



The Chemical Company

BASF Group's Position on Human Rights



The Chemical Company

CONTENTS

1.	Commitment	1
2.	Our employees	1
3.	In the communities around our sites	2
4.	Our business partners	3
5.	Implementation and monitoring	3

1. Commitment

The BASF Group acknowledges its responsibility to respect and support human rights. We act in accordance with internationally declared human rights and adhere to applicable laws within the framework of our business activities. In our Values and Principles and in our voluntary commitments, we undertake to observe principles of the following internationally recognized standards:

- the ten principles of the UN Global Compact
- the United Nations' Universal Declaration of Human Rights
- the International Covenant on Civil and Political Rights
- the International Covenant on Economic, Social and Cultural Rights
- the International Labor Organization's (ILO) eight core labor standards
- the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration)
- the OECD Guidelines for Multinational Enterprises
- the Responsible Care[®] Global Charter

In our role as a founding member of the UN Global Compact, we strive to contribute to the protection and wider recognition of human rights within our sphere of influence. For this reason, we also support our suppliers and business partners in their efforts to act in accordance with internationally recognized standards.

2. Our employees

The working conditions of our employees are, at minimum, in compliance with internationally recognized labor standards and the laws of the countries we operate in. Compliance with the ILO's core labor standards is mandatory for us worldwide. This includes the prevention of child and forced labor, adherence to the principle of non-discrimination in the workplace, the right of freedom of association and assembly, and the right to collective bargaining. This applies provided national law does not explicitly prohibit adherence to the ILO core labor standards. In such cases, we develop innovative approaches to promote the adoption of the principles that form the foundation of these international standards.

When we align labor and social standards with local conditions, we comply with the national industry standard. We are committed to the following principles:

BASF Group's Position on Human Rights

- performance-related compensation based on global principles and in line with the market; remuneration that, at the very least, meets the legal minimum wage; employee participation in the company's success;
- an appropriate limit to the maximum number of working hours;
- regular paid vacation;
- social security for our employees;
- good-faith relationships with elected employee representatives.

3. In the communities around our sites

Corporate Citizenship

Our aim is to be an attractive employer, a reliable partner and a good neighbor. We are therefore committed to taking on social responsibility and participate in a wide variety of projects in the communities around our sites across the world. The main focus of these activities is on education and science. With this commitment, we wish to contribute to positive social development and thereby also to support human rights.

Security

We are responsible for the security of our employees and for protecting our premises. We undertake to respect human rights in the security sector at all times. We have addressed the topic of human rights in our Group Directive on Security. It is valid for all sites and applies to BASF's own security personnel and to external contractors. A central principle is that our response to security threats is proportionate. The BASF Group does not use armed security personnel to protect its employees and sites. The only exceptions to this rule are in countries in which the arming of security personnel is required by law or justified after a thorough analysis of the security situation. This applies to our own security personnel and to external contractors.

Rights of indigenous peoples

We respect the rights of indigenous peoples, insofar as they are affected by our business activities.

4. Our business partners

Our suppliers

When choosing suppliers, our decisions are not based solely on economic criteria. Both new and existing suppliers are also evaluated on the basis of environmental protection, occupational safety, social standards and compliant behavior, and these standards are incorporated in our procurement conditions.

Our customers

Through our group directives on product stewardship and product safety, we ensure that our products pose no danger to people or the environment when they are used responsibly and in the manner intended. Our Group Directive on Product Stewardship contains our voluntary commitment with worldwide goals and applies to all operative decision makers, who are also responsible for its implementation.

5. Implementation and monitoring

Open and respectful treatment of stakeholders is anchored in our basic values. Maintaining an intensive dialog with the relevant stakeholders helps us to identify and evaluate new developments and challenges at an early stage and to address them in our business activities if necessary. Transparent targets, processes, management systems and monitoring systems form the basis for this open exchange. Every year, we publish the BASF Report, which covers the economic, ecological and social performance of the BASF Group. The contents of the report are audited externally.

Our employees

Observance of our basic values and principles is an integral element in the annual target agreements of all senior executives in the BASF Group.

Based on our Group-wide basic values and principles, our Group companies have also created codes of conduct for individual countries to take the local laws and customs into account. These codes of conduct are binding for all employees in the relevant countries and must be explained and incorporated in daily business operations. Compliance training for all employees worldwide is an important prerequisite for successful implementation of the codes of conduct. Furthermore, employees have a number of options if they want to ask questions or seek advice and help.

BASF Group's Position on Human Rights

The Corporate Audit Department, in cooperation with BASF's Chief Compliance Officer, monitors compliance with our Values and Principles and our codes of conduct on a regular basis.

We operate a three-part monitoring system to evaluate whether we adhere to internationally recognized labor and social standards within the BASF Group. This includes:

- close dialogue with employee representatives and international organizations
- a compliance hotline that all employees can use anonymously and confidentially to obtain information about valid labor and social standards or to report grievances, and
- an annual survey in our Group companies to ensure adherence to voluntary commitments in day-to-day business. The results are published in our report, which is audited externally.

Regular audits ensure consistently high standards within the BASF Group in all areas of environmental protection, safety and health protection.

In the communities around our sites

As a company in the chemical industry, we are aware of the particular responsibility we have towards our neighbors. Thus, we set up Community Advisory Panels (CAPs), mostly at our larger production sites. A CAP consists of a group of individuals who live near or around a chemical facility and who represent the fabric of their community. The CAP meets regularly to discuss issues of common interest. It is a forum for open and honest dialogue between citizens and plant management. If neighbors have any complaints related to our company, they can submit complaints via the CAPs or they can contact us directly, anonymously if necessary.

Our business partners

We inform our suppliers in writing about the standards we expect and raise their awareness of sustainability issues. Risk matrices help us to identify potential high-risk suppliers. Suppliers fill out a self-assessment questionnaire according to their risk potential. If we establish that suppliers do not meet our standards or only meet them partially, we visit them on site, agree on corrective measures and provide help in implementing these. Furthermore, BASF conducts training sessions on sustainability issues for suppliers in selected countries.



The Chemical Company

BASF Group's Position on Human Rights

For further information please contact:

Sustainability Coordination
Thorsten Pinkepank
BASF SE
GU/NC – B014
67056 Ludwigshafen
Germany
Phone +49 621 60-41976
E-Mail thorsten.pinkepank@basf.com
http://www.basf.com/group/sustainability_en/index