

Responsible Care® Verification Report

BASF Canada Inc.

October 2 - 3, 2019



CHEMISTRY INDUSTRY
ASSOCIATION OF CANADA



Responsible Care®
Our commitment to sustainability.

Disclaimer

This report has been produced by a team, convened by the Chemistry Industry Association of Canada (CIAC), to provide advice to the member-company and assist it in meeting its Responsible Care[®] commitments. The material in this report reflects the team's best judgment in light of the information available to it at the time of preparation. It is the responsibility of the CIAC member-company that is the subject of this report to interpret and act on the report's findings and recommendations as it sees fit. Any use which a third party makes of this document, or any reliance on the document or decisions made based upon it, are the responsibility of such third parties. Although CIAC members are expected to share the results of this guidance document with interested parties, the Association, its member-companies, their employees, consultants and other participants involved in preparing the document accept no responsibility whatsoever for damages, if any, suffered by a third party as a result of decisions made or actions based on this report.

Responsible Care[®] is a registered trademark of the Chemistry Industry Association of Canada.

EXECUTIVE SUMMARY

The BASF Canada Inc. 2019 verification was conducted using the following process. The planning and organization meeting, plus the Executive Contact interview, was conducted on August 8th. 2019 at the BASF head office facility in Mississauga ON. Site visits to the Windsor and Cornwall manufacturing sites were conducted on September 23rd. and 24th. and on the 2nd and 3rd. of October. This was the eighth triennial CIAC verification of BASF Canada Inc.

The Verification Team noted two Findings Requiring Action, fifteen Improvement Opportunities, one Work in Progress and eight Successful practices. While the two findings noted were the result of management system gaps, they were not indicators of any overall systemic issues.

The Verification Team found all managers and employees interviewed were extremely supportive of the Responsible Care Ethic and Principles for Sustainability and demonstrated an enthusiasm for innovative applications of these Principles.

Company requested focus areas for this verification were BASF Canada Inc. Sustainability initiatives, Community Engagement Management Systems with a specific focus on the Windsor and Cornwall communities, the corporate employee Exposure Reduction Plan Management System and specific to the Windsor location, the Short Tenure Employee On-Boarding Management System.

It should be noted that while “sustainability” is a current, somewhat nebulous term referenced by various entities, in the experience of this Verification Team, BASF Canada Inc. is unique in that a plan and management systems, to support sustainability initiatives, were developed to create a positive “step change” in how their businesses effect our climate, environment and consumption of resources.

The verification team is of the opinion that the Responsible Care Ethic and Principles for Sustainability are guiding company decisions and actions, and that a self-healing management system is in place to drive continual improvement. The team believes that the company is capable of responding to the range of Findings Requiring Action identified during the verification. The verification is complete, and no further involvement is required by the verification team.

Signed:  Date: November 29th, 2019

For more information on this or a previous Responsible Care Verification Report, please contact your local company site or the company’s overall Responsible Care coordinator:

Erika Harris

EHS and Responsible Care Specialist

BASF Canada Inc. Mobile: 1-519-965-3485 E-Mail: erika.harris@basf.com

Postal Address: 845 Wyandotte St. West, Windsor, ON, Canada, N9A 5Y1

SUMMARY OF VERIFICATION TEAM OBSERVATIONS

Findings Requiring Action:

1. There is a Finding Requiring Action (Cornwall) to review the management system for inspection and record keeping of fire systems, fire extinguishers and eyewash stations. (OP24). The management system should support the requirements of NFPA 10, OSHA 1910.157 and ANSI Z.3581. (ref. OP24)
2. There is a Finding Requiring Action (Cornwall) to review the site emergency plan and the capabilities of community emergency responders and equipment. Focus areas should be industrial fire-fighting capabilities of community resources, regular training with community emergency responders and an annual review and update. (ref. OP31-40)

Works in Progress:

1. There is a Work in Progress (Corporate) to develop, in conjunction with transportation third parties, sustainability initiatives that can be assessed as part of the triennial Motor Carrier Evaluations.

Improvement Opportunities:

1. There is an Improvement Opportunity (Windsor) to add value to the community advisory panel (CAP) process by streamlining the Management system to schedule regular focused meetings, seek input from CAP members on emerging issues and investigating potential partnerships with local secondary schools that will add a student member component to the CAP process.
2. There is an Improvement Opportunity (Cornwall) to assess the need for a community advisory panel to focus and streamline the community dialogue process utilizing the model described in the previous Windsor site improvement opportunity.
3. There is an Improvement Opportunity (Cornwall) to install eyewash station activation alarms and place visual inspection tags on each eyewash station.
4. There is an Improvement Opportunity (Cornwall) location to investigate the need for employee communication devices with a “man down” function.
5. There is an Improvement Opportunity (Cornwall and Windsor) to review site security procedures related to requiring a security check of unsealed, empty and LTL related transport trailers or vans prior to entering company property.
6. There is an Improvement Opportunity (Cornwall) to provide additional on-site parking for employees and contractors to avoid parking on Wallrich Avenue.
7. There is an Improvement Opportunity (Cornwall & Windsor) to improve the visibility of Responsible Care throughout the site and adding the Responsible Care logo to company Power Point presentations such as SafeStart.
8. There is an Improvement Opportunity (Windsor) to provide information to employees on project timelines and completion dates related to ergonomic and working space challenges at the building four small batch refinish area.
9. There is an Improvement Opportunity (Cornwall & Windsor) to Improve the management system response time related to correcting potential worker foot traffic hazards in a timely manner. Examples noted were a

