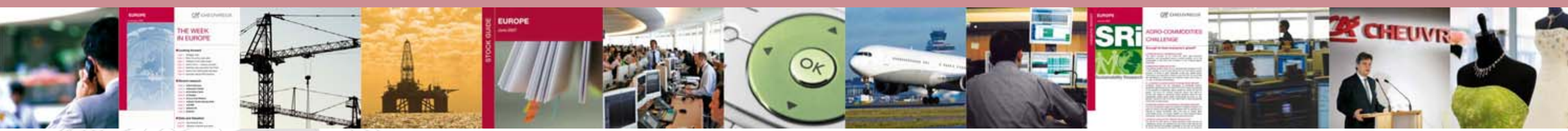
Product responsibility



A must

June 2008

Cécile Lamotte
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(+33) 1 41 89 74 96

Contents

- **Why?**
- **Who?**
- **How?**

Why?

Definition of product responsibility

- Taking into account the social and environmental impact in the design of a company's products, services and technologies

Products form a direct link between a company's social responsibility and its financial performance, as they are decisive in terms of:

- Commercial success
- Brand and client capital
- Products are subject to increasingly stringent regulatory constraints in some sectors. These regulatory constraints lead to growing legal risks
- Employee motivation and loyalty

Product responsibility is a distinct part of a company's social responsibility

- A company's responsibility to stakeholders is not limited to its production facilities. All output is concerned and carries this responsibility
- Products, services or technologies must be integrated into a sustainable development approach in order for it to be comprehensive and coherent

Who?

For whom?

- SRI funds

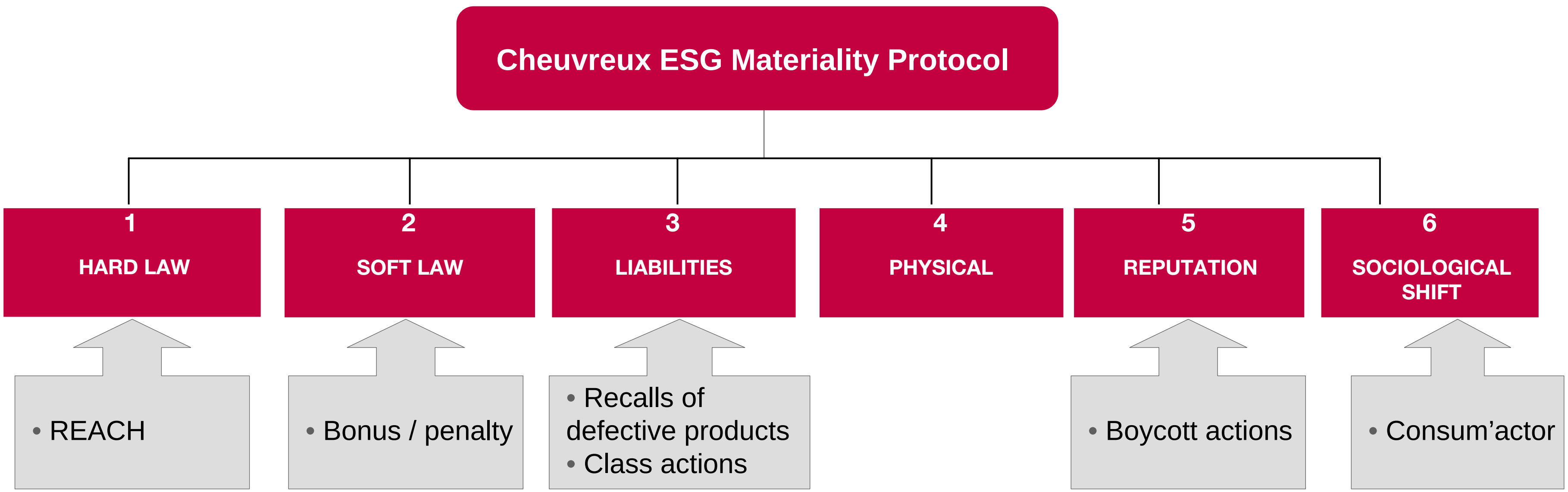
➡ Responsibility analysis

- Mainstream investors

➡ Risk analysis

By whom?

- All sectors are concerned



How?

Examples

- **Banks**
  - Contractual transparency (notably in terms of prices)
  - Environmental responsibility involving loans made
- **Hotels and Leisure**
  - Alternative travel offers
  - Model hotels in terms of sustainable buildings
  - Carbon offset offer
- **Auto**
  - Range of energy-efficient vehicles
  - Service economy (car sharing)
- **Retail**
  - Informative packaging: traceability, nutritional information, carbon labelling, etc.
  - Alternative products offer (fair trade, organic food, etc.)
- **Pharma**
  - Positioning the product range for unmet medical needs
  - Transparency of information on the results of clinical trials
- **Media**
  - Ethical advertising: complete and accurate information

Life Cycle Analysis: an indispensable tool

- LCA helps determine which part of a product's life cycle has an environmental impact.
- An effective and systematic way to evaluate the environmental impact of a product, service or process.
- The fundamental goal is to reduce a product's pressure on resources and the environment throughout its life cycle, from the extraction of raw materials to end-of-life processing, i.e., from "cradle to grave".
- Life cycle analysis consists of examining the function of a product in order to compare it with other products carrying out the same function.
- Using LCA is very important to determine whether a radical change in a model can be considered, i.e., service economy (car sharing).
- The lifespan of a product is a key aspect.
- Note: LCA is only useful for assessing environmental impact. There are still social impacts.

Legal risks

Contractual transparency

Product labelling

- From regulated labelling to a voluntary approach

Pro-active in communications

- Risks accepted vs. risks imposed

Legal procedures

- Civil liability stems from product liability in the event of a defective product.
  - EC Directive 92/59/EEC on general product safety: "Producers shall be obliged to place only safe consumer products or services on the market. They shall also provide consumers with the relevant information, under the threat of penalties, to enable them to assess the risks inherent in a product and to withdraw the product in the event of it proving a danger to the public."

- Criminal liability can be invoked in the event that a person's life is placed in danger and a causal link can be proven.
  - Under tort law, a person harmed by a defective product can engage the criminal responsibility of the manufacturer or the seller if negligence can be proved.
  - In Europe, there are two types of disputes: for workers and consumers. At this stage, there is very little jurisprudence for consumers.

