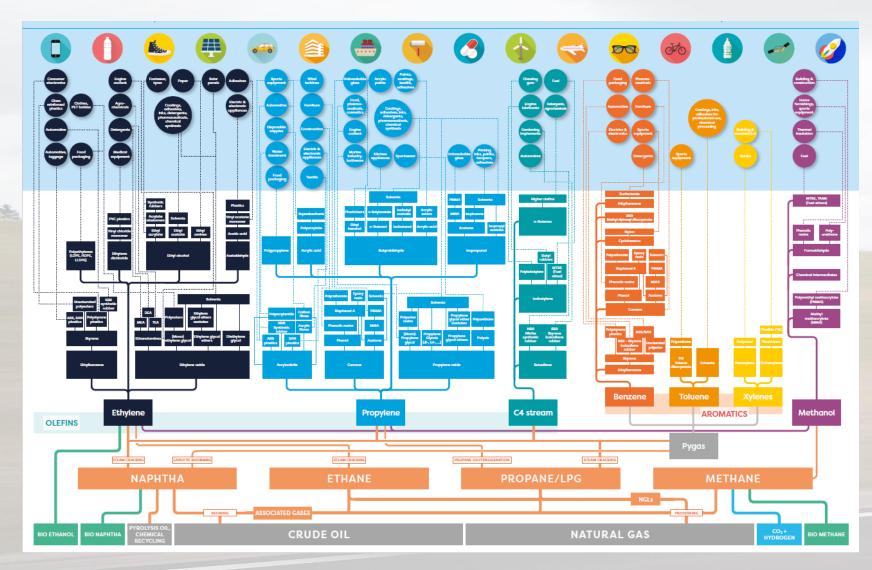
The Chemical Industry is important for the transition to a Circular Economy

- 95%¹ of manufactured goods rely on chemicals
- Chemical production is a prerequisite for a sustainable downstream
- Chemistry is an enabler of circular economy





Chemical industry Complex value chains





Change in the Chemical Industry Mass balance is the enabler

- Complex value chains and processes
- Chemical Industry doesn't look the same
- Cefic* supports definitions of all Chain-Of-Custody methods
- Cefic highligts the importance of a mass balance allowing the chemical industry to change

CoC models ISO 22095

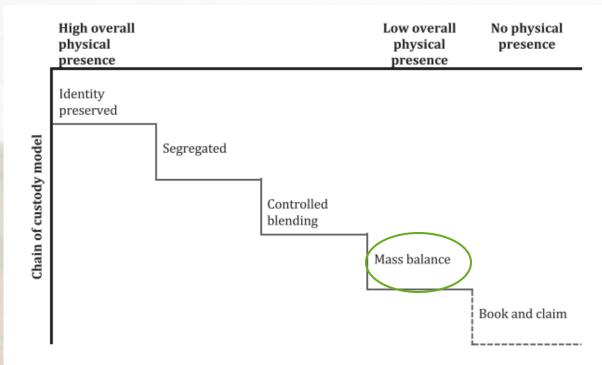


Figure 1 — Indicative illustration of chain of custody models ranked according to the physical presence of specified characteristics



Recycled or biobased feedstock? Not one solution

Recycled feedstock

Dedicated mechanical recycling



Mechanically recycled feedstock derived e.g., from waste polystyrene (PS)

Chemical recycling (e.g. ChemCycling®)



Pyrolysis oil derived from plastic waste or end-of-life tires

Renewable feedstock

Biomass balance



Biomethane or bio-naphtha derived from biomass (waste)

Dedicated bio-based production



Sustainably sourced bio-based resources, e.g., RSPO certified palm oil

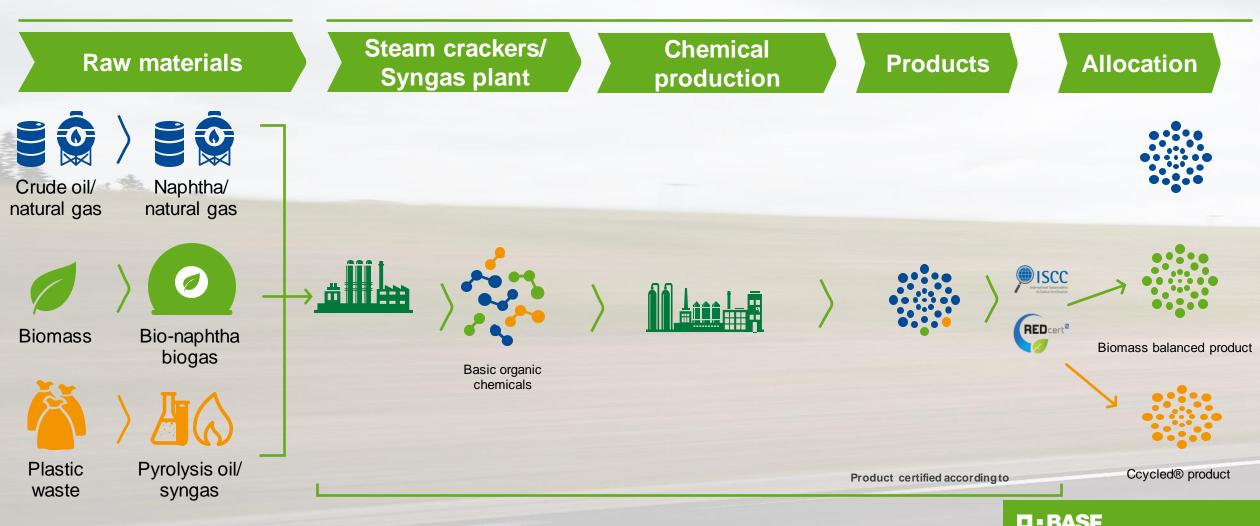


Mass balance in a complex value chain BASF past

Steam crackers/ **Chemical production Raw materials Products** Syngas plant Crude oil/ Naphtha/ natural gas natural gas Fossil product Basic organic chemicals



Mass balance in a complex value chain BASF present



Why is Mass balance important?

- Use existing plants with very efficient processes
- Use existing plants
 - > Lower costs, no (few) investments necessary
 - > Avoid CO₂ when building new plants
- Cost-effective and faster shift
- Possibility to offer more sustainable products now





What is needed? Finalize and implement a mass balance standard (ISO 308), applicable for all sectors incl. the Chemical Industry Acceptance of mass balance by EU commission Possibility to use MB as sustainable solution i.e. Environmental Product Declaration (EPD) Companies have to request and implement mass balance

Considerations Mass balance is necessary to change from fossil to renewable and recycled feedstock Mass balance is not for customer perspective only, also B2B, B2C but also for political and company No quick transformation of the chemical industry and its downstream without mass balance





We create chemistry