deteriorating step at Windsor and a “permanent” identified step hazard at Cornwall that requires yellow identification paint. Also, At the Windsor site there was a “permanent” asbestos hazard warning sign attached to the “Transit” siding on Building “2” to identify that it contains asbestos. Surface paint is flaking off the Transit siding.

10. There is an Improvement Opportunity (Cornwall) to add a follow-up “check” component to the SafeStart training program to judge employee information retention and comprehension.

11. There is an Improvement Opportunity (Windsor) to include more in-depth Responsible Care information as part of the new employee on-board training management system.

12. There is an Improvement Opportunity (Cornwall & Windsor) to include more in-depth employee personal health and safety related information as part of the Responsible Care refresher training management system.

13. There is an Improvement Opportunity at all Canadian Locations to assess the need for company employees and third-party security employee training in responding to site bomb threats, disgruntled employee and active shooter.

14. There is an Improvement Opportunity to link the CIAC document “Promoting Responsible Care by Name” to the BASF internal document ES-5410 Responsible Care Commitment.

15. There is an Improvement Opportunity (corporate) to investigate implementation of a “Green Office” sustainability management system at each Canadian office facility. ref: <https://www.basf.com/corporate/responsible-care/green-office>

Successful Practices:

1. The BASF Canada Inc. corporate management system to address engagement with Indigenous Communities is considered a Successful Practice.

2. The “Site Fact Sheets” distributed to the public at each company location is considered a Successful Practice.

3. The On-Board Training System (Windsor) is considered a Successful Practice.

4. The Corporate “Fit for Duty” management system is considered a Successful Practice.

5. The SafeStart training program includes a four-disc employee package with age appropriate safety information, is considered a Successful Practice.

6. The Windsor tornado warning management system is considered a Successful Practice.

7. The contractor recognition initiatives (Cornwall) is considered a Successful Practice.

8. The management system developed to implement the Exposure Reduction Process (Corporate) is considered a Successful Practice.

INTRODUCTION

About Responsible Care Verification

As a member of the Chemistry Industry Association of Canada (CIAC), the most senior executive responsible for BASF Canada Inc. operations in Canada attests annually to CIAC and its peers that the company's operations conform to the expectations contained in the Responsible Care Commitments and are guided by *Responsible Care Ethic and Principles for Sustainability*.

The Responsible Care® Ethic and Principles for Sustainability

We are committed to do the right thing and be seen to do the right thing.

We dedicate ourselves, our technology and our business practices to sustainability - the betterment of society, the environment and the economy. The principles of Responsible Care® are key to our business success, and compel us to:

- work for the improvement of people's lives and the environment, while striving to do no harm;
- be accountable and responsive to the public, especially our local communities, who have the right to understand the risks and benefits of what we do;
- take preventative action to protect health and the environment;
- innovate for safer products and processes that conserve resources and provide enhanced value;
- engage with our business partners to ensure the stewardship and security of our products, services and raw materials throughout their life cycles;
- understand and meet expectations for social responsibility;
- work with all stakeholders for public policy and standards that enhance sustainability, act to advance legal requirements and meet or exceed their letter and spirit;
- promote awareness of Responsible Care and inspire others to commit to these principles.

As an element of this commitment to Responsible Care, BASF Canada Inc. must, every three years, participate in an external verification intended to:

1. Provide the Executive Contact with an external perspective when assessing if the company is indeed meeting the intent of the Responsible Care Commitments, along with advice on areas that may require attention;
2. Identify opportunities for assisting the company when benchmarking its own practices and performance against those of its peers, thus supporting continual improvement;
3. Contribute to the credibility of Responsible Care amongst company personnel and stakeholders, as well as the stakeholders of the broader industry;
4. Identify successful company practices that can be promoted to peers in the CIAC membership; and
5. Support the identification of areas of common weakness so that collective tools and guidance can be developed to improve performance in those areas across the CIAC membership.

Verification is conducted according to a common protocol, developed by the association's members and others, including several critics of the chemical industry. The verification is conducted by a team consisting of:

- Knowledgeable industry experts with experience in Responsible Care;
- A representative of the public at large (usually with a public interest background and with experience in Responsible Care gained from serving on the CIAC's National Advisory Panel) and;
- One or more representatives of the local communities where the company's facilities are located.

Once completed, the Verification Report is made publicly available through the CIAC website (www.canadianchemistry.ca). BASF Canada Inc. is also expected to share the report with interested persons in its communities and other stakeholders as part of its ongoing dialogue processes.

