

# Statement on modern slavery

This statement is made on behalf of BASF Australia Ltd (**BASF**) and its wholly owned subsidiary Nunhems Australia Pty Ltd. BASF, as part of the BASF Group<sup>1</sup>, is committed to the abolition of forced labour, slavery and human trafficking. This statement sets out the steps BASF and the BASF Group globally have taken during their financial year to monitor and address the modern slavery and human trafficking risks in its operations and supply chains.

This statement is made in accordance with Section 13 of the *Modern Slavery Act (Cth) 2018* (the **Act**).

**Modern slavery** refers to situations where one person has taken away another person's freedom – their freedom to control their body, their freedom to choose to refuse certain work or to stop working – so that they can be exploited. Freedom is taken away by threats, violence, coercion, abuse of power and deception. The definition of modern slavery in the Act is adopted in our statement, which includes slavery, servitude, forced labour, debt bondage, forced marriage, trafficking of persons, deceptive recruitment practices for labour/services, and the worst forms of child labour.

This statement has been prepared in consultation with BASF's dedicated human rights team, the functional leaders of the BASF business divisions, the executive leadership team and directors of the entities included in this statement.

This statement was approved by BASF's board of Directors on 25 July 2024.

## 1. About BASF

The BASF Group (**BASF Group**) is committed to the abolition of forced labor, slavery and human trafficking. As the world's leading chemical company, the BASF Group strives to achieve economic success together with environmental protection and social responsibility.

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<sup>1</sup> BASF SE

Through science and innovation, we enable our customers in nearly every industry to meet the current and future needs of society. This is reflected by BASF's corporate purpose "We create chemistry for a sustainable future." We live our corporate purpose by:

- Sourcing and producing responsibly;
- Acting as a fair and reliable partner; and
- Connecting creative minds to find the best solutions for market needs.

BASF will not tolerate any form of forced labour, slavery, and human trafficking by its employees, suppliers, vendors or other stakeholders.

## **2. BASF's organizational structure, operations and supply chains:**

### **a. Operations and organisational structure**

The BASF Group has companies in more than 90 countries and supplies products to customers in nearly every part of the world. BASF's portfolio is arranged into six segments: Chemicals; Materials; Industrial Solutions; Surface Technologies; Nutrition & Care; and Agricultural Solutions. BASF has an annual consolidated turnover of at least €87.3 billion in 2023 and employed approximately 111,000 employees as of the end of the year.

BASF posted sales of about €492 million in Australia and New Zealand in 2023, serving key industries in the agriculture, coatings, construction, manufacturing and mining sectors. As of the end of 2023, the company had 374 employees and operated 6 production sites across manufacturing and agricultural solutions, performance products and functional materials and solutions. BASF has been active in Australia for close to 100 years, and for over 65 years in New Zealand. Further information is available at [www.basf.com/au](http://www.basf.com/au).

### **b. Organisational Structure: Entities controlled by the Reporting Entity.**

BASF SE is the ultimate parent of the BASF Group. BASF's ultimate parent company is BASF SE. BASF is the reporting entity that owns and operates BASF's operations in Australia. Nunhems Australia Pty Ltd (**Nunhems**) is a wholly owned subsidiary of BASF. Nunhems is BASF's vegetable seeds business which operates under the Nunhems brand. Nunhems operates closely with BASF and the managing director of BASF is also one of the directors of

Nunhems. Nunhems shares the BASF Group's governance processes and commitments to protecting human rights.

### **3. Identifying the risks of modern slavery practices in BASF's supply chains**

BASF recognises that with broad supply chains there is a risk of being linked to human rights violations, including modern slavery mainly through operators deeper in our supply chains. BASF's supply chains extend beyond Australia to countries that have been named as high-risk countries and those that have not. BASF recognises that in the context of its operations, the mining and agricultural industries are industries in which the risks of child labour and the exploitation of workers exist, and continued due diligence is required to ensure BASF is sourcing its products responsibly.