Innovation: the main driver

- **Innovation is key to margin and business growth**

- **It could be driven by research into social and environmental benefits**

- **Be cautious when assessing the new risks: beware of the precautionary principle**

Influencing demand

- **Sociological shift: awareness opens up new markets**
  - The role of the media
  - Consum'actors

Governments strive to influence demand in order to offset externalities and reduce public expenses:

- **Bonus/penalty**
  - To attain member state caps
  - Car pollution is also a public health issue
  - Could be used for many other products
- **VAT rates**
  - The EU is considering cutting VAT on green goods
- **Other taxes**
  - Fuel duties
  - Cigarettes
  - Customs tariffs
- **Incentives**
  - Tax credits
  - Norms/labels
  - Specific funds for innovation

Contacts

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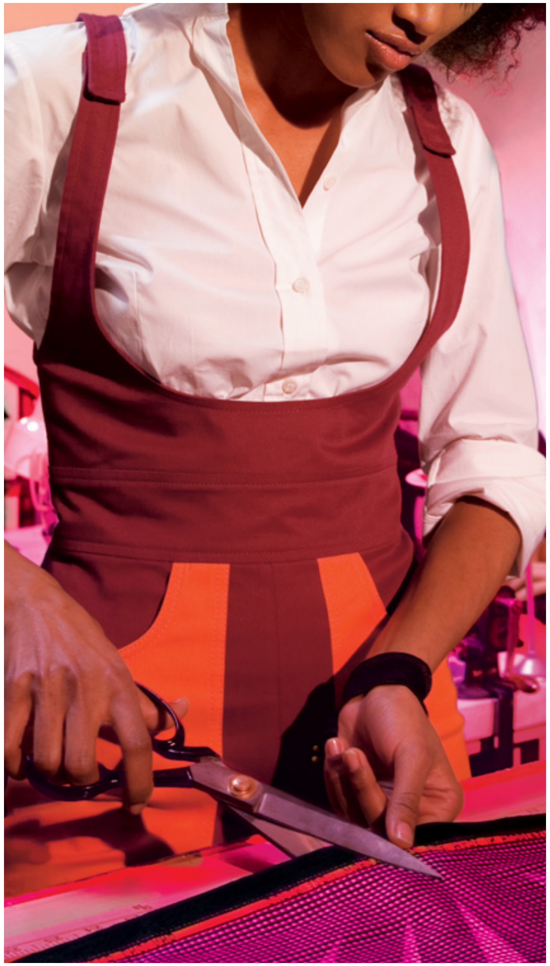


La responsabilité produit dans l'analyse ISR : un incontournable

Daphné Millet

FAIRE - 12 juin 2008

www.groupama-am.fr

Groupama
Asset Management

La responsabilité produit chez Groupama Asset Management : Notre approche ISR

Un débat central animant l'ISR : niche ou mainstream ?

- Niche : Des produits dédiés dans lesquels prime la dimension socialement responsable
- Mainstream : intégration de la dimension ESG à l'analyse et/ou la gestion classiques

Le positionnement de Groupama AM : nécessité de coexistence des deux approches

- Gestion de niche : SICAV Euro Capital Durable (notée aaa par Novethic), fonds dédiés
- Gestion sous monitoring : contrainte ou objectif de la qualité ISR des portefeuilles
- Gestion Mainstream : intégration de l'analyse ESG à l'analyse financière et la gestion

La logique de l'intégration ISR à l'analyse financière :

L'analyse ISR

- Prolonge notre analyse fondamentale centrée sur une approche de moyen-long terme
- Élargit notre champ d'investigation à trois domaines nouveaux
- Conduit à une appréciation globale de l'entreprise

➱ **L' ISR est un outil d'aide à la décision de gestion**

La responsabilité produit dans le secteur de l'assurance

Intégration des enjeux sociaux et environnementaux dans le métier d'assureur :
Couverture, prévention et anticipation des risques sociaux et environnementaux

- **Couverture des risques rares et populations exclues :**

  Ex : maladies rares, population à bas salaires, zones inondables, microassurance, etc.

- **Prévention des risques sociaux et environnementaux : incitation à un comportement responsable via un pricing ou des produits différenciés**

  Ex : assurance voiture verte, assurance dépollution, etc.

- **Anticipation des risques sociaux et environnementaux émergents :**

  Ex : changement climatique, vieillissement de la population, nanotechnologies, raréfaction des ressources naturelles, dissémination des OGM, etc.

↳ Saisie de nouvelles opportunités commerciales

GENERALI
Solutions d'assurances

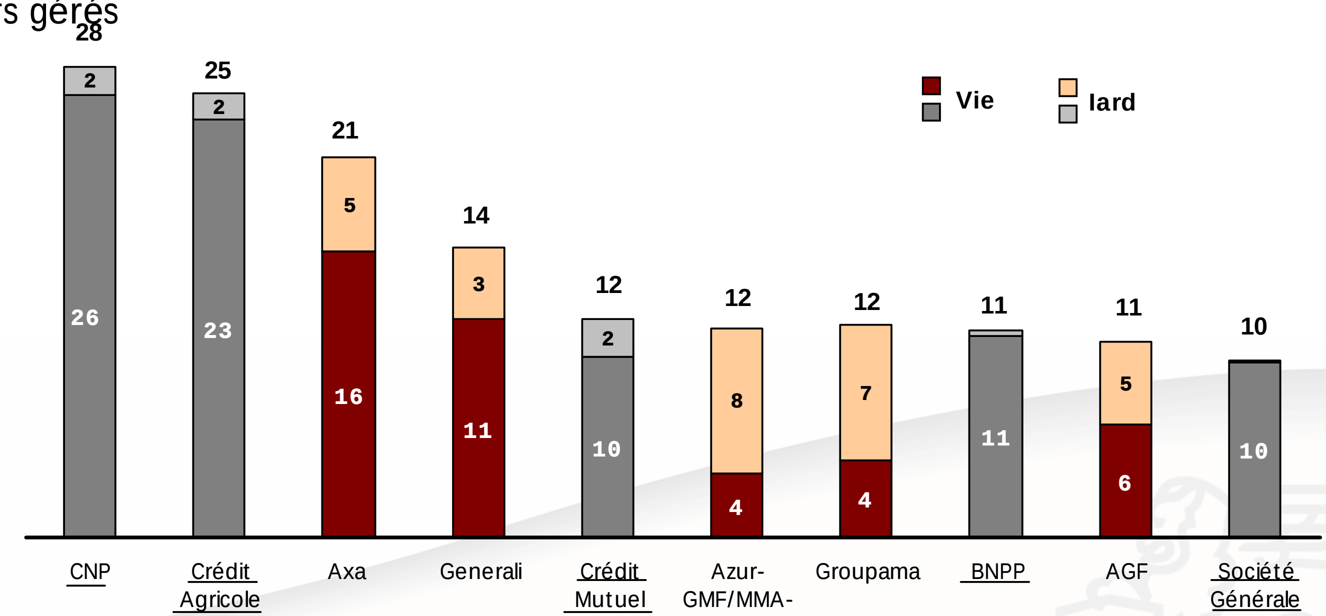
Agir Pour Notre Avenir

Politique de Développement Durable de Generali

FAIRE – 12 juin 2008

Generali, 2ème assureur généraliste en France

- 2ème assureur généraliste en France
- 6 millions de clients
- 560 000 professionnels et entreprises assurées
- 8 000 distributeurs (salariés, agents généraux, courtiers, conseillers en gestion de patrimoine)
- 7 000 collaborateurs
- CA : 15,5 milliards d'euros en 2007 (dont 11,4 milliards d'euros en vie et 4,1 en dommages)
- 75,5 milliards d'euros d'actifs gérés



