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BASF Responsible Platinum/Palladium Sourcing Policy

Introduction

This BASF Platinum/Palladium Sourcing Policy specifies key elements of BASF's sourcing of Platinum/Palladium materials for BASF catalyst recycling business. It contributes to BASF's vision of a circular economy as outlined in [BASF's Circular Economy Program](#). This Policy reflects specific requirements related to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals in Conflict Affected and High-Risk Areas (OECD Guidance) and is subject to the requirements of applicable laws or regulations (including but not limited to laws and regulations governing confidentiality and data protection, anti-trust/competition, commodity markets, anti-money laundering and anti-bribery, hereinafter "Applicable Law"). It complements the BASF Supplier Code of Conduct and global responsible sourcing management ([Supplier Code of Conduct \(basf.com\)](#)), the [BASF Human Rights Approach](#), and [BASF Group's Position Statement on Human Rights](#).

As BASF, we seek to live our corporate purpose "We create chemistry for a sustainable future" by sourcing and producing responsibly, acting as a fair and reliable partner, and connecting creative minds to find the best solutions for market needs. As one of the world's leading supplier of catalysts, BASF is implementing circular solutions for its Platinum/Palladium demand with the recycling of secondary Platinum/Palladium material (e.g. spent automotive catalysts). The commercial counterparties of BASF's catalyst recycling business are predominately users of chemical catalysts, secondary Platinum/Palladium dealers who accumulate and deliver to BASF spent material, and OEMs and catalyst producers, which deliver surplus and defective catalyst and manufacturing waste streams. BASF recognizes that the social and environmental benefits of its catalyst recycling business must be balanced against the risk that accepting, handling, and processing Platinum/Palladium in secondary material will contribute to or result in socially and environmentally adverse impacts. Through its management processes BASF seeks to address such risks. BASF expects its suppliers to acknowledge and respect its commitments and requirements related to responsible sourcing practices and to join BASF to meet those through collaboration and due diligence.

Commitment

Regarding serious abuses associated with the extraction, handling, processing, transportation and trade of Platinum/Palladium materials

BASF will neither tolerate, profit from, contribute to, assist with, or facilitate the commission of the following serious abuses:

- torture, cruel, inhuman, and degrading treatment
- forced or compulsory labor
- abusive child labor, disrespecting children's rights¹

¹ See [OHCHR | Convention on the Rights of the Child](#)



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- other serious human rights violations and abuses
- serious environmental, health, safety impact and risks
- war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.

Subject to the requirements of Applicable Law, BASF will immediately suspend or discontinue engagement with commercial counterparties if it identifies a reasonable risk that counterparties are sourcing from, or linked to, any party committing serious abuses as defined above and if risk mitigation as outlined in Annex I, II OECD Guidance is not feasible or not acceptable.

Regarding direct or indirect support to non-state armed groups

BASF will not tolerate any direct or indirect support to non-state armed groups through the extraction, handling, processing, transportation and trade of Platinum/Palladium materials. This includes, but is not limited to, procuring Platinum/Palladium materials from, making payments to, or otherwise providing logistical assistance or equipment to, non-state armed groups or their affiliates who:

- illegally control mine sites or otherwise control transportation routes, points where minerals or secondary material are traded and upstream actors in the supply chain; and/or
- illegally tax or extort money or minerals at points of access to mine sites, along transportation routes or at points where minerals or secondary materials are traded; and/or
- illegally tax or extort intermediaries, export companies or international traders.

Subject to the requirements of Applicable Law, BASF will immediately suspend or discontinue engagement with commercial counterparties if BASF establishes that there is a reasonable risk that counterparties are sourcing from, or linked to, any party providing direct or indirect support to non-state armed groups as defined above and if risk mitigation as outlined in Annex I, II OECD Guidance is not feasible or not acceptable.

Regarding public or private security forces

BASF will eliminate direct or indirect support to public or private security forces who illegally control mine sites, transportation routes and upstream actors in the supply chain; illegally tax or extort money or minerals at point of access to mine sites, along transportation routes or at points where minerals are traded; or illegally tax or extort intermediaries, export companies or international traders.