### **4. BASF's actions to address modern slavery risks**

Our approach to modern slavery is global and is driven by a top-down approach from the Board of Directors of BASF SE. The board of BASF SE is responsible for the overall direction of our strategy to address modern slavery. The BASF Group's Chief Human Rights Officer oversees the BASF Group's human rights risk management and reports directly to the Board of Directors.

The board of directors of BASF are responsible for the oversight and approval of our Australian modern slavery statement.

As part of the ongoing actions, the BASF Group has systems in place to:

- Identify and assess risk areas in our business operations and supply chains.
- Mitigate the risk of modern slavery occurring in our business operations and supply chains.
- Monitor risk areas in our business operations and supply chains.
- Remediate harm caused.
- Protect those reporting through grievance mechanisms.

In order to systematically integrate external expertise, in 2020 the BASF Group established a Human Rights Advisory Council<sup>2</sup> of independent and international human rights experts to advise BASF on complex Human Rights issues and challenges arising in its operations and its value chains worldwide

Acting on our responsibility for respecting human rights, we rely on a systematic, integrated, risk-based approach and established monitoring and management systems. As we regard human rights due diligence as a continuous task, we review our due diligence mechanisms regularly and upgrade them where required.

## **5. BASF's Code of Conduct**

BASF is firmly against any form of forced labour, slavery, and human trafficking. BASF will not condone or tolerate any type of such conduct by its employees, suppliers, vendors, or other stakeholders. As set out in BASF's Global Code of Conduct, BASF made the decision to pursue sustainable value creation, which means striving to positively contribute to the protection and promotion of human rights and people's well-being. BASF strictly aims to avoid causing or contributing to adverse human rights impacts in its own operations and, moreover, seeks to ensure that the conduct of all its employees is consistent with internationally agreed upon standards of human rights as well as international labour and social standards (ILSS).

As a participant in global value chains, BASF is dependent on partners and demand that they likewise respect human rights and the associated ILSS. BASF requires that its suppliers, contractors and vendors comply with all applicable laws, including those relating to labour practices and forced labour.

BASF's Code of Conduct firmly embeds the importance of compliance with laws and ethical business practices. The BASF Code of Conduct, which binds every BASF employee can be viewed here: <https://www.basf.com/global/en/who-we-are/organization/management/code-of-conduct.html>

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<sup>2</sup> <https://www.basf.com/global/en/who-we-are/sustainability/management-goals-and-dialog/stakeholder-engagement/human-rights-advisory-council.html>

BASF acts in accordance with clearly defined values and standards of conduct that comply with or go beyond the requirements of laws and regulations and takes internationally recognised principles into account. BASF commits to internationally agreed-upon standards:

- the ten principles of the UN Global Compact;
- the UN Universal Declaration of Human Rights and the two UN human rights covenants;
- the ILO's core labour standards and its Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy (**MNE Declaration**);
- the OECD Guidelines for Multinational Enterprises;
- the UN Guiding Principles on Business and Human Rights; and
- the Responsible Care® Global Charter of the chemical industry.

BASF recognises that as a participant in global supply chains, BASF is dependent on its partners complying with applicable laws. Accordingly, BASF requires that its suppliers, contractors and vendors comply with all applicable laws, including those relating to labour practices and forced labour. BASF's Supplier Code of Conduct reflects the expectation that suppliers fight forced labour. If BASF becomes aware of credible information about any form of forced labour, human trafficking or slavery by its suppliers or vendors, it will conduct a thorough investigation and, if appropriate, take corrective measures.

## **6. Due diligence processes in relation to slavery and human trafficking**

### **a. International Labour and Social Standards (ILSS), Management Process and Monitoring**

BASF's group-wide guideline on the respect for ILSS is derived from the UN Guiding Principles on Business and Human Rights (**UNGPs**). As a founding member of the UN Global Compact, BASF is inspired by and supports the UNGPs and respective national equivalents. Based on the BASF ILSS guideline, BASF systematically assesses actual or potential gaps with respect

to local laws and political or cultural background in all countries in which BASF operates. BASF's ILSS guideline includes the prohibition of forced labour.