Classement des 10 premiers groupes d'assurance – Activité en France (en Mds€)
(prévisions 2006)

Generali : le « virage » du DD

Une conviction : les questions environnementales vont avoir un impact fort sur notre métier

- Impact dans la sinistralité
- Impact dans le comportement des consommateurs
- Impact dans le comportement des entrepreneurs

Une réflexion qui a mobilisé simultanément de nombreux acteurs et décideurs

- Un facteur clé de réussite : l'engagement des principaux dirigeants
- Une volonté centrale : trouver de vraies applications concrètes
- Un appui en communication

Le marché

Bancassurance: un offre DD totalement inexistante pour la partie assurantielle (sauf ISR, très développé)

Assurances : une offre DD disséminée et relativement similaire d'un concurrent à l'autre:

Les principales offres:

- Habitation:
  - Inclusion des équipements ENR (énergies renouvelables) dans les contrats MRH
  - Rabais si travaux d'équipements écologiques
- Automobile:
  - Rabais si véhicule écologique
  - Rabais en fonction du kilométrage parcouru
- Épargne / prévoyance
  - Quasiment toutes les assurances incluent de l'ISR dans leur portefeuille
- Pro:
  - Une offre encore très embryonnaire, Generali clairement leader
  - Innovation AXA: accompagnement vers la certification ISO14001

Le développement durable
Un engagement, des applications

GENERALI
Solutions d'assurances

Offre aux clients
Entreprises & particuliers
Conseils et actions de prévention

AGIR pour notre avenir

Gestion des actifs
Construction aux normes HQE
Grille de sélection des valeurs
Création d'OPCVM « verts »

Communication
Publicité, Internet, communication clients

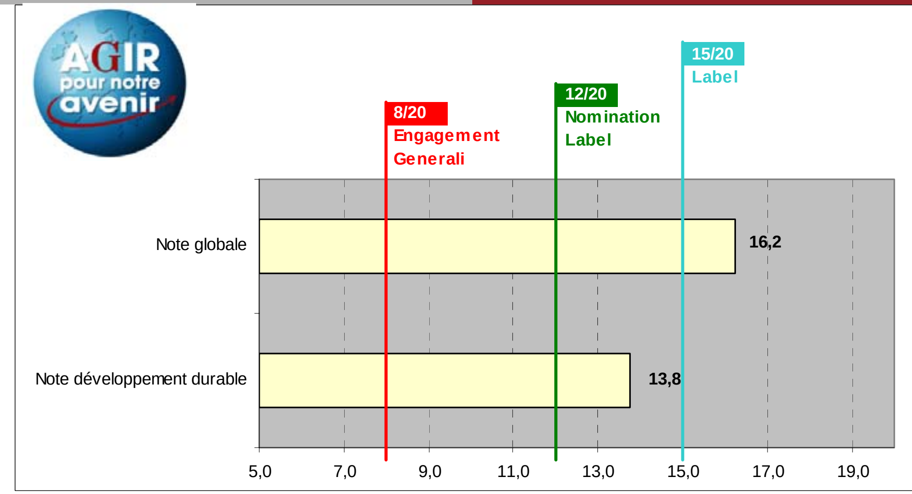
Gestion interne
Optimisation des processus internes (énergie, recyclage, achats, éditions…), projet Ambition (angle social)

L'offre Generali pour les entreprises

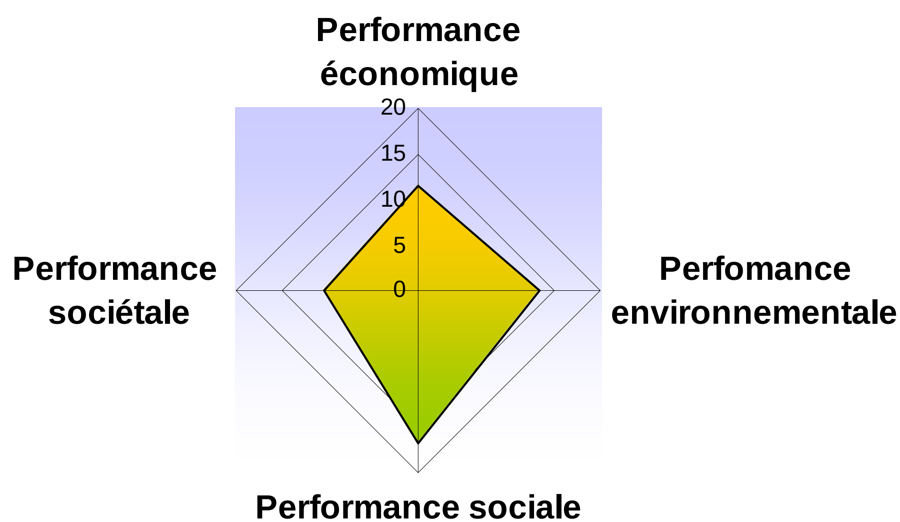
GENERALI Solutions d'assurances

Le Diagnostic Développement Durable :

- Un audit original créé par Generali pour les entreprises de 50 à 500 salariés
- Notation de la performance globale de l'entreprise grâce à une grille d'analyse intégrant des questions liées au développement durable
- Mise en évidence de ses risques et de ses axes de progrès
- Obtention du Label ➡ tarifs réduits & « services plus »
- Cette offre est actuellement déclinée pour les PRO-PE et les entreprises de 20 à 50 salariés



Notation développement durable sur 20 (approche synthétique par catégories)



L'assurance des chantiers HQE tertiaires

- conditions tarifaires privilégiées (en partenariat avec Certivéa - CSTB)

L’offre Generali pour les particuliers

GENERALI
Solutions d’assurances

Conseils en prévention :

