

BASF Group's

# POLICY

# STATEMENT

# ON HUMAN

# RIGHTS



We create chemistry





# MESSAGE FROM THE BOARD



**We are BASF:** We create chemistry for a sustainable future! We can only achieve this if we acknowledge and embrace our social responsibilities. The foundation of our social responsibility is respecting human rights in our own operations and business relationships.

Our longstanding self-commitment has driven our engagement for human rights. We commit to respecting internationally recognized human rights in our own operations and embrace our responsibility to foster respect for human rights in relationships with our business partners along the value chain.

We see human rights due diligence as an important, all-encompassing task that we can only perform by working together as a team throughout the entire organization. That is why we have embedded our responsibility for human rights into our Code of Conduct. It is part of our CORE value "Responsible" that we are strictly committed to high standards of responsible labor and social practices as well as protection of health and safety, and we apply these standards worldwide. All our employees are responsible for ensuring that we put these standards into practice and give respect for human rights accordingly. To live up to this

commitment, we have developed a systematic, integrated, risk-based due diligence approach and clear processes for monitoring and managing human rights risks.

Beyond our own operations, we rely on collaboration with our business partners. We can only meet our goal of strengthening respect for human rights along our value chains if we work together. Our expectation towards all our partners is to comply with internationally recognized human rights standards, meet their due diligence obligations and to pass on those expectations along their value chain.

As we regard human rights due diligence a continuous task, we will be reviewing our due diligence mechanisms regularly and improve

where required. Our non-stop journey towards putting our commitment into action will continue. Each of us at BASF plays an important part in protecting the dignity of each person involved – wherever we do business, and we count on our business partners to jointly foster respect for human rights!

**Martin Brudermüller, Chairman;**  
**Hans-Ulrich Engel, Vice Chairman;**  
**Saori Dubourg, Michael Heinz,**  
**Markus Kamieth, Melanie Maas-Brunner**

Human rights due diligence is a continuous task. We can only succeed together – as a team and in collaboration with our partners. We foster a culture of integrity and responsible decision-making, and we want to encourage everyone to speak up if something does not feel right.

**Dr. Martin Brudermüller**  
Chairman of the Board of Executive Directors BASF SE

# CONTENT

## Introduction

Who we are

## Commitment

What we stand for

## Governance

How we are set up to successfully manage human rights

## Implementation

How we identify and address our priority risks and impacts

## Grievance mechanisms

We listen, respond, and act

## Awareness

We stay in dialog and ensure transparency



# 01. INTRODUCTION

## WHO WE ARE

**BASF has defined its purpose as follows: We create chemistry for a sustainable future. Consequently, we at BASF aim to 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.**

As a crucial part of our sustainability approach, 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 contribute to better living conditions on our planet. Consequently, we care about the impacts of our operations and of our business decisions.

States have the duty to protect human rights and companies have the responsibility to respect human rights and contribute positively to their realization. As a company aiming for profitable growth, we have decided to follow 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 with regards to safe and responsible business conduct, as well as a good corporate citizen, and a reliable partner to all our stakeholders.

**We value people and respect their individual dignity, rights, and aspirations as well as societies and cultural heritage.**



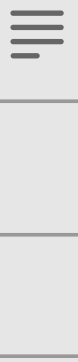
## 02.

# COMMITMENT

## WHAT WE STAND FOR

**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 neighbors in communities, and in the use and application of our products. Against this backdrop, we commit to the following international standards on responsible business conduct:**

- 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 and Social Policy,
- 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.



## 02. **COMMITMENT** **WHAT WE STAND FOR**

### **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, which we expect all our employees and members of management bodies to adhere to, we uphold our standards worldwide, even where they exceed local legal requirements. In our own operations, we strictly aim to avoid causing or contributing to violations of human rights.

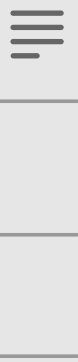
### **We expect and support partners to meet their own responsibilities**

We recognize that we cannot act alone to advance the realization of human rights. Being engaged in numerous value chains and embedded in many societies, we rely on partners and expect them to respect international human rights standards. Our ambition is never to be linked to violations of human rights. 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 abide by the laws and cooperate with governments and their respective agencies in order to strengthen respect for 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.

In different places around the world, we may be exposed 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.



