Our Purpose

We create chemistry for a sustainable future.

We want to contribute to a world that provides a viable future with enhanced quality of life for everyone. We do so by creating chemistry for our customers and society and by making the best use of available resources. We live our corporate purpose by: sourcing and producing responsibly, acting as a fair and reliable partner, connecting creative minds to find the best solutions for market needs.

For us, this is what successful business is all about.
Our targets: Measuring success

Financial targets
- Grow sales volumes faster than global chemical production
- Increase EBITDA before special items by 3% to 5% per year
- Achieve a ROCE* well above the cost of capital percentage every year
- Increase the dividend per share every year based on a strong free cash flow

Non-financial targets
- CO\textsubscript{2}\textasciitilde-neutral growth until 2030
- €22 billion of sales with Accelerator products** by 2025
- With sustainability evaluations we cover 90% of our relevant spend by 2025 and 80% of suppliers improve their sustainability performance upon re-evaluation
- More than 80% of our employees feel that at BASF they can thrive and perform at their best

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Global key measures
- Decouple our CO\textsubscript{2} emissions from organic growth through a Carbon Management program.
- Invest in cutting-edge technologies to speed up the transition to a circular economy, such as our ChemCycling project.
- Further increase our sales from Accelerator products, which are designed to contribute towards the potential for sustainability in the value chain.

* Return on capital employed (ROCE) is a measure of the profitability of our operations. We calculate this indicator as the EBIT generated by the operating divisions as a percentage of the average cost of capital basis.
** Accelerator products are intended to contribute to sustainable development.
BASF Corporate Commitments

Our Corporate Commitments cover every part of our value chain and operations to deliver long-term business success.

Suppliers

We source responsibly

We connect across our supply chain, we collaborate closely with suppliers, we source responsibly.

BASF operations

We produce safely for people and the environment

We take care of our employees, we operate responsibly, we produce safely – for people and the environment.

We produce efficiently

We use resources in a circular, efficient way – an approach that’s at the heart of our Verbund principle – we continuously improve our operations, we produce efficiently.

We drive sustainable solutions

We bring innovative minds together to solve great challenges, we assess our solutions, which are designed to drive sustainability, then we shape our portfolio accordingly.

Customers

We value people and treat them with respect

We motivate and engage, we champion appreciation and fairness, we value people and treat them with respect.

And along the value chain...

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Contributing to a circular economy through ChemCycling

1. Waste companies supply recyclers with plastic waste
2. Plastic waste is converted into feedstock
3. Which can be used to create all kinds of chemicals and products, including new plastic
4. Customers use these to make their own products
5. Consumers and companies use and dispose of products
6. The waste is collected and sorted by waste companies
We drive Sustainable Solutions
Leverage our innovation power to achieve $32 billion in Accelerator sales in 2025

**Sustainability Indicators**

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- We aim to increase the sale of products classified as Accelerators.
- Accelerators are products within our portfolio that contribute most to sustainability based on economic, ecological and societal indicators.
- Sustainable Solutions Steering, a BASF trademarked methodology externally verified by PwC GmbH, uses these indicators to classify our products.
Partnerships

Through our partnership and memberships, we strive to be a lead contributor towards corporate sustainability in Canada.

Sustainability and Business Partnerships

Multi-stakeholder Initiatives

Sustainability Leadership

Industry Associations

This is a sample of industry associations that BASF Canada belongs to.
Successful farming depends on many factors. At the centre of it all is change and the understanding that constant innovation is vital to meeting the current and future food needs of Canadians.

- As an industry leader with a broad portfolio of fungicides, insecticides, herbicides and seed treatments BASF finds solutions for farmers to help increase the yields and the quality of their crops.

- By nurturing a culture of innovation in alignment with customers’ needs, our technologies aim to ensure that crops grow healthier, stronger and more resistant to stress factors, such as heat or drought.
In 2016 there were 260,000 farm operators and 193,000 farms across Canada.

Over $100 billion contributed annually to Canada’s economy.

Most common farm types are oilseed and grain at 33% and cattle ranching at 24%.

$3 billion government investment to strengthen agriculture and agri-food sector. $85B national export target by 2025.

Canadian grown canola contributes over $19 billion to the Canadian economy each year.

1 in 8 jobs: Agriculture and agri-food industry employs 2.3 million Canadians.

Canada is the fifth largest agricultural exporter in the world at $56 Billion/year.
The agriculture & food sector is a key in global sustainable transformation. Solutions are needed to feed and supply 10 billion people with agriculture products while protecting ecosystems.

Upcoming technologies such as digital & precision farming can help to limit ecosystem impact.

Regional and local food production close to consumers.

Food waste reduction and improving living conditions of responsibly-raised livestock.
ecovio® M 2351

Over time, ecovio® certified compostable mulch film helps to avoid adverse consequences.

- Compostable
- Resource efficiency and water savings over time (higher yields by avoiding white pollution).
- Avoiding emissions of toxic substances from open burning of polyethylene (PE) mulch film.
- Waste reduction, avoiding soil displacement.

- Helps to avoid white pollution in agriculture such as crop yield decrease, and water savings.

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BASF
We create chemistry
AgBalance™

Along the food value chain, stakeholders view sustainability with different interests and needs. AgBalance™ enables all stakeholders to test their views against the common ground of sustainable agriculture.

- An assessment tool BASF developed that allows farmers to monitor the impact of their farming practices using a variety of societal, ecological and economic indicators.
- Simulates virtual scenarios, and calculates different options and indicates areas for improvement in overall yield, erosion, emissions and more.

- AgBalance™ is a holistic method, assessing all the sustainability dimensions (economical, ecological and social).
- AgBalance™ assessments are based on an extensive data set, gathered during BASF’s 15-years of experience with Eco-Efficiency Analysis.
- AgBalance™ includes 69 agriculture specific indicators such as land use, crop rotation and nutrient balance of soil.
Nealta®, Sultan®

This is a foundational tool for Integrated Pest and Resistance Management programs.

- Provides today’s growers with a novel high performing miticide that helps safe and integrated pest management and resistance programs.
- Novel mode of action.
- Strong and competitive performance on mites
- Controls all life stages of mites (eggs, nymphs, adults).
- Safe to use.
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