[1.3 (Consolidated) Sustainability Statement]

We bring our corporate purpose – We create chemistry for a sustainable future – to life by integrating sustainability into our strategy, our business, and our assessment, steering and compensation systems. We want to secure our long-term success with products, solutions and technologies that create value added for our customers, the environment and society.

ESRS Index

ESRS 2 SBM-3 ESRS 2 IRO-2

European Sustainability Reporting Standards (ESRS) Disclosure Requirements covered by the Combined Management's Report

ESRS Disclosure Requirement	Disclosure Requirement	Page
ESRS 2	General Disclosures	150
BP-1	General basis for the preparation of sustainability statements	In all chapters and on page 150
BP-2	Disclosures in relation to specific circumstances	In all chapters and on page 150
GOV-1	The role of the administrative, management and supervisory bodies	From page 111[a] onward as well as on pages 118[a], 129[a], 135[a], 141[a] and 318
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	From page 111[a], 118[a] and 129[a] onward
GOV-3	Integration of sustainability-related performance in incentive schemes	134[a] and 184
GOV-4	Statement on due diligence	154
GOV-5	Risk management and internal controls over sustainability reporting	155 and 88[a]
SBM-1	Strategy, business model and value chain	15[a], 18[a], 22[a] and 157
SBM-2	Interests and views of stakeholders	In all chapters and on page 163
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	In all chapters and on page 167
IRO-1	Description of processes to identify and assess material impacts, risks and opportunities	In all chapters and on page 167
IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	On this page and on pages 155, 167 and 324
MDR-P	Policies adopted to manage material sustainability matters	In all chapters and on page 151
MDR-A	Actions and resources in relation to material sustainability matters	In all chapters and on page 152
MDR-M	Metrics in relation to material sustainability matters	In all chapters and on page 150
MDR-T	Tracking effectiveness of policies and actions through targets	In all chapters and on page 151
E1 Climate Change		178
E1-1	Transition plan for climate change mitigation	185
E1-2	Policies related to climate change mitigation and adaptation	182
E1-3	Actions and resources in relation to climate change policies	189
E1-4	Targets related to climate change mitigation and adaptation	194
E1-5	Energy consumption and mix	198
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	200
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	197
E1-8	Internal carbon pricing	203
E2 Pollution[b]		205
E2-1	Policies related to pollution	207
E2-2	Actions and resources related to pollution	211

European Sustainability Reporting Standards (ESRS) Disclosure Requirements covered by the Combined Management's Report

ESRS Disclosure Requirement	Disclosure Requirement	Page
E2-3	Targets related to pollution	215
E2-4	Pollution of air, water and soil	216
E2-5	Substances of concern and substances of very high concern	218
E3 Water and marine resources[c]		221
E3-1	Policies related to water and marine resources	222
E3-2	Actions and resources related to water and marine resources	225
E3-3	Targets related to water and marine resources	227
E3-4	Water consumption	229
E4 Biodiversity and Ecosystems		231
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	233
E4-2	Policies related to biodiversity and ecosystems	239
E4-3	Actions and resources related to biodiversity and ecosystems	241
E4-4	Targets related to biodiversity and ecosystems	243
E4-5	Impact metrics related to biodiversity and ecosystems change	245
E5 Resource Use and Circular Economy		246
E5-1	Policies related to resource use and circular economy	247
E5-2	Actions and resources related to resource use and circular economy	248
E5-3	Targets related to resource use and circular economy	252
E5-4	Resource inflows	253
E5-5	Resource outflows	255
S1 Own Workforce		270
S1-1	Policies related to own workforce	272
S1-2	Processes for engaging with own workers and workers' representatives about impacts	279
S1-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	281
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	281
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	286
S1-6	Characteristics of the undertaking's employees	288
S1-10	Adequate wages	290
S1-14	Health and safety metrics	290
S1-17	Incidents, complaints and severe human rights impacts	290
S2 Workers in the Value Chain		292
S2-1	Policies related to value chain workers	293
S2-2	Processes for engaging with value chain workers about impacts	296
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	296
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	297
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	301
S3 Affected Communities		303
S3-1	Policies related to affected communities	304
S3-2	Processes for engaging with affected communities about impacts	308
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	310

European Sustainability Reporting Standards (ESRS) Disclosure Requirements covered by the Combined Management's Report

ESRS Disclosure Requirement	Disclosure Requirement	Page
S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	311
S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	315
G1 Business Conduct		317
G1-1	Business conduct policies and corporate culture	319
G1-3	Prevention and detection of corruption and bribery	318 and 322
G1-4	Confirmed incidents of corruption or bribery	323

[a] Reference to chapter outside of the Sustainability Statement
[b] Name of chapter in BASF Report 2024: E2 Pollution Prevention
[c] Name of chapter in BASF Report 2024: E3 Water

General Disclosures

ESRS 2 BP-1 ESRS 2 BP-2

The general bases of preparation for the Sustainability Statement are described in About This Report (see page 6). Information about corporate governance disclosures relating to sustainability (Disclosure Requirements GOV-1, GOV-2 and GOV-3 of the ESRSs) is provided in the Corporate Governance Report from page 111 onward.

Material topics along the value chain form the focal points of our reporting and define the reporting boundaries. In identifying, prioritizing and validating material sustainability-related topics, we follow the principle of double materiality, taking into consideration financial materiality and impact materiality. The following chapters deal with the topics, subtopics and sub-subtopics that were found to be material within the meaning of the ESRSs upon performing the double materiality assessment. For more information on the materiality assessment, see page 167 onward.

In some cases, we have made use of incorporation by reference to minimize redundancies. An overview of the data points incorporated by reference can be found on page 147. As permitted by ESRS 1 paragraph 7.7, we have opted not to disclose information relating to research and development (R&D), know-how or the results of innovation that has commercial value and whose publication would result in a competitive disadvantage for BASF. Time horizons specified in our Sustainability Statement are used in accordance with the ESRS definitions.

We discuss the impacts, risks and opportunities identified in our double materiality assessment in the sections concerning the respective topics. The section on opportunity and risk management also includes risk pursuant to Disclosure Requirement GOV-5 and presents disclosures on our opportunity and risk management system and internal controls of sustainability reporting (from page 87 onward).

When individual sustainability metrics have been estimated based on indirect sources, such as sector-average data or other proxies, we provide more information in the respective chapters. This is also the case when metrics have been adjusted compared with prior reporting periods or when they are subject to measurement uncertainty. Due to rounding, individual figures may not add up exactly to the totals shown and percentages may not correspond exactly to the figures shown. As the calculations of our Scope 3 emissions (reported in E1 Climate Change from page 195 onward) are largely based on models and statistics, they are subject to a high degree of uncertainty.

Our data on environmental protection and safety is collected based on the recommendations of the International Council of Chemical Associations (ICCA) and the European Chemical Industry Council (CEFIC). Data relating to the environment, health and safety (EHS) and to human resources (HR) is recorded in a central database. The EHS data is captured for each site and company based at the respective site; the HR data is captured for each company. Environmental data (on emissions or water volumes, for example) is determined by measurements, calculations or estimations according to the regulatory requirements or legal obligations. The data collection method selected depends on technical limitations (high temperatures do not always allow the use of sensors for direct measurement), the ability to derive data from data already collected, and the proportionality of efforts to take measurements in relation to the emission in question (such as volume flow, operating hours). To increase the robustness of our data, we apply a two-step process in which sustainability data is first recorded and then validated in accordance with the principle of dual control. Additional plausibility checks are carried out by the responsible Corporate Center units, after which the data is evaluated based on the respective consolidation criteria and aggregated in the database.

The reporting period is the 2024 business year. We include relevant data made available up to preparation of this report by the Board of Executive Directors at the accounts meeting on March 17, 2025 (editorial deadline). We have explained any changes to calculations of metrics or targets compared

with the previous year, or any changes we have made to correct calculation errors, in the respective context. Whenever metrics, or their methods of measuring or calibrations are additionally validated by external sources, we indicate this in the respective chapter. In the absence of any such indication, the metrics or methods were not subjected to external validation beyond the voluntary audit of this report. In general, the targets reported are selected voluntarily. Whenever targets are mandatory under a specific piece of legislation, this has been noted in the respective context. If stakeholders were involved in defining a target, we indicate this in the respective context. In the absence of any such indication, this means that no stakeholders were involved in the target definition process.

The scope of consolidation applicable to financial reporting also applies to sustainability reporting. We present general disclosures on the consolidation principles applied to sustainability reporting and additional disclosures on the content and structure of this report and the forward-looking statements and forecasts made in Overview – About This Report and the Combined Management's Report on page 6. The figures reported on employees in S1 Own Workforce include all individuals working at an entity included in the scope of consolidation of the BASF Group as of December 31, 2024. Any deviations of specific metrics from that reference framework have been noted. We report all data concerning the worldwide production sites of BASF SE, its fully consolidated subsidiaries and its proportionately consolidated joint operations on a topic-specific basis in the sections covering environmental and social topics. Subsidiaries that are fully consolidated in the Group Financial Statements in which BASF SE holds an interest of less than 100% are included in full in environmental reporting. In the case of proportionally consolidated joint operations and equity-accounted joint ventures over which BASF has operating control, the ESRS data points collected on the basis of operating control are taken into account in full, regardless of BASF's equity interest. Data on work-related injuries at all sites of BASF SE and its subsidiaries as well as joint operations and joint ventures in which we have authority in terms of safety management is compiled worldwide, regardless of our equity interest, and reported in full. Unless otherwise indicated, data on social responsibility and transportation safety refers to the BASF Group's scope of consolidation.

In accordance with the EU Taxonomy Regulation and the supplementary delegated acts, the Sustainability Statement includes the proportion of the Group's taxonomy-eligible and taxonomy-aligned sales revenue, capital expenditures (including acquisitions and excluding goodwill in accordance with the EU taxonomy) and operating expenditures for the 2024 business year for the six climate targets ("climate change mitigation," "climate change adaptation," "sustainable use and protection of water and marine resources," "transition to a circular economy," "pollution prevention and control" and "protection and restoration of biodiversity and ecosystems").

Policies are adopted by the Board of Executive Directors and define the principles surrounding a topic; requirements govern how a policy is implemented. Information on how we monitor compliance with policies and requirements is provided in the context of the respective chapters. The table below provides an overview of the general disclosures concerning application of BASF policies, which are mentioned in multiple parts of the Sustainability Statement. When developing and implementing policies, we only involve stakeholders in exceptional cases. In the case of standards dealing with codetermination-relevant topics, employee representatives are involved in accordance with local conditions. We have explained any such occurrences in the context of the respective chapter. If no such explanation is made, then stakeholders have not been engaged regarding the development or execution of the policy. Our policies are accessible to employees via an internal platform. We make the relevant requirements and policies available to external target groups via our website.

Our sustainability management is based on centrally defined global targets and policies and often decentralized actions, projects or initiatives that we implement in order to drive continuous optimization and development in the respective areas. Actions in accordance with ESRS requirements are designated as such in the respective chapters. For projects or initiatives which do not fall under the definition of the ESRSs, we have opted to not make the minimum disclosures.

General disclosures on key policies

Requirement/policy	Scope of application	Accountable entity	Impact on the value chain	Applicability
BASF Policy Statement on Human Rights	BASF's voluntary commitment to respect internationally recognized human rights in its own activities and to reinforce such commitment in its relationships with business partners. The BASF Group's Policy Statement on Human Rights defines how BASF fulfills its responsibility in cooperation with the relevant stakeholder groups.	Corporate Legal, Compliance and Insurance	Entire value chain	Global
BASF Code of Conduct	BASF's Code of Conduct lays out the framework to which all employees worldwide must adhere in order to comply with applicable laws and internal requirements as well as ethical business practices.	Corporate Legal, Compliance and Insurance	Entire value chain	Global
Compliance management system (CMS)	The CMS policy supplements the Code of Conduct and describes the actions BASF takes to prevent noncompliant behavior.	Corporate Legal, Compliance and Insurance	Entire value chain	Global
BASF Human Rights Management Policy	The policy regulates the overarching human rights management at BASF and its overall structure, including roles, responsibilities and obligations.	Corporate Legal, Compliance and Insurance	Entire value chain	Global
Human Rights Due Diligence for Third-Party Workers	The requirement sets forth a multilevel approach to ensuring human rights due diligence with regard to employees of third-party companies.	Corporate Legal, Compliance and Insurance	Entire value chain	Global
BASF's Position on Water Protection	This voluntary commitment by BASF defines how we protect water when purchasing raw materials, operating our sites and when our products are used.	Corporate Environmental Protection, Health, Safety & Quality	Entire value chain	Global
BASF's Position on Forest Protection	This voluntary commitment by BASF defines how we protect forests when procuring raw materials, operating our sites and when our products are used.	Corporate Sustainability	Entire value chain	Global
Responsible Care Management System[a]	BASF's Responsible Care Management System consists of several policies that regulate health, safety and environmental protection in accordance with the Responsible Care® Global Charter.	Board of Executive Directors of BASF SE	Own production	Global
Global standards on CO_2 emissions and energy data, energy efficiency and energy concepts (part of the Responsible Care Management System)	The standards govern BASF's treatment of CO_2 emissions and energy data plus the aspects of energy efficiency and energy policies.	Corporate Environmental Protection, Health, Safety & Quality	Own production	Global
Global standards on environmental protection (part of the Responsible Care Management System)	The global standards define BASF's approach to emissions to air and water, to waste and to the introduction of sustainable water management.	Corporate Environmental Protection, Health, Safety & Quality	Own production	Global

General disclosures on key policies

Requirement/policy	Scope of application	Accountable entity	Impact on the value chain	Applicability
Global standards on process safety, emergency management and crisis management (part of the Responsible Care Management System)	The global standards govern the operation of our sites, emergency preparedness and emergency response.	Corporate Environmental Protection, Health, Safety & Quality	Own production	Global
Global standards on product, transportation and distribution safety (part of the Responsible Care Management System)	The global standards govern the safe use of our products.	Corporate Environmental Protection, Health, Safety & Quality	Entire value chain	Global
Procurement requirement	The requirement governs BASF's procurement process.	Corporate Development	Upstream value chain	Global
Risk-based sustainability management (part of the procurement requirement)	As part of our procurement requirement, risk-based sustainability management defines how BASF deals with risks in the procurement process.	Corporate Development	Upstream value chain	Global
Supplier Code of Conduct (part of risk-based sustainability management)	In the Supplier Code of Conduct, BASF defines its expectations regarding environmental, labor and social standards in the supply chain.	Global Procurement; any units with purchasing activities	Upstream value chain	Global
Principles for the responsible procurement of renewable raw materials	These principles describe how BASF sources renewable raw materials responsibly.	Corporate Development	Upstream value chain	Global
BASF Palm Sourcing Policy	The policy defines the process of purchasing palm-based raw materials in BASF's Care Chemicals division.	Care Chemicals	Upstream value chain	Global
Requirements for Product Carbon Footprints and eco-efficiency analyses	These requirements stipulate how Product Carbon Footprints are calculated and how eco-efficiency analyses should be performed, thereby laying out the framework for the control and measurement of sustainability factors at BASF.	Corporate Development	Upstream and downstream value chain	Global
Third-Party Compliance Due Diligence	This policy governs compliance requirements for our business partners.	Corporate Compliance	Downstream value chain	Global

[a] The core of our Responsible Care Management System is our Environmental Protection, Health, Safety & Quality (EHSQ) Policy, for which BASF's Board of Executive Directors is accountable. The Corporate Environmental Protection, Health, Safety & Quality unit in the Corporate Center is responsible for specific monitoring activities and for handling corporate governance tasks.

Corporate due diligence

ESRS 2 GOV-4

We are committed to doing business in a responsible and respectful manner, as exemplified by our corporate values and our global standards. Our actions are guided by applicable laws and regulations; in some cases, our voluntary commitments go beyond what is required. We also adhere to internationally recognized principles.

We respect and promote

- The Universal Declaration of Human Rights of the United Nations (U.N.) and the two U.N. Human Rights Covenants
- The Ten Principles of the U.N. Global Compact
- The core labor standards of the International Labour Organization (ILO) and the Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy
- The U.N. Guiding Principles on Business and Human Rights
- The OECD Guidelines for Multinational Enterprises
- The International Council of Chemical Associations' Responsible Care® Global Charter
- The German Corporate Governance Code

We stipulate binding rules for our employees with our standards and requirements that apply throughout the Group. Our aim is to prevent compliance violations from the outset through compulsory training for all employees and additional offerings for leaders. The Corporate Audit unit continuously monitors compliance with these requirements. The head of our Corporate Legal, Compliance & Insurance unit also acts as Chief Human Rights Officer and oversees the overarching risk management system with regard to human rights issues.

We fulfill our responsibility to behave in accordance with international and social standards largely in three ways: through our Compliance Program, including our Code of Conduct and Compliance Hotline; through close dialog with stakeholders; and through the global management process to respect international labor and social standards.

We regularly assess our performance in environmental protection, health and safety as part of our Responsible Care Management System, which also covers audits, for example.

We expect our business partners to comply with prevailing laws, regulations and internationally recognized principles. We have clearly defined our expectations in our Supplier Code of Conduct. We monitor our business partners in the area of sales for potential compliance risks based on our global Business Partner Due Diligence requirements using a checklist, a questionnaire and an internet-based analysis. The results are then documented. If business partners are not prepared to answer the questionnaire, we do not enter into a business relationship with them. We have established control mechanisms accordingly.

More information on our due diligence requirements is provided in the chapters of this Sustainability Statement specified below (see the following table):

Additional information on corporate due diligence in this report

Corporate Governance	From page 111 onward
E1 Climate Change	From page 178 onward
E2 Pollution Prevention	From page 205 onward
E3 Water	From page 221 onward
E4 Biodiversity and Ecosystems	From page 231 onward
E5 Resource Use and Circular Economy	From page 246 onward
S1 Own Workforce	From page 270 onward
S2 Workers in the Value Chain	From page 292 onward
S3 Affected Communities	From page 303 onward
G1 Business Conduct	From page 317 onward

ESRS 2 IRO-2

Our double materiality assessment (see page 167) evaluated the topic category S4 Consumers and End Users – as not material given that only a very small portion of our products are sold directly to end users. We provide material information on product safety and product stewardship in E2 Pollution Prevention.

Internal control processes in relation to sustainability reporting

ESRS 2 GOV-5

Topic-specific opportunities and risks (gross risks) are explained in the subchapters of the Sustainability Statement. The opportunities and risks relevant to our opportunity and risk management processes (net risks) are reported on in Opportunities and Risks (from page 87 onward).

Our internal control system (ICS) for sustainability reporting also covers the Nonfinancial Statement pursuant to section 315b of the German Commercial Code (HGB). The ICS was designed to reflect the COSO Internal Control – Integrated Framework (ICIF-2013) from the Committee of Sponsoring Organizations of the Treadway Commission (COSO). That document is an integral part of another framework published by COSO upon which our risk management system is based: Enterprise Risk Management – Integrated Framework (ERMIF-2004).

The main components of BASF's internal control system for sustainability reporting are thus:

- Internal control environment
- Risk assessment
- Control activities
- Information and communication
- Monitoring activities regarding the appropriateness and effectiveness of the internal control system

The components are reflected to varying degrees depending on the topic and the risk assigned to that topic.

We also apply the method used in financial reporting to monitor how Scope 1 and Scope 2 CO_2 emissions – which are among the most important key performance indicators used in managing the BASF Group – are recorded and reported, including with regard to the appropriateness and effectiveness of the performance indicators (for more information, see page 92).

Compared with the control system used in financial reporting, the control systems used in other areas of sustainability reporting have a lower degree of formalization. As a rule, they include organizational

security precautions such as compliance with basic principles of transparency, dual control and segregation of duties as well as limited access to information based on the principle of necessity, deployment of sufficiently qualified employees and adequate IT systems. The design of the internal control system depends on the topic at hand and is the responsibility of the units involved in data collection, data preparation and reporting. The controls operate at both management and process level.

The responsible Corporate Center units monitor the appropriateness and effectiveness of the internal control systems designed for specific topics. To this end, the individual units choose different approaches depending on the subject area, such as evaluating questionnaires on the effectiveness of the internal control system, conducting sample tests to validate the implementation and effectiveness of internal controls or monitoring compliance-related key indicators.

The appropriateness and effectiveness of the financial reporting process are communicated to the Board of Executive Directors and the Audit Committee (as the responsible organ of the Supervisory Board) to inform them of any control deficiencies with respect to reporting on Scope 1 or Scope 2 CO_2 emissions.

This communication includes the control deficiencies identified with respect to other sustainability topics that we report on as well as the actions taken to compensate for or eliminate the deficiencies.

We have begun compiling a central risk register to enable risk to be accounted for consistently in the internal control systems of all relevant BASF Group entities and to ensure proper sustainability reporting. The register contains a list of generic risks that could arise from incorrect collection or preparation of the necessary information and reporting with regard to ESRS guidelines. The following risks are included:

- Incomplete or incorrect implementation of methods for performing the double materiality assessment as required by ESRS 1 paragraph 3 for the purpose of identifying, selecting and prioritizing the sustainability topics to be reported on
- Incorrect calculation of reporting boundaries under the ESRSs, which in the case of operational control may deviate from the reporting thresholds used in financial reporting as determined by concept of financial control
- Insufficient or untimely availability of data on the upstream or downstream value chain
- With respect to the collection and processing of information, the risk of the information being incomplete, inaccurate or invalid or being intentionally or unintentionally manipulated due to having allowed unrestricted access to information collection devices (such as measuring equipment) or IT systems
- General risk associated with operating and managing access to the IT systems used to prepare the Sustainability Statement
- Risk associated with failing to include in the Combined Management's Report the qualitative data points required by ESRS for proper sustainability reporting as listed in ESRS 2, Appendix B.

If the materialization of risk cannot be avoided, the risks are addressed as part of the internal control system. In this context, the risk register serves as the basis for performing a systematic analysis of the existing internal control system with the aim of identifying potential gaps in the ICS for sustainability reporting and taking compensatory measures to hedge the risks until they can be eliminated. The units that collect or process the reporting data are responsible for designing and implementing the controls put in place to minimize risk.

We are currently developing a concept aimed at enabling uniform, systematic, Group-wide assessment of the appropriateness and effectiveness of the internal control system with respect to all sustainability topics on which we report. The concept is expected to be implemented gradually from 2025 onward.

Controls are also in place. Critical reviews are held at various management levels during the draft stage of preparing the BASF Report, including the Board of Executive Directors. In addition, BASF's Sustainability Reporting and Controlling Committee acts as a central decision-maker with regard to financial and management accounting issues arising in relation to sustainability reporting. In 2024, the Corporate Audit unit of the Corporate Center additionally audited the implementation of ESRS guidelines in BASF's reporting process.

Strategy

ESRS 2 SBM-1

Our business

Our ambition is to be the preferred chemical company for enabling our customers' green transformation. We aim to grow profitably and create value for our shareholders with our broad portfolio as well as our product and process innovations. Simultaneously, we are driving the change toward a stronger performance culture. We have incorporated sustainability topics into our strategy and business as well as into our assessment, steering and compensation systems. This principle is also embedded in our corporate purpose: We create chemistry for a sustainable future.

BASF supplies products and services to around 74,000 customers from various sectors in almost every country in the world. The majority of our customer portfolio spans the spectrum from large multinationals to medium-sized enterprises. Only a few of our products are marketed to end users directly. However, we focus on a business-to-business model and on being a partner for a wide range of downstream industries throughout the world. Our operating divisions are grouped into the Chemicals, Materials, Industrial Solutions, Nutrition & Care, Surface Technologies and Agricultural Solutions segments (see page 61).

The Chemicals segment supplies BASF's other segments and customers with basic chemicals and intermediates. In the Materials segment, we produce advanced materials and their precursors for the plastics and plastics processing industries. The Industrial Solutions segment develops and markets ingredients and additives for industrial applications. The Nutrition & Care segment produces ingredients and solutions for consumer applications such as human and animal nutrition, cleaning agents and personal care. In the Surface Technologies segment, we produced automotive OEM and refinish coatings, surface treatments, battery materials and catalysts until the end of 2024 (for more information on the future composition of the segment, see page 12). The Agricultural Solutions segment is an integrated solutions provider of seeds, traits, crop protection products and digital solutions for the agricultural sector.

Our business operations focus on the chemical industry. The table on page 158 lists our sales revenue by sector. Taxonomy-aligned sales revenue is presented separately under EU Taxonomy from page 257 onward. None of our activities involve controversial weapons. We supply individual solutions for tobacco cultivation via the general product portfolio of our Agricultural Solutions segment. We are involved in the fossil fuel sector through our shareholdings in Wintershall Dea GmbH and Harbour Energy plc, London, United Kingdom. On September 3, 2024, the sale of Wintershall Dea's exploration and production (E&P) business, excluding Russia-related activities, to Harbour Energy, agreed in December 2023, was completed. The E&P business consists of production and development assets, exploration rights and Wintershall Dea's carbon storage licenses. In exchange, Wintershall Dea shareholders – BASF (72.7%) and LetterOne (27.3%) – received a cash consideration totaling $1.78 billion (BASF share: $1.29 billion), including a purchase price adjustment, and new shares issued by Harbour Energy equating to a total

shareholding of 54.5% in the enlarged Harbour company (BASF share: 39.6%). With this divestiture, BASF took the decisive step toward achieving final separation from the oil and gas business (see page 33). Wintershall Dea contributed €729 million to net income from shareholdings in 2024 (2023: €130 million) (see page 344).

We generated sales revenue of €65,260 million in the 2024 business year (see page 46). The following table shows the distribution of sales revenue among our customers' sectors:

BASF sales revenue in 2024 by sector

>20%	Chemicals and plastics
10–20%	Transportation and automotive
10–20%	Agriculture
10–20%	Consumer goods
<10%	Construction industry
<10%	Electronics
<10%	Energy and raw materials
<10%	Health and nutrition

We work with over 70,000 Tier 1 suppliers worldwide. They supply us with important raw materials, chemicals, investment goods and consumables, and perform a range of services. More information on our supplier relationships is provided in S2 Workers in the Value Chain from page 292 onward. An overview of our workforce by region can be found in S1 Own Workforce on page 288. An overview of our business model and inputs, outputs and impacts on our most important stakeholders, as well as of our value chain, is described in a visual representation (How We Create Value) from page 15 onward.

Our sustainability strategy

In September 2024, we communicated our "Winning Ways" strategy both internally and externally. The strategy revolves around our ambition to be the preferred chemical company to enable our customers' green transformation (see page 18). To support this ambition, we supply our customers with products that contribute to sustainability, either through their use by the customer or through their reduced carbon footprint (see page 194). Many of our customers have set their own sustainability-related targets and are in the process of adapting their business models to reduce their emissions. They are doing so at various speeds and with varying priorities. Our customers also differ in terms of their willingness to pay higher prices for more sustainable products. Against this backdrop, we have adjusted our transformation approach: We want to prioritize projects where we already see rising demand among customers and a willingness to pay for more sustainable products (see page 22). We are also focusing on selected transformation projects that impact our license to operate (see page 160). In line with these principles, we plan to steadily advance our initiatives aimed at transitioning BASF to climate neutrality. We have increasingly invested in renewable energies to operate our plants. Our next step will be to focus on using more bio-based and recycled feedstocks in our existing plants. This will enable us to develop an increasing number of products with a reduced carbon footprint for our customers. As the markets for more sustainable solutions continue to grow, we intend to scale up and apply new technologies that we are currently piloting.

We continue to adhere to our global sustainability-related targets, which include using our TripleS method (Sustainable-Solution Steering) to streamline our portfolio. We have defined a new circular economy target: By 2030, we want to achieve €10 billion in sales revenue from products that contribute to the transition to a circular economy. The sustainability targets reported by BASF apply worldwide and refer to the BASF Group as a whole (for additional information, see page 31 onward). Our strategic approach covers the entire value chain, from responsible procurement of our raw materials to safety and resource efficiency in production all the way to more sustainable solutions for our customers.

As part of our new strategy, we are channeling our efforts into high-growth markets. We want to expand our organizational structure, our production sites and other research and development activities in the following seven countries: China, India, Indonesia, Malaysia, Singapore, Thailand and Vietnam. We are continuously optimizing our organizational structures, our production sites and our R&D activities worldwide.

Our Verbund concept involves using smart technology to link and control our plants. It creates more efficient value chains – ranging from basic chemicals to high value-added products – while enabling a more resource-efficient, carbon-optimized and reliably controllable production process. By-products from one facility are used as feedstocks elsewhere, for example. This saves raw materials and energy, avoids emissions, lowers logistics costs and leverages synergies.

We use a Differentiated Steering concept to control our operations, relying on industry-specific financial performance indicators (for more information, see page 28), adapted governance structures, customized processes and independent Enterprise Resource Planning (ERP) systems. These measures create a more decentralized ownership and increase transparency regarding the divisions' performance.

The green transformation of our global value chain

Selected projects in the 2024 reporting year

BASF and ENGIE: long-term biomethane purchase agreement in Europe
(see E1 Climate Change)

Funding approval for the world's largest industrial heat pump for emission-free steam generation
(see E1 Climate Change)

Market launch of loopamid®, the first circular solution for apparel made from polyamide 6
(see E5 Resource Use and Circular Economy)

Our ambition:

We want to be the preferred chemical company to enable our customers' green transformation.

Upstream value chain

Procurement of bio-based and recycled raw materials

Renewable energy

Supplier management

- Code of Conduct
- Sustainability-related assessments
- Supplier CO_2 Management Program

Own production

Gradual implementation of new processes

- Feed-in of bio-based and recycled raw materials
- Emission reduction

Secure, efficient processes

- Operational excellence
- Integrated Verbund structure
- Smart technology and automation

Downstream value chain

Steering the product portfolio with the TripleS method

- More products with sustainability benefits: Sustainable-Future Solutions
- More products that close or extend loops: Loop Solutions

Our foundation:

Societal acceptance of our business activities (license to operate)

Sustainable steering of our product portfolio

Our product portfolio also changed in 2024 based on acquisitions and divestitures. The main changes are listed from page 33 onward. The development of our product portfolio toward more sustainability is a critical lever in assisting our customers with their green transformation. We particularly rely on our **TripleS method (Sustainable Solution Steering)** which allows us to evaluate our product portfolio's contribution to categories such as climate change mitigation, energy and resource efficiency and transitioning to a circular economy. As part of the TripleS method, we categorize our product portfolio into five segments, taking sustainability-related aspects into account: Pioneer, Contributor, Standard, Monitored and Challenged (see graphic). Initially, we review all products to identify any current or possible future negative impacts on sustainability topics. We consider minimum standards such as the BASF Code of Conduct, hazards and chemical exposure over the entire life cycle, expected regulatory trends and reputational risks for BASF. If our portfolio assessment identifies products with sustainability concerns, we classify them either as Monitored, or in case of significant concerns, as Challenged. Products identified as having no negative impacts are reviewed to determine whether they contribute to at least one of the following sustainability categories: climate change and energy, resource efficiency, circular economy, pollution reduction, water protection, biodiversity, zero hunger and poverty, health and safety. At the same time, the product should not negatively impact any of the other sustainability categories in a significant way. Products where neither a positive contribution to nor a negative impact on sustainability has been identified are classified as Standard. Products where a positive contribution has been identified are classified as either Contributor or Pioneer depending on their contribution level compared with the market standard.

Share of sales revenue generated by each TripleS segment in the 2024 business year

TripleS segment	Product performance	Sales revenue (billion €)
Pioneer	Adequate profitability and positive contribution to sustainability above market standard	13.2 Percentage share in sales revenue: 24.2%
Contributor	Adequate profitability with contribution to sustainability in line with the market standard with respect to climate change and energy, resource efficiency or circular economy	12.1 Percentage share in sales revenue: 22.1%
Standard	In line with the market standard with no dedicated contribution to climate change and energy, resource efficiency or circular economy	23.7 Percentage share in sales revenue: 43.5%
Monitored	Impacted by specific regulatory or customer-specific challenges arising in the medium term (2–5 years) or posing a regional reputational risk	3.9 Percentage share in sales revenue: 7.1%
Challenged	Impacted by substantial regulatory or customer-specific challenges arising in the short term (≤2 years), containing substances of very high concern (SVHC) when used in the end consumer market, in violation of the BASF Code of Conduct or posing a global reputational risk	0.7 Percentage share in sales revenue: 1.3%

Taken together, the Pioneer and Contributor products make up our Sustainable-Future Solutions. Products allocated to these segments make a positive sustainability contribution in the value chain. They include, for example, bio-based and biodegradable polymers, which can be used as alternatives to synthetic polymers in personal care products, and high-performance insulating materials that save energy in their ultimate application. We are continuing our efforts to steer our portfolio even more toward sustainability with our "Winning Ways" strategy. By 2030, more than 50% of BASF's sales in the scope of TripleS are to be attributable to Sustainable-Future Solutions. This target was adopted by the Board of Executive Directors in 2023 based on an analysis of BASF's portfolio and our growth forecasts. When setting the target, we considered the startup of our Verbund site in Zhanjiang, China, for example. Our TripleS method and the associated target are based on clearly defined, transparent criteria concerning the respective sustainability topics (Environmental, Social and Governance, ESG), as described in our methodology manual. There is currently no general quantitative scientific framework for the steering of a product portfolio based on business performance and sustainability contribution that companies could use as a guide when setting targets.

In 2024, BASF sales revenue[1] from Sustainable-Future Solutions products came to 46.3% (2023: 41.4%, our base year). We remain well on our way to achieving the target set. Together with the operating divisions, our Corporate Sustainability unit in the Corporate Center continuously tracks progress toward meeting the target based on our monthly reports of sale revenue. Any trends that are identified are recorded and documented as part of the annual operational planning process carried out by Corporate Finance. When collecting our TripleS data, we work on the assumption that we have taken all the latest relevant regulatory developments and all market developments into account. We are limited in the extent to which we are able to differentiate the contribution made by our products from the contribution made by competing products because the assessment is made on a qualitative basis and not on the basis of market studies. We use TripleS to review our product portfolio at least once every four years. The TripleS method was applied in 2023 and 2024 to more than 50,000 products from the relevant portfolio,[2] which were assessed in terms of their applications as well as regional aspects. The portfolio relevant to TripleS comprises BASF Group's sales revenue from sales products sold to third parties in the business year concerned. This excludes business that is not product-related, such as licenses or services.

We have integrated TripleS into the assessment of our research and development processes so as to incorporate the requirements formulated by the European Commission in its Safe and Sustainable by Design framework, among other things. Our use of TripleS creates transparency regarding the contribution to sustainability made by our product portfolio and future products developed by R&D. We are reviewing the sustainability-related challenges facing our products and steering our portfolio in the direction of more sustainable solutions. According to our methodology, in 2024, around €0.9 billion of our annual expenditure on research and development contributed to potential Sustainable-Future Solutions (2023: around €1 billion).

In the case of Challenged products, we develop action plans. These include research projects and reformulations to optimize products or replace them with alternatives. We are generally phasing out all Challenged products within five years of their initial classification. BASF has implemented global processes to ensure that products are only sold in markets where they have been approved. If a product is affected by a marketing ban or loses its approval in a particular market, the product is immediately reviewed and withdrawn from the market in accordance with local legal requirements. In general, products are phased out based on our voluntary commitments before they are impacted by bans. No products of significance for BASF were impacted by bans in the 2024 business year.

» For more information on TripleS, see basf.com/en/sustainable-solution-steering

[1] Of BASF's €65.3 billion in sales in 2024, €54.5 billion is relevant for the TripleS evaluation. By the end of the 2024 business year, we had evaluated 98.3% of the relevant portfolio.
[2] The definition of the relevant portfolio and further information can be found in the TripleS method manual at basf.com/en/sustainable-solution-steering.

Interests and views of our stakeholders

ESRS 2 SBM-2

The acceptance and support of our stakeholders is crucial for our business success. Through continuous dialog, we leverage the expertise of our stakeholders in global networks, worldwide initiatives and our own advisory bodies and actively contribute our expertise.

For more than 25 years, we at BASF have engaged in continuous dialog with other companies, nongovernmental organizations, international organizations and multistakeholder initiatives to better understand different perspectives and address conflicting goals. Our stakeholders' expectations are taken into account when deciding on the company's strategic direction, discussing targets and making business decisions, thereby determining the company's sustainability strategy to a significant extent. A stakeholder dialog takes place regularly, for example with representatives from civil society, employees and shareholders. The Corporate Development Corporate Center unit is responsible for all formal communication with societal representatives, while the Corporate Human Resources is the Corporate Center unit in charge of all communication with employees. Investor Relations is the Corporate Center unit tasked with engaging with shareholders. The aforementioned Corporate Center units report to the Chairman of the Board of Executive Directors.

Sustainability topics are discussed and managed by the Board of Executive Directors. Stakeholder expectations are taken into account in these discussions. The Board of Executive Directors also engages with stakeholders directly in discussions as part of our stakeholder engagement activities. When making its decisions, the Board of Executive Directors considers the results and recommendations from sustainability evaluations of business processes. It makes decisions with strategic relevance for the Group and monitors the implementation of strategic plans and target achievement. The CFO and the heads of Group Reporting & Performance Management, Corporate Audit and Corporate Compliance regularly report in detail to the Audit Committee on sustainability-related topics. Moreover, the Supervisory Board is briefed by the Board of Executive Directors on the progress of sustainability topics on an ongoing basis.

An overview of our most important stakeholder expectations and the platforms we use to engage them is provided in the following:

Stakeholder expectations

Customers

Stakeholder expectations	Engagement platforms	Exemplary outcomes and milestones reached
– Attractive price-performance ratio – Innovative and sustainable solutions – Reliable partner	– ~40 strategic customer networks – Customer-specific business models based on our TripleS method, for example	– Carbon footprint calculated for more than 40,000 of our sales products to create transparency for us and our customers alike – Innovative products and solutions that help our customers achieve their sustainability goals – Quality management system that focuses on customer satisfaction – Decentralized certification approach for our business units and Group companies based on international quality management standards such as ISO 9001 and GMP, taking into account our customers' requirements

Suppliers		
– Fair and reliable business relationships – Support in complying with our Supplier Code of Conduct	– Supplier CO_2 Management Program – Supplier Code of Conduct – Assessments and training courses – Joint initiatives with suppliers and partners – Sustainability-oriented due diligence management in the supply chain – Regional supplier diversity programs	– BASF Supplier Days to reduce Scope 3.1 emissions held in Ludwigshafen, Germany, for the Europe region and in São Paulo, Brazil, for the South America region – 446 suppliers reviewed by BASF under the Together for Sustainability (TfS) initiative; 990 participants at TfS training courses – Cobalt for Development initiative to improve working and living conditions for artisanal miners in the Democratic Republic of the Congo – Responsible Lithium Partnership with BMW, Mercedes-Benz, Volkswagen, Daimler Truck, Fairphone and GIZ – Responsibly Active program aimed at bundling activities in the area of plant-based active ingredients (such as argan and moringa supply chains) – Collaboration within TfS on standardizing the calculation of Scope 3 greenhouse gas emissions in the supply chain and on a digital platform for sharing Product Carbon Footprint data
Investors		
– Attractive distributions – Strong long-term share price performance – Transparency and risk minimization	– Events with institutional investors, rating agencies and private investors (one-on-one meetings, roadshows, conferences, informational events) – Active participation in ratings	– Capital Markets Day to communicate the new corporate strategy held on September 26 and 27, 2024 – Distributions to shareholders via dividends and share buybacks are expected to total at least €12 billion between 2025 and 2028 with an annual minimum dividend of €2.25 per share. – BASF has good credit ratings and aims to maintain its single A rating. – BASF has also scored well in key ESG ratings (CDP, ISS, Morningstar Sustainalytics, MSCI) compared with its competitors in the chemical industry.
Employees		
– Attractive and fair employer – Health protection – Opportunities for employee development	– Employee engagement: Global employee surveys – Regular feedback for leaders – Continuous meaningful conversations between leaders and employees, annual employee dialog – Cooperation with employee representatives based on mutual trust – Initiatives and networks for health and occupational safety	– Employee engagement target: More than 80% of our employees feel that at BASF, they can thrive and perform at their best. Employee engagement index of 79% in 2024 – Health Performance Index: 0.97 (see page 287) – Regular reviews of security concepts, emergency systems and crisis management structures – 68 internal audits on adherence to our compliance standards – >120,000 participants in compliance training courses

Communities		
– Safe, disruption-free operations – Attractive jobs – Support for local communities	– Societal engagement – Community advisory panels	– €32 million in societal engagement spending at BASF sites around the world to support health, skills and resources for a sustainable future – For 27 years, children and young people in 45 countries have been able to take part in experiments in BASF Kids' Labs. – Five new Starting Ventures programs were initiated in 2024 to help people from low-income areas improve their economic opportunities and their quality of life. – The BASF Stiftung focuses on disaster management in the area of international development cooperation. It promotes forward-looking actions, emergency aid and reconstruction. One example is an employee fundraising campaign to support the U.N. Refugee Agency. The approximately €370,000 collected will enable basic supplies to be provided for refugees from Sudan. – Community advisory panels provide an ongoing platform for conducting open dialog with local communities at our sites. – More than 1,500 young people from seven countries, supported by around 50 BASF employees, have participated in our Young Voices for a Sustainable Future project, where they were able to contribute their ideas for addressing the impacts of climate change on their communities.
Societal stakeholders		
– Jobs and taxes – Responsible and trustworthy partner – Production of safe products in compliance with environmental and social standards	– Sustainability Lab – Advisory councils – Multistakeholder initiatives – Sustainability networks	– Active participation in sustainability networks (U.N. Global Compact, World Business Council for Sustainable Development, Alliance to End Plastic Waste) – Cofounder of the Global Battery Alliance (GBA) for the development of standards and tools to ensure a sustainable value chain for batteries – Systematic interaction with NGOs and civil society – Political dialog: representation of political interests based on transparent requirements and our publicly stated positions – Regular information sharing with government offices, members of parliament and other interest groups in numerous countries

We have been a member of the U.N. Global Compact since its establishment in 2000. BASF consistently supports the Ten Principles of the U.N. Global Compact for responsible business conduct and the Sustainable Development Goals. We are active around the world in local Global Compact networks, in some cases in a leadership role. BASF has been an active member of the World Business Council for Sustainable Development (WBCSD) since 1999. We cofounded the Global Battery Alliance (GBA) in 2017. The aim of the GBA is to develop standards and tools to steer a sustainable value chain for batteries. In 2019, we cofounded the Alliance to End Plastic Waste (AEPW) to drive forward solutions that reduce and avoid the disposal of plastic waste in the environment, in particular in the ocean.

If our transition to climate neutrality were to result in structural changes or have other significant social impacts on employees (for example, organizational restructuring or other issues relevant to codetermination), we would consult with employee representatives to find socially responsible solutions in accordance with existing participation rights. Together with other companies and the European CSR Europe network, we have worked on the topic of responsible social transition to climate neutrality (just transition). We have contributed to both the development of a European road map and an associated toolbox.

In order to involve our stakeholders more intensively and to dive deeper into specific sustainability topics, we use our own independent advisory bodies. In 2023, we introduced a new stakeholder engagement format with our Sustainability Lab, where around 100 external and internal experts discuss, among other things, the complex challenges of climate change. Our intention with the Sustainability Lab is to shed light on particular topics and issues related to sustainability from different perspectives. Furthermore, we are expanding the circle of external and internal experts with whom we want to discuss and think through the ever more complex topics. This external input helps us to critically examine and continuously develop our sustainability approach. Our employees were able to follow the Sustainability Lab discussions virtually. The idea is to involve our employees more actively in the topic of sustainability. We plan to continue conducting the Sustainability Lab format on an event-driven basis in the future.

Additionally, it is important for us to further strengthen our dialog with civil society to gain a better understanding of public opinions on potentially controversial topics. Not only do we invite members of civil society to participate in formats such as the Sustainability Lab, but we also founded the BASF Civil Society Forum in 2024. The forum permits us to discuss sustainability topics with representatives of nongovernmental organizations and the trade union spectrum in a confidential setting.

We address current and important issues regarding specific topics with councils. The trustful exchange within the Human Rights Advisory Council helps us to appropriately fulfill our roles and responsibilities, particularly in challenging human rights situations. The Nature Advisory Council focuses on exchanging information on topics relating to the protection of biodiversity and ecosystems. We discussed the findings from our double materiality assessment with both councils in 2024. For more information on how we take advantage of these councils and other formats in the context of affected communities, see page 309 onward.

We use the information obtained through stakeholder engagement to critically evaluate and enhance BASF's sustainability strategy, including its targets. For instance, we rely on discussions in our councils to identify areas for improvement with regard to human rights due diligence and the consideration of biodiversity in new investment projects.

We bear a particular responsibility toward our sites' neighbors. We promote continuous dialog between residents and our site management and strengthen trust in our activities with community advisory panels. Our globally binding guidelines for community advisory panels are based on the grievance mechanism standards in the U.N. Guiding Principles on Business and Human Rights.

Our political advocacy is conducted in accordance with transparent requirements and our publicly stated positions. The same applies to our activities in associations. Our Industry Associations Review compares the energy and climate protection positions of BASF and the most important associations of which we are a member, with explanations on our approach. BASF does not financially support political parties, for example, through donations in cash or in kind. This is codified in global requirements. In the United States, employees at BASF Corporation have exercised their right to establish a Political Action Committee (PAC). The BASF Corporation Employee PAC is an independent, federally registered employee association founded in 1998. It collects donations from employees for political purposes and independently decides how these are used, in accordance with U.S. law.

» For more information on our requirements for responsible lobbying, see basf.com/responsible-lobbying

» For more information on the Industry Associations Review, see basf.com/corporategovernance

Double Materiality Assessment

ESRS 2 SBM-3 ESRS 2 IRO-1

Material impacts, risks and opportunities and their interaction with strategy and business model

Process

We carried out a double materiality assessment in accordance with the ESRSs for the first time in 2024. The assessment was performed on the basis of previous double materiality assessments, but with an increased level of granularity and more extensive documentation. The materiality assessment identifies the sustainability matters that are material for our company based on potential and actual material impacts, risks and opportunities. We plan to update this assessment on an annual basis.

The materiality assessment was performed in three steps:

First, we compiled a list of potential sustainability matters that might impact our own business and the associated customer industries, or that could be relevant to our stakeholder groups. Where applicable, we paid particularly close attention to areas of business or value chains that are subject to risk. Our assessment was carried out at BASF Group level along our value chain. Stakeholder interests were considered based on both direct and indirect inputs. Direct input was obtained, for example, from our Advisory Councils, from the BASF Civil Society Forum and via discussions in multistakeholder networks. Indirect input consisted of big data analyses of the interests of customers and capital markets, for example.

Based on the compiled sustainability matters, we worked with in-house experts and selected stakeholders in our Nature Advisory Council and our Human Rights Advisory Council to identify and validate the risks and opportunities associated with the company's impacts and dependencies. We focused on activities, sites and steps in the value creation process that have an elevated potential for negative impacts and risks. To identify sustainability-related opportunities and risks, we drew on findings from BASF's Group-wide opportunity and risk management, among other sources. Material sustainability matters have been systematically integrated into this process for many years. Furthermore, our impacts and dependencies were reviewed by subject matter experts to identify additional potential risks and opportunities.

Opportunities and risks were assessed in terms of their financial magnitude and likelihood of occurrence. In-house subject matter experts used predefined criteria to score opportunities and risks based on existing risk management methods and assessment criteria. Our objective here is to ensure that a uniform methodology is applied when assessing both financial risks and sustainability-related risks. We look at our financial risks and our sustainability-related risks and prioritize them based on their severity and likelihood of occurrence. In the identification and review process, we work closely with our opportunity and risk management organization. The findings from the materiality assessment will serve as the basis for documenting opportunities and risks going forward, thus validating them at the same time. New risks and opportunities will be incorporated into the materiality assessment via their inclusion in the opportunity and risk management process.

ESRS 2 IRO-2

In the last step, we scored impacts, risks and opportunities on the basis of predetermined criteria on a 5-point scale and classified them as material whenever they exceeded defined thresholds. A uniform assessment framework was used to review impacts in terms of their severity, scale and scope. In the case of negative impacts, we additionally assessed the extent to which an impact was irremediable. In addition, we estimated the likelihood of occurrence for potential impacts. To identify material impacts, we

established a uniform threshold based on the sum of the factors assessed. This threshold was assigned a higher weighting to negative impacts.

In a subsequent iterative process, our assessment was reviewed by interdisciplinary experts as well as the experts responsible for corporate opportunity and risk reporting. This process ensured that the assessment logic used in the materiality assessment was applied in a consistent manner throughout the BASF Group and across all specialist units. Finally, the Board of Executive Directors, the Supervisory Board, BASF's Joint Works Council and the BASF Works Council Europe were informed about the process and the outcome of the materiality assessment.

After identifying the material impacts, risks and opportunities, each was assigned to a specific topic, subtopic or sub-subtopic according to the list of sustainability matters in ESRS 1 AR 16 with the aim of determining materiality across all topics. The responsible subject matter experts subsequently allocated all applicable Disclosure Requirements and qualitative as well as quantitative data points to the material sustainability matters. In the following step, the subject matter experts worked with experts for the overarching materiality process to assess the "materiality of information" at the disclosure requirement and data point level using the European Financial Reporting Advisory Group (EFRAG) criteria of "decision-usefulness" and "stakeholder relevance" according to ESRS 1 Appendix E. This aims to increase the informational value of our reporting at the data point level with a view to the purpose of the regulatory policy, which is to promote financing of the transition toward sustainable development.

Results

ESRS 2 SBM-3 ESRS IRO 1

The previous double materiality assessments were designed to meet all legal requirements in place at the time. The new ESRS requirements, in combination with the implementation guidance published, required a more in-depth analysis of subtopics and sub-subtopics for the 2024 business year. Moreover, an additional level of granularity was created by working with potential and actual impacts, risks and opportunities. Due to the methodological differences, our previous assessments are only comparable with the assessment of double materiality performed in 2024 at the highest level of abstraction, the topic level. This comparison shows a high degree of correlation between earlier assessments and the results reported for the 2024 business year (see page 49 of the BASF Report 2023). No entity-specific topics beyond the ones defined in the ESRSs were identified in the assessment for 2024.

As a manufacturing company, the main impacts of our business relate to climate change (mainly due to our energy requirements), other environmental matters (emissions to air, water and biodiversity) and our company's workforce. The opportunities and risks identified have financial effects that affect the presentation of our financial position, financial performance and cash flow as disclosed pursuant to our accounting policies. In 2024, financial effects arose in connection with a risk identified in the S3 Affected Communities standard (see page 304). The risk describes the negative financial effects that may arise, for example, as a result of legal proceedings. For more information, see the Notes to the Consolidated Financial Statements on page 411.

Our double materiality assessment (see page 167) found that ESRS S4 Consumers and End Users was not material, hence we do not report on it. This evaluation is based on the fact that as a B2B company, we market only a very small portion of our products directly to consumers and end users. We report on material aspects of product safety that impact our customers and end users in the chapter E2 Pollution Prevention.

Strategies to manage impacts, risks and opportunities

In developing our business strategies, we also consider the resilience of our business models with regard to economic, ecological and social aspects, as well as their impacts, risks and opportunities. As part of our opportunity and risk management system, strategic risks connected with material economic, ecological and social matters are evaluated (for additional information, see page 87 onward). The strategies of our business units are updated on a regular basis. This is done either individually for the business unit or as part of the overall division strategy. When updating the strategies, we consult with experts from the business units or the operating divisions as well as with the Corporate Center's Corporate Strategy & Sustainability unit. In 2024, we piloted a method to address material topics in the strategies of the business units over the next ten years. Depending on the extent of the strategy revision, resilience reviews, regulatory aspects and stakeholder expectations can be included to estimate future market developments. Upstream and downstream value chains can also be considered in the analysis. In addition, we use our TripleS methodology (Sustainable Solution Steering) to review the resilience of our product portfolio with regard to environmental and social aspects.

We provide more information on the results of our resilience assessment with respect to these two topics in the chapters E1 Climate Change (on page 178 onward) and E4 Biodiversity and Ecosystems (on page 231 onward). We also report on the disclosure requirement ESRS 2 IRO-1 in accordance with the ESRSs requirements in the chapters E2 Pollution Prevention, E3 Water, E5 Resource Use and Circular Economy as well as G1 Business Conduct.

The following tables list the material impacts, risks and opportunities associated with our business. Additional information of the impacts, risks and opportunities associated with each of the ESRS topical standards is provided in the relevant chapter of this Sustainability Statement.

Results of the double materiality assessment for the 2024 business year: Material impacts

ESRS standard	Topic/subtopic in the standard	Evaluation/ classification	Time horizon (short-, medium-, long-term)	Placement in the value chain	Material impacts	Short description of material impacts
E1 More information on page 178 onward	Climate protection	Negative	Medium, long-term	Upstream value chain	Land-use change due to sourcing plant-based raw materials	Our procurement of plant-based raw materials creates an incentive to cultivate certain plants and expand the production environment for material loops. This negatively impacts land use.
	Climate protection	Negative, potential	Short-, medium-, long-term	Upstream value chain	Shift to renewable energy and electrification impacts the environment through the use of raw materials such as lithium.	The manufacture and use of renewable energy requires minerals and metals whose mining and subsequent processing could negatively impact the environment. In addition, their mining poses a risk of inappropriate working conditions in some regions.
	Energy	Negative	Short-, medium-, long-term	Upstream value chain	Climate-damaging emissions due to the use of fossil fuels in our upstream value chain (Scope 3)	The extraction and procurement of fossil energy causes greenhouse gas emissions, air and water pollution and habitat destruction in our upstream value chain.
	Energy	Negative	Short-, medium-, long-term	BASF's own operations	Climate-damaging emissions due to the use of fossil fuels for our production (Scope 1 and 2)	Our own production of energy in the form of steam and electricity using fossil fuels leads to emissions of greenhouse gases and other pollutants and thereby impacts the climate and the environment.
	Energy	Negative	Short-, medium-, long-term	Downstream value chain	Climate-damaging emissions from oil and gas business[a]	The oil and gas business in which BASF holds shares causes greenhouse gas emissions during combustion at customers, and leads to environmental impacts in the downstream value chain.
	Energy	Positive	Short-, medium-, long-term	Upstream and downstream value chain	Accelerated transition to climate neutrality through energy transformation	By investing in renewable energy, we can offer our customers products with a reduced Product Carbon Footprint (PCF) and contribute to the transition toward climate neutrality by reducing upstream emissions.
	Climate change adaptation	Positive	Short-, medium-, long-term	Upstream and downstream value chain	Innovations as a lever for climate change mitigation and climate change adaptation	Innovations in chemistry and new technologies can contribute materially to climate change mitigation and adaptation. We use our TripleS method (Sustainable Solution Steering) to manage our product portfolio on the basis of our products' sustainability performance.

