

Policy

Political Relations and Advocacy

COM, Corporate Communications & Government Relations

 **BASF**

We create chemistry

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1. MANAGEMENT SUMMARY

BASF pursues a constructive dialogue with Political Stakeholders to ensure and improve its license to operate and as part of its commitment to develop sustainable solutions together with partners. This exchange helps us to understand trends and anticipate regulatory expectations and developments as well as to advocate for and communicate our views.

In this context, we commit ourselves to responsible, honest and transparent action based on our values and principles. We conduct dialogue and advocacy in compliance with our Global Code of Conduct, its core values and the rules and principles set out in this policy.

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

- Ensure responsible actions with respect to Political Relations and Advocacy
- Ensure compliance with respective laws, regulations and customs regarding interaction with Political Stakeholders.

2. SCOPE AND TARGET GROUP

Due to the nature of Political Relations and Advocacy, interaction with Political Stakeholders takes place at all levels of BASF's business activities. This policy applies to any BASF Group company, unit, or individual within BASF Group engaging with Political Stakeholders.

Notwithstanding the following generally valid definitions, rules and principles, BASF Group companies will adhere to country-specific regulations when implementing this policy and establish respective requirements if necessary.

3. RESPONSIBILITIES

Global responsibility: Corporate Communications & Government Relations (COM)

4. DEFINITIONS

4.1. Political Relations and Advocacy

There are various terms describing interactions with Political Stakeholders. Examples include Government Relations, Stakeholder Engagement, Public Affairs and Lobbying. We will use “Political Relations and Advocacy” as the preferred term for our activities. Political Relations and Advocacy is the multi-dimensional dialogue and engagement with Political Stakeholders in order to ensure and improve our license to operate. It combines relations with Political Stakeholders, monitoring, issue management, strategic advocacy and political communication. It aims to build and maintain a strong reputation and find a common ground with these stakeholders as well as to contribute our subject matter expertise to public policy and decisions of political institutions. It does not include interactions when BASF is a “customer” or supplier of government services (e.g. administration procedures for operations permits; public procurement).

4.2. Political Stakeholders

Political Stakeholders are institutional and individual decision-makers and opinion leaders in government and society. Examples include policy makers, civil servants and other government officials, trade associations, think tanks, political media, business groups, unions and other NGOs.

5. RULES AND PRINCIPLES

In general, Political Relations and Advocacy needs to be conducted in coordination with the Head of Local Political Relations team.

5.1. Principles for interaction with Political Stakeholders

BASF representatives engaging with Political Stakeholders will

- always identify themselves by name and by the entity or entities they work for or represent, and declare the interests, objectives or aims promoted;
- ensure, to the best of their knowledge, that they are in alignment with BASF Group positions and views;
- 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 undue pressure or inappropriate behavior;
- not take a prominent stance in political controversies beyond company view when acting on behalf of BASF;
- not sell to third parties copies of documents obtained from institutions, officials or decision-makers;
- respect the rules and standards of behavior applicable to the Political Stakeholders they are engaging with;
- When engaging with Political Stakeholders of relevance to more than one BASF unit do this in coordination with or with the knowledge of the Head of Local Political Relations team. Such relevance will be assumed e.g. in the case of members of parliament and high-ranking government officials, or US-federal elected officials, US-federal administration.

- Ensure that no misrepresentation concerning the ownership of initiatives, campaigns, studies, websites or like occurs (i.e. intentional pretense that BASF is not involved). This also applies in cases where BASF is a co-initiator of such initiatives or the like. If necessary, BASF will ensure that its support of such initiative or the like will be made transparent in an adequate way.

5.2. External Advocacy Registers

BASF is in favor of fostering transparency in advocacy and will participate in transparency or advocacy (“lobby”) registers where possible.

5.3. Political neutrality of BASF

We are open for dialogue with all stakeholders. BASF is not affiliated with any political party, individual members of parliament or incumbents or candidates for a political office. BASF has a view on issues, not on political parties or individual policy makers. For BASF employees, section 6.3.3 applies.

