BASF’s implementation 2020 of the UNGC Blueprint for Corporate Sustainability Leadership

Implementing the Ten Principles into Strategies and Operations

Full Coverage and Integration Across Principles

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| Implement all the ten UN Global Compact principles into strategies and operations. | Our standards fulfill and, in some cases, exceed existing laws and regulations and take internationally recognized principles into account. We respect and promote:  
  • The 10 principles of the U.N. Global Compact  
  • The Universal Declaration of Human Rights and the two U.N. Human Rights Covenants  
  • The core labor standards of the ILO and the Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy (MNE Declaration)  
  • The OECD Guidelines for Multinational Enterprises  
  • The Responsible Care Global Charter  
  • The German Corporate Governance Code  
  
  We want to further cement our position as a thought leader in sustainability, which is why we are increasing the relevance of sustainability in our steering processes and business models. This establishes us as a key partner supporting our customers, opens up new growth areas and secures the long-term success of our company. Our approach covers the entire value chain – from responsible procurement and safety and resource efficiency in production to sustainable solutions for our customers.  
  
  In line with BASF’s corporate strategy, the operating divisions, service units, the regions and a Corporate Center have formed the cornerstones of the BASF organization since January 1, 2020. We have streamlined our administration, sharpened the roles of services and regions, and simplified procedures and processes. These organizational changes have created the conditions for greater customer proximity, increased competitiveness and profitable growth. Our divisions bear operational responsibility here and are organized according to sectors or products. They manage our 52 global and regional business units and develop strategies for the 75 strategic business units. The regional and country units represent BASF locally and support the growth of business units with local proximity to customers.  
  
  The Corporate Center units support the Board of Executive Directors in steering the company as a whole. These include central tasks from the following areas: strategy, finance, law, compliance and tax, environmental protection, |
Ensure that different corporate functions coordinate closely to maximize performance and avoid unintended negative impacts.

The Corporate Development unit, which is part of the Corporate Center, has steered the integration of sustainability into core business activities and decision-making processes since 2020 (see page 21). Global steering of climate-related matters is also bundled in this unit, such as coordinating measures to reach our climate protection target and steering the target on making our product portfolio more sustainable.

The Board of Executive Directors and the Supervisory Board are regularly briefed on the current status of individual sustainability topics. In addition, the Board of Executive Directors is informed about sustainability evaluations in business processes, for example, in the case of proposed investments and acquisitions. It makes decisions with strategic relevance for the Group and monitors the implementation of strategic plans and target achievement. The Corporate Sustainability Board, which is composed of heads of business and Corporate Center units and regions, supports the Board of Executive Directors on sustainability topics and discusses operational matters. A member of the Board of Executive Directors serves as chair.

References
BASF Report 2020

- Chapter “The BASF Group”, pp. 20-21
- Chapter “Our strategic action areas”, p. 28
- Chapter “Integration of Sustainability”, p. 42

Robust Management Policies and Procedures

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| Assess risks and opportunities on an ongoing basis at both enterprise and product level and undertake due diligence to ensure that the company identifies any negative impacts caused by its operations and activities. | A catalog of opportunity and risk categories helps to identify all relevant financial and sustainability-related opportunities and risks as comprehensively as possible. We also systematically assess opportunities and risks with effects that cannot yet be measured in monetary terms, such as reputational and climate risks. […] We use standardized evaluation and reporting tools for the identification and assessment of risks. The aggregation of opportunities, risks and sensitivities at division and Group level using a Monte Carlo simulation helps us to identify effects and trends across the Group.

Opportunities and risks that could arise from material sustainability topics can only rarely be measured in specific financial terms and have an impact on business activities, especially in the medium to long term.

We reduce potential risks in the areas of environmental protection, safety and security, health protection, product stewardship, compliance, supplier relationships and labor and social standards by setting ourselves globally uniform requirements. These often go beyond local legal requirements.

We verify compliance with these standards through internal monitoring systems such as global surveys or audits. In 2020, for example, suppliers were audited for sustainability at a number of sites. Our global Code of Conduct was revised in 2020 to which all employees, managers and Board members are required to adhere. It defines a binding framework for our
Develop strategies and policies specific to the company’s operating context – as well as scenarios for the future - and establish measurable short, medium, and long-term goals.
Engage and educate employees through training activities, the development and adjustment of business processes, and sound incentive schemes.

In addition to the climate protection and Accelerator sales targets, we have also set ourselves further sustainability targets on responsible procurement, engaged employees, women in leadership positions, occupational health and safety, process safety and water management.

BASF is setting itself even more ambitious goals on its journey to climate neutrality and wants to achieve net zero emissions by 2050. Based on the most recent progress in developing low-emission and CO2-free technologies, the company is also significantly raising its medium-term 2030 target for reductions in greenhouse gas emissions: BASF now wants to reduce its greenhouse gas emissions worldwide by 25 percent compared with 2018 – and to achieve this despite targeted growth and the construction of a large Verbund site in South China.

Examples of goals:

- Net zero CO2 emissions by 2050; 25% reduction by 2030 (compared to 2018)
- Achieve 22bn € in Accelerator sales by 2025
- Cover 90% of suppliers with sustainability evaluations by 2025
- Introduce sustainable water management at all production sites in water stress areas and at all Verbund sites by 2030

BASF can rely on the engagement of its employees. Employee engagement is shown by, for example, a passion for the job, a dedication to top performance and a commitment to BASF. Global employee surveys and pulse checks are an established feedback tool in the BASF Group, and are used to actively involve employees in shaping their working environment. The results are communicated to employees, the Board of Executive Directors, the Supervisory Board and stakeholders. We have performed regular global employee surveys since 2008. We aim to keep the employee engagement determined by these surveys at a high level and increase it even further as far as possible. As part of the BASF strategy, we therefore set ourselves the following goal in 2018: More than 80% of our employees feel that at BASF, they can thrive and perform at their best. We regularly calculate the employee engagement level as an index score based on five questions on set topics in our employee surveys. Overall, more than 72,000 employees worldwide participated in this year’s survey, representing 66% of survey recipients.1 The 2020 survey revealed an engagement index of 82% (2019: 79%). Our aim is to keep this score above 80%. We support our leaders with a range of follow-up measures to decentralize address individual action areas and in this way, help to further strengthen employee engagement together with their employees.