Additional information on Responsible Care and / or the verification process can be found at the CIAC website www.canadianchemistry.ca, or by contacting CIAC Director, Responsible Care at glaurin@canadianchemistry.ca or (613) 237-6215 extension 233.

The verification team was comprised of the following individuals.

Name	Affiliation	Representing
Cameron Dillabough	CIAC	<i>Team Leader</i>
Debbie Krukowski	CIAC	<i>The Community at Large</i>
Sheila Duke	Windsor community representative	<i>The Windsor Community</i>
Jason Jesmer	Cornwall community representative	<i>The Cornwall Community</i>
Kara Edwards	CIAC Director, Transportation	<i>Verification Observer</i>

About BASF CANADA INC.

The head offices of BASF Canada Inc. are located in Mississauga, Ontario Canada and employs 1190 people located at fourteen production facilities and offices within Canada. BASF Canada is a subsidiary of BASF SE, an affiliate of BASF Corporation. BASF Corporation, located in Florham Park New Jersey, is the North American affiliate of BASF SE, located in Ludwigshafen Germany. BASF employs more than 20,000 people in North America. BASF 2018 North American sales were 19.7 billion dollars.

BASF business groups consist of; Chemicals, Materials, Industrial Solutions, Surface Technologies, Nutrition & Care and Agricultural Solutions.

In 2018 BASF acquired the Bayer Seeds & Traits and Crop Protection business and renamed it BASF Agriculture Solutions.

About This Verification:

The BASF 2019 verification was conducted using the following process. The planning and organization meeting, plus the Executive Contact interview, was conducted on August 8th. 2019 at the BASF head office facility in Mississauga ON.

The Windsor ON site was visited on September 23rd. and 24th. 2019. and the Cornwall ON manufacturing site took place on October 2nd. And 3rd. 2019.

TEAM OBSERVATIONS CONCERNING THE RESPONSIBLE CARE COMMITMENTS (CODES AND BENCHMARK AND COLLECTIVE EXPECTATIONS)

Operations Code:

The appropriate management systems are in place to fulfill the required Operations Code Commitments. As stated in the Executive Summary there were two Findings requiring action related to this code but there are not any systemic areas of concern.

The Corporate employee Exposure Reduction Process has been noted as a successful Practice. This job observation safety improvement plan was developed in-house and in the opinion of the Verification Team is far superior to the usual third party generated safety management systems. An integral part of this management system is a \$5,000.00 “budget” that teams can apply to relatively small easy to solve safety observations.

The Cornwall site is the last Canadian site to implement this management system. The Verification team urges the Company to consider increasing site resources, even temporarily, to expedite implementation of this important management system.

Design and Construction of Facilities and Equipment

The appropriate management systems are in-place to comply with the applicable code requirements. Corporate based engineering support and, or, third party engineering companies are retained for large projects at both Windsor and Cornwall. BASF corporate engineering standards are the guidance documents for all projects and a stage-gate process is utilized to ensure all Responsible Care and legislated requirements are in place before projects are commissioned.

Improvement Opportunities:

There is an Improvement Opportunity (#8) (Windsor) to provide information to employees on project timelines and projected completion dates related to ergonomic and working space challenges at the building four small batch refinish area.

Operations Activities

The appropriate management systems are in place to comply with the applicable code requirements. The Windsor site is ISO 14001 (environment), ISO9001 and IATF 16949 (quality) certified and the Cornwall site is ISO 9001 (quality) certified.

Product distribution and associated Route Risk Assessments are a Corporate responsibility.

Works in Progress:

There is a Work in Progress (#1) to develop, in conjunction with transportation third parties, related sustainability initiatives that can be assessed as part of the triennial Motor Carrier Evaluations.

Improvement Opportunities:

There is an improvement Opportunity (#10) (Cornwall) to add a follow-up “check” component to the SafeStart training program to judge employee retention and comprehension.

Safety and Security

The appropriate management systems are in place to comply with the applicable code requirements. Such as;

Employee and contractor training and incident reporting accompanied by industry accepted root cause analysis processes are in place. These management systems are supported by external Corporate Responsible Care, Health, Safety, Environmental and Sustainability initiative audits supported by an electronic tracking site specific Responsible Care Score Card.

A well-functioning and energized employee Joint health and safety committees are in place and, based on employee interviews, are supportive of Company initiatives in this area. The Company is in the process of introducing Employee Exposure Reduction Teams at the Cornwall site.

Site third party contractors must be approved by an external third-party vetting service that certifies the contracting company's health and safety performance.

Both the Windsor and Cornwall sites have conducted Site Vulnerability (security) Assessments with the Cornwall site being reviewed in 2019. Both sites are also C-TPAT (international shipping security) certified.

Critical Infrastructure and Business Continuity support is a Corporate responsibility with various response teams situated throughout North America.

While both sites have either part time or full-time entry gate security there has not been any specific training in responding to site bomb threats. nor any specific training for responding to disgruntled employees or an active shooter.

