

Commitment to sustainable sourcing of fish oil for omega-3 products

To whom it may concern

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. All BASF Group employees – over 100,000 worldwide – work on contributing to the success of our customers in nearly all sectors and almost every country in the world. Sustainability is at the core of what we do and is a driver for growth as well as an element of our risk management.

Much of our omega-3 products are derived from marine sources, and fishing has the capacity to damage fragile marine ecosystems and vulnerable species. This may reduce future productivity and biodiversity, creating imbalances in the ecosystem. Therefore, BASF addresses sustainability in the omega-3 industry from a value-chain perspective: from fishery-to-formulation. A critical component of our sustainability commitment is actively engaging with fish oil suppliers to ensure environmental and social-responsibility standards are met.

Sustainable fish oil sourcing starts with choosing partners that live up to our principles. Since 2015, we have implemented a sourcing policy aimed at driving sustainable sourcing beyond existing norms, including social-responsibility standards in accordance with our BASF [Supplier Code of Conduct](#). The initial policy was based on the [FAO Code of Conduct](#), a purchasing decision structure rolled out to all suppliers, and three guiding principles:

1. We constantly ensure a profound understanding of the supply chain and sustainability requirements.
2. We assess suppliers continuously.
3. We foster dialogue and cooperation with partners along the value chain.

In the spirit of these guiding principles, in 2022 we reviewed our fish oil sourcing policy and strengthened our commitment to environmental and social responsibility in the omega-3 industry.

Starting January 1, 2023, we require all fisheries from which we source to have third-party certification of sustainable practices.

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If you have any further questions or need additional support, please contact your BASF sales representative.

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Accepted certifications include the Marine Stewardship Council (MSC), MarinTrust (formerly IFFO RS), and Friends of the Sea (FOS). Fishery improvement programs are accepted if there is a credible and time-bound path towards certification from the previously listed organizations.

We believe that these third-party programs address critical topics in the fish oil industry and provide an accountability framework to ensure compliance to the certification standards, which are regularly reviewed and improved based on new scientific knowledge and stakeholder input.

Critical topics that are covered in such programs include biodiversity, environment, traceability, society, and accountability.

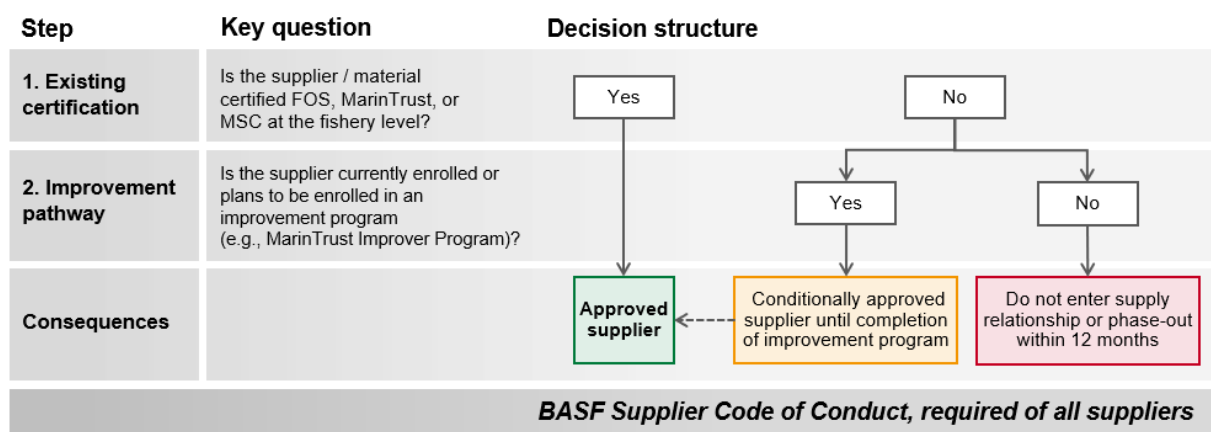
In addition to requiring proof of third-party certifications, we maintain strict criteria that we do not accept from our suppliers and would require immediate action upon violation.

We strictly do NOT accept:

- Endangered fish species from the IUCN Red List;¹
- Destructive fishing practices like dynamiting, poisoning, and bottom trawling;
- Illegal, unregulated, and unreported (IUU) fishing practices; or
- Use of forced and child labor.

We continually evaluate suppliers' compliance with our policies and have developed a binding purchasing decision structure that is currently rolled-out to all suppliers.

Our purchasing decision structure:



¹ IUCN red list refers to the red list published by the International Union for Conservation of Nature

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With these principles, measures, and activities BASF emphasizes our commitment to sustainable sourcing of omega-3.

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