Learning and development are essential success factors for a strong company culture. The skills and competencies of our employees are critical for profitable growth and lasting success. For this reason, we want to further modernize our learning culture and step up our efforts to promote lifelong, self-directed learning. Employee development at BASF is guided by the belief that talent is in everyone. This means that development opportunities and support are open to all employees. In our understanding, there is more to development than a promotion or a job change – it encompasses the development of personal experience and abilities.

In regular development meetings, which are held as part of our annual employee dialogs, employees outline ideas for their individual development together with their leaders and determine specific measures for further training and development, which focus on personal and professional competencies. Our learning activities follow the “70-20-10” philosophy: We apply the elements “learning from experience” (70%), “learning from others” (20%) and “learning through courses and media” (10%). Our learning
Implement a system to track and measure performance based on standardized performance metrics.

and development offerings cover a range of learning goals: starting a career, expanding knowledge, personal growth and leadership development.

Digital learning formats play an important role in our development offerings. Even before the coronavirus pandemic, training for leaders and employees was updated to meet the challenges of the digital transformation and modern working life with appropriate learning formats and content. For example, the Digitalization & Me platform was established as a central resource where employees and leaders can find a wide range of online training, learning paths on Linkedin Learning, or virtual continuous professional development events.

We enable our employees to take responsibility for their own professional development within the company with digital and novel offerings. To support multidisciplinary teams in the development of products, services or business models, workshops on design thinking empower participants to find creative and innovative solutions to complex problems. This fosters an agile learning and working culture, which will ultimately also help us to master the digital transformation.

To harness the opportunities of the digital transformation for BASF, the #liveitleadit initiative for leaders focused on agility in 2020. Over 3,000 participants discussed methods, best practices and insights into agile working and digital leadership in monthly digital events.

In addition, more and more academies in the divisions and service units, which teach specific professional content, offer virtual training. We have offered virtual presence training since 2018, which gives all employees the opportunity to attend professional development courses via digital communication channels such as virtual meetings.

In order to assess the sustainable performance of the Board of Executive Directors, each year the Supervisory Board sets a target agreement with the Board of Executive Directors as a whole. The target agreement contains one-year operational targets, primarily earnings, financial and operational excellence targets. This includes, for example, EBIT before special items. One-year strategic targets relating to the further development of BASF, primarily targets for growth, portfolio optimization, investment and R&D strategy, digitalization, sustainability and BASF corporate values.

Our data collection methods for environmental protection and safety are based on the recommendations of the International Council of Chemical Associations (ICCA) and the European Chemical Industry Council (CEFIC). In the section “Environmental Protection, Health and Safety,” we report all data including information on the emissions and waste of the worldwide production sites of BASF SE, its fully consolidated subsidiaries, and proportionally consolidated joint operations.

Our reporting is audited by a third party. KPMG AG Wirtschaftsprüfungsgesellschaft has audited the BASF Group Consolidated Financial Statements and the Management’s Report and has approved them free of qualification. The audit of the Consolidated Financial Statements is based on the likewise audited financial statements of the BASF Group companies. KPMG conducted a reasonable assurance of all disclosures on the most important nonfinancial key performance indicators, accelerator sales and CO2-neutral growth.

The NFS disclosures can be found in the relevant sections of the Management’s Report and have been prepared in accordance with the appropriate frameworks: the Global Reporting Initiative Standards (“Comprehensive” application option) and the reporting requirements of the U.N. Global Compact.
We want to measure the value proposition of our actions along the entire value chain. We are aware that our business activities have an impact on the environment and society, and so we strive to increase the positive contribution and minimize the negative effects of our business activities. To achieve this, we need to continually improve our understanding of how our actions impact society and the environment. We already have many years of experience of this from evaluating our products and processes using methods such as Eco-Efficiency Analyses, the SEEbalance Socio-Eco-Efficiency Analysis, our Sustainable Solution Steering portfolio analysis, or BASF’s corporate carbon footprint. BASF also plans to make the individual carbon footprints for around 45,000 sales products available by the end of 2021 with the help of a new, in-house digital solution. PCFs comprise all product-related greenhouse gas emissions that occur until the BASF product leaves the factory gate for the customer: from the purchased raw material to the use of energy in production processes (Scope 1–3). Calculating PCFs creates transparency for our customers and partners, enabling us to develop plans together to reduce CO2 emissions along the value chain up to the end product.

We want to understand the value we contribute to society and make this transparent. This is why we developed the Value to Society approach in 2013 together with external experts. It allows us to better understand our contribution to a sustainable future. In addition, we can use it to compare the significance of financial and nonfinancial impacts of our business activities on society and show their interdependencies.

References
BASF Report 2020

- Chapter “About this report”, p. 6
- Chapter “Overview”, p. 17
- Chapter “Status of Target Achievement in 2020”, p. 32
- Chapter “Integration of Sustainability”, p. 44
- Chapter “Employees”, pp. 145, 148
- Chapter “Opportunities and Risks”, pp. 165-166
- Chapter “Compensation report”, p. 187

Further references

- BASF presents roadmap to climate neutrality
## Mainstreaming into Corporate Functions and Business Units

### Blueprint Aspects

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<th>Place responsibility for execution of sustainability strategy in relevant corporate functions (procurement, government affairs, human resources, legal, etc.) and ensure that no function is operating in conflict with sustainability commitments and objectives of company.</th>
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<td><strong>BASF</strong></td>
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<td>Sustainability is at the core of what we do, a driver for growth and value as well as an element of our risk management. That is why sustainability is firmly anchored into the organization as part of governance, compensation systems and business models. Based on our corporate strategy and the global targets derived from this, we steer the sustainability targets (CO₂-neutral growth until 2050, CO₂ reduction by 25% until 2030 and achieve €22 billion in Accelerator sales by 2025) as most important key performance indicators. We have established the necessary steering mechanisms and control systems at Group level. Carbon management bundles our global activities to reduce greenhouse gas emissions. We use the Sustainable Solution Steering method to manage our product portfolio. To assess the sustainability performance of our products and identify solutions that make a substantial sustainability contribution in the value chain (Accelerator products), we regularly reassess our product portfolio. In addition to the climate protection and Accelerator sales targets, we have also set ourselves further sustainability targets on responsible procurement, engaged employees, women in leadership positions, occupational health and safety, process safety and water management. The Corporate Development unit, which is part of the Corporate Center, has steered the integration of sustainability into core business activities and decision-making processes since 2020 (see page 21). Global steering of climate-related matters is also bundled in this unit, such as coordinating measures to reach our climate protection target and steering the target on making our product portfolio more sustainable. The Board of Executive Directors and the Supervisory Board are regularly briefed on the current status of individual sustainability topics. In addition, the Board of Executive Directors is informed about sustainability evaluations in business processes, for example, in the case of proposed investments and acquisitions. It makes decisions with strategic relevance for the Group and monitors the implementation of strategic plans and target achievement. The Corporate Sustainability Board, which is composed of heads of business and Corporate Center units and regions, supports the Board of Executive Directors on sustainability topics and discusses operational matters. A member of the Board of Executive Directors serves as chair.</td>
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### Align strategies, goals and incentive structures of all business units and subsidiaries with corporate sustainability strategy. |