In October 2019, BASF Canada Inc. received the "Gold Winner in Chemistry Award" as the safest employer from the Canadian Occupational Safety magazine. This is prestigious award by a leading publication in the occupational health and safety field.

Findings Requiring Action:

It is a Finding Requiring Action (#1) (Cornwall) to review the management system for checks and inspections of fire systems, fire extinguishers and eyewash stations. (OP24). The management system should support the requirements of NFPA 10, OSHA 1910.157 and ANSI Z.3581. (ref. OP24)

It is a Finding Requiring Action (#2) (Cornwall) to review the site management system(s) in support of Emergency Management code elements (OP31-40) Focus areas should be fire-fighting capabilities, regular training with community emergency responders.

Improvement Opportunities:

There is an Improvement Opportunity (#3) (Cornwall) to install eyewash station activation alarms and place visual inspection tags on each eyewash station.

There is an Improvement Opportunity (#4) (Cornwall) to investigate to need for employee communication devices with a "man down" function.

There is an Improvement Opportunity (#5) (Cornwall & Windsor) to amend site security procedures to require a security check of unsealed, empty and LTL related transport trailers or vans prior to entering company property.

There is an Improvement Opportunity (#6) (Cornwall) to provide additional on-site parking for employees and contractors to avoid parking on Wallrich Avenue.

There is an Improvement Opportunity (Cornwall & Windsor) to Improve the management system response time related to correcting potential worker foot traffic hazards in a timely manner.

Examples noted were a deteriorating step at Windsor and a “permanent” identified step hazard at Cornwall that requires yellow identification paint. Also, At the Windsor site there was a “permanent” asbestos hazard warning sign attached to the “Transit” siding on Building “2” to identify that it contains asbestos. Surface paint is flaking off the Transit siding.

There is an Improvement Opportunity (#10) (Cornwall) to add a follow-up “check” component to the SafeStart training program to judge employee retention and comprehension.

There is an Improvement Opportunity (#11) (Windsor) to include more in-depth Responsible Care information as part of the new employee on-board training management system.

There is an Improvement Opportunity (#12) to include more in-depth employee personal health and safety related information as part of the Responsible Care refresher training management system.

There is an Improvement Opportunity (#13) at all Canadian Locations to assess the need for company employees and third-party security employee training in responding to site bomb threats, disgruntled employee and active shooter.

Successful Practices:

The SafeStart training program includes a four-disc employee package with age appropriate safety information is considered a Successful Practice. (#5)

The Windsor tornado warning management system is considered a Successful Practice. (#6)

The contractor recognition initiatives (Cornwall) is considered a Successful Practice. (#7)

The management system developed to implement the Exposure Reduction Process (#8) (Corporate) is considered a Successful Practice.

Environmental Protection

The philosophy of sustainability within BASF supports a management system with a focus of reducing the overall “carbon footprint” of the company and its’ employees, conservation of natural resources and promotion of innovative initiatives by managers and employees.

Projects and programs are in place to; reduce landfill waste, reduce site emissions, reduce electricity consumption and increase solvent recovery efforts.

Employee-related recycling support is in place in the form of on-site personal electronic device and battery recycling and shredding of paper products.

An alternative power source, **BULLFROG POWER** a green energy supplier, is utilized at the Mississauga Head Office and seven production sites. There is a BASF corporate world-wide objective to be carbon dioxide neutral by year 2030.

Successful Practices:

Team Comment: During the Cornwall site tour the Verification Team interviewed Victor Guay, the Operations Coordinator, concerning a project he initiated to find an appropriate recycling method for surplus raw

material tote bags. The Verification Team members were impressed with Mr. Guay's tenacity in obtaining a viable recycling solution and initiating other reuse/recycle programs on behalf of the Company.

Promotion of Responsible Care by Name

While BASF is diligent in linking their policies and procedures and websites to Responsible Care the Verification Team noted that there is an Opportunity for Improvement to increase site visibility of Responsible Care and in addition add the Responsible Care logo to site and Corporate PowerPoint type of presentations. The Verification Team also notes that there is an Improvement Opportunity to link the CIAC document "Promoting Responsible Care by Name" to the BASF internal document ES-5410 Responsible Care Commitment.

Improvement Opportunities:

There is an Improvement Opportunity (#7) (Cornwall & Windsor) to improve the visibility of Responsible Care throughout the site and adding the Responsible Care logo to company Power Point presentations such as SafeStart.

There is an Improvement Opportunity (#14) to link the CIAC document "Promoting Responsible Care by Name" to the BASF internal document ES-5410 Responsible Care Commitment.

TEAM OBSERVATIONS CONCERNING STEWARDSHIP CODE

There is a management system in-place to support the BASF Responsible Care commitment in the area of Product Stewardship. By and large this is a Canadian or North America Corporate responsibility.