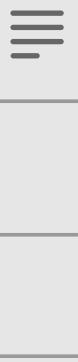
03.

# GOVERNANCE

## HOW WE ARE SET UP TO SUCCESSFULLY MANAGE HUMAN RIGHTS

**We understand successful human rights management as a continuous, all-encompassing task that requires a robust management system and set-up. In an organization as large as ours, a key element is effective cross-unit collaboration involving great teamwork. We have established governance structures which we continue to improve to ensure we:**

- identify our human rights risks through regular risk analysis, as well as on ad-hoc basis if needed, this includes weighing and prioritizing risks,
  - address these risks through effective preventive measures and in case of violations with appropriate remedial measures,
  - regularly review the effectiveness of our preventive measures, our remedial measures, and our grievance mechanisms.
- embed these measures in all relevant functions and business processes; and



# 03. GOVERNANCE

## HOW WE ARE SET UP TO SUCCESSFULLY MANAGE HUMAN RIGHTS

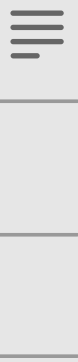
Our General Counsel and Chief Compliance Officer also acts as our designated Chief Human Rights Officer who monitors the overall risk management system and regularly reports to the Board of Executive Directors on our human rights management. While our compliance organization has the overarching governance for human rights at BASF, several key units steer human rights topics in their respective area of responsibility. Colleagues from expert teams dealing with international labor and social standards, environmental protection, health and safety and site security carry out specific risk-based approaches to ensure that the relevant human rights are respected in our own operations. For the upstream supply chain, procurement has established a global risk-based management system to ensure appropriate human rights due diligence. Additionally, we have integrated human rights assessments into our corporate governance and decision-making processes, e.g., for investments in sites, plants, and financial assets.

Via our internal, cross-functional Human Rights Expert Working Group, steered by the compliance unit, the close collaboration among experts from different specialist units is enabled. The Human Rights Expert Working Group serves as a platform where colleagues from procurement, legal, human resources, environmental protection, health and safety, sustainability, site security, supply chain, communications, government relations and the operating divisions regularly exchange on current human rights topics. They provide support in improving our internal processes, offering trainings, and advising in challenging situations.

Overall, we take a holistic, integrated, risk-based approach to human rights due diligence. This also includes structured engagement with the operating divisions of BASF to identify and manage risks specific to each business unit. In addition, we integrate external human rights expertise via our Human Rights Advisory Council, whose members include independent international human

rights experts, and which convenes on a regular basis. Trust-based dialog on human rights topics helps us to better understand different perspectives and to deal more openly with critical situations.

**Via our internal, cross-functional Human Rights Expert Working Group the close collaboration among experts from different specialist units is enabled.**





04.

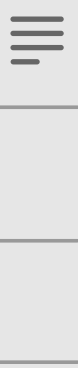
# IMPLEMENTATION

## HOW WE IDENTIFY AND ADDRESS OUR PRIORITY RISKS AND IMPACTS

As a large chemical company embedded in a multitude of value chains in many different industries and countries, we have a broad portfolio of activities, products, and business relationships which can also lead to human rights risks and affected groups.

Our priority risks, based on our industry, company profile, regional activity, expected severity of impacts, likelihood of impacts materializing and our ability to effect change across the value chain are described below and build the starting point of our further activities.

Our specific processes and systems to identify and manage risks and impacts are outlined below. In this, we also consider the impacts on potentially affected vulnerable groups, including indigenous people, third-party workers, minorities, people with disabilities, underage workers, and parents-to-be.



## 04.1

# IN OUR OWN OPERATIONS

## HOW WE ACT

**We strictly aim to avoid causing or contributing to adverse human rights impacts in our own operations. We assess and manage risks with clear processes, joint forces and care, exercising our influence and control. Where we learn that we may be causing or contributing to adverse impacts, we are committed to implementing effective measures to prevent, end and remediate the impact. We value people and treat them with respect. We care for all our stakeholders and act accordingly.**

### Safety, health, and environmental protection

In our own operations and regarding our core business as a chemical company, the risks primarily relate to the safety and health of our employees, and third-party workers, the environment, and neighbors at and around our sites. Protecting people and the environment is a top priority at BASF, and we aim to continuously improve.