### Assign responsibility for corporate sustainability implementation to an individual or group within each business unit and subsidiary. |

(both sections at the right-hand side apply to the three blueprint aspects above)

### References

**BASF Report 2020**

- Chapter “Integration of Sustainability”, p. 42
## Value Chain Implementation

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| **Analyze each segment of the value chain carefully, both upstream and downstream, when mapping risks, opportunities and impacts.** | **Upstream:**  
Our partnerships with suppliers are based on mutual value creation, as well as a reliable supply of raw materials, technical goods and services at competitive prices. We work together in an open and transparent way to generate long-term benefits for both sides.  
Our sustainability-oriented supply chain management helps to manage risks. We have defined our standards and processes in global guidelines and are constantly refining and optimizing these. Our risk-based approach aims to identify and evaluate sustainability risks in our value chains as best possible to improve sustainability together with our suppliers. We regularly review and document progress based on the risk level. Employees with procurement responsibility receive ongoing training in sustainability-oriented supplier management and responsible procurement. In 2020, 462 BASF employees received such training.  
Our expectations of our suppliers are laid down in the global Supplier Code of Conduct. This clarifies for our suppliers the standards to be met and supports them in carrying out our requirements. We count on reliable supply relationships and want to make our suppliers’ contribution to sustainable development visible to us.  
We actively promote sustainability in the supply chain and have set ourselves ambitious targets for this: By 2025, we aim to have conducted sustainability evaluations for 90% of the BASF Group’s relevant spend and will develop action plans where improvement is necessary. In addition, we are working toward having 80% of suppliers improve their sustainability performance upon re-evaluation by 2025. In 2020, 80% of the relevant spend had been evaluated. Of the suppliers re-evaluated in 2020, 68% had improved. The global targets are embedded in the target agreements of persons responsible for procurement.  
New suppliers are selected and existing suppliers are evaluated not only on the basis of economic criteria, but also environmental, social and corporate governance standards. As such, the selection, evaluation and auditing of suppliers is an important part of our sustainable supply chain management. Approaches and responsibilities are set out in a global guideline. Due to the size and scale of our supplier portfolio, our suppliers are evaluated based on risk, including materiality and country and industry-specific risks. We also use observations from our employees in procurement and information from internal and external databases, such as Together for Sustainability (TfS) assessments.  
BASF is a founding member of Together for Sustainability (TfS). The initiative was established in 2011 to improve sustainability in the supply chain. The focus is on standardizing and simplifying supplier evaluations and audits globally. This increases transparency and creates synergies. Suppliers only have to complete an assessment process once. The results are then made available to all TfS members in a database and are mutually recognized – saving time and money for both parties. Suppliers are evaluated by independent experts either in on-site audits or online assessments. The latter are conducted by EcoVadis, a ratings agency specialized in sustainability analyses. |
| **Communicate policies and expectations to suppliers and other relevant business partners.** | **Implement monitoring and assurance mechanisms within company’s sphere of influence.** |
Analyze each segment of the value chain carefully, both upstream and downstream, when mapping risks, opportunities and impacts.

Undertake awareness-raising, training and other types of capability building with suppliers and other business partners.

At the end of 2020, TfS had 29 members with a combined procurement spend of around €227 billion. A total of 258 audits and 4,675 online assessments were performed. As a TfS member, BASF itself is assessed and was one of the best-rated companies in 2020. With 80 points in sustainable procurement, BASF is among the top 1% in this category worldwide.

Using TfS evaluations, we pursue a risk-oriented approach with clearly defined, BASF-specific follow-up processes. If we identify deviations from our standards, we ask our suppliers to develop and implement corrective measures within a reasonable time frame. We support them in their efforts, for example by providing training on environmental, social and corporate governance topics. We trained employees from 43 Chinese suppliers in 2020 as part of a partnership with the East China University of Science and Technology in Shanghai, China.

As part of TfS, training was developed for suppliers that already have a sustainability rating but have potential for improvement in environmental, social and corporate governance. In 2020, more than 1,000 participants attended TfS training on this topic in China and Brazil. The TfS Supplier Academy is also developing training opportunities for our suppliers around the world. These will be implemented in 2021.

BASF supports the implementation of initiatives such as the Global Product Strategy (GPS) of the ICCA. GPS is establishing worldwide standards and best practices to improve the safety management of chemical substances and to support governments in the introduction of local chemical regulations. We are also involved in initiatives such as workshops and training seminars in emerging markets.

We review our suppliers’ progress according to a defined timeframe based on the sustainability risk identified, or after five years at the latest. In the case of ongoing, serious violations of the standards defined in our Supplier Code of Conduct or international principles, we reserve the right to impose commercial sanctions. These can go as far as termination of the business relationship. In 2020, this was decided in four cases.

Downstream:
Product stewardship is of central importance for us. We want to ensure that our products meet our customers’ quality expectations and pose no risk to people, animals or the environment when used in the manner intended. We are committed to continuously minimizing the negative effects of our products on the environment, health and safety along the value chain – from development to disposal – and to the ongoing optimization of our products. This commitment to product stewardship is enshrined in our Responsible Care® charter and the initiatives of the International Council of Chemical Associations (ICCA). Our aim is to comply with all relevant national and international laws and regulations. Our global requirements define rules, processes and responsibilities, for example, to ensure uniformly high product stewardship standards worldwide. In some cases, voluntary initiatives exceed local statutory regulations. We regularly conduct internal audits to monitor compliance with global standards.

We maintain and evaluate environmental, health and safety data for all of our substances and products in a global database. This information is continuously updated. The database forms the basis for our safety data sheets, which we make available to our customers in around 40 languages. These include information on the physical/chemical, toxicological and ecotoxicological properties of products, potential hazards, first aid measures, measures to be taken in the case of accidental release, and disposal. Our
global emergency hotline network enables us to provide information around the clock. In order to help users to quickly find out about our products and the risks associated with them, we use the Globally Harmonized System (GHS) to classify and label our products around the world, provided this is legally permissible in the country concerned. In associations and together with other manufacturers, BASF is pushing for the establishment of voluntary global commitments to prevent the misuse of chemicals.