New product introduction, manufacture and sales are subject to a stage gate process that requires the appropriate input from those managers responsible for ensuring all legislated and Responsible Care related environmental, health, safety expectations are met. As a result of the BASF focus on sustainable products, mature products are subject to review to meet stretch objectives such as;

Decoupling carbon dioxide emissions from organic growth through a Carbon management program, investing in cutting-edge technologies to speed up the transition to a circular economy, such as a ChemCycling* project and further increasing our sales from Accelerator products**.

*ChemCycling is a process for turning plastic waste into new products.

**Accelerator Products are products that make a substantial sustainability contribution to the product value chain.

Communication Through the Value Chain

The required management systems are in-place to meet the Responsible Care requirements and expectations in relation to value chain communication.

BASF products tend to be what is described as process intermediate products or chemicals. The sustainability thrust described in the Stewardship Code synopsis requires constant attention to the needs and requirements of suppliers and customers.

Expectations of Companies with Respect to Other Parties

Stewardship Code ST116 requires a member company ensure that; parties that provide a service (i.e. warehouse, terminal, toll manufacturer or packager, contract R&D lab, carrier) to the company meet the same applicable expectations of Responsible Care as the company would if it was performing those activities itself.

BASF has the appropriate selection, monitoring, checking (audits) and corrective action management systems in-place to fulfill the requirements and expectations of this code requirement.

TEAM OBSERVATIONS CONCERNING ACCOUNTABILITY CODE

Community outreach was a requested focus area for this verification. There are two Improvement Opportunities noted relating to this focus area. BASF has traditionally been in the forefront of this code requirement. Both, long time, community representatives on the Verification Team were able contributors to the verification process. The Windsor Community Advisory Panel members interviewed were well informed about Responsible Care and eager to participate in the future improvement Opportunities noted by the Verification Team.

The Team would recommend to the BASF Cornwall site that they should strongly consider creation of a Community Advisory Panel to enable an exchange of site and Company related information such as addressing any community concerns about air quality and share good news stories such as the Safest Employer Award.

Team Comment: Sheila Duke the Windsor Verification Team community member has amassed a comprehensive binder on BASF related community issues and achievements. Making an electronic copy of her binder for the Windsor site achieves would be recognition of her long Advisory Panel service. BASF Canada INC. has in-place a comprehensive Community Outreach management system based on Corporate Standard ES-5416. This standard describes in detail the expectations on each company site based on various factors such as the site “footprint” and risk to the community.

Improvement Opportunities:

There is an improvement opportunity (#1) (Windsor) to add value to the community advisory panel (CAP) process by streamlining the Management system to schedule regular focused meetings, seek input from CAP members on emerging issues and investigating potential partnerships with local secondary schools that will add a student member component to the CAP process.

There is an improvement opportunity (#2) (Cornwall) to assess the need for a community advisory panel to focus and streamline the Community Dialogue Management System utilizing the model described in the Windsor improvement opportunity. (#1)

Successful Practices:

The “Site Fact Sheets” distributed to the public at each BASF Canada Inc. location is considered a Successful Practice. (#2)

Other Stakeholders

BASF Canada Inc. Responsible Care Commitment Policy (ES-5410) describes the expectations in support of this Responsible Care Code element. Participation in CIAC administrative meetings and sub-committees and supplying health, safety and environmental performance data to the Association. Participation in CIAC transportation emergency response activities (TRANSCAER) fulfills the commitment to interface with stakeholders in transportation corridors. Contact with the applicable elected public officials is a function of CIAC membership.

Team Comment: At both the Windsor and Cornwall locations the Verification Team recommends that site managers, or their designate, schedule annual January meetings with the appropriate city officials to ensure they are apprised of any proposed city zoning changes that might challenge the safe operation of BASF facilities.

APPENDICES TO CODES: SOCIAL RESPONSIBILITY

Social responsibility is the inclusion of the interest of stakeholders into an individual's or organization's decision-making processes and actions. In the Operations and Stewardship Codes, these stakeholder interests are addressed mainly in the areas of protection and enhancement of safety, health and the environment, while in the Accountability Code, stakeholder interests are addressed that go beyond these areas to cover, as appropriate for a site or company, the full range of concerns, values and aspirations of local communities and broader society.

Below are two examples of BASF initiatives in this area. BASF is a signatory to the Ocean Plastics Charter and is a contributor to the United Nations Sustainable Development Goals. For additional information reference: <https://www.basf.com>

The Ocean Plastics Charter 15 17.10.2019

"We recognize the important role that plastics play in our economy, as well as the importance of taking urgent action to address the threat of marine plastic litter. We are committed to taking a lifecycle approach to plastics stewardship on land and at sea. On this basis, we commit to the advancement of the objectives and commitments of the Ocean Plastics Charter within our respective jurisdictions and area of influence."

BASF contributes to the United Nations Sustainable Development Goals (SDG) through;

- Products and solutions along the value chain
- Addresses the SDGs with its materiality topics.
- Uses the SDGs as orientation for BASF's own goal setting.
- Continually monitors the SDGs by using established indicator systems such as the Global Reporting Initiatives.
- Continuous dialogue with external stakeholders to establish trustful partnerships on the way to reaching the Sustainable Development Goals.