Our Responsible Care Management System comprises the global directives, standards and procedures for environmental protection, health and safety and provides the basis for safe behavior in safe assets. Our environmental protection, health and safety experts define Group-wide management and control systems and monitor compliance with internal requirements and legal regulations, while the

sites and legal entities implement these requirements locally. We set ourselves ambitious goals for environmental protection, health and safety and regularly review our performance and progress.

For occupational and process safety as well as health and environmental protection, we rely on comprehensive preventive measures and expect the cooperation of all employees and contractors. We promote risk awareness for every individual with measures such as systematic hazard assessments, specific and ongoing qualification measures and a wide range of safety initiatives. We analyze accidents, near misses and safety-related incidents at our sites and along our transportation routes as well as their causes and consequences in detail at a global level to learn from these. We use databases to document them and derive appropriate measures according to specific cause analyses. Hazard assessments and the risk minimization measures derived from

them are an important prevention tool. We also promote regular dialog across different sites to strengthen risk awareness among our employees and contractors, to learn from examples of good practice and in this way, continually develop our safety culture.

In addition to the legally required briefings, BASF requires new employees and contractors to complete compulsory health and safety training, as well as regular training on the safe handling of chemicals and the correct use of personal protective equipment for employees at our production sites.

To ensure that our safety, security, health, and environmental protection standards are met, we conduct regular audits according to a risk-based approach at all BASF sites and at companies in which BASF is a majority shareholder. Newly acquired sites and companies are audited after the integration phase is complete, generally within one to two years depending



on complexity and size. During our audits, we create a safety and environmental profile that shows if we are properly addressing the exist-

ing hazard potential. If this is not the case, we agree on measures and monitor their implementation, for example, with follow-up audits.

## 04.1

# IN OUR OWN OPERATIONS

## HOW WE ACT



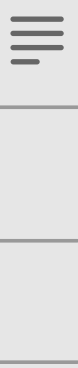
### International labor and social standards

As a global player and with more than 100,000 employees worldwide, we are faced with several inherent human rights risks related to the assurance of international labor and social standards, especially in higher risk countries. At BASF, we have clear principles, regulations, and processes in place to identify and manage these risks appropriately.

At BASF, we do not tolerate any form of child and forced labor, slavery, or human trafficking. We recognize the freedom to associate, support collective bargaining, and live social partnership. For instance, we do not discriminate or retaliate against workers based on trade union activity, on memberships or non-memberships. We aim for appropriate, performance-related compensation and benefits, that enable a life in dignity, for responsible working hours, paid leave, maternity protection, and parental leave. We maintain proportionality in disciplinary measures.

We offer equal employment opportunities without discrimination, independent of age, race, color, religion, national, or social origin, disability, family status, sex, sexual orientation, gender identity or expression, pregnancy, maternity, marital or parental status or any criterion not lawful. This also includes equal pay for equal work. We display an inclusive attitude when it comes to the diversity of our employees, and also pay attention to vulnerable groups.

We strive to create a fair, diverse, and inclusive workplace, based on mutual trust, and where employees treat each other with respect, dignity, and courtesy. We do not tolerate any kind of harassment or other types of abuse. However, when we become aware of individual cases of discrimination or harassment, for example via our grievance channels, we follow up immediately and take appropriate remedial measures. “Responsible” and “Open” are two of our corporate values, which also reflect our expectations towards leadership behavior, which belongs to our CORE leadership culture. We offer a wide variety of learning and development opportunities to grow and further develop in these areas. Promoting and valuing diversity is an inherent part of our corporate values and embedded in our corporate strategy and culture. Regular and open feedback plays an important role and helps our leaders to reflect how these values are already anchored in their leadership behavior.



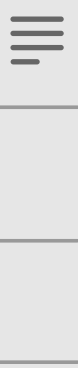
## 04.1

# IN OUR OWN OPERATIONS

## HOW WE ACT

Our general principles of behavior are outlined in our Code of Conduct. Our BASF International Labor and Social Standards (ILSS) set out the basic principles and rights at work, in conditions of freedom, equity, security and dignity. They apply to the working standards for everyone at BASF worldwide and are expected to be respected. We regularly offer mandatory internal compliance trainings and refresher courses, as well as human rights and ILSS trainings for specific target groups. We monitor our commitment to ILSS as part of our management process. If conflicts with national law or practices arise, we strive to act in accordance with our values and internationally recognized principles, creating and following up action plans, if necessary, to close potential gaps in a reasonable time frame, without violating national law.