References
BASF Report 2020

- Chapter “Supplier Management”, pp. 113-115
- Chapter “Product stewardship”, p. 126

Further references

• See more on Procurement

Taking Action in Support of Broader UN Goals and Issues
Core Business Contributions to UN Goals and Issues

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<td>Align core business strategy with one or more relevant UN goals / issues.</td>
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At BASF, we are passionate about chemistry and our customers. We want to be the world’s leading chemical company for our customers, grow profitably and create value for society. Thanks to our expertise, our innovative and entrepreneurial spirit, and the power of our Verbund integration, we make a decisive contribution to changing the world for the better. This is our goal. This is what drives us and what we do best: We create chemistry for a sustainable future.

We achieve long-term business success by creating value added for the environment, society and the economy. Sustainability is at the core of what we do, a driver for growth and value as well as an element of our risk management. That is why sustainability is firmly anchored into the organization as part of governance, compensation systems and business models.

Based on our corporate strategy and the global targets derived from this, we steer the sustainability targets (CO2-neutral growth until 2050, 25% CO2 reduction until 2030 and achieve €22 billion in Accelerator sales by 2025) as most important key performance indicators. We have established the necessary steering mechanisms and control systems at Group level. Carbon management bundles our global activities to reduce greenhouse gas emissions. We use the Sustainable Solution Steering method to manage our product portfolio. To assess the sustainability performance of our products and identify solutions that make a substantial sustainability contribution in the value chain (Accelerator products), we regularly reassess our product portfolio.

In addition to the climate protection and Accelerator sales targets, we have also set ourselves further sustainability targets on responsible procurement, engaged employees, women in leadership positions, occupational health and safety, process safety and water management.
Develop relevant products and services or design business models that contribute to UN goals / issues.

Adopt and modify operating procedures to maximize contribution to UN goals / issues.

We take advantage of business opportunities by offering our customers innovative products and solutions that support their sustainability goals.

BASF’s Verbund concept is key to making the use of raw materials in our own processes as efficient as possible: Intelligently linking and steering our plants and processes creates efficient value chains. By-products from one facility are used as feedstocks elsewhere. This saves raw materials and energy (see page 130). At the same time, the Verbund offers many opportunities to use renewable and recycled raw materials. We want to better leverage this potential going forward (see page 30). For example, we are driving forward chemical recycling of mixed plastic waste and used tires in our ChemCycling project.

Our products, solutions and technologies help to achieve the U.N. Sustainable Development Goals (SDGs), especially SDG 2 (Zero hunger), SDG 5 (Gender equality), SDG 6 (Clean water and sanitation), SDG 8 (Decent work and economic growth), SDG 9 (Industry, innovation and infrastructure), SDG 12 (Responsible consumption and production) and SDG 13 (Climate action).

Transparently classifying our products on the basis of their contribution to sustainability enables us to systematically improve them. Accelerator products make a substantial sustainability contribution in the value chain. These include catalysts that reduce emissions to the environment, biodegradable mulch films for agricultural applications, and high-performance insulation materials for higher energy savings and reduced material use in building construction.

Our focus areas in research are derived from the three major areas in which chemistry-based innovations will play a key role in the future:

- Resources, environment and climate
- Food and nutrition
- Quality of life

The trend toward increased sustainability requirements in our customer industries continues. Our aim is to leverage the resulting opportunities in a growing market even more effectively in the future with innovations. This is why we applied the Sustainable Solution Steering method, which is used to evaluate the sustainability of our product portfolio, to assessments of innovation projects, and integrated it into an early stage of our research and development processes as well as the development of our business strategies. In this way, we want to benefit from the higher profitability of our Accelerator products compared with the rest of our evaluated portfolio. At the same time, we reduce reputational and financial risks by phasing out products for which we have identified substantial sustainability concerns (“Challenged” products) within five years of initial classification as such at the latest. We develop action plans for these products at an early stage to minimize any potential financial risks. These can include research projects, reformulations or even replacing one product with another.

In addition, we are working on overarching projects with a high technological, social or regulatory relevance. For instance, one global research and development program, the Carbon Management R&D Program, is focusing on the underlying energy-intensive production processes for basic chemicals. These basic chemicals account for around 70% of the CO₂ emissions produced by the European chemical industry.1 The program covers topics such as the development of new catalysts for dry reforming methane with CO₂ to produce syngas, and using methane pyrolysis to produce hydrogen from natural gas or biogas.

We systematically evaluate sustainability criteria, including the effects of climate change, as an integral part of decisions on acquisitions and investments in property, plant and equipment or financial assets. In this way, we...
not only assess economic dimensions, but also the potential impacts on areas such as the environment, human rights or the local community. We evaluate both the potential impacts of our activities as well as which effects we are exposed to.

**References**

BASF Report 2020

- Chapter “Corporate Strategy”, p. 26
- Chapter “Innovation”, p. 37
- Chapter “Integration of Sustainability”, pp. 42, 43, 45
- Chapter “Opportunities and Risks”, p. 165

Further references

- Sustainable Solution Steering
- ChemCycling

**Strategic Social Investments and Philanthropy**

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<td>Pursue social investments and philanthropic contributions that tie in with the core competences or operating context of the company as an integrated part of its sustainability strategy.</td>
<td>Through our social engagement, we want to take into account the needs of the communities surrounding our production sites worldwide, help achieve the United Nations’ Sustainable Development Goals (SDGs), and have a positive long-term impact on the environment and society. This is why social engagement is a cornerstone of our corporate social responsibility. We want to have a positive impact on society in our three focus areas: future health, future skills and future resources. We support projects that aim to have a lasting impact on specific target groups and offer learning opportunities for participating cooperation partners and BASF.</td>
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<td>Coordinate efforts with other organizations and initiatives to amplify – and not negate or unnecessarily duplicate – the efforts of other contributors.</td>
<td>As a responsible neighbor at our Ludwigshafen site and a partner in the Rhine-Neckar metropolitan region, our social engagement in Germany includes strengthening participation and integration of disadvantaged groups as well as promoting research and discovery. It is particularly important to us that we work together with our partners to increase the impact of individual measures. In the project #WirGestaltenSchule, for example, we are working with our partners to improve education equality. We promote cooperation between nonprofit organizations with the Gemeinsam Neues schaffen program.</td>
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<td>We foster societal integration, particularly of low-achieving young people and refugees, with our Start in den Beruf and Start Integration programs. In 2020, 106 young people in the BASF Training Verbund participated in these two programs in cooperation with partner companies in the Rhein-Neckar metropolitan region. The goal is to prepare participants for an apprenticeship within one year, and ultimately secure the long-term supply of qualified employees for BASF and in the region as a whole. Since being launched at the end of 2015, BASF’s Start Integration program has supported around 420 refugees with a high probability of being granted the right to remain in Germany, helping to integrate them into the labor market. We spent around €2.6 million on the BASF Training Verbund in 2020.</td>
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<td>In the area of international development work, we support BASF Stiftung, an independent nonprofit organization, with donations for its projects with various U.N. organizations. The 2020 year-end donation campaign in favor of non-profit institutions with humanitarian tasks worldwide promoted support for education and health projects in developing countries.</td>
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BASF Blueprint 2020 (02 July 2021)
Take responsibility for the intentional and unintentional effects of funding and have due regard for local customs, traditions, religions, and priorities of pertinent individuals and groups.

