

Excerpt of the Policy Political Relations and Advocacy

1. Purpose

Legislation, reporting requirements, general compliance rules as well as BASF's external stakeholders, such as politicians, NGOs, rating agencies, investors, media and the general public demand that BASF has processes in place for the management of Political Relations and Advocacy.

The purpose of the Political Relations and Advocacy Policy is to:

- set out standards for engagement in Political Relations and Advocacy for all employees of BASF Group to address reputational risk inherent in Political Relations and Advocacy.
- Ensure group-wide consistency in the advocacy for BASF's positions on Corporate Issues towards Political Stakeholders.
- Ensure that BASF's advocacy positions in general are internally aligned and coherent with BASF's strategic objectives.

2. Scope and Target Group

The scope of this Policy is BASF-wide. Adherence to this Policy is mandatory for all BASF employees. It covers the activities of all BASF units and employees that engage with Political Stakeholders for the purpose of influencing the Policy Framework to ensure and improve BASF's license to operate.

3. General Principles

3.1. Principles for interaction with Political Stakeholders

BASF representatives engaging with Political Stakeholders will

- identify themselves by company and name, and declare the interests, objectives or aims promoted;
- ensure that, to the best of their knowledge, information which they provide is true, complete, up-to-date and not misleading;
- not obtain or try to obtain information or any decision dishonestly or by use of pressure or other inappropriate behavior;
- not sell to third parties copies of documents obtained from institutions, officials or decision-makers;
- respect the laws, rules and standards of behavior applicable to the Political Stakeholders they are engaging with as well as BASF's Code of Conduct;
- ensure that BASF makes publicly transparent any involvement in or support of third-party initiatives, campaigns, studies, websites or like;
- not take a position on political topics beyond company view when acting on behalf of BASF;
- communicate towards Political Stakeholders only positions which are in alignment with BASF's interests as a whole.

Before engaging with Political Stakeholders, BASF representatives will exchange with the Global Government Relations Community, as necessary, to

- ensure that the interaction is aligned with all internal stakeholders that need to know.
- ensure that they are informed about and in alignment with BASF's positions and views and that they promote BASF's interests as a whole
- ensure that they comply with all local legal transparency requirements.

3.2. External Advocacy Transparency Registers

BASF fosters transparency in advocacy. BASF participates in transparency or advocacy ("lobby") registers where these exist (e. g. Germany, EU, U.S.).

All BASF employees will comply with the requirements of legally mandatory external advocacy registers and will provide the Government Relations Leadership Team with all necessary information upon request. Local guidance documents will be issued as necessary.

3.3. Political neutrality

BASF is neutral with respect to political parties, party politics or individual policy makers. We engage with Political Stakeholders as necessary on issues in the context of the Policy Framework which impact our license to operate and conduct this engagement based on our values and principles. We are not affiliated with any political party, individual members of parliament or incumbents or candidates for a political office.

3.4. Donations to political parties

BASF does not fund political parties. The same applies to members of government and parliament as well as electoral candidates. Donations from legally constituted groups of BASF employees (e.g. political action committees, "PACs", in the U.S.) are possible within the framework explicitly provided for this purpose by national legislation.

3.5. Societal Engagement, Sponsoring

Societal Engagement activities in the context of Political Relations and Advocacy, in so far as they are not prohibited, are subject to the rules of the Policy Societal Engagement. Societal Engagement with respect to other Political Stakeholders will respect all rules and regulations concerning donations and sponsoring set out by those Political Stakeholders as well as by BASF's Code of Conduct. All sponsoring will be made transparent in an adequate way, e.g. by naming BASF as a sponsor on event publications.

3.6. Non-involvement ahead of elections ("Quiet Period")

During an election period, BASF and its employees will comply with the principle of political neutrality set out above. A "Quiet Period" ahead of elections must be observed during which BASF and its representatives do not present, give or participate in a publicly visible platform for political parties or electoral candidates. In general, a duration of eight weeks before election will be regarded as appropriate. However, national election laws and regulations may make a longer or shorter period necessary. Where necessary, BASF companies will issue a guidance document specifying the local implementation of this rule.

3.7. Revolving Door and Staff exchange (in the case of former government officials or staff)

BASF will respect all applicable regulations concerning a "cooling-off period". If employing former officials or other staff of government or government agencies or assistants or trainees, BASF will respect the obligation of such employees to abide by the rules and confidentiality requirements which apply to them. COM/G must be consulted before

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employment of any former Member of Parliament, staff to Member of Parliament or government official by BASF.