APPENDICES TO CODES: INVOLVEMENT IN PUBLIC POLICY PROCESS

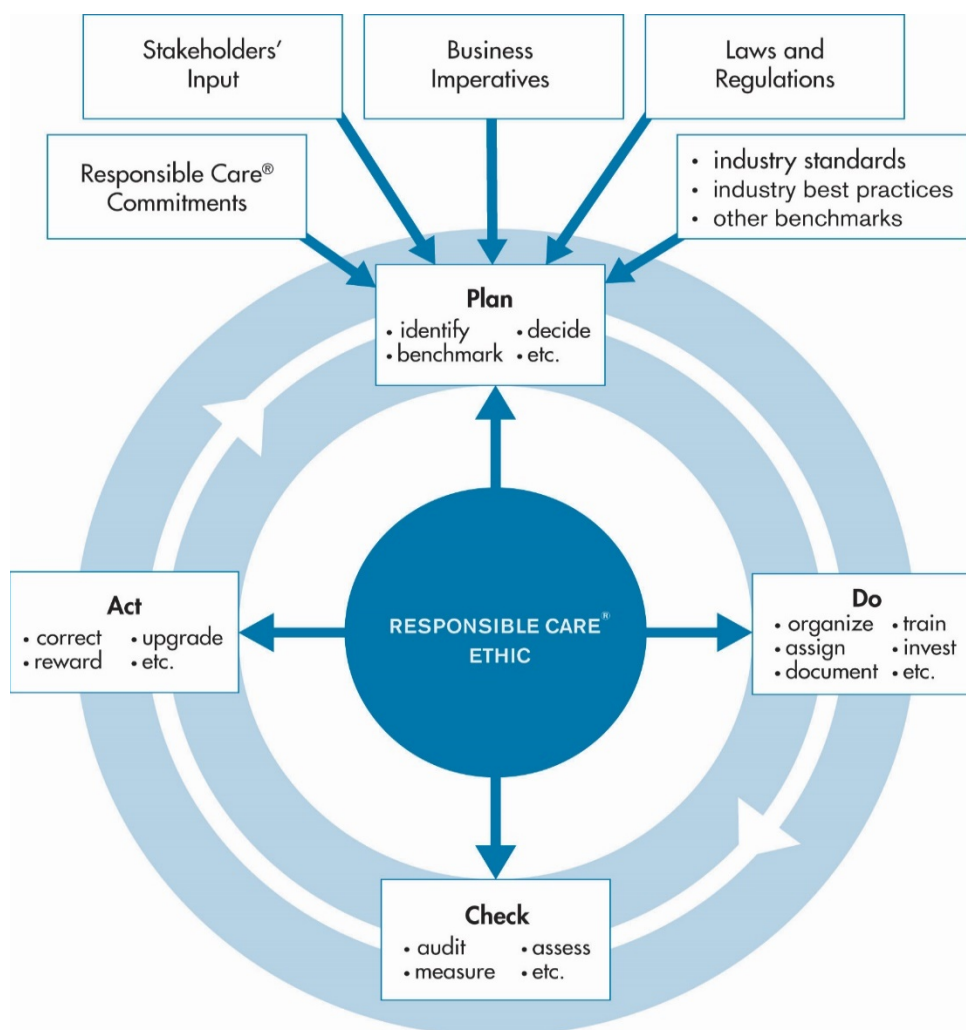
The expectations of CIAC member companies as described in Appendix B, "Involvement in Public Policy Processes, is firstly developing a management system to advance public policy issues in support of its principles on sustainability and secondly, take an active role in areas such as municipal planning and public policy in such areas as chemical testing and approval."

BASF Canada Inc. has the appropriate management systems in-place and appropriate Corporate managerial involvement to support both these expectations.

TEAM OBSERVATIONS ON THE COMPANY MANAGEMENT SYSTEM

BASF Canada Inc has two specific policies (ES-5410 & N-Y-EHS 001) That describe in detail how the company commitment to Responsible Care is integral to the day to day management of the company. These policies detail managerial responsibilities including those of the Responsible Care Steering Committee(s), Responsible Care Code champions (experts), company employees and contractors.

These policies also describe in detail links to the CIAC management system matrix. (see graphic). A Responsible Care Management system, of this design, is a requirement of all member companies.



