

# Position on mandatory due diligence

## Key Messages

- BASF is committed to respect internationally recognized human rights and protect the environment in its own operations. We also embrace the responsibility to foster respect for human rights and environment in relationships with its business partners along the value chain.
- BASF actively promotes human rights and environmental protection in the supply chain and expects its suppliers to respect their responsibilities and meet their due diligence obligations.
- BASF believes that respecting human rights and protecting the environment in the supply chain is best regulated at the supranational level.
- We welcome the harmonization of national legal frameworks for due diligence in the EU as foreseen by the proposed EU Directive on Corporate Sustainability Due Diligence announced in February 2022. An EU legal framework should create a level playing field and provide legal certainty, even beyond the European Union. We are open to participate in the discussions.

## About the topic

For many years, BASF has been embracing the responsibility to respect human rights and protect the environment. We welcome due diligence legislations to strengthen human rights and environmental protection in global value chains.

The development of international supply chains has benefited developing countries but has also led to negative impacts in terms of human rights and environmental damage. Several countries in the EU and Germany in particular are therefore taking steps to draft due diligence legislation with the goal of ensuring that companies take greater responsibility for human rights and environmental protection in their supply chains.

## What does BASF offer?

BASF is committed to respect human rights and protect the environment in its own operations as they are the foundation of BASF's social responsibility and are therefore firmly embedded into our **Code of Conduct**. As a founding member of the United Nations Global Compact, BASF is inspired by and supports the United Nations Guiding Principles on Business and Human Rights (UNGPs) as well as the respective national equivalents.

BASF also embraces the responsibility to foster respect for human rights and environment in relationships with its business partners along the value chain. We actively promote human rights and environmental protection in the supply chain. We expect our business partners to comply with the internationally acknowledged standards and follow our commitments: Our **Supplier Code of Conduct**, which is part of our standard purchasing contracts and conditions of purchase, is founded on internationally recognized guidelines and covers not only compliance with human rights, labor and social standards, antidiscrimination, and anticorruption policies, but also the standards for environmental protection. BASF therefore follows a systematic, risk-based, and integrated due diligence approach and has set up respective measures integrated into existing management and monitoring systems. BASF established a Human Rights Advisory Council, in which independent and international human rights experts advise the company and provide external expertise.

Additionally, BASF is a founding member and is active in joint initiatives to strengthen sustainability in the supply chain, such as **Together for Sustainability** (TfS) and **Responsible Care**. We appreciate an intensive exchange via global networks, such as the **Global Business Initiative on Human Rights** (GBI), as well as in topic-specific alliances, such as the **Global Battery Alliance** or the **Roundtable on Sustainable Palm Oil**.

Further details on our human rights commitment and approach are available on our [website](#) together with **BASF's Group Position** on this topic.

## Our position

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BASF believes that respecting human rights and protecting the environment in the supply chain is best regulated at the supranational level, i.e., at least at European level, since national laws would not sufficiently reflect the complexity of global supply chain relationships.

We welcome the harmonization of national legal frameworks for due diligence in the EU foreseen by the proposed EU Directive on Corporate Sustainability Due Diligence announced in February 2022. An EU legal framework should create a level playing field, provide legal certainty, and contribute to harmonization, even beyond the European Union. The various initiatives on sustainability issues at EU level (EU Taxonomy, Corporate Sustainability Reporting Directive, Due Diligence, etc.) must be closely coordinated in terms of content. The due diligence requirements will need to be complemented by sector-specific guidance. We are open to participate in the discussions.