Of BASF Stiftung supported the United Nations World Food Programme’s (WFP) efforts to deliver humanitarian food aid in Yemen. A total of around €396,600 was raised for WFP from donations by the employees of participating German Group companies and BASF. A donation of €65 can feed a family in Yemen for one month.

Through our social engagement, we want to take into account the needs of the communities surrounding our production sites worldwide, help achieve the United Nations’ Sustainable Development Goals (SDGs), and have a positive long-term impact on the environment and society. […] We support projects that aim to have a lasting impact on specific target groups and offer learning opportunities for participating cooperation partners and BASF.

References
BASF Report 2020

- Chapter “Integration of Sustainability”, pp. 47-48

Further references
- Also see BASF’s Societal Engagement

Advocacy and Public Policy Engagement

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<td>Publicly advocate the importance of action in relation to one or more UN goals / issues</td>
<td>BASF and its representatives actively promote the importance of UN Goals and issues in public. We draw on the competence of global initiatives and networks and contribute our own expertise. We are active in worldwide initiatives with various stakeholder groups. For instance, we have been a member of the U.N. Global Compact (UNGC) since its establishment in 2000. As a recognized LEAD company, we contribute to the implementation of the Agenda 2030 and the associated goals. We support UNGC Action Platforms, for example on Good Health and Well-being (SDG 3), and contribute to the UNGC Expert Network. To celebrate the 75th anniversary of the United Nations on September 21, 2020, we reaffirmed our commitment to the UNGC and pledged our support for the Women’s Empowerment Principles and the CFO Principles on Integrated SDG Investments and Finance. BASF is also active in 16 local Global Compact networks. BASF is a founding member of the UNGC Sustainable Finance Initiative launched in December 2019 by a CFO taskforce. Business for Inclusive Growth (B4IG) is a global coalition, powered by the OECD. It aims to pool and strengthen efforts by private companies to reduce inequalities linked to opportunity, gender and territories, and to build greater synergies with government-led efforts. B4IG was launched in presence of President of France Emmanuel Macron on August 23, 2019 ahead of the G7 Leaders’ Summit in Biarritz. “At BASF we are convinced that successful business is only possible within inclusive societies on a healthy planet. We have joined B4IG to work hand in hand with public and private partners for economic growth reaching all levels of society.” - Martin Brudermüller, CEO and Chief Technology Officer, BASF SE</td>
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References
BASF Report 2020
Further References

- BASF is a member of Business for Inclusive Growth

Partnerships and Collective Action

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<td>Develop and implement partnership projects with public or private organizations (UN entities, government, NGOs, or other groups) on core business, social investments and/or advocacy.</td>
<td>BASF is active in partnership projects in the UN Global Compact and UN Global Compact LEAD and beyond:</td>
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<tr>
<td>Join industry peers, UN entities and/or other stakeholders in initiatives that contribute to solving common challenges and dilemmas at the global and/or local levels with an emphasis on initiatives that extend the company’s positive impact on its value chain.</td>
<td>- BASF is engaged in several of UN Global Compact’s Action Platforms and involved in worldwide initiatives with various stakeholder groups.</td>
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<td>- BASF has been a member of the Ellen MacArthur Foundation since 2017. Its New Plastics Economy initiative explores the design, use and reuse of plastics in the transition toward a circular economy.</td>
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<td>- As a member of Transparency International Deutschland and the Partnering Against Corruption Initiative (PACI) of the World Economic Forum, we assist in the implementation of these organizations’ objectives.</td>
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<td>- BASF is a member of the Global Business Initiative on Human Rights (GBI), a group of globally operating companies from various sectors. The initiative aims to ensure implementation of the U.N. Guiding Principles on Business and Human Rights.</td>
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<td>- BASF is a member of the German Roundtable of the International Integrated Reporting Council (IIRC) and a member of the pilot program of the IIRC. We served as a pilot enterprise in the development of the framework for the integrated reporting of the IIRC. Following this pilot phase, we have been active in the IR Business Network since 2014 in order to discuss our experience with other stakeholders and at the same time receive inspiration for the enhancing our reporting.</td>
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<td>- BASF has participated in the program established by the international organization CDP (formerly Carbon Disclosure Project) for reporting on data relevant to climate protection since 2004. CDP is an international organization representing around 515 investors with over $106 trillion in assets and more than 150 major organizations with $4 trillion in purchasing power. In 2020, BASF again scored an A– on CDP’s Climate List, giving it Leadership status. In the scoring framework used by CDP in 2020, BASF was ranked among the best 25% of the participating chemical companies.</td>
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<td>- Companies on the Leadership level are distinguished by factors such as the completeness and transparency of their reporting. They also pursue comprehensive approaches in managing the opportunities and risks associated with climate change as well as strategies to achieve company-wide emission reduction goals.</td>
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<td>- In the CDP assessment for sustainable water management, BASF again achieved the top grade of A and thus Leadership status. The assessment takes into account how transparently companies report on their water management activities and how they reduce...</td>
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risks such as water scarcity. CDP also evaluates the extent to which product developments can contribute to sustainable water management for customers of the companies assessed. BASF continues to implement its sustainable water management target at all relevant production sites (Verbund sites and sites in water stress areas).

• BASF participated in the CDP’s Forest assessment for the first time in 2020 and was ranked A-. As a participant in various value chains, BASF is committed to ending deforestation in these supply chains. One of BASF’s measures to protect the forests is its voluntary commitment to source 100% of its palm oil and palm kernel oil from certified sustainable sources by 2020. We met this target in 2020.