Results of the double materiality assessment for the 2024 business year: Material impacts

ESRS standard	Topic/subtopic in the standard	Evaluation/ classification	Time horizon (short-, medium-, long-term)	Placement in the value chain	Material impacts	Short description of material impacts
E2 More information on page 205 onward	Air pollution	Negative	Short-, medium-, long-term	Upstream value chain (mining/mineral extraction industry)	Regular emissions to air (excluding greenhouse gases; GHG) in connection with the manufacture of extracted raw materials	Emissions to air (excluding GHG) contributing to air pollution are generated in connection with the mining and extraction of raw materials in our upstream value chain in the mining and mineral extraction industries.
	Air pollution	Negative	Short-, medium-, long-term	Upstream value chain (excluding mining/mineral extraction industry)	Regular emissions to air (excluding GHG) in connection with the production of precursors and intermediates	Emissions to air (excluding GHG) contributing to air pollution are generated by the production of precursors and intermediates in our upstream value chain.
	Air pollution	Negative	Short-, medium-, long-term	BASF's own operations	Regular emissions to air (excluding GHG)	Emissions to air (excluding GHG) contributing to air pollution, such as nitrogen oxides, particles and volatile organic compounds (VOCs), are generated in connection with production in our plants.
	Air pollution	Negative	Short-, medium-, long-term	Downstream value chain	Regular emissions to air (excluding GHG) in connection with the usage, further processing, transport, storage and disposal of our products	Emissions to air (excluding GHG) contributing to air pollution are generated in connection with the usage, further processing, transportation, storage and disposal of our products by our customers.
	Water pollution	Negative	Short-, medium-, long-term	Upstream value chain	Regular emissions to water	Emissions to water contributing to water pollution are generated by the production and extraction of raw materials, precursors and intermediates in our upstream value chain.
	Water pollution	Negative	Short-, medium-, long-term	BASF's own operations	Regular emissions to water	Emissions to water contributing to water pollution, such as nitrogen compounds, organic substances and heavy metals, are generated in connection with production in our plants.
	Water pollution	Negative	Short-, medium-, long-term	Downstream value chain	Regular emissions to water	Emissions to water contributing to water pollution are generated in connection with the usage, further processing, transportation, storage and disposal of our products by our customers.
	Water pollution	Negative, potential	Short-, medium-, long-term	BASF's own operations, upstream and downstream value chain	Chemical leakages	Potential chemical leakages in our own operations, as well as in upstream/downstream processing, may result in pollution of water and therefore environmental pollution.
	Substances of concern or of very high concern	Negative, potential	Long-term	Downstream value chain	Impact on human health and the environment of substances of (very high) concern	Due to the sale of products containing substances of concern or of very high concern, irresponsible and improper handling of these products in the downstream value chain may result in water or soil pollution or to an adverse impact on the environment or human health.

Results of the double materiality assessment for the 2024 business year: Material impacts

ESRS standard	Topic/subtopic in the standard	Evaluation/ classification	Time horizon (short-, medium-, long-term)	Placement in the value chain	Material impacts	Short description of material impacts
E3 More information on page 221 onward	Water abstraction and consumption	Negative	Short-, medium-, long-term	Upstream value chain	Limited availability due to water abstraction and consumption	We impact water availability through water abstraction and consumption in our upstream value chain, particularly in water stress areas.
	Water abstraction and consumption	Negative	Short-, medium-, long-term	BASF's own operations	Limited availability due to water abstraction	Water abstraction for our production impacts water availability in the areas where our production sites are located, particularly in water stress areas.
	Water abstraction and consumption	Negative	Short-, medium-, long-term	Downstream value chain	Limited availability due to water abstraction and consumption	We impact water availability through water abstraction and consumption in our downstream value chain, particularly in water stress areas.
	Wastewater discharge	Negative	Short-, medium-, long-term	Upstream value chain	Regular emissions to water	Emissions to water contributing to water pollution are generated by the production and extraction of raw materials, precursors and intermediates in our upstream value chain.
	Wastewater discharge	Negative	Short-, medium-, long-term	BASF's own operations	Regular emissions to water	Emissions to water contributing to water pollution, such as nitrogen compounds, organic substances and heavy metals, are generated in connection with production in our plants.
	Wastewater discharge	Negative	Short-, medium-, long-term	Downstream value chain	Regular emissions to water	Emissions to water contributing to water pollution are generated in connection with the usage, further processing, transportation, storage and disposal of our products by our customers.

Results of the double materiality assessment for the 2024 business year: Material impacts

ESRS standard	Topic/subtopic in the standard	Evaluation/ classification	Time horizon (short-, medium-, long-term)	Placement in the value chain	Material impacts	Short description of material impacts
E4 More information on page 231 onward	Land use change	Negative	Short-, medium-, long-term	Upstream value chain	Need for land use due to the cultivation of renewable raw materials	By procuring renewable raw materials, we provide impetus for their cultivation. This cultivation alters land use and can negatively impact ecosystems.
	Land use change	Negative	Short-, medium-, long-term	BASF's own operations	Land use by BASF sites	BASF uses many plots of land for various purposes, such as offices, production and agricultural testing grounds. Soil sealing, especially due to production plants in the chemical industry, represents a significant land use type.
	Land use change	Positive	Short-, medium-term	Downstream value chain	More sustainable intensification of farming	The use of our products, including crop protection products, in agriculture enables farmers to increase their productivity, thus supporting food production.
	Population size of species, global extinction risk of species	Negative, potential	Short-, medium-term	Downstream value chain	The loss of biodiversity may be facilitated by the use of crop protection products	In the downstream value chain, the use of crop protection products across large agricultural areas may have a negative impact on biodiversity.
	Population size of species, global extinction risk of species	Negative, potential	Short-, medium-, long-term	Downstream value chain	The use of industrial chemicals and their distribution in the environment may have a negative impact on species	The use of industrial chemicals and their distribution in the environment may have a negative impact on species and biodiversity.
	Impacts on the extent and state of ecosystems	Negative	Short-, medium-, long-term	Upstream value chain	Impact on land degradation due to the sourcing of raw materials	By sourcing raw materials, we provide impetus for their cultivation and extraction. In some cases, this leads to land degradation.
E5 More information on page 246 onward	Resource inflows, including resource use	Negative	Short-, medium-, long-term	Upstream value chain	Sourcing and use of fossil or renewable raw materials	We negatively impact overshooting of the planetary boundaries by sourcing and using fossil and renewable raw materials, for example through emissions, land use and environmental pollution.
	Resource outflows in connection with products and services	Negative	Short-, medium-, long-term	BASF's own operations, upstream and downstream value chain	Use of fossil or renewable raw materials	We negatively impact overshooting of the planetary boundaries by using, processing and combusting fossil or renewable raw materials, for example through emissions, land use and environmental pollution.
	Waste	Negative	Long-term	Upstream value chain	Waste management in the upstream value chain	We negatively impact the planetary boundaries through the waste arising in our upstream value chain as a result of sourcing, refining and processing.
	Waste	Negative	Long-term	BASF's own operations	Waste management in BASF's own production	We negatively impact the planetary boundaries through the waste arising in our own production.
	Waste	Negative	Long-term	Downstream value chain	Waste management in the downstream value chain	We negatively impact the planetary boundaries through the waste arising at our customers.

Results of the double materiality assessment for the 2024 business year: Material impacts

ESRS standard	Topic/subtopic in the standard	Evaluation/ classification	Time horizon (short-, medium-, long-term)	Placement in the value chain	Material impacts	Short description of material impacts
S1 More information on page 270 onward	Adequate wages	Positive	Short-, medium-, long-term	BASF's own operations	Adequate wages	Our market-oriented compensation and corresponding additional benefits contribute to an attractive comprehensive package to attract and retain motivated and qualified employees. In this way, we create attractive working conditions for our employees and make a positive contribution to society.
	Training and skill development	Negative, potential	Short-, medium-, long-term	BASF's own operations	Training and skill development	Demographic and technological shift as well as changing skill profiles can potentially lead to employment and qualification gaps among our skilled employees and leaders. In a rapidly changing environment, new and increasing demands can potentially have a negative impact on employee engagement.
	Occupational health and safety	Negative, potential	Short-term	BASF's own operations	Possible health and safety risk due to handling hazardous chemicals	Our employees are exposed to a potential health and safety risk because they work in laboratories and production plants and handle chemicals, including hazardous substances.
	Occupational health and safety	Negative, potential	Short-term	BASF's own operations	Risk to health and safety if rules are not followed or are ineffective	There is a potential risk to our employees' health and safety if instructions on occupational safety and health protection and rules in our production processes are not followed.
S2 More information on page 292 onward	Occupational health and safety	Negative, potential	Short-, medium-, long-term	Upstream value chain	Increased health and occupational safety risks when handling chemical raw materials	In the production of chemical raw materials, there are increased health and safety risks in our upstream value chain, particularly if necessary safety measures are not complied with. This is a common problem primarily in countries whose national laws do not include any, or low, requirements with respect to labor protection standards.
	Child labor	Negative, potential	Short-, medium-, long-term	Upstream value chain	Increased potential risk of child labor in specific supply chains	Child labor is a particular risk in critical and less transparent supply chains and in countries with little state control and low incomes. This applies, for example, to our upstream supply chains for renewable raw materials, minerals and seeds. Smallholder farms and artisanal mines are particularly affected.

Results of the double materiality assessment for the 2024 business year: Material impacts

ESRS standard	Topic/subtopic in the standard	Evaluation/ classification	Time horizon (short-, medium-, long-term)	Placement in the value chain	Material impacts	Short description of material impacts
S3 More information on page 303 onward	Free, prior and informed consent	Negative, potential	Medium, long-term	Upstream value chain	Potential restriction of Indigenous peoples' right to free, prior and informed consent	Our procurement of raw materials may have potential impacts on Indigenous peoples and may limit their right to free, prior and informed consent (FPIC) regarding activities in their surroundings.
	Other social and economic rights	Negative, potential	Short-, medium-, long-term	BASF's own operations, upstream and downstream value chain	Potential adverse effects on health associated with the production and use of chemicals	The production and use of chemicals in our own operations and in our value chain could potentially impair the health of people and communities.
	Other social and economic rights	Positive	Short-, medium-, long-term	BASF's own operations	Contribution to the positive development of communities	Through our business activities, our stakeholder engagement and our societal engagement, we exert a positive economic, social and cultural influence on communities.
	Adequate nutrition	Positive	Short-, medium-, long-term	Downstream value chain	Positive contribution to food supply	Our crop protection products and our seeds help to ensure that crops produce a good yield in spite of pests and other problems so that people benefit from an adequate food supply.
G1 More information on page 317 onward	Corporate culture	Positive	Short-, medium-, long-term	BASF's own operations, upstream and downstream value chain	Global Code of Conduct	Our global Code of Conduct has a positive impact on the workforce in our company and on our value chains.
	Protection of whistleblowers	Positive	Short-term	BASF's own operations, upstream and downstream value chain	Global compliance measures and systems	Our global compliance measures and systems have a positive impact on our own workforce and other employees in our value chains.
	Corruption and bribery (for example, prevention and detection including training, incidents)	Positive	Short-, medium-, long-term	BASF's own operations	Anticorruption training	The mandatory training ensures that employees also learn how to be vigilant in order to prevent any form of bribery or corruption. In this way, we contribute to a business environment in which corruption and bribery are not tolerated. By being perceived and valued as a trustworthy company, BASF can help to reduce corruption and bribery.

[a] On September 3, 2024, BASF transferred Wintershall Dea's exploration and production business, excluding Russia-related activities, to Harbour Energy plc, London, United Kingdom. BASF continues to hold a material interest in Harbour Energy (see also page 344).

Results of the double materiality assessment for the 2024 business year: Opportunities and risks

ESRS standard	Topic/subtopic in the standard	Evaluation/ classification	Time horizon (short-, medium-, long-term)	Placement in the value chain	Material opportunities and risks	Short description of material opportunities and risks
E1 More information on page 178 onward	Climate change adaptation	Negative, transition	Long-term	BASF's own operations	Rising product prices, and/or production costs and/or lower market growth	Lower-emission production using raw materials with reduced carbon footprints and renewable energy increases production costs and ultimately also product prices. Coupled with societal pressure to consume less, this could lead to lower market growth.
	Climate change adaptation	Negative, transition	Medium, long-term	BASF's own operations	Fragmentation in national and regional climate policy – and thus in the market	Pronounced differences in the regulatory framework due to divergent regional climate policies pose particular strategic challenges for us as a globally active company.
	Climate change adaptation	Negative, transition	Long-term	BASF's own operations	Regulatory volatility leading to competitive risks	Political regulations designed to mitigate climate change, such as those set out in the EU Green Deal, could represent a competitive risk for us due to higher costs, for example as a result of administrative effort, and a high level of volatility.
	Climate change adaptation	Positive, transition	Long-term	BASF's own operations	Market opportunities through climate-smart products	Our broad product portfolio includes, among other things, solutions for the circular economy and climate change mitigation. Increasing societal demands and resulting regulations would offer additional market opportunities for these products.
	Energy	Negative, transition	Short-, medium-, long-term	BASF's own operations	Rising energy costs due to climate-related regulations	For BASF as an energy-intensive company, risks arise particularly from regulatory changes such as in carbon pricing on emissions trading systems, in taxes and in energy legislation.
	Energy	Positive, transition	Short-, medium-, long-term	BASF's own operations	Renewable energy opens up opportunities for cheaper or otherwise more advantageous procurement.	Investments in own power assets and long-term supply contracts reduce dependencies on volatile global markets and lead to comparatively lower CO_2 abatement and energy procurement costs.
E2 More information on page 205 onward	Water pollution	Negative	Medium, long-term	BASF's own operations	Increased costs for water treatment due to regulatory changes.	Regulatory developments concerning emissions to water may require investments in our infrastructure and upgrades to our systems.
	Substances of concern or of very high concern	Negative	Medium-term	BASF's own operations	Regulations with respect to substances of (very high) concern may have a negative impact on the market, for procurement, BASF's own production or sales.	Regulatory changes on substances of concern or of very high concern, such as their restriction, may limit the availability of relevant raw materials and negatively impact market behavior and customer acceptance.
E3 More information on page 221 onward	Wastewater discharge	Negative	Medium, long-term	BASF's own operations	Increased costs for water treatment due to regulatory changes	Regulatory developments concerning emissions to water may require investments in our infrastructure and upgrades to our systems.
E4 More information on page 231 onward	Impacts on the state of species	Negative	Short-, medium-, long-term	BASF's own operations	Regulatory requirements for the marketing of chemicals	Regulatory developments, prompted by actual or anticipated impacts of our products on the state of species, their population sizes or their risk of extinction, impact our opportunities to market chemicals.

Results of the double materiality assessment for the 2024 business year: Opportunities and risks

ESRS standard	Topic/subtopic in the standard	Evaluation/ classification	Time horizon (short-, medium-, long-term)	Placement in the value chain	Material opportunities and risks	Short description of material opportunities and risks
S1 More information on page 270 onward	Secure employment	Negative	Short-, medium-term	BASF's own operations	Secure employment	The macroeconomic situation, combined with structural adjustments at BASF, may unsettle employees and pose challenges in terms of employee retention and engagement.
	Training and skill development	Negative	Short-, medium-, long-term	BASF's own operations	Skills development and recruitment of skilled employees	Changing skill profiles and intensified global competition for skilled employees and leaders due to demographic and technological change can lead to a loss of skills and knowledge in our workforce or affect our ability to adequately and quickly develop them.
S3 More information on page 303 onward	Other social and economic rights	Negative	Short-, medium-, long-term	BASF's own operations	Loss of societal acceptance due to potential adverse effects on the health of people and communities	In the event of negative impacts on communities, societal acceptance of our business activities could suffer in the short to long term, trust could be lost in BASF and the risk of litigation could increase.

Environment

E1 Climate Change[1]

ESRS E1

As an energy-intensive company, we take responsibility for the efficient use of energy and global climate protection, and are committed to the Paris Agreement. We are determined to follow the path toward climate neutrality and to enable our customers' green transformation by providing low-emission chemistry.

ESRS 2 IRO-1 ESRS 2 SBM-3

Our business activities result in the production of greenhouse gas emissions,[2] which have a negative impact on the climate. These are emissions from our production, our energy procurement and our upstream and downstream value chain. We are working to achieve a considerable reduction in these emissions along the entire value chain. This also creates opportunities for our business activities: Thanks to our transformation toward climate neutrality, we can increasingly offer our customers products with a reduced Product Carbon Footprint (PCF).

Resilience and scenario analyses

At the same time, we have to position our business in line with the consequences of climate change and to create resilience. As a company that is active in a very wide variety of different regions and business areas, we take a diversified approach to climate change adaptation.

We use our TripleS method (Sustainable Solution Steering, see page 161) to continuously review the resilience of our product portfolio with respect to environmental and social matters. We do this by categorizing our products into different segments. This enables us to quantify and steadily increase the proportion of products that contribute to sustainability. At the same time, products facing substantial regulatory, customer-specific or sustainability challenges are identified and removed from our portfolio within five years.

As part of our business strategy development, we also examine the medium- to long-term resilience of our business models from an ecological, economic and social perspective, and with a view to their impacts, risks and opportunities. As regards climate change, this process only looks at transition risks and opportunities – we analyze physical climate risks and existing resilience centrally for our sites (see page 180). In 2024, we started embedding **resilience analysis** in our processes to a greater extent. The primary focus here is on our own business. The strategies of our business units are updated on a regular basis. This is done either individually at business unit level or as part of the overarching divisional strategy, and involves specialists from the business unit or operating division concerned and from our central strategy unit. In 2024, we piloted a method to address material topics in the strategies of the

[1] Unless otherwise stated, all metrics in the text comply with the consolidation by financial control approach (see also the disclosures on consolidation for the nonfinancial reporting on page 151). The metrics listed in this section on the target-relevant Scope 1 and Scope 2 emissions are part of the statutory audit and have been audited with reasonable assurance.
[2] The terms "greenhouse gas emissions" and "CO_2 emissions" are used synonymously. They include all greenhouse gases in accordance with the Greenhouse Gas Protocol.

business units with a view to the next ten years.[3] Depending on the extent of the strategy revision, resilience reviews, regulatory aspects and stakeholder expectations can be included to estimate future market developments. Upstream and downstream value chains can also be taken into account. At the same time, climate-related transition risks are captured as part of our strategic controlling process. For example, this allowed us to identify the influence of emissions trading schemes as a risk and changes in demand for more sustainable products as an opportunity.

We also performed a comprehensive analysis of the resilience of the plants at our largest site in Ludwigshafen, Germany, in the past year. We consider a large proportion of our plants to be well positioned and competitive going forward. A short- to medium-term competition risk was identified for 16% of the plants.[4] Specific measures – which can also include their closures – are already being implemented for these plants so as to increase site profitability. We have identified a long-term risk for 6% of the plants, which we address through market-based measures.[4]

We use a variety of **scenarios** for future macroeconomic development in our strategy development and risk management (for more information on these scenarios, see the section on climate-related transition on page 180). In contrast to the assumptions made when analyzing physical climate risks, the scenarios that we use here limit global warming to different extents. Using multiple scenarios addresses and minimizes uncertainties regarding expected developments and enables us to determine risks associated with different future developments. The chemical industry, which is the start of many value chains, can play a key role in the transformation process. Growing electrification – including of our own plants – will considerably increase the need for energy from renewable sources going forward. At the same time, the use of fossil raw materials will decline and the circular economy will become more important.

Our business units regularly analyze the opportunities and risks arising from the scenarios, including, where possible, their financial impacts. In strategy development, scenario impacts are largely examined from a qualitative perspective during assessment. We use a multistage process to review the economic efficiency of investment decisions. The metrics used in this process are calculated for different scenarios, highlighting differences that may affect the decisions. We also use opportunities and risks relating to environmental and social matters to evaluate projects. In addition, we regularly review planned CO_2 abatement strategies. We have identified measures when implementing our strategy that will enable low-emission plant operation in the long term. The necessary access to funding as part of the transformation is assisted by our Green Finance Framework.

BASF has published a comprehensive corporate carbon footprint every year since 2008. This reports on all greenhouse gas emissions along the value chain – from raw materials extraction to production and subsequent disposal. We regularly analyze the future development of our emissions. Additional greenhouse gas emissions resulting from business expansion are determined as early as the project assessment phase. We build on these to capture the current and future impacts that our business has on climate change.

Climate change poses challenges for us but also offers opportunities for our business activities that enhance the resilience of our business models. For example, our products and solutions contribute to reducing greenhouse gas emissions in many areas.

[3] The time periods considered in the resilience analysis described here only correspond exactly to those of the transition risk analysis. Our climate protection targets for 2030 are within the period under review. We consider physical climate risks and corresponding resilience over a longer period of time, as these only have an impact in the long term.
[4] The figures correspond to the time horizons used by BASF in the course of the assessment (short-term: until 2026, medium-term: until 2030, long-term: after 2030).

Climate-related physical and transition risks

We systematically assess physical and transition influences to identify and assess material climate-related risks and opportunities.

When assessing our production sites for **physical climate risks**, we focus on material sites that make a relevant contribution to our business and our portfolio. The assessment is performed on the basis of climate data from the current Intergovernmental Panel on Climate Change (IPCC) scenarios, which were compiled together with an external partner. In the process, we focus on a climate protection scenario with a high level of global warming.[5] This data helps to analyze the potential impacts that climate change could have on the production sites in the coming decades. Our assessment addresses both current risks and long-term risks with a time horizon of 30 years. If long-term risks are identified, we examine whether they also represent a medium-term risk. Physical climate risks are assessed using geographical coordinates at site level. In a first step, a qualitative assessment is performed and sensitivities to various climate risks are prioritized so as to obtain an initial indication of potential material risks. Sensitivity analysis takes both internal and external factors into account. Internal factors comprise the resilience of plants, infrastructure, operations and services. External factors comprise the external infrastructure, water, energy and raw materials supplies, wastewater treatment and the dispatch of finished goods. In addition, the assessment considers risks affecting the entire site and, where relevant, individual plants or specific parts of the site.

We anticipate that most sites will be particularly affected by increasing heat and drought, whereas some may be faced with heavy precipitation and a few could also be exposed to risks in connection with flooding, hail, water stress and wildfires. Where risks are estimated to be in excess of €10 million, potential material losses are quantified and an adaptation plan is drawn up. Targeted site- and business-specific measures can involve optimizing process flows and infrastructure, for example. Based on our assessment in the reporting year, we consider our sites to be well positioned for climate change. However, the transportation of key raw materials and products depends materially on water levels on the River Rhine, for example, especially in the critical Middle Rhein region. An extreme drought could significantly impact transportation, or even bring it to a standstill. We are currently working to more precisely determine the scope of materiality of this risk and the sites affected. We have already taken measures to counteract this risk (see page 224).

With respect to **transition climate risks** and opportunities, global climate policy ambitions and the implementation of relevant measures play a decisive role in the continuing growth of the chemical industry and its customer industries. Consequently, we have worked together with an external partner using an empirical simulation model to define and quantify global long-term scenarios up to 2050 featuring various global warming paths. In addition, a net-zero scenario in the EU and the United States by 2050, and globally by 2060, was also analyzed, which limits global warming to 1.5°C. The fundamental drivers for the scenarios are different societal preferences and, building on these, climate and economic policy objectives. To assess the impact of different global climate policy approaches on our business units, the scenarios are discussed by the business units in workshops. Feedback is incorporated into the ongoing development of the scenarios.

The resulting risks were reviewed for materiality as part of the double materiality assessment. Going forward, the material transition risks identified at Group level will be systematically examined by our business units and quantified if possible, and countermeasures will be taken where necessary. Adaptation measures can include modifying our product portfolio, investments in new technologies or enhancing existing technologies.

[5] The assessment model was based on the IPCC SSP5-8.5 climate change scenario (high global warming scenario) as the worst-case scenario.

We continuously analyze physical and transition opportunities and risks arising in connection with the topics of energy and climate protection as part of our opportunity and risk management (for additional information, see page 87 onward).

The double materiality assessment that we performed in 2024 (see page 167) resulted in seven material impacts on climate change, plus four material climate-related risks and two material climate-related opportunities for BASF (see the following table "Results of the double materiality assessment"). For information on the relevant time horizons, see the overarching table on the results of the double materiality assessment (page 169).

Results of the double materiality assessment for E1 Climate Change: Impacts

Impacts	Evaluation	Placement in the value chain	Description
Climate-damaging emissions due to the use of fossil fuels in our upstream value chain (Scope 3)	Negative	Upstream value chain	The extraction and procurement of fossil energy causes greenhouse gas emissions, air and water pollution and habitat destruction in our upstream value chain.
Land-use change due to sourcing plant-based raw materials	Negative	Upstream value chain	Our procurement of plant-based raw materials creates an incentive to cultivate certain plants and expand the production environment for material loops. This negatively impacts land use.
Shift to renewable energy and electrification impacts the environment through the use of raw materials such as lithium.	Negative, potential	Upstream value chain	The manufacture and use of renewable energy requires minerals and metals whose mining and subsequent processing could negatively impact the environment. In addition, their mining poses a risk of inappropriate working conditions in some regions.
Climate-damaging emissions due to the use of fossil fuels for our production (Scope 1 and 2)	Negative	BASF's own operations	Our own production of energy in the form of steam and electricity using fossil fuels leads to emissions of greenhouse gases and other pollutants and thereby impacts the climate and the environment.
Climate-damaging emissions from oil and gas business[a]	Negative	Downstream value chain	The oil and gas business in which BASF holds shares causes greenhouse gas emissions during combustion at customers, and leads to environmental impacts in the downstream value chain.
Accelerated transition to climate neutrality through energy transformation	Positive	Upstream and downstream value chain	By investing in renewable energy, we can offer our customers products with a reduced Product Carbon Footprint (PCF) and contribute to the transition toward climate neutrality by reducing upstream emissions.
Innovations as a lever for climate change mitigation and climate change adaptation	Positive	Upstream and downstream value chain	Innovations in chemistry and new technologies can contribute materially to climate change mitigation and adaptation. We use our TripleS method (Sustainable Solution Steering) to manage our product portfolio on the basis of our products' sustainability performance.

[a] On September 3, 2024, BASF transferred Wintershall Dea's exploration and production business, excluding Russia-related activities, to Harbour Energy plc, London, United Kingdom. BASF continues to hold a material interest in Harbour Energy (see also page 344).

Results of the double materiality assessment for E1 Climate Change: Risks and opportunities

Risks and opportunities	Evaluation	Description
Rising product prices, and/or production costs and/or lower market growth	Negative, transition	Lower-emission production using raw materials with reduced carbon footprints and renewable energy increases production costs and ultimately also product prices. Coupled with societal pressure to consume less, this could lead to lower market growth.
Fragmentation in national and regional climate policy – and thus in the market	Negative, transition	Pronounced differences in the regulatory framework due to divergent regional climate policies pose particular strategic challenges for us as a globally active company.
Regulatory volatility leading to competitive risks	Negative, transition	Political regulations designed to mitigate climate change, such as those set out in the EU Green Deal, could represent a competitive risk for us due to higher costs, for example as a result of administrative effort, and a high level of volatility.
Rising energy costs due to climate-related regulations	Negative, transition	For BASF as an energy-intensive company, risks arise particularly from regulatory changes such as in carbon pricing on emissions trading systems, in taxes and in energy legislation.
Market opportunities through climate-smart products	Positive, transition	Our broad product portfolio includes, among other things, solutions for the circular economy and climate change mitigation. Increasing societal demands and resulting regulations would offer additional market opportunities for these products.
Renewable energy opens up opportunities for cheaper or otherwise more advantageous procurement.	Positive, transition	Investments in own power assets and long-term supply contracts reduce dependencies on volatile global markets and lead to comparatively lower CO_2 abatement and energy procurement costs.

Strategy and governance

E1-2

Climate change is the greatest challenge of the 21st century. Swift and resolute action is needed to achieve the targets agreed in the Paris Agreement. We stand by this responsibility. Climate change mitigation and the transformation of the chemical industry are very important to us and an important part of our corporate strategy (for more information, see page 18).

BASF is taking a step-by-step approach to the green transformation and is combining climate change mitigation with its customers' and its own success. Our ambition is to be the preferred chemical company to enable our customers' green transformation. In recent years, we have increasingly invested in renewable energy to power our plants, tested new technologies and deployed alternative raw materials so as to drive forward our transformation and launch more sustainable products with a reduced or a net-zero carbon footprint on the market. This also allows our customers to benefit from our emission reduction measures.

In the future, we will focus even more on the specific opportunities for our business and will prioritize projects for which we see growing customer demand and willingness to pay. The focus will continue to be on projects that secure our license to operate. We will stagger our transformation projects over time in keeping with these priorities. In a first step, we are planning to use greater amounts of bio-based and recycled feedstocks in our existing plants. In doing so, we will make the most of the unique advantages offered by our Verbund. We are expecting demand for more sustainable products to outpace supply in the medium term, leading to profitable growth for BASF. As the markets for more sustainable products grow, we will be in a position to scale up and apply the new technologies that we are currently developing and, in some cases, already piloting. This step-by-step approach to transformation is reflected in our investments: Expenditure associated with the transformation is expected to average €600 million per year between 2025 and 2028. We expect that the majority of major capital expenditures for our green transformation will arise in the period after 2030.

We have established comprehensive management and control systems to minimize negative environmental impacts and protect the environment. Our **Responsible Care Management System** includes not only Group-wide requirements and guidelines for health and safety (for more information, see pages 209 and 278) but also the areas of environmental protection and energy. Our global environmental protection standards serve to assess environmental impacts such as those resulting from CO_2 emissions. In addition, we implement the technical, operational and administrative measures needed to control and minimize these impacts, and ensure that we comply with national and local environmental legislation. Our global energy standards are specifically aimed at reaching our Scope 1 and Scope 2 climate protection targets (see "Global Targets"). In them, we undertake to continuously improve the energy efficiency of our operating procedures by implementing energy management systems, and to drive forward resource-saving and economic production at our sites. Moreover, we have defined general guidelines for optimizing existing energy supply structures and developing new energy supply concepts. These also involve evaluating low-emission and emission-free alternatives such as electricity and steam from renewable sources. We use requirements for systematically collecting and monitoring emissions and energy data as the basis for improving our sustainability performance and managing our climate protection targets.

The Corporate Environmental Protection, Health, Safety and Quality unit in the Corporate Center defines Group-wide management and control systems and monitors compliance with internal requirements and legal regulations, while the sites and Group companies implement these requirements locally. We regularly audit our performance and progress, and hence the effectiveness of our requirements. Our global network enables information and insights to be shared across the BASF Group on a regular basis. Our requirements and guidelines are continuously updated. To this end, we also exchange information with authorities, associations and international organizations. For example, BASF is actively involved in the global Responsible Care® initiative established by the International Council of Chemical Associations (ICCA).

We address climate change adaptation centrally through our approach to assessing physical climate risks (see page 180). Based on this, our sites resolve and implement local measures such as adapting logistics to low water as well as flood protection measures. The risks associated with adapting to climate change depend heavily on the geographical location of our sites, site-specific conditions and the underlying regulations in the respective countries, and in some cases differ considerably. An overarching policy therefore does not exist.

We have also established guidelines and requirements for managing our emissions along the value chain, and thus our Scope 3.1 target and the Scope 3.1 emissions for our net-zero target by 2050. Our procurement organization has established a global risk-based management system for our upstream supply chain. We have defined the standards for this in a global procurement requirement. We continuously enhance this requirement and our structures and processes in order to adapt to changing conditions. Our suppliers are required to comply with internationally recognized environmental standards. Our expectations of our suppliers are laid down in the global **Supplier Code of Conduct** (see page 295), which is part of our purchasing conditions. The code is based, among other things, on the Ten Principles of the United Nations Global Compact initiative and the Responsible Care® initiative, and includes the deployment of energy-efficient, environmentally friendly technologies. We endeavor to ensure compliance with these requirements using a multistage control process. In addition, BASF has drawn up principles for the responsible procurement of renewable raw materials, plus standards in relation to Product Carbon Footprints and eco-efficiency analyses with the aim of reducing our products' carbon footprints.

For further explanations of our overarching policies in respect of scope of application, accountability, impacts in the value chain, global applicability, accessibility to stakeholders and engagement thereof, see General Disclosures in our Sustainability Statement on page 151.

ESRS 2 GOV-3

We have laid the foundations for our successful transformation by establishing internal incentive schemes and we are setting up our organization accordingly.

We anchored reducing our Group-wide CO_2 emissions (Scope 1 and Scope 2)[6] as the **most important nonfinancial key performance indicator** in the BASF Group's steering and compensation systems back in 2020, giving it even more weight. This is one of three equally weighted (33.3%)[7] strategic targets for the long-term incentive (LTI) of the Board of Executive Directors and senior executives. Supervisory Board remuneration does not include any variable components and so is not linked to target achievement.

We used a short-term incentive (STI) program to introduce targets for the senior executives in our operating business units in the reporting year, with the goal being to drive forward the market-driven transformation as part of our new strategic direction. In addition to the financial targets, this defines three further targets: occupational and process safety, sustainability and development of the operating divisions. The first two targets mentioned are sustainability-related. All three objectives are equally weighted in the STI calculation and together account for 25% of the total STI formula. This means that 16.7% of the entire STI formula is sustainability-related. The sustainability target includes elements that contribute to our green transformation, such as sales of our Sustainable-Future Solutions (for more information, see page 161) or that increase the share of purchased raw materials with supplier-specific Product Carbon Footprints (for more information, see page 193).

» For additional information on integrating sustainability-related achievements into our incentive systems, see the Compensation Report at basf.com/compensationreport

Our organizational structures are designed in such a way as to permit a market-driven transformation to a more sustainable product portfolio, plus the achievement of our climate protection targets. The Corporate Center unit Corporate Environmental Protection, Health, Safety and Quality, which reports to a member of the Board of Executive Directors, is responsible for our Responsible Care Management System. The Corporate Strategy & Sustainability unit, which reports to the Chairman of our Board of Executive Directors, develops the BASF Group's climate protection targets and tracks the emission reduction levers aiming at achieving them. The Global Procurement unit, which reports to the Chief Financial Officer, is responsible together with Corporate Strategy & Sustainability for the purchasing processes and procurement requirement relating to our raw materials-related targets. As part of our new corporate strategy, the BASF Renewable Carbon unit within Global Procurement is continuing to drive the sourcing of renewable raw materials and biomass for BASF's operating divisions. This is the counterpart to BASF Renewable Energy GmbH, the subsidiary that coordinates the procurement of renewable energy.

The Net Zero Accelerator unit, which had focused on emissions reduction projects since 2022, was dissolved as of January 1, 2025, in line with the new corporate strategy. The activities were integrated into existing divisions and service units, ensuring that BASF's green transformation is aligned even more closely with market trends and that the business can better react to new customer requirements.

[6] Scope 1 and Scope 2 (excluding the sale of energy to third parties). Greenhouse gases according to the Greenhouse Gas Protocol, converted into CO_2 equivalents (CO_2e).
[7] The exact percentage influence on compensation depends on target achievement. For more information, see the Compensation Report at basf.com/compensationreport.

Transition plan for climate change mitigation

E1-1

We are pursuing ambitious climate protection targets. We want to reduce greenhouse gas emissions from our production processes (Scope 1) and our energy purchases (Scope 2) by 25% by 2030 compared to the base year of 2018, and are aiming to achieve net-zero greenhouse gas emissions by 2050.[8] Our target focuses on emissions caused by our production and includes around 96% of our Scope 1 emissions and 99% of our Scope 2 emissions (see page 194).[9] It is compatible with limiting global warming to 1.5°C based on the emission reduction pathways described by the International Energy Agency (IEA) in its study entitled "Net Zero by 2050."[10] Already today, the emissions intensity of our plants for producing basic chemicals such as ammonia, methanol and high value chemicals is below the values defined by the IEA for 2030.

» For additional information on the analysis of our Scope 1 and Scope 2 target and on compatibility with the goals of the Paris Agreement, see basf.com/corporate_carbon_footprint

Above and beyond our own production, we take responsibility for emissions along our value chain. This is why we set ourselves a target for our raw materials-related Scope 3.1 emissions in 2023 that includes around 92% of our Scope 3.1 emissions.[11] Raw materials-related emissions from battery materials are initially excluded from the target (see page 196). By 2030, we want to reduce these Scope 3.1 emissions in relation to the purchasing volume specifically by 15% compared to the 2022 base year (see page 195). However, the IEA study does not provide a basis for deriving an emissions reduction pathway for these emissions.

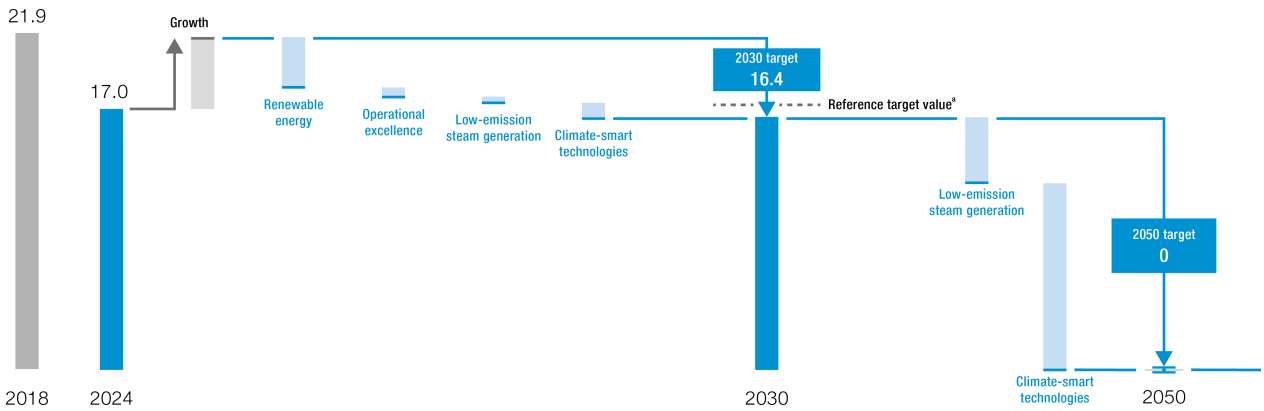
To achieve our climate protection targets, we have developed a transition plan[12] that shows our emissions reduction path based on the most important levers. We are focusing on the following emission reduction levers[13] to reduce our greenhouse gas emissions from our own production and energy purchases (Scope 1 and 2):

- **Renewable energy:** We are increasingly meeting our electricity needs from renewable sources (see the actions on page 189).
- **Operational excellence:** Our operational excellence activities are continually improving the energy and process efficiency of our plants (see the actions on page 190).
- **Low-emission steam generation:** In the future, we will increasingly rely on electrification for steam generation and hence also tap previously unused waste heat potential (see the actions on page 191).
- **Climate-smart technologies:** We are developing completely new emission-free and low-emission processes, and are assessing and piloting new technologies for more sustainable chemistry (see the actions on page 192).

[8] Scope 1 and Scope 2 (excluding the sale of energy to third parties). Greenhouse gases according to the Greenhouse Gas Protocol, converted into CO_2 equivalents (CO_2e).
[9] Based on the base year 2018
[10] The IEA's Net Zero by 2050 study reflects a scenario that, measured in accordance with the IPCC Special Report on Global Warming of 1.5°C, is consistent with a 1.5°C scenario for 2030 with a low temperature overshoot and with a 1.5°C scenario in which there is no overshoot for 2050.
[11] Scope 3.1, raw materials excluding battery materials, excluding services, technical goods and greenhouse gas emissions from BASF trading business. The emissions account for 52% of total Scope 3 emissions based on the 2024 business year. We adjusted the baseline in line with the TfS Guideline in the reporting year due to the availability of further primary data.
[12] BASF is not an undertaking that is excluded from the EU Paris-aligned Benchmarks in accordance with the exclusion criteria stated in Articles 12(1), points (d) to (g) of Commission Delegated Regulation (EU) 2020/1818 (Climate Benchmark Standards Regulation).
[13] No climate scenarios were used to identify the levers. Instead, the levers are based on an analysis of the sources of emissions and the technical means of reducing them.

Transition plan for climate change mitigation

Million metric tons of CO_2 equivalents



[a] Reference target value of a 1.5°C-compliant reduction pathway

Roughly half of BASF's Scope 1 and Scope 2 emissions are attributable to energy produced to operate our plants. Scope 2 emissions can be reduced by up to 3.2 million metric tons of CO_2 by 2030 using the "renewable energy" lever. Additional emission reductions of up to 0.6 million metric tons of CO_2 (Scope 1) are possible in the period up to 2030 using the "low-emission steam generation" lever. In the long term, new steam generation technologies such as heat pumps and e-boilers not only enable emission reduction but will also enable decoupling of highly efficient steam and power generation in combined heat and power plants. The electricity generated from this today can then also be provided using renewable energy. The other half of our Scope 1 and Scope 2 emissions arise in our production processes. One way of reducing these emissions is the continuous improvement of our plants (operational excellence). We see a reduction potential of up to 0.6 million metric tons of CO_2 (primarily Scope 1), which we aim to achieve by 2030. Furthermore, we are working to develop and implement climate-smart technologies so as to facilitate lower-emission production. This will result in further potential reductions of up to 1.1 million metric tons of CO_2 (Scope 1) by 2030. Our emission reduction levers enable the reduction of growth-related CO_2 emissions that will be added by 2030, which are associated with organic growth and the investment in our new Verbund site in southern China. All reduction measures implemented are to be regarded as long-term. We will counteract growth-driven emission increases between 2030 and 2050 primarily using the "climate-smart technologies" and "low-emission steam generation" levers.

The transition plan reflects the market-driven transformation approach set out in our new strategy, which was published in the reporting year and in which we have adopted a step-by-step approach (see also "Strategy and governance"). In the first phase, we already succeeded in securing access to larger volumes of electricity from renewable energy and tested new, climate-smart technologies. Now, in the second phase, we are focusing on customer needs, on Scope 1 reduction actions offering specific opportunities for our business, and on securing our license to operate. At the same time, we are assessing new business models and new technologies. Major investments in scaling up climate-smart technologies will largely be made in the third phase after 2030.

For the progress made in implementing our transition plan, clustered by the relevant emission reduction levers, see "Actions" (page 189). We evaluate and prioritize specific actions for emission reduction and target achievement on an ongoing basis from an economic and technological perspective. We also continuously analyze our portfolio. Consequently, the representation in the graphic depicts the current status of our planning, but will be updated going forward. We will only consider external offsetting

measures for our Scope 1 and Scope 2 emissions[14] as a temporary measure in the medium term if our activities were not to make the desired contribution to reducing emissions.

As an energy- and emissions-intensive sector, the chemical industry today has a significant amount of potential locked-in greenhouse gas emissions.[15] This also applies to BASF and was taken into account when assessing our emission reduction levers. Since significant financial resources will be needed to transform our plants, locked-in emissions from assets jeopardize the achievement of our targets in principle. Potential locked-in emissions are factored into our investment decisions, such as the plans for our new Verbund site in southern China. From 2025 onward, the latter will be supplied exclusively with electricity from renewable sources and will serve as a model for sustainable chemical production.

Few of our products lead directly to CO_2 emissions during their use phase. Nevertheless, we also aim to reduce these emissions even further by constantly looking for new, more sustainable solutions (see "Product Carbon Footprints" on page 194) and have already achieved significant emission reductions as a result (see the reduction in Scope 3.11 in "Actions along our value chain" on page 192).

The transition plan is embedded in our financial planning and was approved by the Board of Executive Directors and the Supervisory Board. It is based on investments of around €300 million in Scope 1 measures and €250 million in renewable energies between 2025 and 2028. These are part of BASF's green transformation expenditure of €600 million each year on average.

In 2024, we invested €59 million (taxonomy-aligned capital expenditures/capex) in constructing a water electrolysis plant for producing hydrogen at our Ludwigshafen site in Germany (see the table on capital expenditures/capex in EU Taxonomy on page 263).

Furthermore, we invested €149 million, which are attributable to gas-related economic activity (see the table on capital expenditures/capex in EU Taxonomy on page 263). In addition to investments made to achieve our emission reduction target, we are also investing in steam generation at our Verbund site in Zhanjiang, China, which is under construction. Part of steam production there will come from a natural gas fired boiler, alongside to the future use of process waste heat steam.

BASF has not reported any taxonomy-eligible activities under the climate change adaptation objective. This is firstly to avoid double counting with economic activities that have already been included under the climate change mitigation objective. Secondly, in accordance with the notice issued by the European Commission, a prerequisite for taxonomy eligibility under the adaptation objective is the submission of an investment plan for implementing adaptation solutions; such a plan within the meaning of the Taxonomy Regulation has not been submitted to BASF. In addition, BASF does not have any other targets or plans with which it could adapt its economic activities to the criteria set out in Delegated Regulation (EU) 2021/2139. For information on activities under the climate change mitigation environmental objective, see the EU Taxonomy chapter (on page 257).

[14] Scope 1 and Scope 2 (excluding the sale of energy to third parties). The emissions account for 96% of total Scope 1 and Scope 2 emissions in relation to the base year. Greenhouse gases according to the Greenhouse Gas Protocol, converted into CO_2 equivalents (CO_2e).
[15] These are future greenhouse gas emissions that are likely to be caused by key assets or products within their operating lifetimes.

E1-2

We are focusing on **procurement-specific actions** to reduce our raw materials-related emissions (Scope 3.1) and are working closely together with our suppliers (see "Actions along our value chain" on page 192). In recent years, we have been able to considerably increase the data availability and thereby the transparency of our raw materials-related emissions, and aim to steer these more precisely via our resulting Scope 3.1 target.

What is more, we are taking responsibility for our other emissions along the value chain (see page 192). Reducing Scope 3 emissions – which account for the majority of our total emissions – presents us with particular challenges, as these are only partly within our own direct sphere of influence and are influenced by a large number of external factors.

We are also increasingly focusing on circularity in the form of renewable and recycled raw materials and raw materials based on the use of CO_2 in order to move from linear value creation to closed-loop material cycles (see page 247). In future, we will drive forward sourcing of renewable raw materials and deploy a make and buy approach similar to that with which we source renewable energy. Feeding in greater amounts of bio-based and recycled raw materials in our existing plants will allow us to leverage the unique strengths of our Verbund and to offer our customers products with lower Product Carbon Footprints (PCFs).

We use a digital solution that continuously determines the PCFs for more than 40,000 sales products[16] (see "Product Carbon Footprints") to increase transparency about our product-specific greenhouse gas emissions and focus CO_2 reduction measures on those areas where they bring the greatest added value. These PCFs include all greenhouse gas emissions – from raw materials extraction to the finished product leaving the factory gates ("cradle-to-gate"). This lets our customers benefit from lower CO_2 emissions in the value chain. In addition, we offer our customers solutions that help prevent greenhouse gas emissions and improve energy and resource efficiency.

Moreover, our TripleS method, which steers the sustainability performance of our product portfolio, is a material element in the process of enhancing transformation topics relating to climate change, energy, resource efficiency and the circular economy (for more information, see page 161). In addition to implementing new regulatory requirements, we are actively driving forward the adaptation and development of new production processes with the aim of reducing the environmental footprint of our products. Criteria for reducing CO_2 emissions are a key part of the evaluation process. Products with sustainability concerns are identified and, in the case of severe challenges, action plans are developed to optimize them or replace them with alternative solutions.

» For more information on TripleS, see basf.com/en/sustainable-solution-steering

All parts of society must work together to effectively protect the climate. The basis is a political and regulatory environment that promotes innovation in climate change mitigation, makes it possible to develop new processes that are competitive internationally and resolutely drives forward the expansion of renewable energies. Our aim is to work together to shape the transformation toward climate neutrality in a socially just manner (just transition). We include the viewpoints of our external stakeholders in our decisions and actions using dialog forums and advisory bodies such as the Nature Advisory Council, which we established together with external experts (for more information, see page 309) and the Sustainability Lab stakeholder engagement format (for more information, see page 166).

[16] This includes all BASF products of all A companies and some selected B companies, excluding traded goods. For more information on the Group's legal structure, see page 14.

In addition, we support various national and international initiatives and are involved in partnerships. For example, we engaged in close dialog with the Science Based Targets initiative (SBTi) to derive science-based climate protection targets for the chemical sector.

» For more information on climate protection, see basf.com/climate_protection

We are committed to reporting transparently on our climate protection targets and progress, as well as on the impact of climate change on BASF. In this context, we support the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We have also participated in the program established by the international nonprofit organization CDP for reporting on data relevant to climate protection since 2004. The final CDP assessment on climate protection for 2024 was not yet available up to the editorial deadline for the BASF Report 2024.

» For more information on the CDP climate change questionnaire, see basf.com/en/cdp

Actions

E1-3

We consistently align our actions with our climate protection targets, based on a comprehensive analysis of our emissions. The transformation of our company toward low-emission chemistry is closely linked to our customers' transformation. Our key customer industries are facing enormous challenges in reaching their sustainability-related goals. We supply the chemical products supporting them in this. At the same time, the preconditions for business cases at scale do not yet fully exist. The market readiness, and hence also the speed of green transformation, varies widely between regions and customer industries. Against this background, we are focusing our transformation approach even more single-mindedly on development and on the needs of our various customer markets, which will allow us to concentrate even more strongly on our specific business opportunities. We will prioritize projects for which we see growing customer demand and willingness to pay for low-emission and emission-free solutions. As the markets for sustainable products grow, we will be in a position to finance necessary investments in new production technologies. Equally, we will need qualified staff and service providers to develop, implement and maintain these technologies.

In 2024, we invested €59 million (taxonomy-aligned investments/capex) in constructing a water electrolysis plant for producing hydrogen at our Ludwigshafen site in Germany (see the table on capital expenditures/capex in EU Taxonomy on page 263). In addition, no significant capital and operating expenses within the meaning of the EU taxonomy were incurred in the business year 2024 for the actions described.

Renewable energy

Roughly half of our Scope 1 and Scope 2 emissions are attributable to our plants' energy demand. A core component is therefore converting our energy supply from fossil to renewable sources; this applies especially with regard to our electricity supply. In 2024, electricity from renewable sources as a share of total electricity consumption rose further compared with the previous year to 26% (2023: 20%). Our electricity consumption will increase significantly in future due to the planned gradual electrification of our steam generation and the switch from natural gas-based to electricity-based, low-emission production processes. Nevertheless, we aim to source more than 60% of our power needs from renewable sources by 2030.

As regards the transformation of our power supply, we are pursuing a make and buy approach in the short, medium and long term. Firstly, BASF is investing in its own renewable power assets. Secondly, we are focusing on purchasing green power on the market through long-term supply agreements with plant operators, green power purchase agreements or renewable energy certificates, depending on the region and market regulations. Profitability and additionally are key purchasing criteria. The electricity purchased here is primarily sourced from new renewable energy facilities.

In 2024, we successfully advanced our plan for sourcing power from renewable sources. The Hollandse Kust Zuid offshore wind farm, a joint project with Vattenfall and Allianz, was commissioned successively and has been fully operational since the summer of 2024. With 139 turbines and a capacity of 1.5 gigawatts, it is one of the largest subsidy-free offshore wind farms in the world. As part of a further project, we have contractually agreed with Vattenfall to purchase 49% of the shares in the Nordlicht 1 and 2 offshore wind farms. Construction is due to start in 2026, subject to the final investment decision, expected in 2025. The wind farms, which have a total capacity of 1.6 gigawatts, are being built without government subsidies and should be fully operational in 2028. We plan to use just under half of the electricity generated by these two wind farms to supply our production sites in Europe, and particularly Ludwigshafen, Germany. In order to be able to fully supply our Verbund site in Zhanjiang in southern China, which is currently under construction, with electricity from renewable sources in the future, we have entered into a joint venture with Mingyang for an offshore wind farm in southern China, which includes development, construction and operation. The planned wind farm in Zhanjiang in the Chinese province of Guangdong will have a capacity of 500 megawatts and is scheduled to go into operation at the end of 2025, subject to approval.

From the beginning of 2025, our new site in Zhanjiang will be supplied with 100% electricity from renewable sources as a result of a supply agreement with the State Power Investment Corporation (SPIC). In addition to the long-term supply agreement with the SPIC, we have entered into a supply agreement with China Energy Engineering Group Guangdong Electric Power Design Institute (GEDI) to source electricity from renewable sources over a period of 25 years. In 2023 and 2024, we also signed further long-term supply agreements for green power at other sites in Asia, such as our three sites in Jiangsu, China, and six production sites in South Korea. In North America, we were able to secure around 150 megawatts[17] of solar generation capacity through virtual power purchase agreements back in 2022. These solar power plants are already operational. Further long-term supply contracts exist with X-ELIO, providing capacity of 48 megawatts of solar power to supply the Freeport, Texas, site and with other developers, providing 33 megawatts of solar power for the Freeport site and more than 35 megawatts of wind energy for the Freeport and Pasadena sites in Texas. In some regions, we have also acquired green power certificates. The aim is to gradually replace these temporary measures with our own power assets or long-term supply agreements.

The carbon footprint of purchased electricity in 2024 was around 0.20 metric tons of CO_2 per MWh (market-based approach). For the 2024 business year, we were able to reduce our greenhouse gas emissions by around 1 million metric tons of CO_2 by using electricity from renewable sources (for more information on the expected emission reductions, see our transition plan on page 186).

In 2024, we started operation of a stationary long-term sodium sulfur-based battery storage system (NAS®) at our Schwarzheide site in Germany, driving forward integration of renewable energy. The system supports the provision of power to individual plants from the site's own solar park. BASF Stationary Energy Storage GmbH markets the NAS batteries, which were developed by NGK INSULATORS Ltd.

Operational excellence

Through our operational excellence projects, we aim to make our plants and processes even more efficient and resource saving, thereby preventing CO_2 emissions. Certified energy management systems

[17] Adjustment of the capacity published in the BASF Report 2023 due to project-related changes

according to DIN EN ISO 50001 at all relevant production sites play a particularly important role here.[18] These help us to continuously identify and implement potential for improvement in energy efficiency. This not only reduces greenhouse gas emissions and saves valuable energy resources but also increases our competitiveness.

