

Outstanding Achievements

Cognis Counts On Sustainability

Future-oriented – Cognis recently adopted a new set of guidelines that combine the internationally recognized 24 principles of Green Chemistry and Green Engineering. By doing so, the company is both reducing its environmental footprint and putting in place a clear framework for the development of high-performance, natural-sourced products aimed at the growth markets of wellness and sustainability. CHEManager Europe asked Rita Köster, Global Marketing Director Home Care/I&I (Industrial & Institutional cleaning) about the company's strategy and future goals.

CHEManager Europe: Sustainability has been essential to Cognis' corporate philosophy. What are the results of this commitment?

R. Köster: Cognis launched a wide-ranging program called "25 by 2012" in 2002. The aim, as the name suggests, is to achieve a 25% reduction of the major environmental performance indicators – including specific energy consumption, emissions and wastewater – by the year 2012. Although we still have a lot of work ahead of us, achievements thus far are outstanding – many targets have already been met or even surpassed.

Lately, Cognis has adopted the widely recognized 24 Principles of Green Chemistry and Green Engineering. What are these principles about?



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R. Köster: The original 24 Principles were developed by Paul T. Anastas, who built up a research center for "green" chemistry and engineering at Yale University. The 12 Principles of Green Chemistry, which Anastas collaborated on with John C. Warner, aim to avoid contamination and waste, make maximum use of renewable raw materials, ensure the biodegradability of end products, and use the energy needed for the reactions as efficiently as possible. The second group of guidelines, the 12 Principles of Green Engineering, developed by Anastas in cooperation with Dr. Julie B. Zimmerman in 2003, go beyond the chemistry field and apply to all industrial processes. They make safety the number one priority when it comes to the selection of raw materials, energy sources and input products. Other requirements include designing processes and capacities to meet needs without excess, economic use of raw materials and other inputs, and systematic integration of recycling and recovery of heat and materials.

What goals does Cognis pursue by adopting these principles?

R. Köster: The 24 Principles serve as a very reliable compass that will guide the company towards a more sustainable future. In order to ensure that every decision is taken on the basis of objective criteria, and that we channel our sustainability efforts productively, we have developed a method for deter-



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mining relevant parameters in line with the principles. This is a holistic scientific approach that gives Cognis a solid foundation on which to build in its pursuit of new products and solutions. In this way, the 24 Principles help to strike a sustainable balance between environmental aims and economic considerations, maximizing product performance within the boundaries of chemical processes, while taking into account market needs, statutory regulations and resource optimization.

Striking the right balance between environmental goals, economical viability and product performance is a big challenge. Is it hard to stay competitive and act ecologically-minded?

R. Köster: Not at all. The issue of sustainability is one that has moved up the public agenda significantly in recent years, and this is reflected in the growing demand for natural-source consumer products and

environmentally sound production processes. Throughout the world, more and more consumers are basing their decisions to buy on social and ecological criteria. According to the institute "Green Marketing", the market for natural ingredients – as one example – is growing at a rate of eight percent per year. So sustainability is becoming an ever more important factor for economic success. And that means that companies adopting a sustainable approach to their business enjoy a real competitive advantage.

Manufacturers who successfully align their business strategies with the principles of sustainability are likely to see improvements in their market opportunities – and, consequently, in their profitability. Cognis' "Formula Nature" has contributed to the success not just of the company itself but also of its customers.

Inevitably there have to be some compromises – while it may be possible in theory to

produce products that are completely natural, at least in some categories, in practice it is more complicated than that. The challenge is to deliver the aesthetic properties and functional benefits that customers want on economically justifiable terms. Combining high environmental compatibility with exceptional performance and convenience is our aim.

How does the company implement sustainability in its daily production activities?

R. Köster: Cognis is committed to finding a healthy balance between economic, environmental and social imperatives, at both the national and the global levels. Broadly, our efforts to put the principles of sustainability into practice in our daily business can be broken down into four areas: Products, Company, Environment and People.

Products – We are constantly creating innovative products and solutions that enable our

customers to develop products which meet the central demands of sustainability and the "New Green" movement – that is, environmental acceptability, biodegradability and enhanced user compatibility.

Company – Cognis' sites adhere to strict quality, environmental, health and safety standards, irrespective of whether they are located in highly industrialized regions or in developing countries. As an ISO-certified company, we regularly submit to external audits. Since 2001 Cognis has regularly satisfied the requirements for ISO matrix certification to 9001 (Quality) and 14001 (Environment) covering all our sites around the world. We are also committed supporters of Responsible Care.

Environment – Our technological infrastructure is state-of-the-art, and we are constantly improving our production processes. Ultimately, these efforts lead not only to improved environmental performance, but also to enhanced productivity and product quality. From 2002 to 2008, waste has already been reduced by 17% and wastewater by 22%. Cognis is also committed to reducing its carbon footprint: CO₂ emissions have fallen by 17% since 2002, and since 2007 we have been involved in the Carbon Disclosure Project (CDP), the world's largest initiative to align corporate strategies with the fight against climate change.

People – Cognis systematically invests in staff training and education. Our key career development resource is the Cognis College, a learning center with a constantly expanding curriculum. In production, safety is our number one priority, and our aim is to operate an accident-free working environment.

All activities relating to our company's sustainability policy

are initiated, evaluated and coordinated by the Sustainability Council, a cross-functional body with the authority to act on a Group-wide basis.

In terms of sustainability and performance, what are Cognis' future goals?

R. Köster: As a company that explicitly embraces wellness and sustainability as integral components of its business strategy, our firm commitment to sustainability in our own activities is a logical consequence. And more and more of our customers around the world are making the same move. Because their customers are also beginning to demand more environmentally sound solutions – both for industrial applications and for personal consumption. But with all these demands to fulfill, our first priority is to ensure that there is no compromise on product performance. Future solutions will need to combine high environmental compatibility with exceptional performance and improved convenience. Such new products allow hurdles to be jumped and doors to new opportunities be opened. We pursue sustainable economic success, both through innovative products and manufacturing processes that are as environmentally compatible as possible, and through the continuous development and training of our employees. This is an essential pillar of our future viability, as is our policy of social engagement around the world.

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