BASF evaluates its adherence to its voluntary commitments using the monitoring system implemented Group-wide, comprising:

- i. the Global Compliance Hotline for BASF employees and third parties worldwide,
- ii. the survey of its group companies according to a risk-based approach to inspect the prevailing working conditions on a regular basis; and
- iii. close dialog with stakeholders, such as employee representatives and international organizations.

In countries in which national laws, rules and customs deviate from international standards, BASF is challenged with finding appropriate solutions by engaging with the relevant stakeholders. If national law contains no or lower requirements, action plans will be drawn to close these gaps in a reasonable time frame. If any conflicts arise with national law, rules or national customs, BASF strives to act in accordance with the BASF values and internationally recognized principles without violating the law of the respective country.

The Group-wide guideline on respect for ILSS also specifies that ILSS must be considered and applied when working with temporary employees, temporary employment agencies and freelancers. Embedded in BASF's Supplier Code of Conduct is the Commitment Letter on ILSS<sup>3</sup>, which reflects, amongst other things, BASF's expectations of third parties to commit to respecting ILLS, including no forced labour.

As part of BASF's central due diligence system, BASF regularly follows up on and documents the results of the comparison between national laws and BASF's guidelines, as well as measures to implement the guidelines, enabling BASF to systematically assess actual or potential gaps with respect to local laws and political or cultural backgrounds in all countries in which BASF operates.

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<sup>3</sup> The Commitment Letter is addressed to BASF's third parties such as temporary employment agencies providing agency workers to BASF, as well as to freelancers contracting with BASF. More information on <https://www.basf.com/global/en/who-we-are/organization/suppliers-and-partners/sustainability-in-procurement.html>

Compliance with ILSS is an integral part of BASF's compliance management audits conducted by the Corporate Audit department. Individual elements of the guidelines are also reviewed as part of internal control processes such as Responsible Care audits in BASF Group companies.

The BASF diversity and inclusion (D&I) strategy identifies local human rights issues and allocates resources via employee resource groups to raise awareness and advance equality relating to gender, LGBTQI+, indigenous reconciliation and mental health.

## **7. Australian Trusted Trader**

BASF is accredited with the Australian Border Force as an Australian Trusted Trader. As part of this program BASF employees are required to act in accordance with BASF's policies and procedures which includes verifying those involved in its supply chain via police checks.

## **8. Human Rights risk management – BASF's workforce, recruitment and labour hire**

At BASF, we value a diverse and inclusive workforce and engage people with broad and varied skillsets and life experiences. BASF's recruitment policy ensures that all recruitment is consistent and fair and in accordance with the BASF values. Our HR policies and procedures require all employees to treat each other with respect.

BASF's recruitment process has formal approval gates and uses external expertise to ensure that BASF's policies and procedures are adhered to. This includes verifying candidates' status including conducting terrorism and right to work checks and ensuring all employment contracts comply with BASF's policies and procedures and Australian employment laws.

As part of BASF's agricultural operations, BASF engages labour hire agencies to employ workers to perform work on BASF's sites, including fieldwork. BASF recognises that the employees engaged by the labour hire agencies often include migrant and unskilled workers who may be at risk of exploitation and may be less aware of their rights and available protections. This year we increased engagement with our labour hire agencies by updating our contracts to increase the compliance obligations and interviewing them in relation to their awareness of and compliance with Modern Slavery laws. We will continue to review and build on this engagement

by expanding our audit processes and developing other ways to ensure these employees are protected from exploitation.

## **9. Training**

An additional component of our corporate due diligence is our training concept, which includes target group-specific trainings, e-learning modules and a global platform for internal dialog. Individual elements of BASF's Group-wide guideline on the respect for ILSS are also reviewed as part of internal control processes such as Responsible Care audits within the BASF Group companies. In addition to these quality assurance measures, compliance with ILSS is an integral part of the standard questionnaire in the compliance management audits conducted by the Corporate Audit department.