In 2024, we implemented more than 450 measures to reduce energy and resource consumption and increase our competitiveness, which led to a reduction in emissions of around 200,000 metric tons of CO_2 (for more information on the expected emission reductions, see our transition plan on page 186). For example, optimizing process technology and energy usage at several plants at our Antwerp, Belgium, site has enabled us to prevent more than 45,000 metric tons of CO_2 emissions per year. This includes measures to reduce natural gas, hydrogen and steam consumption as well as more effective catalytic reduction of nitrous oxide. Enhanced heat integration with additional heat exchangers at a plant at our site in Yeosu, South Korea, led to a reduction of 9,000 metric tons CO_2 per year. Our site in Camaçari, Brazil, reduced its natural gas consumption of the waste heat boiler and safety flares by optimizing controls, cutting CO_2 emissions by more than 5,000 metric tons per year.

Low-emission steam generation

Alongside electricity, steam generation is an important component of our energy supply. In the medium to long term, new technologies should make a significant contribution to reducing CO_2, for example by recovering energy from waste heat in our production and infrastructure facilities. In this context, we are examining various concepts such as using electric heat pumps and e-boilers as well as electrifying steam drives. We made initial progress toward low-emission steam generation in the reporting year: In 2024, BASF received funding approval from the German Federal Ministry for Economic Affairs and Climate Action for constructing the world's largest industrial heat pump, permitting emission-free steam generation at its site in Ludwigshafen, Germany. The planned heat pump will have a capacity of up to 500,000 metric tons of steam per year. The waste heat, which is used as a thermal energy source, is generated during the cooling and cleaning of process gases in one of the two steam crackers at the site. Emission-free steam is generated using electricity from renewable sources and will primarily be used for producing formic acid. This offers the potential to use the heat pump to reduce greenhouse gas emissions produced by up to 98%. A smaller proportion of the emission-free steam is supplied to other BASF production plants via the steam network at the site. In total, the heat pump, which is scheduled to start operations in 2027, will reduce up to 100,000 metric tons of CO_2 per year at the company's headquarters.

In addition, we are examining the use of geothermal energy at our site in Ludwigshafen, Germany, as part of a strategic partnership with Vulcan Energy. Our partner has been performing initial seismic measurements in the Upper Rhine Graben since early 2025. Assuming a successful outcome to exploration in the Upper Rhine Graben, heat pumps could harness the geothermal energy to generate emission-free steam. With a potential output of 300 megawatts of thermal energy, around 4 million metric tons of this crucial energy carrier for the chemical industry could be produced per year. This would prevent roughly 800,000 metric tons of CO_2 emissions.

We are also focusing on low-emission steam generation at our site in Schwarzheide, Germany. The goal there is to construct and operate a power-to-heat plant together with transmission systems operator 50Hertz. The plant will convert electricity from renewable sources into process heat. The planned plant consists of a 25-megawatt electrode boiler and is scheduled to commence operations at the end of 2026.

[18] Relevant sites are selected based on the amount of primary energy used and local energy prices.

Climate-smart technologies

To further abate CO_2 emissions, we are also developing completely new technologies for emission-free and low-emission production and are planning to scale them as far as possible from 2030 onward. These technologies will need large volumes of electricity from renewable sources in order to realize their full potential. The main focus here is on basic chemicals, which are often still emissions-intensive to produce. This is the case with steam crackers, for example, which use large amounts of energy to break down crude petroleum into olefins and aromatics – both important groups of substances for numerous chemical value chains. The cracking reaction requires high temperatures of around 850°C, which until now have been achieved by burning natural gas. Heating concepts using electricity from renewable sources could reduce process-related emissions by at least 90% in future compared to today's conventional technologies. In 2024, together with our partners SABIC and Linde, we commissioned a demonstration plant for electrically heated steam cracker furnaces at our site in Ludwigshafen, Germany.[19] This is where we are testing this new process, and associated direct and indirect heating concepts, on an industrial scale. The prototype is completely integrated into one of the two existing steam crackers at the site.

Another important basic material in the chemical industry is hydrogen, which we have so far mainly used as a raw material. One common but emissions-intensive way of obtaining hydrogen is steam reforming. We are testing an alternative process – methane pyrolysis – in Ludwigshafen, Germany. This process is virtually emission-free if renewable energy is used and requires considerably less electricity compared with other methods such as water electrolysis. We successfully tested a new reactor concept at the test plant, which was commissioned in 2021, and demonstrated stable operations. This has overcome the first important technical hurdle for further scaling. We also continued construction of a PEM[20] (proton exchange membrane) water electrolyzer with a capacity of 54 megawatts at the Ludwigshafen site in Germany with Siemens Energy. The plant went into operation in March 2025. Powered by electricity from renewable energy sources, the electrolyzer produces up to 8,000 metric tons of emission-free hydrogen and thus reduces greenhouse gas emissions at the site by up to 72,000 metric tons per year. BASF will primarily use the hydrogen produced as a raw material for the manufacture of products with a reduced Product Carbon Footprint. We also agreed a partnership with Envision Energy, a leading provider of sustainable technologies, at the beginning of 2024. The objective is to drive forward the conversion of green hydrogen and CO_2 into e-methanol, a more sustainable energy source. BASF is contributing its catalyst technologies expertise. In addition, we are expecting new hydrogen applications to emerge in the future, such as its use as an independent or a basic material for sustainable energy carriers, and that demand for hydrogen is likely to increase as a result. Access to large quantities of low-emission or emission-free hydrogen at competitive costs is therefore becoming increasingly important for BASF.

Another focus area of our technological development is carbon capture and storage (CCS). Together with partners, we are examining an industrial CCS project at the Antwerp site in Belgium (Kairos@C) as the first phase of the Antwerp@C project, which could enable BASF to prevent the release of emissions from production of up to 1 million metric tons of CO_2 into the atmosphere every year.

Actions along our value chain

As part of our supplier management, we continuously review compliance with our required criteria when selecting suppliers and assessing new and existing supplier relationships. We urge our suppliers to reduce CO_2 emissions. We arrange for third parties to evaluate suppliers with a high sustainability risk using either on-site audits or sustainability assessments by rating agency EcoVadis. Supplier assessment is mainly performed as part of the chemical industry's Together for Sustainability initiative. Depending on

[19] The project has been granted €14.8 million from Germany's Federal Ministry for Economic Affairs and Climate Action (BMWK) under the Decarbonization in Industry funding program. It is also being financed by the European Union via the NextGenerationEU fund.
[20] The project is funded by Germany's Federal Ministry for Economic Affairs and Climate Action (BMWK) and the Federal State of Rhineland-Palatinate.

business requirements, we perform our own Responsible Care audits at selected contract manufacturers if material risks have been identified with respect to environmental protection. This also covers the topic of CO_2 emissions.

We launched the Supplier CO_2 Management Program in 2021 to achieve transparency with respect to our raw materials-related emissions. The goal is to obtain a more accurate data base and to better manage and reduce emissions in the supply chain. In a first step, we have requested the Product Carbon Footprints (PCFs) of our raw materials since then and support our suppliers in determining these, for example, by sharing our knowledge of assessment and calculation methods with them. Since the start of the program, we have asked more than 1,900 suppliers, accounting for around 80% of our raw materials-related greenhouse gas emissions. After around three years, we have validated PCFs for more than 1,700 of our raw materials. This corresponds to a coverage of almost 30% in relation to the greenhouse gas emissions of our raw materials. We are working to further enhance the transparency of the PCFs for our raw materials.

In addition, we launched the next phase of our Supplier CO_2 Management Program in 2024, so as to agree PCF reduction pathways with our suppliers. We use dialog forums to exchange with suppliers about opportunities, challenges and BASF's specific expectations regarding PCF reductions. One example are the BASF Supplier Days that were held on the topic of Scope 3.1 emissions for the first time in 2024 in Ludwigshafen, Germany (Europe Region) and São Paulo, Brazil (South America Region). The format is to be rolled out to regions Asia Pacific and North America as well in 2025. We are also enhancing our purchasing processes and establishing PCFs as a relevant criterion for raw materials in the procurement requirement.

To replace fossil raw materials, we signed a long-term purchase contract for certified biomethane with ENGIE in 2024. This will be used at our Verbund sites in Antwerp, Belgium, and Ludwigshafen, Germany. Consequently, we will be able to reduce the carbon footprint of sales products in sectors such as the automotive, packaging and detergent industries using our mass balance approach (see page 250). In another project, we have agreed an innovative approach to reducing the carbon footprint of the products from Graphit Kropfmühl, a subsidiary of AMG Critical Materials N.V. We supply the company with Guarantees of Origins for electricity from renewable sources, reducing the PCF of the graphite produced. We then use the graphite as a raw material for a reduced-PCF variant of our insulation material Neopor®.

In addition to reducing our raw materials-related emissions (Scope 3.1), we are taking targeted measures to reduce Scope 3 emissions along the entire value chain. To reduce the emissions from transporting our products (Scope 3.9), the Monomers division has developed a shipment emissions dashboard that enables us to share standardized, reliable data on shipment-related emissions with our customers and identify the most sustainable means of transportation. Moreover, we rely on product adaptations to reduce emissions from the use of sold products (Scope 3.11): For example, climate-damaging blowing agents for foaming polyurethane foams can now be largely dispensed within the downstream value chain. Thanks to these and other measures, we have been able to reduce our emissions from the use of sold products (Scope 3.11) by around 73% since 2018.[21] We also want to reduce emissions resulting from the disposal of our products (Scope 3.12). This can be done, for example, through the increased use of renewable raw materials or circular solutions (see page 247). Both ensure that less and less CO_2 pollutes the atmosphere throughout the life cycle of our products.

[21] BASF operations without oil and gas business

Product Carbon Footprints

In 2024, we further expanded our portfolio of products with a certified reduced carbon footprint. These include ammonia and urea products and the intermediate butanediol, which our customers process in the manufacture of textile fibers, solvents and engineering plastics. Since the end of 2024, we are offering our customers bio-based and biomass balance-based ethyl acrylate – a more sustainable alternative for use in manufacturing adhesives and coatings, among other things. We already offer net-zero carbon footprint versions of some of our products; these include the polyamide Ultramid® and AdBlue®, an exhaust gas reducing agent for diesel engines, which we offer as Ultramid® ZeroPCF and AdBlue® ZeroPCF by BASF. These lower PCFs are primarily made possible by the substitution of fossil raw materials. For example, we use partially or fully renewable, waste-based or recycled raw materials to produce low PCF and zero PCF products. These include castor oil, biomethane or pyrolysis oil from plastic waste. These alternative resources often have a lower carbon footprint compared with fossil raw materials. The alternative resources are allocated to the end product using the mass balance approach (see page 250). Furthermore, we use electricity from renewable sources to reduce our PCFs.

The digital methodology we have developed to calculate PCFs meets general life cycle analysis standards such as ISO 14040, ISO 14044 and ISO 14067, as well as the Greenhouse Gas Protocol Product Standard. A certification from TÜV Rheinland confirms that our calculation method and reporting fully comply with the requirements of Together for Sustainability (TfS). We make our automated PCF calculation approach available to interested industry players through partnerships. At the same time, we are involved in various initiatives to drive transparency, harmonization and standardization across the industry. This also takes place as part of TfS, where we have been involved in the creation and revision of a uniform guideline for calculating the carbon footprint of products in the chemical industry. This enables the climate impact of products to be directly compared and evaluated based on a standardized approach. Harmonizing the approaches used to calculate PCFs allows us to better steer greenhouse gas emissions that arise during the extraction of raw materials or the manufacture of precursors. A digital solution developed by TfS and Siemens for sharing PCF data between companies was launched in October 2024. We have been migrating our queries to this solution since the end of 2024. Equally, it has been possible to share data within the Catena-X network, in which we work together with partners in the automotive value chain, since 2024.

» For more information on Product Carbon Footprints, see basf.com/en/pcf

Global targets

E1-4

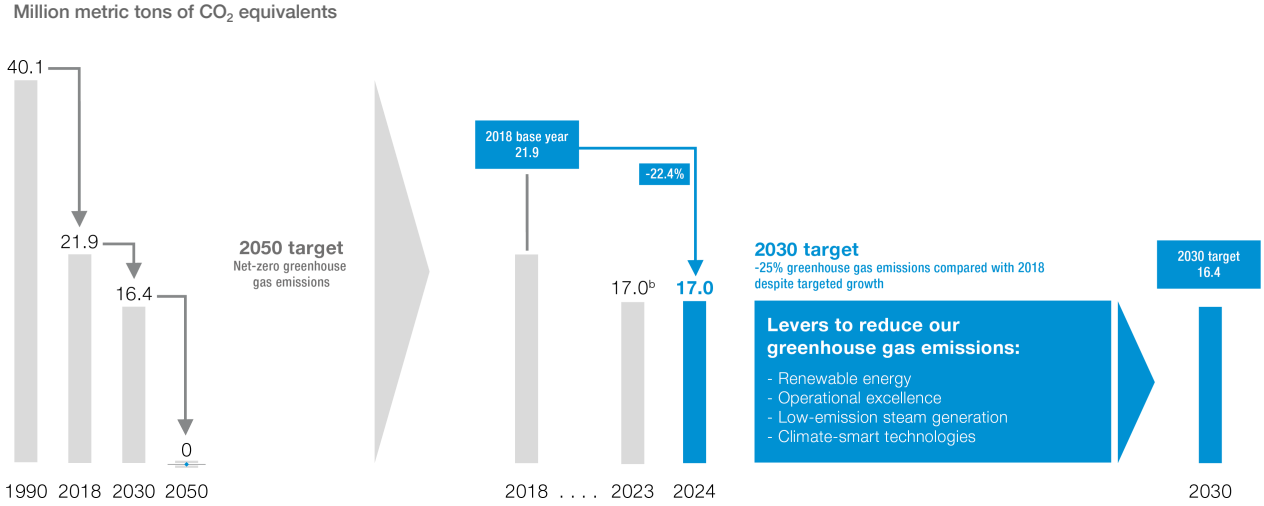
As an energy-intensive company that generates and consumes energy in the form of electricity and steam and that processes fossil raw materials, we are responsible for greenhouse gas emissions that negatively impact the climate (see also "Impacts, risks and opportunities from our business activities" from page 181 onward). We accept this responsibility and are pursuing ambitious climate protection targets.[22]

[22] We report on greenhouse gas emissions in accordance with the Greenhouse Gas Protocol Standard as well as the sector-specific standard for the chemical industry. Our targets include future organic growth and investments. They are based on the scope of consolidation using the financial control method and are audited in the context of the annual report. For information on compatibility with the 1.5°C scenario, see page 185.

Scope 1 and 2

Based on the 2018 base year, we want to achieve a 25% reduction in greenhouse gas emissions from our production processes (Scope 1) and our energy purchases (Scope 2) by 2030.[23] Our target focuses on emissions caused by our production and includes 96% of our gross Scope 1 emissions and 99% of our gross Scope 2 emissions. This means that we aim to reduce greenhouse gas emissions from 21.9 million metric tons to 16.4 million metric tons – despite our growth plans and the construction of a new Verbund site in southern China. This corresponds to a decrease of around 60% compared with 1990. Our long-term target is to achieve net-zero greenhouse gas emissions by 2050.[23] We consider future developments in our Scope 1 and Scope 2 emissions in line with the requirements of the Greenhouse Gas Protocol. When recalculating the emissions from the base year, we have set ourselves a limit of 5% cumulative deviations from the base year.

Greenhouse gas emissions of the BASF Group (Scope 1 and 2)[a]



[a] Scope 1 and Scope 2 (excluding the sale of energy to third parties). The target includes greenhouse gases according to the Greenhouse Gas Protocol, which are converted into CO_2 equivalents (CO_2e).
[b] The figure for 2023 has been adjusted to reflect updated data.

In 2024, the BASF Group's emissions from production and energy purchases[23] amounted to 17.0 million metric tons of CO_2 equivalents (2023: 17.0 million metric tons of CO_2 equivalents[24]). The slight rise in demand year on year lifted production volumes and thus resulted in higher CO_2 emissions. At the same time, we increased the share of electricity from renewable sources compared with the previous year to 26% and, together with measures to increase energy and process efficiency, made a relevant contribution to reducing emissions. All in all, we have reduced our greenhouse gas emissions in BASF's operations by 58% since 1990.

Scope 3.1

We set ourselves an ambitious Scope 3.1 target[25] for our specific raw materials-related emissions in 2023. This includes around 92% of our Scope 3.1 emissions based on the base year. By 2030, we want to reduce these in relation to the purchasing volume specifically by 15% from the 2022 base year. Consequently, we are planning to reduce our specific Scope 3.1 emissions from 1.64 kilograms of CO_2 per kilogram of raw materials purchased in the base year 2022 to 1.39 kilograms in the target year 2030.[25] Through our commitment, we aim to keep our target-relevant Scope 3.1 emissions roughly

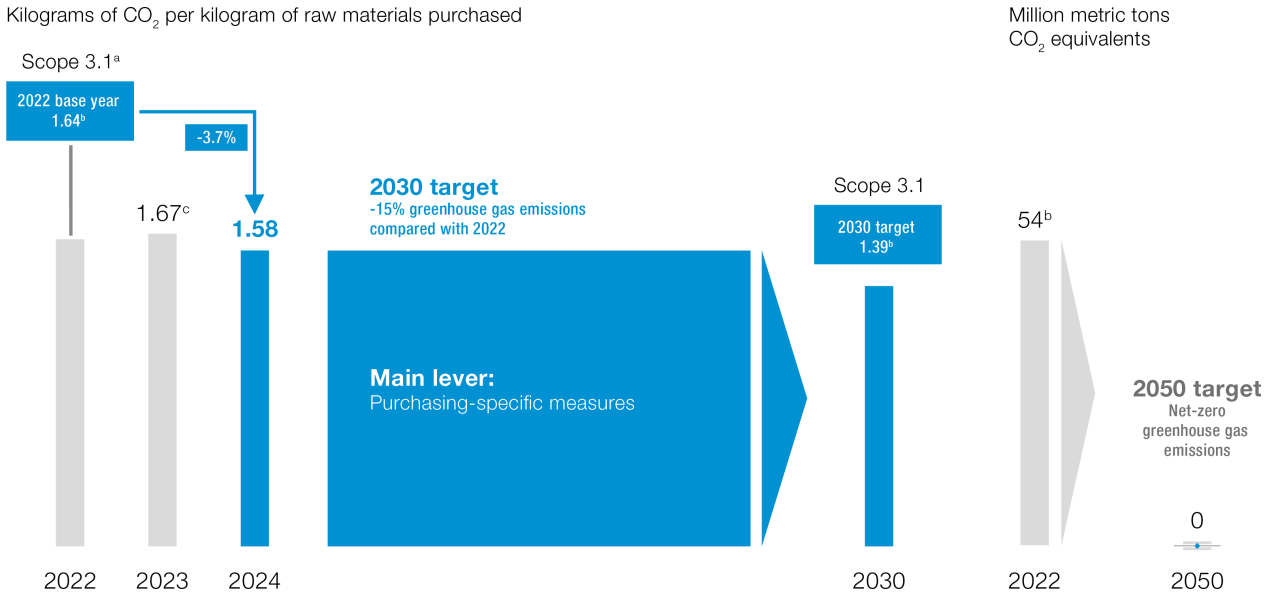
[23] Scope 1 and Scope 2 (excluding the sale of energy to third parties). The emissions account for 96% of total Scope 1 and Scope 2 emissions in relation to the base year. The target includes greenhouse gases according to the Greenhouse Gas Protocol, which are converted into CO_2 equivalents (CO_2e). Scope 2 emissions are calculated using the market-based approach in accordance with the Greenhouse Gas Protocol. Based on the aforementioned emission reduction levers, we assume a reduction in Scope 1 emissions of around 14% between 2018 and 2030. We aim to reduce Scope 2 emissions by around 75% in the same period. The target is aligned with limiting global warming to a global average of 1.5°C, and is thus science-based. It has not been externally audited.
[24] The figure for 2023 has been adjusted to reflect updated data.
[25] Scope 3.1, gross emissions from raw materials excluding battery materials, excluding services, technical goods and greenhouse gas emissions from BASF trading business. The emissions account for 52% of total Scope 3 emissions based on the 2024 business year. The target is not science-based and has not been externally audited. We adjusted the baseline in line with the TfS Guideline in the reporting year due to the availability of further primary data.

constant at 50 million metric tons of CO_2 equivalents by 2030 despite growing production. We have recalculated our base value for our Scope 3.1 target in line with the Greenhouse Gas Protocol Scope 3 Standard, due to a change in secondary data and to the ongoing improvement in primary data availability under our Supplier CO_2 Management Program (see "Actions along our value chain" on page 192). This preserves comparability between the base year and current business years.

Raw materials-related emissions from battery materials are initially excluded from the target. Battery materials make a significant contribution to reducing CO_2 emissions and thus facilitate the transformation of the transportation sector. Required raw materials such as lithium, nickel and cobalt will not be able to be replaced by more sustainable alternatives in the foreseeable future. Accordingly, associated emissions cannot be reduced significantly in the short term. As soon as recyclable solutions come into play with the increase in available end-of-life batteries, we will include these raw materials in our target definition (for more information on our battery recycling activities, see page 254).

In the long term, we are striving to reduce Scope 3.1 emissions to an unavoidable minimum by 2050, thereby expanding our long-term net-zero target to include these greenhouse gas emissions.

Greenhouse gas emissions of the BASF Group (Scope 3.1)



a Scope 3.1, raw materials excluding battery materials, excluding services, technical goods and greenhouse gas emissions from BASF trading business
b We adjusted the baseline in line with the TfS Guideline in the reporting year due to the availability of further primary data.
c The value for 2023 was adjusted due to increased data availability.

In 2024, specific Scope 3.1 emissions[26] amounted to 1.58 kilograms of CO_2 per kilogram of raw materials purchased (2023: 1.67 kilograms[27]). The reduction in specific emissions is mainly attributable to a change in the raw materials portfolio. In addition, first raw materials were purchased from suppliers who offer these with a lower PCF.

We monitor progress toward our targets annually as part of our strategic controlling activities.

For an overview of our greenhouse gas emissions – broken down by operational control and financial control – see page 200. Our projection of target-relevant Scope 1 and Scope 2 emissions for 2025 can be found in the forecast on page 82 onward.

[26] Scope 3.1, raw materials excluding battery materials, excluding services, technical goods and greenhouse gas emissions from BASF trading business. The emissions account for 52% of total Scope 3 emissions based on the 2024 business year. We adjusted the baseline in line with the TfS Guideline in the reporting year due to the availability of further primary data.
[27] The value for 2023 was adjusted due to increased data availability.

Target setting was preceded by an analysis of expected business developments, external requirements relating to emission reduction targets and internal implementation opportunities, including the use of pilot plants to develop technical solutions. In addition, cost estimates were developed for planned actions. A Supplier CO_2 Management Program was established and support was provided for the development of standards such as TfS before the Scope 3.1 target was introduced. This approach was designed to ensure that the targets were not only ambitious but also implementable. We discuss the sustainability topics that are material for BASF at regular meetings with external stakeholders forming part of our strategic stakeholder engagement activities, and in discussions with investors. In this way, stakeholder expectations are continuously taken into account in the development of strategic sustainability management approaches, targets and principles.

Carbon credits

E1-7

As part of the above stated targets, we have committed to reducing our Scope 1, 2 and 3.1 emissions to net zero by 2050. Despite all our efforts, we expect there to be a residual share of emissions in 2050 that cannot be abated using technical or economic approaches. We are aiming to offset all remaining emissions by 2050 inclusive through high-quality, high-credibility nature-based and technical measures, such as the sequestration of CO_2 into the soil through farming (carbon farming). We are planning to use ratings such as BeZero and Sylvera, and initiatives such as the Integrity Council for the Voluntary Carbon Market (ICVCM), its Core Carbon Principles and carbon credits assessed using them. At the same time, we are developing internal standards for evaluating projects and considering whether to develop our own projects. We are also evaluating using/developing a project under the European Carbon Removal and Carbon Farming Certification Framework (CRCF). In view of this situation, we will likely use a portfolio of different credits, and will rely on well-known standards such as Verra and Gold Standard, but also credits under Article 6 of the Paris Agreement and the CRCF. BASF did not use any carbon credits in the past business year.

Metrics

Energy supply

E1-5

Our total energy consumption[28] amounted to 75.6 million MWh in 2024. Total energy consumption includes fuel demand for our own energy generation and production plants, plus power and steam imports for our own use.

BASF Group's energy consumption and mix

Million MWh		2024	
		Financial control	Operational control
Total energy consumption		75.6	74.8
Fuel consumption from renewable sources (biomass)		0.0	0.0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources		3.6	3.6
Consumption of self-generated nonfuel renewable energy		0.0	0.0
Total energy consumption from renewable sources		**3.6**	**3.6**
Share of renewable sources in total energy consumption	%	4.8	4.8
Fuel consumption from coal and coal products		1.1	1.1
Fuel consumption from crude oil and petroleum products		0.3	0.3
Fuel consumption from natural gas		33.7	33.0
Fuel consumption from other fossil sources[a]		27.7	27.5
Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources		9.0	9.3
Total energy consumption from fossil sources		**71.9**	**71.2**
Share of fossil sources in total energy consumption	%	95.2	95.2
Total energy consumption from nuclear sources[b]		**0.0**	**0.0**
Share of nuclear sources in total energy consumption	%	0.0	0.0
Energy production from renewable sources		0.0	0.0
Energy production from fossil sources		43.8	43.0
Energy intensity (total energy consumption per sales revenue)[c]	million MWh/ billion €	**1.16**	**1.15**

[a] Residues from chemical production plants that cannot be reused in the BASF Verbund.
[b] Only contracts aimed at the use of nuclear energy are included.
[c] Energy intensity is determined on the basis of the "manufacturing" high climate impact sector. The sales revenue from high climate impact sectors corresponds to the sales revenue in the report on the Results of Operations (see page 46).

The generation of our own steam and power in highly efficient and predominately natural gas-based combined heat and power plants and our Verbund system are key to CO_2-optimized energy supply at our sites. In the latter, waste heat generated during one plant's production process is used as energy in other plants. Thanks to combined heat and power generation and our continuously optimized Energy Verbund, we were able to prevent a total of 6.1 million metric tons of CO_2 emissions[29] in 2024 compared with separate, fossil-based power and steam generation without the use of the Verbund system.

[28] Consolidation by financial control; adjusted to include by-product streams that are used as energy sources in the process plants compared with the prior-year figure
[29] Calculation basis: electricity conversion efficiency of conventional power plants 45%; steam generation efficiency 90%

Corporate carbon footprint

E1-6

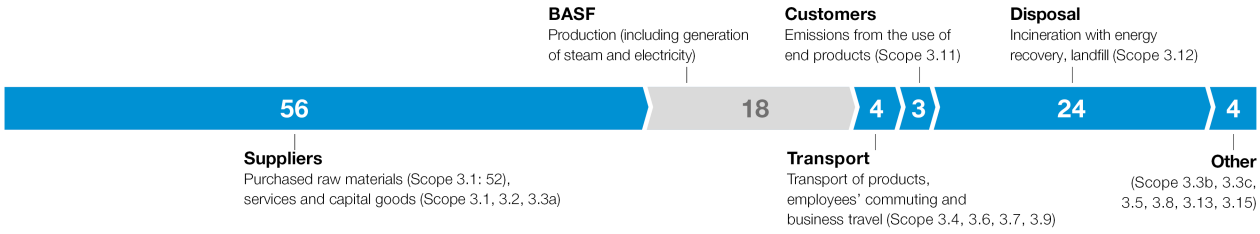
BASF has published a comprehensive corporate carbon footprint every year since 2008. This reports on all emissions along the value chain – from raw materials extraction to production and disposal. We are continually working to reduce greenhouse gas emissions both in our own production and, together with our partners, along the value chain (see "Strategy and governance").

In 2024, our greenhouse gas emissions according to the Greenhouse Gas Protocol including Scope 1 and Scope 2 emissions[30] amounted to 17.948 million metric tons of CO_2 equivalents (2023: 17.902 million metric tons of CO_2 equivalents[31]). Of this amount, 87% were Scope 1 emissions (2023: 87%) and 13% were Scope 2 emissions (2023: 13%). Carbon dioxide was by far the largest component and accounted for 98% of emissions (2023: 98%).

Scope 3 emissions arising upstream and downstream of our operations in the value chain are calculated in accordance with the Corporate Value Chain (Scope 3) Accounting and Reporting Standard published by the Greenhouse Gas Protocol and the WBCSD Guidance for Accounting and Reporting Corporate GHG Emissions in the Chemical Sector Value Chain (WBCSD Chemicals). For 2024, we calculated Scope 3 emissions of around 92 million metric tons of CO_2 equivalents.[32] There was an increase in total emissions along the BASF value chain in 2024 due to the slight year-on-year increase in production volumes. The share of emissions that were calculated using primary data[33] amounted to 21% in the business year.

CO_2 emissions along the BASF value chain in 2024[a]

Million metric tons of CO_2 equivalents



[a] According to the Greenhouse Gas Protocol Standard; Scope 1, 2 and 3; reported categories within Scope 3 are shown in parentheses. Scope 3 emissions in category 10 ("Processing of sold products") are not reported according to the standard for the chemical sector. Only direct use phase emissions are reported in the customer category (Scope 3.11). Excluding greenhouse gas emissions from BASF trading business.

The largest contribution to emissions along the value chain in 2024 was in category 3.1 (purchased raw materials and technical goods and services) at 52 million metric tons of CO_2 equivalents.[32] To calculate these upstream greenhouse gas emissions, we use both primary data from our suppliers from the Supplier CO_2 Management Program (see page 193) and industrial averages and values from external databases.[34] Apart from raw materials-related emissions, the disposal of our products (Scope 3.12) accounts for the second-largest share of our Scope 3 emissions at around 24 million metric tons of CO_2 equivalents.

» For additional information on our emissions reporting, see basf.com/corporate_carbon_footprint

» For more information on the Supplier CO_2 Management Program, see basf.com/suppliers

[30] Market-based approach, including sale of energy to third parties
[31] The figure for 2023 has been adjusted to reflect updated data.
[32] In 2024, we adjusted the calculation of Scope 3 emissions in category 3.1 due to increased availability of primary and secondary data. For additional information on the calculation method, see basf.com/corporate_carbon_footprint.
[33] Primary data in this case is data provided directly by our partners in the value chain.
[34] The database values are updated on an annual basis. Significant changes in these values are reflected accordingly in our calculations.

BASF Group's greenhouse gas emissions according to the Greenhouse Gas Protocol

Million metric tons of CO_2 equivalents	2024		Retrospective 2023		Difference 2024/2023		Base year	Milestones and target years 2025	2030	2050	Reduction each year on average
	Financial control	Operational control	Financial control	Operational control	Financial control	Operational control	Financial control	Financial control	Financial control	Financial control	Financial control
Scope 1[a]							2018				
CO_2 (carbon dioxide)	14.402	14.202	14.345	–	0%	–	17.025	–	–	–	–
N_2O (nitrous oxide)	0.176	0.172	0.239	–	-26%	–	0.667	–	–	–	–
CH_4 (methane)	0.027	0.022	0.025	–	+8%	–	0.027	–	–	–	–
HFCs (hydrofluorocarbons)	0.035	0.035	0.026	–	+35%	–	0.091	–	–	–	–
PFCs (perfluorocarbons)	0	0	0	–	0%	–	0	–	–	–	–
SF_6 (sulfur hexafluoride)	0.001	0.001	0.000	–	.	–	0.000	–	–	–	–
NF_3 (nitrogen trifluoride)	0	0	0	–	0%	–	0	–	–	–	–
Total[Z]	14.641	14.432	14.635	–	0%	–	17.810	–	–	–	–
Sale of energy to third parties (Scope 1)[b]	0.874	0.746	0.927	–	-6%	–	0.773	–	–	–	–
Scope 1 emissions (nonproduction companies)	0.037	0.038	–	–	–	–	–	–	–	–	–
Gross Scope 1 emissions	15.552	15.216	15.562	–	0%	–	18.583	–	–	–	–
Percentage of Scope 1 emissions from regulated emission trading schemes[c]	66 %	66 %	–	–	–	–	–	–	–	–	–
Scope 2							2018				
Scope 2 emissions (nonproduction companies)[d]	0.044	0.044	–	–	–	–	–	–	–	–	–
Location-based Scope 2 emissions (production companies)	3.520	3.587	3.317	–	+6%	–	3.747	–	–	–	–
Market-based Scope 2 emissions (production companies)[Z]	2.352	2.416	2.340[e]	–	+1%	–	4.067	–	–	–	–
Gross location-based Scope 2 emissions	3.564	3.631	3.317	–	+7%	–	3.747	–	–	–	–
Gross market-based Scope 2 emissions	2.396	2.460	2.340	–	+2%	–	4.067	–	–	–	–
Share of electricity consumption by market-based calculation[f]	46 %	47 %	–	–	–	–	–	–	–	–	–
Total target-relevant Scope 1 and Scope 2 emissions[Z]	**16.993**	**–**	**16.975[e]**	**–**	**0%**	**–**	**21.877**	**–**	**16.4**	**0**	**2.1%**
Scope 3							2022				
Total gross Scope 3 emissions	91.64	94.49	–	–	–	–	–	–	–	–	–
1 – Purchased goods and services	52.34	54.13	–	–	–	–	54.13[g]	–	–	0	–
2 – Capital goods	1.84	1.81	–	–	–	–	–	–	–	–	–
3 - Activities related to fuels and energies (not included in Scope 1 or Scope 2)	2.63	2.61	–	–	–	–	–	–	–	–	–
4 – Upstream transportation and distribution	2.32	2.32	–	–	–	–	–	–	–	–	–
5 – Waste generated in operations	0.76	0.75	–	–	–	–	–	–	–	–	–
6 – Business travel	0.12	0.12	–	–	–	–	–	–	–	–	–
7 – Employee commuting	0.20	0.20	–	–	–	–	–	–	–	–	–
8 – Upstream leased assets	0.15	0.16	–	–	–	–	–	–	–	–	–
9 – Downstream transportation	1.49	1.53	–	–	–	–	–	–	–	–	–
11 – Use of sold products	3.01	3.01	–	–	–	–	–	–	–	–	–
12 – End-of-life treatment of sold products	24.23	24.75	–	–	–	–	–	–	–	–	–
15 – Investments	2.56	3.12	–	–	–	–	–	–	–	–	–

BASF Group's greenhouse gas emissions according to the Greenhouse Gas Protocol

Million metric tons of CO_2 equivalents	2024		Retrospective: 2023		Retrospective: Difference 2024/2023		Retrospective: Base year	Milestones and target years: 2025	2030	2050	Reduction each year on average
	Financial control	Operational control	Financial control	Operational control	Financial control	Operational control	Financial control	Financial control	Financial control	Financial control	Financial control
Total											
Total emissions (site-based)	110.76	113.34	–	–	–	–	–	–	–	–	–
Total emissions (market-based)	109.59	112.17	–	–	–	–	–	–	–	–	–
Other metrics											
Biogenic CO_2 emissions from the combustion or bio-degradation of biomass (Scope 1)[h]	0.140	0.140	0.112	–	+25%	–	–	–	–	–	–
Biogenic Scope 2 emissions from the combustion of biomass[i]	0.053	0	–	–	–	–	–	–	–	–	–
Biogenic Scope 3 emissions from the combustion or bio-degradation of biomass in the value chain[j]	1.23	1.23	–	–	–	–	–	–	–	–	–
Offsetting[k]	0	0	0	–	0%	–	0	–	–	–	–
Total emissions (location-based) per sales revenue (million metric tons CO_2e/billion €)[l]	1.697	1.737	–	–	–	–	–	–	–	–	–
Total emissions (market-based) per sales revenue (million metric tons CO_2e/billion €)[l]	1.679	1.719	–	–	–	–	–	–	–	–	–

[a] Emissions of N_2O, CH_4, SF_6 and NF_3 are converted into CO_2 emissions using the global warming potential (GWP) factor. GWP factors are based on the Intergovernmental Panel on Climate Change (IPCC) 2007, Errata table 2012 for the reporting year 2018, and IPCC 2014 for the reporting year 2024, in line with the requirements of the EU ETS methodology. HFCs (hydrofluorocarbons) and PFCs (perfluorocarbons) are calculated using the GWP factors for their individual components.
[b] Includes sales to BASF Group companies; as a result, emissions reported under Scope 2 can be considered twice in some cases.
[c] The emissions trading schemes from the following states/unions of states were used in the calculation: China, Germany, Europe, Shanghai, Switzerland, South Korea. Information subject to official review, which had not yet been completed at the time of the editorial deadline.
[d] The emissions are estimated on the basis of location-based emission factors, since no information on market-based factors is available.
[e] The comparative figure for 2023 has been adjusted to reflect updated data.
[f] The market- and location-based concept is applied exclusively to electricity.
[g] We adjusted the baseline in line with the TfS Guideline in the reporting year due to the availability of further primary data.
[h] The emissions are disclosed outside of Scope 1 in accordance with the Greenhouse Gas Protocol Standard.
[i] The emissions are disclosed outside of Scope 2 in accordance with the Greenhouse Gas Protocol Standard.
[j] The emissions are disclosed outside of Scope 3 in accordance with the Greenhouse Gas Protocol Standard. Only biogenic emissions from category 3.12 are included in the calculation. We do not have any information about other biogenic emissions along our value chain.
[k] Offsetting relates to carbon credits utilized in the reporting year.
[l] The sales revenue used to calculate the GHG intensity corresponds to the sales revenue in the report on the Results of Operations (see page 46).
[z] Emissions labeled with this footnote are included in our Scope 1 and Scope 2 emissions target.

BASF reports its Scope 2 emissions using the market-based approach in accordance with the Greenhouse Gas Protocol. In 2024, the share of total electricity consumption determined in accordance with the market-based approach was 45.9%. Contractual instruments such as energy attribute certificates (Guarantee of Origins, I-RECs), also in the form of power purchase agreements, local contracts to source renewable energy and supplier-specific electricity labels are used for this purpose.

Information on methodologies, significant assumptions, factors and calculation tools that are used to calculate direct greenhouse gas emissions can be found among other places in General Disclosures in the Sustainability Statement from page 150 onward. We use supplier data where possible to calculate our market-based Scope 2 emissions. Where such data is not available, we rely on country-specific residual mix and grid-average emission factors respectively. In this case we use information from the International Energy Agency and the United States Environmental Protection Agency, among other sources. When calculating our Scope 3 emissions, we prefer to use primary data in particular for category 3.1. In the case of secondary data, we rely on leading life cycle analysis databases.

The following table explains the calculation approaches used for the individual Scope 3 categories.

Calculation methodologies for Scope 3 categories

Scope 3 category		Calculation methodology
1	Purchased goods and services	The raw materials-related Scope 3.1 emissions are calculated per raw material, purchasing BASF company and supplier in those cases in which a supplier-specific PCF is available for the raw material. If no supplier-specific PCF is available, we use PCF values from databases (industry association data, GaBi, ecoinvent), publications or expert estimates. We record the packaging used globally and break it down into categories for which life cycle inventories were created. The data for technical goods and services is recorded by Procurement. Based on the SCI (Standard Industrial Classification) system, the segments are assigned a code, which is used to calculate emissions using emission factors from DEFRA (the United Kingdom Government's Department for Environment, Food and Rural Affairs).
2	Capital goods	See the calculation for emissions from technical goods and services (3.1)
3	Activities related to fuels and energies (not included in Scope 1 or Scope 2)	Fuel used and purchased volumes of electricity and steam are captured annually in an internal BASF EHS database. Emissions from fuel usage are calculated using regionally differentiated emission factors from the GaBi database, based on the type of fuel involved (coal, natural gas, LPG, light and heavy heating oil). The fuels used to generate purchased electricity and steam are determined using regional average values, after which the emissions are calculated in the same way as for purchased fuels. A conversion efficiency of 37% for electricity and 82.5% for steam is assumed.
4	Upstream transportation and distribution	Emissions are calculated on the basis of emission factors from EcoTransIT. Where no information about transportation distances is available, these are estimated by experts. It is assumed that almost all goods are transported by truck. Exceptions to this are the transportation of raw materials and naphtha in Europe and the transportation of all industrial gases and natural gas. In these cases the assumptions published by CEFIC (the European Chemical Industry Council) are used.
5	Waste generated in operations	A distinction is made in waste disposal between solid waste and wastewater. In addition, a distinction is made between different disposal routes for solid waste. It is assumed that the carbon content of solid waste corresponds to the average carbon content of the purchased raw materials. In the case of incineration, total conversion into CO_2 is assumed. In the cases of incineration plus energy recovery and landfill, emission factors from the ELCD (European Reference Life Cycle Database) are used. CO_2 emissions from wastewater are calculated on the basis of experts' estimates of the carbon content. Potential nitrous oxide emissions are not taken into consideration. In the case of sewage sludge treatment, only disposal via incineration and the resulting CO_2 emissions are included. It is assumed that no landfill is used and hence that no methane emissions arise.
6	Business travel	Data is captured by the travel agents commissioned by BASF and by other mobility service providers. If no primary data is available from these service providers, we use emission factors from DEFRA (flights, rental cars and trains) and the U.S. Environmental Protection Agency (EPA) (train travel and rental cars).
7	Employee commuting	Emissions are determined on the basis of a survey of BASF SE employees and then estimated on this basis for all employees in Europe. We use statistical data for the other regions. DEFRA data are used for the emission factors in Europe and Asia Pacific, and EPA data for North and South America.

Calculation methodologies for Scope 3 categories

Scope 3 category	Calculation methodology
8 Upstream leased assets	This category comprises leased cars, leased office and storage space and leased equipment. Average values provided by the manufacturers are used for leased cars, broken down by drive system and engine size. In the case of electric vehicles we use the regional CO_2 emission factors from the IEA (International Energy Agency). Since data availability varies, we extrapolate global emissions on the basis of BASF SE data and the number of staff. Emissions for leased office and storage space are calculated using the IEA's regional emission factors for electricity and internal standard values for steam. Energy consumption is assumed by region per m^2 on the basis of average values. Emissions from leased equipment are calculated in the same way as emissions from technical goods (3.1).
9 Downstream transportation	Greenhouse gas emissions from BASF's freight transports are calculated as well-to-wheel (WtW) emissions using the EcoTransIT World (ETW) IT solution, drawing on transportation data from BASF's ERP system.
11 Use of sold products	This category comprises direct emissions in BASF products' use phase. Since most products undergo further processing, this primarily relates to CO_2 that is passed on to the food industry; emissions from blowing agents needed to produce polyurethane foams; emissions from the production of polyurethanes from polyol and isocyanates; and emissions from the use of fertilizers, urea and carbonates (baking powder). We use our own purchase and sales volume data to calculate the emissions.
12 End-of-life treatment of sold products	Sales volumes and the carbon content of BASF's sales products are used to calculate emissions. It is assumed that the products are disposed of in the regions in which they were sold. Regional differences in disposal routes are taken into account. The annual shares of the different disposal routes for municipal waste are taken from the following sources: Eurostat, OECDStat, UNStats and IDB. In the case of waste disposal by incineration or landfill, it is assumed that all the carbon contained in the product is ultimately emitted as CO_2.
15 Investments	Greenhouse gas emissions from joint ventures and associated companies accounted for using the equity method and not included in BASF's Scope 1 and Scope 2 emissions. Emissions from production sites are captured directly using a database query.

Internal carbon pricing

E1-8

We use shadow prices in the form of price projections to factor in the costs of CO_2 emissions when assessing investment projects. These shadow prices differ by region (Europe, Asia and North America) and represent the expected developments in these economic areas in the decades up to 2050. In view of the different ways in which the global economy could potentially develop, BASF currently uses three different scenarios (for more on the scenarios see page 180), which are also used to analyze transition risks. The scenarios and the prices derived from them were developed together with an external cooperation partner. The fundamental drivers for the scenarios are different societal preferences and, building on these, climate and economic policy objectives. The result is a price per metric ton of CO_2 equivalents of up to €340, depending on the year. This is used for all Scope 1 and Scope 2 emissions caused by investments (capex) by our companies worldwide, and is included in the cost calculations. As a result, the emissions caused or reduced are directly included in the decision-making process. This favors investments in low-emission measures and measures that contribute to reducing emissions.

Since the investments will be made in the future, they are not included in the reported emissions for the business year. Consequently, the Scope 1, Scope 2 and Scope 3 emissions for the current year covered by shadow prices amount to 0 metric tons of CO_2 equivalents in each case. In the Consolidated Financial Statements, the shadow prices were only used for the valuation of the climate protection agreement that BASF concluded with the Federal Republic of Germany to fund a heat pump at the Ludwigshafen site.

E2 Pollution Prevention

ESRS E2

We work continuously to reduce environmental impacts caused by our business activities. This includes preventing or reducing emissions to air and water, which we achieve first and foremost by operating our plants safely and efficiently. We are also committed to our responsibility for environmental protection throughout the entire value chain in order to reduce the impacts on air and water. In addition, we develop product solutions for our customers that enable them to reduce emissions.

ESRS 2 IRO-1

As part of our double materiality assessment conducted in 2024 (see page 167), the topic Environment was identified as material. In particular, the assessment identified emissions to air and water as relevant subtopics for the business activities of BASF. Emissions to air in the form of air pollutants, such as nitrogen oxides and ammonia, are produced in connection with energy generation and in our production processes. We use water as a coolant, solvent and cleaning agent as well as to make our products. We utilize waterways for the purpose of transporting goods. Most of the water used at our production sites is purified and largely reused multiple times, before being discharged as wastewater. Organic substances and heavy metals, for instance, are thus emitted.

Our double materiality assessment reveals nine material impacts on the environment and two material risks for BASF (see the table "Results of the double materiality assessment").

Results of the double materiality assessment for E2 Pollution Prevention: Impacts

Impacts	Evaluation	Placement in the value chain	Description
Regular emissions to air (excluding greenhouse gases; GHG) in connection with the manufacture of extracted raw materials	Negative	Upstream value chain (mining/mineral extraction industry)	Emissions to air (excluding GHG) contributing to air pollution are generated in connection with the mining and extraction of raw materials in our upstream value chain in the mining and mineral extraction industries.
Regular emissions to air (excluding GHG) in connection with the production of precursors and intermediates	Negative	Upstream value chain (excluding mining/ mineral extraction industry)	Emissions to air (excluding GHG) contributing to air pollution are generated by the production of precursors and intermediates in our upstream value chain.
Regular emissions to water	Negative	Upstream value chain	Emissions to water contributing to water pollution are generated by the production and extraction of raw materials, precursors and intermediates in our upstream value chain.
Regular emissions to air (excluding GHG)	Negative	BASF's own operations	Emissions to air (excluding GHG) contributing to air pollution, such as nitrogen oxides, particles and volatile organic compounds (VOCs), are generated in connection with production in our plants.
Regular emissions to water	Negative	BASF's own operations	Emissions to water contributing to water pollution, such as nitrogen compounds, organic substances and heavy metals, are generated in connection with production in our plants.
Regular emissions to air (excluding GHG) in connection with the usage, further processing, transport, storage and disposal of our products	Negative	Downstream value chain	Emissions to air (excluding GHG) contributing to air pollution are generated in connection with the usage, further processing, transportation, storage and disposal of our products by our customers.

Results of the double materiality assessment for E2 Pollution Prevention: Impacts

Impacts	Evaluation	Placement in the value chain	Description
Regular emissions to water	Negative	Downstream value chain	Emissions to water contributing to water pollution are generated in connection with the usage, further processing, transportation, storage and disposal of our products by our customers.
Chemical leakages	Negative, potential	BASF's own operations, upstream and downstream value chain	Potential chemical leakages in our own operations, as well as in upstream/downstream processing, may result in pollution of water and therefore environmental pollution.
Impact on human health and the environment of substances of (very high) concern	Negative, potential	Downstream value chain	Due to the sale of products containing substances of concern or of very high concern, irresponsible and improper handling of these products in the downstream value chain may result in water or soil pollution or to an adverse impact on the environment or human health.

Results of the double materiality assessment for E2 Pollution Prevention: Risks and opportunities

Risks	Evaluation	Description
Increased costs for water treatment due to regulatory changes.	Negative	Regulatory developments concerning emissions to water may require investments in our infrastructure and upgrades to our systems.
Regulations with respect to substances of (very high) concern may have a negative impact on the market, for procurement, BASF's own production or sales.	Negative	Regulatory changes on substances of concern or of very high concern, such as their restriction, may limit the availability of relevant raw materials and negatively impact market behavior and customer acceptance.

As a result of our double materiality assessment, emissions into the soil are not deemed as material for BASF. Moreover, generated and used microplastic does not represent a material topic for BASF either. We systematically record all short and long-term opportunities and risks linked to environmental impacts as part of our general opportunity and risk management (for additional information, see page 87 onward).

We considered all BASF sites and their operations as the basis for the double materiality assessment. Emissions to air and water are systematically documented and reviewed in a Group-wide database. Pollutant-related impacts are assessed and documented continuously. In addition, the screening of new sites includes environmental impact assessments by independent third parties. As part of internal approval processes, risks associated with environmental impacts are assessed and documented in an environmental statement. When assessing the upstream and downstream value chain, we are aware of the risks associated with the production and handling of chemical substances and draw on our own experience.

We aim to even better understand our impact on our environment in terms of emissions to air and water and include the perspectives of surrounding communities in our decision-making and activities. We are therefore committed to dialog based on a spirit of trust and maintain close relations with surrounding communities at our BASF sites. We provide information on the topic of emissions to air and water, issue updates on the latest developments, set up hotlines for immediate contact and availability as well as hosting neighborhood forums where concerns about environmental impacts, such as emissions to air and water, can be voiced (see also page 308). In addition, we participate in dialog forums and advisory

bodies, such as our Nature Advisory Council, which we established together with external specialists, where we discuss topics related to nature and biodiversity (for more information, see page 309). Since 2023, we have also been using the new stakeholder engagement format of the Sustainability Lab, where around 100 external and internal experts discuss specific issues concerning sustainable development from various perspectives (for more information, see page 166). Also in the future, we plan to conduct the Sustainability Lab format on an event-driven basis.

» For more information about the BASF Nature Advisory Council, see basf.com/en/nature-advisory-council

» For more information on the BASF Sustainability Lab, see basf.com/en/sustainability-lab

Strategy and governance

E2-1

Explanations of our overarching policies in respect of scope of application, accountability, impacts in the value chain, global applicability, accessibility to stakeholders and engagement thereof, see General Disclosures in our Sustainability Statement on page 151 onward. These include, among other things, our Responsible Care Management System and, as part of this, our global standards in terms of environmental protection, process safety, product safety and transportation safety as well as emergency and crisis management. BASF's position on water protection, our risk-based sustainability management for procurement and the Supplier Code of Conduct can also be found there.

Environmental protection in our production

With its "Winning Ways" strategy, BASF intends to continue to drive forward the transformation of its production operations and its product portfolio. In order to prevent or reduce negative environmental impacts due to regular emissions to air and water, as well as due to potential product spills and leakages into water, a holistic approach is needed to ensure efficient and resource-saving production and continuous monitoring to protect the environment.

We have therefore established comprehensive management and control systems for our own production. BASF is actively involved in the International Council of Chemical Associations' (ICCA) global Responsible Care® initiative. Our Responsible Care Management System, based on the eponymous initiative, not only encompasses occupational health and safety requirements and standards (see page 278 onward), but also environmental protection. We aim to further reduce emissions to air from our production by means of process improvements and new technologies. Similarly, we strive to reduce negative impacts on water quality as part of responsible handling of water as a resource and sustainable water management. This is also set out in our position paper on water protection.

» For more information on our position paper on water protection, see basf.com/water

We have defined our global standards for emissions to air and water in Group-wide requirements, the implementation and compliance of which is the responsibility of the sites and Group companies. The requirements also cover the aspects of process and transportation safety in order to prevent production and transportation-related product spills and leakages into air and water as effectively as possible (for more information, see page 209 onward). For example, these stipulate that water protection concepts must be implemented at all production sites in order to prevent unforeseen emissions and the pollution of surface or ground water. We continuously update our requirements and guidelines, which can be accessed via an internal BASF database. To this end, we also exchange information with authorities, associations and international organizations. We also exchange information, experiences and practical examples via the global BASF network of experts.

Our emissions to air and wastewater are subject to stringent controls. We assess their impact carefully and in compliance with applicable laws and regulations. In this context, we also evaluate whether regulatory developments concerning emissions to air and water require investments in our infrastructure and the further development of our systems. The chemical industry is facing substantial risks due to changes to and reforms of regulatory requirements or approval conditions, including in relation to the areas of environmental protection, biodiversity and ecosystems. More stringent regulations may limit the approval, use or marketing of certain chemicals. BASF plans to respond to regulatory changes with a combination of proactive and reactive measures. These include continuous monitoring, analysis of the regulatory framework and steering of our product portfolio using the TripleS (Sustainable Solution Steering) method. We also invest in research and development in order to continuously develop chemicals with improved toxicological and ecotoxicological properties and thus meet the new requirements. Moreover, BASF is committed to working closely with stakeholders and regulatory bodies to ensure that company practices comply with the latest standards.

Continuous monitoring, documentation and control of emissions to air and water as well as the implementation of measures for improvement are an integral part of our environmental management. The Corporate Center unit Corporate Environmental Protection, Health, Safety & Quality monitors this regularly by means of Responsible Care audits. We pursued a risk-based approach in the 121 audits carried out in 2024. In addition, responsible local authorities regularly inspect whether the analyses and safety precautions at our sites comply with internal and legal requirements.

In developing our business strategies, we also consider the resilience of our business models with regard to economic, ecological and social aspects, as well as their impacts, risks and opportunities. As part of our opportunity and risk management system, strategic risks connected with material economic, ecological and social matters are evaluated, among other things (for additional information, see page 87 onward). The strategies of our business units are updated on a regular basis. This is done either individually at business unit level or as part of the overarching operating division strategy, and involves specialists from the business unit or operating division concerned and from our central strategy unit. In 2024, we have piloted a method to address material topics in the strategies of the business units over the next ten years. Depending on the extent of the strategy revision, resilience reviews, regulatory aspects and stakeholder expectations can be included to estimate future market developments. Upstream and downstream value chains can also be taken into account. In addition, we use our TripleS method to review the resilience of our product portfolio with regard to environmental and social aspects.

Process, product and transportation safety

In particular, the reliable and safe operation of our plants, which form the core of our business, represents a key element of our Responsible Care Management System. We take extensive preventive measures in order to counteract incidents at our plants – such as product spills and leakages into water – and continuously improve our production processes. Opportunities arise in particular in the automation and digitalization of processes.

