

BASF UK Group Pension Scheme

Statement on the UK Stewardship Code

BASF Pensions Trustee Ltd, the Trustee of the BASF UK Group Pension Scheme (the Scheme) believes that good stewardship can enhance long-term portfolio performance, and is therefore in the best interests of the Scheme's beneficiaries and aligned with fiduciary duty. Therefore, the Trustee supports the principles of the UK Stewardship Code.

The Trustee believes that Environmental, Social and Corporate Governance ("ESG") issues can affect the performance of investment portfolios and are therefore considered as part of the Scheme's investment process.

The Trustee operates an Investment Committee to implement the Trustee's investment strategy and monitor the investment managers against these principles.

Principle 1 – Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities.

The Trustee has given its investment managers discretion when evaluating ESG issues and in exercising rights and stewardship obligations relating to the Scheme's investments. This policy is outlined in the Scheme's Statement of Investment Principles which is made available publicly on the Scheme's website <http://ukpensions.basf.co.uk>, to the Scheme's members upon request and is reviewed periodically.

The Trustee supports and encourages the Scheme's investment managers to comply with the UK Stewardship Code, including public disclosure of compliance via an external website.

The Trustee encourages the Scheme's investment managers to exercise voting rights and undertake engagement (collaborative or other) in accordance with their own corporate governance policies including escalation procedures to protect investment value. The Trustee expects each investment manager to ensure that the Trustee has an up to date copy of its relevant policy in this regard.

Principle 2 – Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship and this policy should be publicly disclosed.

The Investment Committee encourages the Scheme's investment managers to adopt effective policies addressing potential conflicts of interest. The Investment Committee will monitor the Scheme's investment managers in this regard. The Trustee also maintains a conflicts of interest policy and register which is maintained and monitored on a regular basis.

Principle 3 – Institutional investors should monitor their investee companies.

The Trustee has delegated the responsibility and implementation of the management of its equity holdings to investment managers and monitoring investee companies is part of this responsibility. The Investment

Committee monitors the Scheme's investment managers in this regard as appropriate in conjunction with the Investment Consultant.

Principle 4 – Institutional investors should establish clear guidelines on when and how they will escalate their activities as a method of protecting and enhancing shareholder value.

Implementation of stewardship activities is delegated to the Scheme's investment managers, and the Trustee encourages them to monitor companies, intervene where necessary and report back regularly on activity undertaken.

The Investment Committee monitors the Scheme's investment managers in this regard. The Trustee has and maintains an ESG policy to monitor companies against sustainability on an annual basis.

Principle 5 – Institutional investors should be willing to act collectively with other investors where appropriate.

The Trustee and the Investment Committee is willing to work collaboratively with other investors, where appropriate, to enhance the influence that it has on individual companies but would only expect this to occur in exceptional circumstances.

Principle 6 – Institutional investors should have a clear policy on voting and disclosure of voting activity.

The Trustee encourages the Scheme's investment managers to exercise voting rights and undertake engagement (collaborative or other) in accordance with their own corporate governance policy including escalation procedures to protect investment value. The Trustee expects each investment manager to ensure that the Investment Committee has an up to date copy of its relevant policy in this regard.

Reporting on voting and engagement activities should be provided to the Investment Committee on a regular basis. The Investment Committee monitors the Scheme's investment managers in this regard.

Principle 7 – Institutional investors should report periodically on their stewardship and voting activities.

The Trustee expects the Scheme's investment managers to report regularly on their stewardship and voting activities. In addition, the Trustee encourages the Scheme's investment managers to consider and report the impact of any engagement.