

# Assessment of BASF's approach to addressing biodiversity loss



# BASF: Overview

BASF SE is an industrial chemicals company based in Ludwigshafen, Germany.



## Market cap

€43.47 billion (\$57.5 billion)



## 2022 pesticide sales

€8.41 billion (\$9.2 billion)<sup>1</sup>



## Highly Hazardous Pesticides

≥37



## Top-selling Highly Hazardous Pesticides in 2018

1) Glufosinate 2) Epoxiconazole 3) Fipronil 4) Pendimethalin 5) Chlorfenapyr



## EU-banned pesticides notified for export in 2018

1,696 tonnes

Product Portfolio	E1.1 The company does not produce or sell any HHPs	Not achieved
	E1.2 The company does not sell EU-banned pesticides outside of Europe	Not achieved
Impact assessment	E2.1 The company assesses biodiversity-related impacts, dependencies and risks	Partly achieved
	E2.2a The company uses a clearly defined methodology to assess downstream impact of all pesticide products	Partly achieved
	2.2b The methodology was developed in partnership with and peer reviewed by independent experts	Partly achieved
Biodiversity strategy	E3.1 The company has a target that aligns with GBF Target 7 to reduce pesticide risks to biodiversity by half by 2035	Not achieved
	E3.2 The company has a commitment to phase out HHPs by 2035	Not achieved
	E3.3 The company has a management plan for high-risk locations in its value chain	Not achieved
	E3.4 The company has a biodiversity strategy that includes relevant targets and commitments	Not achieved
Disclosures	E4.1 The company fully reports against GRI 304 and has committed to align with the TNFD and GBF Target 15	Not achieved
	E4.2 The company publishes a list of active ingredients and discloses sales volumes of HHPs	Not achieved
	E4.3 The company discloses at-risk locations in its value chain, including areas of biodiversity importance	Not achieved
	E4.4 The company discloses toxicological studies of all active ingredients	Partly achieved
Product innovation	5.1 The company assesses inherent risks of new solutions and ensures they pose lowest possible risks	Partly achieved
	5.2 The company has a target for expanding safer and sustainable alternatives	Not achieved
	5.3 The company's innovation practices include replacing hazardous products with lower risk alternatives	Not achieved

Through its product portfolio and export of hazardous pesticides, BASF embeds risks to biodiversity in its business model. While biodiversity is included in BASF's sustainability efforts as part of its 'product impact' focus, the company has not made any public commitments, nor has it disclosed clearly defined methodologies to assess the impacts of its products throughout its value chain.

## INDICATORS OF PROGRESS

- **Impact assessment:** BASF assesses all its products, including pesticides, for their contribution to sustainable outcomes, including biodiversity. As part of this process, it commits to phasing out 'Challenged' products<sup>1</sup> within five years.
- **Disclosures:** BASF makes some information regarding product safety studies available upon request.

## AREAS OF CONCERN

- **Product portfolio:** BASF produces a high number of HHPs and exports pesticides banned for use within the EU to other countries.
- **Biodiversity strategy:** BASF has not aligned with GBF Target 7 to reduce risk from its products to biodiversity. The company has no biodiversity-related commitments.
- **Impact assessment:** There are major gaps in BASF's impact assessment approach, including disclosure of metrics used for assessing biodiversity criteria and a methodology to assess location-level impacts of products throughout its value chain.

## Assessment

### 1. Product portfolio

**1.1 Expectation: The company does not produce any products with active ingredients that appear in Pesticide Action Network's list of Highly Hazardous Pesticides<sup>2</sup>.**

ASSESSMENT NOT ACHIEVED

BASF produces at least 37 active ingredients that are Highly Hazardous Pesticides.

**1.2. Expectation: If the company is incorporated in a country subject to European Union pesticide use restrictions, it does not sell pesticides that are banned for use in the EU to other countries.**

ASSESSMENT NOT ACHIEVED

In 2018, BASF notified for export 1,696 tonnes of pesticides banned for use in the EU to other countries<sup>ii</sup>.