The topic categories of product and transportation safety, emergency response and remediation, soil and groundwater also form part of our Responsible Care Management System. With comprehensive safety concepts and globally binding standards and requirements, we aim to prevent resulting environmental damage to the best extent possible, such as product spills and leakages into air and water. Here, we rely on comprehensive preventive measures and clearly defined responsibilities. We review the guidelines by means of regular audits. We continuously further develop our production and logistics processes as well as our approach to product stewardship.

As a chemical company, we also transport dangerous goods. We want to ensure that our products are loaded, transported and handled in accordance with the relevant regulations and their hazard potential, thereby minimizing the risk along the entire transportation chain. To this end, the managers responsible and their employees are regularly trained, advised and supervised by our transportation safety experts, and the reliability of logistics partners is regularly reviewed. All BASF products intended for transportation must be clearly identifiable, classified, securely packaged and labeled.

Should a crisis situation, however, be caused by process safety incidents, product spillages or other emergencies, we wish to be as well prepared as possible at global, regional and local level. We have established structures and processes for emergency preparedness and emergency response that enable an effective response. Our emergency and crisis management focuses on the protection of our employees, contractors and neighbors, the safety of our plants and the protection of the environment. Unusual incidents are recorded and reported centrally in accordance with a standardized Group-wide procedure (e-Rapid Incident Report). The aim is to identify risks at an early stage and, if necessary, initiate appropriate remedial and communication measures. Incidents are followed up on to identify potential for improvement, which is integrated into existing concepts as needed.

We continually invest in reducing the impact of our actions on the environment. By means of Responsible Care audits in the areas of "Organization and management system," "Product stewardship," "Transportation safety," "Process safety," "Environment (air, water, waste)" and "Emergency response," we are able to verify compliance with our policies. We also establish appropriate provisions for environmental protection measures, including provisions for the remediation of contamination at our sites (for additional information, see Note 22 to the Consolidated Financial Statements on page 409).

Emissions to soil were not material in the reporting year (see page 206). Nevertheless, contamination exists at former and active sites, and/or at sites for which we have taken on responsibility in connection with acquisitions. It is our principle to manage these contaminated sites in close consultation with the responsible authorities in such a way that no negative impacts arise on the environment. We develop remediation solutions that aim to balance nature conservation and climate protection concerns, costs and social responsibility. These site and case-specific measures take into account the legal frameworks and currently available technology. We document contamination risks and the status of soil and groundwater for our sites worldwide in a database. Ongoing remediation work continued on schedule in the reporting year and planning was completed for further measures.

In order to minimize the impact of substances of concern and substances of very high concern on human health and the environment in the downstream value chain, such substances are used in accordance with statutory requirements, such as the EU's REACH regulation. In addition, our TripleS method for steering the sustainability performance of our product portfolio (see page 161) takes into account substances of concern and of very high concern with a view to proactive portfolio and substitution planning.

For more information on substances of concern or of very high concern, as well as their potential impact on human health and the environment, see Substances of concern or of very high concern in this chapter on page 218 onward.

Responsibility in our value chain

We are also committed to our responsibility for environmental protection throughout our entire value chain in order to reduce the impacts of regular emissions to air and water and potential product spills and leakages. Alongside production at our plants and the activities at our sites and warehouses, this also applies to the procurement and transport of our raw materials as well as the distribution and usage of our products.

For our **upstream value chain**, our procurement organization has established guidelines in a global risk-based management system that define how we implement our due diligence processes. We have defined corresponding standards in a global requirement. We continuously enhance this requirement and our structures and processes in order to adapt to changing conditions. Procurement requirements and targets are set centrally and are binding for all employees with procurement responsibility worldwide. We endeavor to ensure compliance with these guidelines using a multistage control process. The unit-specific risk management systems of our business units are supported and monitored during implementation according to minimum standards set by the Corporate Center units. The Corporate Audit unit, as the third instance involved, monitors the effectiveness of and compliance with risk management. Our management processes are activated in the event of specific incidents (see pages 297 and 301). We expect our suppliers to comply with internationally recognized environmental standards. Our expectations are set out in our global Supplier Code of Conduct (see page 295), which is part of our risk-based management system and integrated into our procurement conditions. It is based, among other things, on the Ten Principles of the United Nations Global Compact initiative and ICCA's Responsible Care® program and also includes emissions to air and water.

As part of our supplier management, we review compliance with our required criteria when selecting suppliers and assessing new and existing supplier relationships. We instruct our suppliers to reduce regular emissions to air and water and to prevent product spills and leakages in upstream processing. We arrange for third parties to evaluate suppliers with a high sustainability risk. Supplier assessment is mainly performed as part of the chemical industry's Together for Sustainability initiative (TfS), either through on-site audits by TfS-approved auditors or through sustainability assessments based on online assessments via the rating agency EcoVadis. Depending on business requirements, we perform our own Responsible Care audits at selected contract manufacturers if material risks have been identified with respect to environmental protection. This also includes emissions to air and water.

In our **downstream value chain**, we continuously want to collaborate with our customers on the development of innovations and solutions that are designed to enable their green transformation and make a significant contribution to sustainability (for more information on steering the sustainability performance of our product portfolio using the TripleS methodology, see page 161 onward). We offer our customers a wide range of products that enable them to reduce regular emissions to air or water, from industrial process catalysts and fuel additives to high-performance plastics for manufacturing ultrafiltration membranes and the precursors used to produce coagulants for water treatment.

We have also established relevant global management systems in our downstream value chain. We address the safe handling and application of our chemical raw materials and products as part of our product and transportation safety management, for example. BASF regards product stewardship as an integral component of all business processes, as a key element of our risk management system and as a vital pillar of our commitment to Responsible Care®. We aim to continuously minimize negative impacts on humans and the environment and to improve the safety and sustainability of our products on an ongoing basis.

Before our products are launched on the market, they undergo various tests and assessments – depending on legal requirements and their application profile. These tests enable us to identify potential hazard characteristics as well as health and environmental risks at an early stage. On the basis of the results, we devise precautionary and protective measures and develop recommendations on safe handling – from production to application through to transport and disposal – in order to prevent potential product spills in downstream processing, for example.

By systematically implementing external and internal requirements, we also aim to ensure in the downstream value chain that our customers receive their goods in harmless condition as well as in safe packaging and transport containers. To this end, we rely on the qualified selection, approval and clear labeling of packaging and transport containers as well as the accompanying transport documents and multiple checks. We communicate product safety information via our safety data sheets. These contain, for example, information on the physicochemical, toxicological and ecotoxicological properties of our products, as well as on potential hazards, first aid measures, measures to be taken in the case of accidental release and disposal, and on safe handling. We also wish to contribute to the prevention of leakages and emergencies and to mitigating and limiting their impacts. Should an emergency occur, however, we provide our customers with the support of our expert network.

Actions

E2-2

Our actions for avoiding and minimizing environmental pollution often entail decentralized activities, projects and initiatives. They have not been assigned to any centrally managed action plan. Instead, they – like our management and monitoring systems – aim to ensure continuous optimization and further development and fall within the responsibility of the sites and Group companies concerned. This goes hand in hand with the BASF approach to sustainability steering (see page 152).

Actions in our own production

Our activities for avoiding and minimizing environmental impacts due to regular emissions to air and water take effect right at the start of the product life cycle: We invest continuously in research and development (for additional information, see page 37 onward) in order to design products in such a way that their impacts on the environment are as minimal as possible. Drawing on TripleS – an instrument used to steer our product portfolio based on the sustainability performance of our products – we review our relevant global product portfolio continuously, but at least every four years (for more information, see page 161).

Moreover, we evaluate the effectiveness of our actions as part of our Responsible Care audits in the categories of "Organization and management system," "Product stewardship," "Transportation safety," "Process safety," "Environment (air, water, waste)" and "Emergency response."

Thanks to our focus on operational excellence (see also page 190), we continuously design our plants and processes to be more efficient and resource-saving. This creates direct incentives for investing in efficiency projects and contributes to reducing emissions. Corresponding projects address all levels of the mitigation measure hierarchy: Prevent, reduce, recapture and reuse, restore and regenerate. We therefore further reduce regular emissions to air through various actions, such as lowering the emission of nitrogen oxides using catalysts and feed waste gases back into the production process.

When it comes to emissions to water, our approach is to reduce wastewater volumes and contaminant loads at the source in our production processes and to reuse wastewater and material flows internally as far as possible. To treat wastewater, we use both central measures in wastewater treatment plants and the selective pretreatment of individual wastewater streams before these are sent to the wastewater treatment plant. We use different methods depending on the type and degree of contamination – including biological processes, chemical oxidation, membrane technologies, precipitation or adsorption. At our Verbund site in Freeport, Texas, we commissioned a membrane bioreactor for treating wastewater in 2023, which improved the capacity and cleaning performance of the wastewater treatment plant. In the medium term, the treated wastewater is to be reused, thereby reducing the need for freshwater. Depending on the local situation, we also implement actions together with other stakeholders. For example, at the Tarragona site in Spain, we are working with our water supplier AITASA and other companies to further expand wastewater reuse in the medium term.

As part of our water protection concepts, we regularly conduct risk assessments of our wastewater, evaluate it in terms of its risks and derive suitable monitoring measures.

In order to take preventive action against environmental impacts due to potential product spills and leakages, such as into water, we set demanding safety standards when planning, building and operating our plants around the world. These meet and, in some cases, go beyond local legal requirements. Our experts develop a safety concept for every plant that takes into account the key safety, occupational health as well as environmental protection aspects – from plant design to the end of production – and stipulates corresponding protective measures. In order to maintain a high level of safety at our plants worldwide over their entire life cycles, we carry out implementation checks at regular intervals and dependent on the risk potential to verify the implementation of our safety concepts. We regularly update the safety and protection concepts of our plants. Here, we particularly take new findings, technological opportunities and regulatory developments into account.

To reduce process safety incidents, we focus in particular on technical measures, digital solutions and on a leadership culture that places even greater focus on process safety and dealing openly with mistakes. We use the rate of High Severity Process Safety Incidents (hsPSI) per 200,000 working hours as a reporting indicator (for information on the external validation of metrics, see General Disclosures on page 151).

By 2030, we aim for a rate of no more than 0.10 High Severity Process Safety Incidents per 200,000 working hours.[1] In 2024, we recorded a global rate of 0.03 hsPSI per 200,000 working hours (2023: 0.05). The rate of process safety incidents (PSI rate; number of process safety incidents per 200,000 working hours) was 0.22 in 2024 (2023: 0.29). In addition, we are continually refining our training methods and offerings to increase risk awareness and strengthen our safety culture. In North America, a campaign was launched in 2023 with the aim of promoting behaviors that contribute to responsible and competent safety practices. To engage their teams in discussions on these topics, leaders have specific tools at their disposal. One example is an instrument known as the "Safety Moment": short, illustrative presentations with thought-provoking ideas on safety, which can be used routinely to kick off meetings and events. In internal and external networks, through our involvement in associations such as the ICCA, the European Process Safety Centre (EPSC) and the Center for Chemical Process Safety (CCPS), as well as through our dialog with authorities, we make an active and continuous contribution to improving process safety around the world.

In the event of process safety incidents, their handling initially falls within the remit of local crisis organizations and/or local emergency response. We have implemented precautionary organizational measures with clearly defined responsibilities and procedures at all sites for this purpose. The employees responsible receive regular training. This includes safety and emergency drills, which vary in scope and the number of people involved. Depending on the situation, we also involve business partners and our sites' communities, such as cities or neighboring companies, both in drills and in the event of an emergency. Additional teams may be called in for emergencies, depending on the development of the damage extent. The Global Crisis Management Support Team (GCMS), led by a member of the Board of Executive Directors, is activated in the event of a global crisis situation. It provides the strategic direction for crisis management and is supported by issue-specific and specialist working groups.

We use a range of tools to minimize transport risks, such as impacts on the environment due to potential product leakages. For every dangerous good, we verify whether the packaging has been approved for that product and is suitable for the type of transport. We conduct digital dangerous goods checks before shipping orders are released. Vehicles are subjected to a thorough dangerous goods check prior to loading and rejected if there are any issues. Above and beyond this, we use our global requirements to specifically assess the safety and environmental risks of transporting and handling raw materials and sales products with high hazard potential. This is based on the guideline Safety Risk Assessment for Chemical Transport Operations of the European Chemical Industry Council (CEFIC). We stipulate worldwide requirements for our logistics service providers and assess them in terms of safety and quality. Our experts use our own tools as well as internationally approved schemes for evaluation and monitoring. These include the ship inspection reports issued by the Chemical Distribution Institute (CDI). We remain involved in external networks, which quickly provide information and assistance in emergencies. These include the Intervention in Chemical transport Emergencies (ICE) initiative and the German Transport-Accident-Information and Emergency-Response-System (TUIS), in which BASF plays a coordinating role. We apply the experience we have gathered in the course of this involvement to improve our own processes and set up similar systems in other countries.

[1] Working hours by BASF employees, temporary workers and contractors.

Actions in the value chain

We are committed to minimizing the impacts of regular emissions to air and water as well as of potential product leakages into water throughout our entire value chain. To this end, we work together with our suppliers and numerous partners. Ongoing initiatives serve the purpose of continuous optimization and further development.

In the **upstream value chain**, we take a closer look at suppliers in critical supply chains, such as those for mineral and renewable raw materials and a range of pigments, using a risk-based approach. Upstream stages of the value chain are assessed in respect of serious sustainability risks, with suitable remedial measures instigated where necessary (see pages 297 and 301). In shared initiatives with suppliers and other partners, we also develop and test approaches to making the supply of raw materials more sustainable. We work continuously to switch to more sustainable alternatives for raw materials and to reduce the use of raw materials in the manufacture of our products, such as by means of more efficient processes and innovative technologies.

This also enables us to provide our customers in the **downstream value chain** with more sustainable solutions and reduce emissions.

With TripleS, we have established a steering tool for our product portfolio based on the sustainability performance of our products (for more information, see page 161). Based on this, we review our relevant global product portfolio continuously, but at least every four years. In 2022, we updated the TripleS method in order to further steer our product portfolio toward climate protection, climate neutrality and circular economy. In addition to implementing new regulatory requirements, we are actively driving forward the adaptation and further development of our production processes with the aim of reducing the environmental footprint of our products. Criteria for mitigating environmental impacts, such as reducing emissions to air and water or new approaches to water purification, also form part of the evaluation process. If products with sustainability concerns are identified, we classify them as part of TripleS either as Monitored, or in the case of significant concerns, as Challenged. A description of potential actions is mandatory for both categories. In the event of significant challenges, we develop action plans to optimize the products or replace them with alternative solutions. These include research projects and reformulations to optimize products or replace them with alternative products. To consistently make our portfolio more sustainable, we are generally phasing out all Challenged products within five years of their initial classification.

» For more information on TripleS, see basf.com/en/sustainable-solution-steering

Together with partners and in dialog with stakeholders in the food value chain, we continuously drive projects aimed at promoting sustainable agriculture. Improper use of our crop protection and seed products may have a negative impact on human health and the environment. We are therefore focusing our smart stewardship activities on education and continuously improving our solutions for farmers through the use of digital tools and innovative technologies. Alongside aspects such as efficacy and productivity, this includes also safe use by our customers and impact on the environment. All of BASF's crop protection products can be used safely under local farming conditions if the information and directions on the label are followed. If they have any questions, complaints or issues, our customers can contact us through various channels, for example, by calling the telephone number printed on all product labels, using the contact forms on our websites or by approaching our sales employees directly. We record all product incidents relating to health or the environment that come to our attention in a global database. If necessary, we take appropriate measures on the basis of this information to minimize preventable incidents. These include updating the instructions for use on product labels. We communicate these changes and general recommendations on the safe use of our products through channels such as our global training and education activities.

» For more information on smart stewardship, see basf.com/smart-stewardship

In order to protect the water as a resource, deepen our knowledge and share our expertise with others, we cooperate with numerous partners along the value chain and from civil society. We are, for example, a member of the Alliance for Water Stewardship, which, with its Strategy 2022–2030, calls for collective action to tackle shared water challenges. In addition, we are continuously involved in networks such as the Alliance to End Plastic Waste (AEPW), the World Plastics Council and Operation Clean Sweep® to prevent waste from plastic production from entering water bodies. In South America, we support sustainable development activities, including in the area of water, through Fundação Eco+.

Global targets

E2-3

In our global sustainability-related corporate targets (for additional information, see page 31 onward), we see effective levers in terms of environmental protection in general. These include our climate targets to reduce our greenhouse gas emissions, our target of closing loops, our TripleS target, our sustainable water management target and our responsible procurement target.

We also endeavor to minimize potential incidents impacting the environment through our targets for resource-efficient and safe production, particularly our process safety target. A process safety incident, however, does not necessarily have a negative impact on the environment. From 2025 onward, the environmental impacts from process safety incidents will – as is already the case for transportation incidents with significant environmental impacts – be systematically recorded in a global database.

In 2024, we had no transportation incidents with significant impacts on the environment.

BASF does not have a specific reduction target for emissions to air (excluding GHG) and water in the topic category Pollution Prevention. All relevant indicators are monitored and published on a regular basis (see Metrics on page 216 onward). The ways in which we track the effectiveness of our policies is discussed in the section Strategy and governance from page 207 onward.

We discuss the sustainability topics that are material for BASF at regular meetings with external stakeholders, forming part of our strategic stakeholder engagement activities, and in discussions with investors. Through this, the expectations of our stakeholders are continuously taken into account when setting potential targets.

Metrics

Emissions to air and water

E2-4

Emissions to air and water in 2024 (excluding GHG)[a]

Pollutant	Emissions to air in kg per year	Emissions to water in kg per year
Carbon monoxide (CO)	1,841,646	–
Ammonia (NH_3)	1,894,780	–
Nonmethane volatile organic compounds (NMVOCs)	2,622,097	–
Nitrogen oxides (NO_x/NO_2)	7,596,114	–
Sulfur oxides (SO_x/SO_2)	905,966	–
Total nitrogen	–	1,875,809
Total phosphorus	–	172,297
Hydrochlorofluorocarbons (HCFCs)	15,667	–
Chlorofluorocarbons (CFCs)	181	–
Halons	198	–
Arsenic and compounds (as As)	53	483
Cadmium and compounds (as Cd)	20	45
Chromium and compounds (as Cr)	123	326
Copper and compounds (as Cu)	–	2,212
Mercury and compounds (as Hg)	20	–
Nickel and compounds (as Ni)	680	1,812
Lead and compounds (as Pb)	–	34
Zinc and compounds (as Zn)	835	7,322
Alachlor	–	–
Aldrin	–	–
Atrazine	–	–
Chlordane	–	–
Chlordecone	–	–
Chlorfenvinphos	–	–
Chloro-alkanes C_{10}–C_{13}	–	–
Chlorpyrifos	–	–
DDT	–	–
1,2-Dichloroethane (EDC)	1,867	–
Dichloromethane (DCM)	11,730	–
Dieldrin	–	–
Diuron	–	–
Endosulphan	–	–
Endrin	–	–
Halogenated organic compounds (as AOX)	–	37,452
Heptachlor	–	–
Hexachlorobenzene (HCB)	–	–
Hexachlorobutadiene (HCBD)	–	–
1,2,3,4,5,6-Hexachlorocyclohexane (HCH)	–	–
Lindane	–	–
Mirex	–	–
PCDD + PCDF (dioxins + furans) (as TEQ)	–	0.03
Pentachlorobenzene	–	–
Pentachlorophenol (PCP)	–	1
Polychlorinated biphenyls (PCBs)	–	–
Simazine	–	–
Tetrachloroethylene (PER)	–	–
Tetrachloromethane (TCM)	1,025	–
Trichlorobenzene (TCB) (all isomers)	2,604	–

Emissions to air and water in 2024 (excluding GHG)[a]

Pollutant	Emissions to air in kg per year	Emissions to water in kg per year
1,1,1-trichloroethane	–	–
1,1,2,2-tetrachloroethane	–	–
Trichloroethylene	–	–
Trichloromethane	5,625	–
Toxaphene	–	–
Vinyl chloride	–	–
Anthracene	–	–
Benzene	12,729	–
Brominated diphenylether (PBDE)	–	–
Nonylphenol and nonylphenol ethoxylates (NP/NPEs)	–	280
Ethylbenzene	–	–
Ethylene oxide	3,846	90
Isoproturon	–	–
Naphthalene	14,564	–
Organotin compounds (as total Sn)	–	–
Di-(2-ethyl hexyl) phthalate (DEHP)	–	–
Phenols (as total C)	–	4,698
Polycyclic aromatic hydrocarbons (PAHs)	–	–
Toluene	–	–
Tributyltin and compounds	–	–
Triphenyltin and compounds	–	–
Total organic carbon (TOC) (as total C or CSB/3)	–	3,485,782
Trifluralin	–	–
Xylenes	–	–
Chlorides (as total Cl)	–	243,528,382
Chlorine and inorganic compounds (as HCl)	134,044	–
Asbestos	–	–
Cyanides (as total CN)	–	4,399
Fluorides (as total F)	–	140,374
Fluorine and inorganic compounds (as HF)	–	–
Hydrogen cyanide (HCN)	3,163	–
Particulate matter (PM_{10})	584,650	–
Octylphenols and octylphenol ethoxylates	–	89
Fluoranthene	–	–
Isodrin	–	–
Hexabromobiphenyl	–	–
Benzo(g,h,i)perylene	–	–

[a] A hyphen (–) indicates that the parameter and medium in question do not trigger a reporting obligation or that the emissions are not above the threshold value.

For a description of our measurement methods on determining the quantities of substances emitted in connection with environmental pollution and a description of the data collection process for accounting and reporting in connection with the reduction of environmental pollution, as well as general information on the estimation or rounding of individual sustainability metrics, see General Disclosures from page 150 onward in our Sustainability Statement.

Substances of concern or of very high concern

E2-5

Substances of concern or of very high concern may represent an integral component of the chemical raw materials used for production or of chemical products. To this extent, a portion of our products, which are key input products in further industrial or professional value creation or application, contain substances of concern or of very high concern. We address the safe handling and usage of chemical raw materials as part of our product safety. BASF understands product safety to be an integral part of all business processes, as an important element of our risk management and as an essential pillar of our commitment to Responsible Care®.

We continuously work on ensuring our products – including those that may contain substances of concern or very high concern – pose no risk to people and the environment when they are used responsibly and in the manner intended. A thorough safety and risk assessment enables us to serve markets with innovative and more sustainable products that meet regulatory requirements while still responding to trends.

We aim to comply with all relevant national and international laws and regulations. The guidelines, requirements, processes and responsibilities described above in this chapter under "Strategy and governance," also pertain to the handling of substances of concern and of very high concern.

We document and evaluate the safety, health and environmental information for our substances and products in a global database. We update this information on an ongoing basis. The database forms the basis for communicating this information via our safety data sheets, which we provide to our customers in around 40 languages. These include information on physicochemical, toxicological and ecotoxicological properties of products, potential hazards, first aid measures, measures taken in the case of accidental release and disposal. Our global emergency hotline network enables us to provide information around the clock. To ensure that people who buy, sell, use, transport or dispose of our products can quickly find information about the products and their associated hazards, we use the Globally Harmonized System (GHS) to classify and label our products around the world, provided this is legally permissible in the country concerned. We take into account national or regional adaptations within the GHS framework if applicable, such as the EU's regulation on the classification, labeling and packaging of substances and mixtures (CLP Regulation).

If necessary, we advise our customers on product safety. We set global requirements on the safe transport of dangerous goods for our logistics providers (see page 213). We also train our employees worldwide on the proper handling and usage of selected products with special hazard potential. In associations and together with other manufacturers, BASF supports the establishment of voluntary global commitments to prevent the misuse of chemicals. We are also involved at national and international level in various initiatives to further develop risk assessments, such as that of the European Centre for Ecotoxicology and Toxicology of Chemicals (ECETOC).

With such efforts, we aim to ensure that these substances or products containing these substances with very high hazard potential are safely handled and to ensure that impacts on human health and the environment can be prevented.

Substances of concern and of very high concern are subject to strict regulatory supervision, and the list of restricted substances with hazardous properties is continuously growing. When a substance is added to a regulatory list, this can change both the future availability of raw materials and the market behavior of customers and consumers. Normally, such changes are planned well in advance and transparently, allowing the industry to prepare by taking suitable measures, such as substitution planning or the implementation of derogations. Our proactive TripleS steering instrument, for example, makes a substantial contribution to planning a sustainable portfolio. A potential material risk for value chains,

which would, however, not specifically affect BASF, could only arise in the event of an unforeseen proliferation of regulatory measures.

The substances of concern or of very high concern deployed by BASF in global value chains in the 2024 business year are stated in the following tables. As an integrated chemical company, BASF manufactures a broad portfolio of products, many of which are further processed by customers in the chemical industry. We handle the substances in our production appropriately and supply our customers with products that can be used safely if handled properly. As a B2B company, we market only a very small portion of our products directly to consumers and end users. The values listed in the tables also include multiple counts if several main hazard classes apply to a substance. The values therefore do not correspond to the total tonnages actually introduced into the downstream value chain.

Information about substances of concern (SoC) that are classified in one of the following hazard classes or hazard categories in Part 3 of Annex 4 of Regulation 1272/2008 (CLP Regulation)

Main hazard class[a]	Total volumes (aggregated) in metric tons per year[b]
Carcinogenity (Carc. 1; Carc. 2)	4,178,324
Germ cell mutagenicity (Muta. 1; Muta. 2)	2,058,739
Reproductive toxicity (Repr. 1; Repr. 2)	697,124
Endocrine disruptor for human health (ED HH 1; ED HH 2)[c]	–
Endocrine disruptor for the environment (ED ENV 1; ED ENV 2)[c]	–
Persistent, mobile and toxic (PMT) or very persistent and very mobile (vPvM)[c]	–
Persistent, bioaccumulative and toxic (PBT) or very persistent and very bioaccumulative (vPvB)[c]	–
Respiratory sensitization (Resp. sens. 1)	1,995,577
Skin sensitization (Skin sens. 1)	2,809,301
(Aquatic chronic 1; Aquatic chronic 2; Aquatic chronic 3; Aquatic chronic 4)	764,913
Damages the ozone layer (Ozone 1)	612
Specific target organ toxicity, repeated exposure (STOT RE 1; STOT RE 2)	3,442,402
Specific target organ toxicity, single exposure (STOT SE 1; STOT SE 2)	643,551

[a] Where components in a product/material are assigned to more than one main hazard class, the volume of components will be included in each hazard class, respectively.
[b] Emissions (separate reporting via environmental legislation) not included
[c] Not yet implemented part of the EU regulation

Information on substances of very high concern (SVHC) that correspond to the criteria pursuant to Article 57 and that have been identified pursuant to Article 59 (1) of the REACH regulation (EC) 1907/2006

Main hazard class as per REACH Article 57[a]	Total volume (aggregated) in metric tons per year[b]
Carcinogenity (Carc. 1A; Carc. 1B) (Article 57a)	289,788
Germ cell mutagenicity (Muta 1A; Muta 1B) (Article 57b)	224,046
Reproductive toxicity (Repr .1A; Repr. 1B) (Article 57c)	67,739
Persistent, bioaccumulative and toxic (PBT) Article (57d)	807
Very persistent and very bioaccumulative (vPvB) (Article 57e)	1,593
Substances – such as those with endocrine disrupting properties or those with persistent, bioaccumulative and toxic properties or very persistent and very bioaccumulative properties that do not meet the criteria of items d or e – that according to scientific knowledge probably have severe impacts on human health or on the environment, which give rise to an equivalent level of concern to those other substances listed under a to e and that are identified, on a case-by-case basis, in accordance with the procedure set out in Article 59 (Article 57f).	46,354

[a] Where components in a product/material are assigned to more than one main hazard class, as nominated in the candidate list, the volume of components in each hazard class will be included, respectively.
[b] Emissions (separate reporting via environmental legislation) not included

E3 Water

ESRS E3

Water is of fundamental importance in chemical production along the entire value chain. It is used as a coolant, solvent and cleaning agent, and to make our products. Waterways are used to transport goods. At the same time, water is a scarce commodity in an increasing number of regions. That is why we promote the responsible use of this resource with sustainable water management.

Our main business – the development, production and processing of chemicals – as well as the transportation of chemicals requires the responsible use of water as a resource. Firstly, we aim to use water as sparingly and efficiently as possible. Secondly, we want to minimize emissions of potentially harmful substances to water in our production processes and treat wastewater adequately. We address environmental, health and safety risks with a comprehensive Responsible Care Management System (see page 207).

ESRS 2 IRO-1

As part of our double materiality assessment conducted in 2024 (see page 167), the topic Water was identified as material. The assessment identified six material impacts on water as a resource and one material risk for BASF (see the table "Results of the double materiality assessment").

Results of the double materiality assessment for E3 Water: Impacts

Impacts	Evaluation	Placement in the value chain	Description
Limited availability due to water abstraction and consumption	Negative	Upstream value chain	We impact water availability through water abstraction and consumption in our upstream value chain, particularly in water stress areas.
Regular emissions to water	Negative	Upstream value chain	Emissions to water contributing to water pollution are generated by the production and extraction of raw materials, precursors and intermediates in our upstream value chain.
Limited availability due to water abstraction	Negative	BASF's own operations	Water abstraction for our production impacts water availability in the areas where our production sites are located, particularly in water stress areas.
Regular emissions to water	Negative	BASF's own operations	Emissions to water contributing to water pollution, such as nitrogen compounds, organic substances and heavy metals, are generated in connection with production in our plants.
Limited availability due to water abstraction and consumption	Negative	Downstream value chain	We impact water availability through water abstraction and consumption in our downstream value chain, particularly in water stress areas.
Regular emissions to water	Negative	Downstream value chain	Emissions to water contributing to water pollution are generated in connection with the usage, further processing, transportation, storage and disposal of our products by our customers.

Results of the double materiality assessment for E3 Water: Risks and opportunities

Risk	Evaluation	Description
Increased costs for water treatment due to regulatory changes	Negative	Regulatory developments concerning emissions to water may require investments in our infrastructure and upgrades to our systems.

The three identified impacts related to water quality impairment from regular emissions to water along the value chain, as well as the identified risk from regulatory developments, are mainly covered in chapter E2 Pollution Prevention (see page 205).

The use of marine resources, such as seawater as a water source or for wastewater discharge, is not considered material for BASF due to the small volumes involved. Our Responsible Care Management covers these aspects despite their lower relevance. We systematically record all short and long-term opportunities and risks that arise from water as part of our general opportunity and risk management (for additional information, see page 87 onward).

As the basis for the double materiality assessment, all BASF sites were considered for our own operations. We systematically record and monitor water volumes and constituents in a Group-wide database. The impacts of water abstraction and wastewater discharge are continuously assessed and documented as part of permitting requirements. The screening of new sites also includes environmental impact assessments by independent third parties. As part of internal approval processes, risks associated with environmental impacts are assessed and documented in an environmental statement. When assessing the upstream and downstream value chain, we are aware of the risks associated with the production and handling of chemical substances and draw on our own experience.

By engaging in open and trusting dialog, we strive for better understanding our impact on the environment and incorporate the perspectives of surrounding communities in our decision-making and doing. Our BASF production sites maintain close relationships with surrounding communities by providing information and updates on current developments, offering hotlines for immediate contact and availability as well as hosting neighborhood forums to address concerns about environmental impacts, such as water availability and quality (see also page 308). In addition, we rely on dialog forums and advisory bodies, such as our Nature Advisory Council, which we established together with external specialists, where we discuss topics related to nature and biodiversity (for more information, see page 309). Since 2023, we have also been using the new stakeholder engagement format of the Sustainability Lab, where around 100 external and internal experts discuss specific issues concerning sustainable development from various perspectives (for more information, see page 166). Also in the future, we plan to conduct the Sustainability Lab format on an event-driven basis.

» For more information on the BASF Nature Advisory Council, see basf.com/en/nature-advisory-council

» For more information on the BASF Sustainability Lab, see basf.com/en/sustainability-lab

Strategy and governance

E3-1

Explanations of our overarching policies in respect of scope of application, accountability, impacts in the value chain, global applicability, accessibility to stakeholders and engagement thereof, see General Disclosures in our Sustainability Statement on page 151 onward. These include, among other things, our Responsible Care Management System and, as part of this, our global standards in terms of environmental protection, product safety and transportation safety. BASF's position on water protection, our risk-based sustainability management for procurement and the Supplier Code of Conduct can also be found there.

Water protection in our production

We aim to reduce negative impacts on water availability caused by water abstraction in our own production. Likewise, we also strive to reduce water pollution from regular emissions to water. This requires a holistic approach and continuous control.

That is why we have established comprehensive management and control systems for our own production. BASF is actively involved in the International Council of Chemical Associations' (ICCA) global Responsible Care® initiative. Our Responsible Care Management System, based on the eponymous initiative, not only encompasses occupational health and safety requirements and standards (see page 278 onward), but also environmental protection. The responsible use of water as a resource is a core element of our Responsible Care Management System and an important part of our commitment to the United Nations' Sustainable Development Goals (SDGs). This is also reflected in our position paper on water protection. We use Responsible Care audits, including in areas such as environment (air, water, waste), to monitor compliance with our Responsible Care Management System.

» For more information on our position paper on water protection, see basf.com/water

A key component of our strategy for many years now has been the introduction and implementation of sustainable water management, for which we have set a global target (see page 227). We have reviewed our water target in 2024 and assessed it as important for implementing our strategy. This is also consistent with recent scientific findings, such as the Planetary Boundaries reassessed in 2023 (Richardson et al. (2023); Stockholm Resilience Centre). We want to protect water as a resource, continuously improve water use efficiency and reduce emissions. These efforts focus on our Verbund sites and production sites in water stress areas.[1] We look at water availability, water quality and the impact of our water use on the environment and other users. For this, we use the standard of the Alliance for Water Stewardship (AWS) as guidance. AWS is a global multistakeholder organization that promotes the responsible use of water, which we are a member of.

Our water consumption is low compared with the total water volume sourced (see information on Water balance on page 229) and therefore not a material topic for BASF in terms of the double materiality assessment.

Our global standards and guidelines for water are defined in the Group-wide requirement Corporate Requirement Environmental Protection. Among other things, these stipulate that water protection concepts must be implemented at all production sites to prevent emissions and the pollution of surface or groundwater. The requirements also cover the aspects of process and transportation safety in order to prevent production and transport-related product spills and leakages into water bodies as effectively as possible. Our sites and Group companies are responsible for implementing and complying with internal requirements, accessible via an internal BASF database, and legal requirements. The Corporate Environmental Protection, Health, Safety & Quality unit in the Corporate Center conducts regular audits to monitor this. During these audits, a safety and environmental profile is created, which shows if we are addressing the existing hazard potential properly. If this is not the case, corrective measures are determined, which are to be implemented within a specific time frame depending on the identified hazard potential. We monitor this in follow-up audits, among other things. BASF's global network of experts shares information, insights and best practices on the responsible use of water on an ongoing basis. Our requirements and guidelines are continuously updated on a regular basis. To this end, we also exchange information with authorities, associations and international organizations.

[1] We define water stress areas as regions in which more than 40% of available water is used by industry, households and agriculture. Our definition is based on the Water Risk Atlas (Aqueduct 4.0) published by the World Resources Institute. For more information, see wri.org/aqueduct

In developing our business strategies, we also consider the resilience of our business models with regard to economic, ecological and social aspects as well as their impacts, risks and opportunities. As part of our opportunity and risk management system, strategic risks connected with material economic, ecological and social matters are evaluated, among other things (for additional information, see page 87 onward). The strategies of our business units are updated on a regular basis. This is done either individually at business unit level or as part of the overarching divisional strategy and involves specialists from the business unit or operating division concerned and from our central strategy unit. In 2024, we have piloted a method to address material topics in the strategies of the business units over the next ten years. Depending on the extent of the strategy revision, resilience reviews, regulatory aspects and stakeholder expectations can be included to estimate future market developments. Upstream and downstream value chains can also be considered in the analysis. In addition, we use our TripleS methodology (Sustainable Solution Steering) to review the resilience of our product portfolio with regard to environmental and social aspects.

In the wake of advancing climate change, the resulting water shortages and extreme weather events, climate resilience measures are becoming increasingly important for our production (for more information on our risk management, see page 178 onward). To ensure our supply of raw materials and transportation via water, we rely on early warning systems and, at the Ludwigshafen site in Germany, for example, on special vessels for low water levels on the Rhine River. Further measures at our sites are aimed at reducing our demand for water, for example, through recycling, intelligent cooling water systems and water treatment. Depending on the subsequent use of the water (from cooling or production processes), varying levels of treatment may be required using sand filtration, membrane filtration or reverse osmosis. When water is reused for cooling processes, it is often cooled through evaporation in recooling plants before being used again.

Water protection in the value chain

We are also aware of and want to mitigate the negative impacts on water availability in our upstream and downstream value chains caused by water abstraction and consumption, as well as the deterioration of water quality from regular emissions to water.

Our procurement organization has established a global risk-based management system for our **upstream value chain** that specifies how we implement our due diligence processes. We have defined the standards for this in a global requirement. We continuously enhance this requirement and our structures and processes in order to adapt to changing conditions. Procurement requirements and targets are set centrally and are binding for all employees with procurement responsibility worldwide. We endeavor to ensure compliance with these guidelines using a multistage control process. The unit-specific risk management systems of our business units are supported and monitored during implementation according to minimum standards set by the Corporate Center units. The Corporate Audit unit, as the third instance involved, monitors the effectiveness and compliance with risk management. Our management processes are activated in the event of specific incidents (see pages 297 and 300). Our expectations of suppliers are set out in our global Supplier Code of Conduct (see page 295), which is part of our risk-based management system and integrated into our procurement conditions. It is based, among other things, on the Ten Principles of the United Nations Global Compact initiative and ICCA's Responsible Care® program and also includes the responsible use of water as a resource. When selecting suppliers and assessing new and existing supplier relationships, economic criteria and particularly ESG standards are relevant. We expect our suppliers to reduce water emissions and minimize impacts on water scarcity. We arrange for third parties to evaluate suppliers with a high

sustainability risk. Supplier assessment is mainly performed as part of the chemical industry's Together for Sustainability initiative (TfS), either through on-site audits by TfS-approved auditors or through sustainability assessments based on online assessments via the rating agency EcoVadis. Depending on business requirements, we perform our own Responsible Care audits at selected contract manufacturers if material risks have been identified with respect to environmental protection. This also includes water use.

In our **downstream value chain**, we continuously collaborate with our customers on innovations and the development of water-related solutions that are designed to enable their green transformation and make a significant contribution to sustainability (for more information on steering the sustainability performance of our product portfolio using the TripleS methodology, see page 161 onward). We offer our customers solutions that help purify water and use it more efficiently and reduce pollution.

We report transparently and comprehensively on how we use water. For instance, in 2024, we again participated in the program established by the nonprofit organization CDP for reporting on data relevant to climate protection on the topic of water. BASF again achieved leadership status with an A- rating in the final assessment. CDP evaluates how transparently companies report on their water management activities and how they reduce risks such as water scarcity. The assessment also considers the extent to which product developments can contribute to sustainable water management also at the customers of the evaluated companies.

In addition, we have established relevant global management systems in our downstream value chain, such as in the area of product and transportation safety. Our product stewardship experts identify potential risks related to transportation, handling, usage and disposal of our products and provide advice to minimize potentially negative impacts. We work continuously with all relevant stakeholders to ensure that our products do not pose any risk to people or the environment when used as intended and responsibly (for more information, see page 218).

Actions

E3-2

Our actions in the area of sustainable water management are often decentralized activities, projects and initiatives. Like our management and monitoring systems, they aim to ensure continuous optimization and further development and fall within the responsibility of the sites and Group companies. This goes hand in hand with the BASF approach to sustainability steering (see page 152). For this reason, we have not defined an action plan with central resource allocation for sustainable water management.

Actions in our own production

An important part of our sustainable water management is the continuous analysis and the implementation of actions for improvement. This can include site-based projects to improve water efficiency or wastewater quality as well as off-site measures in collaboration with third parties to improve the water situation in the catchment area.

Thanks to our focus on operational excellence (see also page 190), we continuously design our plants and processes to be more efficient and resource-saving. This creates direct incentives for investing in efficiency projects and contributes to reducing emissions.

Corresponding projects address all levels of the mitigation measure hierarchy: Prevent, reduce, recapture and reuse, restore and regenerate. The extraction, treatment, transportation and recooling of water is often associated with a high energy demand. We are constantly working to optimize our energy consumption and the amount of water we use, and to adapt to the needs of our operations and the environment.

In order to use water as efficiently as possible, we rely on measures such as intelligent cooling water systems, increased water reuse and multimodal transportation concepts with combined transportation methods. For example, process optimizations such as the use of modified valves or the recycling of low-temperature cooling water at the General Lagos site in Argentina have led to water savings of 22% since 2018. At our Verbund site in Freeport, Texas, we commissioned a membrane bioreactor for treating wastewater in 2023, which improved the capacity and cleaning performance of the wastewater treatment plant. In the medium term, the treated wastewater is to be reused, thereby reducing the need for freshwater. Depending on the local situation, we also implement actions together with other stakeholders. For example, at the Tarragona site in Spain, we are working with our water supplier AITASA and other companies to further expand wastewater reuse in the medium term. Through results such as reduced water use or the replacement of higher-quality water with alternative sources, our activities contribute to sustainable water management. At our Guaratinguetá site in Brazil, we have collaborated with local authorities, the Fundação Eco+ and other partners since 2011 on the Incentivo ao Produtor de Água program: Through improved soil management and the reforestation of primary forests, surface runoff and soil erosion in the Ribeirão Guaratinguetá catchment area have since been significantly decreased.

Actions along the value chain

We advocate the responsible use of water as a resource along the entire value chain.

We audit supplier compliance with environmental standards in the **upstream value chain** worldwide as part of our regular supplier assessments (see page 297). Where improvement is necessary, we support suppliers in developing and implementing appropriate measures, such as the correct handling of wastewater. We have also been involved in a wide range of initiatives to promote sustainability in the supply chain, for example since 2016 in the Pragati project for an efficient water use concerning more sustainable farming of castor beans in India (see page 299).

Another example is our effort with regard to lithium sourcing. Together with the BMW Group, Mercedes-Benz AG, Fairphone B.V., Daimler Truck AG and the Volkswagen Group, we have been a member of the Responsible Lithium Partnership since 2021. This initiative, which is scheduled to run until 2025, campaigns for the responsible use of natural resources in the Salar de Atacama salt flat in Chile. This region is home to the world's largest lithium brine reserves and a significant share of global production. With this in mind, the German Agency for International Cooperation (GIZ) was commissioned with organizing a local multistakeholder platform, also comprising Indigenous communities, on the water-related opportunities and risks of lithium and copper extraction and other commercial activities as well as with driving forward action plans. BASF participated in a study organized by BMW together with experts from the University of Alaska and the University of Massachusetts to examine the hydrological conditions in Salar de Atacama. The results of this study are incorporated as an important component of the Responsible Lithium Partnership's work.

We also impact the availability of water resources in our **downstream value chain**, for example, through our products, solutions and their application.

With TripleS, we have established a steering tool for our product portfolio based on the sustainability performance of our products (for more information, see page 161). Based on this, we review our relevant global product portfolio continuously, but at least every four years. In 2022, we updated this method in order to further steer our product portfolio toward climate protection, climate neutrality and circular economy. In addition to implementing new regulatory requirements, we are actively driving forward the adaptation and further development of our production processes with the aim of reducing the environmental footprint of our products. Part of the evaluation process includes criteria for water protection, such as more efficient water use in production, new approaches to water treatment and lower water consumption. If products with sustainability concerns are identified, we classify them as part of TripleS either as Monitored, or in the case of significant concerns, as Challenged. A description of potential actions is mandatory for both categories. In the event of significant challenges, we develop action plans to optimize the products or replace them with alternative solutions. These include research projects and reformulations to optimize products or replace them with alternative products. To make our portfolio more sustainable, we are generally phasing out all Challenged products within five years of their initial classification.

» For more information on TripleS, see basf.com/en/sustainable-solution-steering

Agriculture is one of the highest water-consuming sectors worldwide. That is why we offer our customers targeted solutions to help use water more efficiently, such as yield-enhancing products, water-saving cultivation methods and crops that require less water. A specific example is the artichoke variety with the name Green Queen, which, compared with conventional varieties, delivers higher yields with the same water usage. The implementation of new crop management for Green Queen can reduce water demand by 20% to 35%. Green Queen is mainly sold in Spain and the United States, where the regions of Murcia and California are increasingly affected by periods of drought. We are currently conducting a project for Green Queen to evaluate a combined solution of AI technology and genetics.

We work with numerous partners along the value chain and from civil society to protect water as a resource, deepen our knowledge and share it with others. We are a member of the Alliance for Water Stewardship (AWS), whose 2022–2030 strategy aims for sustainable water use and promotes collective action to tackle shared water challenges. In addition, we are continuously involved in networks such as the Alliance to End Plastic Waste (AEPW), the World Plastics Council and Operation Clean Sweep® to prevent waste from plastic production from entering water bodies. In South America, we support sustainable development activities, including in the area of water, through Fundação Eco+.

Global target

E3-3

Our aim is to introduce sustainable water management (for more information, see E3-1 on page 222) at our Verbund sites and at all production sites in water stress areas[2] by 2030, covering around 90% of BASF's total water abstraction. Water stress areas are identified based on the latest water stress data in line with the World Resources Institute's Water Risk Atlas.[2]

[2] We define water stress areas as regions in which more than 40% of available water is used by industry, households and agriculture. Our definition is based on the Water Risk Atlas (Aqueduct 4.0) published by the World Resources Institute. For more information, see wri.org/aqueduct. Our water target also continues to take into account the sites that we identified as water stress sites in accordance with Pfister et al. (2009) prior to 2019, as well as water stress sites according to Aqueduct 3.0.

In 2024, we achieved 65% of our target[3] (2023: 57%).[4] Sustainable water management was introduced at eight additional sites (2023: seven sites).

The focus of sustainable water management is on efficient water use, not necessarily on reducing water consumption, since the latter, compared with the total volume of water sourced, is not material for BASF in terms of the double materiality assessment. Efficient water use considers, among other things, reuse and the use of alternative or less sensitive water sources.

As part of sustainable water management, our sites regularly assess the water situation in the catchment area, particularly when changes are made to the production infrastructure, but no later than every five years. We look at water availability, water quality and the impact of our water abstraction on the environment and other users. We use the AWS Standard as guidance.[5] This raises awareness of potential risks and potential impacts such as water scarcity for the population.

Our commitment to sustainable water management also extends to our value chains. We have set out our expectations of suppliers in the global Supplier Code of Conduct (see page 295) which, among other things, covers the areas of the Responsible Care® initiative, including the responsible use of water as a resource. During the reporting year, we refined our target to drive forward sustainability in the supply chain in an even more targeted manner (for additional information, see page 31). For the downstream value chain, we have established TripleS as a tool for steering our product portfolio based on the sustainability performance of our products (for more information, see page 161). We aim to reduce the environmental footprint of our products, also taking into account criteria for water protection.

» For more information on TripleS, see basf.com/en/sustainable-solution-steering

We discuss the sustainability topics that are material for BASF at regular meetings with external stakeholders, forming part of our strategic stakeholder engagement activities, and in discussions with investors. Through this, the expectations of our stakeholders are continuously taken into account when setting potential targets.

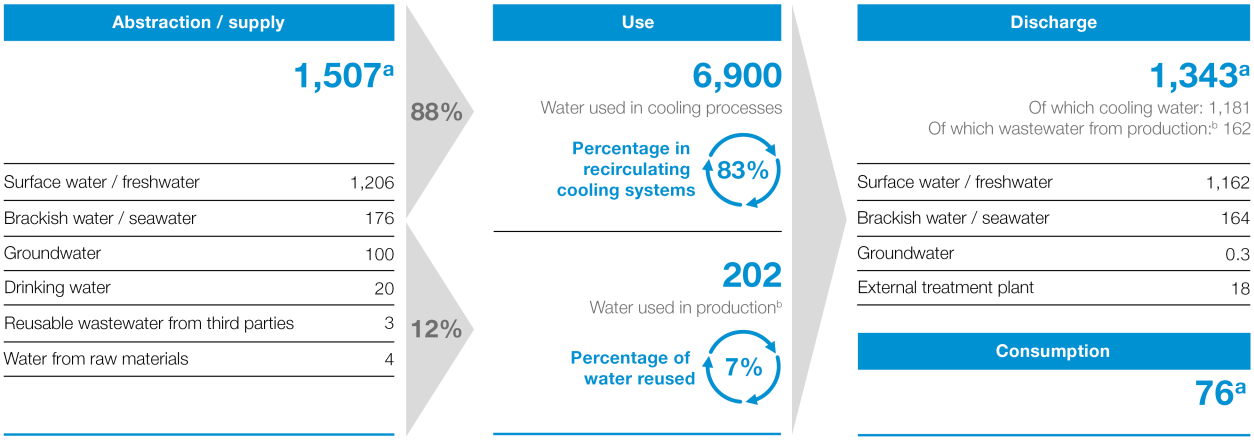
[3] Our water target is not subject to any legally binding requirements.
[4] By including water stress sites according to Aqueduct 4.0, the number of sites required to implement sustainable water management increases. As a result, the implementation status for 2023 has decreased and been adjusted accordingly. The number of sites relevant to the water target is reevaluated each year, so the current year corresponds to the reference year.
[5] As described on a4ws.org, the AWS Standard aims for the following outcomes: good water governance, sustainable water balance, good water quality, important conservation sites, and secure access to water and sanitation.

Metrics

E3-4

Water balance of the BASF Group in 2024

Million cubic meters per year



[a] The difference between the volume of water abstracted and the volume discharged is primarily due to the limited accuracy in measuring water discharge.
[b] Total from production processes, sanitation, rinsing and cleaning in production.

Our **water abstraction** in 2024 amounted to 1,507 million cubic meters. This demand was covered for the most part by freshwater such as rivers and lakes. At some sites, we use alternative sources such as treated municipal wastewater, brackish water or seawater. A small part of the water we use reaches our sites as part of raw materials and steam, or is released in our production processes.

Water use in 2024 totaled 7,102 million cubic meters. The total volume of recycled and reused water in 2024 amounted to 5,734 million cubic meters.

We predominantly use water for cooling purposes (88% of total water abstraction), after which we discharge it back to our supply sources with no product contact. We reduce our water abstraction for cooling purposes mainly by using recooling plants. Around 12% of our total water abstraction is used in our production plants, for example, for extraction and dissolution processes or for cleaning. Here, too, we reduce our demand for water by reusing wastewater. Most of the water used for production purposes is discharged back to water bodies after being treated in our own or third-party wastewater treatment plants.

The BASF Group's **water consumption** describes the amount of water that is not discharged back into a water body, meaning that it is no longer available to other users. We calculate water consumption as the sum of evaporation in cooling processes, water content in our sales products and water consumed otherwise at our sites. Consumption is mainly attributable to the evaporation of water in recirculating cooling systems. A smaller amount is from the water contained in our products. Water consumption in 2024 amounted to around 76 million cubic meters.

In 2024, around 30% of our production sites were located in water stress areas.[6] These sites accounted for 19 million cubic meters, representing 1% of BASF's total water abstraction. Water consumption at these sites amounted to 9 million cubic meters.

Production sites located in areas affected by high or extremely high overall water risk[6] (23% of our sites in 2024) accounted for 13 million cubic meters, or 1% of BASF's total water abstraction. Their water consumption in 2024 amounted to 6 million cubic meters.

[6] Aqueduct 4.0 was used to identify sites with high or extremely high water stress and/or overall water risk.

A general description of our measurement methods and a description of the data collection process, as well as general information on the estimation or rounding of individual sustainability parameters, can be found in the General Disclosures section of our Sustainability Statement on page 150 onward.

Based on net revenue (in million €) and water consumption (in cubic meters), water intensity in 2024 amounted to 1,171 cubic meters per million € net revenue.

E4 Biodiversity and Ecosystems

ESRS E4

Biodiversity is under threat. It is the foundation for functioning ecosystems. As a chemical company, we use valuable natural resources such as water, air and soil. At the same time, our business activities have an impact on these resources, for example through emissions to the environment or the sourcing of renewable raw materials.

ESRS 2 IRO-1

As part of the double materiality assessment that we conducted for 2024 (see page 167), the topic Biodiversity and Ecosystems was defined as material. When performing the assessment, we drew on three sources of information, in particular:

- Assessments of various stakeholders and assessments taken from specialist literature
- Assessments by BASF experts
- Digital sources

The digital sources were evaluated using big data and AI analysis tools. We also used platforms such as the Biodiversity Risk Filter (BRF) of the World Wide Fund For Nature (WWF) and the Integrated Biodiversity Assessment Tool (IBAT) of the International Union for Conservation of Nature and Natural Resources (IUCN). In 2024, we also discussed our approach to biodiversity in our Nature Advisory Council, a body dedicated to topics related to protecting biodiversity and ecosystems. The Nature Advisory Council supports BASF in obtaining an independent societal perspective on our activities in relation to nature and biodiversity topics. At the end of 2024, the Nature Advisory Council comprised five members from the field of science, relevant value chains and multilateral organizations. Affected communities were not involved in the identification of material topics for the Biodiversity and Ecosystems cluster.

ESRS 2 SBM-3

As a chemical company, our business activities interface with nature, and therefore with biodiversity and ecosystems, in three key areas. These are:

- Sourcing of raw materials
- Operation of production plants
- Attributes of our products

In order to better categorize and understand the impact of BASF on nature at our production facilities, in their immediate surroundings and throughout the value chain, we use the five drivers of biodiversity loss as defined by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES): Land-use change, pollution, climate change, overexploitation of resources, and invasive species. We also followed this logic in our double materiality assessment (see page 167).

As the topic categories Climate Change and Pollution are examined at length in the chapters E1 Climate Change (from page 178 onward) and E2 Pollution Prevention (see page 205 onward), they are not discussed in detail in this chapter. The use of water as a resource is also explored in detail separately (from page 221 onward). We did not examine the driver "invasive species" more closely, as we do not consider it relevant for BASF.

Thus, this chapter focuses on the topics surrounding land use and the impacts of our business activities on the land. No significant impacts were identified with regard to desertification and soil sealing. We also

consider the condition of the natural environment in proximity to our relevant sites and in relevant value chains (see page 233).

Our double materiality assessment indicates six material impacts on biodiversity and ecosystems as well as one associated material risk for BASF (see tables below). We systematically document opportunities and risks as part of our general opportunity and risk management (for additional information, see page 87 onward).