**We strive to create a fair, diverse, and inclusive workplace, based on mutual trust, and where employees treat each other with respect, dignity, and courtesy.**



# 04.1 IN OUR OWN OPERATIONS

## HOW WE ACT

### Our sites and neighbors

At our sites, we want to be a good neighbor and citizen, to respect the rights and help to address the needs of residents and communities. We provide jobs and contribute to local value creation. We aim to preserve the livelihood of our neighbors, and act with special care for vulnerable groups such as indigenous people and smallholders. We promote open exchange and dialog between neighbors and our site management to strengthen the trust in our activities.

With continuous efforts, we operate with a focus on safety, health, and environmental protection on our premises and in the neighborhood of our sites. For instance, we work to ensure the responsible use of water and other resources and we assess our activities for compliance with regulations in the production process, including collection, storage, recycling and disposal of hazardous substances and waste.

### Our products

We are committed to the ongoing optimization of our products and to continuously minimizing any negative effects of our products on the environment, health, and safety. With continuous efforts, we develop and promote safe products as well as safe applications thereof. This commitment to product safety is enshrined in the Responsible Care® global charter. 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 initiatives often go well beyond legal requirements. We strive to avoid abuse or misuse of our products. If we are aware of such potential, we take precautions, such as demanding use declaration, where supported by law.

We also 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 the security of our employees and protection of our premises. Globally, the security personnel of sites are trained to abide by international standards as well as local provisions. It is important to us that the response of security personnel will always be competent, appropriate, and proportional to a security threat. Respecting human rights is part of the global qualification requirements for our security personnel and also incorporated into agreements with contractors.



## 04.2

# IN OUR VALUE CHAINS AND WITH PARTNERS TOGETHER

**In our business, we rely on partners, such as in joint ventures, and on suppliers, contractors, and customers, who also rely on further partners along the value chain. We expect all our partners to comply with internationally recognized human rights standards and to pass on those expectations 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.**

### Within joint ventures

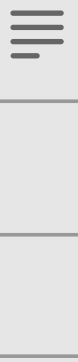
In joint ventures where we have control, for example, via the majority of shares or the operational lead, we respect human rights as we do in our own operations.

In joint ventures where we have less influence, for example, as a minority shareholder or where we have transferred the operational lead, we aim to live respect for human rights in the joint venture, together.

### With suppliers

In our supply chains, we are exposed to risks in the area of working conditions, environment, health and safety, especially in countries with higher risks to human rights and when purchasing higher risk product categories. We analyze and manage these risks via well-established responsible sourcing processes, and make use of our contractual relationships and influence, to the extent possible. We demand our suppliers to respect human rights and we support them in meeting their due diligence obligations. We are committed to fostering respect for human rights in relationships with our business partners along the value chain.

The BASF Supplier Code of Conduct guides our interaction with suppliers on human rights. It is part of our standard purchasing contracts and conditions of purchase. In it, we underline that we expect our suppliers to fully comply with applicable laws and to adhere to internationally recognized ESG standards, and we also expect our suppliers to use their best efforts to implement these standards with their suppliers and subcontractors.



## 04.2

# IN OUR VALUE CHAINS AND WITH PARTNERS TOGETHER

Overall, we follow a systematic, risk-based responsible sourcing approach. We consider social aspects such as human rights in our supplier selection, use additional contractual assurances and regularly conduct audits and assessments to ensure suppliers' compliance with the applicable laws, rules, and international standards on human and labor rights. As a founding member of Together for Sustainability, we engage with partners to standardize and simplify supplier audits and evaluations globally, to jointly increase supply chain transparency and create synergies among member companies. When we become aware of actual human rights violations by our direct suppliers, we urge and expect them to end these immediately and, if required, support them in doing this. We are committed to supporting our suppliers in tackling related challenges together and improving; at the same time, as a last resort, we may choose to explore business alternatives and reserve the right to terminate

**We demand our suppliers to respect human rights and we support them in meeting their due diligence obligations.**

supplier relationships in the case of ongoing, serious violations of the standards defined in our Supplier Code of Conduct or international principles.