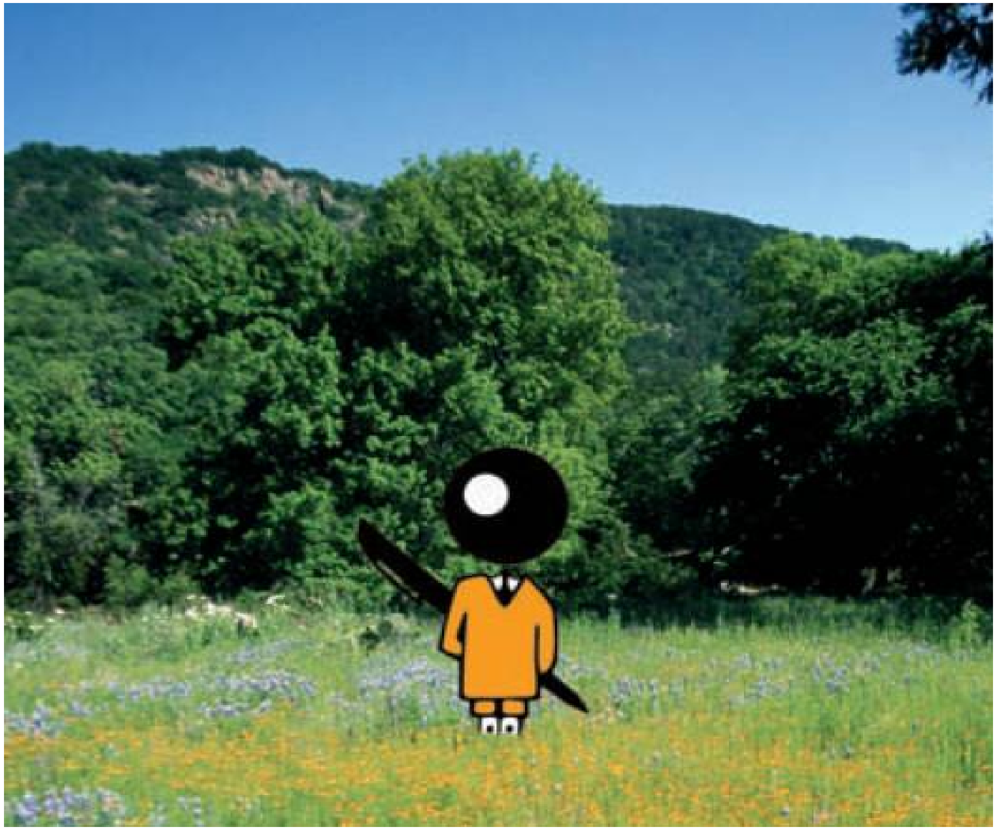
- Publication de guides & site Internet dédié
- Opérations de sensibilisation du public (mondial du 2 roues)
- Guides de conseils rédigés en partenariat avec l’ADEME

Tarifs préférentiels :

- Assurances des véhicules non polluants
- Assurances des panneaux photovoltaïques (assurance habitation)

Offre de Fonds :

- Thèmes d’investissements en lien avec le développement durable (énergies renouvelables, eau, déchêts…)



JETABLE ?

- **Les produits BIC® ne sont pas à usage unique**
  Une qualité qui se traduit par une longue durée d'utilisation

- **La distinction « jetable / rechargeable » ne permet pas de déterminer à priori la performance environnementale d'un produit.**
  - Pour les rasoirs : la quantité annuelle de déchets n'est pas supérieure
    la performance sur tout le cycle de vie est souvent la même
  - Pour l'écriture : certains stylos non rechargeables pourraient obtenir l'Ecolabel français NF Environnement 400