Results of the double materiality assessment for E4 Biodiversity and Ecosystems: Impacts

Impacts	Evaluation	Placement in the value chain	Description
Need for land use due to the cultivation of renewable raw materials	Negative	Upstream value chain	By procuring renewable raw materials, we provide impetus for their cultivation. This cultivation alters land use and can negatively impact ecosystems.
Impact on land degradation due to the sourcing of raw materials	Negative	Upstream value chain	By sourcing raw materials, we provide impetus for their cultivation and extraction. In some cases, this leads to land degradation.
Land use by BASF sites	Negative	BASF's own operations	BASF uses many plots of land for various purposes, such as offices, production and agricultural testing grounds. Soil sealing, especially due to production plants in the chemical industry, represents a significant land use type.
The loss of biodiversity may be facilitated by the use of crop protection products	Negative, potential	Downstream value chain	In the downstream value chain, the use of crop protection products across large agricultural areas may have a negative impact on biodiversity.
The use of industrial chemicals and their distribution in the environment may have a negative impact on species	Negative, potential	Downstream value chain	The use of industrial chemicals and their distribution in the environment may have a negative impact on species and biodiversity.
More sustainable intensification of farming	Positive	Downstream value chain	The use of our products, including crop protection products, in agriculture enables farmers to increase their productivity, thus supporting food production.

Results of the double materiality assessment for E4 Biodiversity and Ecosystems: Risks and opportunities

Risk	Evaluation	Description
Regulatory requirements for the marketing of chemicals	Negative	Regulatory developments, prompted by actual or anticipated impacts of our products on the state of species, their population sizes or their risk of extinction, impact our opportunities to market chemicals.

Strategy and governance

E4-1

We are currently undergoing a transformation toward climate neutrality and observance of the planetary boundaries. To this end, we have set ourselves ambitious targets (see page 31) that impact our business models and our strategy as well as how they interface with nature, biodiversity and ecosystems.

- We strive to use more and more renewable alternatives to fossil raw materials and energy.
- We aim to continuously reduce emissions in the natural world and improve our resource use on an ongoing basis.
- We manage our product portfolio with regard to the product-related contributions to greater sustainability (TripleS: Sustainable Solution Steering, see page 161).

These three areas of transformation are also relevant to many of our stakeholders, such as investors, customers, legislators, suppliers, insurers and nongovernmental organizations. We actively seek out partnerships with relevant interest groups and organizations worldwide, for example in the Taskforce on Nature-related Financial Disclosures (TNFD), to expand our knowledge, to raise awareness about biodiversity and to drive necessary actions forward. In the event that our business activities negatively impact or could negatively impact affected communities, we involve them or their representatives in one of our stakeholder engagement formats (see page 308).

We generally consider the resilience of our business models at the level of our business units or operating divisions along the value chain (see page 169). The current resilience of our business models in relation to biodiversity and ecosystems was examined in 2024 in preparation for our double materiality assessment. In our Nature Advisory Council, we discussed aspects that were part of this assessment, such as our approach to renewable raw materials. Through the use of big data analysis, stakeholder viewpoints were also incorporated into our considerations. The assessment was conducted under the basic assumption of continuity concerning our current raw materials base. The examination focused on those business models connected with the impacts identified in this topic category: The use of industrial chemicals and the use of crop protection products. Overall, we assess our resilience level as high. As a chemical company, we still mainly use fossil raw materials. Our sourcing of renewable raw materials is diversified, leading to low dependence on biodiversity and ecosystem services. We regard the availability of water in sufficient quality and quantity as an important, but not material, dependency on ecosystem services. This dependency is documented as part of our opportunities and risk management and is addressed by means of our sustainable water management (see page 225). We therefore regard our physical risks as low.

We actively pursue actions (see page 248) to reduce our dependency on fossil-based technologies and raw materials. This increases our dependency and impacts on biodiversity and ecosystems. The associated transitory and systemic risks have been considered and assessed as not material.

In respect of our business model in the field of agriculture, the long-term market demand for crop protection products and support in food production results in a high level of resilience. The transitory and systemic risks associated with this line of business have been considered and assessed as important but not material.

With a view to avoiding impacts on nature, we are guided by the risk mitigation hierarchy. If impacts cannot be minimized, we aim to reduce them, support the restoration of nature or contribute to the transformation of value chains toward better environmental outcomes.

Explanation of material impacts

Impact of land use on the sourcing of raw materials

Human use of land has impacts on biodiversity and the conservation of ecosystems. We pursue our ambitious climate targets (see page 194) and seek to increasingly offer customers products that make a positive contribution to sustainability in the value chain (see page 161). This includes partially replacing fossil raw materials with renewable alternatives. This has a positive impact on the carbon footprint of the product concerned. At the same time, however, the cultivation of renewable raw materials must be considered from a sustainability point of view. If plants are grown in monocultures or if forests are cleared to enable cultivation, this has a negative impact on biodiversity and ecosystems. This may lead to land degradation. Therefore, our risk assessments when sourcing renewable raw materials take into account the protection of biodiversity and ecosystems, as well as social factors such as working conditions (see page 298) and food security. We carefully weigh advantages and disadvantages, for example with life cycle analyses. Moreover, we seek dialog with our stakeholders to identify conflicting goals. We also take into consideration recognized certification standards in our decisions, such as the Roundtable on Sustainable Palm Oil (RSPO). For our biomass balance portfolio (see page 250), we only source renewable raw materials that are certified in accordance with recognized standards, such as the International Sustainability and Carbon Certification (ISCC) or the REDcert scheme for sustainable biomass.

Since 2023, our Care Chemicals division has been publishing a comprehensive Responsible Sourcing Report, which has replaced the previously published Palm Progress Report. This report provides an annual summary of our activities and progress in the pursuit of greater sustainability and transparency in the palm value chain and in the value chains of other renewable raw materials.

Through the sourcing of raw materials that have been mined or otherwise extracted, we exert a significant influence on the degradation of land and on the condition of ecosystems. Mining can result in soil erosion, a loss of biodiversity and the pollution of water sources. The BASF procurement requirement ensures that environmental and social criteria are taken into account during procurement. We expect our raw material suppliers to meet environmental and social requirements (see page 239). By fostering the circular economy, we are able to reduce demand for newly mined raw materials. BASF is involved in various projects to improve sustainability in the supply chain, such as in connection with the recycling of lithium-ion batteries. The company's Verbund concept enables the efficient use of raw materials by using a plant's by-products as feedstocks in other processes, thereby saving raw materials and energy.

Land use by BASF sites

The operation of our sites represents land use. Our sites comprise production plants, research and office buildings and agricultural testing grounds, among other things. We utilize a total surface area of approximately 43,000 hectares, of which around 23%[1] is sealed.

In order to assess the impact of our sites on biodiversity and ecosystems more closely, we have focused on our production sites, as pure office locations are less relevant by comparison. Only about a quarter of our around 1,000 sites worldwide are production plants.

[1] We regard land belonging to agricultural businesses and mining locations as unpaved, whereas all other areas are classed as paved. Even if the land is classed as paved, there are unpaved areas around buildings.

Using the WWF Biodiversity Risk Filter (BRF[2]), an internationally recognized and science-based platform, we analyzed our production sites on the basis of 33 indicators included in the filter to identify **impacts and dependencies** in the area of physical risks and in respect of reputationally harmful topics. Our further considerations centered on the potential physical impacts. The BRF analysis indicated that BASF's greatest **dependency** lies in the topic category Water, both in terms of the availability and the quality of water for our production sites. For one group of sites, a potential impact was identified due to tropical cyclones. Ranked third was the risk of extreme heat. BASF already addresses these three dependencies as part of its site management.

The BRF analysis pointed to pollution as the greatest potential **impact** of BASF caused by our sites. However, this figure was considerably lower than the BRF estimate for the chemical sector overall. We discuss the proximity of our sites to protected areas further on page 245.

For of the management of our production facilities and their plants, we aim to act as a good neighbor and are striving to conserving biodiversity and ecosystems and to minimizing negative impacts on the environment. We generally keep our product-related emissions to air, water and soil as low as possible at these sites, avoid and reduce waste and manage remediation sites responsibly.

For more information on how we prevent pollution, see page 205 onward; for more information on how we handle water, see page 221 onward.

Identification and selection of material sites

ESRS 2 SBM-3

The material BASF sites for biodiversity and ecosystems were identified based on the results of the double materiality assessment and using the methodological framework for the drivers of biodiversity loss[3] (see page 231), as adapted for BASF, as well as the insights gained from the BRF analysis on impacts and dependencies.

To determine our material sites, we began by defining sites with active production operations as relevant for the topic category and then evaluated these sites using a set of indicators. As land use has been defined as a material impact, one indicator was the size of a site compared with all other sites.

We assigned further indicators to the sites using our environmental database if they allowed statements to be made on the drivers of biodiversity loss that are relevant to BASF. These were emissions making a contribution to eutrophication[4] and acidification (pollution), greenhouse gas emissions (contribution to climate change) and water supply (potential overuse of natural resources). The sites with the highest entry values for each indicator were then further considered. The most important dependency for our material sites is the quality and quantity of water available. Here too, the sites were compared with each other and those with the highest values determined. Finally, the sites exhibiting at least four markers (>50% of indicators considered) were identified.

This method enables us to identify the material sites with a high degree of alignment with the drivers of biodiversity loss. The limitation of this method lies in the fact that, by definition, it only uses comparisons between our sites and thus relative contributions. We will continuously review whether threshold values for indicators can be applied in the future that go beyond BASF.

[2] The BRF is a free, science-based online tool that helps companies and financial institutions around the world to recognize and evaluate risks in the area of biodiversity by processing relevant biodiversity data and associating this data with companies' own sites and supply chains; in doing so, it uses 33 indicators in the categories of ecosystems, biodiversity and ecosystem services. The BRF provides indicators and geolocation-specific risk assessments for site determination purposes.
[3] This methodological framework was developed and documented by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES). The IPBES is a multilateral agency of the United Nations (U.N.) and collects global scientific data, analyzes this data and indicates political courses of action.
[4] The buildup of nutrients in originally low-nutrient bodies of water, for example due to fertilizer contamination with adverse consequences for the ecosystem.

The following table shows a list of material sites based on this analysis:

Material BASF sites[a] for biodiversity and ecosystems

	Relative contribution to drivers of biodiversity loss (compared with all sites)					
Site	**Land use**	**Emissions I eutrophication of air**	**Emissions II eutrophication of water**	**Emissions III acidification of air**	**Climate change**	**Water use**
Antwerp, Belgium, BASF Antwerpen N.V.	x	x	x	x	x	x
Chalampé, France, Butachimie SNC		x	x	x		x
Freeport, Texas, BASF Corporation	x	x		x	x	x
Geismar, Louisiana, BASF Corporation	x	x	x	x	x	x
Ludwigshafen, Germany, BASF SE	x	x	x	x	x	x
Port Arthur, Texas, BASF TotalEnergies Petrochemicals LLC		x		x	x	x
Yeosu (formerly Yeocheon, Yosu), South Korea, BASF Company Ltd.		x	x	x	x	

[a] All sites under BASF operational control were considered.

The following table shows how these sites are embedded within local ecosystems.

Material BASF sites[a] and their ecological context

	Embedding in ecological neighborhood					
Site	Biome	Ecoregion	Biological intactness indicator (BII)	Biodiversity mean species abundance (MSA)	In proximity to biodiversity sensitive areas (BSA)	Documented negative effects on biodiversity sensitive areas (BSA)
Antwerp, Belgium, BASF Antwerpen N.V.	Temporary deciduous and mixed woodland	European Atlantic mixed woodland	28%	26%	Yes	No
Chalampé, France, Butachimie SNC	Temporary deciduous and mixed woodland	Western European deciduous woodland	36%	26%	Yes	No
Freeport, Texas, BASF Corporation	Tropical and subtropical grasslands, savanna and shrubland	Western Gulf Coast grasslands	21%	6%	No	No proximity to biodiversity sensitive areas (BSA)
Geismar, Louisiana, BASF Corporation	Temperate grasslands, savanna and shrubland	Southeast U.S. pine savannas	35%	26%	No	No proximity to biodiversity sensitive areas (BSA)
Ludwigshafen, Germany, BASF SE	Temporary deciduous and mixed woodland	Western European deciduous woodland	28%	26%	No	No proximity to biodiversity sensitive areas (BSA)
Port Arthur, Texas, BASF TotalEnergies Petrochemicals LLC	Tropical and subtropical grasslands, savanna and shrubland	Western Gulf Coast grasslands	22%	26%	No	No proximity to biodiversity sensitive areas (BSA)
Yeosu (formerly Yeocheon, Yosu), South Korea, BASF Company Ltd.	Outside the ecoregion data set	Outside the ecoregion data set	29%	26%	No	No proximity to biodiversity sensitive areas (BSA)

[a] All sites under BASF operational control were considered.

Crop protection products and their impact on biodiversity and land

The agricultural sector, especially the intensive cultivation of large areas of land, including the use of crop protection products, competes with the conservation of natural habitats with a high level of biodiversity. Farms play an important role in this regard: They not only need to focus on their productivity and yields, but also meet societal and consumer expectations and protect the environment. Additional measures to promote biodiversity in the agricultural sector can have positive effects and help to reduce negative impacts. BASF has been active in this area for many years and founded the BASF Farm Network, which brings together farmers, environmental organizations, universities and companies. Its mission is to demonstrate the coexistence of farming and nature by means of practical experiments. The network supports programs that reconcile agricultural production with the protection of soil and the environment. It helps farmers to increase biodiversity on their fields and to use water and soil sustainably.

Improper use of crop protection products may have a negative impact on human health and the environment. We are therefore focusing our smart stewardship activities on education and continuously improving our solutions for farmers. Alongside aspects such as efficacy and productivity, this includes safe use by our customers and impact on the environment. We consider the entire life cycle of our products – from research and development to their proper use and disposal.

Crop protection products and seeds are highly regulated at national and international level, which leads to strict requirements for registering and re-registering active ingredients and crop systems. Regulatory approval is only granted after comprehensive evaluation has shown that our products are safe for humans, animals and the environment when used according to label instructions.

Industrial chemicals and their impact on biodiversity

Emissions of industrial chemicals can have direct and indirect impacts on biodiversity and ecosystems. Direct impacts occur where chemicals directly affect organisms or habitats. Indirect impacts may occur when chemicals enter the environment and build up within the food chain and/or environment or adversely affect habitats. These impacts differ depending on which chemical has entered the environment and in what concentration, and over what period. It is important to consider the potential impacts and to take suitable measures to minimize the environmental impacts.

We work continuously to reduce the environmental impacts of our products and processes. At the same time, we continue to steer our product portfolio toward sustainability in accordance with our TripleS methodology (Sustainable Solution Steering, see page 161). As part of TripleS, we also evaluate all relevant BASF products in terms of their impacts on biodiversity. We identify products that pose challenges in the area of sustainability; where these challenges are substantial, we develop action plans in order to optimize products or replace them with alternative solutions.

We see product safety as an integral part of all business processes, as an important element of our risk management and as an essential pillar of our commitment to Responsible Care®. We continuously work on ensuring that our products pose no risk to people or the environment when they are used responsibly and in the manner intended. A thorough safety and risk assessment enables us to serve markets with safe and more sustainable products that meet regulatory requirements while still responding to trends.

More sustainable intensification of farming as a positive impact

The more sustainable intensification of farming through the use of modern crop protection products offers various benefits. It increases the productivity of farms by maximizing their yield per hectare and minimizing losses due to pests and diseases. It also helps to safeguard food supply by facilitating higher and more stable yields. The more efficient use of resources such as water and fertilizer improves the sustainability of agricultural production, which helps to protect the environment in the long term.

BASF's specific areas of action include the development of seeds and traits that are more resilient to climate change and enable higher yields, as well as biological and chemical crop protection solutions and digital technologies that help farmers to manage their fields more efficiently.

BASF's Agricultural Solutions division has set itself ambitious sustainability targets, including a reduction in CO_2 emissions per metric ton of crop yield and an expansion of digital technologies to more than 400 million hectares of agricultural land. These measures are part of a broader strategy that aims to increase agricultural productivity and sustainability while simultaneously conserving natural resources.

Description of material risks

Regulatory requirements for chemicals

The chemical industry is facing substantial risks due to changes to and reforms of regulatory requirements or approval conditions, including in relation to the areas of environmental protection, biodiversity and ecosystems. More stringent regulations may limit the approval, use or marketing of certain chemicals. BASF plans to respond to regulatory changes with a combination of proactive and reactive measures. These include continuous monitoring, analysis of the regulatory framework and steering of our product portfolio using the TripleS method. We also invest in research and development in order to continuously develop chemicals with improved toxicological and ecotoxicological properties and thus meet the new requirements. Moreover, BASF is committed to working closely with stakeholders and regulatory bodies to ensure that company practices comply with the latest standards.

Governance approach

E4-2

Our governance in relation to the topic category Biodiversity and Ecosystems is based on three internationally recognized reference points:

- The five drivers of biodiversity loss as defined by IPBES (see page 231)
- The Kunming Montreal Global Biodiversity Framework (GBF) and its target of reducing biodiversity loss and reversing the trend by 2030
- The United Nations' Sustainable Development Goals (SDGs), including Zero hunger (SDG 2) and Life on land (SDG 15)

Governance in respect of the drivers Climate Change, Pollution and Water is described in the respective standards and therefore not elaborated upon here (Climate Change, see page 182 onward; Pollution Prevention, see page 207 onward; and Water, see page 222 onward).

We have implemented a variety of governance approaches with a view to minimizing our impacts on biodiversity in the area of land use. For explanations of the policies to which we make repeated reference, see the General Disclosures chapter of our Sustainability Statement on page 151. This chapter includes explanations regarding application, accountability, impacts in the value chain, global applicability, accessibility to stakeholders and engagement thereof. Examples include our position on the responsible sourcing of renewable raw materials, the BASF position on forest protection and our global environmental protection standards. The Corporate Environmental Protection, Health, Safety & Quality unit in the Corporate Center conducts regular audits to monitor compliance with internal environmental protection requirements. We will continuously further develop our governance, including with regard to protecting biodiversity in the areas around our sites. As the double materiality assessment did not identify any material dependencies, opportunities or physical/transitory risks in this topic category, our policies do not refer to it.

Sourcing of renewable raw materials

We have laid down our expectations of our suppliers with regard to environmental, labor and social standards in the supply chain as well as our commitment to preserving biodiversity in the **Supplier Code of Conduct**. We expanded our procurement requirement in 2024: With our **principles for the**

responsible sourcing of renewable raw materials, we are, among other things, committed to stopping or reversing biodiversity loss within our sphere of influence. The new principles are firmly embedded in our strategic and procurement processes, the aim being to put the BASF raw materials portfolio on a sustainable footing. We endeavor to ensure compliance with these guidelines using a multistage control process. (see page 295).

Palm oil, palm kernel oil and their derivatives are some of our most important renewable raw materials. We mainly use these to produce ingredients for the cosmetics, detergent, cleaner and food industries. There is a risk that forest areas are cleared to create farmland for the production of palm and palm kernel oil. For this reason, we use the internet platform palmoil.io, provided by the technology company MapHubs, to regularly monitor deforestation activities and other possible breaches of regulations at our suppliers' sites. Based on our Supplier Code of Conduct, we have defined our expectations of suppliers in the palm-based value chain in a supplementary global procurement policy **(BASF Palm Sourcing Policy)**. These address, among other things, certification standards, traceability, environmental aspects connected with the observance of workers' rights and the rights of Indigenous peoples, as well as the inclusion of smallholder structures. Third-party certification in accordance with standards such as those of the Roundtable on Sustainable Palm Oil (RSPO) enables us to take biodiversity-related criteria into account when sourcing raw materials. The monitoring of deforestation activities and the achievement of our targets when sourcing certified raw materials help us to monitor compliance with the policy.

When using biological resources, we adhere to the provisions of the international Nagoya Protocol. This supplementary agreement to the U.N.'s Convention on Biological Diversity regulates access to genetic resources and benefit sharing. It sets out obligations (for example, compensation payments) for the users of genetic resources such as plant-based raw materials. We use internal control mechanisms such as Responsible Care audits to monitor compliance with these standards.

Our global **position on forest protection** sets out our commitment to preserving biodiversity in areas of High Conservation Value such as High Carbon Stock forest areas and peatlands in the procurement of renewable raw materials. We have also set out our expectations on this topic in the global Supplier Code of Conduct (see page 295), which is part of our purchasing conditions. The unit-specific risk management systems of our business units are supported and monitored during implementation according to minimum standards set by the Corporate Center units. The Corporate Audit unit, as the third instance involved, monitors the effectiveness and compliance with risk management. Moreover, forest protection in accordance with this position is addressed when making investment decisions. We will adapt this position in 2025, incorporating the EU Deforestation Regulation (EUDR). In 2024, BASF once again participated in the "Forests" evaluation, provided by nonprofit organization CDP and achieved a grade of A-, thereby once again attaining leadership status. The assessment is conducted based on detailed insights into the palm value chain and activities that impact ecosystems and natural habitats.

BASF sites and production plants

We are deeply committed to environmental protection and sustainability at our sites. The aim is to minimize the impact of production on people and the environment and to continuously improve. We do not have dedicated policies for the protection of biodiversity in proximity to our sites, but instead use our comprehensive Responsible Care Management System. Alongside global requirements and health and safety standards (for more information, see pages 207 and 278), this also covers environmental protection. We have defined our global standards for emissions to air and water in Group-wide requirements, the implementation and compliance of which is the responsibility of the sites and Group

companies. Among other things, these stipulate that water protection concepts must be implemented at all production sites in order to prevent unforeseen emissions and the pollution of surface or ground water. The Corporate Center unit Environmental Protection, Health, Safety & Quality conducts regular audits to monitor compliance with internal requirements that are part of the Responsible Care Management System.

BASF sets stringent standards for the exploration and development of new sites and, among other things, incorporates requirements for environmentally friendly development and the inclusion and protection of nature and ecosystems in accordance with our Responsible Care Management System.

Impacts in the downstream value chain

Through our commitment to the objectives set forth by the Responsible Care® initiative of the International Council of Chemical Associations (ICCA) and our own global environmental protection standards, we undertake to continuously minimize negative impacts of our products on health, safety and the environment and to optimize our products on an ongoing basis. For more information, see the chapters E2 Pollution Prevention (see page 205) and E3 Water (see page 221).

Before our products are launched on the market, they undergo various tests and assessments – depending on legal requirements and their application profile. These tests enable us to identify potential hazard characteristics as well as health and environmental risks at an early stage. Based on these results, we derive precautionary and protective measures and develop recommendations for safe handling (see page 214).

In the area of crop protection, we further follow international standards, such as the International Code of Conduct on Pesticide Management and the Principles of Integrated Pest Management. We evaluate our products and solutions in crop protection and seeds throughout the entire research, development and registration process for potential risks and impacts to the ecosystems in which they are used.

Actions

E4-3

We take actions in a variety of areas to ease the pressure on biodiversity and ecosystems or to impact them positively. We consider these to be key measures:

- The steering of our product portfolio toward more sustainability through TripleS
- Our measures concerning the sourcing of certified palm-based raw materials

Further measures outlined in the following chapter often represent locally organized activities, projects and initiatives. They have not been assigned to any centrally managed action plan.

Measures in the topic categories Climate Change and Pollution are described in the chapters E1 Climate Change (see page 189 onward) and E2 Pollution Prevention (see page 211 onward). Our actions concerning the protection of water as a resource are also discussed separately (see page 225 onward).

Sourcing of renewable raw materials

We are involved in a various initiatives in our upstream value chain to manage the sourcing of renewable raw materials in a way that protects local biodiversity. Take palm-based raw materials, for example: For the first time in 2023, our Care Chemicals division published a comprehensive Responsible Sourcing Report, which replaces the previously published Palm Progress Report. The third edition of this report will be published at the beginning of 2025. Here, we report annually on our measures and progress toward more sustainability and transparency in the palm value chain as well as further renewable raw materials value chains. We have been a member of the **Roundtable on Sustainable Palm Oil** (RSPO) for 20 years now and contribute to further national and international initiatives, such as the German Forum for Sustainable Palm Oil (FONAP) and the organization High Carbon Stock Approach (HCSA).

We source most of our palm-based raw materials from Malaysia and Indonesia. As a study conducted for the European Commission shows, smallholders account for around one-third of the total volumes produced there. Through our involvement in local initiatives, we aim to expand our supplier base for RSPO-certified palm products while simultaneously bolstering smallholder structures and sustainable production methods that help to protect local biodiversity. Since 2023, we have been working in partnership with a leading natural cosmetics manufacturer and the Indonesian nonprofit organization Kaleka to support smallholders in Central Kalimantan. The aim is to promote regenerative agricultural methods as well as to help establish favorable political framework conditions and regulations. We are also involved in a local project in Sumatra through the Forum for Sustainable Palm Oil.

Building on our involvement in these two initiatives, we joined forces with the nongovernmental organization Solidaridad in 2023 to promote sustainable palm oil and improve the living conditions of smallholders in Indonesia and Malaysia. In 2024, the program focused on developing viable and resilient production systems and on supporting integrative market access systems. Farmers are assisted in preparing for compliance with international standards and the certification of agricultural methods. The project seeks to train farmers in both countries with a view to fostering their continued involvement in the sector. In 2024, we entered into a further strategic partnership with the nonprofit organization Solidaridad and the organization Fedepalma, which represents the interests of many palm oil farmers and mills. The main objective of the project is to promote more sustainable palm oil production in Colombia in the long term by implementing improved and more sustainable growing practices among local producers.

We have developed a grievance mechanism for our palm value chain that reflects our commitment to the No Deforestation, No Peat and No Exploitation (NDPE) policy and that encompasses both direct partners and third-party suppliers. In the event of violations, we take action up to and including contract termination. In our decisions, we also take into account results from the grievance mechanism of the **Roundtable on Sustainable Palm Oil (RSPO)**.

We are also driving the market transformation toward certified, sustainably sourced oleochemicals for another renewable raw material: coconut oil. We use coconut oil to manufacture ingredients for products such as detergents, cleaning agents and cosmetics. We have, for example, certified our production sites in Cassina Rizzardi, Italy, and Zona Franca, Spain, under the Rainforest Alliance Mass Balance Coconut scheme. As a result, BASF offers certified sustainable ingredients for personal care products on the basis of coconut oil.

» For more information on our voluntary palm commitment and our palm grievance mechanism, see basf.com/en/palm-dialog

BASF sites and production plants

We continuously optimize the **production processes** at our sites. This includes initiatives to improve energy efficiency (see page 190), reduce emissions to air and water and avoid waste (see pages 211, 225 and 251). We primarily rely on proactive measures and methods to protect biodiversity and only to a lesser degree on compensation measures. These are sometimes necessary, such as on account of conditions imposed by financial institutions and official bodies.

When it comes to investment decisions on the construction of new sites or the expansion of existing ones, the potential impacts on forests and other biodiversity criteria are systematically considered. In this regard, a decision may also be taken to institute compensatory measures, such as investments in local afforestation programs.

Continuous monitoring and documentation of emissions to air and water as well as the implementation of measures for improvement are an integral part of our environmental management. This is regularly audited by the Corporate Environmental Protection, Health, Safety & Quality unit in the Corporate Center. Our measures connected with reducing pollution are discussed on page 211 onward.

Impacts in our downstream value chain

In our new corporate strategy, we focus on enabling our customers' efforts toward a green transformation with suitable BASF products. Today, we already use alternative raw materials and biomass in selected value chains in order to add sustainability attributes to our products. To increase transparency surrounding our product-specific greenhouse gas emissions and to implement our carbon reduction measures where they add the greatest value, we use a digital solution to calculate the carbon footprint of approx. 40,000 products on an ongoing basis (see page 194).

By virtue of our TripleS sustainability evaluation method (see page 161), we continuously steer the **BASF product portfolio** toward more climate protection, resource efficiency and circularity. Using this method, we systematically evaluate products in terms of their sustainability performance. Here, the aspect of biodiversity is also taken into account. As part of the TripleS evaluation, we identify products with high sustainability potential and products that do not fulfill the sustainability criteria. The latter products are systematically phased out of the portfolio or replaced by more environmentally friendly alternatives. Through our TripleS target, we annually review the effectiveness of these measures in the area of biodiversity and ecosystems.

Our Agricultural Solutions division offers farmers various solutions to promote biodiversity in agriculture while simultaneously enabling productive and efficient food production. These include, for example, various e-learning modules on biodiversity and agriculture. The interactive training sessions are available to interested farmers free of charge. We measure participation in our training and development programs annually. In the 2024 business year, we reached 199,427 people with the programs.

Global targets

E4-4

Many of our sustainability-related corporate targets (for additional information, see page 31 onward) contribute to the protection of nature. These include our climate protection targets to reduce our greenhouse gas emissions (see page 194), our targets in the area of resource use and circular economy (see page 252) and our sustainable water management targets (see page 227).

BASF has not set an explicit target for the topic category of Biodiversity and Ecosystems. We are reviewing whether we can derive a separate target for the topic category of Biodiversity and Ecosystems, either from various approaches or as an overarching ambition.

At regular meetings with external stakeholder representatives as part of our strategic stakeholder engagement, as well as in conversations with investors, we discuss the sustainability topics of material importance to BASF. Through this, the expectations of our stakeholders are continuously taken into account when setting potential targets.

In relation to our impact in connection with the sourcing of renewable raw materials, we set ourselves the target in 2015 of purchasing 100% certified palm oil and palm kernel oil starting 2020. We regard this target as a key indicator of whether our measures in the upstream value chain are successful. In recent years, we have met this target. Due to insufficient availability of RSPO-certified palm kernel oil, we were unfortunately unable to meet this target in 2024, posting a figure of 98.1% (2023: 100%). In 2024, we were able to trace approx. 97% of our total volume of our global palm footprint[5] back to the oil mill (2023: 96%).

In view of volatile market dynamics, we are adjusting our palm-specific targets. We will continue to source 100% certified sustainable palm oil and palm kernel oil to the extent that this is commercially available and possible. We are adjusting our aim of sourcing derivatives of palm oil and palm kernel oil as 100% certified products from 2025 (2024: 10.2%). Due to the lack of availability on the market, we are now aiming to achieve this target by 2030. RSPO certification will remain a preferred standard. If we consider alternative standards or systems, they must demonstrate an equally stringent focus on environmental protection, labor standards and human rights. In addition, we will strictly adhere to our responsible sourcing principles. Achieving our targets remains dependent on the availability of raw materials and economic feasibility.

As part of our "Winning Ways" strategy, we have set ourselves a new target in the area of circular economy. We strive to almost double the sales revenue generated by so-called Loop Solutions to €10 billion by 2030, compared with the base year of 2023. We define Loop Solutions as products that make a positive contribution to the circular economy in line with the TripleS methodology. These are products that are based wholly or partially on renewable or recycled feedstocks, that support the recycling process, or that increase durability of materials or prolong their functional life (see page 252). As such, we aim to contribute to the more efficient use of resources and counteract climate change. This can also ease the pressure on ecosystems, as the use of recycled raw materials reduces demand for newly extracted raw materials. If fewer fossil raw materials are extracted or renewable raw materials harvested, this reduces the negative impacts on humans and the environment.

As part of our Responsible Care Management System, for example, we review the effectiveness of our measures in terms of combating these impacts. We analyze our impacts in the downstream value chain by means of the TripleS method. We have set ourselves the target of considerably increasing sales that we generate through products that make a positive contribution to sustainability. We group these products together as Sustainable-Future Solutions. By 2030, more than 50% of BASF's sales relevant to TripleS are to be attributable to Sustainable-Future Solutions. We are making good progress toward achieving this target (see page 161). Sustainable-Future Solutions also include products whose attributes have a positive impact on biodiversity and ecosystems, such as through the use of renewable or recycled raw materials. One example of this is surfactants made from certified, sustainable palm (kernel) oil, which are used in detergents, cleaning agents and dishwashing detergents.

We do not rely on compensation measures to reach the aforementioned targets. With our selected measures and targets, we focus on avoiding or reducing negative impacts pursuant to the mitigation hierarchy. In terms of the impacts of our sites or our production activities, we have not set ourselves any dedicated targets on biodiversity and ecosystems.

[5] The global palm footprint comprises our sourcing of palm oil, palm kernel oil and palm-based primary derivatives.

Metrics

ESRS 2 SBM-3 ESRS 2 IRO-1 E4-5

All BASF production sites in proximity to nature reserves must document potential direct negative impacts on biodiversity-sensitive areas. No such impact was reported by any site for 2024.

Since 2013, we have been analyzing production sites in terms of their proximity to nature reserves, including with the help of the Integrated Biodiversity Assessment Tool (IBAT). The sites have documented their results in our environmental database since 2021. In 2024, our assessment was expanded and now includes nature reserves pursuant to the classification of the International Union for Conservation of Nature (IUCN) I, II and III as well as Ramsar, UNESCO Natural World Heritage Sites, Natura 2000 and Key Biodiversity Areas (KBAs).

The sites document whether there are biodiversity-sensitive areas in their vicinity and whether they have had a negative impact on them. If such an instance occurs, we identify the cause of the negative impact. This could, for example, be a product leak, a habitat destruction due to construction work or the feeding in of untreated wastewater. Once we have concluded our investigation, we review the measures planned or already implemented in order to reduce or mitigate any impacts on nature.

In 2024, nearly 15% of our production sites[6] bordered a nature reserve or biodiversity-sensitive area; of which no sites reported negative impacts on nature reserves.

Using the STAR (Species, Threat, Abatement and Restoration) tool, we also calculated the STAR values for our production sites based on the IUCN Red List of Threatened Species. This analysis covered the sites themselves and a radius of ten kilometers. The results indicate that some of our production sites are located in areas with high or very high STAR values. These values indicate, for instance, that these areas are home to a large number of threatened species. We took a closer look at the drivers of biodiversity loss at these sites. Drivers included tourism, fishing, invasive species and the occurrence of diseases unrelated to chemical production.

» For more information on our commitment to biodiversity, see basf.com/biodiversity

» For more information on our position on forest protection, see basf.com/forestprotection

[6] For this analysis, production sites at which more than one BASF company operates were only counted once in order to avoid duplicate counting. "Neighboring" is deemed to mean within a radius of three kilometers.

E5 Resource Use and Circular Economy

ESRS E5

As the world's population grows, so does demand for limited natural resources. At the same time, many valuable materials end up in landfill or in waste incineration. Using resources responsibly and closing loops are material for our business and achieving our sustainability targets.

In our double materiality assessment, the topic Resource Use and Circular Economy was classified as material. For information on how the assessment was performed – including the tools used to do this – see the chapter General Disclosures, page 167 onward. We have identified five material impacts for BASF as a result of the assessment (see table below). The procurement and use of fossil raw materials negatively impact the environment through emissions, land use and environmental pollution. Waste arising at the end of the functional life of materials that are manufactured using our products may negatively impact the environment on disposal. At the same time, however, this waste also offers a potential opportunity for recycling raw materials and for closing material loops. We systematically record opportunities and risks as part of our general opportunity and risk management (for additional information, see page 87 onward).

ESRS 2 IRO-1

To discuss critical issues and, if needed, develop solutions together, we seek dialog with our stakeholders. We are also involved in numerous sustainability initiatives to drive forward sustainability both in general and specifically in relation to our value chain. We are involved in networks, lobbying groups and associations in order to jointly promote sustainability topics.

We cooperate with partners along the value chain, for example in the chemical industry's Together for Sustainability initiative, and are involved in numerous networks such as the Ellen MacArthur Foundation (EMF), the World Business Council for Sustainable Development (WBCSD), the Global Battery Alliance (GBA) and the Alliance to End Plastic Waste (AEPW). In doing so, we want to better understand requirements, trends and growth opportunities, and contribute to the development of standards.

We use a Group-wide program to assess and develop new projects designed to promote the circular economy. We also address impacts, risks and opportunities by regularly assessing external, independent reports such as the Circularity Gap Report, which is published annually by the Circle Economy Foundation initiative. We have worked together with the WBCSD and other chemical companies to develop a Chemical Transformation Roadmap, which was published on the WBCSD website on October 1, 2024.

Results of the double materiality assessment for E5 Resource Use and Circular Economy

Impacts	Evaluation	Placement in the value chain	Description
Sourcing and use of fossil or renewable raw materials	Negative	Upstream value chain	We negatively impact overshooting of the planetary boundaries by sourcing and using fossil and renewable raw materials, for example through emissions, land use and environmental pollution.
Waste management in the upstream value chain	Negative	Upstream value chain	We negatively impact the planetary boundaries through the waste arising in our upstream value chain as a result of sourcing, refining and processing.
Use of fossil or renewable raw materials	Negative	BASF's own operations, upstream and downstream value chain	We negatively impact overshooting of the planetary boundaries by using, processing and combusting fossil or renewable raw materials, for example through emissions, land use and environmental pollution.
Waste management in BASF's own production	Negative	BASF's own operations	We negatively impact the planetary boundaries through the waste arising in our own production.
Waste management in the downstream value chain	Negative	Downstream value chain	We negatively impact the planetary boundaries through the waste arising at our customers.

Strategy and governance

E5-1

We are pursuing a holistic strategy to establish a circular economy and, at the same time, to reduce our company's environmental footprint. We want to offer our customers innovative products and solutions to enable their green transformation. Our business units are therefore in close contact with our customers in order to better understand their sustainability needs and offer tailored BASF solutions. The insights from this dialog are also incorporated in our research projects and in innovation processes.

Our strategy covers the entire value chain – from responsible sourcing and the efficient use of raw materials in our own processes and using by-products to developing resource-saving solutions for our customers. For explanations of our overarching policies in respect of scope of application, accountability, impacts in the value chain, global applicability, accessibility to stakeholders and engagement thereof, see General Disclosures in our Sustainability Statement on page 151.

Sourcing of raw materials

Alongside economic, environmental and social criteria, we also consider aspects such as product safety and supply security when selecting suppliers and raw materials. Our procurement organization has set out guidelines for our upstream value chain in a global, risk-based management system. We have defined the standards for this in a global procurement requirement. The BASF Group uses this requirement to ensure that procurement processes are in line with our standards and with the legal guidelines. The requirement includes a supplier risk assessment, which also examines their sustainability performance. The aim here, among other things, is to combat the negative impacts on the environment of the procurement of both fossil and renewable raw materials. We endeavor to ensure compliance with this guideline using a multistage control process. The unit-specific risk management systems of our business units are supported and monitored during implementation according to minimum standards set by the Corporate Center units. The Corporate Audit unit, as the third instance involved, monitors the effectiveness and compliance with risk management. We require suppliers to comply with internationally recognized environmental standards. Our expectations are laid down in our **Supplier Code of Conduct** (see page 295), which is integrated into our purchasing conditions. This Code of Conduct, which also aims to address the negative impacts caused by our sourcing of fossil and renewable raw materials, covers protecting human rights, compliance with valid environmental regulations and the efficient use of resources, among other things.

The global procurement requirement is supplemented by specific internal guidelines, for example, on sourcing palm-based raw materials or certain mineral raw materials. The requirements regulate the sourcing of raw materials in general. They do not address a reduction in the use of fossil raw materials. As part of our new corporate strategy, the BASF Renewable Carbon unit within Global Procurement is continuing to drive the sourcing of renewable raw materials and biomass for BASF's operating divisions.

Use of fossil raw materials

We are focusing on actions and on our circularity target to increasingly replace fossil raw materials with recycled or renewable raw materials. For many years, we have already been pursuing **BASF's Verbund concept**[1] to ensure the efficient use of raw materials. Intelligently linking and steering our plants and processes as set out in this concept creates efficient value chains. By-products from one plant are used as feedstocks elsewhere. This saves raw materials and energy. At the same time, the Verbund offers many opportunities to use renewable and recycled raw materials. Going forward, we want to better leverage this potential.

Waste management in the value chain

We rely on our sourcing requirements and our Supplier Code of Conduct to address waste management in our upstream value chain. The responsible management of resources and waste in our own production as well as of the negative impacts resulting from this are core elements of our Responsible Care Management System. We want to use this system to fulfill our corporate purpose of creating chemistry for a sustainable future. Specifically, we intend to use it continuously to improve our processes in the areas of safety, environmental protection and resource use. Our global standards and guidelines relating to waste are defined in the Group-wide Environmental Protection corporate requirement. This includes compliance with the waste management hierarchy: prevention, reuse, recycling, energy recovery, incineration, disposal. The sites and Group companies are responsible for implementing this requirement. The Corporate Environmental Protection, Health, Safety & Quality unit in the Corporate Center conducts regular audits to monitor compliance with legal guidelines and internal requirements. BASF's global network of experts shares information, experiences and best practices on an ongoing basis. Continuous monitoring, documentation and control of waste streams and contaminated sites as well as the implementation of improvement measures are an integral part of our environmental management.

Actions

E5-2

As part of our activities to achieve more sustainability, we are relying on recycled and renewable raw materials to replace fossil raw materials and reduce emissions along the value chain. We continuously evaluate whether fossil and petrochemical resources can be replaced with renewable or recycled alternatives. We are aiming to transition to a circular economy by focusing on using increased amounts of circular raw materials (both recycled and renewable), designing new material cycles and establishing new business models.

We rely primarily on the following actions for this:

- Responsible sourcing of renewable raw materials
- Use of the mass balance approach
- Partnerships to drive forward chemical recycling
- Use of TripleS to steer our product portfolio toward more sustainability

[1] The Verbund concept is not a BASF policy and therefore also not a policy as defined by the ESRSs.

Successfully transforming to a circular economy depends on a suitable framework. At present, global demand for circular products is growing more slowly than expected. In addition, there is currently not enough suitable waste available on the market, while technologies to enhance large-scale recycling of raw materials are being further developed. We are also observing uncertainties in the regulatory environment that are making the transformation more difficult.

As part of a Group-wide circular economy program, BASF teams have developed new approaches in over 50 initiatives since 2019. These relate to the main action areas of making greater use of circular feedstocks, designing innovative material cycles and establishing new business models. From 2025 onward, the respective business units will drive forward implementation of these initiatives in the long term.

E5-5

We help to close and expand loops by developing and implementing circular solutions for the materials that we source, continuing to optimize our operations and offering resource-efficient products and services that support our customers' circular processes. We are also developing product-specific recycling technologies and are involved in cross-industry networks and initiatives to avoid plastic waste and strengthen the circular economy.

Sourcing and use of raw materials

E5-2

Fossil raw materials are still our most important feedstocks. Extracting and processing them causes greenhouse gas emissions, which contribute to climate change. We are trying to reduce these emissions by using alternative raw materials. However, these alternatives can also pose sustainability challenges, such as risks in the supply chain. We see one solution in a transition to a circular economy in which we use process and product innovations to decouple growth from resource consumption.

In line with our procurement requirements, our responsible **sourcing of renewable raw materials** takes the protection of biodiversity and ecosystems into account. The risk analyses that we perform in relation to our procurement processes also consider social factors such as working conditions and food security over the long term. We carefully weigh advantages and disadvantages, for example with life cycle analyses. At the same time, we seek dialog with our stakeholders to identify conflicting goals. The aim here, among other things, is to combat the negative impacts on the environment caused by the sourcing of both fossil and renewable raw materials. We also continuously include recognized certification standards, such as those from the Roundtable on Sustainable Palm Oil (RSPO), in our decisions. For our biomass portfolio, we are exclusively sourcing renewable raw materials that are certified according to recognized standards such as the International Sustainability and Carbon Certification (ISCC) or REDcert, the organization for sustainably produced biomass (see page 254).

We are constantly working to switch to more sustainable raw materials and to reduce the resources consumed in the manufacturing of our products, for example through more efficient processes and innovative technologies. We are developing and testing long-term approaches to make the sourcing of raw materials more sustainable in joint local initiatives with suppliers and other partners. For example, we started operating a prototype metal refinery at our site in Schwarzheide, Germany, in April 2024. The plant will be used in the future to recycle lithium-ion batteries and waste from the production of electric vehicle batteries.

In addition, for example, we continue to deploy the **mass balance approach** in our production in the long term: Many BASF value chains start in syngas plants or steam crackers. This is where fossil feedstocks, mostly naphtha and natural gas, are converted into hydrogen and carbon monoxide or split into important basic chemicals such as ethylene and propylene. These are then processed further in the BASF Verbund to create thousands of products. In addition to fossil feedstocks, we feed alternative feedstocks from bio-based and chemically recycled sources, such as bionaphtha, biomethane and pyrolysis oil, into the Verbund long term at our production sites in Europe, North America and Asia Pacific. These alternatives are used in place of fossil feedstocks for our mass balance products. As fossil, bio-based and recycled raw materials are processed simultaneously, the feedstocks cannot be directly physically attributed to resulting derivatives. However, through monitoring by independent third parties such as TÜV Nord on the basis of recognized certification systems such as REDcert2 or ISCC PLUS, it can be verified that an adequate amount of alternative feedstocks has been used for the amount of mass balance sales product. This ensures that fossil raw materials are saved with every sale of these certified products. We aim to use the mass balance approach to help our customers to achieve their sustainability targets. This can help BASF to purchase fewer fossil raw materials and reach its sustainability targets.

» For more information on the mass balance approach, see basf.com/massbalance

Mass balance products are identical in quality to conventionally produced products, but due to the alternative feedstocks used they contribute to more sustainability, for example, through fewer CO_2 emissions and lower demand for fossil raw materials. In 2024, we expanded our mass balance portfolio in many areas, for example to include Ccycled® automotive refinish coatings, biomass balanced products for customers from the detergent and cleaner industry, and products for selected chemical intermediates.

One focal point of our activities in the area of circular feedstocks is the **chemical recycling** of plastics. We use this complementary technology to mechanical recycling to help reduce the amount of plastic waste that is disposed of in landfills or thermally recovered in the long term. Chemical recycling breaks down plastics into their building blocks or converts them into basic chemicals. Different methods are used for this, such as depolymerization or pyrolysis. Chemical recycling has impacts on the entire value chain – from the sourcing of raw materials and the use of recycled raw materials in the manufacture of products to the downstream value chain, in which waste is not disposed of but can be used as a feedstock. To give one example, in chemical recycling, our technology partners use the pyrolysis process to extract pyrolysis oil from used tires or from mixed plastic waste, which is not mechanically recycled as of yet. As part of ChemCycling®, we feed the pyrolysis oil into the BASF Verbund at our production sites in Europe, North America and Asia Pacific as a substitute for fossil feedstocks and manufacture Ccycled® products by applying the mass balance approach. In 2024, we established a long-term partnership with Encina Development Group to source benzene that has been chemically recycled from plastic waste. We also aim to use this feedstock to manufacture our Ccycled® product portfolio.

Our Agricultural Solutions division's xarvio® HEALTHY FIELDS digital solution is a good example of a business model that contributes to a circular economy by reducing resource consumption. The solution creates incentives for our customers to use resources as efficiently as possible when growing winter wheat and barley. It offers a customized, field-specific fungicide strategy that guarantees leaf health at the end of the season. If the guaranteed leaf health level is not reached, BASF pays compensation to its customers. In 2024, agricultural machinery manufacturer Stara started marketing a crop protection sprayer in Latin America that can detect and treat weeds in real time. The technology combines xarvio® Digital Farming Solutions' agronomic intelligence with high-tech cameras and software to optimize the use of herbicides.

E5-5

We are also pursuing the goal of closing product loops. One example of this is loopamid®. BASF developed this innovative solution to support the circular economy in the fashion industry and recycle polyamide 6 (PA6) textile waste. The technology behind loopamid® tolerates all fabric blends, including PA6 and elastane, enabling textile-to-textile-recycling of industrial textile waste and used clothing from the downstream value chain. The fibers and materials can be recycled over multiple cycles. At the same time, the material's characteristics are identical to those of conventional polyamide.

E5-2

A significant tool for the long-term global **steering of the product portfolio** based on the sustainability performance of our products is our TripleS method (Sustainable Solution Steering). We use this method to assess our relevant product portfolio[2] and categorize products by their applications and regional aspects, including with respect to resource use and the circular economy. This steering method also allows us to enhance our portfolio with respect to the aspects of the circular economy and resource use. By doing so, we aim to contribute positively to reducing the sourcing of fossil raw materials by supporting the use of recycled feedstocks and closed-loop product cycles. The latter could further reduce waste along the entire value chain. If products with sustainability concerns are identified within TripleS, we classify them as either Monitored or, in the case of significant concerns, as Challenged. A description of possible measures is mandatory for both categories. In the case of Challenged products, we develop our own action plans. These include research projects and reformulations to optimize products or replace them with alternatives. To systematically make our portfolio more sustainable, we are generally phasing out all Challenged products within five years of their initial classification. For more information on the TripleS method, see the General Disclosures chapter of the Sustainability Statement from page 161 onward.

Waste management

We are committed to minimizing material consumption along our value chain. We require suppliers to comply with internationally recognized environmental standards. We support our suppliers in developing and implementing measures for improvement, for example in waste management.

Through targeted **waste management**, which is set out in the Environmental Protection corporate requirement, we aim to reuse materials by recycling them, for example, and to keep waste disposal volumes as low as possible. In this continuous process, we systematically track our material flows and follow a clear hierarchy: We aim to avoid waste as far as possible, for example, by continuously optimizing our processes or developing new production methods. This is where our Verbund structure with its networked plants and value chains comes in: The by-products of one plant serve as feedstock elsewhere in the BASF Verbund, avoiding waste and enabling us to use the feedstocks deployed as efficiently as possible. If they cannot be used within the Verbund structures, we assess whether they can be recycled or thermally recovered. We have established processes for the safe, proper and environmentally responsible disposal of materials that we cannot recover or where recovery is not legally permitted. If we use external waste disposal companies, we conduct regular audits to verify that waste is disposed of properly. In this way, we also contribute to preventive soil protection and keep today's waste from becoming tomorrow's contamination.

[2] The definition of the relevant portfolio and further information can be found in the TripleS manual at basf.com/en/sustainable-solution-steering

Global targets

E5-3

We use our TripleS method to categorize our relevant product portfolio[3] into five segments: Pioneer, Contributor, Standard, Monitored and Challenged. Taken together, the Pioneer and Contributor products make up our Sustainable-Future Solutions. Products allocated to these categories make a positive sustainability contribution in the value chain. Examples are bodycare products made from bio-based and biodegradable polymers or insulation foams that save energy for customers. Our Sustainable-Future Solutions allow us to make a positive contribution with our product portfolio. This also includes resource use and circular economy. For example, an increasing amount of recycled feedstocks are used in these products. We have set ourselves the goal of ensuring that more than 50% of BASF's sales relevant to TripleS are attributable to Sustainable-Future Solutions by 2030 (2024: 46.3%). With TripleS, we are steering our product portfolio as well as our research and development units toward sustainable solutions. We are aiming to reduce the negative impacts of the sourcing and use of fossil raw materials, for example, by using more recycled feedstocks and deploying circular solutions to make more efficient use of raw materials. This can also reduce the waste produced along the value chain. For more information on the methodology behind this target, see the General Disclosures chapter of our Sustainability Statement from page 161 onward.

In addition to this target, with which we aim to increase the proportion of our more sustainable products, we have set ourselves a new target for the circular economy in 2024. The target was set by BASF's Board of Executive Directors in 2024 on the basis of the TripleS method. This methodology and the associated target are based on clearly defined criteria in the respective ESG topic areas that are comprehensible in the methodology manual. There is currently no general quantitative scientific framework for the steering of a product portfolio based on business performance and sustainability contribution that companies could use as a guide when setting targets. Among other things, regional legislation on the circular economy and the guidelines set out therein, which we expect that our customers will have to meet, were taken into account when setting the target. We aim to generate sales of €10 billion from Loop Solutions for our customers by 2030 (2024: €5.7 billion). We define Loop Solutions as products that are categorized as Pioneers or Contributors in line with TripleS and that hence make a positive contribution to the circular economy. The total sum of absolute sales for these products represent our Loop Solutions. These are products that are based wholly or partly on renewable or recycled feedstocks, support recycling processes, increase durability of materials or prolong their lifetime. For example, multilayer packaging produced with our water-based Epotal® adhesives can be easily separated into its individual recyclable materials during recycling, allowing them to be reused. Our aim with this target is to reduce waste along the value chain and to make a positive contribution to the more efficient use of raw materials. The annual review of our TripleS target also includes a review of those products that contribute to the circular economy target, so as to measure and evaluate our progress toward achieving it.

In this way, BASF is pursuing a holistic strategy to support a circular economy and at the same time achieve our sustainability targets. To meet these two product-specific targets, we will enhance the sustainability of our raw material base in the direction of a more circular economy. We have drawn up both policies and actions to do this. We aim to use our targets to check whether our strategies and actions are having the desired effect and whether we are contributing to the circular economy.

There are no plans to introduce a dedicated waste management target. Our focus is on the efficient use of our raw materials in our plants. We are continuously increasing this efficiency thanks to the focused measures we are taking (see page 251) and hence are also reducing the volumes of waste generated during production.

[3] The definition of the relevant portfolio and further information can be found in the TripleS manual at basf.com/en/sustainable-solution-steering.

Metrics

Resource inflows

E5-4

BASF's most important raw materials (based on volume) include gas and crude oil-based petrochemical feedstocks such as naphtha and benzene. We use liquid gas and natural gas as fuels to generate energy and steam, and as raw materials to produce key basic chemicals such as ammonia or acetylene. Naphtha is mainly fed into our steam crackers, where it is split into products such as olefins and aromatics. Olefins such as ethylene, propylene and butene are important feedstocks for numerous value chains at BASF. We use aromatics such as benzene or toluene to manufacture engineering plastics, among other products. Further details about water as a resource are given in chapter E3 Water (on page 221 onward). Investments in property, plant and equipment such as the construction of new production plants or the expansion of capacities at existing production plants are of crucial importance to us as a chemical company. Information on these investments is given in the chapter Material Investments and Portfolio Measures of the Consolidated Financial Statements (see page 33). Thanks to a high degree of forward and backward integration, we can produce feedstocks for our value chains efficiently within the BASF Verbund while conserving resources. We continuously evaluate whether fossil and petrochemical resources can be replaced with renewable or recycled alternatives.

Our renewable raw materials are mainly based on vegetable oils, fats, grains, sugar and ethanol. We use these to produce ingredients for the detergent and cleaner industry and natural active ingredients for the cosmetics industry, for example. We also use renewable feedstocks such as biomethane and bionaphtha as an alternative to fossil feedstocks in our Verbund (see page 250).

We document the volumes of raw materials that we source by determining and adding together their weights. Solids are weighted directly, while for liquids and gases, the volumes are measured and the weights then calculated using their density. We comply with our global, binding procurement requirements when sourcing raw materials and expect our suppliers to adhere to our Supplier Code of Conduct.

