

BASF Group's Position on Human Rights

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1. Introduction: Who we are

We create chemistry for a sustainable future. We at BASF innovate, produce, and market solutions that are needed by customers and society. Thereby, we contribute to a world that provides a viable future with enhanced quality of life for everyone.

We value people and respect their individual dignity, rights, and aspirations as well as societies and cultural heritage. For us and future generations, we want to join in enhancing the livelihood on our planet. Consequently, we care about the impacts of our operations and of our business decisions.

We acknowledge the sovereignty of states and their role to stipulate laws. States have the duty to protect human rights and companies the obligation to comply with the laws while respecting human rights.

As a company aiming for profitable growth, we decide for the path of sustainable value creation. We strive to positively contribute to the fulfilment of human rights and the well-being of people. We want to be a role model in the chemical industry regarding safe and responsible business conduct, a good corporate citizen, and a partner to all our stakeholders.

2. Commitment: What we stand for

Considering that states have the duty to protect human rights, we commit to respect human rights in our operations and embrace the responsibility to foster respect for human rights in relationships with our business partners along the value chain, with neighbours in communities, and in the application of our products. Against this backdrop, we commit to the internationally agreed-upon standards, i.e.

- United Nations' (UN) Universal Declaration of Human Rights,
- International Covenant on Civil and Political Rights,
- International Covenant on Economic, Social and Cultural Rights,
- International Labour Organization' (ILO) Declaration on Fundamental Principles and Rights at Work,
- ILO Tripartite Declaration of Principles concerning Multinational Enterprises,
- the Ten Principles of the UN Global Compact,
- UN Guiding Principles on Business and Human Rights,
- Organisation for Economic Co-operation and Development' (OECD) Guidelines for Multinational Enterprises, and
- the Responsible Care Global Charter of the chemical industry.

We act with respect

As an internationally operating company, we are embedded in many societies and engage with partners around the world. We act as an organization but also as an assembly of individuals. With our Global Code of Conduct, applicable to all our employees and members of management bodies, we uphold our standards worldwide, even where they voluntarily exceed local legal requirements. In our own operations, we strictly aim to avoid causing of or contributing to violations of human rights.

We support partners

We recognize that we cannot act alone to advance the realization of human rights. Being engaged in several value chains and embedded in many societies, we rely on partners and expect them to respect international human rights standards. Never do we want to be linked to any human rights violation, neither as accomplice nor as profiteer, neither directly nor indirectly. Therefore, we

support our partners along the whole value chain in their efforts to meet their respective responsibilities. Together, we strive to avoid harm to human rights along our value chain.

We comply with applicable laws and regulations

We respect the sovereignty of states. We abide by the laws and cooperate with governments and their respective agencies in order to strengthen adherence to human rights. When faced with conflicting requirements or standards, e.g. in countries where national laws, rules, or customs deviate from international standards, restricting or contradicting the latter, we nevertheless apply the international standards as far as local law allows.

Regions with weak governance may expose our value chains and us to war, violent conflict, criminality, civil unrest, social tension, extreme poverty, or cultural habits potentially in conflict with human rights. We do not tolerate any form of corruption and strive for fair business practices. Where states lack the ability or willingness to fulfil their own duty to protect human rights, we stay committed to human dignity and inalienable rights and respect them but without assuming governmental roles.

3. Our own operations: How we act

We avoid causing or contributing to adverse human rights impacts through our own operations. We value people and treat them with respect. We care for all our stakeholders and act accordingly.

Our employees

Occupational health and safety is a core for us and we continuously aim to develop further. Our Responsible Care Management System provides the basis for safe behaviour in safe assets. Our employees take part in regular trainings to promote safety-conscious behaviour and prevent work-related accidents.

We strive to create a fair, diverse, and inclusive workplace, based on mutual trust, and where employees treat each other with respect and dignity. We do not tolerate any kind of harassment or other types of abuse.

We realize equal employment opportunities without discrimination, independent from race, gender, age, religion, national or social origin, disability, family status, sexual orientation, gender identity or expression, or any criterion not lawful. This includes equal pay for equal work. We are inclusive to people with disabilities. We regard people from vulnerable groups. We target fair proceedings with fair outcome.

We do not tolerate any form of child and forced labour, slavery, or human trafficking. We recognize the freedom to associate, support collective bargaining, and live social partnership. We aim for performance-related compensation and benefits, entitlement to adequate working hours, paid leave, maternity protection, and parental leave. We maintain proportionality in disciplinary measures.

Our Global Code of Conduct sets rules for the whole BASF Group. Our employees take part in trainings to ensure compliant behaviour.