<sup>1</sup>BASF defines 'Challenged' products as those that do not pass basic sustainability requirements and are of 'strong' concern. Further information can be found on page 12 of the company's [TripleS manual](#).

<sup>2</sup>This does not include industrial (non-agricultural) chemicals that BASF produces that are HHPs.

## 2. Impact assessment

**2.1 Expectation: The company assesses its pesticide-related impacts and dependencies on biodiversity, and the risks arising from these, across its full value chain, including downstream impacts.**

ASSESSMENT PARTLY ACHIEVED

BASF uses its TripleS methodology to assess the potential biodiversity impact of its 45,000 products, including pesticide products<sup>iii</sup>. This covers potential impacts on biodiversity from product use downstream, such as risk to non-target organisms. The results of this assessment are not disclosed. See Expectation 2.2a for more information on this methodology.

BASF states that it addresses risks and opportunities arising from biodiversity, but does not disclose how this is performed or the outcomes of an assessment process<sup>iv</sup>. BASF does not publicly indicate that it assesses its dependencies on biodiversity.

**2.2a Expectation: The company uses a clearly defined methodology to assess its impact on biodiversity from all pesticide products, which includes considering how inherent risks of a product materialise throughout the company's value chain and impact biodiversity at the location-level.**

ASSESSMENT PARTLY ACHIEVED

BASF uses its TripleS approach to assess and categorise all products based on their sustainability qualities. As part of this approach, BASF has determined a set of biodiversity-related criteria to assess products against, including risk-based indicators such as 'improved eco tox profile' and 'higher compatibility with low-drift technologies'<sup>v</sup>.

However, it does not disclose how products are assessed against these criteria, including which metrics are used<sup>3</sup>. It is also not clear if and how products are assessed past the risk stage based on how these risks materialise throughout the company's value chain: BASF does not disclose whether TripleS is used to assess location-level impacts, including the effects of products on at-risk locations, relevant biomes, and material species exposed to products.

---

<sup>3</sup>In information provided privately to ShareAction, BASF has stated that TripleS is a qualitative approach and that a product can be deemed to contribute to biodiversity if a business unit gives a rationale and proof for this designation. However, for the purpose of this report, companies are assessed only on information that is publicly disclosed.

**2.2b Expectation: The company's methodology for impact assessment was developed in partnership with, and peer reviewed by, independent subject-matter experts, as evidenced by a disclosure of all relevant details of the company's relationship and the nature of collaboration with all experts involved.**

ASSESSMENT PARTLY ACHIEVED

BASF based its TripleS approach on the World Business Council for Sustainable Development's Portfolio Sustainability Assessment (PSA) methodology, which provides guidance for the chemicals industry on assessing and categorising a company's product portfolio.

However, this methodology does not provide precise guidance or expertise on assessing the risks to or impacts on biodiversity from pesticide use. For this reason, BASF's compliance with the PSA does not fully meet the expectation for subject-matter experts to be involved in the development and review of an impact assessment methodology.

### 3. Biodiversity strategy

**3.1 Expectation: In alignment with the Global Biodiversity Framework's Target 7, the company has commitments and targets that seek to reduce the company's impact on or risk to biodiversity from its pesticide products by 50 per cent by 2035.**

ASSESSMENT NOT ACHIEVED

BASF has no commitments or targets that align with GBF Target 7, nor any biodiversity-related commitments or targets more generally<sup>vi</sup>.

**3.2 Expectation: The company has committed to phase out production of Highly Hazardous Pesticides by 2035.**

ASSESSMENT NOT ACHIEVED

BASF has not disclosed a commitment to phase out production of HHPs

**3.3 Expectation: The company has a management plan for locations within its downstream value chain that are at medium or high risk of negative biodiversity impacts from pesticide use, including areas of biodiversity importance. This plan includes restricting sales of some products to at-risk locations.**

ASSESSMENT NOT ACHIEVED

BASF has not disclosed a management plan to protect locations in its value chain at medium or high risk of biodiversity loss from pesticide use.