When using fossil and renewable raw materials, we consider economic criteria, supply security, process and product safety issues, the availability of various raw materials and potential **impacts on sustainability** along the value chain. All in all, we purchased 30.4 million metric tons of raw materials in 2024, which we generally also use in the same year. Renewable raw materials accounted for 1.2 million metric tons of this amount and were mainly based on vegetable oils, fats, grains and sugar.

We purchase renewable raw materials in accordance with our principles for sustainable sourcing. Our expectations of our suppliers are laid down in our Supplier Code of Conduct. We are developing and testing approaches to make the supply of raw materials more sustainable in joint initiatives with suppliers and other partners. Our principles for the responsible sourcing of renewable raw materials cover both environmental and social criteria.

A total of 24% of the renewable raw materials purchased by us in 2024 were certified, for example by RSPO, REDcert-EU, ISCC EU or ISCC PLUS. Certification standards are not available for all renewable raw materials. As part of our commitment to more sustainability, we are focusing on those areas where they are still missing.

Palm oil, palm kernel oil and their derivatives are some of our most important renewable raw materials. We mainly use these to produce ingredients for the cosmetics, detergent, cleaner and food industries. We aim to ensure that palm-based raw materials come from certified sustainable sources. We have been a member of the RSPO since 2004 and are involved in other national and international initiatives, such as the German Forum for Sustainable Palm Oil (FONAP) and the High Carbon Stock Approach (HCSA) organization. Building on our Group-wide Supplier Code of Conduct, we have outlined our expectations of suppliers in the palm-based value chain in an additional sourcing policy (BASF Palm Sourcing Policy). This addresses aspects such as forest and peat conservation, respect for labor rights and the rights of Indigenous peoples, smallholder inclusion, and certification and traceability standards. Our goal here is to address negative impacts that could arise as a result of our sourcing of renewable raw materials specifically for palm-based raw materials. As part of our supplier and risk management, we use the Palmoil.io internet platform from the tech firm MapHubs to monitor potential deforestation activities that violate our Palm Sourcing Policy. Our Care Chemicals division has published a comprehensive annual **Responsible Sourcing Report** since 2023. In it, we report on our measures and progress toward more sustainability and transparency in the palm value chain and the value chains for other renewable raw materials.

We sourced 11.3 kilotons of recycled raw materials in 2024. This corresponds to 0.04% of our raw materials. The figure includes pyrolysis oil, which is extracted from plastic waste or used tires via chemical recycling (see page 250).

We have many years of experience and a high degree of specialization in recycling **precious metals** such as platinum, palladium and rhodium. These are used in mobile emissions catalysts as well as in chemical catalysts. We primarily use the precious metals recovered in this way as feedstocks to manufacture new products for the automotive, specialty chemical, semiconductor and green hydrogen industries.

Another focus is on recycling **mineral raw materials**. For example, we are driving forward innovative technologies and solutions for recovering metals such as lithium, nickel, cobalt and manganese from end-of-life lithium-ion batteries. With the growing market for electric vehicles, there is also an increasing need for recycling lithium-ion batteries. As a leading producer of battery materials with local production capacities in the three main markets – Asia, Europe and North America – BASF has in-depth expertise in battery chemistry and process technology. We are utilizing these competencies to address battery recycling as an additional growth market in cooperation with partners along the value chain.

Resource outflows

E5-5

The production and processing of chemicals is our core business. Our extensive product portfolio ranges from chemicals and materials to industrial solutions, surface technologies, nutrition and care and agricultural solutions. We supply products and services to around 74,000 customers[4] from various sectors in almost every country in the world. Our customer portfolio largely comprises major global customers and medium-sized enterprises, which process them in downstream production. Only isolated products, such as in the agricultural area, are also sold directly to end consumers. Because of this, we assume that our products do not have a significantly high material use rate or recyclable content.

Our products are frequently used to manufacture durable, high-performance solutions such as electric motors for vehicles or insulation foams for the construction industry. We are making increasing use of alternative feedstocks and processes in the manufacture of our products, so as to close material loops and reduce waste (see page 248). These include, in particular, our Ccycled® products; we use the mass balance approach to attribute pyrolysis oil – which is fed into the BASF Verbund as a substitute for fossil feedstocks – to them. We are helping to strengthen the circular economy and increase resource use by offering our customers products that support the recycling process, increase the durability of materials or prolong their lifetime. We have embedded the TripleS method in the assessment of our research and development (R&D) processes so as to incorporate the guidelines formulated by the European Commission in its Safe and Sustainable by Design framework, among other things. Our use of TripleS creates transparency regarding the contribution to sustainability made by our product portfolio and future products developed by R&D and also takes circular design principles into account. We are reviewing the sustainability-related challenges facing our products and steering our portfolio in the direction of more sustainable solutions. As part of our circular economy program, we also investigate the recyclability of our own products, among other things. One example of this is loopamid®, a product enabling textile-to-textile recycling of industrial textile waste and used clothing (see page 251).

One of the ways in which we can reduce the use of fossil raw materials is to partially or fully use renewable or recycled feedstocks to manufacture products. This is done by feeding in recycled or bio-based feedstocks into the production of certain BASF products and attributing them to the end products. We use the mass balance approach for this. As fossil, bio-based and recycled raw materials are processed simultaneously, the feedstocks cannot be directly physically attributed to resulting derivatives. This attribution is monitored by independent third parties such as TÜV Nord on the basis of recognized certification systems including REDcert2 or ISCC PLUS. These enable BASF to verify that an adequate amount of alternative feedstocks have been used for the amount of mass balance sales product. This ensures that fossil raw materials are saved with every sale of these certified products.

» For more information, see basf.com/massbalance

BASF generated 2.18 million metric tons of waste in 2024. As is normally the case in the chemical industry, this includes metals, plastic waste as well as reaction and distillation residues, among other things. A total of 1.09 million metric tons of this waste was disposed of. Based on the concept of the circular economy, we are continuously examining recycling or thermal recovery options for all waste. In this way, we were able to find new uses for 1.09 million metric tons of our waste in 2024. A total of 1.70 million metric tons (77.8%) of our waste could not be recycled. We continuously identify and evaluate the safest and most environmentally sound disposal routes for nonrecyclable waste. The

[4] The number of customers refers to all external companies (sold-to parties) that had contracts with the BASF Group in the business year during which sales were generated.

hazardous waste disposed of in landfill is mainly contaminated construction waste that cannot be recycled due to legal guidelines. BASF classifies waste before its disposal in line with the applicable legislation and the volume is determined by weighing it at the disposal company. The data produced by weighing serves as the basis for the treatment or disposal costs that are due. A general description of our measurement methods and of the process used to capture environmental data, including waste volumes, plus general information on estimating or rounding specific sustainability parameters can be found in the General Disclosures chapter of our Sustainability Statement on page 150 onward.

Waste generation in the BASF Group in 2024

In millions of metric tons	Hazardous waste	Nonhazardous waste
	2024	2024
Recovery		
Recycled	0.16	0.32
Thermally recovered	0.47	0.14
Waste recovered	**0.63**	**0.46**
Disposal		
Through incineration (without energy recovery)	0.63	0.05
In surface landfills	0.09	0.18
Other	0.11	0.04
Waste disposed of	**0.83**	**0.26**
Total waste generation	**1.46**	**0.73**

EU Taxonomy

The European Union (EU) strives to be climate neutral by 2050 as part of the Green Deal. The EU taxonomy serves as an instrument for that purpose. It provides a common classification system for economic activities based on their substantial contribution to environmental objectives.

In accordance with the EU Taxonomy Regulation and the supplementary delegated acts, the Nonfinancial Statement includes the share of the Group's taxonomy-eligible and taxonomy-aligned sales revenue, capital expenditures (capex) and operating expenditures (opex) for the reporting year 2024. Under consideration is whether our economic activities substantially contribute to one or more of the following six environmental objectives: climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems.

BASF activities that are not yet covered by the EU taxonomy, and as such, are not relevant under the taxonomy, are reported as taxonomy-non-eligible in accordance with the delegated acts. These include large parts of BASF's activities that may nevertheless be in line with the EU's environmental objectives as they substantially contribute to avoiding CO_2 emissions within BASF and for BASF products. We use our TripleS methodology to systematically analyze the environmental performance of all BASF products (see page 161).

To derive the aforementioned financial indicators, we analyzed our product portfolio and identified the following economic activities under the EU taxonomy's six environmental objectives as being relevant for BASF:

- Manufacture of batteries[1]
- Manufacture of energy efficiency equipment for buildings[1]
- Manufacture of hydrogen
- Manufacture of soda ash
- Manufacture of chlorine
- Manufacture of organic basic chemicals
- Manufacture of anhydrous ammonia
- Manufacture of nitric acid
- Manufacture of plastics in primary form
- High-efficiency cogeneration of heat/cool and power from fossil gaseous fuels
- Manufacture of active pharmaceutical ingredients (API) or active substances

To avoid double counting, the assignment to an enabling activity is only made if a taxonomy-eligible product or project had not already been included under another activity. BASF products also enable the manufacture of renewable energy technologies as well as low-emission mobility. However, since the EU taxonomy focuses on the manufacture of technologies and thus excludes precursors, we have classified these activities as non-eligible under the EU taxonomy.

We identified additional BASF activities outside of our main business – the production of chemical products – and assessed their materiality in terms of their contribution to sales revenue, capital or operating expenditures. For the 2024 reporting year, we also assessed the economic activity high-efficiency cogeneration of heat/cool and power from fossil gaseous fuels as relevant with respect to the environmental objective of climate change mitigation. For the purposes of the templates set out in Annex XII to Commission Delegated Regulation (EU) 2021/2178, we would like to point out that we conduct activities in the areas of electricity generation. In this context, our activities in the areas of high-efficiency

[1] Enabling activities as defined in the EU Taxonomy Regulation.

cogeneration of heat/cool and power from fossil gaseous fuels, reached the materiality threshold for the first time in the 2024 business year in terms of their contribution to capital expenditures. The following economic activities have been deemed immaterial: electricity generation using solar photovoltaic technology; production of heat/cool from bioenergy; production of heat/cool from geothermal energy; electricity generation from fossil gaseous fuels; and high-efficiency cogeneration of heat/cool and power from fossil gaseous fuels. BASF does not conduct any nuclear energy activities.

BASF does not report any taxonomy-eligible activities under the environmental objective of climate change adaptation. This is firstly to avoid double counting with economic activities already included under the environmental objective of climate change mitigation. Secondly, in accordance with the notice issued by the European Commission, a prerequisite for taxonomy eligibility under the adaptation objective is the submission of an investment plan for implementing adaptation solutions. BASF does not currently have any such plan within the meaning of the EU Taxonomy Regulation.

Taxonomy-eligible sales revenue, capital and operating expenditures for all six environmental objectives

We assessed the taxonomy eligibility of our sales revenue based on sales revenue as defined and reported in the Consolidated Financial Statements of the BASF Group (see page 358). When taking all six environmental objectives into account, our taxonomy-eligible sales revenue accounted for 11.7% of total sales revenue in 2024. The largest contributions were from the activities manufacture of plastics in primary form and manufacture of organic basic chemicals, both of which are assigned to the environmental objective of climate change mitigation. Taxonomy-eligible capital expenditures (including acquisitions and excluding goodwill in accordance with the EU Taxonomy Regulation) accounted for 21.4% of the total capital expenditures reported in the Consolidated Financial Statements. Capital expenditures on the manufacture of organic basic chemicals and in the manufacture of plastics in primary form made the greatest contribution. These two activities likewise support the environmental objective of climate change mitigation. Operating expenditures include non-capitalized costs that relate to research and development[2], maintenance and repair, and short-term lease expenses. We follow the definition of operating expenditures set forth in the EU Taxonomy Regulation, which varies from how we report opex in our Consolidated Financial Statements. All of the capital and operating expenditures of a production facility with a taxonomy-eligible activity are counted as taxonomy-eligible. Taxonomy-eligible operating expenditures accounted for 11.7% of total operating expenditures. The largest contributions were from the activities manufacture of organic basic chemicals and manufacture of plastics in primary form. Both activities fall under the objective of climate change mitigation.

Taxonomy-aligned sales revenue, capital and operating expenditures

The taxonomy-eligible activities identified by BASF can be classified as taxonomy-aligned if they make a substantial contribution to one of the six environmental objectives and do no significant harm to other environmental objectives and, at the same time, ensure minimum social safeguards. As in the prior year, the material contribution and the harm to other environmental objectives were reviewed in a three-step process. The **first step** involved a two-part analysis based on BASF's internal product databases:

– The manufacture of products was analyzed with respect to the use of critical substances listed in Appendix C[3] to Commission Delegated Regulation (EU) 2023/2485 to ensure that they do not result in significant harm to the EU taxonomy's objective of pollution prevention and control. This also included use in the production process. Experts assessed and documented in each case that no other suitable alternative substances or technologies were available on the market.

[2] Taxonomy-eligible expenses for research and development are derived using the criteria applicable to the economic activity of close-to-market research, development and innovation (for example, having a Technology Readiness Level of at least 6).
[3] Generic criteria for DNSH to pollution prevention and control regarding use and presence of chemicals.

– Plastics in primary form were analyzed with respect to the share of renewable raw materials in the product. They were only considered further if the share was at least 5% and thus potentially made a substantial contribution to climate change mitigation through partial or complete production from renewable raw materials. Shares allocated using mass balance approaches (see page 250) are not taken into account here because their acceptance under the EU taxonomy has not yet been definitively clarified. For this reason, BASF products based on chemically recycled raw materials were not considered further in the assessment either. Mechanical recycling did not play any role for BASF in this context.

In the **second step**, it was assessed whether the potentially taxonomy-aligned products make a substantial contribution to climate change mitigation in accordance with the activity-specific criteria. Among other things, the greenhouse gas emissions of European and non-European plants to produce soda ash and nitric acid were compared with the average values of the most efficient plants under the EU emissions trading system. For the production of hydrogen, chlorine, ammonia and plastics in primary form, the comparison was with the activity-specific quantitative criteria, such as the energy or emission intensity of a product. This was based on a digital solution developed by BASF to determine product-specific carbon emissions (see page 194). With respect to measuring capital expenditures for the manufacture of emission-free hydrogen at our Ludwigshafen site (construction of a proton exchange membrane electrolyzer), a funding commitment from the German Federal Ministry for Economic Affairs and Climate Action was taken into account, as was a study on greenhouse gas emissions in hydrogen production carried out by the German environmental agency (Umweltbundesamt, UBA). The 2024 reporting year was the first year in which we reviewed whether the activity of manufacture of active pharmaceutical ingredients (API) or active substances made a substantial contribution to the environmental objective of pollution prevention and control. In so doing, we compared the activity in question with the activity-specific product criteria.

Finally, in the **third step** of the process, it was assessed whether the products identified cause significant harm to the other environmental objectives. This included an analysis of risks arising from climate change using climate risk and vulnerability assessments. At sites with material climate risk, the existence of adaptation solutions was additionally analyzed and evaluated. The avoidance of significant harm to water and marine resources[4], biodiversity and ecosystems[5], and pollution prevention and control were assumed for production plants in Europe based on comprehensive and uniform regulatory requirements and additionally ensured through data queries. The taxonomy alignment of non-European plants was assessed on a case-by-case basis. This was based on joint assessments by local and central experts using the evidence of local production requirements submitted.

The criteria for **minimum social safeguards** as a further pillar of taxonomy alignment in accordance with Article 18 of the EU Taxonomy Regulation were reviewed for all activities across the BASF Group that involve the four core topics of human rights (including labor rights), corruption/bribery, taxation and fair competition. The review was independent of the step-by-step process for the contribution to climate change mitigation and harm to other environmental objectives criteria. Minimum social safeguards were ensured by a systematic, integrated and risk-based approach to safeguarding our human rights due diligence obligations (see page 154), by global labor and social standards (see page 274), and by the BASF Supplier Code of Conduct (see page 295), among other things.

Taxonomy-aligned **sales revenue** accounted for 1.2% of the total sales revenue defined and reported in the BASF Group's Consolidated Financial Statements in 2024 (see page 358), with the greatest

[4] Protection of water and marine resources is assumed at sites that do not use or treat water.
[5] A radius of three kilometers around production sites was defined for the analysis of biodiversity-sensitive areas.

contribution coming from the manufacture of batteries (0.9%). Taxonomy-aligned capital expenditures (including acquisitions and excluding goodwill in accordance with the EU taxonomy) accounted for 3.7% of the total investments reported in the Consolidated Financial Statements. A substantial contribution of 2.6% was identified with respect to **capital expenditures** for the manufacture of batteries (additions to property, plant and equipment). We are also investing in a plant to produce emission-free hydrogen which will be commissioned in the coming years. The plant nonetheless fulfills the criteria for taxonomy alignment and is accordingly reported as capital expenditure pursuant to Section 1.1.2.2(a) of Annex I to Commission Delegated Regulation (EU) 2021/2178. Taxonomy-aligned **operating expenditures** accounted for 1.7% of total operating expenditures, with the largest contribution coming from the economic activity of manufacture of batteries (1.1%). There were no substantial changes to our taxonomy-aligned sales revenues or capital and operating expenditures.

The taxonomy-aligned portion of BASF's economic activities remains considerably lower than the taxonomy-eligible portion due to various factors. For instance, only a small proportion of plastics in primary form contain renewable raw materials in an amount above the threshold value (5%). The proportion of taxonomy-aligned activities is additionally reduced by the fact that many plants exceed the benchmarks used by the EU taxonomy. For example, the use of renewable energies is disregarded as a result of the strict requirements for calculating emissions in European emissions trading. Among other things, our steam cracker investment at our Zhanjiang, China site was assessed as not taxonomy-aligned even though it contributes to avoiding a considerable amount of carbon emissions. In addition, plants that are not subject to emissions trading and thus cannot be assessed using the specified criteria were generally classified as not taxonomy-aligned. The economic activity of manufacture of active pharmaceutical ingredients (API) or active substances was assessed for the first time, thus focusing taxonomy alignment on newly developed substances that constitute a suitable replacement for an existing product that does not meet the criteria for biodegradability. This resulted in established active ingredients with multiple benefits for human health – such as ibuprofen – being assessed as not taxonomy-aligned.

For more information on sales revenues, see Note 7 to the Consolidated Financial Statements from page 358 onward. For more information on capital expenditures, see Note 14 to the Consolidated Financial Statements from page 378 onward.

Taxonomy-eligible and taxonomy-aligned sales revenue, capital expenditures (capex) and operating expenditures (opex) in 2024

	Code	Proportion of sales revenue/ total sales revenue		Proportion of capex/ total capex		Proportion of opex/ total opex	
		Taxonomy-aligned per objective (in %)	Taxonomy-eligible per objective (in %)	Taxonomy-aligned per objective (in %)	Taxonomy-eligible per objective (in %)	Taxonomy-aligned per objective (in %)	Taxonomy-eligible per objective (in %)
Climate change mitigation	CCM	1.2	11.7	3.7	21.1	1.7	10.1
Climate change adaptation	CCA	–	–	–	–	–	–
Water and marine resources	WTR	–	–	–	–	–	–
Circular economy	CE	–	–	–	–	–	–
Pollution prevention and control	PPC	–	–	–	0.3	–	1.7
Biodiversity and ecosystems	BIO	–	–	–	–	–	–

EU Taxonomy indicators: 2024 sales revenue

Business year		2024		Substantial contribution criteria						DNSH criteria ("do no significant harm")									
Economic activities	Code	Sales revenue	Proportion of sales revenue	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Minimum safeguards	Proportion of taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) sales revenue 2023	Category: enabling activity	Category: transitional activity
		Million €	In %	Y; N; N/EL[a]	Y; N; N/EL[a]	Y; N; N/EL[a]	Y; N; N/EL[a]	Y; N; N/EL[a]	Y; N; N/EL[a]	Y/N[a]	Y/N[a]	Y/N[a]	Y/N[a]	Y/N[a]	Y/N[a]	Y/N[a]	In %	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Manufacture of batteries	CCM 3.4	584	0.9	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	Y	Y	Y	Y	Y	1.2	E	–
Manufacture of energy efficiency equipment for buildings	CCM 3.5	44	0.1	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	Y	Y	Y	Y	Y	0.0	E	–
Manufacture of soda ash	CCM 3.12	1	0.0	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	Y	Y	Y	Y	Y	0.0	–	T
Manufacture of organic basic chemicals	CCM 3.14	111	0.2	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	Y	Y	Y	Y	Y	0.3	–	T
Manufacture of plastics in primary form	CCM 3.17	13	0.0	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	Y	Y	Y	Y	Y	0.0	–	T
Sales revenue for environmentally sustainable activities (taxonomy-aligned)		**753**	**1.2**	**1.2%**	**–**	**–**	**–**	**–**	**–**	**–**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**1.6**		
Of which enabling activity (E)		628	1.0	1.0%	–	–	–	–	–	–	Y	Y	Y	Y	Y	Y	1.3	E	
Of which transitional activity (T)		125	0.2	0.2%	–	–	–	–	–	–	Y	Y	Y	Y	Y	Y	0.3		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)																			
				EL; N/EL[a]	EL; N/EL[a]	EL; N/EL[a]	EL; N/EL[a]	EL; N/EL[a]	EL; N/EL[a]										
Manufacture of batteries	CCM 3.4	0	0.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								–		
Manufacture of hydrogen	CCM 3.10	7	0.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0		
Manufacture of soda ash	CCM 3.12	3	0.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0		
Manufacture of chlorine	CCM 3.13	1	0.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0		
Manufacture of organic basic chemicals	CCM 3.14	2,772	4.2	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3.1		
Manufacture of anhydrous ammonia	CCM 3.15	137	0.2	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.2		
Manufacture of nitric acid	CCM 3.16	121	0.2	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.2		
Manufacture of plastics in primary form	CCM 3.17	4,359	6.7	EL	N/EL	N/EL	N/EL	N/EL	N/EL								6.7		
Manufacture of active pharmaceutical ingredients (API) or active substances[b]	PPC 1.1	264	0.4	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.3		
Sales revenue for taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)		**7,665**	**11.7**	**11.3%**	**–**	**–**	**–**	**0.4%**	**–**								**10.6**		
Total A.1. + A.2.		**8,418**	**12.9**	**12.5%**	**–**	**–**	**–**	**0.4%**	**–**								**12.2**		
B. Taxonomy-non-eligible activities																			
Sales revenue for taxonomy-non-eligible activities		**56,842**	**87.1**																
Total		**65,260**	**100.0**																

[a] Y: Yes, taxonomy-eligible activity that is taxonomy-aligned with the relevant environmental objective; N: No, taxonomy-eligible activity that is not taxonomy-aligned with the relevant environmental objective; EL: Eligible, taxonomy-eligible activity for the respective objective; N/EL: Not eligible, taxonomy-non-eligible activity for the respective environmental objective

[b] For the economic activity manufacture of active pharmaceutical ingredients (API) or active substances, the assessment for taxonomy alignment had to be carried out for the first time for the 2024 financial year in accordance with delegated acts.

EU taxonomy indicators: 2024 capital expenditures (capex)

Business year		2024		Substantial contribution criteria						DNSH criteria ("do no significant harm")									
Economic activities	Code	Invest-ments (capex)	Propor-tion of capex	Climate change mitiga-tion	Climate change adapta-tion	Water	Circular economy	Pollution	Bio-diversity	Climate change mitiga-tion	Climate change adapta-tion	Water	Circular economy	Pollution	Bio-diversity	Minimum safe-guards	Proportion of taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) capex 2023	Category: enabling activity	Category: transitional activity
		Million €	In %	Y; N; N/EL[a]	Y; N; N/EL[a]	Y; N; N/EL[a]	Y; N; N/EL[a]	Y; N; N/EL[a]	Y; N; N/EL[a]	Y/N[a]	Y/N[a]	Y/N[a]	Y/N[a]	Y/N[a]	Y/N[a]	Y/N[a]	In %	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Manufacture of batteries	CCM 3.4	170	2.6	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	Y	Y	Y	Y	Y	4.1	E	–
Manufacture of energy efficiency equipment for buildings	CCM 3.5	0	0.0	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	Y	Y	Y	Y	Y	0.0	E	–
Manufacture of hydrogen	CCM 3.10	59	0.9	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	Y	Y	Y	Y	Y	0.7	–	–
Manufacture of soda ash	CCM 3.12	10	0.1	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	Y	Y	Y	Y	Y	0.3	–	T
Manufacture of organic basic chemicals	CCM 3.14	6	0.1	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	Y	Y	Y	Y	Y	0.2	–	T
Manufacture of plastics in primary form	CCM 3.17	0	0.0	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	Y	Y	Y	Y	Y	0.0	–	T
Capex for environmentally sustainable activities (taxonomy-aligned)		**244**	**3.7**	**3.7%**	**–**	**–**	**–**	**–**	**–**	**–**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**5.2**		
Of which enabling activity (E)		170	2.6	2.6%	–	–	–	–	–	–	Y	Y	Y	Y	Y	Y	4.1	E	
Of which transitional activity (T)		15	0.2	0.2%	–	–	–	–	–	–	Y	Y	Y	Y	Y	Y	0.5		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)																			
				EL; N/EL[a]	EL; N/EL[a]	EL; N/EL[a]	EL; N/EL[a]	EL; N/EL[a]	EL; N/EL[a]										
Manufacture of hydrogen	CCM 3.10	10	0.2	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.3		
Manufacture of soda ash	CCM 3.12	0	0.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0		
Manufacture of chlorine	CCM 3.13	12	0.2	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.9		
Manufacture of organic basic chemicals	CCM 3.14	880	13.3	EL	N/EL	N/EL	N/EL	N/EL	N/EL								10.3		
Manufacture of anhydrous ammonia	CCM 3.15	15	0.2	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.5		
Manufacture of nitric acid	CCM 3.16	4	0.1	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0		
Manufacture of plastics in primary form	CCM 3.17	170	2.6	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3.1		
High-efficiency cogeneration of heat/cool and power from fossil gaseous fuels	CCM 4.30	149	2.2	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-		
Acquisition and ownership of buildings	CCM 7.7	157	2.4	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2.4		
Manufacture of active pharmaceutical ingredients (API) or active substances[b]	PPC 1.1	20	0.3	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.3		
Capex for taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)		**1,418**	**21.4**	**21.1%**	**–**	**–**	**–**	**0.3%**	**–**								**17.8**		
Total A.1. + A.2.		**1,662**	**25.0**	**24.7%**	**–**	**–**	**–**	**0.3%**	**–**								**23.1**		
B. Taxonomy-non-eligible activities																			
Capex for taxonomy-non-eligible activities		**4,976**	**75.0**																
Total		**6,638**	**100.0**																

[a] Y: Yes, taxonomy-eligible activity that is taxonomy-aligned with the relevant environmental objective; N: No, taxonomy-eligible activity that is not taxonomy-aligned with the relevant environmental objective; EL: Eligible, taxonomy-eligible activity for the respective objective; N/EL: Not eligible, taxonomy-non-eligible activity for the respective environmental objective

[b] For the economic activity manufacture of active pharmaceutical ingredients (API) or active substances, the assessment for taxonomy alignment had to be carried out for the first time for the 2024 financial year in accordance with delegated acts.

EU taxonomy indicators: 2024 operating expenditures (opex)

Business year		2024		Substantial contribution criteria						DNSH criteria ("do no significant harm")									
Economic activities	Code	Operating expenditures (opex)	Proportion of opex	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Minimum safeguards	Proportion of taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) capex 2023	Category: enabling activity	Category: transitional activity
		Million €	In %	Y; N; N/EL[a]	Y; N; N/EL[a]	Y; N; N/EL[a]	Y; N; N/EL[a]	Y; N; N/EL[a]	Y; N; N/EL[a]	Y/N[a]	Y/N[a]	Y/N[a]	Y/N[a]	Y/N[a]	Y/N[a]	Y/N[a]	In %	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Manufacture of batteries	CCM 3.4	52	1.1	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	Y	Y	Y	Y	Y	0.6	E	–
Manufacture of energy efficiency equipment for buildings	CCM 3.5	2	0.0	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	Y	Y	Y	Y	Y	0.1	E	–
Manufacture of soda ash	CCM 3.12	5	0.1	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	Y	–	Y	Y	Y	0.1	–	T
Manufacture of organic basic chemicals	CCM 3.14	14	0.3	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	Y	–	Y	Y	Y	0.9	–	T
Manufacture of plastics in primary form	CCM 3.17	6	0.1	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	Y	–	Y	Y	Y	0.1	–	T
Opex for environmentally sustainable activities (taxonomy-aligned)		**79**	**1.7**	1.7%	–	–	–	–	–	–	Y	Y	Y	Y	Y	Y	**1.8**		
Of which enabling activity (E)		54	1.2	1.2%	–	–	–	–	–	–	Y	Y	Y	Y	Y	Y	0.7	E	
Of which transitional activity (T)		26	0.6	0.6%	–	–	–	–	–	–	Y	Y	-	Y	Y	Y	1.1		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)																			
				EL; N/EL[a]	EL; N/EL[a]	EL; N/EL[a]	EL; N/EL[a]	EL; N/EL[a]	EL; N/EL[a]										
Manufacture of hydrogen	CCM 3.10	39	0.9	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.8		
Manufacture of soda ash	CCM 3.12	4	0.1	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1		
Manufacture of chlorine	CCM 3.13	33	0.7	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.7		
Manufacture of organic basic chemicals	CCM 3.14	195	4.2	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3.9		
Manufacture of anhydrous ammonia	CCM 3.15	23	0.5	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.4		
Manufacture of nitric acid	CCM 3.16	14	0.3	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.3		
Manufacture of plastics in primary form	CCM 3.17	158	3.4	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3.5		
Manufacture of active pharmaceutical ingredients (API) or active substances[b]	PPC 1.1	77	1.7	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.9		
Opex for taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)		**542**	**11.7**	**10.1%**	**–**	**–**	**–**	**1.7%**	**–**								**10.7**		
Total A.1. + A.2.		**621**	**13.5**	**11.8%**	**–**	**–**	**–**	**1.7%**	**–**								**12.4**		
B. Taxonomy-non-eligible activities																			
Opex for taxonomy-non-eligible activities		**3,998**	**86.5**																
Total		**4,619**	**100.0**																

[a] Y: Yes, taxonomy-eligible activity that is taxonomy-aligned with the relevant environmental objective; N: No, taxonomy-eligible activity that is not taxonomy-aligned with the relevant environmental objective; EL: N/EL: Not eligible, taxonomy-non-eligible activity for the respective environmental objective

[b] For the economic activity manufacture of active pharmaceutical ingredients (API) or active substances, the assessment for taxonomy alignment had to be carried out for the first time for the 2024 financial year in accordance with delegated acts.

Template 1 Nuclear and fossil gas related activities

Row	Nuclear energy related activities	Yes/No
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Row	**Fossil gas related activities**	**Yes/No**
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Template 2 Taxonomy-aligned economic activities (denominator)

		Amount and proportion of sales (the information is to be presented in monetary amounts and as percentages)						Amount and proportion of capex (the information is to be presented in monetary amounts and as percentages)						Amount and proportion of opex (the information is to be presented in monetary amounts and as percentages)					
		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA	
Row	**Economic activities**	Million €	%	Million €	%	Million €	%	Million €	%	Million €	%	Million €	%	Million €	%	Million €	%	Million €	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	753	1.2	–	–	753	1.2	244	3.7	–	–	244	3.7	79	1.7	–	–	79	1.7
8	**Total applicable KPI**	65,260	100.0	–	–	65,260	100.0	6,638	100.0	–	–	6,638	100.0	4,619	100.0	–	–	4,619	100.0

Template 3 Taxonomy-aligned economic activities (numerator)

		Amount and proportion of sales (the information is to be presented in monetary amounts and as percentages)						Amount and proportion of capex (the information is to be presented in monetary amounts and as percentages)						Amount and proportion of opex (the information is to be presented in monetary amounts and as percentages)					
		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA	
Row	**Economic activities**	Million €	%	Million €	%	Million €	%	Million €	%	Million €	%	Million €	%	Million €	%	Million €	%	Million €	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	753	1.2	–	–	753	1.2	244	3.7	–	–	244	3.7	79	1.7	–	–	79	1.7
8	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	753	1.2	–	–	753	1.2	244	3.7	–	–	244	3.7	79	1.7	–	–	79	1.7

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities

		Amount and proportion of sales (the information is to be presented in monetary amounts and as percentages)						Amount and proportion of capex (the information is to be presented in monetary amounts and as percentages)						Amount and proportion of opex (the information is to be presented in monetary amounts and as percentages)					
		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA	
Row	**Economic activities**	Million €	%	Million €	%	Million €	%	Million €	%	Million €	%	Million €	%	Million €	%	Million €	%	Million €	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–	149	2.2	–	–	149	2.2	–	–	–	–	–	–
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**7,401**	**11.3**	**–**	**–**	**7,401**	**11.3**	**1,250**	**18.9**	**–**	**–**	**1,250**	**18.9**	**467**	**10.1**	**–**	**–**	**467**	**10.1**
8	**Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**7,401**	**11.3**	**–**	**–**	**7,401**	**11.3**	**1,398**	**21.1**	**–**	**–**	**1,398**	**21.1**	**467**	**10.1**	**–**	**–**	**467**	**10.1**

Template 5 Taxonomy non-eligible economic activities

Row	Economic activities	Sales revenue		Capex		Opex	
		Million €	%	Million €	%	Million €	%
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
2	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
3	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
4	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
5	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
6	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**56,842**	**87.1**	**4,976**	**75.0**	**3,996**	**86.5**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**56,842**	**87.1**	**4,976**	**75.0**	**3,996**	**86.5**

Social

S1 Own Workforce[1]

ESRS S1

Our employees are crucial to BASF's success. We want to attract and retain talents for our company and support them in their development. We also want to create a working environment that inspires and connects people every day. This is founded on an open corporate culture of mutual trust, respect and dedication to top performance.

ESRS 2 SBM-2

BASF introduced a plan for our company's long-term success in 2024 with the "Winning Ways" strategy (see page 18). Our success also depends on the high level of engagement of our skilled employees. A growing business also has positive impacts on our employees, such as an attractive comprehensive package and job security. We ask for feedback from our workforce or their representatives via various formats (see page 280). This feedback can be considered when developing our strategic direction. For example, an internal survey conducted in 2024 indicated that processes were perceived to be too complex or bureaucratic. This was one reason we focused on simplifying processes in our new strategy.

An integral part of our business model and our strategy is human rights due diligence. We see human rights due diligence as an important, all-encompassing task that we can only perform by working together as a team throughout the entire organization. For more information, see page 272 onward.

S1-6

This chapter refers to employees who were employed in a company within the BASF Group's scope of consolidation as of December 31, 2024. This includes full-time and part-time employees as well as apprentices. We report figures on our employees both as of the reporting date indicated and for the 2024 reporting year period in the "Metrics" section from page 288 onward. We do not report figures on nonemployee workers in our company for the 2024 reporting year. How we involve our employees is described on pages 276 and 279 as well in other sections.

Results of the double materiality assessment

ESRS 2 SBM-3

In our double materiality assessment (see page 167), topics in the topic category Own Workforce were defined as material. In this context, we identified five material impacts on employees and three risks for BASF[2] (see the following table). These impacts and risks apply to all employees who were employed in a company within the BASF Group's scope of consolidation as of December 31, 2024; they are globally valid with the exception of the information found on page 277. We systematically record opportunities and risks as part of our general opportunity and risk management (for additional information, see page 87 onward).

[1] According to the ESRS definition, a company's own workforce are employees and nonemployee workers.
[2] Two risks and two impacts regarding skill development have been grouped together in the overview table where this made sense.

Results of the double materiality assessment for S1 Own Workforce: Impacts

Impacts	Evaluation	Placement in the value chain	Description
Adequate wages	Positive	BASF's own operations	Our market-oriented compensation and corresponding additional benefits contribute to an attractive comprehensive package to attract and retain motivated and qualified employees. In this way, we create attractive working conditions for our employees and make a positive contribution to society.
Training and skill development	Negative, potential	BASF's own operations	Demographic and technological shift as well as changing skill profiles can potentially lead to employment and qualification gaps among our skilled employees and leaders. In a rapidly changing environment, new and increasing demands can potentially have a negative impact on employee engagement.
Possible health and safety risk due to handling hazardous chemicals	Negative, potential	BASF's own operations	Our employees are exposed to a potential health and safety risk because they work in laboratories and production plants and handle chemicals, including hazardous substances.
Risk to health and safety if rules are not followed or are ineffective	Negative, potential	BASF's own operations	There is a potential risk to our employees' health and safety if instructions on occupational safety and health protection and rules in our production processes are not followed.

Results of the double materiality assessment for S1 Own Workforce: Risks and opportunities

Risks	Assessment	Description
Secure employment	Negative	The macroeconomic situation, combined with structural adjustments at BASF, may unsettle employees and pose challenges in terms of employee retention and engagement.
Skills development and recruitment of skilled employees	Negative	Changing skill profiles and intensified global competition for skilled employees and leaders due to demographic and technological change can lead to a loss of skills and knowledge in our workforce or affect our ability to adequately and quickly develop them.

The material topics in the sense of the double materiality assessment are skill development, recruitment of skilled employees and adequate wages. This is due to our high need for skilled employees. Working in a chemical company is linked to potential health and safety hazards. It is therefore important and challenging for our business model to attract and retain well-trained and qualified employees for the long term.

The following topics are not discussed in detail with respect to corresponding policies, actions, targets and metrics since they were deemed nonmaterial in the sense of the double materiality assessment:

- In the context of working conditions: working time; social dialog; freedom of association; the existence of works councils and the information, consultation and participation rights of workers; collective bargaining, including rate of workers covered by collective agreements; work-life balance.
- In the context of equal treatment and opportunities for all: gender equality and equal pay for work of equal value, employment and inclusion of persons with disabilities, measures against violence and harassment in the workplace, diversity.
- In the context of other work-related rights: no child labor, no forced labor, adequate housing, privacy.

Even if these topics are nonmaterial for us in the sense of the double materiality assessment, they are being monitored and actively shaped by our experts. We want to ensure our employees' rights are protected and that we can react early and appropriately to potential risks.

» For more information on our strategies and measures, see basf.com/en/employees

Strategy and governance

S1-1 ESRS 2 SBM-3

For explanations of BASF policies that we reference in more than one chapter, please see General Disclosures in the Sustainability Statement on page 151. These include disclosures regarding scope, accountability, impacts in the value chain, global applicability, accessibility to stakeholders and engagement thereof.

Human rights due diligence

The basis of our social responsibility is respect for human rights, including workers' rights – in our own activities as well as in our business relationships. BASF is a founding member of the U.N. Global Compact and a member of the Global Business Initiative on Human Rights. Our long-term voluntary commitment guides our engagement in human rights. We are committed to respecting internationally recognized human rights in our own activities and promoting them along our value chains. We are very careful to neither cause nor contribute to human rights violations in our own business activities. BASF is also active in initiatives such as Together for Sustainability (TfS) and Responsible Care®.

We consider human rights due diligence to be an important and comprehensive task and have set up our organization accordingly. That is why our responsibility for human rights has been in our **Code of Conduct** for many years and is set out in our Policy Statement on Human Rights.

Our corporate value "responsible" (see page 19) includes striving to apply high standards for responsible labor and social standards as well as protecting health and safety worldwide. All employees and leaders are responsible for putting these standards into practice and respecting human rights. To fulfill this obligation, we developed a systematic, integrated and risk-based due diligence approach as well as clear processes for monitoring and managing human rights risks.

The implementation of human rights due diligence is an ongoing task requiring a robust management system and the corresponding organizational structure. Effective cross-functional collaboration with strong teamwork is an essential component. We want to ensure that we:

- Identify, weight and prioritize our human rights risks through scheduled and incident-related analyses
- Address risks with effective preventive measures and with appropriate remedial actions in the case of violations
- Integrate the actions into all relevant functions and operational processes and regularly review their effectiveness

The head of our legal and compliance organization also acts as **Chief Human Rights Officer**, who oversees the overarching risk management system and reports regularly to the Board of Executive Directors and the Audit Committee on human rights issues. The overarching governance of human rights due diligence at BASF is the responsibility of our Compliance unit. In addition, various specialist units are responsible for steering specific human rights topics. Experts in the fields of international labor and social standards, environmental protection, health and safety, as well as corporate security work on a risk-oriented basis to ensure that we respect the relevant human rights in our own activities.

We have integrated human rights-related assessments into our governance and decision-making processes, for example for investments and acquisitions. Our internal cross-unit **Human Rights Expert Working Group**, managed by the Compliance unit, facilitates close collaboration between the above mentioned specialist units, which also include specialists from the areas of Procurement, Legal, Human Resources, Sustainability, Communication and Government Relations. They regularly discuss the latest topics and developments related to human rights, provide support in the improvement of our internal processes, offer training and advise on challenging issues. Our concept also includes structured collaboration with the operating divisions to identify and actively address division-specific risks. Our **Human Rights Advisory Council** is a source of additional external human rights expertise for us. The Council, which comprises independent international human rights experts, meets several times per year. The trust-based dialog on human rights topics helps us to better understand different perspectives and to deal more openly with critical situations.

Human rights due diligence is an ongoing task for us. We therefore review our processes and measures in this area on a regular basis and improve them as needed. Our strategies relating to our workforce are in accordance with the following internationally recognized standards for responsible business conduct:

- United Nations' (U.N.) Universal Declaration of Human Rights
- U.N. International Covenant on Civil and Political Rights
- U.N. International Covenant on Economic, Social and Cultural Rights
- Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO)
- Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy of the ILO
- The Ten Principles of the U.N. Global Compact
- U.N. Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises
- Responsible Care® Global Charter of the International Council of Chemical Associations (ICCA)

As a global company with more than 100,000 employees around the world, we are exposed to a number of inherent human rights risks with regard to **international labor and social standards**, especially in countries with higher human rights risks. We have established clear principles, guidelines and processes to identify and address these risks accordingly.

We mainly approach our responsibility to act in compliance with international labor and social standards using three elements: the Compliance Program (including the BASF Compliance Hotline, see page 321), close dialog with our stakeholders (such as with employee representatives or international organizations, see also page 279) and our requirements on adherence to international labor and social standards, applicable Group-wide.

Part of our central due diligence system is a global, risk-based management process, whereby we monitor relevant changes in national laws of the countries where BASF operates and evaluate them for compliance with international labor and social standards. The results of this comparison as well as any measures taken to implement our requirements on international labor and social standards are tracked and documented. The evaluation is carried out regularly for selected BASF Group companies based on country-specific risk assessments. If there is a heightened inherent risk of violations of workers' and human rights in a country, the Group companies located there are evaluated more frequently. If national laws contain no or lower requirements compared to labor and social standards defined by BASF, action plans are developed to bridge these gaps. If conflicts with national laws or practices arise, we aim to uphold our values and strive to adhere to our internationally recognized standards, all while ensuring compliance with the laws of the respective country.

Individual elements of our requirements on international labor and social standards are audited internally (Responsible Care audits) at selected BASF Group companies. In addition, international labor and social standards are an integral part of the Corporate Audit unit's compliance management audits (see page 323). Furthermore, audits are performed on specific matters.

BASF's international labor and social standards stipulate the fundamental principles and rights at work with regard to freedom, equity, security and dignity (see graphic):

These principles are applicable at BASF worldwide and are the responsibility of Corporate Human Resources, which reports directly to the Board of Executive Directors. We expect compliance from all leaders and employees and provide internal target group-specific training sessions on labor and social standards on a regular basis.

The following provides a more in-depth description of some of the fundamental principles and rights regarding international labor and social standards at BASF:

No child labor and no forced labor

BASF expressly prohibits any form of child or forced labor, including slavery and human trafficking. This is also specified in the BASF Group's Policy Statement on Human Rights. These topics are part of our analyses and requirements because we operate in countries where forms of child and forced labor exist. To prevent incidents of child or forced labor within our company, we identify and address these risks and take the appropriate preventive measures (see page 273). In 2024, there were no indications of individuals in our company being subjected to forced labor or child labor. Our disclosures on any incidents, complaints and severe human rights impacts can be found in the "Metrics" section (see page 290).

No discrimination, harassment or other forms of workplace distress

The BASF Group's Policy Statement on Human Rights contains our commitment to a fair, diverse and inclusive working environment characterized by mutual trust and respect as well as respectful interaction between all employees. This is also an integral component of our globally applicable Code of Conduct for all employees.

We are committed to equal opportunities whereby no one is at a disadvantage due to race, gender, age, skin color, nationality, disability, religion or worldview, sexual orientation, ethnicity, social status, marital status, gender identity or expression, political opinion, pregnancy, maternity, parental status or any other characteristics protected by law. This includes equal pay for equal work. We embrace the diversity of our employees.

We take the risk of discrimination very seriously and are aware that discrimination can occur in companies. At BASF, we expect human resources-related decisions to be made based on objective criteria. We do not tolerate discrimination, harassment or any other form of abuse. If, however, incidents come to our attention, for example via our grievance channels, we aim to act immediately and take the appropriate remedial actions (see page 281 and 290). Based on external definitions such as those provided by the Federal Ministry for Economic Cooperation and Development, we consider individuals to potentially be at particular risk: people – especially women – belonging to minorities, nonemployee workers, people with disabilities, underage employees and expectant mothers and parents. In addition, employees with a migrant background may face a heightened risk of human rights violations and discrimination. This can manifest in various ways, such as the denial of rights, harassment, and unequal treatment when it comes to job applications or promotions.

As part of our initiative against sexual harassment and discrimination, we launched a communication campaign in May 2024 at the Ludwigshafen site in Germany to raise awareness about the fact that discrimination and harassment have no place at BASF. This campaign will continue at additional BASF Group sites in 2025.

We take into account the unique challenges parents face, particularly with regard to the health and well-being of expectant and nursing mothers. Our goal is to protect their health and shield them and their children from harm (maternity protection, see page 274). We are committed to acting with particular care toward mothers and ensuring that they are treated with respect. Working women should be protected from all forms of discrimination related to their pregnancy or status as a mother.

An additional global requirement stipulates the promotion of diversity and inclusion within the BASF Group with a focus on the corporate value of "open" (see page 19).[3] It defines standards for a fair working environment and emphasizes the importance of equal opportunities and compliance with antidiscrimination laws. The objective is to establish a diverse and inclusive working environment in which our employees enjoy working. The requirement is supported through national or local actions.

[3] We interpret and apply our relevant principles, requirements and programs in accordance with applicable local laws.

When identifying leadership talents, we also take into account the promotion and appreciation of diversity, for example when it comes to women. Furthermore, we have committed to increasing the proportion of women in leadership positions to 30% by 2030.[4] As of December 31, 2024, the proportion of women working in the BASF Group was 27.1%. The proportion of women in leadership positions with disciplinary responsibility worldwide was 29.3% (2023: 28.4%) as of December 31, 2024. BASF's management reviews the status of this target achievement on a regular basis via a global dashboard.

» For more information on our activities relating to diversity, equal opportunities and inclusion, see basf.com/diversity_and_inclusion and basf.com/diversity

Effective recognition of the rights to freedom of association and collective bargaining

We recognize the right to freedom of association, promote collective bargaining and support social partnerships. All employees have the right to form, join or support legally recognized labor unions or other forms of worker representation in accordance with applicable legal regulations. This fundamental right should never be denied or restricted. BASF supports the rights of employees to participate in collective bargaining through their chosen labor organizations. We also do not tolerate any discrimination or retaliation against employees based on their membership, nonmembership or involvement in labor unions. For more information on the implementation of these principles, see the section "Engaging employees and their representatives" (page 279).

» For more information on our Policy Statement on Human Rights and our human rights commitment and approach, see basf.com/humanrights

In the following section, we discuss the material topics according to the results of our double materiality assessment (see page 271).

Adequate wages

The Corporate Center's Corporate Human Resources unit provides a globally consistent framework for employee compensation. We offer our employees appropriate, performance-related and market-oriented compensation, supplemented by attractive additional benefits. Compensation is based on global compensation principles according to position and function, market environment and performance. These principles are stipulated in three BASF Group-wide requirements (compensation by position and function, market-oriented compensation, performance-based compensation). Among other things, they serve to ensure that equivalent positions are compensated in a comparable way regardless of gender, ethnic background or any other characteristics, and that the local market conditions of the respective site and differences in employee performance are considered accordingly. In many countries and companies, our additional benefits exceed legal requirements and include, for example, company pension benefits, supplementary health insurance and share programs. We want to attract engaged and qualified employees and motivate them to achieve top performance with this comprehensive package that includes individual development opportunities and a good working environment. Our global compensation concepts help shape fair and competitive remuneration for employees in accordance with our requirements on international labor and social standards.

Skill development

Attracting and retaining the best employees is crucial to our success. Technological change is leading to new demands being placed on our employees. Demographic change is also increasing the effort involved in recruiting skilled employees. This can lead to skill gaps and vacant positions in the workforce. Both of these can result in lower employee motivation, posing new challenges for us when it comes to recruiting and retaining skilled employees. Skill development is a key instrument in this context. We want to boost employees' satisfaction, productivity and innovative power through the ongoing improvement of their skills and expertise.

[4] In so doing, we act in accordance with applicable local laws.

The Corporate Center's Corporate Human Resources unit provides a globally consistent framework for employee skill development and leadership excellence. A Group-wide requirement defines our process for employee development and the corresponding instruments and responsibilities. It also defines the degree of freedom the divisions have in this process in order to ensure comparable conditions for employees and address the different needs in our organization. Employee development at BASF is based on the principle that all employees have the opportunity to expand their skills and experience through learning or changing positions and are supported in doing so. Learning takes place according to individual and job-specific requirements and can be accomplished in different ways: independent study during work hours, social learning through exchange with others or formal learning in settings such as training and further education courses. Additionally, our requirements on international labor and social standards prohibit discriminatory practices that could restrict or prevent the personal and professional development of employees based on inadmissible criteria.

Our leaders play an important role in the engagement and development of our employees. We have therefore stipulated in a Group-wide requirement how BASF defines excellent leadership based on our values and what behavior we expect from our leaders. We thus place particular emphasis on the desired leadership behavior in our leadership development and assessment.

We are currently adjusting our corporate requirements for leadership and employee development to reflect our new strategy. We are monitoring the implementation of these requirements through regular surveys of employees and leaders. This also provides us with feedback from our workforce on development opportunities (see page 283).

Recruitment of skilled employees

Due to the intense global competition for the best skilled employees and leaders as well as demographic change, especially in North America and Europe, there is a risk that vacant positions may not be filled or only with a delay. We also see the risk of not being able to reach, hire and retain enough talent.

The shortage of skilled employees in many industries is also making it more difficult to attract and retain staff. We are therefore stepping up our recruitment and onboarding efforts. This is particularly the case for people with expertise in the fields of IT, artificial intelligence, production, engineering or natural sciences. In addition, a tense macroeconomic situation combined with structural adjustments at BASF may have a negative effect on employee engagement and loyalty to the company.

The Corporate Center's Corporate Human Resources unit provides a globally consistent framework for recruiting skilled employees and obtaining feedback. A global talent acquisition requirement stipulates how we position BASF as an employer and want to attract employees for our company. It defines the corresponding principles, roles and responsibilities and is aimed at all employees, including leaders (see page 284). We offer an attractive comprehensive package to be a compelling choice as an employer (see page 282). We monitor compliance with the talent acquisition requirement via the Employee Voices survey which enables employees to express their feedback on their working environment and corporate culture.

By regularly conducting this survey we implement the global requirement to actively involve employees in shaping their working environment, thereby monitoring the implementation of many of the topics discussed above as well as the development of our employees' engagement. For more information on this and how employees and their representation are generally involved in shaping their workplace, see page 279 onward.

Occupational safety and health

S1-1 S1-14

We regard health and safety as our highest priorities and are aware of the material potential negative effects for our employees. To that end, the Corporate Center's Corporate Environmental Protection, Health, Safety & Quality unit sets globally binding standards for occupational safety and health. Our safety and health management includes all employees worldwide. We have established comprehensive management and control systems based on the guiding principles of the global Responsible Care® initiative of the International Council of Chemical Associations and focused on protecting the lives and health of all employees in the workplace. We also want to ensure compliance with our requirements through our control systems.

Our safety concepts are designed to provide highest level of protection for our employees in our company. At the same time, these concepts should ensure compliance with legal requirements. Our sites and Group companies are responsible for implementing and ensuring compliance with both Group-wide requirements and local guidelines. They are supported in this task by global networks of experts. The Corporate Center's Corporate Environmental Protection, Health, Safety & Quality unit reports directly to the Board of Executive Directors and conducts regular audits to review compliance with guidelines, while sites and Group companies implement these guidelines locally. We follow a risk-based approach and continuously update our requirements. For this reason, we also maintain a dialog with government institutions, associations and international organizations.

Due to our many years of expertise in the field of occupational safety, we place a particular focus on employees who handle hazardous substances and operate complex assets and machinery due to their work in laboratories or production plants. We have set ourselves clear goals to reduce the potential risk for our employees to a minimum (see page 287). We have comprehensive actions in place for this, which are described from page 285 onward.

» For more information on occupational health and safety, see basf.com/health

Secure employment

S1-1

The Corporate Center's Corporate Human Resources unit is responsible for the aforementioned requirements regarding the BASF International Labor and Social Standards. These apply globally, and all leaders and employees are expected to comply with them. We monitor adherence to the requirements through a global risk-based management process for international labor and social standards at BASF (see page 274). We recognize that stable employment and working conditions are crucial for our employees. A tense macroeconomic situation combined with structural adjustments within the company may unsettle employees, leading to lower engagement and employee retention to the company as well as unplanned staff turnover. The principles outlined in the following section serve as the foundation for employment at BASF. They align with our core principles and rights concerning international labor and social standards at BASF. In the context of secure employment, we additionally uphold the rights to freedom of association and collective bargaining as well as the right to maternity protection. These principles are described from page 274 onward.

Clearly defined working conditions

A clearly defined and mutually agreed-upon employment relationship forms the foundation of a fair and trusting collaboration between the company and its employees. It should establish the rights and responsibilities of both parties, helping to prevent conflicts and misunderstandings. Our goal is to inform employees in an easily accessible and understandable manner about their working conditions, for example regarding compensation, benefits, working environment and learning and development opportunities. We aim to ensure that both parties are aware of their obligations and treat each other with trust and respect. A global talent acquisition requirement, also overseen by Corporate Human Resources, stipulates that all current and potential future employees must be informed of their working conditions. We monitor compliance with this requirement via the Employee Voices survey, which among other things measures our employees' engagement.