Improvement Opportunities:

There is an Improvement Opportunity (#15) (corporate) to investigate implementation of a “Green Office” sustainability management system in each Canadian office facility. ref: <https://wwf.ca/greenoffice/what-is-green-office>

Successful Practices:

The BASF Corporate Management System to address engagement with Indigenous Communities is considered a Successful Practice. (#1)

TEAM OBSERVATIONS ON THE RESPONSIBLE CARE ETHIC AND PRINCIPLES FOR SUSTAINABILITY

WORK FOR THE IMPROVEMENT OF PEOPLE’S LIVES AND THE ENVIRONMENT, WHILE STRIVING TO DO NO HARM:

There are management systems in-place to support this Principle. As stated previously BASF has a management system structured approach to sustainability. The approach is to evaluate the entire value chain, considering industry and region-specific views in their markets with the goal of achieving a balance between the three dimensions of sustainability: economy, environment and society. Life cycle assessments and eco-efficiency analysis are also included in the evaluation. Ref: <https://www.basf.com/ca/en/who-we-are/sustainability/Sustainability-in-Canada.html>

BE ACCOUNTABLE AND RESPONSIVE TO THE PUBLIC, ESPECIALLY OUR LOCAL COMMUNITIES, WHO HAVE THE RIGHT TO KNOW THE RISKS AND BENEFITS OF WHAT WE DO:

Management systems are in-place to support this Principle. Manufacturing site “fact sheets” and annual face-to-face meetings with site neighbours are examples of good practices in support of this Principle.

TAKE PREVENTATIVE ACTION TO PROTECT HEALTH AND THE ENVIRONMENT:

There are management systems to support this Principle. One component of these management systems is SEEBALANCE.

SEEBALANCE® is a name for Socio-Economic Efficiency Analysis. It is an innovative tool that bundles various methods of analysis, allowing to assessments not only of the environmental impact and costs of products and processes, but also the societal impacts thereof.

A Socio-Economic Efficiency Analysis addresses the environmental impact and value of a product in proportion to a product's cost-effectiveness. It enables BASF, their customers and those in the value-chain to decide which products are the best choice, both ecologically and economically. The Eco-Efficiency Analysis can also be used to identify ways to make improvements in terms of environmental impact and cost.

INNOVATE FOR SAFER PRODUCTS AND PROCESSES THAT CONSERVE RESOURCES AND PROVIDE ENHANCED VALUE:

There are management systems are in-place to support this Principle. There is a management system entitled “Portfolio Segmentation and Opportunity” which identifies those company products with a high benefit to society. Once identified these (Accelerator) products can be promoted to third parties through the Sustainable Solution Steering Management System.

Sustainable Solution Steering is a management system to help third party customers measure their products’ contribution to sustainability within their various markets and industries and to increase this contribution through identified targeted steps. This process is linked to BASF identified Accelerator Products that are in turn available to these third-party customers.

ENGAGE WITH OUR BUSINESS PARTNERS TO ENSURE THE STEWARDSHIP AND SECURITY OF OUR PRODUCTS, SERVICES AND RAW MATERIALS THROUGHOUT THEIR LIFE CYCLES:

Management systems are in-place to support this Principle. Third-party selection, assessment, auditing and improvement initiatives are components of these management systems

UNDERSTAND AND MEET EXPECTATIONS FOR SOCIAL RESPONSIBILITY:

Management systems are in-place to support this Principle. From a global perspective the BASF Social Responsibility focus is through support of the United Nations’ Sustainable Development Goals. Specifically, numbers six through nine, and number twelve and thirteen. These six goals address; clean water and sanitation, affordable and clean energy, decent work and economic growth, industry, innovation and infrastructure, responsible consumption and production and climate action.

In Canada the BASF philanthropic objectives include science education, ecology, health and safety programs and locally focused initiatives that are important to the quality of life in communities where the company has a presence. Ref: <https://.basf.com/ca/en/who-we-are/sustainability-in-Canada.html>

WORK WITH ALL STAKEHOLDERS FOR PUBLIC POLICY AND STANDARDS THAT ENHANCE SUSTAINABILITY, ACT TO ADVANCE LEGAL REQUIREMENTS AND MEET OR EXCEED THEIR LETTER AND SPIRIT:

Management systems are in-place to support this Principle. BASF participates in the United Nations Global Compact* and supports the concept of a Circular Economy** BASF Canada INC. has also produced a video

outlining their commitment to this Principle. Ref: <https://.basf.com/ca/en/who-we-are/sustainability-in-Canada.html>

* The UN Global Compact is the world's largest voluntary corporate responsibility and sustainability initiative. Anchored to the United Nations, our mission is to mobilize a global movement of sustainable companies and stakeholders to create the world we want.

** A circular economy (often referred to simply as "circularity") is an economic system aimed at eliminating waste and the continual use of resources. This regenerative approach is in contrast to the traditional linear economy, which has a 'take, make, dispose' model of production.

PROMOTE RESPONSIBLE CARE® AND INSPIRE OTHERS TO COMMIT TO THESE PRINCIPLES:

As noted in this reports' Executive Summary this is the eighth triennial verification of BASF Canada Inc. Company Responsible Care Management Systems are mature and well designed. A more recent corporate focus on the principles of sustainability for all BASF business and manufacturing entities again is supported by well-developed management systems. Integral to all these management systems are the mechanisms to support this principle.

VERIFICATION TEAM CONCLUSION

The verification team is of the opinion that the Responsible Care Ethic and Principles for Sustainability are guiding company decisions and actions, and that a self-healing management system is in place to drive continual improvement. The team believes that the company is capable of responding to the range of Findings Requiring Action identified during the verification. The verification is complete, and no further involvement is required by the verification team.