**3.4 Expectation: The company has a clear biodiversity strategy, which sets out how it will meet biodiversity-related commitments and targets.**

ASSESSMENT NOT ACHIEVED

While BASF has a strategy to address biodiversity loss, this does not include any biodiversity-related commitments that can effectively guide this strategy and hold the company accountable for meeting goals.

BASF's biodiversity strategy focuses on sites and production, product impact, and supply chains. Through the strategy's product impact focus, BASF assesses the impact of products using its TripleS approach (see Expectation 2.2a) and assesses impacts of agricultural practices using an assessment framework called AgBalance<sup>vii</sup>.

## 4. Disclosures

**4.1 Expectation: The company's biodiversity disclosures fully align with standards set by the Global Reporting Initiative 304 guidance on biodiversity. The company has committed to implement the disclosure framework set by the Taskforce for Nature-related Financial Disclosures and to report biodiversity-related impacts, dependencies and risks in alignment with Global Biodiversity Framework Target 15.**

ASSESSMENT NOT ACHIEVED

BASF states that it reports against some topic areas required by GRI 304. However, the company does not report against all topics, nor does it provide all details required by the topics it does report against, to be considered fully aligned with this standard<sup>viii</sup>.

BASF has not committed to align with, or report against, the TNFD framework or GBF Target 15.

**4.2 Expectation: The company publishes an exhaustive list of active ingredients included in its products and discloses annual sales volumes of Highly Hazardous Pesticides.**

ASSESSMENT NOT ACHIEVED

BASF does not disclose this information.

**4.3 Expectation: The company discloses locations where its pesticide products are used that have been identified as at-risk, including those at medium or high risk of negative biodiversity impacts from pesticide use and those in or near areas of biodiversity importance.**

ASSESSMENT NOT ACHIEVED

BASF does not disclose this information.

**4.4 Expectation: The company discloses toxicological studies of all active ingredients included in its product portfolio, including all studies submitted to regulators for product approval.**

ASSESSMENT PARTLY ACHIEVED

BASF discloses summaries of studies of 18 active ingredients. This only includes active ingredients that are sold within Europe<sup>x</sup>. Individuals can request the full studies for these ingredients, which must be reviewed and approved by the company before they are shared. This includes studies of active substances submitted to regulators that have already been approved for use in the EU. It does not include those pending review by regulators.

## 5. Product innovation

**5.1 Expectation: The company assesses the inherent risks of proposed agricultural solutions or those in development and ensures all new solutions pose the lowest possible risks to biodiversity.**

ASSESSMENT PARTLY ACHIEVED

BASF applies the TripleS approach to new products going through the research and development process. See Expectation 2.2a for more information on this approach.

New products do not have to contribute to positive biodiversity outcomes, such as lower ecotoxicity or reduced risk for non-target organisms, to be considered ‘Contributor’ or ‘Pioneer’ (the highest sustainability categorisations in this model) or to continue through the development process<sup>x</sup>.

**5.2 Expectation: The company has a target (such as sales, portion of product portfolio, or research and development spending) for expanding safer and sustainable alternatives.**

ASSESSMENT NOT ACHIEVED

BASF no longer has a target for expanding safer and sustainable alternatives. The company states that it has met an earlier target to “Increase sales of ‘Accelerator products’, or products with a significant impact on sustainability, to €22 billion by 2025”<sup>4,x</sup>.

The company previously had a commitment to increase sales share of solutions with substantial sustainability contribution by 7 per cent annually, but this no longer appears in the company’s disclosed targets<sup>xii</sup>.

---

<sup>4</sup>In information provided privately to ShareAction, BASF has stated that a new target will be communicated in February 2024.

**5.3 Expectation: The company's innovation practices explicitly include replacing hazardous products with lower risk alternatives.**

ASSESSMENT NOT ACHIEVED

This principle is not included in BASF's sustainable innovation practices.



