

chemistry for
a sustainable future



About BASF Canada

At BASF Canada, we are dedicated to creating positive value for society. We understand that environmental, social and economic challenges are increasingly complex and interdependent, and as a leader in sustainability, we have a responsibility to create a sustainable future for all.

We are in a decisive *Decade of Action* and the opportunity to prevent the most harmful impacts of climate change is now. To reach BASF Canada's goals and drive climate action, we all must work together. Equitable collaboration across the value chain is a core focus to accelerate change and minimize climate impacts.

Beyond climate action, BASF Canada is committed to building mechanisms which hold us accountable to continued progress for our employees, customers, and the communities in which we operate.

[LEARN MORE ABOUT BASF CANADA'S SUSTAINABILITY INITIATIVES](#)



APALA MUKHERJEE
President, BASF Canada

President's Foreword

The time to act is now. As more organizations, including BASF, set ambitious targets to reach Net Zero through active carbon management and circular economy programs, and build a more equitable society, it is vital we contribute the work now to achieve these goals.

In 2021, BASF Canada continued to drive sustainability across the organization, and along with our customers and suppliers we worked on climate action, built awareness and drove innovation to support a circular economy in Canada. Through collaboration with our valued partners, we also made significant strides towards our commitment to create a diverse, equitable, and inclusive workforce and support our employees and communities across Canada.

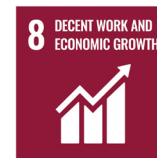
We know we cannot achieve our aggressive targets alone and this communicate highlights the holistic approach towards sustainability that is needed to make an impact. We look forward to furthering our work in 2022 and beyond.

About the UN Sustainable Development Goals

The Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development were defined by the United Nations to help create a just and prosperous world for everyone – applying to all nations and leaving no one behind. At BASF Canada, we continue to collaborate with our customers to advance the 17 SDGs by raising awareness and providing resources to help link their products and solutions to SDG impact.

BASF Canada is a recognized business leader for the [United Nations Global Compact](#). BASF was a founder of the UN Global Compact in 2000, served as a Global Compact LEAD in 2021, and is a patron supporter and active member of the Global Compact Network of Canada (GCNC).

Throughout this communique, you will see icons that represent each of the SDGs. In each section, the presence of these icons indicates that BASF Canada's actions are aligned with that specific goal.





Driving Sustainability Across the Value Chain



Sustainable Solutions

Through science and innovation, we enable our customers in nearly every industry to meet society's current and future needs.

To meet our targets and as more customers are making environmentally conscious purchasing decisions, we have expanded our portfolio to further support key industry trends and challenges. This expansion includes Product Carbon Footprint, which provides customers with valuable information on levers for avoiding greenhouse gas emissions.

BASF Canada also continues to leverage accelerator products. We align our product portfolio to our robust sustainability indicators and continue to advance R&D efforts, which deliver value to our customers. We focus on providing solutions to help customers meet and exceed their sustainability performance targets.

Supporting Our Customers on Their Sustainability Journeys

BASF Canada is dedicated to furthering our collective impact on sustainability by extending beyond internal programs to engage with customers and key accounts. Through informational sessions, engagement opportunities, sustainability benchmarking, and assisting in sustainability roadmap design, we share best practices and strategies to help our customers with their sustainability journeys.

We are proud to align with the work our customers do. BASF Canada holds an annual awards program highlighting customer sustainability progress, showcasing examples of meaningful and impactful action.

Customer Showcase

In 2021, Willowbrook Shopping Centre sought to update its seven freestanding signs, containing more than 35,000 lbs. of steel and aluminum. Imperial Signs Corporation (ISC), a BASF Canada customer, offered a sustainability-focused alternative. In addition to using cutting-edge sustainable components for new materials, ISC proposed to reuse virtually all of the 35,000 lbs. of existing aluminum, as well as the steel supporting structure. In partnership with BASF, for the first time in the signage or architectural lighting industry in North America, ISC was also able to offer BASF's UNO HD paint in an ultra-low 2.8 lbs/gal formulation.

The result is a project that embodies circular-economy principles, saving several hundred tonnes of embodied carbon, while still appearing every bit as new as the original concept. With the support of BASF Canada, ISC is committed to pushing creative bounds, not only in terms of designs and fabrication but also in terms of sustainability.