Les points clés de l'approche BIC

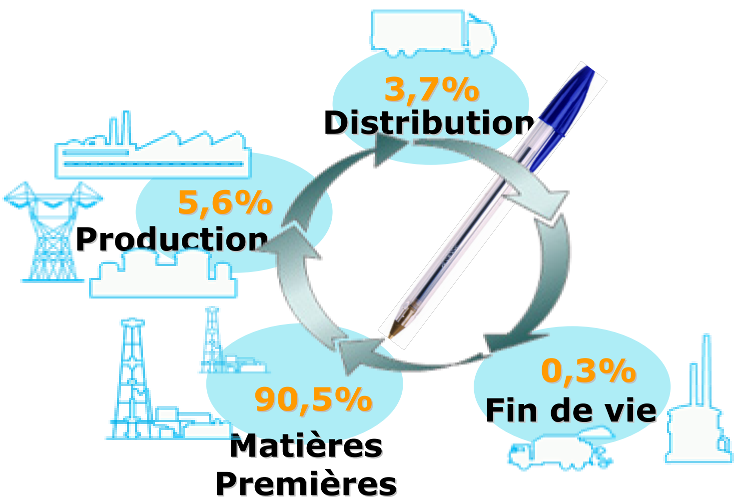
Des produits accessibles

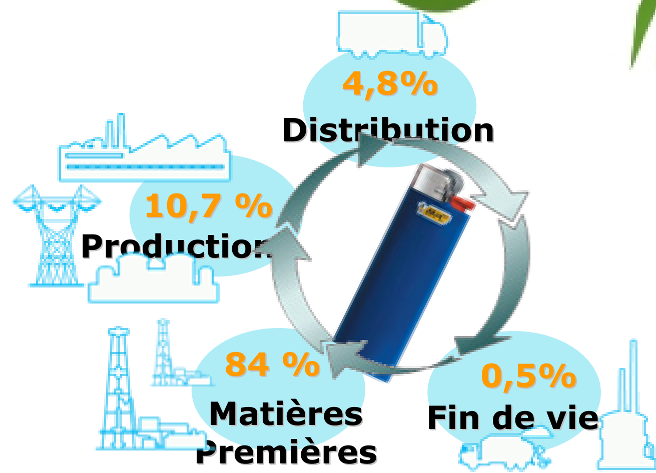
Des produits qui Durent longtemps

Rien de superflu

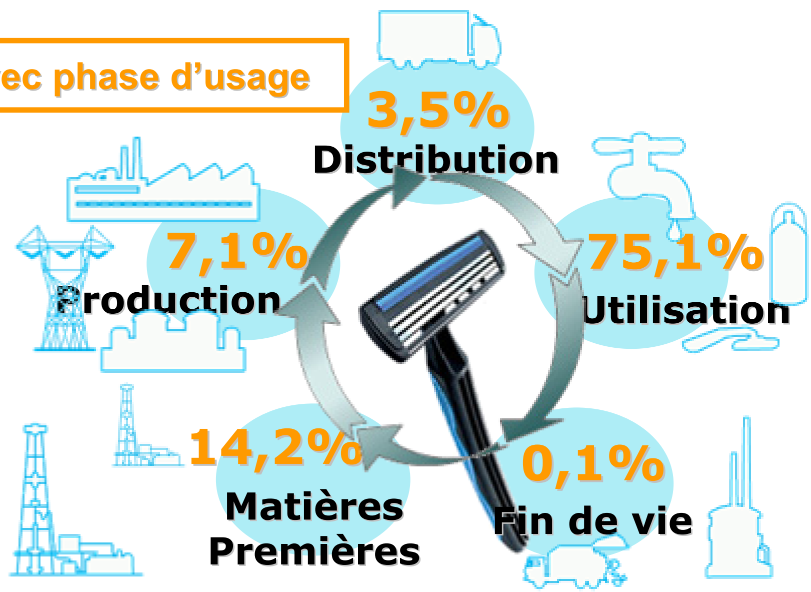
2.8 g de matière par km d'écriture

Approche en cycle de vie (Eco indicator 99)

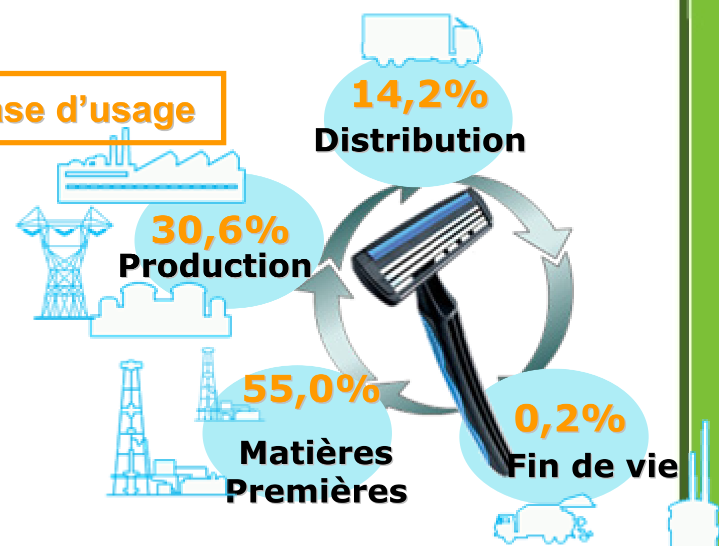




Avec phase d'usage

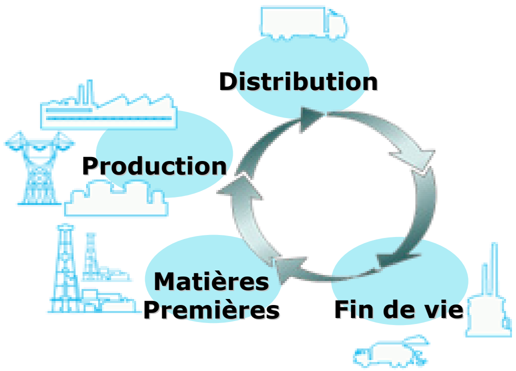


Sans phase d'usage



Les points clés de l'approche BIC

Une logique de réduction de l'impact environnemental



Depuis 2005,un outil d'ACV simplifée

Une recherche sur les nouveaux matériaux

Un outil pour développer le bon sens écologique

RESULTS ; and Settings\ggeorgakis\Desktop\Eco-Tool\Revised\Bic3_Total_Razor_10_10.txt

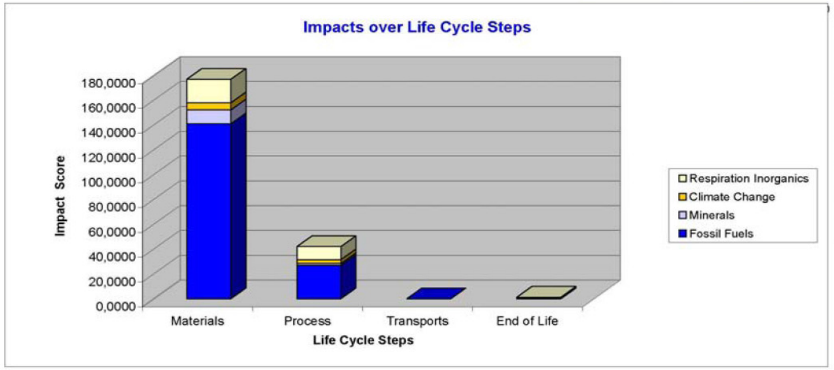
Impact Category	Materials	Process	Transports	End of Life
Fossil Fuels	141,0354	26,8545	0,0000	0,3159
Minerals	11,2236	1,5301	0,0000	0,0033
Climate Change	5,7485	3,0013	0,0000	0,7322
Respiration Inorganics	18,9735	10,6541	0,0000	0,2013
TOTAL	176,9810	42,0400	0,0000	1,2527

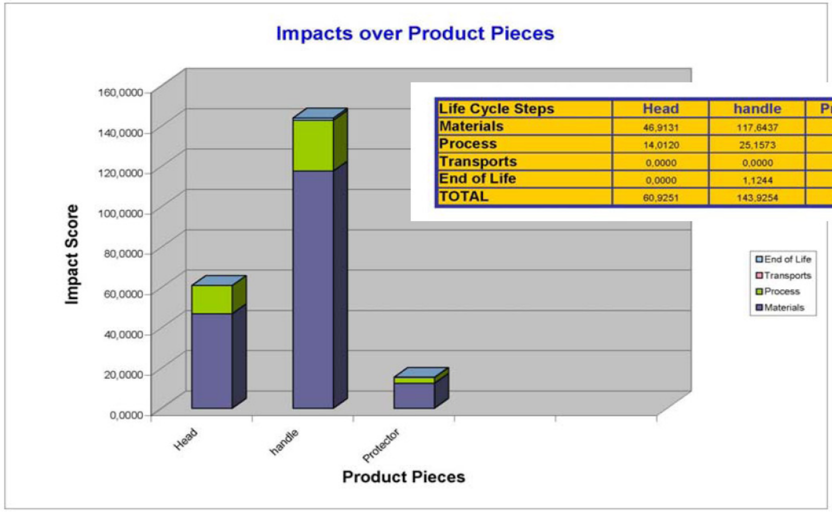
Print

Save

Change your model

Total Score	Total Cost €cent
220,2737	0





Life Cycle Steps	Head	handle	Protector
Materials	46,9131	117,6437	12,4242
Process	14,0120	25,1573	2,8707
Transports	0,0000	0,0000	0,0000
End of Life	0,0000	1,1244	0,1283
TOTAL	60,9251	143,9254	15,4232