COMPANY RESPONSE TO VERIFICATION REPORT

On behalf of BASF Canada Inc. I have reviewed this verification report. The observations and conclusions contained in the report have been discussed with the verification team.

As BASF works towards a sustainable future, we are committed to Responsible Care. The health and safety of our employees, communities and the environment remains our highest priority. We thank the verification team for conducting a thorough review of our processes and for providing recommendations for continuous improvement.

BASF Canada will communicate the results of this verification exercise with its CIAC peers at their next meeting, and will discuss the verification results with our stakeholders, including those representing communities near our operating sites.

We will give consideration to the Improvement Opportunities identified by the verification team and will assist the CIAC in communicating and sharing the identified Successful Practices to other CIAC members. Plans will be developed and implemented to respond to the Findings Requiring Action and Work in Progress identified by the verification team. Our progress in implementing those plans will be discussed when preparing our Annual Statement of Re-Commitment to Responsible Care and communicated to the verification team at the time of our next verification.



Marcelo Lu
President
BASF Canada
November 28, 2019

INTERVIEW LISTS

A: Company Personnel Contacted During Verification Process

NAME	POSITION	LOCATION
Planning & Orientation Meeting		
Erika Harris	RC Coordinator	ALL
Brett Rajkumar	OHMICAN Director, EHS Site Services	ALL
Sean Cammaert	Interim EHS Team Leader - Canada	ALL
David Peters	Senior EHS Specialist	ALL
Marcelo Lu	BASF Canada President	Mississauga – P&O
Cristina Boem	Transportation & Logistics Specialist	Mississauga – P&O
Thomas McGourty	NA Manager, Distribution & Safety Security	Mississauga – P&O
Esther Lawrence	Senior Transportation Specialist	Mississauga – P&O
Grant Edwards	Regional Logistics Manager	Mississauga – P&O
Luiziana Ribeiro	Manager Sustainability & Government Affairs	Mississauga – P&O
Jay Wilkins	Process Engineer	Mississauga – P&O
Manjiree Manjrekar	Manager Technical Engineering Services	Mississauga – P&O
Windsor Site Visit		
Jeff Klevering	Site director	Windsor, ON
Randy Levasseur	Operations Manager	Windsor, ON
Alan Fox	Senior Plant Engineer	Windsor, ON
Jeff Ammonite	EHS Specialist	Windsor, ON
Nick Dykeman	Reliability Engineer	Windsor, ON
Fallon Funkenhauser	Learning & Development Coordinator	Windsor, ON
Ali Galindo	Logistics Manager	Windsor, ON
Greg Elkins	Canada Logistics Procurement Manager	Windsor, ON
Bruce Uhlman	Applied Sustainability NA	Windsor, ON
Michele Stauffer	EC NA Product Stewardship	Windsor, ON
Robert Drake	Senior Product Steward	Windsor, ON
Jason Roup	Security Technology Manager	Windsor, ON
Brian Shuttleworth	Exposure Reduction Process Facilitator	Windsor, ON
Justin Huffman	Exposure Reduction Process Steering Committee Member	Windsor, ON
Steve Little	Exposure Reduction Process Steering Committee Member	Windsor, ON
Ian Berry	Joint Health & Safety Committee Union Chair	Windsor, ON
Paul Shank	Joint Health & Safety Committee Member	Windsor, ON
Cornwall Site Visit		
Diana Rourke	Site Director	Cornwall, ON
Jason Veinot	Operations Manager	Cornwall, ON
Dale Witty	EHS Specialist	Cornwall, ON
David Dorschner	Engineering Manager	Cornwall, ON
Victor Guay	Operations Coordinator	Cornwall, ON
Chris Blanchette	Joint Health & Safety Committee Member	Cornwall, ON
Chris Vivarais	Joint Health & Safety Committee Member	Cornwall, ON

Matt McDerby	Joint Health & Safety Committee Member	Cornwall, ON
Nathan Poirier	Joint Health & Safety Committee Member	Cornwall, ON
Allyson Reynolds	Canadian Head of Communications	Cornwall, ON
Jeff Lieb	Environmental Expert Services – North America	Cornwall, ON
Lawrence Evangelista	Security Area Manager – North America	Cornwall, ON

B: External Stakeholders Contacted During Verification Process

NAME	POSITION	LOCATION
Gerry Steinberg	Community Representative	Windsor
Dr. Edwin Tam	Community Advisory Panel	Windsor
Dr. Paul Henshaw	Community Advisory Panel	Windsor
Steve Laforte	Community Advisory Panel	Windsor
	(Windsor Fire & Rescue)	Windsor
Stephen MacKenzie	Community Advisory Panel	Windsor



Responsible Care[®]
Our commitment to sustainability.

CHEMISTRY INDUSTRY ASSOCIATION OF CANADA
Suite 805, 350 Sparks Street
Ottawa (ON) K1R 7S8
T: 613 237-6215 F: 613 237-4061
www.canadianchemistry.ca