Driving Sustainability Across the Value Chain Highlights

IN 2021:

- 16** key account information sessions & business unit discussions on sustainability
- 70+** customer sustainability engagement and discovery sessions
- 7** sustainability awareness raising engagements
- 4** sustainability benchmark and roadmaps



Sustainability Customer Awards Programme

For the second consecutive year, we are recognizing our customers who are paving the way towards a sustainable future through the Sustainability Customer Awards Programme. This year, we have expanded the Awards Programme to include a DEI category to reflect our recommitment to holding ourselves and our community accountable for continued progress. The programme celebrates customers making positive value for society through innovation and integration of the SDGs into their business strategy. This year's program launched in the first half of 2022 and was recognized across the following categories:

2022 AWARD WINNERS



Sustainability Champion and SDG Leadership Award:
3M



Small Business Sustainability Leader:
Imperial Sign Corporation



Sustainability Innovation:
Simplicity Car Care



Diversity, Equity and Inclusion Champion:
Hain Celestial

2022 SPECIAL MENTION AWARD WINNERS



SDG Leadership:
Great Northern Insulation



Sustainability Innovation:
Saint-Gobain

[LEARN MORE ABOUT THE CUSTOMER SUSTAINABILITY AWARDS](#)

Contributing to Canada's Clean Revenue

Product Carbon Footprint (PCF) sums up the total GHG emissions generated by a product over the different stages of its life cycle. BASF has developed a digital application to calculate the cradle-to-grate PCFs for its 45,000 sales products. This tool will not only help BASF reach its net zero CO₂ emission goals by 2050 but will also help our customers understand the carbon footprint of their business activities and their own final products.

Accelerators are products within our portfolio that contribute most to sustainability based on economic, environmental, and societal indicators. By engaging with our customers across various sectors, including agriculture, mobility, mining, oil & gas, automotive & construction, and personal care, we understand sector-specific sustainability risks and challenges and accordingly provide suitable accelerator solutions. In 2021:



29% of products sold in Canada were accelerators



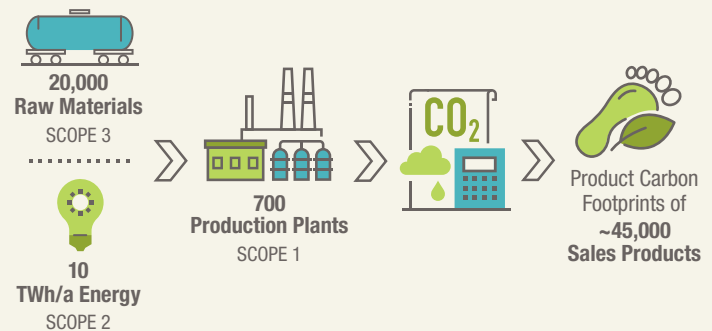
65% of accelerators sold in Canada serve the agriculture and personal care industry



0.01% of all products sold in Canada were challenged

Product Carbon Footprints create transparency for customers

Digital application to calculate greenhouse gas emissions of 45,000 sales products.



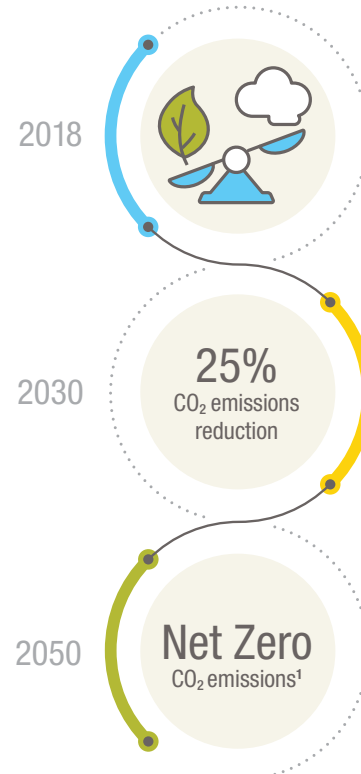
Climate Protection

Energy & GHG Emissions

BASF Canada continues to enhance energy efficiency across our operations and reduce emissions from our production and value chain by leveraging our Carbon Management Program. Across our operations, our climate change mitigation efforts focus on energy optimization, technology advancement and deployment, and using renewable energy. We are committed to improving the tracking of emissions data across our operations to identify further opportunities for reduction.

BASF Group Goal

BASF is committed to reducing our CO₂ emissions by 25% by 2030 compared to 2018 emissions. This puts us on track to our 2050 Net Zero CO₂ emission target.



¹ Scope 1 and Scope 2, 2030 target compared with 1990: 60% CO₂ reduction.