Faire infuser le Développement Durable

e³ BiC U. e-learn

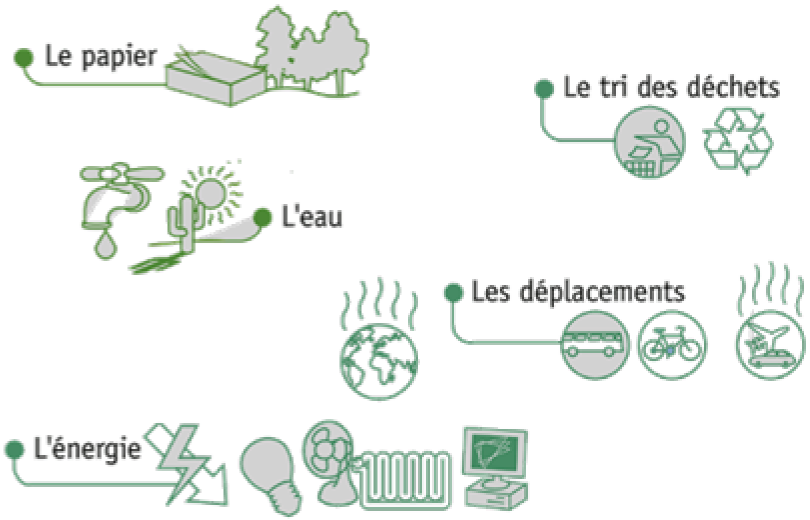
e-learn e-fficient e-asy BiC University

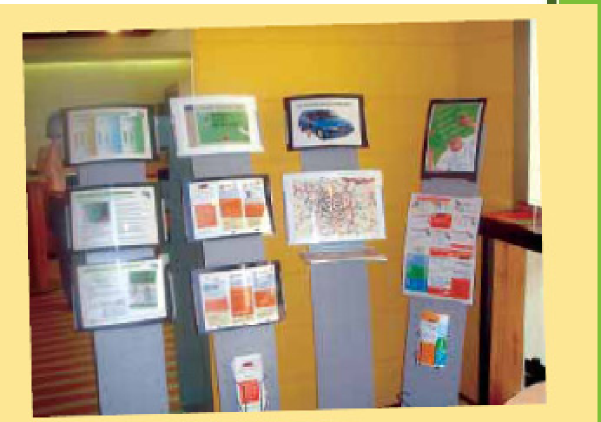
e-learning

En 2007, un module de formation par intranet consacré au développement durable et au programme BIC correspondant a été mis au point par BIC University. Il est aujourd'hui destiné aux cadres responsables d'équipes et sera étendu à d'autres catégories de salariés en 2008.

BiC CiTiZENS in action !

Et le développement durable au travail ?





FAIRE Paris
12th June 2008

Sustainable Development Product Responsibility

Dr. Lothar Meinzer
Director Sustainability Center

BASF
The Chemical Company

1 | BASF’s Sustainable Strategy

2 | Management Tools

3 | Product Stewardship

4 | Innovation

BASF 2015 – Four strategic guidelines for long-term success

BASF
The Chemical Company

Earn a premium on our cost of capital

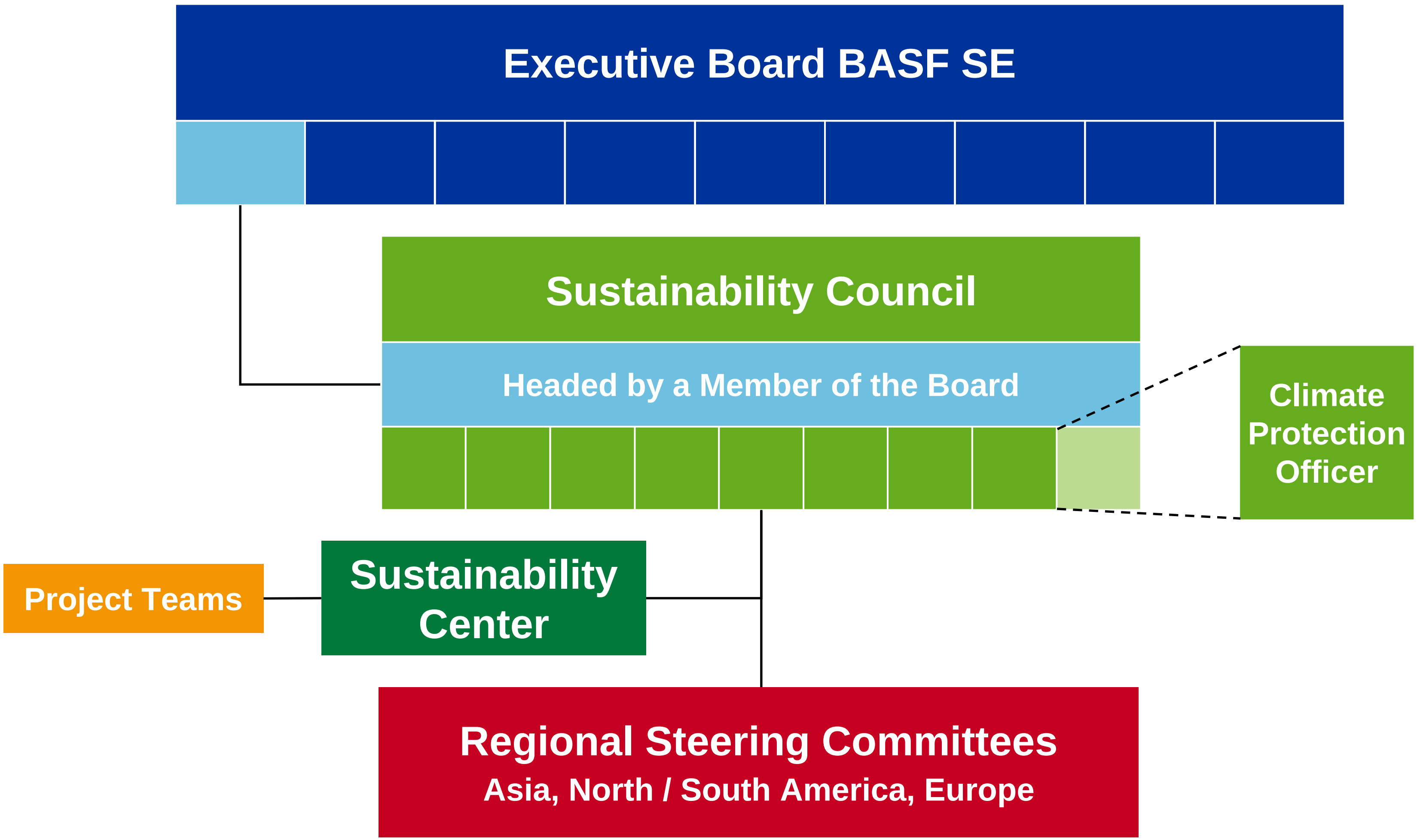
Help our customers to be more successful

