



EU CODE OF CONDUCT ON RESPONSIBLE FOOD BUSINESS AND MARKETING PRACTICES

**BASF AGRICULTURAL SOLUTIONS
REPORT SUBMITTED ON 28.04.2023**

Introduction

BASF Agricultural Solutions has released strong sustainability commitments in 2020 to boost sustainable agriculture by 2030. These commitments strengthen the implementation of the BASF's strategy in agriculture, which was launched in 2019. Our strategy in agriculture is based on innovations that enable farmers to feed a growing population and face challenges such as limited arable land, disease pressure and climate change. We actively steer our offer for farmers and the agricultural industry towards sustainable solutions by integrating sustainability into all business and portfolio decisions.

The aspirational objectives reflect our commitments in climate smart farming, resource efficiency through digital solutions for the farmer, a continuous increase of sustainable solutions for farming and consistently high safety standards by smart stewardship. We also value strong partnerships in reaching our commitments.

Sector	Sustainability dimension	Code aspirational objective	Individual commitments with baseline	Progress on KPIs and goals (qualitative and/or quantitative)	Additional information (optional)
Agricultural Production	Environmental	<p>Objective 3: A climate neutral food chain in Europe by 2050</p>	<p>We support growers worldwide to farm more sustainably and carbon efficient: we aim for a reduction of CO₂ emissions by 30% per ton of crop by 2030.</p>	<ul style="list-style-type: none"> - We have begun a series of multi-year carbon field trials to verify the potential of our best offers in achieving CO₂ emission reductions and carbon sequestration on several focus crops (wheat, soybean, corn, canola). - We have launched our Global Carbon Farming Program, which will be the pivotal element of our approach to decarbonize agricultural value chains by joining forces with farmers and value chain partners. The first collaboration kicked off in 2022 with Boortmalt, the world's premiere malting barley supplier. - We look at Climate Smart Farming holistically, beyond carbon efficiency: soil health and biodiversity protection to best foster resilience in agriculture. We are pursuing open dialogue with agri-food system stakeholders to further shape knowledge on both topics. So far, we have joined the United Nations Food Systems Summit's (UN FSS) Coalition of Action 4 Soil Health (CA4SH) and the Global Soil Health Programme, as well as multiple World Business Council on Sustainable Development (WBCSD) working groups on Nature, Nature-based and Natural Climate Solutions. 	<p>The trials are set up as multi-year effort in our strategic crops focusing on Europe, Latin America and North America. The first set of trials is being implemented in Germany, Spain and Brazil, with other strategic countries to follow in the future. By conducting the trials, we will have the opportunity to measure our best offers' performance as well as evaluate their impact and leverage them as proofs of concept for carbon certification.</p> <ul style="list-style-type: none"> -More information on the Global Carbon Farming Program: Link 1 and link 2. - More information on digital farming solutions supporting our climate smart farming approach and the Global Carbon Farming Program: (also relevant for Objective 4). - More information on our new collaboration project with RWZ on a pilot farm in Germany to demonstrate the Climate Smart Farming approach:.

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Agricultural Production	Environmental	<p>Objective 4: An optimized circular and resource efficient food chain in Europe</p>	<p>We aim to bring digital technologies to more than 400 million hectares of farmland globally and cumulatively by 2030.</p>	<ul style="list-style-type: none"> - More than 16 million hectares are managed globally with xarvio® FIELD MANAGER and xarvio® HEALTHY FIELDS. We have cumulatively covered 32m ha as of the end of 2022. - We are continually implementing the Digital Farming sustainability concept and corresponding initiatives. - We are finalizing OEM contracts and preparing for the launch of Smart Sprayers and Smart Seeders. Partnerships were already established with OEMs in Europe, North America and Latin America with the goal of a commercial launch in the 2023-24 season. - In 2022, we completed the acquisition of startup Horta, which provides Decision Support Systems (e.g., Agrigenius Vite for wine grapes) and sustainability assessment solutions for specialty crops (currently with a focus on Mediterranean countries). 	<ul style="list-style-type: none"> - Technologies such as smart sprayers and drones will complement and further enhance the benefits of Decision Support Systems (DSSs) such as xarvio® FIELD MANAGER. - With our vision “Make every farm a smart farm” we’re aiming to reach 125 million hectares worldwide served by the Smart Spraying Solution by 2030.

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Agricultural Production	Environmental, Social & Governance	<p>Objective 5: Sustained, inclusive and sustainable economic growth, employment and decent work for all</p>	<ul style="list-style-type: none"> • We will annually increase sales share of solutions with substantial sustainability contribution by 7%. • We will ensure safe use of our agricultural solutions products with right stewardship. 	<p><i>Point 1:</i></p> <ul style="list-style-type: none"> - We have exceeded our target of a 7 percent increase in our share of sustainable solutions with substantial sustainability contribution. - We have successfully assessed and integrated the acquired Seeds & Traits and Vegetable Seeds portfolios into our sustainability criteria. - We will continue along the same lines, ensuring our target is also met in the upcoming years and gradually moving our portfolio towards more Sustainable Solutions. <p><i>Point 2:</i></p> <ul style="list-style-type: none"> - We are bringing to the market a range of tools to progress towards our target of striving for zero incidents related to use of our products-- examples range from Pollinator Protection and Water Stewardship tools to the Kilimo SMS app to reach remotely located smallholders in Eastern African countries. More are in the pipeline. - We are rolling out context-specific high-tech solutions, such as the easyconnect® Closed Transfer System in Europe and drone technology in LATAM and Southeastern Asia. - We are also building on established elements of our product stewardship with innovative approaches to enhance effectiveness and scale up: the Global Personal Protection Equipment (PPE) Initiative is an example of this. Another is the Mobile Agricultural Clinic concept, which we have now implemented successfully in Egypt and Algeria for multiple seasons. 	<p><i>Point 1:</i></p> <ul style="list-style-type: none"> - We are revising our method and target for managing our product portfolio. In the future, the focus of our product portfolio will be even more strongly on climate protection, climate neutrality and the circular economy. - Consequently, we will update our product portfolio steering methodology and our target over the course of 2022/ 2023.

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Agricultural Production	Environmental, Social & Governance	<p>Objective 6: Sustainable value creation in the European food supply chain through partnership</p>	<p>We continuously engage with partners along the food value chain striving towards a sustainable food system.</p>	<p><i>See additional information for examples.</i></p>	<ul style="list-style-type: none"> - Global Carbon Farming Program partnership with Boortmalt.. - BASF Agricultural Solutions' value chain project for sustainable, traceable cotton enabled by blockchain technology.. - Riso Chiaro blockchain pilot with Italian rice farms.. - BASF Vegetable Seeds was awarded in the Livelihoods category of India's CSR Impact Awards for its collaboration with CInI on climate smart farming for smallholders.. - BASF has developed a successful project together with the GIZ and a number of agricultural value chain players to foster protection of the monarch butterfly in Mexico. - The following page provides various examples of our engagement with smallholder farmer communities around the world. - Strong engagement in the Sustainable Supply Chain Initiative (SSCI), under the German G7 presidency in 2022, in 2023 under OECD leadership. -Benchmarking by the World Benchmarking Alliance (WBA) on transformative steps towards a sustainable and resilient ag & food system. The latest report was released in 2021 where BASF ranked among the 10% best performing companies.