• We are actively involved in external networks, which quickly provide information and assistance in emergencies. These include the International Chemical Environmental (ICE) initiative and the German Transport Accident Information and Emergency Response System (TUIS), in which BASF plays a coordinating role. In 2020, we provided assistance to public emergency response agencies and other companies in 112 cases (2019: 165). This included information on chemicals and their proper disposal, on-site operational support for transportation accidents involving hazardous goods, or information on human biomonitoring. We apply the experience we have gathered to improve our own processes and set up similar systems in other countries.

• BASF supports the implementation of initiatives such as the Global Product Strategy (GPS) of the ICCA. GPS is establishing worldwide standards and best practices to improve the safety management of chemical substances and to support governments in the introduction of local chemical regulations. We are also involved in initiatives such as workshops and training seminars in emerging markets. In 2020, these included the virtual ASEAN (Association of Southeast Asian Nations) workshop on regulatory cooperation.

• We are members of the business-driven sustainability networks like Chemie³, The Conference Board, Together for Sustainability, econsense, CSR Europe, Sustainability Consortium, the World Business Council for Sustainable Development, the Global Battery Alliance and the Alliance to End Plastic Waste.

Climate protection is a shared global task. This is why we support various international initiatives and are involved in partnerships. For instance, we are committed to an ambitious climate policy as part of the Business 20 (B20) – the central dialog platform between business and politics in the G20 group of countries. In 2020, we helped draft climate protection recommendations for the G20 Summit in Saudi Arabia as a member of the B20’s taskforce on Energy, Sustainability & Climate.

BASF also supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In 2020, we contributed to the TCFD report on climate-related scenario analyses as a member of a TCFD advisory group. Since the 2019 reporting year, BASF’s annual report has included an overview showing the sections and subsections in which TCFD-relevant information can be found.

• We are also involved in various international initiatives to strengthen sustainability and innovation in the value chain for batteries. These include the Global Battery Alliance (GBA), which we
co-founded in 2017. It brings together business, government and civil society and develops standards and tools to create a socially responsible, ecological and economically sustainable, and innovative value chain for batteries. For instance, BASF is working with the GBA on a battery pass. In the future, this “digital twin” will contain information on the sustainability of a battery to increase transparency in the value chain.

References

BASF Report 2020

- Chapter “BASF on the Capital Market”, pp. 13-14
- Chapter “Circular Economy”, p. 30
- Chapter “Responsible Conduct”, p. 111
- Chapter “Raw Materials”, p. 119
- Chapter “Product Stewardship”, p. 126
- Chapter “Transportation and Storage”, p. 129
- Chapter “Energy and climate protection”, p. 131
- Chapter “Compliance”, p. 178

Further References

- Sustainability Networks

Engaging with the United Nations Global Compact

Local Networks and Subsidiary Engagement

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<tr>
<th>Blueprint Aspects</th>
<th>BASF</th>
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<tr>
<td>Contribute to the building and operating of at least one UN Global Compact Local Network and help elevate performance of other companies through training, mentoring, COP peer review, etc.</td>
<td>BASF is active in local Global Compact Networks in Argentina, Belgium, Brazil, Canada, Chile, Colombia, Denmark, Germany, India, Kenya, Poland, Spain, Sweden, Tanzania, United States and Ukraine. In several of these local networks, BASF is part of the steering committee/Board. The information in the BASF Report 2020 also serves as a progress report on BASF’s implementation of the 10 principles of the United Nations’ Global Compact and takes into consideration the Blueprint for Corporate Sustainability Leadership of the Global Compact LEAD platform. More information can be found on the BASF Global Compact website (see link below).</td>
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</table>

Encourage subsidiaries to engage with UN Global Compact Local Networks and to participate actively in events and activities.

Publish sustainability information related to each individual subsidiary separately or reference it explicitly in the Communication on
References

BASF Report 2020

- Chapter “About This Report”, p. 5

Further references

- Implementing Global Compact

Global and Local Working Groups

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<th>Blueprint Aspects</th>
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<td>Participate in relevant global or local working groups and share experiences, networks, tools and good practices with other UN Global Compact participants.</td>
<td>We draw on the competence of global initiatives and networks and contribute our own expertise. We are active in worldwide initiatives with various stakeholder groups. For instance, we have been a member of the U.N. Global Compact (UNGC) since its establishment in 2000. As a recognized LEAD company, we contribute to the implementation of the Agenda 2030 and the associated goals. We support UNGC Action Platforms, for example on Good Health and Well-being (SDG 3), and contribute to the UNGC Expert Network. To celebrate the 75th anniversary of the United Nations on September 21, 2020, we reaffirmed our commitment to the UNGC and pledged our support for the Women’s Empowerment Principles and the CFO principles on Integrated SDG Investments and Finance by participating in expert working groups to position corporate finance showing how we create value and positive social impact. BASF is also active in 16 local Global Compact networks.</td>
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<tr>
<td>Take active part in defining scope and objectives of new working groups when relevant.</td>
<td>We are involved in numerous initiatives to drive forward sustainability in general and, specifically, as this relates to our value chains. These include the World Business Council for Sustainable Development (WBCSD) and OECD’s Business for Inclusive Growth (B4IG) initiative, as well as networks with thematic focus like the Alliance to End Plastic Waste (AEPW), the Global Battery Alliance (GBA) or the Roundtable on Sustainable Palm Oil (RSPO). In addition, we realize a wide range of projects – often together with partners – for example, to improve sustainability in the supply chain, to promote a circular economy model or on the responsible use of crop protection products.</td>
</tr>
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</table>

References

BASF Report 2020

- Chapter “Integration of Sustainability”, p. 46
- Chapter “Responsible Conduct”, pp. 110-111

Further References

- Global Compact Network Germany

Issue-Based and Sector Initiatives

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Join and help advance one or more existing UN Global Compact initiatives, e.g. Caring for Climate, CEO Water Mandate, Women’s Empowerment Principles, and Global Business Initiative on Human Rights.

BASF acknowledges its responsibility to respect internationally recognized human rights. For many years now, we have engaged in constructive dialog on human rights with other companies, nongovernmental organizations, international organizations and multi-stakeholder initiatives to better understand different perspectives and address conflicting goals. BASF is a founding member of the U.N. Global Compact and a member of the Global Business Initiative on Human Rights (GBI), a group of globally operating companies from various sectors. The initiative aims to ensure implementation of the U.N. Guiding Principles on Business and Human Rights.