BASF welcomes temporary staff exchange and staff transfer between political organizations, institutions, public administrations and BASF and vice versa. Such staff exchange promotes experience and fosters a better understanding of specific structures and processes between the private and public sector. We may participate in staff exchange if the following conditions are fulfilled:

- Local law permits such staff exchange
- Training and qualification character of the exchange are predominant
- Written contract is provided
- There are no conflicts of interest: e.g. no posting to positions that are involved in the preparation of legislation, administrative directives or decisions directly affecting BASF
- Transparency is ensured: all postings are listed on BASF's website (without mentioning the individual names); an equivalent information policy is encouraged on the side of the partner organization.
- COM/G is informed beforehand by the head of the BASF unit considering such a staff exchange.

3.8. Use of consulting or agency services

BASF conducts its Political Relations and Advocacy with its own management and staff resources and does not use intermediaries. All outreach, contacts and meetings between BASF employees and Political Stakeholders must therefore be arranged and held by BASF representatives in person and not by agency or partner staff on behalf of BASF. Exceptions are only possible in extraordinary circumstances and must be kept to an absolute minimum. Any exceptions must comply to the standards set out below:

- The hiring of agencies or partner staff for the purpose of interaction with Political Stakeholders requires the explicit prior consent of COM/G. Any contact or meeting by partner staff to Political Stakeholders must be approved of and attended by the responsible BASF employee and must be aligned in advance prior to the engagement with the Head of Corporate Government Relations.
- The contract with the agency or partner staff must reference this Policy and agency staff working for BASF must commit in writing to abiding by this Policy and always make clear to Political Stakeholders that they are acting on behalf of BASF.

COM/G must be consulted before the conclusion of any service agreements regarding services of public affairs agencies or partner staff designed to provide political or public affairs information, monitoring, analysis or support in preparing background material or communication material (e. g. social media posts; blog posts; opinion pieces) in the context of interaction with Political Stakeholders. Any such service contract must reference this Policy and abide by its rules.

The requirement also applies in cases where BASF is part of an informal group/consortium (e. g. participation in government consultations) and the agency is mandated by the group/consortium or a consortium member also on behalf of the other members.

3.9. Political and societal commitment of company employees

BASF respects our employees' voluntary societal and political commitment in their private capacities. BASF pursues no corporate interests whatsoever in connection with such private voluntary work or personal Mandates of employees.

Conflicts of interests may arise from such societal and political engagement where the professional tasks of the employee conflict with the goals of the organization etc. Rules for the management of such conflicts are set out in the Corporate Requirement Conflict of Interests.

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3.10. Hospitality

Any offering or acceptance of hospitality must be in accordance with the standards set out in the Policy Code of Conduct of BASF. Additional local or regional restrictions may apply concerning holders of office or government officials.

4. Political Associations

4.1. Memberships in Political Associations

Adoption and termination of memberships of BASF are subject to the process set out in the Corporate Requirement Political Association Management. The same is valid for the personal membership of an employee in a Political Association on behalf of BASF.

4.2. Positioning of BASF in Political Associations

Employees holding a Mandate in a Political Association will monitor the positioning of the Political Association with respect to the Political Association's alignment with BASF's core values and principles as well as its positions.

Employees must align all statements they voice in the context of their Political Association Mandates with BASF's corporate and cross-unit interests. Where corporate interests are affected, the BASF employee representing BASF in a Political Association will align with the suitable member of the Global Government Relations Leadership Team.

BASF will request Political Associations to adopt and adapt positions which are in general alignment with our core values and principles as well as positions. If no agreement can be found, an overarching assessment of the Political Association's performance, positions, views and membership value as well as BASF's influence regarding all issues relevant for BASF is performed together with COM/G. Based on this, a decision is taken on the future of BASF's membership in this Political Association.

4.3. Leadership roles of BASF employees in Political Associations

Employees assuming a leadership role within a Political Association (e. g. president, head of committee or board member) will ensure that no conflict of interest arises between BASF's positions and the position of the Political Association when acting within the leadership role for the association (e. g. media quotes; meetings with Political Stakeholders).

When meeting high-level Political Stakeholders (e. g. members of parliament, government administration; hearings) as part of such a leadership role the employee will inform the suitable member of the Global Government Relations Community.

5. Roles and Responsibilities

Corporate Government Relations (COM/G)

- supports the Board of Executive Directors on all Political Relations and Advocacy and on shaping BASF's positions on Corporate Issues.
- has governance accountability for risk management with respect to Political Relations and Advocacy.
- provides guidelines and guidance on overall Political Relations and Advocacy, thereby supporting high professional standards.
- gives guidance on and is involved in the alignment on conflicting views between units on Corporate Issues.

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- gives guidance to ensure coherence between BASFs strategic objectives and advocacy positions. This also includes advocacy positions on non-Corporate Issues insofar as coherence is not assured.

In order to allow Corporate Government Relations to fulfill its role, all BASF units (ODs, Corporate Center Units, Global Service Units, Regions, managing directors etc.) must timely and appropriately involve Corporate Government Relations regarding all matters concerning or impacting positioning on Corporate Issues.