# References

- i BASF (2023) BASF Report 2022. Available at: [https://report.basf.com/2022/en/\\_assets/downloads/entire-basf-ar22.pdf](https://report.basf.com/2022/en/_assets/downloads/entire-basf-ar22.pdf) (Page 228)
- ii Dataset available for download at: <https://www.publiceye.ch/en/topics/pesticides/banned-in-europe>
- iii BASF (2023) TripleS Manual. PDF available for download at: <https://www.basf.com/global/de/who-we-are/sustainability/we-drive-sustainable-solutions/sustainable-solution-steering.html>
- iv BASF (2023) BASF Report 2022. Available at: [https://report.basf.com/2022/en/\\_assets/downloads/entire-basf-ar22.pdf](https://report.basf.com/2022/en/_assets/downloads/entire-basf-ar22.pdf) (Page 148)
- v BASF (2023) TripleS Manual. (Page 17)
- vi BASF (2023) Our Sustainability Goals. Available at: [https://www.basf.com/global/en/investors/sustainable-investments/global-sustainability-goals.html#accordion\\_v2-a632e8a0c2-item-85d11479e5](https://www.basf.com/global/en/investors/sustainable-investments/global-sustainability-goals.html#accordion_v2-a632e8a0c2-item-85d11479e5)
- vii BASF (2023) Material Topics in Focus: Biodiversity. Available at: <https://report.basf.com/2022/en/managements-report/sustainability-along-the-value-chain/safe-and-efficient-production/in-focus-biodiversity.html>
- viii BASF (2023) Topic-Specific Standards. Available at: <https://report.basf.com/2022/en/overviews/gri-and-global-compact-index/topic-specific-standards.html?tabc=3e4>
- ix BASF (2023) Regulatory Information And Studies. Available at: <https://agriculture.basf.com/global/en/business-areas/crop-protection-and-seeds/services/regulatory-data-transparency/studies-overview.html>
- x BASF (2023) TripleS Manual. (Appendix 1, page 35)
- xi BASF (2022) Steering Our Product Portfolio. Available at: <https://report.basf.com/2021/en/managements-report/sustainability-along-the-value-chain/sustainable-solutions/portfolio-steering.html#:~:text=In%202021%2C%20we%20generated%20sales,compared%20with%20the%20previous%20year.>
- xii BASF (2023) Our Sustainability Goals.

## Disclaimer

### **ShareAction does not provide investment advice.**

The information herein is not intended to provide and does not constitute financial or investment advice. ShareAction makes no representation regarding the advisability or suitability of investing or not in any particular financial product, shares, securities, company, investment fund, pension or other vehicle, or of using the services of any particular organisation, consultant, asset manager, broker or other provider of investment services. A decision to invest or not, or to use the services of any such provider should not be made in reliance on any of the statements made here. You should seek independent and regulated advice on whether the decision to do so is appropriate for you and the potential consequences thereof. While every effort has been made to ensure that the information is correct, ShareAction, its employees and agents cannot guarantee its accuracy and shall not be liable for any claims or losses of any nature in connection with information contained in this document, including (but not limited to) lost profits or punitive or consequential damages or claims in negligence. Fairshare Educational Foundation (t/a ShareAction) is a company limited by guarantee registered in England and Wales number 05013662 (registered address 63/66 Hatton Garden, Fifth Floor, Suite 23, London UK, EC1N 8LE) and a registered charity number 1117244, VAT registration number GB 211 1469 53.

## About ShareAction

ShareAction is a NGO working globally to define the highest standards for responsible investment and drive change until these standards are adopted worldwide. We mobilise investors to take action to improve labour standards, tackle climate change and address pressing global health issues. Over 15 years, ShareAction has used its powerful toolkit of research, corporate campaigns, policy advocacy and public mobilisation to drive responsibility into the heart of mainstream investment. Our vision is a world where the financial system serves our planet and its people.

Visit [shareaction.org](https://shareaction.org) or follow us [@ShareAction](https://twitter.com/ShareAction) to find out more.

## Authors

Eve Gleeson

# ShareAction»

[shareaction.org](https://shareaction.org)  
info@shareaction.org  
+44 (0)20 7403 7800

Runway East,  
2 Whitechapel Road,  
London, E1 1EW, UK

Registered Charity  
Number: 1117244

EU Transparency  
Register number:  
75791956264-20