In 2020, we conducted a comprehensive review of our human rights management system and the related processes. The review showed that we have achieved important milestones in the area of human rights and in terms of our due diligence processes. These include the introduction of explicit questions on due diligence aspects in the risk analyses conducted by business units, standard supplier assessments or evaluations of investment projects. […] In consultation with the Human Rights Advisory Council, Corporate Compliance is developing specific measures for improvement together with the expert group and the relevant units. Awareness-raising measures are currently being developed, including training concepts and content to make employees more conscious of human rights.

We support UNGC Action Platforms, for example on Good Health and Well-being (SDG 3), and contribute to the UNGC Expert Network. To celebrate the 75th anniversary of the United Nations on September 21, 2020, we reaffirmed our commitment to the UNGC and pledged our support for the Women’s Empowerment Principles and the CFO Principles on Integrated SDG Investments and Finance. BASF is also active in 16 local Global Compact networks.

BASF supports the implementation of initiatives such as the Global Product Strategy (GPS) of the ICCA. GPS is establishing worldwide standards and best practices to improve the safety management of chemical substances and to support governments in the introduction of local chemical regulations. We are also involved in initiatives such as workshops and training seminars in emerging markets. In 2020, these included the virtual ASEAN (Association of Southeast Asian Nations) workshop on regulatory cooperation.

References
BASF Report 2020

- Chapter “Integration of Sustainability”, p. 46
- Chapter “Responsible Conduct”, p. 111
- Chapter “Product Stewardship”, p. 126

Promotion and Support of the UN Global Compact

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<td>Advocate the UN Global Compact to business partners, peers and the general public.</td>
<td>Advocating the UN Global Compact is a key element of presentations, speeches and communication about sustainability by BASF representatives. BASF representatives promote and further develop the Global Compact by their engagement within the local networks and numerous initiatives, working groups and symposia.</td>
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</table>
Encourage suppliers and other business partners to join the UN Global Compact, and take on mentoring role on issues related to the initiative.

Participate in activities to further develop and strengthen the UN Global Compact.

Furthermore, BASF is a founding member of the sustainability initiative of the German chemical industry Chemie³ (Chemistry³). The sense of commitment shared by companies, employees, social partners and trade associations highlights the fact that sustainability requires an all-encompassing approach which unites economic, environmental and social aspects. The aim of the initiative is to underpin sustainability as a guiding principle of the chemical industry in Germany and to provide inspiration for the international community. As a sector-specific umbrella, the guidelines provide orientation for enterprises and their workforces. They reflect core elements from national, European and international initiatives and standards, such as the 10 principles of the UN Global Compact, the Core Labour Standards of the International Labour Organisation (ILO), and the OECD Guidelines for Multinational Enterprises. They are the result of a dialogue with stakeholders within the industry as well as the political, social, scientific and economic realm.

References

- Networks

The Cross-Cutting Components

CEO Commitment and Leadership

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| CEO publicly delivers explicit statements and demonstrates personal leadership on sustainability and commitment to the UN Global Compact.  
CEO promotes initiatives to enhance sustainability of the company's sector and leads development of industry standards.  
( the section at the right-hand side applies to the two blueprint aspects above)  
CEO leads executive management team in development of corporate sustainability strategy, defining goals and overseeing implementation.  
Make sustainability criteria and UN Global Compact principles part of goals and incentive | “Since its foundation two decades ago, we have been supporting the UN Global Compact. At the core of BASF is our corporate purpose: “We create chemistry for a sustainable future.” We are well aware of the needs of the fast-growing global population: Access to food and water, energy, raw materials, housing and healthcare. Our products and services contribute to reconciling the needs with the planet’s limitations. Therefore, we actively support the UN Sustainable Development Goals. We see them as a guide for research, product development and business conduct. We believe that innovation and sustainability are inextricably linked – and that partnerships are the way forward. And for this reason, we will continue to engage at global and local levels to build multi-stakeholder alliances for meeting these environmental and societal challenges.” – Martin Brudermüller, Chairman of the Board of Executive Directors  
The Corporate Sustainability Board, which is composed of heads of business and Corporate Center units and regions, supports the Board of Executive Directors on sustainability topics and discusses operational matters. A member of the Board of Executive Directors serves as chair.  
In order to assess the sustainable performance of the Board of Executive Directors, each year the Supervisory Board sets a target agreement with the Board of Executive Directors as a whole. The target agreement contains one-year operational targets, primarily earnings, financial and operational excellence targets. This includes, for example, EBIT before special items. It also includes one-year strategic targets relating to the further development of BASF, primarily targets for growth, portfolio optimization, investment and R&D strategy, digitalization, sustainability and BASF corporate values. |
schemes for CEO and executive management team.

References
BASF Report 2020
- Chapter “Integration of Sustainability”, p. 42
- Chapter “Compensation Report”, p. 187

Further References
- BASF’s support for the UN Global Compact
- Sustainability Management Structure

Board Adoption and Oversight

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<th>Blueprint Aspects</th>
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<td>Board of Directors (or equivalent*) assumes responsibility and oversight for long term corporate sustainability strategy and performance.</td>
<td>The Board of Executive Directors and the Supervisory Board are regularly briefed on the current status of individual sustainability topics. In addition, the Board of Executive Directors is informed about sustainability evaluations in business processes, for example, in the case of proposed investments and acquisitions. It makes decisions with strategic relevance for the Group and monitors the implementation of strategic plans and target achievement. The Corporate Sustainability Board, which is composed of heads of business and Corporate Center units and regions, supports the Board of Executive Directors on sustainability topics and discusses operational matters. A member of the Board of Executive Directors serves as chair. We also established an external, independent Stakeholder Advisory Council (SAC) in 2013 and a Human Rights Advisory Council (HRAC) in 2020. In the SAC, international experts from academia and society contribute their perspectives to discussions with BASF’s Board of Executive Directors. The HRAC is led by our Chief Compliance Officer. It comprises external human rights specialists and internal experts, who advise senior management. This helps us to build on our strengths in how we handle human rights and address potential for improvement.</td>
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<tr>
<td>Board establishes, where permissible, a committee or assigns an individual Board member with responsibility for corporate sustainability.</td>
<td>Board (or committee), where permissible, approves formal reporting on corporate sustainability (Communication on Progress).</td>
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<tr>
<td>(both sections at the right-hand side apply to the two blueprint aspects above)</td>
<td>The Audit Committee met six times during the reporting period. With the exception of one meeting, which one member did not attend, all committee members attended all meetings. The Audit Committee is responsible for all the tasks listed in section 107(3) sentence 2 of the German Stock Corporation Act (AktG) and the recommendations of the German Corporate Governance Code. In 2020, the Supervisory Board additionally tasked the Audit Committee with monitoring the internal process of identifying related party transactions and adopting resolutions to approve related party transactions. At the meeting on February 23, 2021, the auditor reported in detail on its audits of BASF SE’s Separate and Consolidated Financial Statements for the 2020 business year, including the corresponding management’s reports, and discussed the results of its audit with the Audit Committee. The committee’s audit also included the nonfinancial statements of BASF SE and the BASF Group.</td>
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References

