

Principles for the responsible sourcing of renewable raw materials*

- To improve the sustainability of our value chains and mitigate environmental and social risks, we strive to source certified renewables and engage in smallholder community projects.
- We source in line with all applicable responsible sourcing legislations.

Environmental principles

- We source renewables to lower the **carbon footprint** of our products and to contribute to our transition to a **circular economy**. Sourcing waste-based renewables is part of this effort.
- We strive to minimize the environmental impact and maximize the efforts to halt and reverse **biodiversity and ecosystem loss** within our spheres of control and influence. We adhere to the country-specific access and benefit sharing regulations (Nagoya Protocol).
- We support the conservation of High Carbon Stock or High Conservation Value **forests**, peatlands and equivalent ecological and culturally important landscapes connected to the origins of our supply chains. In our sourcing we implement the BASF forest protection position.
- We expect good agricultural and forestry practices, especially to maintain **soil health**, minimize **water use**, reduce **eutrophication** risks and other negative effects on **water quality** along the supply chain.

Social principles

- We respect **human rights, including labor rights**, in our operations and embrace the responsibility to foster respect for human rights in relationships with our business partners along the value chain (ILO).**
- We object to any form of **land right** abuse including the abuse of indigenous people's land rights. We expect our suppliers to not tolerate and actively work against any form of such conduct.
- We strive to improve **food security** by sourcing responsibly and to avoid negative impacts on food supply. This includes integrating food security aspects in our procurement assessments and engaging in smallholder community projects.

- We regularly **assess and review sourcing risks** in light of these principles and take actions to mitigate those risks.
- Our principles for the responsible sourcing of renewable raw materials are reflected in our **Supplier Code of Conduct**.

Definition „renewables“:

- Biogenic material, includes feedstock derived from plants or animals, such as agricultural and energy crops, wood and forestry residues, organic waste from municipal and industrial sources (including manure), and algae

** See policy statement on human rights for more information