BASF's Leadership team receives training in Modern Slavery obligations and awareness. BASF will build on this training program to ensure the entire workforce is aware of the risks and their responsibilities to assist BASF with all aspects of its modern slavery compliance. Our aim is to roll out this training in 2024.

## **10. Compliance hotline**

For any concerns about forced labour, human trafficking, slavery, human rights and all other topics covered by our Code of Conduct, employees are encouraged to speak up and consult their managers, BASF's specialist divisions and / or the dedicated compliance officers who are appointed for each country. BASF's compliance officers in the region share experiences and expertise to ensure continual learning and the employment of best practices in dealing with any compliance issue.

BASF has also set up a Global Compliance Hotline which is operated by an external provider. The Global Compliance Hotline allows concerns of any suspected or actual violation of any law or BASF policy to be reported online or by phone in over 80 countries. Concerns may be raised anonymously. The Compliance Hotline is also available for use by third parties including business partners or other stakeholders to raise concerns. BASF ensures that all concerns are



processed and answered in a swift manner. BASF's compliance hotline telephone numbers can be found here: [EthicsPoint - BASF](#)

## 11. Assessing BASF's actions

BASF acknowledges that monitoring and addressing human rights risks, including modern slavery, is a continual process and obligation. BASF is committed to providing training to its employees to raise awareness of the risks. BASF encourages its employees to maintain vigilance and conduct supplier site audits and monitor compliance with its Supplier Code of Conduct.

We monitor the effectiveness of the processes and procedures to address any human rights risks or violations that our business causes, contributes to, or is directly linked to, in line with the UN Guiding Principles. We will continually assess the effectiveness of our actions in identifying and managing human rights risks, including modern slavery by: tracking our actions and outcomes; partnering with suppliers and other external partners; and undertaking regular internal governance and external assurance processes. Based on the results of these processes we will adapt and strengthen our actions to continually improve our response to modern slavery.

BASF will continue to build on its actions to ensure compliance with its Supplier Code of Conduct, maintaining dialogue with its suppliers and promoting the need for all stakeholders to be aware of the risks, and to know that reporting any instances of actual or suspected breaches of human rights can be made easily, confidentially and without retribution.

Our review of our labour hire arrangements has meant we have been able to improve our level of visibility over the management of workers. We have worked in collaboration with our labour hire agencies to ensure the workers are treated with respect, we make sure they understand the conditions of their employment and their rights, and their obligations to comply with BASF's Code of Conduct, including all health and safety requirements for the protection of the workers, to ensure they understand that their rights and their safety are our priority. We have identified this as an area to focus on and we will continue to monitor and manage the risks we identify.

## 12. Review and looking forward

BASF has focussed on enhancing its processes and building on proven structures and capabilities. Key achievements include the appointment of a Chief Human Rights Officer. The General Counsel is responsible for this role and for overall risk monitoring and reporting to the BASF SE Board of Directors. The Chief Human Rights Officer is advised by an external Human Rights Advisory Council. Internally, the Human Rights Expert Working Group reports to the HRO.

In 2024, we intend to:

- Continue to reinforce the Modern Slavery compliance requirements of our stakeholders;
- Continue to review our Modern Slavery risk assessments by increased engagement with our stakeholders both at a global level and also a local level; and
- Increase awareness of the Modern Slavery risks and responsibilities with further roll out of training to employees.

This statement is made pursuant to Section 13 of the *Modern Slavery Act* 2018 (Cth) and constitutes the modern slavery human trafficking statement of BASF Australia Limited for the year ended 31 December 2023 as approved by BASF Australia Limited's Board of Directors.



David Hawkins  
Chair and Managing Director  
BASF Australia Ltd

25 July 2024

<https://www.basf.com/global/en/who-we-are/sustainability/we-value-people-and-treat-them-with-respect/human-rights.html>

