

BASF Group's Position on Water Protection

Background

Water is an increasingly scarce resource. According to experts' estimates, the gap between global supply and demand for water will reach 40% by 2030¹ if current practices continue. A major challenge for households, agriculture and industry will be a lack of water availability and seriously threaten economic and societal development.

Water is of fundamental importance in the chemical industry. It is used as a coolant, solvent, and cleaning agent, as well as to make products.

Therefore, BASF is committed to a responsible use of water along the entire value chain and especially in our production sites' water catchment areas.

BASF complies with all applicable regulations and mandatory standards and cooperates transparently with the competent authorities.

Strategy

As a co-founder of the U.N. Global Compact², BASF contributes to the implementation of the United Nations' Agenda 2030 on an ongoing basis. Our products, solutions and technologies support the achievement of the U.N. Sustainable Development Goals (SDGs). In the context of water, we are contributing to the SDGs of achieving access to clean water and sanitation for all and of ensuring responsible consumption and production. We acknowledge the human right to water.

Protecting people and the environment, and respecting our natural resources is our top priority. Our core business – the development, production, processing and transportation of chemicals – demands a responsible approach. BASF handles substances which can have adverse effects if emitted into water. We address environmental, health and safety risks with a comprehensive Responsible Care[®] Management System. We expect our employees and contractors to know the risks of working with our products, substances, and plants and to handle these responsibly. Our management system builds on the Responsible Care[®] initiative of the chemical industry and is committed to a continuous improvement process.

Sustainable water management has been a central element of our strategy to use water responsibly for many years. BASF aims to protect water as a resource, continuously improve water use efficiency and consistently reduce emissions.

Ambition

BASF set the global goal of introducing sustainable water management at all relevant production sites by 2030. These include our major Verbund sites as well as sites in water stress areas³, covering about 90% of BASF's total water abstraction. We disclose our progress in our corporate report on an annual basis.

With implementing sustainable water management, we look at water availability, water quality and the impact of our water use on the environment and other users. For this we use the standard of the Alliance for Water Stewardship⁴ (AWS) as guidance.

Climate change contributes to water scarcity and extreme weather events. BASF's climate goal of achieving net zero CO₂ emissions by 2050 helps to reduce these risks.

Actions

BASF implemented the Responsible Care[®] principles with a comprehensive EHSQ (Environment, Health, Safety and Quality) framework of global requirements which lay out mandatory principles on corporate level and go beyond regulatory compliance. These requirements are supplemented by guidance documents to describe best practices and recommended procedures. To monitor compliance with these internal requirements and with legal regulations, BASF's production sites are regularly audited. During these audits, a safety and environmental profile is created that shows if the existing hazard potential is properly addressed. If this is not the case, measures are defined and their implementation is monitored, for example, with follow-up audits.

Our general approach regarding water management is to reduce wastewater volumes and contaminant loads at the source in our production processes, and to reuse water and material flows internally as far as possible. With technical measures and optimized operating methods, we are continually optimizing our global energy consumption from the production, processing and transport of water. To treat wastewater, we use both central measures in wastewater treatment plants and the selective pretreatment of individual wastewater streams before these are sent to a wastewater treatment plant.

BASF's global standards provide the framework for the safe construction and operation of our plants as well as the protection of people and the environment. Our experts have developed a plant safety concept and implementation check for every plant that considers the key aspects of safety, health, and environmental protection – from conception to startup – and stipulates specific protection measures. To avoid unanticipated emissions and the pollution of surface or groundwater, we have water protection concepts for our production sites in place. These water protection plans involve evaluating wastewater in terms of risk and drawing up suitable monitoring approaches.

We investigate all incidents including those affecting water in detail, analyze causes and use the findings to derive suitable technical and organizational measures. We share the findings in our global network in the interest of continuous improvement.

We systematically evaluate EHS topics, including the impact on water, as an integral part of investment decisions on the construction of new sites and the expansion of existing sites.

We provide access to safe water, sanitation and hygiene at the workplace at an appropriate level of standard for all employees.

Our commitment to sustainability extends to our value chains. We are assessing our partners and support them in improving environmental conditions with the TfS-initiative (Together for Sustainability)⁵. The BASF Supplier Code of Conduct expects suppliers to use resources efficiently, apply energy-efficient, environmentally friendly technologies, reduce emissions to water, and minimize impacts on water scarcity.

We are also working with our customers to constantly innovate and develop water-related solutions which are engineered to achieve substantial contributions to sustainability (TripleS⁶).

Stakeholder Engagement and Disclosure

We work collaboratively with value chain partners and civil society to protect water and have linked up with a variety of organizations.

BASF is a member of the Alliance for Water Stewardship (AWS), a global multi-stakeholder organization to drive water stewardship. We are a co-founder of and involved in the Alliance to End Plastic Waste (AEPW)⁷, the World Plastics Council⁸ and Operation Clean Sweep⁹ to prevent plastics from entering the environment and to help effectively reduce plastic pollution around the world. This primarily effects water bodies and aims at finding ways to prevent plastic waste from contaminating oceans.

We are regularly and transparently reporting water related data according to the respective GRI-criteria¹⁰ in our corporate report. Furthermore, every year BASF submits detailed answers to the water survey of the non-profit organization CDP¹¹.

¹ World Economic Forum

² UN Global Compact

³ Definition of water stress areas in accordance with the Global Reporting Initiative (GRI) standard: page 10, GRI 303

⁴ Alliance for Water Stewardship (a4ws.org)

⁵ Together for Sustainability

⁶ <https://www.basf.com/global/en/who-we-are/sustainability/we-drive-sustainable-solutions/sustainable-solution-steering.html>

⁷ Alliance to End Plastic Waste

⁸ World Plastics Council

⁹ Operation Clean Sweep®

¹⁰ Global Reporting Initiative

¹¹ Water - CDP