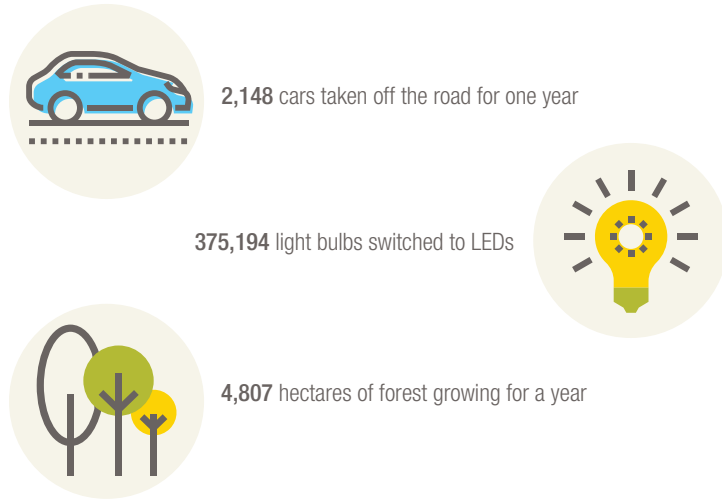
Based on Scope 1 and Scope 2 emissions of the BASF Group; other greenhouse gases are converted into CO₂ equivalents according to the Greenhouse Gas Protocol.

Climate Protection Highlights

In 2021, BASF Canada evaluated its greenhouse gas emissions for Scopes 1, 2 and parts of Scope 3. We are now working to identify further emissions reduction opportunities as we continue to work towards our global targets.

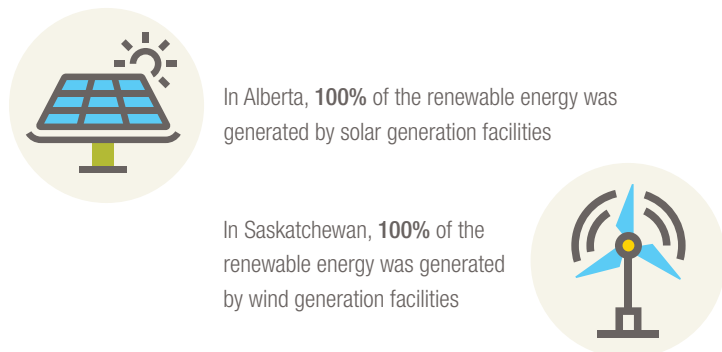
Leveraging Renewable Energy with Bullfrog Power

Through our partnership with Bullfrog Power, we reduce our GHG emissions and continue to support Canada's growing renewable energy industry. **Since 2018, we have avoided 9,900 tonnes of CO₂e.** This is equivalent to:

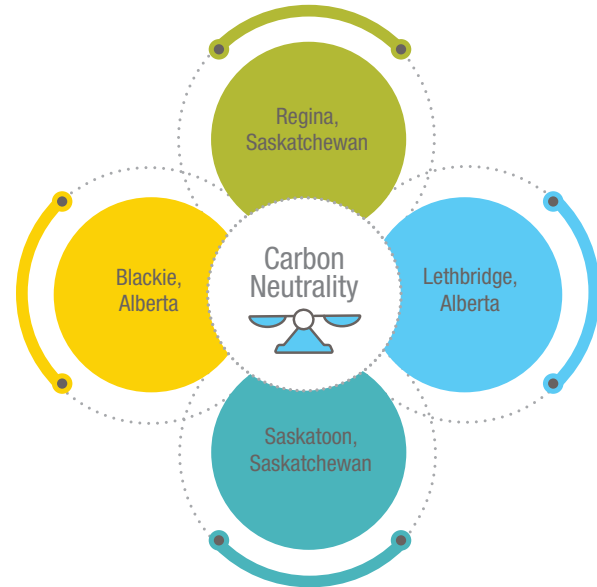


In 2021, BASF Canada purchased renewable energy from Bullfrog Power in the form of EcoLogo certified renewable electricity certificates.

Of the renewable electricity certificates sold and retired by Bullfrog Power on behalf of BASF Canada in Alberta and Saskatchewan:



BASF has ambitious CO₂ reduction targets that require decarbonization at all levels. Working towards these targets, the following BASF Canada sites achieved carbon neutrality in 2021:



Circular Economy



Closed-Loop Approach

The chemistry industry is well-positioned to enable other industries to become more circular. BASF Canada uses a closed-loop approach to improve resource efficiency, prevent waste, enhance reusability and reparability of our products, and convert unpreventable waste into resources, where feasible. Opposed to a conventional linear economy, a circular or closed-loop approach extends the lifespan of resources and products to reduce environmental impacts.