Fair dismissal

BASF acknowledges every individual's right to social security. We are aware of the risks associated with a sudden loss of employment and income, which can lead to precarious situations for employees and their families. To counteract this, we strive to adhere to internationally recognized principles for fair dismissals. This includes engaging in dialog with the relevant employee representatives or unions to ensure that employees are treated fairly and respectfully.

Fair disciplinary measures

Disciplinary measures must be fair, proportionate and conducted with respect for the dignity of all involved. This means considering the personal circumstances of employees and their families when deciding on how BASF responds to misconduct. Disciplinary measures should never be arbitrary or discriminatory. We foster a culture of fairness even in cases of misconduct. This approach helps us resolve compliance incidents and disputes (see also the following section).

Engaging with employees and their representatives

S1-2

Openness is one of BASF's corporate values. That is why our stakeholder dialog is based on honesty, respect and mutual trust.

Trust-based cooperation with **employee representatives** is an essential component of our corporate culture (see page 23). Our open and ongoing dialog lays the foundation for balancing the interests of BASF and our employees, even in challenging situations. Dialog formats differ depending on region and the subject matter of the discussion. There are dedicated committees that discuss topics identified as material in the sense of the ESRSs. Employee representatives are involved according to local legal conditions. Dialog results can be used to implement actions, which also address the material impacts in this area. Operational responsibility for the involvement of and dialog with employee representatives lies with the management of the relevant Group company or its equivalent depending on the company's legal form. BASF maintains constructive relationships with employee representatives which is reflected in trust-based cooperation. BASF provides the necessary human and financial resources for this dialog. There are numerous agreements with employee representatives that are applied according to local conditions in countries or Group companies. By aligning committee structures with local and regional situations, we take into account the different challenges and legal conditions for each site. In this context, we address a wide range of topics in areas such as working conditions and health and occupational safety. Involving employee representatives gives BASF deeper insight into employees' key interests and perspectives. We consider agreements such as the successful renegotiation of the 2024 collective agreement for the chemical industry in Germany, in which BASF representatives took part, to be a positive result of this dialog. The BASF Europa Betriebsrat (BASF Works Council Europe) addresses cross-border matters in Europe. In South America, we foster the dialog with employee representatives in the Diálogo Social. It most recently took place in 2023, and the next exchange is scheduled for early 2025.

In accordance with locally applicable legal conditions, our employees have the right to form, join and support legally recognized unions or employee representation. These are entitled to represent employees and their interests, for example in collective bargaining. BASF upholds these rights and has embedded them in the Group-wide requirements on adherence with international labor and social standards. We are also committed to social dialog with employee representatives where freedom of association is not guaranteed under national law to the same extent as in European legal systems. In such cases, individual Group companies use alternative dialog formats, such as informal meetings where employees can exchange ideas.

In the case of organizational changes, if restructuring leads to the elimination of positions, or in the case of other codetermination-relevant topics, we involve employee representatives in accordance with existing participation rights to consult on socially responsible solutions. Meetings take place regularly as well as on a case-by-case basis in which employee representatives are informed of general topics such as the current economic situation. This would also apply if structural adjustments or other adverse effects on employees were to arise due to our transition to climate neutrality. We also rely on our leaders to explain changes regarding organizational changes or structural measures. BASF supports affected employees, for example, with the development of their skills and finding other positions within our company. Our aim is to act in accordance with the relevant legal regulations, existing agreements and company conditions.

We involve **employees** in corporate processes by offering dialog on company topics using various internal communication channels. We use these to inform them of upcoming company changes and engage them in discussions about them. For example, we generally hold a quarterly global information event with members of the Board of Executive Directors which employees can participate in on-site or virtually. Following a presentation of strategically important content by the Board of Executive Directors, employees have the opportunity to ask questions.

To actively involve employees in shaping their working environment, we are committed to multiple feedback instruments. Their use is stipulated in a global requirement which is overseen and implemented globally by Corporate Human Resources. We employ two key instruments. The FEEDback&forward format provides leaders with regular feedback from their employees so that they can reflect on their leadership behavior. Additionally, all employees are invited on a regular basis to give feedback on their working environment and the corporate culture as part of our Employee Voices survey. We provide dedicated human resources as well as financial resources as needed for these surveys. The results of Employee Voices are communicated to employees, leaders, the Board of Executive Directors, the Supervisory Board and others using various dialog formats (see page 280). The organizational units' results are evaluated centrally and aggregated to provide leaders with concrete indications of positive feedback and improvement potential. Results are evaluated using statistical and qualitative analytics and discussed between leaders and employees, for example in workshops. This allows questions to be clarified and necessary measures to be discussed. Through a decentralized approach, we can address the multifaceted needs of our organization with different strengths and areas of development. The results can also be considered in strategic decisions. For example, the 2024 survey indicated that processes were perceived to be too complex or bureaucratic. This was one reason we focused on simplifying processes and empowering employees with greater accountability in our new strategy (see page 23). Overall, we are satisfied with the results of the survey for the 2024 business year. We nearly achieved our target of exceeding 80% employee engagement in our company with 79% (see page 31).

In accordance with locally applicable legal conditions, we offer employees the opportunity to become involved with one of our many Employee Resource Groups. That includes groups of individuals who potentially experience more frequent discrimination. For example, there is a global resource group for women at BASF, various groups for people in the LGBTQI+ community and local networks for people living with disabilities. All interested employees can get involved in these networks.

As part of the 2024 Employee Voices global survey, we again used the **inclusion index** as a relevant point of reference for the inclusion of our employees and provided our leaders with suggestions for follow-up measures.

Processes to remediate negative impacts and channels for own workers to raise concerns

S1-3

BASF's Compliance Hotline serves as a grievance mechanism and is open to all BASF employees as well as external stakeholders, particularly workers in our value chains. For more information on how the issues raised and addressed are tracked and monitored, see page 321. In addition to our grievance mechanisms, employees can reach out to their leaders, their compliance officers or the human resources department as well as their respective employee representatives to ask questions or raise concerns about potential misconduct.

Our compliance training program, which includes regular global and local information campaigns as well as details about our Compliance Hotline, is mandatory for all employees worldwide. Training and informational offerings that provide specific knowledge on human rights and international labor and social standards to various target groups worldwide also cover compliance topics and the BASF Compliance Hotline.

Actions

S1-4

We address the impacts, risks and opportunities that we identified as material through various actions, which we outline below using the subtopics material to this chapter. We employ the following central measures:

- Annual compensation level review
- Employee dialogs and continuous meaningful conversations
- Wide range of training options
- The Skill Transformation Project
- Mandatory health and safety training for employees
- Additional training on safe handling of chemicals and the correct use of personal protective equipment
- Analysis of accidents and potential incidents
- Global health management activities such as BASF health checks

The Corporate Center's Corporate Human Resources and Corporate Environmental Protection, Health, Safety & Quality units set the framework for regulating key topics through requirements and providing resources for central actions. Additional resources to implement the actions are made available by the Global Business Services unit as well as teams working in the operating divisions and at our sites. For example, local recruiting activities and education programs as well as health initiatives are carried out at the respective sites based on target groups.

Adequate wages

Adequate compensation is an important component of the package we offer to employees that makes us a compelling choice as employer. Our central action in this area is our annual review of our compensation levels worldwide using external market data, among other things. This allows us to aim for market-oriented and appropriate compensation in the respective countries or markets and to analyze the effectiveness of adjustments to our compensation levels as part of the process.

As a rule, compensation comprises fixed and variable components as well as benefits. In many countries, these benefits exceed legal requirements and include, for example, company pension benefits, supplementary health insurance and share programs. We oversee implementation of our requirements regarding compensation through the processes described below.

According to defined globally consistent criteria, positions are assigned BASF job grades independent of individuals; these form the basis for compensation. Job grades are assigned according to the demands of the respective function. In this way, we want to make positions comparable on a worldwide basis and create a foundation for compensation commensurate with function. We use the BASF Group's return on capital employed (ROCE) to measure economic success for the purposes of **variable compensation**. This links variable compensation to our ROCE target. Individual performance is assessed as part of a globally consistent performance management process. In numerous Group companies, our "plus" share program ensures employees' long-term participation in the company's success through incentive shares. Corporate Human Resources reviews compliance with the regulations described above and works closely with local units to do this. If changes are necessary, they are made in accordance with the relevant local laws. In addition, we will introduce an enhanced performance management system that provides a closer link between incentives and unit-specific achievements.

In the annual **employee dialog**, employees and leaders can discuss performance over the past year and expectations for the current year (see page 283). Employees and leaders determine what level of detail is necessary when the results are recorded.

We are committed to the U.N. Global Compact's goal of paying our employees a living wage to support them and their families by 2030. To this end, we review on a regular basis whether employees around the world receive a wage sufficient to cover their and their families' basic cost of living under the respective general conditions. If any potential gaps are identified, we work to remedy them. We report the results of our review of whether employees are receiving adequate wages in accordance with the ESRSs in the "Metrics" section (see page 288).

Skill development, training and further education

At BASF, we consider learning and development to be key success factors in retaining and improving the required skills and expertise of employees. In this way, we also want to counter the risks associated with insufficient skill development and employee turnover in the context of demographic change (see page 271). Our skill development actions are based on the principle of nondiscrimination (see page 275). We monitor the effectiveness of our actions by assessing employee engagement as part of the annual Employee Voices survey (see page 280 and 286).

The previous BASF competencies and CORE Leadership Values were replaced by Winning Behaviors as part of our "Winning Ways" strategy. These are applicable to all employees and leaders and are being phased into employee development. The development of employees is always planned together with their leader. A central element for this is regular feedback discussed in **annual employee dialogs** (see page 282) and **continuous meaningful conversations throughout the year**. Both actions are carried out globally to establish a foundation for open communication between leader and employee as well as for further development. Employees and their leader conduct continuous meaningful conversations to reflect on performance and behavior, discuss expectations and can also agree on development objectives and individual learning needs. Learning goals should be adapted to the specific job requirements and the employee's development needs. Learning can take place in various formats and locations.

BASF provides global access to a wide range of **training offers** on various learning platforms to support employees in expanding their skills flexibly and thus acquire additional competencies. Furthermore, numerous local and specialized academies offer training within the operating divisions and service units. For example, the Data & AI Academy expanded its offer in 2024 to help our employees develop a basic understanding of data and artificial intelligence (AI) and utilize it in work processes.

The annual talent discussions held in BASF's divisions are another steering element in the development of our employees. In these workshops, the development potential and goals of employees in the respective unit are discussed and possible development steps are defined. The main focal point is the development of potential leaders and employees who qualify for positions in other operating divisions.

To support employees in the context of demographic change and rapidly shifting skill requirements, we piloted the **Skill Transformation Project** in selected divisions of the company in Germany in 2024. The focus was on promoting current skills and preparing employees for the rapidly changing demands of the market. A key project result was a skill framework which will enable necessary skill profiles to be identified within the company. This gives leaders valuable insight into the skills in their teams and allows them to identify any possible skill gaps. With the help of AI, this transparency enables us to match personalized training options based on the individual needs of employees and teams. In a follow-up project, we are now reviewing how to integrate the findings into our standard processes globally.

Leaders are tasked with creating a suitable environment for the development of their employees, supporting them and taking their individual situations into account. BASF therefore employs a holistic leadership development approach to support leaders in their tasks in the best possible way. To identify and further develop leadership talents early, BASF also employs potential assessments. In this way, we can help identify qualified potential leadership candidates and offer them concrete development options. To support new leaders from the beginning of their leadership career, the Leadership Essentials standard was created in 2024, a new consistent standard for leadership skills which will serve as a basis for training offerings. Aimed particularly at senior executives and talents identified as potential leaders, we offered inspiration and learning opportunities in 2024 under the theme "Activate and Connect for Growth" on topics such as positive and inspiring leadership, coping with change, and energy and top performance.

Regular feedback plays an important role in the individual development of leaders. In addition to the continuous dialog, the majority of our leaders with disciplinary responsibility received feedback on their leadership behavior and development recommendations as part of the FEEDback&forward global leadership survey in 2024 (see page 280).

Recruitment of skilled employees

Offering an attractive and compelling comprehensive package for employees is increasingly important given the strong global competition for the best qualified employees and leaders. For this reason, we have various ongoing processes and projects in place. For example, we revised our global comprehensive offering in 2024 to better meet the needs of employees and BASF job applicants.
We are constantly working to improve talent recruitment worldwide. To that end, we use digital platforms such as our country-specific career websites, global and regional social networks as well as a mix of on-site and digital events. Our external HR marketing and talent acquisition processes focus on the target groups discussed above (see page 277). We are also developing our global employer brand, aimed at consistently presenting ourselves as an attractive employer both inside and outside the company. Our actions to recruit skilled employees are based on the principle of nondiscrimination (see page 275).

To improve our recruitment process, we completed the rollout of a new digital tool worldwide in 2024, thereby establishing a global talent acquisition process. The new system offers improved user-friendliness and accelerates the hiring processes. Interview guidelines support a skill-based and fair recruitment process. AI features enable people applying to BASF to match their CV with all job offers. Additionally, the global tool gives all employees a transparent view of current vacancies so as to foster their development through a job change.

Training skilled employees is a central investment in BASF's competitiveness. This is why we have been counting on our own junior skilled employees for many years and are particularly committed to our apprenticeship programs in Germany. In cooperation with our partners, we support apprentices on an individual basis, preparing them for the modern working world. We train them in future-oriented technologies, working procedures and methods. We also prepare them for the challenges of lifelong and independent learning. To continue filling our apprenticeship positions with qualified candidates in the future, we provide school students in Germany with insight into the various apprenticeship options at BASF during their career orientation phase. We offer a dual vocational training model at numerous sites. At production sites in the United States, for example, we provide up to three years of dual-track vocational training under the North American Apprenticeship Development Program (NAADP). This program involves local colleges.

To combat the shortage of skilled employees in production and technical areas in Ludwigshafen, Germany, we increasingly used social media channels to alert qualified specialists to career prospects at BASF in 2024. We also cooperated with the German employment agency, for example, to target skilled employees at informational events and to recruit suitable candidates for BASF who are currently available on the labor market or will be in the near future.

To ensure the availability of skilled employees and safeguard existing know-how, we offer leaders at BASF SE analyses of the demographic situation for various company job profiles. On this basis, we also provide specific measures for succession planning, knowledge sharing and moderated knowledge transfer.

Occupational safety and health

To prevent potential negative effects on the health and safety of our employees and prevent work-related injuries, for example, we require and promote risk-conscious and safe working practices, learning from incidents and the ongoing exchange of experiences. We are constantly refining and enhancing our global requirements and training offers. In addition to the legally required training, BASF requires new employees worldwide to complete mandatory health and safety training. Employees at our production sites also receive regular training on how to handle chemicals safely and how to use personal protective equipment correctly.

We do everything we can to prevent injuries and use our findings to take appropriate measures to prevent these from happening again, as far as possible. These include regular campaigns and informational events to raise employees' awareness. For several years now, we have been using Safety Moments, a short illustrative presentation on the topic of safety which can be shown routinely at the beginning of meetings or events. In 2024, use of this format increased as part of the EHS Culture of Excellence initiative in North America. This focused, for example, on competency building in EHS.

Through our emergency preparedness and emergency response measures, we want to be as prepared as possible for crisis situations at global, regional and local level – from process safety incidents to product leakages and emergencies. Our emergency and crisis management focuses on protecting people and the environment as well as ensuring the safety of our plants (see page 213). Through our Responsible Care audits (see page 278), we regularly monitor compliance with our guidelines and the effectiveness of our occupational safety measures. BASF thoroughly investigates incidents, analyzes the root causes, and uses the findings to develop appropriate measures and achieve ongoing improvements. If heightened risks for employees are identified, we implement the appropriate corrective actions.

Leaders play an important role in modeling the safety culture. Those in production bear particular responsibility for such topics and regularly receive specific training to be able to fulfill their responsibilities. Newly appointed senior executives must attend a one-time mandatory dialog on health, safety and environmental protection with the head of the Corporate Center's Corporate Environmental Protection, Health, Safety & Quality unit.

Our global network enables the continuous exchange of information and findings within the BASF Group. To further improve our processes and methods, we analyze accidents and potential incidents and share knowledge and best practices within our global network of experts and as part of safety initiatives. We also seek dialog with government institutions and are actively involved in external occupational safety initiatives and networks around the world led, for example, by the European Chemical Industry Council (CEFIC) or national associations such as the German Chemical Industry Association and the American Chemistry Council.

» For more information on process safety, see basf.com/process_safety

» For more information on occupational safety, see basf.com/occupational_safety

BASF's global corporate **health management** serves to promote and maintain the long-term and holistic health and performance of our employees. BASF health checks form the basis of our global health promotion program and are offered to employees at regular intervals. These checkups include a thorough assessment of employees' current health status and personal risk factors. We also systematically raise employee awareness of health topics with offerings tailored to specific target groups. In 2024, we chose a decentralized approach in which the regions and sites could focus on locally relevant health aspects. For example, the focus in Europe was on promoting mental health. The Mental Health Alliance, consisting of various specialist units in the region, launched an employee learning and information platform on this topic. Another key focus in 2024 was on influenza prevention. BASF employees had the opportunity to be vaccinated against the seasonal flu at various sites around the world. At the Ludwigshafen site in Germany, for example, more than 3,700 employees participated in the influenza vaccination campaign.

» For more information on occupational health and health management, see basf.com/health

Secure employment

BASF introduced a plan for our company's long-term success in 2024, with the "Winning Ways" strategy (see page 18). When our business grows, we lay the foundation for job security and create added value for our investors.

Regularly surveying the entire workforce (see page 280) helps us learn whether employees perceive their jobs as secure. Feedback from this survey and from our dialog with employee representatives gives us specific indications as to where we can make further improvements in this context (see page 279 and 286). Employees have various internal communication channels to stay informed, such as company assemblies, and find necessary information about their employment, for example, in our intranet.

Global targets

S1-5

We consider employee engagement to be a decisive indicator of the success of our measures. We use surveys and pulse checks as feedback instruments to actively involve employees in shaping their working environment. We measure employee engagement as part of the regular Employee Voices[5] survey using five central questions. The aim of our engagement index is to understand whether employees enjoy and are proud of working here, whether they recommend BASF as an employer, and whether they would stay with us if they received a similar offer from another company. These questions help us identify potential for improvement. They were developed by BASF based on an analysis of scientific findings and benchmarks. In accordance with employee codetermination rights, we engage with employee representatives in the course of approving the Employee Voices questionnaire regarding the design of the engagement index.

We set ourselves the target of achieving employee engagement of more than 80%. More than 90,000 employees worldwide participated in the survey in 2024 (participation rate: 78%). The survey showed global engagement of 79%, which is stable compared with the previous year (2023: 79%). Our aim is to get this score back to the defined target of higher than 80%. We identified the target based on an external benchmarking. Based on a correlation analysis, the main factors influencing engagement are identified using the survey results and then closely examined to determine possible measures. This analysis is carried out at global and decentralized levels. Measures are implemented locally to reflect the different needs and conditions of our organization. The results analysis is taken into account for strategic decisions. For example, the survey conducted in 2024 indicated that processes are perceived to be too complex or bureaucratic. This was one reason why we focused on simplifying processes and

[5] The scope of employees surveyed goes beyond the scope of consolidation. However, there are some exceptions for companies that represent joint ventures and joint operations, as well as companies held for sale.

empowering employees with greater accountability in our new strategy. For more information on these results and how they are communicated, see page 280 onward.

We review the positive impact of adequate wages on a regular basis through specific actions, which are described on page 282 onward. We are countering the potential negative impact on employees of increased demands in terms of skills and demographic change as well as our risks associated with secure employment, insufficient skill development and skilled employee recruitment with concrete measures (see page 283, 284 and 286). We have not set ourselves specific targets for all material impacts and risks to our company's workforce. For more information on how we measure the effectiveness of actions implemented, see the section on Actions (see page 281).

We set ourselves concrete global targets regarding the potential negative impacts on the health and safety of all employees, which we measure annually:

In 2023, we adjusted our occupational safety target and the corresponding reporting in accordance with a Group-wide definition to focus on the number of worldwide High Severity Work Process Related Injuries (HSI). We committed to a global **HSI rate** of ≤0.05 per 200,000 working hours[6] by 2030. In 2024, it was 0.02 (2023: 0.03 – our baseline). We therefore achieved our target. BASF developed this target based on recommendations of key stakeholders like the ICCA, CEFIC and the German Chemical Industry Association. For more information on data collection for HSI, please see General Disclosures on page 150. Our target is based on the assumption that the data on work-related injuries is complete and correct. We consider potential delays in the reporting and recording of injuries to be a limiting factor. To achieve our targets regarding work-related incidents, we regularly review compliance with our occupational safety requirements and legal guidelines through Responsible Care audits. We thoroughly document and analyze incidents as well as their causes and consequences at on a global scale to learn from them. We consider the systematic hazard assessments and the risk minimization measures derived from them to be an important prevention tool.

We measure our performance in **occupational health** using the Health Performance Index (HPI). HPI is a key performance indicator that defines and measures our progress in promoting and maintaining the health, well-being and performance of all employees. It comprises the valuation of five equally weighted components: recognized occupational diseases, medical emergency preparedness, first aid, preventive medicine and health promotion. Each component accounts for 20% of the overall result. A maximum total value of 1.0 is therefore possible. Global HPI is calculated based on HPIs of the individual sites. Local HPI used in the calculation is weighted according to the relative share of employees in global headcount. We aim to achieve a global value of more than 0.9 every year. The baseline from 2018 is 0.96. With an HPI of 0.97, we once again achieved this in 2024 (2023: 0.96).

For more information on data collection for HPI, see General Disclosures on page 150. The objective of the HPI was developed by BASF based on the requirements of the Global Reporting Initiative™ (GRI) and was first established in 2011. The HPI was adjusted in 2018 and has been used as a global key performance indicator ever since. The HPI target is regularly reviewed and adjusted to ensure continuous improvements. The review also takes place as part of the regular Responsible Care audits in the area of occupational health. The audit report includes a description of the situation and, if necessary, specific recommendations along with deadlines for their implementation. Guidance and support for implementing the recommendations can also be provided if needed. Monitoring the HPI involves multiple steps and methods to ensure that health measures are effective and the defined targets are met. This also includes the analysis of data on incidents and illnesses as well as implementation of new risk minimization measures. We also consult BASF's global network of physicians when determining this target.

[6] This includes hours worked by BASF employees, agency workers and contractors. We are reviewing the extent to which we can take account of the definition of the company's workforce according to ESRSs in the future.

The HPI is based on various central assumptions, such as the recorded health data being representative of the entire workforce. Participation in health programs is comprehensive but voluntary. A further assumption is that the effects of the health programs on the well-being of employees are both measurable and significant.

The index also has certain limitations which must be taken into account when results are interpreted. For example, not all aspects of employees' health can be comprehensively captured, particularly those that are difficult to measure such as mental illness. In addition, external factors such as economic conditions, social changes or global pandemics, can influence results without being directly attributable to the company's health measures.

BASF takes various measures to improve performance in occupational safety and health based on the results of the HSI and HPI. For example, an analysis of the HPI helps us to identify that well-trained first aiders can reduce the impact of incidents. We therefore require that employees complete first aid courses on a regular basis to ensure quick and effective responses in case of emergencies. We have concluded from the results of our HSI that safety campaigns and training are effective in raising awareness for occupational safety and promoting safety-conscious behavior.

Metrics

S1-6

The data described here is from our annual data validation and quality assurance process for external reporting. The total number of employees as of December 31, 2024, was 111,822. This marks a decline compared with the 111,991 employees as of December 31, 2023. The decline was primarily due to retirements and departures due to dormant employment as well as measures in connection with the cost savings program focusing on Europe. Staff increases in Asia Pacific, especially for the new Verbund site in Zhanjiang, China, had an offsetting effect.

Expenses for wages and salaries, social security contributions and assistance, as well as for pensions in 2024 are reported in the Notes to the Consolidated Financial Statements from page 435 onward.

The following table illustrates the regional distribution of employees. We employed at least 10% of the BASF workforce in each of the three countries Germany, China and the United States.

Employees[a] in countries and regions as of December 31, 2024

Regions	Europe	Asia Pacific	North America	South America, Africa and Middle East	Total
Employees	66,726	21,971	15,969	7,156	111,822
Countries that make up at least 10% of the total number of employees	**Germany**	**China**	**United States**		
Employees	50,602	12,687	13,304		

[a] Recorded as head count

Employee data[a] by gender as of December 31, 2024

Gender	Number of employees
Male	81,572
Female	30,250
Not disclosed	0
Total[b]	111,822

[a] Recorded as head count
[b] Other: We currently do not record a third gender globally. We will regularly review the relevance of this category in external reporting.

We use the following definitions globally for employees of our company:

- Permanent employees have an active contract for an unlimited period of time.
- Temporary employees are employed by BASF on the basis of an individual agreement with a temporary employment contract.
- Apprentices are employees who have temporary contract with BASF. In accordance with this contract, apprentices receive in-company vocational training as part of an accredited education program.

Employees[a] by contract type and gender as of December 31, 2024

	Male	Female	Not disclosed[b]	Total
Employees (total)	81,572	30,250	0	111,822
Permanent employees	78,081	28,695	0	106,776
Temporary employees	1,183	922	0	2,105
Apprentices	2,308	633	0	2,941
Non-guaranteed hours employees	0	0	0	0

[a] Recorded as head count
[b] Other: We currently do not record a third gender globally. We will regularly review the relevance of this category in external reporting.

Employee turnover[a] 2024

Average number of employees, BASF Group	111,744
Employees who had left the company as of December 31, 2024	7,996
Turnover rate as a percentage	7.2%

[a] Recorded as head count

The rate of employee turnover according to the ESRS definition – the proportion of employees who left the company in 2024 – amounted to 7.2% globally.

S1-10

We reviewed adequate wages at BASF Group companies in accordance with the ESRS definition. The review included the respective base salary and fixed guaranteed additional payments in the business year. Calculation of adequate wages in accordance with ESRS is not based on an annual target value.

For 2024, the review concluded that all employees receive adequate wages. Furthermore, BASF regularly reviews whether our employees around the world receive a wage that affords them and their families an adequate standard of living under the respective conditions (living wage).

S1-14

Occupational safety and health metrics as of December 31, 2024

	Employees
Number of fatalities as a result of work-related injuries and work-related ill health	0
Rate of recordable work-related injuries[a, b]	3.78
Number of recordable[b] work-related injuries	753
Number of cases of recordable[b] work-related ill health	33
Number of days lost to work-related injuries	6,223

[a] Per 1,000,000 working hours
[b] Recordable includes all work-related injuries and cases of work-related ill health recorded in the system for BASF.

Safety is our top priority. Despite our considerable efforts, there were two fatal work-related injuries in 2024: A contractor was fatally injured on the major construction site in Zhanjiang, China. Another contractor was involved in a fatal traffic accident during a business trip in Vietnam.

S1-17

In 2024, 79 cases of discrimination were reported to us. These were related to gender, age, nationality, disability, religion or worldview, sexual orientation or ethnicity; were racist in origin or related to other relevant forms of discrimination based on characteristics protected by law, including harassment as a specific form of discrimination.

In addition, 225 complaints related to the social factors or aspects mentioned in ESRS S1, paragraph 2, including human rights,[7] were submitted via the BASF compliance grievance mechanism in the reporting period.

[7] These social factors or aspects include working conditions, equal treatment and opportunities as well as other work-related rights. For more information, see ESRS S1, paragraph 2.

In 2024, there were no fines, sanctions or compensation payments in connection with these incidents.

In 2024, we did not identify any severe human rights-related incidents in relation to workers in our company.

S2 Workers in the Value Chain

ESRS S2

As an international company, we are active in a variety of different supply chains, businesses and companies, and have business relationships with partners around the world. This means we have links to a large number of people who contribute to our business activities. We accept the resulting obligations and opportunities along the value chain and strive for sustainable value creation. Together with our partners, we are working to enhance compliance with human rights, to improve labor and social standards, and to minimize risks. Another important matter for us is socially just climate transformation.

ESRS 2 SBM-2 ESRS 2 SBM-3 ESRS 2 IRO-1

Good collaboration with our partners is closely linked to our business success. It is decisive for ensuring resilient, responsible supply chains and for the production of high-quality, safe and more sustainable solutions and products. We therefore attach considerable importance to the interests and viewpoints of workers in the value chain during our collaboration with our partners. We aim to minimize negative impacts on workers in the value chain through our engagement and to have a positive impact. By adopting our due diligence approach (see page 323) and establishing standards and initiatives in our work with our partners (see page 295), we demonstrate commitment to the rights of the workers in our value chain and to good and safe working conditions and promote worker training.

The double materiality assessment that we conducted in 2024 (see page 167) resulted in two material impacts on workers in our upstream supply chain (see the table "Results of the double materiality assessment").

Results of the double materiality assessment for S2 Workers in the Value Chain

Impact	Evaluation	Placement in the value chain	Description
Increased health and occupational safety risks when handling chemical raw materials	Negative, potential	Upstream value chain	In the production of chemical raw materials, there are increased health and safety risks in our upstream value chain, particularly if necessary safety measures are not complied with. This is a common problem primarily in countries whose national laws do not include any, or low, requirements with respect to labor protection standards.
Increased potential risk of child labor in specific supply chains	Negative, potential	Upstream value chain	Child labor is a particular risk in critical and less transparent supply chains and in countries with little state control and low incomes. This applies, for example, to our upstream supply chains for renewable raw materials, minerals and seeds. Smallholder farms and artisanal mines are particularly affected.

The impacts identified are a common problem primarily in countries whose national law has no or low requirements for labor protection standards and in which there is little state control and low incomes. All workers in our upstream supply chain were included in the double materiality assessment. We adopt a risk-based approach when examining the risks for workers in our upstream value chain (see page 295). Workers at joint venture partners were not included in our risk analysis. However, we aim to include them going forward.

In line with the results of our materiality assessment, we identified the following groups as being particularly exposed to the impacts of our business activities: mine workers in the battery value chain, workers in seed production, field workers and workers in chemical plants with high hazard potential. A lack of transparency regarding working conditions at subcontractors represents an increased risk in general. Our risk analysis focuses primarily on countries with high ESG risks such as China, India, Malaysia, Brazil or Thailand, with India demonstrating a particularly high risk of child labor. Forced labor was not considered to be material in our double materiality assessment.

We examine workers in our downstream value chain during our due diligence reviews of business partners (for more information, see page 323), but do not consider them to be a material target group in relation to impacts, risks and opportunities. We did not identify any material financial opportunities and risks for BASF in relation to workers in the value chain. We systematically record opportunities and risks as part of our general opportunity and risk management (for additional information, see page 87 onward).

Strategy and governance

S2-1

For explanations of our overarching policies in respect of scope, accountability, impacts in the value chain, global applicability, accessibility to stakeholders and engagement thereof, see General Disclosures in our Sustainability Statement on page 151. Among other things, these include the BASF Code of Conduct, the BASF Policy Statement on Human Rights, our risk-based sustainability management for procurement as part of our procurement requirement, the Supplier Code of Conduct and our principles for the responsible sourcing of renewable raw materials.

A core element of our sustainability strategy is to respect and protect the dignity, rights, health and safety of individuals, both within and outside our own workforce. We view sustainability topics as holistically as possible, including the matters that have been identified as material – health and occupational safety and potential child labor. We aim to act as a role model for responsible and safe behavior along our entire value chain, and to work together in a spirit of trust with partners such as suppliers, service providers, contractors, joint venture partners and customers. We adopt a holistic strategic approach that includes all workers in our supply chains; however, the focus in our reporting is on the upstream value chain, in line with the results of our materiality assessment.

We are committed to complying with applicable laws and international standards. In this context, we are committed to the Universal Declaration of Human Rights of the United Nations (U.N.), both U.N. Human Rights Covenants, the Core Labor Standards of the International Labour Organization (ILO), the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, the Ten Principles of the U.N. Global Compact, the U.N. Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and the Responsible Care® Global Charter from the International Council of Chemical Associations. We also expect our partners to comply with the law and with standards, including the regulations governing health and occupational safety and child labor. Equally, we expect them to endeavor to enforce these standards at their own partners and take steps to ensure that they comply with this responsibility. We rely here on a systematic, integrated, risk-based approach and established monitoring and management systems.

For us, implementing supply chain-specific due diligence processes is a continuous and comprehensive task. We have embedded our responsibility for human rights and thus also for ensuring safe working standards and preventing potential child labor in BASF's Code of Conduct and Supplier Code of Conduct and have set it out in more detail in our Policy Statement on Human Rights. All employees and leaders are responsible for ensuring that we act in accordance with our Code of Conduct and our Policy Statement on Human Rights.

» For more information on the BASF Code of Conduct, see basf.com/code-of-conduct

» For more information on the Supplier Code of Conduct, see basf.com/suppliers

» For more information on our Policy Statement on Human Rights, see basf.com/policy-statement-human-rights

Human rights is an important topic for us and this is reflected in our organizational structures. The head of our Legal and Compliance organization also acts as Chief Human Rights Officer, who oversees the overarching risk management system with regard to human rights issues, especially in relation to due diligence under the German Supply Chain Due Diligence Act (LkSG), and reports regularly to the Board of Executive Directors and the Audit Committee on this. In addition, we have integrated sustainability-related assessments in our governance and decision-making processes, for example in relation to investment, acquisition and divestiture projects.

The overarching governance of human rights due diligence at BASF lies with the Compliance organization. In addition, a number of specialist units are responsible for steering specific human rights topics. As part of our Human Rights Expert Working Group, which is managed by the Compliance Department, we work on an interdisciplinary basis on the holistic assessment and further development of our approach to human rights due diligence. This allows us to ensure that we approach our human rights responsibility holistically and that we can continually improve our performance. The Expert Working Group comprises employees from the Corporate Center units Corporate Compliance, Corporate Legal, Corporate Human Resources, Corporate Environmental Protection, Health, Safety & Quality, Corporate Strategy & Sustainability and Corporate Communications & Government Relations, along with Global Procurement, Security and our operating divisions. Like Corporate Compliance, the aforementioned specialist units have their own global organization, which they train and which supports them in implementing the due diligence processes and measures worldwide in the countries in which BASF is active. The Expert Working Group provides support and advice in challenging and critical situations, on the development of internal processes and on the creation of information and training offerings, among other things. Relevant aspects of human rights topics are also part of the global qualification guidelines for security personnel and are incorporated into the standard agreements with contractors.

We use our Human Rights Advisory Council to access additional external human rights expertise. The council, which comprises independent international human rights experts, meets regularly. The trust-based dialog on human rights challenges helps us to better understand different perspectives and to deal even more openly with critical situations. The meetings held in 2024 were attended by representatives from Corporate Compliance, Corporate Strategy & Sustainability and Global Procurement, plus other experts from the operating divisions. The council provided external perspectives on our stakeholder engagement, on challenges in critical supply chains and on how to deal with situations posing dilemmas.

» For more information on the Human Rights Advisory Council, see basf.com/human-rights-council

Our Procurement organization has set out guidelines for our upstream supply chain in a global, risk-based management system; these specify how we implement our due diligence processes. We have defined the standards for this in a global requirement. We continuously enhance our structures and processes so as to reflect changes in the general situation. Procurement requirements and targets are set centrally and are binding for all employees with procurement responsibility worldwide. We endeavor to ensure compliance with these requirements using a multistage control process. In this process, minimum standards drawn up by the Corporate Center units are used to support and monitor the individual risk management systems of our business units during implementation. The Corporate Audit unit, as the third instance involved, monitors the effectiveness and compliance of the risk management.

Our expectations of our suppliers are laid down in the global Supplier Code of Conduct. Topics covered by the Code of Conduct include compliance with human rights, the exclusion of child labor, forced labor and human trafficking, safeguarding labor and social standards, and antidiscrimination and anticorruption guidelines. The Code is regularly updated. It is available in the most relevant languages for our suppliers and integrated into electronic ordering systems and purchasing conditions across the Group.

We want to help shape the transformation toward climate neutrality in a socially just way (just transition). This is why we also focus closely on the processes used for sourcing renewable raw materials. Alongside positive environmental effects such as reducing greenhouse gas emissions, these can also have negative effects on social factors, depending on the raw materials. We include this point in our risk analyses and have drawn up specific principles for the responsible sourcing of renewable raw materials. These principles also refer to the ILO's principles and its Declaration on Fundamental Principles and Rights at Work, which in turn include the topics of child labor and health and safety at work. At the same time, we seek dialog with our stakeholders to identify conflicting goals (see page 298).

» For more information on our principles for the responsible sourcing of renewable raw materials, see basf.com/en/responsible-renewables-sourcing

As part of our new "Winning Ways" strategy, we are also focusing on our BASF Renewable Carbon unit within Global Procurement, which manages the sourcing of renewable raw materials and biomass for BASF's operating divisions. This unit has access both to BASF's existing expertise and to a wide range of cooperation models with suppliers, customers and partners.

Actions

We are implementing concrete actions to mitigate negative impacts and risks and at the same time facilitate opportunities related to workers in the upstream value chain. These aim at promoting open dialog, assessing and growing our suppliers, and improving conditions for their workers by taking preventive measures and through local initiatives. Our management processes come into play in the case of any specific incidents.

We rely primarily on the following actions:

- Engagement with workers via forums for dialog, advisory bodies and workshops
- Use of uniform global grievance mechanisms to channel the concerns and needs of workers in the value chain
- Supplier ESG risk analysis
- Risk-based evaluation of suppliers through online assessments (EcoVadis) or on-site audits, for example as part of the chemical industry's Together for Sustainability (TfS) initiative
- Implementation of corrective measures at suppliers
- Support for suppliers in growing sustainability-related skills in the form of appropriate training

Engagement and grievance mechanisms

S2-2

We include the viewpoints of our partners and their workers in our decisions and actions using dialog forums and advisory bodies such as the Human Rights Advisory Council, which we established together with external experts, and the equivalent body for nature and biodiversity topics, our Nature Advisory Council (for more information, see page 309). The two councils maintain a regular dialog and meet up to three times a year. Since 2023, we have also used the Sustainability Lab, a new stakeholder engagement format in which around 100 external and internal experts discuss specific questions relating to sustainable development from a variety of perspectives (for more information, see page 166). We plan to continue using the Sustainability Lab format on an event-driven basis in the future.

Moreover, we also seek direct dialog with our suppliers. In Brazil, for example, we held a series of workshops on sustainability-related topics in 2024. Among other things, members of the TfS initiative and supplier employees were invited to discuss responsibilities, opportunities and challenges in the areas of human rights and labor standards. Further webinars with suppliers are planned for 2025.

One of the ways in which we obtain direct insights into the perspectives of particularly vulnerable groups is through our supplier diversity programs with supplier employees from North and South America. In addition, we use specific dialog formats in higher-risk business areas such as our seed business or when procuring castor oil.

The relevant Corporate Center units such as Sustainability Relations and Corporate Compliance, along with Global Procurement and the specialized units in our operating divisions are responsible for ensuring appropriate, regular dialog (for additional information on the allocation of responsibilities for the Corporate Center units within the Board of Executive Directors, see page 141).

We assess the effectiveness of our collaboration with workers in the value chain, for example in the course of our supplier assessments and follow-up evaluations (see page 297 onward). We also assess the progress made with the actions we have taken, and with our initiatives and projects.

S2-3

We promote a culture in which critical issues and concerns can always be raised openly. To do this, we offer uniform grievance mechanisms at the operational level throughout the world. The key tool is our Compliance Hotline. Information on how the issues raised and addressed are tracked and monitored can be found on page 321. The compliance hotline offers a way of reporting concerns, risks and violations occurring in BASF's activities or in the value chain in confidence and also anonymously. This also includes potential concerns in relation to health and occupational safety as well as child labor. The hotline is available both to BASF employees and to all external stakeholders, and in particular to workers in our supply chains. In addition, complaints can be submitted to external entities such as the website maintained by the German Federal Office for Economic Affairs and Export Control (BAFA).

Our grievance mechanism is set out in our Supplier Code of Conduct, which is made available to our partners and service providers via our electronic ordering system as part of our purchasing conditions.

» Our Compliance Hotline can be reached at ethicspoint.basf.com/en.

» The BAFA complaints form is available at bafa.de/EN/Supply_Chain_Act/Submit_Complaint/submit_complaint_node.html.

Assessing and growing our suppliers

S2-4

Suppliers are selected, and both new and existing suppliers are evaluated, on the basis both of economic criteria and in particular of ESG standards. This means that selecting, assessing and auditing suppliers are key elements of our sustainable supply chain and risk management activities, intending to ensure that suppliers comply with the laws, regulations and standards in force, and especially with those relating to our material topics of potential child labor and EHS standards. Due to the large number of suppliers, they are evaluated based on risk. We take both country- and industry-specific risks and our ability to exert an influence into account. Supplier assessment is mainly performed as part of the TfS initiative, of which BASF is a founding member. TfS performs online assessments via the EcoVadis rating agency or conducts on-site audits using TfS-approved auditors. A total of 118 raw materials supplier sites were audited in relation to sustainability standards on our behalf in 2024. We received EcoVadis sustainability assessments for 328 suppliers with potential sustainability risks. We also take into account other certification systems and external audits, such as the Roundtable on Sustainable Palm Oil, when assessing our suppliers. Depending on business requirements, we perform our own Responsible Care audits at selected contract manufacturers if material risks have been identified with respect to occupational safety, health and environmental protection. We use targeted checks on suppliers in higher-risk countries to prevent the risk of potential child labor; an example here is our seed business supply chain in India.

Our employees in procurement are supported in this process by a dedicated procurement-specific sustainability team. This consists of a core team plus a supplementary sustainability network comprising employees from the regions and procurement clusters concerned. In addition, we have access to a global audit team that audits EHS topics at contract manufacturers.

We carefully analyze the results of our assessments, which are summarized in audit reports or scorecards together with concrete plans for corrective actions, and document them in a central database. Where performance is insufficient, we contact the suppliers and request that they implement improvements. We review our suppliers' progress according to a defined time frame based on the sustainability risk identified, or after three years at the latest. Over the past few years, we have identified some need for adjustment at our suppliers with respect to environmental, social and governance standards. Examples include deviations from health and occupational safety measures and labor law requirements. In follow-up audits performed in 2024, we identified improvements in these areas.

We support our suppliers in developing measures for improvement. The webinars held by TfS in various languages on sustainability and the implementation of corrective measures are an important part of supplier development. All in all, these were attended by a total of 990 employees of suppliers in 2024. In addition, the TfS Academy online learning platform is aimed at procurement staff and suppliers. It covers the entire spectrum of ESG topics, including child labor and health and occupational safety. There are currently over 300 courses available in 11 different languages. We also continued our partnership with East China University of Science and Technology in Shanghai, China, in 2024. A total of 92 employees from 68 Chinese suppliers received further training on ESG topics including child labor and health and occupational safety.

Preventive actions and local initiatives

The examples given below are locally organized activities, projects and initiatives. They have not been assigned to any centrally managed action plan. Rather, they are aimed at achieving continuous optimization and further development. This goes hand in hand with the BASF approach to sustainability steering (see page 152).

We are aware of the challenges in specific supply chains. For example, in 2024, we continued our proactive work with our upstream supply chains, where we usually have no direct contractual relationships, less transparency and less influence. We are working together with partners and civil society and are active in cross-sector initiatives. Projects often start on the ground to build specific local expertise regarding sustainable and responsible supply chains. In addition to making environmental improvements, our particular objective is to promote social aspects such as safe working conditions, adequate wages, access to healthcare systems and opportunities for upskilling/reskilling. We discuss the appropriateness of measures on a case-by-case basis with relevant stakeholders such as NGOs and government representatives. We also discuss our plans in our external dialog forums, in the Human Rights Advisory Council and in the Nature Advisory Council. We measure the effectiveness of specific projects using progress reports on, and studies of, for example, developments in the areas of income and living conditions and the establishment of policy frameworks and regulations.

Seeds

In 2022, BASF, Syngenta and Arisa joined forces to set up a multistakeholder initiative in the vegetable seeds business in India. Called **Wage Improvements in Seed Hybrids** (WISH), the initiative addresses combating child labor and paying fair wages in the vegetable seeds sector in the Indian federal states of Karnataka and Maharashtra. The first phase of the project consisted of a survey of more than 4,100 households, in which roughly 6,900 children, 200 farmers, 400 workers and other stakeholders took part, identified focus topics for improving conditions on the ground. In the second phase of the project, which has been running since 2023, the partners are now using a variety of instruments to address these areas. Examples include training and upskilling/reskilling, networking, stakeholder integration (since 2024), advocacy efforts at local and international level, digital documentation and the dissemination of best practices. BASF, Syngenta and Arisa aim to maximize the positive impact of the project by also engaging in a dialog with other national and international companies in the seeds business. Since the beginning of 2024, external NGOs have been providing training and upskilling/reskilling for more than 390 farmers in 28 villages in the project area; this involves a variety of stakeholder groups including 2,100 workers. The goal of the project is to achieve tangible improvements with respect to increasing wages and avoiding child labor in the vegetable seeds business by the end of 2025.

Renewable raw materials

Palm oil, palm kernel oil and their derivatives are some of our most important renewable raw materials; these are described in detail under E4 Biodiversity and Ecosystems (see pages 240 and 241). Based on our Supplier Code of Conduct, we have outlined our expectations of suppliers in the palm-based value chain in an additional sourcing policy (BASF Palm Sourcing Policy). These address not only certification standards, traceability and environmental aspects, but also the observance of employee rights and the rights of Indigenous peoples as well as the inclusion of smallholder structures.

» For more information on our voluntary commitment to palm oil products and the Responsible Sourcing Report, see basf.com/en/palm-dialog

Another important raw material for BASF, albeit at a much smaller scale, is castor oil. We use castor oil to manufacture products such as plastics and ingredients for paints and coatings, as well as products for the cosmetics and pharmaceutical industries. We were a founding member of, and have been active since 2016 in, the **Sustainable Castor Initiative – Pragati**, with the aim of establishing a certified sustainable supply chain for castor oil in India. As part of Pragati, smallholders receive training, which is based on a specially developed sustainability code, SuCCESS, on topics such as health, the safe use of crop protection products to minimize occupational safety risks, and cultivation methods.

» For more information on sustainable castor oil, see basf.com/en/responsible-renewables-sourcing

Plants also form the basis of many other products in our portfolio for cosmetics. This applies, for example, to our biopolymers and bioactives. Through resource-conserving sourcing practices, we aim to preserve ecosystems and enable more sustainable management for the people whose livelihoods depend on them. For example, we have been combining economic, environmental and social aspects including improved, safe working conditions and access to medical care for several years now in our holistic procurement initiatives for argan (Morocco), rambutan and galanga (both Vietnam). We have consolidated our bioactives activities in our **Responsibly Active** program.

» For more information on the Responsibly Active program, see personal-care.basf.com/responsibly-active

Mineral raw materials

We have relationships with a large number of suppliers of mineral raw materials, which we use to produce automotive and process catalysts or battery materials for electromobility, among other products. We have implemented the EU's Conflict Minerals Regulation, for example by carrying out a compliance check for the import of conflict minerals in our ordering system. The regulation aims to combat the financing of armed conflicts and human rights issues such as child labor and forced labor. It also defines supply chain due diligence for tin, tantalum, tungsten and their ores as well as gold (3TG) imported into the EU from conflict-affected and high-risk areas (CAHRAs).

» For more information on the BASF Conflict Minerals Report 2023, see basf.com/conflictmineralsreport

We also attach importance to certification, such as the LBMA certificate for gold, the LPPM certificate for metals of the platinum group and the Responsible Minerals Assurance Process of the Responsible Minerals Initiative. Furthermore, BASF is committed to responsible and sustainable global supply chains for other mineral raw materials. These include cobalt, a key component in the production of battery materials. We have organized our cobalt supply chain according to established sustainability requirements such as the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals. Our goal is to not purchase cobalt from artisanal mines as long as responsible labor, social and environmental standards cannot be verified.

Together with BMW Group, Samsung SDI Co. Ltd., Samsung Electronics Co. Ltd., Volkswagen AG, Stihl AG & Co. KG and Deutsche Gesellschaft für Internationale Zusammenarbeit (German Corporation for International Cooperation, GIZ), we have been involved in the cross-industry **Cobalt for Development** initiative since 2018. It is intended to improve working and living conditions for artisanal miners in the Democratic Republic of Congo and to explore and implement opportunities for legalizing artisanal mining. To achieve this, the initiative offers programs such as training on important environmental, social and governance aspects of responsible mining practices. In the second phase, which started in the spring of 2023, mining cooperatives continued to receive training on topics such as occupational safety and environmental management. In addition to technical support in mapping and sampling the deposits, joint strategies were developed together with stakeholders from the Congolese government to create a legal basis for the miners to continue operating the mine.

» For more information on the Cobalt for Development project, see basf.com/cobalt-initiative

The **Global Battery Alliance** (GBA), which was cofounded by BASF in 2017, is also relevant in connection with battery materials. It has over 150 members and promotes dialog between businesses, governments and civil society. The GBA develops the tools for steering a sustainable and responsible circular economy for batteries – and aims to establish these by 2030. It acts as an nonpartisan platform to develop widely accepted rules for comprehensive and standardized reporting of ESG topics. These include environmental protection issues, child labor and human rights, among other things. The GBA rules were used in two pilot projects in 2024 and should be ready from 2025 onwards for the future Battery Passport, the digital battery identification document provisioned by the EU's Batteries Regulation.

» For more information on the Global Battery Alliance, see globalbattery.org

Another mineral raw material that BASF processes is mica.[1] As a base for effect pigments, it is mainly used in the production of coatings and seed coatings. As an active member of the **Responsible Mica Initiative** (RMI), we advocate for the eradication of child labor and unacceptable working conditions, specifically in India's mica supply chain. The initiative is focusing on labor standards, strengthening local communities and legal frameworks in the period up to the target year of 2030. As the RMI's recent progress report shows, activities in the relevant regions of India have already led to improved income and living conditions. These include improved access to clean drinking water through the installation of pumps and filtration systems and improved access to healthcare through doctors' visits in villages and enrollment in public health insurance plans.

» For more information on the Responsible Mica Initiative, see responsible-mica-initiative.com

Dealing with specific incidents

If we learn of irregularities or violations in the course of our audits or from other sources such as media reports or our Compliance Hotline, we take them extremely seriously, react immediately and require our partners and suppliers to implement corrective measures without undue delay and to stop the violations. In the case of serious violations of the standards defined in our Supplier Code of Conduct or of international principles, such as intolerable working conditions or child labor, we reserve the right to impose commercial sanctions. These can go as far as termination of the business relationship. The same applies to failure to correct violations, or for displaying patterns of noncompliance with these standards. No direct business relationships were terminated in 2024.[2] We are in close contact with our suppliers, especially in higher-risk areas and regions, and monitor the implementation of relevant standards and necessary measures for improvement.

For example, action plans have now been developed and implemented for the cases of infringements of the German Supply Chain Due Diligence Act (LkSG) that were identified in 2023.

[1] Mica is a group of minerals from the division of phyllosilicates with the same atomic structure. In colloquial language, mica minerals are referred to as mica.
[2] We consider all direct suppliers of the BASF Group in the business year concerned to be Tier 1 suppliers. These are suppliers that provide us with raw materials, investment goods, consumables and services. Suppliers can be natural persons, companies or legal persons under public law.

No severe human rights issues or incidents related to workers connected to its upstream and downstream value chains were reported to BASF in 2024 (for more information on the topic of S3 Affected Communities, see page 310).

We have advanced the negotiations to divest our shares in the two joint ventures in Korla, in the northwestern Chinese province of Xinjiang, a process we initiated for strategic reasons at the end of 2023, and signed an agreement to divest our shares. Our external audit scheduled for March 2024 was conducted as planned. It showed no current indications of severe incidents or infringements.

Global targets

S2-5

Our global corporate target of responsible procurement (for additional information, see page 31) aims to holistically improve our suppliers' sustainability performance: It covers both comprehensive sustainability matters and the matters of health and occupational safety and potential child labor that are material for the Workers in the Value Chain topic. BASF has not set itself a specific target for the Workers in the Value Chain topic.

The supplier target was updated in the reporting year so as to advance sustainability in the supply chain even more effectively, and to focus on suppliers with an increased risk in terms of sustainability: For the time frame up to 2030, BASF is concentrating on improving sustainability performance of those suppliers that generated inadequate results in evaluations. We are striving toward ensuring that annually, 80% of suppliers who underwent a sustainability evaluation during the reporting period, and who had inadequate results in a prior comparable evaluation, improve their sustainability performance. An improvement could result, for example, from a positive development of the EcoVadis score or successful implementation of corrective measures in a follow-up audit. In 2024, the figure was 76%. In order to achieve our target of 80% annually by 2030, we began establishing a tracking process involving specialists from the compliance organization in 2024. They contact suppliers with inadequate results and monitor the implementation of corrective measures.

For us, a supplier evaluation is valid for three years. We then carry out a new classification internally using a risk assessment and derive appropriate follow-up measures based on this. The new global target will be embedded in the targets set for employees with procurement responsibility.

In addition, we strive as a matter of principle to avoid child labor, negative impacts on occupational safety and health protection as well as impacts on other sustainability-related topics. These requirements are set out in a globally binding form in our Supplier Code of Conduct and are overseen using multistage, risk-based monitoring systems. We are steering toward our suppliers complying with the requirements set out in the Supplier Code of Conduct. We take action if we become aware of severe violations in the areas of health and occupational safety or child labor. We contact the suppliers concerned, offer them training and explicitly request that they implement corrective measures within a defined time frame. We systematically track implementation, since we aim to achieve improvements in these areas. If we find that infringements have not been remedied or minimized, we can impose commercial sanctions or even terminate the contracts concerned.

Stakeholder expectations are continuously incorporated into possible objectives. We ensure this is the case through regular meetings with external stakeholders. These are held as part of our strategic stakeholder engagement as well as in meetings with investors (see page 163), in which we discuss the sustainability topics material for BASF.

S3 Affected Communities

ESRS S3

We aim to avoid negative impacts and increase positive impacts by acting responsibly along the entire value chain. We seek dialog with communities that may be affected by our business activities to work together to shape the transformation toward climate neutrality in a socially just manner. We also want to live up to our responsibility and pursue the objective of empowering the communities around our sites worldwide.

ESRS 2 IRO-1 ESRS 2 SBM-2 ESRS 2 SBM-3

A core element of our sustainability strategy is to respect the dignity, rights, health and safety of individuals, both within and outside our own workforce. For us, safe and responsible behavior throughout the entire value chain is of paramount importance.