Subject to the requirements of Applicable Law, BASF will immediately suspend or discontinue engagement with commercial counterparties if BASF establishes that there is a reasonable risk that the supply chain directly or indirectly supports public or private security forces acting as defined above and if risk mitigation as outlined in Annex I, II OECD Guidance is not feasible or not acceptable.

Regarding bribery and fraudulent misrepresentation of the origin of minerals

BASF has adopted and implemented policies and procedures designed to prevent or mitigate the risk of bribery and/or the solicitation of bribes to conceal or disguise the origin of Platinum/Palladium materials to misrepresent taxes, fees and royalties paid to governments for the purposes of extraction, handling, processing, transportation and trade.

Subject to the requirements of Applicable Law, BASF will immediately suspend or discontinue engagement with commercial counterparties if BASF establishes that there is a reasonable risk that the supply chain is linked to bribery and/or the solicitation of bribes and if risk mitigation as outlined in Annex I, II OECD Guidance is not feasible or not acceptable.



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Regarding money laundering

BASF will prevent or mitigate the risk of money laundering resulting from or connected to counterparties involved with Platinum/Palladium materials.

Subject to Applicable Law and pursuant to its established Anti-Money Laundering policies and procedures, BASF will immediately suspend or discontinue engagement with commercial counterparties if BASF establishes that there is a reasonable risk of money laundering in the supply chain and if risk mitigation as outlined in Annex I, II OECD Guidance is not feasible or not acceptable.

Regarding payment of taxes, fees, and royalties due to governments

BASF will encourage its suppliers to pay all required taxes, fees, and royalties to governments in accordance with the supplier's position in the supply chain. BASF makes counterparties aware of the Extractive Industries Transparency Initiative (EITI) to foster disclosure of such payments, where applicable, in accordance with the principles set forth under EITI.

Implementation

Due diligence responsibilities within BASF

Due diligence activities are overseen by a Responsible Minerals officer under the scope of the corporate BASF compliance system, with support from relevant teams (sales, supply chain, procurement) and reporting directly to senior management.

Due diligence management systems

BASF performs risk-based due diligence on its supply chain in line with the five-step due diligence framework set out in the OECD Guidance. This includes conducting Know Your Counterparty (KYC) assessments on all counterparties and risk-based due diligence on their supply chains as well as monitoring transactions to assess potential 'red flags' as defined in the OECD Guidance. Subject to the requirements of Applicable Law, identified risks will be addressed as specified in the LPPM Responsible Platinum/Palladium Guidance and in accordance with this Policy. BASF will focus on those activities where risks to people and the environment are greatest. BASF will maintain due diligence and traceability records for a minimum of five years.

Employee training

BASF will communicate and provide training to all relevant BASF staff to ensure that they are aware of and responsive to environmental, social and governance risks related to sourcing of Platinum/Palladium materials, in alignment with BASF's commitment to source Platinum/Palladium materials responsibly.

Engagement

BASF will communicate this Policy and its expectations for its implementation to BASF's relevant commercial counterparties.



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Review and report

BASF will regularly review its practices and guidance to ensure that they remain responsive to its assessment of evolving supply chain risks. Where required by legislation and subject to Applicable Law and pre-existing contractual obligations, where recommended by the OECD Guidance, BASF will report on its supply chain due diligence.

Any employee, counterparty or external stakeholder may express concerns relating to BASF's PGM supply chain by contacting BASF's compliance hotline ([Code of Conduct \(basf.com\)](https://www.basf.com/codeofconduct)).

Nothing in this document should be interpreted or applied in a manner that violates Applicable Law.

This document is not intended to be and does not constitute a contract or otherwise create a contractual obligation or any other rights (express or implied) or form the basis of any cause of action or legal proceeding in or by any third party.

A handwritten signature in blue ink, appearing to read "M. Dohrn".

Matthias Dohrn
Senior Vice President,
Precious and Base Metals Services

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Iselin, New Jersey