For suppliers providing contract manufacturing services for BASF, we apply strict supplier selection criteria and additionally consider specific environmental, health and safety risks. We follow up with utmost care during the business relationship.

To support our employees, for example, in services, construction, and maintenance, we employ contractors and have their workers on

our sites. Contractually, we oblige contractors to adhere to our standards, especially regarding human rights, labor conditions, training, and equipment. We treat the workers of contractors with care and respect. Likewise, we expect them to behave responsibly and to adhere to our site rules. In high-risk countries we have defined additional measures to ensure that the human rights of third-party workers on our sites, fields and construction sites are well respected. These include increased awareness measures, transparency, and control measures.

Through our supply chains, we might have a link to human rights risks such as child labor, forced labor and modern slavery, as well as breaches of legitimate land rights and indigenous peoples' rights. BASF is firmly against any form of human rights abuses and also expects its suppliers to not tolerate but fight against any form of such conduct.



## 04.2

# IN OUR VALUE CHAINS AND WITH PARTNERS TOGETHER

Severe risks and challenges are particularly prevalent in the procurement of raw materials such as minerals, renewable oils and vegetable seeds. For our vegetable seeds business where we interact with many growers directly, we have set up and successfully run our own child labor prevention program for many years.

In the lower tiers of our supply chains, we have no direct contractual relationships, less transparency and limited influence. We try to enhance leverage and increase transparency by collaborating with partners and stakeholders and set store on certified or audited sustainable supply chains, such as LBMA for gold and LPPM for platinum group metals, and the Responsible Mineral's Initiative's Responsible Minerals Assurance Process. We join forces with others – partners, civil society, or cross-industry initiatives – in projects to tackle difficult challenges together. These

include amongst others, the Global Battery Alliance, the Roundtable on Sustainable Palm Oil, and our participation in the U.N. International Year for the Elimination of Child Labor. Some projects specifically engage on the ground to build capacity for more sustainable and responsible supply chains, such as the sustainable castor initiative "Pragati" in India, the Responsible Lithium Partnership in Chile, the cross-industry Responsible Mica Initiative in India and the Cobalt for Development pilot mine project in the Democratic Republic of Congo. We are convinced that human rights challenges in global supply chains can only be effectively addressed through close collaboration of concerned stakeholders.

### With customers

Through science and innovation, we enable our customers to meet the 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 do not pose risks to people or the environment when used responsibly in the manner intended.





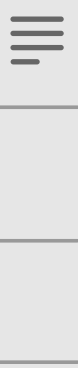
# 05. GRIEVANCE MECHANISMS

## WE LISTEN, RESPOND, AND ACT

We offer worldwide operational-level grievance mechanisms for own employees, third-party workers, employees of direct and indirect suppliers, other partners and the public affected by our operations. We communicate our grievance processes publicly and we consistently work towards making our grievance mechanisms truly accessible and effective for potentially affected groups across our value chain.

We take on critical questions and listen to all grievances, addressing all concerns that are brought forward to us and keeping complainants informed throughout the process. We ensure the confidentiality of all information provided to us and do not tolerate retaliation or threats of retaliation to anyone who brings forward a grievance in good faith. We strive for appropriate remediation by the responsible party. We re-

view the effectiveness of our grievance mechanisms at least annually and as required with any significant changes to our risk profile in our own operations or with our direct suppliers.



# 06. AWARENESS

## WE STAY IN DIALOG AND ENSURE TRANSPARENCY

We embed our commitment to respect human rights in our daily operations and for all business functions. We encourage and foster open dialog at a global and local level with all our stakeholders to develop mutual understanding of relevant topics, to allow for meaningful consultation, and to raise awareness. We connect to create value in societies. BASF is part of large global networks with holistic approaches to sustainable development, as well as topic-specific networks to address individual challenges.

We make sure our human rights due diligence activities are thoroughly documented. We report on relevant developments regarding our human rights activities in our annual BASF Report and from 2024 onwards, via a separate Human Rights Report, which will be publicly available. Further information on human rights governance, preventive, and remedial measures as well as grievance mechanisms is available on our website online at [www.basf.com](http://www.basf.com).

**As we are committed to continuous improvement, we review this position on human rights at least annually and as required with any significant changes to our risk profile.**

