

Position on global climate policy

Key messages

- BASF supports the goals of the Paris Agreement and is committed to advance emission reduction effectively.
- Climate change is a global issue and cannot be combatted by a single region.
- BASF regards a global greenhouse gas (GHG) emission pricing mechanism as an important step to encourage better use of existing technologies and to spur research into the mitigation of climate change.

About the topic

The “Paris Agreement” was adopted by nearly 200 countries at the United Nations climate conference in 2015 and was ratified in November 2016. As the first ever legally binding global climate change agreement, it sets out a framework that aims to avoid climate change by limiting global warming to well below 2°C and pursuing efforts to limit it to 1.5°C. Countries voluntarily commit themselves to national targets in the form of nationally determined contributions (NDCs) that are subject to regular review. Developed countries will support developing countries financially to support climate action to reduce emissions and help them adapt to the impact of climate change. However, the estimated reductions still fall far short of what is required, demonstrating the need for parties to further strengthen their mitigation commitments under the Paris Agreement.

What does BASF offer?

We want to live up to our responsibility for climate protection. One way we do this is with our products, which enable our customers to lower CO₂ emissions in many sectors such as building and living, agriculture, mobility and energy production. But that is not all: We also become more efficient in our production and energy use, we will increase our use of renewable energies and we will accelerate the development and deployment of new CO₂-free processes for the production of chemicals. Since 1990, BASF has halved its greenhouse gas emissions in absolute terms while doubling production. We did this optimizing energy generation and production processes as well as systematically reducing emissions of nitrous oxides. We continue these efforts and we are also gradually replacing fossil fuels with renewable energy sources. New technologies will play a key role to cut greenhouse gas emissions dramatically. We are eager to apply and further develop these in the context of **our Carbon Management Program**. We support various international initiatives and are involved in partnerships. For instance, we are committed to an ambitious climate policy as part of the Business 20 (B20) – the central dialog platform between business and politics in the G20 group of countries. BASF also supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Since the 2019 reporting year, BASF’s annual report has included an **overview** showing the sections and subsections in which TCFD-relevant information can be found.

Our position

Climate protection is a shared global task. BASF supports the goals of the Paris Agreement. As announced in March 2021, BASF wants to reduce its absolute CO₂ emissions by 25% by 2030, compared to 2018, and is committing to achieve net zero emissions at BASF by 2050. Efforts to mitigate and adapt to climate change can create opportunities for the private sector. However, to achieve this companies need a predictable and stable climate and energy policy framework that is market-oriented and cost-effective.

BASF regards a global GHG emission pricing mechanism as an important step to encourage better use of existing technologies and to spur research into new technologies. Climate policy must reflect all pillars of sustainability and take account of environmental issues as well as social and regional development goals and economic aspects such as reliable energy supplies and competitiveness. To allow the submission of NDCs with high and comparable ambition levels, BASF recommends that governments develop long-term strategies to avoid GHG emissions with close business participation and support the UNFCCC in developing an effective Paris rule book. An agreement on Article 6 on market mechanisms is urgently needed.