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Circular Economy Highlights

In 2021, BASF Canada launched a documentary to build awareness of the opportunities and challenges of implementing a circular economy for plastics. Following an exclusive viewing event, *The Afterlife of Waste* was released in February 2022. This documentary, co-produced by BASF Canada and Bullfrog Power, highlights the potential for a circular economy in Canada and reframes how we think about waste and energy. This has become even more important from the pandemic that has increased the use of disposable goods. Featured in the documentary are stakeholders from all stages of the supply chain, including BASF Canada, Chemistry Industry Association of Canada, Club Coffee, Deloitte, EcoSafe, Loblaw's, London Drugs, Circular Innovation Council, TerraCycle, and ZooShare. In discussions with these organizations, *The Afterlife of Waste* explores the innovations and challenges that come with extracting value from our waste.



FOR MORE INFORMATION, PLEASE VISIT www.theafterlifeofwaste.com

Advancing Subject Matter Expertise

BASF has partnered with McMaster University to provide guidance and act as an industry advisor to the first Circular Economy certificate course in Canada. The course supports the growth and development of our employees, and our customers, to build foundational knowledge and skills that contribute to a circular economy.



Since the launch of the certificate course, a total of 30 employees and customers have attended the various courses offered.

BASF Group Goal

- ✓ BASF aims at **doubling** our circular sales to reach **€17 billion** by 2030 globally
- ✓ BASF commits to use **250,000 metric tons of recycled feedstock** by 2025 globally

Driving Circular Economic Models

The reciChain™ Program is a technology-enabled, collaborative ecosystem among value chain players to help enable plastics circularity. This is done through continuously tracking recyclable plastic products, incentivizing participation through adopting post-consumer recycled (PCR) content, and the adoption of a credit marketplace, while supporting with Extended Producer Responsibility (EPR) compliance.

reciChain's underlying technologies are a blockchain-enabled marketplace and a physical tracker to follow plastic and key features.

After an initial proof-of-concept developed in 2020 in British Columbia, focused on proving the ability to track plastics from pellet to pellet, reciChain Canada is now targeting Alberta due to its government's priorities, emerging EPR stage, and presence of major industry players.



[LEARN MORE ABOUT RECICHAIN](#)



Caring for People & Communities

Community Engagement

At BASF Canada, we strive to create a safe environment that empowers society to thrive. We work diligently to protect the overall health and well-being of our planet and our people. By developing key partnerships, we deepen the positive impacts on environmental and social issues important to the communities where we serve and operate. We are committed to continuous progress and support, and to providing an example of sustainability leadership within Canada and beyond.



Community Engagement Highlights

Tree Canada Partnership: BASF Canada launched a new partnership with Tree Canada, joining as a bronze sponsor. Tree Canada is a national non-profit organization dedicated to planting and nurturing trees in rural and urban environments, restoring tree cover, helping communities manage urban forests, and greening schoolyards. This year, BASF Canada is engaging employees on tree planting activities across multiple cities in Canada and will be planting more than 2,400 trees across the country.



Diversity, Equity & Inclusion

Diversity, Equity and Inclusion (DEI) have long been part of our focus. However, major global societal shifts, coupled with more recent tragic events and discoveries related to Canada’s troubled history of marginalization, has led to profound reflection for our organization. It has caused us to rethink our approach to DEI – both how we understand our employee experience at BASF Canada and how we are supporting underrepresented communities within the workplace and in our communities.

This reflection and rethinking has led us to reaffirm our commitment to DEI, and to pledge to go much deeper. We are recommitted to building sustainable mechanisms to measure and hold ourselves accountable to continued progress by listening to our employees and truly understanding how they experience inclusions in the workplace. By developing a three-year action plan to be released in 2022, we will ensure we reach our aspirational state of culture entrenched with DEI by 2025.

BASF Group Goal

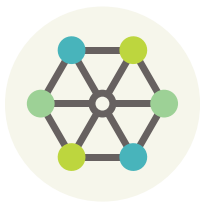
- ✔ BASF has established an ambitious global target of women in leadership positions – 30% by 2030.
 - BASF Canada contributes to this goal as a member of the [Blueprint for Gender Equality Leadership in Private Sector](#), which aims to develop, test, and implement tools to eliminate the barriers women face in the workplace.
 - BASF Canada is also a participant of the [Target Gender Equality](#) accelerator programme, which is designed to support companies in setting and reaching ambitious corporate targets for women’s representation and leadership, starting with the Board and Executive Management levels.



BASF Community Engagement

DEI HIGHLIGHTS

We believe that we are strongly positioned to make transformational change across our organization through meaningful and sustained progress in DEI. We now have a number of initiatives that are ongoing to further promote an inclusive BASF, including:



Inclusion Champion Cross-Functional Project

Over 30 employee volunteers have identified and are executing upon more than 15 impactful initiatives across six critical areas of action, such as Culture, Education, & Learning, and Leadership Action & Accountability.