* For companies without a formal Board, other governance or ownership body assumes these responsibilities
Stakeholder Engagement

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<th>Blueprint Aspects</th>
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<td>Publicly recognize responsibility for the company’s impacts on internal and external stakeholders.</td>
<td>Our stakeholders include customers, employees, partners and suppliers, investors, representatives from academia, industry, politics and society, as well as from the communities surrounding our production sites. Parts of our business activities, such as the use of certain new technologies or our environmental impacts, are often viewed by stakeholders with a critical eye. We take these questions seriously, initiate dialogs and participate in discussions. Such ongoing exchange with our stakeholders helps us to even better understand what matters to groups of society, what they expect of us and which measures we need to pursue in order to establish and maintain trust, build partnerships, and increase societal acceptance for and the sustainability of our business activities. In doing so, we want to harness potential for mutual value creation and strengthen the legitimacy of our business activities – our license to operate. For important topics, we systematically identify key stakeholders at an early stage to discuss critical questions with them. Relevant considerations include their topic-specific expertise and willingness to engage in constructive dialog.</td>
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<tr>
<td>Define sustainability strategies, goals and policies in consultation with key stakeholders.</td>
<td>In 2020, we once again met with the Stakeholder Advisory Council to discuss important aspects of sustainability. The main topics were climate protection, circular economy and sustainable finance. The Human Rights Advisory Council discussed impacts on selected Aspects of our products’ value chains and interacting with vulnerable groups.</td>
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| Consult stakeholders in dealing with implementation dilemmas and challenges and invite them to take active part in reviewing performance. | We have a particular responsibility toward our production sites’ neighbors. With the established community advisory panels, we promote open exchange between citizens and our site management and strengthen trust in our activities. Our globally binding requirements for community advisory panels are based on the grievance mechanism standards in the United Nations’ Guiding Principles on Business and Human Rights. We keep track of their implementation through the existing global databank of the Responsible Care Management System. Global employee surveys and pulse checks are an established feedback tool in the BASF Group, and are used to actively involve employees in shaping their working environment. The results are communicated to employees, the Board of Executive Directors, the Supervisory Board and stakeholders. Trust-based cooperation with employee representatives is an important component of our corporate culture. Our open and ongoing dialog lays the foundation for balancing the interests of the company and its employees, even in challenging situations. In the case of organizational changes or if restructuring leads to staff downsizing, for example, we involve employee representatives to develop socially responsible implementation measures at an early stage. In 2020, this happened in connection with the transformation of the newly created Global Business Services unit, for example. Our actions are aligned with the respective legal regulations and the agreements reached, as well as operational considerations. During the coronavirus pandemic, we developed solutions together with employee represent-
Establish channels to engage with employees and other stakeholders to hear their ideas and address their concerns, and protect ‘whistle-blowers’.

We particularly encourage our employees to actively and promptly seek guidance if in doubt. They can consult their managers, specialist departments, such as the Legal department, and company compliance officers. The new internal platform and corresponding app also help employees to access advice by enabling direct contact. In addition, we have set up more than 50 external hotlines worldwide that our employees can use – including anonymously – to report potential violations of laws or company guidelines. All hotlines are also open to the public. Each concern is documented according to specific criteria, properly investigated in line with standard internal procedures and answered as quickly as possible. The outcome of the investigation as well as any measures taken are documented accordingly and included in internal reports.

**References**

BASF Report 2020

- Chapter “Integration of Sustainability”, pp. 46-47
- Chapter “Employees”, pp. 145, 150
- Chapter “Compliance”, p. 178

**Transparency and Disclosure**

**Blueprint Aspects**

- Share sustainability information with all interested parties and respond to stakeholder inquiries and concerns.
- Ensure that Communication on Progress covers all aspects of the Leadership Blueprint and utilize, where appropriate, the Global Reporting Initiative framework.
- Integrate Communication on Progress into annual financial report or publish them together.

**BASF**

BASF publishes an integrated annual report and provides more information on sustainability on its homepage www.basf.com. We further publish information for specific stakeholder groups such as our Palm Progress Report.

Our sustainability reporting has been based on GRI guidelines and standards since 2003. We have applied the “Comprehensive” option since the BASF Report 2017. The information in the BASF Report 2020 also serves as a progress report on BASF’s implementation of the 10 principles of the United Nations’ Global Compact and takes into consideration the Blueprint for Corporate Sustainability Leadership of the Global Compact LEAD platform.

The detailed GRI and Global Compact Index can be found in the online report. It provides an overview of all relevant information to fulfill the GRI indicators, as well as how we contribute to the United Nations’ Sustainable Development Goals (SDGs) and the principles of the U.N. Global Compact. The results of the limited assurance of this information can also be found there in the form of an assurance statement issued by KPMG AG Wirtschaftsprüfungsgesellschaft. We also publish additional information on sustainability in accordance with the industry-specific requirements (Chemicals Standard) of the Sustainability Accounting Standards Board (SASB).

We have been active in the International Integrated Reporting Council (IIRC) since 2014 in order to discuss our experiences of integrated reporting with other stakeholders and at the same time, receive inspiration for enhancing our reporting. This report addresses elements of the IIRC framework by, for example, providing an illustrative overview of how we create value or demonstrating the relationships between financial and sustainability-related performance in the sections on the segments.
Secure external verification of Communication on Progress or seek other methods for legitimation by external stakeholders.

Our reporting is audited by a third party. KPMG AG Wirtschaftsprüfungsge- sellschaft has audited the BASF Group Consolidated Financial Statements and the Management’s Report and has approved them free of qualification. The audit of the Consolidated Financial Statements is based on the likewise audited financial statements of the BASF Group companies. [...] KPMG also conducted a limited assurance of the nonfinancial group statement (NFS).

References
BASF Report 2020

- Chapter “About This Report”, pp. 5-6

Further References
- Palm Progress Report
- BASF – Sustainability