The Chemical Company

Form the best team in industry

Ensure sustainable development

Sustainability – A Board-level responsibility at BASF



1 | BASF's Sustainable Strategy

2 | Management Tools

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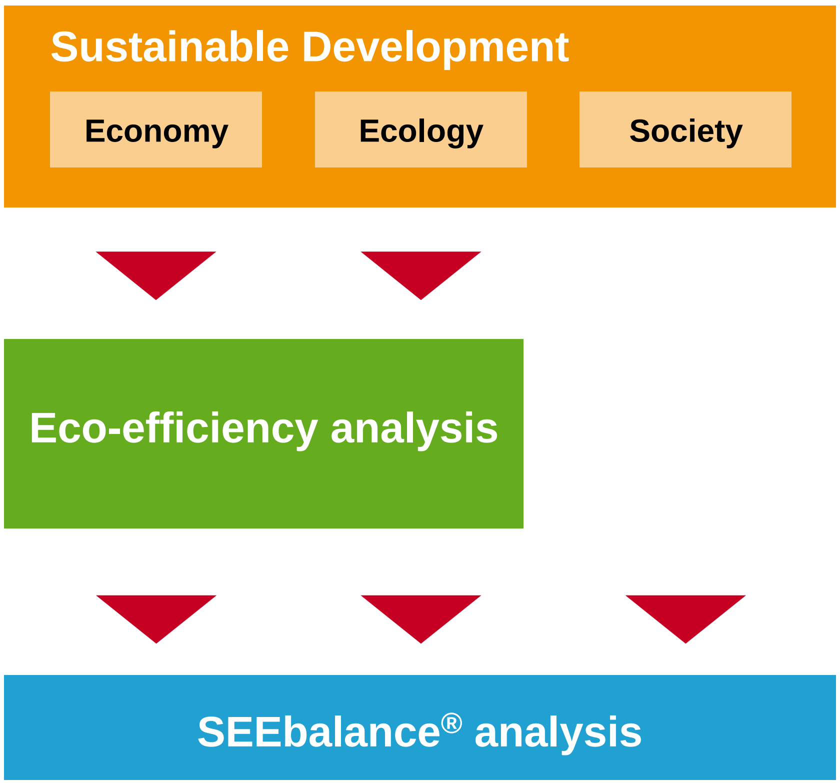
Evaluating product sustainability

via Eco-efficiency and SEEbalance® analysis



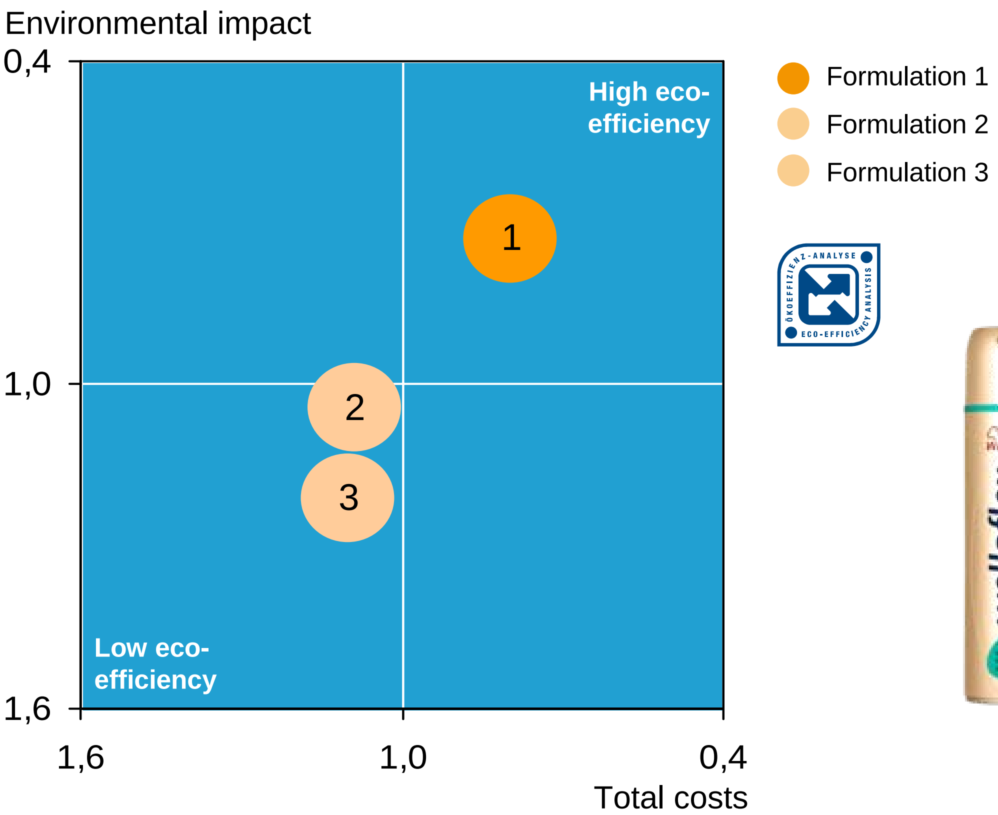
- **Eco-efficiency analysis:**
  Strategic management tool invented and used by BASF
- Assessing economic and ecological impact of products and processes
- Today 90% of all product areas have completed at least one strategic evaluation on a major product
- **SEEbalance®:**
  Integrated assessment of economic, ecological and social aspects of products and processes

BASF
The Chemical Company

Eco-efficiency analysis

Example: Hair spray

Eco-efficiency analysis for 3 Wella hair sprays



- The eco-efficiency analysis enabled Wella to identify the formulation that was significantly more economical and environmentally sound
- Wella plans to use the method for selected products and integrate it into product development

Global product safety and product stewardship policies

BASF
The Chemical Company

Product Safety Directive

- Operating Divisions are accountable for product safety
- Collect, validate and generate information on properties, uses, exposure, fate of products; e.g. nanotechnology
- Enter information into global database, regular update
- Ensure legal compliance

Product Stewardship Directive

- Ensure product safety from cradle to grave beyond regulatory compliance (e.g. nanotechnology)
- Cooperate with our customers and jointly promote risk management and product safety