5.3.1. Donations to political parties and sponsoring

BASF does not fund political parties. The same applies to members of government, parliament and electoral candidates. These rules do not apply to donations from legally constituted groups of BASF employees (e.g. political action committees, “PACs”, in the U.S.). Sponsoring of individual events in a political context must be approved by the local Head of Government Relations and the Head of the respective BASF unit. Any such sponsoring will strictly adhere to BASF’s fundamental neutrality in party politics and preclude any activity that could be interpreted as mutual dependence with any political body or person. BASF respects any and all rules and regulations concerning donations and sponsoring set out by Political Stakeholders. All sponsoring will be made transparent in an adequate way, e.g. by naming BASF as a sponsor on the event invitation. Additional local or regional rules and BASF’s Corporate Brand Management Policy apply. Where necessary, BASF Group companies will issue a Requirement specifying the local implementation of this rule.

5.3.2. Non-involvement ahead of elections (“Quiet Period”)

During an election period, BASF Group companies and employees will observe the principle of political neutrality set out above. A “Quiet Period” ahead of elections will 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. A duration of eight weeks before election will in general be regarded as appropriate. However, national election specifics may make a longer or shorter period necessary. Where necessary, BASF Group companies will issue a Requirement specifying the local implementation of this rule.

5.3.3. Social commitment of company employees

BASF encourages employees to voluntary civic, social and political commitment within their private capacities. BASF pursues no corporate interests whatsoever in connection with private voluntary work and personal mandates of employees.

BASF employees will respect the provisions set out on conflicts of interest in BASF’s Global Code of Conduct.

5.4. Staff exchange

BASF will respect all applicable regulations concerning a cooling-off period and if employing former officials or other staff of government or government agencies or assistants or trainees, respect the obligation of such employees to abide by the rules and confidentiality requirements which apply to them. BASF welcomes temporary staff exchange and staff transfer between political organizations, institutions, public administrations and BASF and vice versa. 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

The Head of Local Political Relations team is responsible for ensuring the above-mentioned conditions and for informing COM beforehand of the staff exchange.

5.5. Role of BASF employees in industry associations: Principles for interaction with Political Stakeholders on behalf of an industry association; Alignment of positions

BASF employees will inform the Head of the Local Government Relations team and their respective Head of unit before assuming a mandate in an association. The respective unit is responsible for coordinating with other concerned business units/functional units or the relevant members of the lead team, as appropriate, concerning the representation of BASF's interests in the relevant associations. This includes ensuring that BASF Group's and cross-unit interests are taken into account. Where BASF Group's interests are affected, the BASF employee representing BASF in an association will align with the Head of Local Government Relations team.

BASF employees acting as BASF-representative in an association will

- ask association to adopt positions in accordance with our core values and principles and the rules and principles for interaction with Political Stakeholders as set out in this policy. If no agreement can be found, an overarching assessment of the association's performance, positions, views and membership value regarding all issues relevant for BASF is performed together with Corporate Government Relations. Based on this, a decision is taken on the future of our membership in this association.
- ensure that when representing BASF in association boards and committees, they are in alignment with BASF Group positions and views;
- always identify themselves by name and by the entity or entities they represent and work for and declare the interests, objectives or aims promoted;
- ensure that, to the best of their knowledge and that of the association, 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 undue pressure or inappropriate behavior;

- not take a prominent stance in political controversies beyond company view when acting on behalf of the association;
- not sell to third parties copies of documents obtained from institutions, officials or decision-makers;
- respect the rules and standards of behavior applicable to the Political Stakeholders they are engaging with;
- When engaging in contacts with Political Stakeholders of relevance to more than one BASF unit do this with the knowledge of the Head of Local Political Relations team. Such relevance is assumed e.g. in the case of federal elected officials or federal administration.
- In case of conflict of interest, inform the Head of Local Political Relations team and/or their Head of unit as well as the association.

5.6. Involvement of public affairs agencies or other agencies/ partners

BASF aims to conduct Political Relations and Advocacy with its own staff resources. Relevant contacts and meetings between BASF and Political Stakeholders should therefore be made and held by BASF representatives in person and not by agency or partner staff on behalf of BASF. Exceptions should be kept to an absolute minimum. The hiring of agencies or partner staff for the purpose of interaction with Political Stakeholders on behalf of BASF requires the consent of COM. The following standards apply:

- The respective contact or meeting needs to be approved of and monitored by the responsible BASF employee.
- The agency staff must commit in writing to abiding by this policy, and
- always make clear to Political Stakeholders that they are acting on behalf of BASF.

This does not apply to services of public affairs agencies designed to provide political or public affairs information and monitoring, provided that this information is only acquired along the rules described in this policy.

5.7. Hospitality

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