Our sites and neighbours

At our sites, we want to be a good neighbour and citizen, to respect the rights and help to meet the needs of residents and communities. We provide jobs and contribute to local value creation. We target to preserve the livelihood of our neighbours, with special care for vulnerable groups such as indigenous people and smallholders.

We promote open exchange and dialogue between citizens and our site management to strengthen the trust in our activities.

With continuous efforts, we operate safely for people and the environment and do not compromise on the safety and health on our premises and to the neighbourhood of our sites. We assess risks, both incident probability and potential impact, to determine appropriate protective measures. We continuously work to be prepared for emergency response in case of incidents.

We are responsible for security of our employees and protection of our premises. Globally, the security personnel of sites are trained to abide with local laws and situations. We want to achieve that response of security personnel will always be competent, appropriate, and proportional to a security threat.

Our products

With continuous efforts, we develop and promote safe products as well as safe applications thereof. We provide information in the relevant languages about products, offer training for customers, and support the downstream value chain with our product stewardship experts worldwide. Our voluntary initiatives often go well beyond legal requirements. We strive for avoiding abuse or misuse of our products. If we are aware of such potential, we take precautions, e.g. demand use declaration, where supported by law.

4. With partners: Together

In our business, we rely on partners e.g. in joint ventures, as contractors, suppliers, and customers, which also rely on further partners along the value chain.

We expect all our partners to comply with internationally recognized human rights standards and to replicate them further along the value chain with their subsequent partners. We expect them to have processes in place to prevent, mitigate, and remediate human rights violations, that they may cause or contribute to.

Whenever we become aware of human rights violations in our value chain, we urge to end these immediately by addressing our direct partners. Where appropriate, we support our partners, civil society, or cross-industry initiatives for tackling related challenges together, on a broader basis of stakeholders. In other cases, we may choose to explore business alternatives and reserve the right to terminate business relations.

Within joint ventures

In joint ventures, where we have the majority of shares or the operational lead, we aim to live respect for human rights as we do in our own operations, while respecting the rights of our joint venture partner(s).

In joint ventures, where we have a minority of shares or have transferred the operational lead, we target to live respect for human rights in the joint venture based on international human rights standards, together.

With contractors

To support our employees, e.g. in services, construction, and maintenance, we employ contractors and have their workers on our sites. Contractually, we oblige contractors to adhere to our standards regarding human rights, labour conditions, training, and equipment and to ensure their application. We treat the workers of contractors with care and respect like our own employees. Vice versa, we expect them to behave responsibly and to adhere to our site rules.

With suppliers

We expect our suppliers to respect human rights. Our Supplier Code of Conduct is part of our standard purchasing contracts and conditions of purchase. We reserve the right to terminate a business relationship if a supplier fails to meet these obligations.

We identify those supply chains that are at greatest risk impacting human rights, e.g. located in countries prone to human rights violations, in industries with likely poor working conditions, or less than responsible habits. In those cases, we employ due efforts and engage with our suppliers aiming that they fulfil their human rights obligations.

With customers

Through science and innovation, we enable our customers to meet current and future needs of society. We strive for advantageous and sustainable solutions. Our product stewardship identifies potential risks in handling, use, and disposal of our products, and advises accordingly to minimize potential negative impacts. We work continuously with the relevant stakeholders to achieve that our products pose neither risk to people nor to the environment, when used responsibly in the manner intended.

5. Precautionary due diligence

We have systematically integrated human rights assessments into our corporate processes for governance and decision-making, e.g. for investments in sites, plants, equipment, and financial assets. We seek to identify and prevent potential adverse human rights impacts of our operations. We further seek to identify and avoid potential risk exposure of our operations. We pay attention to vulnerable groups, including indigenous people, minorities, people with disabilities, young workers, and parents-to-be.

6. Awareness and dialogue: We listen and respond and act

We embed our commitment to respect human rights in our daily operations and for all business functions. We encourage and foster open dialogue with all our stakeholders to develop a mutual understanding of relevant topics, to allow for a meaningful consultation, and to raise awareness. We connect to create value in societies. In a collaborative way, we strive to reduce negative and to optimize positive effects.

We offer worldwide operational-level grievance and/or complaint mechanisms for own employees, partners, and the public affected by our operations. We take on critical questions and listen to all grievances. We ensure that all concerns that are brought forward to us are addressed. We strive for appropriate remediation by the responsible party.

We report relevant developments regarding our human rights activities, e.g. in the annual BASF Report and online at <http://www.basf.com>. As we are committed to continuous improvement, we intend to revise this position on human rights in the future as needed.