Global product stewardship goals

BASF
The Chemical Company

Product stewardship	BASF Goal
Voluntary commitment to review all **substances** produced or sold by BASF worldwide in quantitites of more than 1 metric ton/year based on risk assessments following REACH guidelines	100% by 2015
Voluntary commitment to conduct a risk assessment for all **products** of which quantities of more than 1 metric ton/year are sold worldwide by BASF.	100% by 2020

Hexamoll® DINCH – The highest level of safety where it counts

New phthalate-free plasticizer for sensitive applications: Hexamoll® DINCH

- From the start Hexamoll DINCH was subject to a large number of toxicological tests. In total €5 million has been spent on toxicological testing, making Hexamoll DINCH the most researched plasticizer on the market.
- Hexamoll DINCH is suitable for sensitive applications such as children's toys, food packaging materials and in medical technology.
- It is approved by the European Food Safety Authority (EFSA) and the Japan Hygienic PVC Association (JHPA).
- The demand for Hexamoll DINCH has increased continuously since it was launched on the market in 2002. In 2007, the plant has been extended from an annual capacity of 25,000 to 100,000 metric tons.

“Best Alliance” along the value chain: Sustainable crop protection strategies

BASF is partner in the “Best Alliance” for sustainable contract farming, initiated by the retail group REWE

Goal: As few pesticides as possible, but as many as needed

- Production of high quality strawberries based on good agricultural practice and strict implementation of integrated pest management
- Compliance with legal residue levels
- Close collaboration between selected Spanish producers, service providers, agricultural advisors and WWF

BASF’s contribution:

- Develop best crop protection strategies
- Support producers locally throughout the whole season

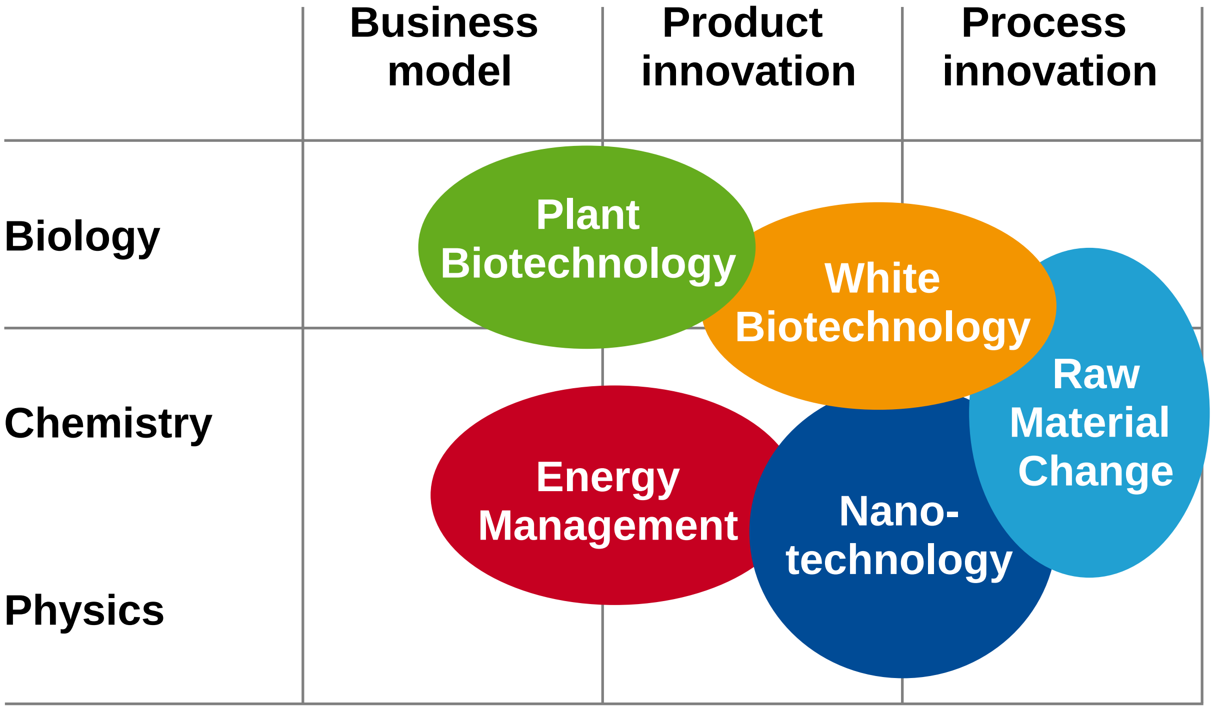
1 | BASF's Sustainable Strategy

2 | Management Tools

3 | Product Stewardship

4 | Innovation

Innovative solutions for the future
Focus on five growth clusters



Targeted annual sales from growth clusters

2010: €500 – €1,000 million
2015: €2,000 – €4,000 million

- Total R&D expenditures 2008: €1.45 billion

Growth cluster:

- Cross sectional technologies
- Interdisciplinary and international co-operations
- R&D expenditures for growth clusters at more than €900 million from 2006 – 2008

Target markets of growth clusters

Plant biotechnology	More efficient agriculture, improved nutrition, plants as renewable raw materials
White biotechnology	Biopolymers, chemicals via biocatalysis and fermentation, performance biologicals
Nanotechnology	Display materials, printed electronics, coatings, foams, medical applications
Raw material change	From oil to gas, to coal and to renewable raw materials
Energy management	OLED, fuel cells, organic photovoltaic, lithium ion batteries

Example nanotechnology Safety research for sustainable use

BASF devotes considerable research effort to safety research and risk assessment

BASF has established a Code of Conduct Nanotechnology (2006) which is a voluntary commitment to responsible action (occupational safety, specific risk assessments).

BASF is actively involved in international safety research with the aim of developing standardized test procedures:

- NanoCare project sponsored by the German Ministry of Education and Research
- Nanosafe2 project at European level
- Nano Safety Project by HESI/ILSI* in the U.S.

- Nanotechnology is one of our key future technologies
- It has the potential to provide solutions for key challenges, e.g. climate change

* HESI: Health and Environmental Sciences Institute
ILSI: International Life Sciences Institute

Disclaimer

This presentation may contain forward-looking statements. These statements are based on current expectations, estimates and projections of BASF management and currently available information. They are not guarantees of future performance, involve certain risks and uncertainties that are difficult to predict and are based upon assumptions as to future events that may not prove to be accurate.

Many factors could cause the actual results, performance or achievements of BASF to be materially different from those that may be expressed or implied by such statements. Such factors include those discussed in BASF's Report 2007 on pages 106ff. We do not assume any obligation to update the forward-looking statements contained in this presentation.

BASF

The Chemical Company