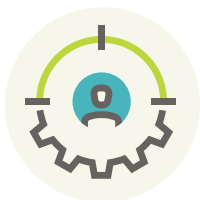
Bi-annual Inclusion Employee Pulse Checks

An opportunity for our employees to hold our organization accountable to continued progress by voluntarily and confidentially providing their feedback specifically related to inclusion topics.



Voluntary Self-identification Questionnaire

This questionnaire provides our employees with the opportunity to self-identify important demographic categories such as: gender identity, racial group, LGBTQ2+, disability status, etc. Understanding our workforce representation is fundamental to designing impactful programs.



Inclusive Site Infrastructure Program

An initiative which ensures our production sites are outfitted with the appropriate infrastructure to accommodate our diverse employee base. Requirements include equally accessible washrooms for all employees regardless of gender identity, nursing rooms, quiet rooms, uniform sizing, and flying the Pride flag in June, among many others.

In 2021, BASF Canada launched ECO-nnect, an employee led engagement opportunity to bring together colleagues across BASF to discuss all things sustainability. ECO-nnect aims to provide an open and casual outlet to discuss sustainability topics, specifically in employees' personal day-to-day lives. During the sessions, employees share recent books, articles, or videos on sustainability, and share ideas on how they can be more sustainable at home.

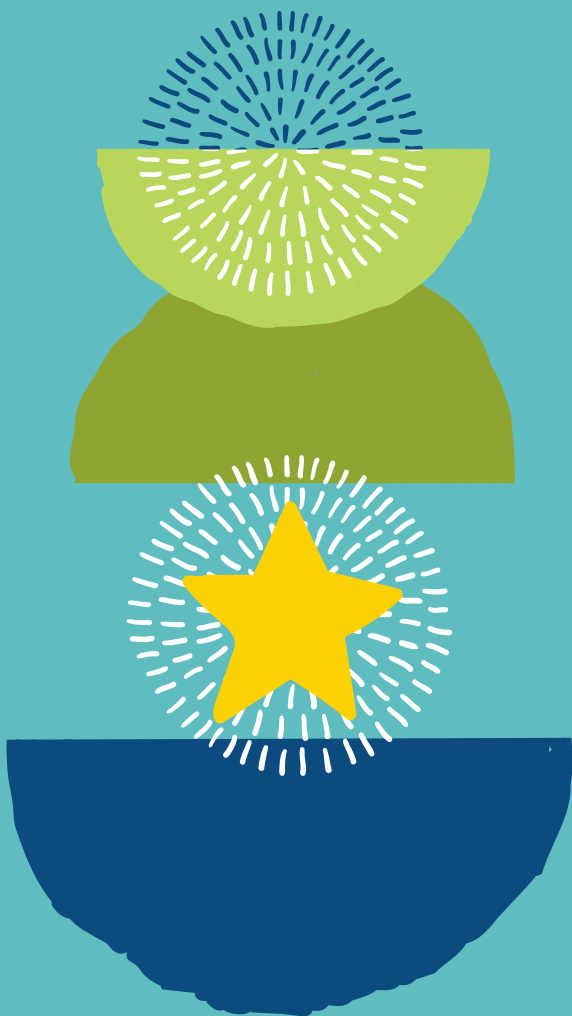
BASF
We create chemistry

ECO-nnect

In 2021, three sessions were held focusing on the following topics:

- Circular Economy
- An Overview of COP26
- Impacts of Eco-anxiety

Positive Impacts & Awards



Measuring Holistic Impact

BASF is a founding member of the [Value Balancing Alliance \(VBA\)](#), which aims to create a more holistic view of corporate activity by integrating sustainability into financial reporting.

At BASF Canada, we are piloting the VBA methodology to measure the impact of corporate activity on the environment. In partnership with VBA, BASF Canada moderated VBA-focused roundtable sessions at GLOBE Capital 2021 with various sectors to discuss what organizations can expect from the VBA methodology, the benefits of a VBA membership, and how Canadian companies can get involved.

Awards & Recognition

BASF Canada is proud of its sustainability accomplishments. Over the last year, we have received recognition from some of Canada's top leading organizations.



GTA Top Employer
2022



Canada's Top 100
Employer 2022



Safest Employer
Award 2021



Psychologically
Safe Workplace –
Bronze Winner 2022



BASF Canada
Toastmasters –
President Club of the
Year (2021–2022)



Social Purpose
Transition Pathway –
Gold