This also applies to communities that may be affected by our business activities. Here, we also include activities in our upstream value chain if the raw materials sourced by us are produced or extracted under sometimes challenging conditions. For example, the growth of plants purchased by us as renewable raw materials may be associated with land degradation and a deterioration in local biodiversity. The extraction of mineral raw materials may also have a negative impact on communities. Currently, these raw materials are sometimes extracted in regions that bear a greater risk of violations of labor, social and environmental standards. We are therefore committed to a sustainable supply chain especially for these materials (see page 299). We consider Indigenous peoples, on whose land extraction of raw materials is planned, to be among the vulnerable groups of affected communities.

We also regard direct neighbors of our production sites as affected communities, as well as other people in the area surrounding our industrial premises who could be impacted by our production operations and the associated potential environmental emissions or by the disposal of contaminated substances. We have set ourselves global targets in order to ensure that our products are produced safely for people and the environment alike (see page 31).

In our double materiality assessment (see page 167), the topic S3 Affected Communities was identified as material. As a result of the assessment, we see a material risk for BASF, as well as four material impacts on affected communities (see table on page 304).

Results of the double materiality assessment for S3 Affected Communities: Impacts

Impacts	Evaluation	Placement in the value chain	Description
Potential adverse effects on health associated with the production and use of chemicals	Negative, potential	BASF's own operations, upstream and downstream value chain	The production and use of chemicals in our own operations and in our value chain could potentially impair the health of people and communities.
Potential restriction of Indigenous peoples' right to free, prior and informed consent	Negative, potential	Upstream value chain	Our procurement of raw materials may have potential impacts on Indigenous peoples and may limit their right to free, prior and informed consent (FPIC) regarding activities in their surroundings.
Contribution to the positive development of communities	Positive	BASF's own operations	Through our business activities, our stakeholder engagement and our societal engagement, we exert a positive economic, social and cultural influence on communities.
Positive contribution to food supply	Positive	Downstream value chain	Our crop protection products and our seeds help to ensure that crops produce a good yield in spite of pests and other problems so that people benefit from an adequate food supply.

Results of the double materiality assessment for S3 Affected Communities: Risks and opportunities

Risk	Evaluation	Description
Loss of societal acceptance due to potential adverse effects on the health of people and communities	Negative	In the event of negative impacts on communities, societal acceptance of our business activities could suffer in the short to long term, trust could be lost in BASF and the risk of litigation could increase.

Strategy and governance

S3-1

The acceptance and support of our stakeholders is crucial for our business success. We pursue the principle of coexisting well with affected communities by reducing negative impacts of our business operations and maximizing positive impacts. As such, we want to contribute to an improved quality of life for everyone.

The protection of affected communities is a central concern and we are committed to producing safely for both people and the environment. Our environmental protection, health, safety and quality management system, which builds on the guiding principles of the Responsible Care® initiative, quality management and other relevant management standards, serves to protect the environment and the health and safety of our employees, third-party workers and neighbors. The Corporate Center unit Corporate Environmental Protection, Health, Safety & Quality, which reports directly to the Board of Executive Directors, determines the Group-wide management and control systems and monitors compliance with internal requirements and legal guidelines (for additional information on the responsibilities of the Corporate Center units in the Board of Executive Directors, see page 141). At the same time, the sites and Group companies are responsible for implementing the stipulated guidelines at local level.

It is fundamentally important to us to respect human rights and not to violate them through our business activities at any time. We record compliance risks, including those related to communities that could potentially be affected by our business activities, by means of regular risk assessments of our operating divisions and Group companies worldwide (see page 154). Based on the BASF Group's Policy Statement on Human Rights, we are committed to respecting the human rights of local communities and vulnerable groups and strengthening these rights along the entire value chain. This includes, among others, Indigenous peoples as a particularly vulnerable group. We are committed to acting responsibly and entrepreneurially in accordance with the following international standards:

- Universal Declaration of Human Rights of the United Nations (U.N.)
- Both U.N. Human Rights Covenants
- Core labor standards of the International Labour Organization (ILO)
- Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy
- Ten Principles of the U.N. Global Compact
- U.N. Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises
- Responsible Care® Global Charter of the International Council of Chemical Associations

We have anchored our human rights responsibility in our BASF Code of Conduct and our Supplier Code of Conduct (see page 295). We expect all our partners to comply with international human rights standards. Where necessary, we support them in meeting their due diligence obligations. We strive to meet our responsibility along the entire value chain and are willing to face the associated opportunities and risks. Respect for human rights is systematically integrated into our corporate governance and decision-making processes. The global BASF Code of Conduct is binding for all employees and we track compliance with its guidelines by means of our control and monitoring systems.

Our contribution to the positive development of communities follows our societal engagement policy. This policy is also based on the BASF Code of Conduct and falls within the responsibility of the Corporate Center unit Corporate Strategy & Sustainability.

For explanations of our overarching policies in respect of scope of application, accountability, impacts in the value chain, global applicability, accessibility to stakeholders and engagement thereof, see General Disclosures in our Sustainability Statement on page 152.

We review the resilience of our business models in relation to various sustainability aspects as part of the development of our business strategy. The strategies of our strategic business units are updated on a regular basis in conjunction with experts from the business units and the Corporate Strategy & Sustainability unit. We have also integrated social and human rights-related assessments within our governance and decision-making processes, for example for investment, acquisition and divestiture projects. We involve key stakeholders in decisions on future investments at an early stage. These may also include representatives of affected communities.

The business strategy of our Agricultural Solutions division and its contribution to food supply are outlined on page 307 onward.

S3-1 ESRS 2 SBM-3

Material impacts of BASF on affected communities

In the following section, we explain in more detail our strategy in relation to the four material impacts of BASF on affected communities.

Potential adverse effects on health due to our business activities

As a global chemical company, BASF is aware of the risks associated with the use and manufacture of chemicals. These may also include adverse effects on the health of affected communities, for example due to contaminated drinking water. Impacts may also arise due to the production of chemicals at our sites and in our upstream and downstream value chain.

We aim to ensure safe production through our environmental protection, health, safety and quality management system. It is our responsibility to protect, in particular, the health and safety of our employees, customers and neighbors by continuously identifying potential hazards and minimizing risks (see page 285).

We strive to prevent potential adverse effects on health along our value chains and use our insights to take appropriate measures to avoid any repetition of potential negative impacts on affected communities. Our global standards and guidelines, for example on handling the natural resource of water, are clearly defined in Group-wide requirements. Our sites and Group companies are responsible for implementing and complying with both the Group-wide requirements and local guidelines. By means of regular audits, the Corporate Center unit Corporate Environmental Protection, Health, Safety & Quality monitors compliance with the guidelines.

With our commitment to product stewardship under Responsible Care® and the initiatives of the International Council of Chemical Associations, we are committed to minimizing the negative effects of our products on health, safety and the environment, and to continuously improving the safety of our products. Before our products are launched on the market, they undergo various tests and assessments – depending on their application profile and legal requirements. By conducting these tests, we aim to identify potential hazard indicators, as well as health and environmental risks, at an early stage. Based on these findings, we devise suitable preventive and protective measures and develop recommendations on secure handling – from production and application through to disposal.

To ensure product safety, we have established global management systems in our downstream value chains. For example, we set global guidelines on the safe transportation of hazardous goods for our logistics service providers and, where necessary, advise our customers on product safety to ensure that our products, when used responsibly and for their intended purpose, do not pose any risk to either humans or the environment (for more information, see page 214).

The right of Indigenous peoples to free, prior and informed consent

BASF opposes all forms of human rights violations and, through the BASF Group's Policy Statement on Human Rights, has committed itself to respecting and promoting the human rights of local communities and vulnerable groups along the entire value chain (see page 315). This also includes implementation of the principle of free, prior and informed consent (FPIC) for Indigenous peoples.

Where our activities could impact Indigenous peoples in particular, we seek dialog with nongovernmental organizations before we even invest; this may, for instance, take the form of establishing an environmental, social and governance (ESG) advisory council on a case-by-case basis (see page 310). We record compliance risks, including those related to communities that may potentially be affected by our business operations, by means of regular risk assessments of our operating divisions and Group companies worldwide.

We systematically evaluate the sustainability performance of our suppliers and have set ourselves the target of achieving concrete improvements for suppliers who score poorly in this evaluation (see page 301). Our purchasing organization has also established a global risk-based management system for our upstream supply chain in order to implement our due diligence processes. We have defined our standards in a global requirement. Where we source renewable raw materials, we also consider social factors such as working conditions and food security. We seek regular dialog with our stakeholders to avoid conflicting goals and include recognized certification standards in our decisions.

This applies, for example, when purchasing palm oil and palm kernel oil, two of our most important renewable raw materials: We mainly use these to produce ingredients for the cosmetics, detergent, cleaner and food industries. Based on our global Supplier Code of Conduct, we have defined our expectations of suppliers in the palm-based value chain in a supplementary procurement policy (BASF Palm Sourcing Policy). This addresses not only certification standards, traceability and environmental aspects, but also the respect of workers' rights and the rights of Indigenous peoples as well as the inclusion of smallholder structures. We expect, for example, that the right of Indigenous and local communities to grant or refuse their free, prior and informed consent is respected in relation to land-use changes associated with the sourcing of palm oil. This pertains to all groups of people who hold inherent or social rights in accordance with the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and the social guidelines of the High Carbon Stock Approach (HCSA) (see page 241).

We have also established dedicated processes for the procurement of mineral raw materials to trace the origin of conflict minerals in the supply chain and ensure that they come from conflict-free sources. In this way, we want to minimize negative impacts on the part of BASF.

We have implemented the EU's Conflict Minerals Regulation, for example by carrying out a compliance check for the import of conflict minerals in our ordering system. This regulation defines supply chain due diligence for tin, tantalum, tungsten and their ores as well as gold (3TG[1]) imported into the EU from conflict-affected and high-risk areas (CAHRAs[2]).

» For more information on our guidelines in connection with conflict materials, see basf.com/conflictmineralsreport

In addition, we place importance on certifications such as the LBMA certificate[3] for gold, the LPPM certificate[4] for platinum group metals, and the Responsible Minerals Initiative's Responsible Minerals Assurance Process. Furthermore, BASF is committed to responsible and sustainable global supply chains for other mineral raw materials. These include cobalt, a key component in the production of battery materials. We have organized our cobalt supply chain according to established sustainability guidelines such as the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals. Our goal is to not purchase cobalt from artisanal mines as long as responsible labor, social and environmental standards cannot be verified.

Food supply through our products

As one of the world's leading companies, we offer products and innovations for agriculture and support the sustainable transformation of the agricultural and food system. Our crop protection products, our seeds and our digital solutions help to ensure that crops produce a high yield so that people benefit from an adequate food supply.

[1] 3TG: Tantalum, tin, tungsten and gold
[2] CAHRAs: conflict-affected and high-risk areas
[3] LBMA: London Bullion Market Association
[4] LPPM: London Platinum and Palladium Market

Our innovation-driven strategy for agriculture focuses on selected crops and their appropriate cultivation systems: Soy, corn (maize) and cotton in the Americas; wheat, canola (oilseed rape) and sunflower in North America and Europe; rice in Asia; and fruit and vegetables globally.

In our Agricultural Solutions division, we are working to strike the right balance between economic, environmental and social value creation for future-oriented and highly efficient agriculture. In light of the increasing global population, demand for food and feed, renewable raw materials and energy continues to rise, whereas land suitable for agriculture is limited. Accordingly, even more efficient farming is essential. It must be balanced and needs to ensure that sufficient quantities of healthy and affordable food can be produced. At the same time, it is extremely important to reduce negative impacts on the environment and potential adverse effects on health connected with the production and use of crop protection products to acceptable levels.

We leverage our expertise in research and development and our deep understanding of the way individual growers manage their farms to provide offers across technologies. These include novel solutions for seeds, traits, fungicides, herbicides, insecticides, biological solutions and digital products tailored to regional farming needs and crop systems.

Contribution to the positive development of communities

Through our activities, we aim to strengthen the communities surrounding our sites worldwide, contribute to the achievement of the Sustainable Development Goals (SDGs) and have a long-term positive impact on the environment and society. We have a positive impact on local communities through the business activities at our sites. We create jobs and contribute to local value creation. Through our societal engagement, we aim to improve people's quality of life through the prevention and combating of illnesses (health), promote educational equity, employability and economic participation (skills) and safeguard natural resources (resources) (see page 311).

S3-2

Continuous dialog with our stakeholder groups and their involvement represent integral components of BASF's corporate responsibility. Therefore, responsibility for the central governance, quality assurance and ongoing development of our engagement with societal stakeholders lies with the Corporate Strategy & Sustainability unit, which is part of the Corporate Center and is assigned the direct responsibility of the Chairman of the Board of Executive Directors. The insights gained as part of the dialog are of considerable importance and are included in relevant strategic decisions. A company-wide group of involved employees ensures the exchange of insights and experiences as well as the ongoing improvement of our measures and approaches.

In order to be able to better assess our impacts on, and risks for, affected communities, we have structured our stakeholder engagement in such a way that we consider the feedback of affected communities in our business activities. As part of our Responsible Care management (see page 222), we aim, for example, to safeguard the right of residents at our sites to access clean water.

We bear a particular responsibility toward the neighbors of our sites. We promote continuous dialog between residents and our site management and strengthen trust in our activities with **community advisory panels**. The globally applicable guidelines for these forums are based on the U.N. Guiding Principles on Business and Human Rights in relation to grievance mechanisms. In this way, individuals and groups, such as NGOs and associations, have the opportunity to raise concerns directly and on a regular basis. The forums are active for an indefinite period.

The interests of Indigenous peoples are included on three levels comprising dialog with human rights experts, direct dialog with representatives of the Indigenous peoples and dialog with nongovernmental organizations representing Indigenous peoples. In this regard, we observe our Group-wide requirements on interactions with representatives of civil society.

We address current and important issues on certain topics with **advisory councils**. This enables BASF to gain a better understanding of the impacts of its business activities on society and the environment. The insights gained facilitate sound decisions, both in relation to operational projects and strategic development. The relevant Corporate Center units, such as the Sustainability Relations and Trends unit, are responsible for ensuring regular and appropriate interactions.

In 2023, BASF set up an advisory council for issues surrounding the protection of biodiversity and ecosystems – the **Nature Advisory Council** (NAC) – to receive an independent societal perspective on our activities in relation to nature and biodiversity topics. The aim is to obtain constructive feedback and specific advice on nature-related topics and our strategic approach as well as our contributions to a more sustainable future. The NAC will remain active for an indefinite period and, at the end of 2024, comprised five members from scientific fields, relevant value chains and multilateral organizations. It met most recently in November 2024 and discussed the approach to biodiversity taken by BASF with relevant experts and leaders.

The **Human Rights Advisory Council** (HRAC), established in 2020, provides a trust-based and constructive dialog to enable us to better meet our role and responsibility, particularly in situations that are challenging in terms of human rights. It comprises independent international human rights experts and meets regularly, thus enabling us to obtain additional human rights expertise. The HRAC helps us to better understand different perspectives on human rights, address conflicting aims and take into account the rights of Indigenous peoples and the limits of corporate due diligence. The Council also contributes to building on our human rights-related strengths and identifying potential improvements. It meets up to three times a year and is active for an indefinite period. The meetings held in 2024 were attended by representatives from Corporate Compliance and Corporate Strategy & Sustainability, plus other experts from the operating divisions.

In 2023, the **Sustainability Lab**, another stakeholder engagement format, was held for the first time. Here, around 100 internal and external experts discussed specific issues concerning sustainable development from a variety of perspectives (for more information, see page 166).

A new format is our **Civil Society Forum**, which was established in Berlin in March 2024 and includes representatives of the operating divisions affected by the topics concerned as well as representatives from the Corporate Center. It facilitates a confidential dialog with representatives from civil society and trade unions. The aim of the forum is to actively explain the company's activities in relation to current and potential projects and its positioning in this regard. As such, the Civil Society Forum offers a platform for feedback from civil society. The subsequent incorporation of external feedback into internal strategic management systems aims at finding feasible solutions for all stakeholders.

Where necessary, we use the format of an ESG Council as an instrument for **case-by-case engagement** with stakeholders, such as affected communities. In this way, the viewpoints of relevant stakeholders can also be incorporated at an early stage in the decision-making process on future investments. We employed this instrument, for instance, in the context of a potential investment in a nickel/cobalt refinery complex in Weda Bay, Indonesia.[5] We also review current investments on the basis of the sustainability criteria on an ongoing basis and employ suitable dialog formats on a case-by-case basis to incorporate societal perspectives.

Our engagement in **multistakeholder and other initiatives** represents a key component of our strategic approach in relation to affected communities and all human resources in the value chain. BASF engages in networks such as Cobalt for Development, the Roundtable on Sustainable Palm Oil, the Global Battery Alliance and the Responsible Lithium Partnership, which is scheduled to run until 2025.

S3-3

The BASF compliance hotline is publicly accessible to everyone as a grievance mechanism; as such, it can also be used by affected communities worldwide and their representatives. For more information on how the issues raised and addressed are tracked and monitored, see page 321.

Should concerns be raised or a violation identified in relation to our own activities, we immediately take the action required in order to appropriately address and end the violation. Whenever human rights violations on the part of our direct suppliers or in our supply chains come to our attention, we expect and demand that our direct suppliers immediately end the violations or investigate them appropriately. Where necessary, we support our suppliers in overcoming the associated challenges and in making improvements to their sustainability performance. At the same time, we also reserve the right, as a last resort, to seek out potential alternatives and to terminate supplier relationships in the event of continued violations of our standards.

In the 2024 reporting year, we were notified of one case of potentially serious incidents relating to our palm oil supply chain. Specifically, the case concerned allegations of disproportionate use of force against affected communities by security forces of an indirect supplier. We immediately suspended this supplier.

Beyond that, we take reports of problems in connection with affected communities seriously and investigate them. in 2024, three cases were brought to our attention in which allegations of unlawful land confiscation were made to the detriment of affected communities in the palm oil supply chain. These cases were also the subject of legal proceedings in the reporting year. One of these three cases concerns a direct supplier that is certified in accordance with the standards of the multistakeholder program Roundtable on Sustainable Palm Oil (RSPO). RSPO investigations have not confirmed the allegations. We have also been informed that no relevant rights violations were found in the official investigation conducted in the context of the legal proceedings. The other two cases relate to indirect suppliers. The investigation and legal proceedings are still ongoing, based on which we will consider the next steps.

In our view, the reports regularly received in all regions – both from the company's employees and third parties, such as NGOs – confirm the functionality and effectiveness of this complaint channel.

[5] Following a detailed review, BASF decided not to implement a nickel-cobalt refinery project in Weda Bay, Indonesia, partly because the availability of battery grade nickel has improved for BASF.

Actions

S3-4

In order to mitigate negative impacts and risks while simultaneously seizing opportunities in connection with affected communities along our value chains, we take concrete actions, which we explain below on the basis of the material subtopics for this chapter. These actions often entail decentralized measures, projects and initiatives that are not assigned to any centrally managed action plan. Instead, they – like our management and monitoring systems – aim to ensure continuous improvement and further development and fall within the responsibility of the sites and Group companies concerned. This goes hand in hand with the BASF approach to sustainability steering (see page 152).

We use various dialog formats and bodies and incorporate the insights gained into our business operations and strategic planning. Fundamentally, we distinguish between direct engagement with affected stakeholders, such as through our community advisory panels, and indirect engagement via representatives on our advisory councils (see page 308).

As part of our due diligence, for example, we are in regular contact with our South African platinum suppliers, including Sibanye-Stillwater.[6] In order to gain a comprehensive picture of the situation on the ground and address relevant issues, we engage in continuous dialog with relevant stakeholder groups. Most recently, BASF invited the stakeholder groups involved to an in-person meeting in Germany in September 2024. At this meeting, representatives of our suppliers and of NGOs from South Africa and Germany, as well as other experts, held a constructive discussion on the environmental and human rights-related situation.

Moreover, we take further measures designed to minimize BASF's negative impacts on affected communities and support positive impacts.

Actions to avoid potential adverse effects on health

We take numerous actions to design products in such a way that their impacts on the environment and on society are as small as possible along their entire value chain (see page 161).

In order to minimize negative impacts and risks in the upstream value chain, we rely on open dialog with our suppliers as well as their assessment and development. We support preventive and local initiatives to improve the working conditions of our suppliers' employees. Our management processes are activated in the event of specific work-related incidents (see page 295).

To prevent work-related incidents and their associated impacts on employees and their relatives, we support and demand safe and risk-aware working practices, learning from events and the regular sharing of experiences among our employees. In addition, employees at our production sites receive regular training on how to handle chemicals safely and how to use personal protective equipment correctly (see page 285). Moreover, teams of experts at all our sites deal with health, occupational safety and environmental protection matters. The Corporate Environmental Protection, Health, Safety & Quality unit in the Corporate Center conducts regular audits to monitor compliance with internal requirements and legal guidelines at regular intervals (see pages 278 and 209).

[6] In 2012, a long-running strike at a platinum mine in Marikana, South Africa, ended in a violent confrontation between workers at the mine and the South African police. In this confrontation, employees of the then mine operator Lonmin also lost their lives. In 2019, the Marikana mine passed into the ownership of Sibanye-Stillwater. For more information on the supplier relationship of the Sibanye-Stillwater mine, see basf.com/en/marikana.

We also aim to minimize potential incidents impacting the environment through our targets for safe and resource-efficient production, particularly our process safety target (see page 212). In order to reduce the number of process safety incidents, we draw on technical measures, digital solutions and a management culture that puts process safety and an open approach to errors even more to the fore. In addition, we are continually refining and expanding our training methods and offerings to increase risk awareness and strengthen our safety culture.

Due to our focus on operational excellence (see also page 190), we continuously design more energy- and resource-efficient plants and processes. This helps to reduce emissions. We thus take a wealth of measures to reduce emissions to air, for example by using catalysts to lower nitrogen oxides and feeding waste gases back into the production process. When it comes to emissions into water, our approach is to reduce wastewater volumes and contaminant loads at the source in our production processes and to reuse wastewater and material flows internally as far as possible. As part of our water protection concepts, we also conduct regular hazard assessments of our wastewater, evaluate it in terms of its risks and derive suitable monitoring measures.

In order to safeguard water as a resource, we are involved in the Alliance for Water Stewardship, as well as networks such as the Alliance to End Plastic Waste and Operation Clean Sweep® to ensure that waste from plastics production does not enter bodies of water.

Misuse of our crop protection and seed products may have a negative impact on human health and the environment. We are therefore focusing our **smart stewardship activities** on education and continuously improving our solutions for farmers. Alongside aspects such as efficacy and productivity, this also encompasses the safe use of our products and reducing their impacts on the environment. Our commitment to safety includes not only our employees, but also our suppliers and customers. Crop protection products must be used responsibly and require safety measures to protect farmers and other professional users against hazards. We therefore launched the Global Personal Protective Equipment (PPE) Initiative in order to put the safety of users center stage. The Suraksha Hamesha (translation from Hindi: "Safety all the time") program of BASF in India is designed to train farmers and other users in the safe and responsible use of crop protection products and focuses on risk minimization measures.

The traceability and assessment of our actions with respect to their efficacy in protecting affected communities in the areas around our own production sites are, among other things, based on our global targets for safe and resource-efficient production (for additional information, see page 31). By systematically evaluating the sustainability performance of our suppliers and, where there is a need for improvement, by working closely with our partners, we can verify whether negative impacts on health are being effectively prevented in our upstream value chain (see page 297).

Actions to respect the right of Indigenous peoples to free, prior and informed consent

Through our business operations, we are connected with a huge number of people worldwide who are either directly or indirectly influenced by our activities. We meet our responsibility to respect human rights throughout our entire value chain in order to honor and promote rights, particularly in relation to vulnerable groups (see page 306).

We regard the implementation of human rights-related due diligence processes as a comprehensive endeavor that we can only achieve if all employees and leaders work together. That is why we have embedded our responsibility for human rights into our Code of Conduct and set this out in our Policy Statement on Human Rights. We uphold our standards worldwide, including where they exceed local legal guidelines. All employees and leaders bear responsibility for ensuring that we act in accordance with our Code of Conduct and Policy Statement on Human Rights. In order to live up to our responsibility as holistically as possible, employees from various specialist units (such as Procurement; Legal; HR; Corporate Environmental Protection, Health, Safety & Quality; Sustainability; Site Security; Logistics; Communications and Governmental Relations) and from our operating divisions work together closely as

part of our overarching **Human Rights Expert Working Group** (see page 272). When meeting our responsibility to respect the right of Indigenous peoples to free, prior and informed consent (FPIC), we rely on established monitoring systems. Since we understand human rights due diligence obligation as an ongoing task, we regularly review our due diligence mechanisms and improve them where necessary. We track the effectiveness of our activities to respect the rights of Indigenous peoples using the number of issues and incidents brought to our attention.

We are committed to active dialog with affected communities. Take the sourcing of lithium, for instance. Together with the BMW Group, Mercedes-Benz AG, Fairphone B.V., Daimler Truck AG and the Volkswagen Group, we have been a member of the **Responsible Lithium Partnership** initiative since 2021. This initiative, which is scheduled to run until 2025, promotes the responsible use of natural resources in the Salar de Atacama salt flat in Chile. This region is home to the world's largest lithium brine reserves and a significant share of global production. With this in mind, the Deutsche Gesellschaft für Internationale Zusammenarbeit (German Corporation for International Cooperation, GIZ) was commissioned with organizing a local multistakeholder platform, also comprising Indigenous communities, on the water-related opportunities and risks of lithium and copper extraction and other commercial activities as well as with driving forward action plans. BASF participated in a study organized by the BMW Group together with experts from the University of Alaska and the University of Massachusetts to examine the hydrological conditions in Salar de Atacama. The results of this study are incorporated as an important component of the work of the Responsible Lithium Partnership initiative.

Actions to promote a positive contribution to food supply

The Agricultural Solutions division focuses on developing products and solutions designed to make agriculture more efficient and sustainable. These products comprise crop protection products, fertilizer management solutions, seeds and digital solutions. Through innovative technologies and research, BASF contributes to increasing agricultural productivity and simultaneously reducing environmental impacts.

BASF invests in research and development in order to develop new and resistant seed varieties that can better thrive in different climate zones, under pressure from pests and under changing climatic conditions. Moreover, we promote more sustainable growing methods that optimize the use of water and nutrients and protect biodiversity.

A further key area involves promoting digital solutions that help farmers to increase their yields. These technologies enable more precise use of fertilizers and crop protection products, which not only boosts efficiency but also minimizes the impact on the environment.

BASF is engaged in multiple initiatives to strengthen food supply chains and improve access to food, especially in emerging markets. We work with various partners to offer training programs for farmers, helping them to learn modern growing methods and maximize their yields.

With the products and solutions of the Agricultural Solutions division, we support our customers in reducing crop losses, achieving better yields and producing safe food. The commercial success of the Agricultural Solutions division therefore provides the basis for assessing the extent to which we make a positive contribution to food supply.

Actions to promote the positive development of communities

Through our business activities, our stakeholder engagement and our societal engagement, we strive to have a positive economic, social and cultural influence on communities.

Our **societal engagement activities** are globally consolidated into three focus areas across BASF Group: We want to improve people's quality of life by preventing and combating disease, promoting educational equality, employability and economic participation, and safeguarding natural resources.

In 2024, the BASF Group spent around €32 million on societal engagement. In the field of international development cooperation and disaster management, we supported the independent and nonprofit BASF Stiftung with donations for its international project work in tandem with various organizations. The proceeds from the 2024 year-end donation campaign went to the BASF Stiftung and UNHCR, the U.N. Refugee Agency, and their work to support refugees in Sudan. BASF increased the donations from employees of participating German Group companies by €100,000 for a total of around €370,000.

Our intrapreneurship program, **Starting Ventures**, provides ongoing support to people from low-income areas to improve their economic opportunities and their quality of life. At the same time, the program affords us access to new markets and partners. BASF is tackling challenges on the ground together with local partners and contributing to the Sustainable Development Goals (SDGs) with entrepreneurial ideas, technical expertise and time resources. Nine new Starting Ventures projects were selected for implementation in December 2024.

At many sites, BASF works with partners for high-quality education (SDG4) and more educational equality, particularly for disadvantaged children and young people. For BASF, scientific education and education for sustainable development represent central capabilities that contribute to personal success and the future of society. For 27 years now, children and young people in 45 countries have been able to take part in experiments in **BASF Kids' and Teens' Labs**. This year, some 100 young people in Ludwigshafen took part in the "Expedition Erdreich" ("Expedition Earth") program, learning about biodiversity and its importance for climate protection and society.

The **Young Voices for a Sustainable Future** project was initiated in 2022 in tandem with the nongovernmental organization JA Worldwide. This project enables young people to address sustainable development topics at a local level in partnership with BASF employees. As part of an innovation challenge, participants learn to recognize the impacts of climate change on their communities and influence the resulting challenges. As such, we seek to continuously empower young people to actively take responsibility and champion positive changes in their communities. In 2024, the project was implemented in Thailand, the Philippines, Nigeria, Mexico, Uruguay and the Amazon region in Brazil.

Through our activities in the domain of public health, we endeavor to improve the quality of life of people around the world by preventing and combating diseases. We achieve this goal by partnering with the international community, including international healthcare, governmental and humanitarian organizations. More than 100 million Interceptor G2 mosquito nets have been supplied since 2019. Based on calculations by MedAccess, these long-lasting, insecticide-treated nets may therefore have prevented 200 million people from contracting malaria. BASF's commitment to eliminating malaria also comprises ongoing product innovation in conjunction with product safety training and education.

Furthermore, BASF engages in projects to fortify food products with micronutrients, especially in developing countries. We are active in multistakeholder alliances in order to achieve a sustainable impact through product solutions, technical support, scientific capacities and the development of partnerships. Since 2021, BASF has been a founding member of the **Millers for Nutrition** coalition, which pursues the objective of strengthening practices for fortifying food in eight countries with a micronutrient deficiency. In 2024, BASF provided technical training on food fortification and products to combat micronutrient deficiencies in more than 40 countries.

Through our **Smallholder Engagement program**, we aim to help smallholders adapt to a changing climate and safeguard both their own livelihoods and food security for their communities. BASF works with the NGO Solidaridad, for instance, to support coffee growers as part of the ongoing KAJVE initiative. This project was initiated in 2021 by BASF and UNESCO and aims to improve the quality of life of coffee growers by means of comprehensive training and development. The partnership's goal is to continuously improve the introduction of more sustainable growing methods, facilitate knowledge sharing and foster climate-resistant coffee production by means of innovative solutions.

In India, BASF has initiated a project that seeks to better integrate smallholders within the agricultural value chain. Operating in partnership with the nongovernmental organization Collective for Integrated Livelihood Initiatives (CInI), Solidaridad and the World Vegetable Center, this project contributes to improving the climate resistance of these communities, enabling the transition to genuine agricultural entrepreneurship and bettering the living conditions of families and communities in a climate-smart way.

In another project, BASF and Solidaridad work together to empower Brazilian farmers to foster biodiversity and sustainable farming practices. What is innovative about this project is the multistakeholder approach with which we jointly develop measures and practices to foster biodiversity and climate resilience that can be accepted and implemented by all parties involved – farmers, NGOs, industry and experts.

Societal engagement activities can only unlock their full potential if they are strategically planned, professionally managed and assessed in terms of their effectiveness. Therefore, BASF's internal societal engagement requirements stipulate that Group companies measure their societal engagement activities using the internationally established IOOI method (input – output – outcome – impact) and make adjustments where necessary.

Global targets

S3-5

Many of our sustainability-related corporate targets (for additional information, see page 31) contribute to the protection of affected communities. These include our climate protection targets to reduce our greenhouse gas emissions (see page 194), our responsible procurement target (see page 301), our sustainable water management target (see page 227) and our targets for safe and resource-efficient production (see pages 287 and 212). Beyond these targets, BASF has not set itself a specific target for the topics identified as material in the area of Affected Communities.

In general, we do not want to be associated with human rights violations and we meet our human rights-related responsibility toward affected communities. In doing so, we take into account the particular needs of vulnerable groups such as Indigenous peoples and seek open dialog and communication with our neighbors in order to continuously strengthen trust in our business activities.

We strive to be a good neighbor at our sites, respect existing rights and respond to the needs of local communities and their residents. We create jobs and contribute to local value creation. We strive to protect the livelihoods of our neighbors and, in particular, show consideration for vulnerable groups such as Indigenous peoples and smallholders. We are committed to open communication and dialog between affected communities and BASF in order to strengthen trust in our activities.

Societal engagement is a cornerstone of our corporate responsibility and part of our sustainability management. We want to contribute to an improved quality of life for everyone. To this end, we have firmly anchored the three pillars of sustainability (economy, environment and society) within our corporate purpose, our strategy, our objectives and our activities throughout the value chain. Our societal engagement is voluntary and goes beyond the statutory minimum, the main aim being to achieve positive impacts on society, the environment and BASF alike. Through our activities, we aim to strengthen the communities surrounding our sites worldwide and contribute to the achievement of the Sustainable Development Goals (SDGs).

In order to meet the nutrition needs of the future global population, more food needs to be produced using fewer resources. Together with our customers, we want to identify the most important levers for a more sustainable value chain in the food and feed industry. Sustainable productivity is key to safeguarding food supply in an environmentally friendly way – and our crop protection and seed products play a vital role in this regard.

Even though BASF has not set a specific target for the topics identified as material in the area of Affected Communities, we nevertheless track the effectiveness of our actions and requirements in this field. The corporate requirements cited in this chapter are designed to ensure continuous optimization and ongoing development. Our Group-wide Compliance Program aims to ensure adherence to these requirements (see page 319). We also take a risk-based approach to reviewing the effectiveness of our systems through our internal Corporate Audit unit. In 2023, for example, engagement with external stakeholders through our Human Rights Advisory Council was evaluated as part of an audit on human rights governance and compliance with the German Supply Chain Act (LkSG). In the 2024 reporting year, we also began introducing an internal control system for compliance and monitoring of our due diligence obligations in relation to the ESRS (see page 155).

We discuss the sustainability topics that are material for BASF at regular meetings with external stakeholders as part of our strategic stakeholder engagement activities as well as in discussions with investors. On this basis, stakeholder expectations are continuously incorporated into the development of sustainability management approaches, targets and principles.

Governance

G1 Business Conduct

ESRS G1

As an international chemical company, we operate in countries and markets with different guidelines and conditions. Our global values and standards serve as the pillars of our corporate culture, guiding responsible action in all our activities and securing our license to operate. By living these values every day, we aim to earn and maintain the respect and trust of our customers, partners and employees.

ESRS 2 IRO-1

The key element of our responsible corporate governance is the Compliance Program with a global Code of Conduct. We record opportunities and risks as part of our opportunity and risk management (see page 87). Impacts, risks and opportunities are systematically recorded as part of the double materiality assessment (see page 167). We identify compliance risks through regular risk assessments of our operating divisions and Group companies worldwide (see page 320). We also conduct risk-based checks of our global business partners for any signs of corrupt behavior (see page 323).

As part of our double materiality assessment, we identified the following impacts as material:

Results of the double materiality assessment for G1 Business Conduct

Impacts	Evaluation	Placement in the value chain	Description
Global Code of Conduct	Positive	BASF's own operations, upstream and downstream value chain	Our global Code of Conduct has a positive impact on the workforce in our company and on our value chains.
Global compliance measures and systems	Positive	BASF's own operations, upstream and downstream value chain	Our global compliance measures and systems have a positive impact on our own workforce and other employees in our value chains.
Anticorruption training	Positive	BASF's own operations	The mandatory training ensures that employees also learn how to be vigilant in order to prevent any form of bribery or corruption. In this way, we contribute to a business environment in which corruption and bribery are not tolerated. By being perceived and valued as a trustworthy company, BASF can help to reduce corruption and bribery.

Our global Code of Conduct as well as our compliance management system and associated measures (for example, anticorruption training) promote a positive business environment both for our employees and throughout the upstream and downstream value chain. This contributes to an environment characterized by respect and ethical and responsible conduct in accordance with applicable laws. Our business conduct measures are implemented centrally and globally, however, they are not governed by a centrally managed action plan. This goes hand in hand with BASF's approach to sustainability steering (see page 152).

Strategy and governance

ESRS 2 GOV-1

Our values, corporate principles and guidelines are firmly anchored in our Corporate Governance. The Board of Executive Directors is responsible for ensuring that the company's activities comply with the applicable legislation and regulatory requirements as well as internal corporate requirements and ethical business practices. This includes the establishment of a compliance management system as well as embedding a company-wide compliance culture with undisputed standards. These standards are embedded in our Code of Conduct (see "Compliance Program, Corporate values and Code of Conduct") and are binding for all employees in our day-to-day business. Members of the Board of Executive Directors are also expressly obligated to follow these principles. The Audit Committee established by the Supervisory Board checks the effectiveness of the compliance management system as part of its monitoring activities for the company's internal control and risk management system.

G1-3

BASF's Chief Compliance Officer (CCO) reports directly to the Chairman of the Board of Executive Directors and manages the further development of our global compliance organization and compliance management system. The CCO is supported in this task by the Corporate Compliance unit and more than 100 compliance officers and representatives worldwide in the regions[1] and countries as well as in the operating divisions, service units and in the Corporate Center. Material compliance topics are regularly discussed in the compliance committees established at the global and regional level. The compliance organization reports to the Supervisory Board's Audit Committee at least twice a year on the status of the Compliance Program as well as any major developments. In the event of significant incidents, the Audit Committee is immediately informed by the Board of Executive Directors. The Board of Executive Directors informs the Supervisory Board regularly, without delay and comprehensively, of all issues important to the company, including compliance, and coordinates the company's strategic orientation with the Supervisory Board.

ESRS 2 GOV-1 G1-3

To ensure that members of the Board of Executive Directors have relevant expertise with respect to business conduct, BASF's long-term succession planning takes into account the role model function of potential candidates in implementing the corporate values as well as various diversity criteria (see page 113). As part of their onboarding, newly appointed members of the Board of Executive Directors are individually briefed on BASF's Compliance Program, compliance management system, and the legal and internal corporate governance guidelines. Members of the Board of Executive Directors together with leaders play a key role in our compliance culture. All new Supervisory Board members who serve on the Audit Committee also receive training on our Compliance Program. By virtue of their many years of leadership experience within the BASF Group, all members of the Board of Executive Directors are fully conversant with corporate governance, culture and policies, and in particular with the Code of Conduct. On the Supervisory Board, by dint of their decades of management experience, Dr. Kurt Bock and Prof. Dr. Stefan Asenkerschbaumer have in-depth knowledge of corporate governance and corporate policy.

[1] The regional structures will be dissolved as part of the new strategy. We will review the structure of the compliance officers in this context.

Compliance Program, corporate values and Code of Conduct

G1-1

Our Compliance Program is based on our corporate values and voluntary commitments as well as applicable international standards. We are convinced that compliance with these principles plays a key role in ensuring our company's long-term success. The global program describes our commitment to responsible conduct and expectations around how all BASF employees interact with business partners, officials, coworkers and society. The main guidelines are primarily summarized in our BASF policies on compliance, human rights, labor and social standards and in the Supplier Code of Conduct. With our comprehensive management and monitoring systems, we want to ensure that we act in line with the applicable laws and uphold our responsibility to the environment and society. This also involves system audits carried out by the Corporate Audit unit (see page 323). Through our Compliance Program, we aim to create positive impacts for employees across the entire value chain, for example by creating an environment that reflects our values and in which human rights are respected. We promote a culture in which concerns can be openly addressed, thereby facilitating the reporting of potential violations of applicable laws or internal company guidelines. This helps us to uncover potential shortcomings and take appropriate measures to remedy them.

Adherence to compliance standards is the foundation of responsible corporate governance – this is embedded in our **CORE corporate values**. They define how we want to work together, both within the company and with our stakeholders:

- C – creative: We make great products and solutions for our customers. This is why we embrace bold ideas and give them space to grow. We act with optimism and inspire one another.
- O – open: We value diversity, in people, opinions and experience. This is why we foster feedback based on honesty, respect and mutual trust. We learn from setbacks.
- R – responsible: We value the health and safety of people above all else. We make sustainability part of every decision. We are committed to strict compliance and environmental standards.
- E – entrepreneurial: We focus on our customers, as individuals and as a company. We seize opportunities and think ahead. We take ownership and embrace personal accountability.

Our **standards** are based on, and in some cases, exceed existing laws and regulations and take internationally recognized principles into account. We respect and promote:

- The Universal Declaration of Human Rights and the two U.N. Human Rights Covenants
- The Ten Principles of the U.N. Global Compact
- The core labor standards of the International Labour Organization (ILO) and the Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy
- The United Nations Guiding Principles on Business and Human Rights
- The OECD Guidelines for Multinational Enterprises
- The Responsible Care® Global Charter
- The German Corporate Governance Code

Explanations of our overarching policies with regard to their scope of application, unit responsible for implementation, impacts in the value chain, global applicability, accessibility to stakeholders and engagement thereof, see General Disclosures in the (Consolidated) Sustainability Statement on page 152.

At the core of our Compliance Program is the global, standardized **Code of Conduct**, which is overseen by the BASF Board of Executive Directors and to which all employees and leaders must adhere. It covers topics ranging from corruption and antitrust laws to human rights, labor and social standards, conflicts of interest, whistleblower protection, trade control and data protection. Through our Code of Conduct, we also aim to generate positive impacts on compliance with these rights in our own business activities and in the upstream and downstream value chain. Accordingly, we have embedded our responsibility for human rights in the BASF Code of Conduct and **Supplier Code of Conduct** and specified this in our **Policy Statement on Human Rights**. The Code of Conduct is supplemented by additional global and regional requirements that address specific topics such as corruption and conflicts of interest in more detail. For corporate compliance to be a success, there must be an active culture of living these values and commitments within the company. The principles embedded in our Code of Conduct are established and recognized in our day-to-day business. We expect all employees to act in line with these principles.

» For more information on the Code of Conduct, see basf.com/code-of-conduct

The primary goal of our compliance management system is to prevent violations from the outset. We perform continuous systematic risk analyses to identify and assess material risks from compliance violations, including corruption. This is conducted at the divisional and Group company level. Accordingly, we implement targeted local and unit-specific requirements. Employees responsible for procurement are considered to be most at risk of corruption and bribery. Consequently, these employees in our procurement organization are prohibited from accepting gifts of any kind, in accordance with our "Zero Gift Policy." Training materials and formats (see "Information and training to strengthen our compliance culture") are continuously updated, taking into account the specific risks of individual target groups and business areas.

The regular compliance audits performed by the Corporate Audit unit are another source for the systematic identification of risks. These risks are documented in the relevant risk or audit report. The same applies to specific risk minimization initiatives as well as the time frame for their implementation. The Corporate Audit unit continuously monitors compliance with guidelines. The head of our legal and compliance organization also acts as Chief Human Rights Officer and oversees the overarching risk management with regard to human rights.

Information and training to strengthen our compliance culture

G1-3

We address the identified material positive impacts on employees and other workers in the value chain through our compliance management system and anticorruption measures. This includes workshops and mandatory training. These offerings are a key element in preventing violations and are conducted on an ongoing basis either in person or online. Within a prescribed time frame, all employees are required to complete basic, refresher or specialized training on topics such antitrust legislation, money laundering and trade control regulations. Refresher training must be repeated every two years. Training materials and formats are continuously updated taking into account the specific risks of individual target groups and business areas, and include training content on corruption and bribery as well as information about our grievance mechanisms (see "Monitoring adherence to our compliance principles"). In 2024, more than 120,000 employees worldwide received over 105,000 hours of training on the Code of Conduct. Functions-at-risk are fully covered by the training program. Training data is collected through documentation in our learning management system as well as individual decentralized reports from Group companies.

Leaders play a key role in our compliance culture by embodying and communicating our values both internally and externally. In addition to special workshops on integrity as a leadership task for newly appointed senior executives, separate training sessions were also offered in 2024 for the managing directors of BASF Group companies.

The online version of our Code of Conduct is aimed at our employees and offers user-friendly features such as case studies, FAQs and additional references. We continuously provide our employees worldwide with up-to-date content such as videos, links to specialist units and requirements as well as direct contact to subject matter experts on the internal online platform and the corresponding app.

Other binding governance documents (policies, corporate requirements) are provided on an internal digital platform that offers our employees an advanced search function and context-based links to further information. The managing directors of BASF Group companies can find important information and assistance on ensuring compliance in their Group companies on an intranet page set up especially for them.

Monitoring adherence to our compliance principles

G1-1

We particularly encourage our employees to actively and promptly seek guidance if in doubt. They can consult their supervisors, specialist units, such as the Legal department, and the BASF compliance officers and representatives. In addition, the internal compliance information platform and the corresponding app provide continuous access to advice through direct contact channels. BASF's compliance hotline serves as the company grievance mechanism and is open to all BASF employees as well as external stakeholders, particularly workers in our supply chains (see page 292). The hotline can be used to raise questions or concerns about potential or actual misconduct, as well as to report violations of regulations, laws, BASF requirements or BASF's global Code of Conduct. Reports may address any topic covered by the global BASF Code of Conduct, including human rights and environmental issues. Individuals submitting a report have the option to remain anonymous. The hotline is explicitly mentioned during training sessions and in the context of specific campaigns, such as the campaign against sexual harassment at the Ludwigshafen site in 2024.

To ensure confidentiality, we have contracted an independent external provider to operate this global hotline. Reported cases are systematically documented and processed worldwide using a single, uniform system. The central point of contact is a website that informs all employees worldwide about the hotline and the grievance procedure in their national language. In addition to local phone numbers, the website also offers an online contact option, which is available via PC or smartphone. The website is also available to third parties such as suppliers (see page 296), partners and the public (see page 310). All relevant information, including the rules of procedure, is publicly available on our website in over 50 languages. We take reports and complaints very seriously and follow up on them. An electronic summary of the concerns is forwarded only to the responsible employees of the BASF Compliance Team, who review the case and decide on further actions. Depending on the circumstances, various BASF specialist units may be involved in the investigation. In certain cases, we may also involve external lawyers or subject matter experts in the investigation, if necessary. We always aim to respond promptly to violations. Remedial measures are determined after the investigation, depending on the severity of the specific case. Examples of such measures include verbal warnings and training. In individual cases, we take internal disciplinary measures in accordance with uniform standards up to termination of employment.

BASF aims to process all concerns promptly and provide feedback on the status. The grievance procedure is analyzed and evaluated annually for its appropriateness and effectiveness. This includes analyzing the number of complaints received, their distribution, processing status and derived measures.

Even though BASF has not set a specific target for the topics identified as material in the area of Business Conduct, we nevertheless track the effectiveness of our measures and requirements in this field. The corporate requirements cited in this chapter are designed to ensure continuous optimization and ongoing development. Our Group-wide Compliance Program aims to ensure adherence to these policies (see page 319). The internal Corporate Audit unit also regularly reviews the effectiveness of our systems. In the 2024 reporting year, we also began introducing an internal control system for compliance and monitoring of our due diligence obligations in relation to the ESRS (see page 155).

We do not tolerate any retaliation against anyone who, in good faith, reports a concern or participates in an investigation, even if the complaint proves to be unfounded. Retaliation is strictly prohibited according to our Code of Conduct and would be treated as serious misconduct. Our procedures are based on the legal guidelines for whistleblower protection to which BASF SE and other Group companies are subject.

G1-3

Each concern is documented according to specific criteria, properly investigated in line with standard internal procedures and answered as quickly as possible. The principles of an investigation include objectivity, independence, accuracy, confidentiality and fairness, as well as respect for human rights and other legal provisions. The responsible Compliance Officers and employees of the Compliance Organization designated by them are responsible for receiving reports and initiating an appropriate investigation process. The procedure for handling compliance reports is set out in an internal requirements. The outcome of the investigation as well as any measures taken are documented accordingly and included in internal reports.

Incidents

We consider the number of cases reported through our reporting channels and the resulting follow-up measures, including disciplinary actions, convictions and internal audits conducted in this area to be key indicators of the effectiveness of our compliance management system and adherence to our Code of Conduct.

In 2024, the BASF compliance hotline received 751 reports (2023: 643). These reports are recorded in our global compliance case management system. We attribute the increased use of our hotline to the updated training materials and online contact option. The information received related to all categories of our Code of Conduct, including respect in the workplace, corruption, handling of company property and environmental, health and safety issues. We carefully investigated all cases of suspected misconduct that came to our attention via the BASF compliance hotline or other channels and, when necessary, took countermeasures on a case-by-case basis. These included, for example, improved control mechanisms, additional informational and training measures, clarification and expansion of the relevant internal regulations, as well as disciplinary measures as appropriate. Most of the substantiated cases related to violations of our principles on respect in the workplace and personal misconduct in connection with the protection of company property or inappropriate handling of conflicts of interests. In such isolated cases,

we took disciplinary measures in accordance with uniform internal standards and also pursued claims for damages where there were sufficient prospects of success. In 2024, violations of our Code of Conduct led to termination of employment in a total of 67 cases (2023: 48). This related to various groups of employees, including executives.

G1-4

In the reporting year, there were no convictions for violations of anticorruption and antibribery regulations.

BASF's Corporate Audit unit monitors adherence to compliance principles, covering all areas in which compliance violations could occur. It checks that employees uphold regulations and make sure that the established processes, procedures and controls are appropriate and sufficient to minimize potential risks or preclude violations in the first place. In 2024, Corporate Audit conducted and documented 68 such audits Group-wide (2023: 64). Our compliance management system is also regularly audited by the Corporate Audit unit, most recently in December 2022. Overall, the audit results speak for the effectiveness of the compliance management system.

In 2024, BASF revised its global requirements on business partner due diligence and also introduced an IT application to support business partner screening. We conduct ongoing risk-based reviews of our business relationships worldwide for signs of corrupt behavior, human rights violations, or noncompliance with internationally recognized ESG standards. BASF compliance experts evaluate system alerts and initiate appropriate control measures. The results are then documented. A dedicated global Supplier Code of Conduct (see page 295) also applies to our suppliers, which covers compliance with environmental, social and corporate governance standards, among other requirements. Furthermore, as part of our trade control processes, we continuously check whether persons, companies or organizations appear on sanction lists due to suspicious or illegal activities and whether there are business processes with business partners from or in countries under embargo.

Appendix to the (Consolidated) Sustainability Statement

ESRS SBM-3 ESRS 2 IRO-2

The table below illustrates the data points in ESRS 2 and topical ESRSs that derive from other EU legislation.

Disclosure Requirement	Data point		SFDR[a] reference	Pillar 3[b] reference	Benchmark Regulation[c] reference	EU Climate[d] Law reference	Chapter/explanation	Page
ESRS 2 GOV-1	21d	Board's gender diversity	x		x		Corporate Governance Report	117, 128
ESRS 2 GOV-1	21e	Percentage of board members who are independent			x		Corporate Governance Report	128
ESRS 2 GOV-4	30	Statement on due diligence	x				Sustainability Statement – General Disclosures	155
ESRS 2 SBM-1	40d (i)	Involvement in activities related to fossil fuel activities	x	x	x		Sustainability Statement – General Disclosures	157
ESRS 2 SBM-1	40d (ii)	Involvement in activities related to chemical production	x		x		Sustainability Statement – General Disclosures	157
ESRS 2 SBM-1	40d (iii)	Involvement in activities related to controversial weapons	x		x		Sustainability Statement – General Disclosures	157
ESRS 2 SBM-1	40d (iv)	Involvement in activities related to cultivation and production of tobacco			x		Sustainability Statement – General Disclosures	157
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				x	Sustainability Statement – Climate Change	185
ESRS E1-1	16g	Undertakings excluded from Paris-aligned Benchmarks		x	x		Sustainability Statement – Climate Change	185
ESRS E1-4	34	GHG emission reduction targets	x	x	x		Sustainability Statement – Climate Change	194
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	x				Sustainability Statement – Climate Change	198
ESRS E1-5	37	Energy consumption and mix	x				Sustainability Statement – Climate Change	198
ESRS E1-5	40 to 43	Energy intensity associated with activities in high climate impact sectors	x				Sustainability Statement – Climate Change	198
ESRS E1-6	44	Gross Scope 1, 2, 3 and Total GHG emissions	x	x	x		Sustainability Statement – Climate Change	200
ESRS E1-6	53 to 55	Gross GHG emissions intensity	x	x	x		Sustainability Statement – Climate Change	200
ESRS E1-7	56	GHG removals and carbon credits				x	Not applicable	
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			x		Not applicable	
ESRS E1-9	66a	Disaggregation of monetary amounts by acute and chronic physical risk		x			Not applicable	
ESRS E1-9	66c	Location of significant assets at material physical risk		x			Not applicable	
ESRS E1-9	67c	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		x			Not applicable	

Disclosure Requirement	Data point		SFDR[a] reference	Pillar 3[b] reference	Benchmark Regulation[c] reference	EU Climate[d] Law reference	Chapter/explanation	Page
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities			x		Not applicable	
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	x				Sustainability Statement – Pollution Prevention	216
ESRS E3-1	9	Water and marine resources	x				Sustainability Statement – Water	222
ESRS E3-1	13	Dedicated policy	x				Sustainability Statement – Water	223
ESRS E3-1	14	Sustainable oceans and seas	x				Not material	
ESRS E3-4	28c	Total water recycled and reused	x				Sustainability Statement – Water	229
ESRS E3-4	29	Total water consumption in m^3 per net revenue on own operations	x				Sustainability Statement – Water	230
ESRS 2 – SBM-3 – E4	16a (i)		x				Sustainability Statement – Biodiversity and Ecosystems	236
ESRS 2 – SBM-3 –E4	16b		x				Sustainability Statement – Biodiversity and Ecosystems	231
ESRS 2 – SBM-3 – E4	16c		x				Sustainability Statement – Biodiversity and Ecosystems	245
ESRS E4-2	24b	Sustainable land/agriculture practices or policies	x				Sustainability Statement – Biodiversity and Ecosystems	241
ESRS E4-2	24c	Sustainable oceans/seas practices or policies	x				Not material	
ESRS E4-2	24d	Policies to address deforestation					Sustainability Statement – Biodiversity and Ecosystems	240
ESRS E5-5	37d	Nonrecycled waste	x				Sustainability Statement – Resource Use and Circular Economy	255
ESRS E5-5	39	Hazardous waste and radioactive waste	x				Hazardous waste: Sustainability Statement – Resource Use and Circular Economy; radioactive waste: not material	256
ESRS 2 SBM-3 – S1	14f	Risk of incidents of forced labor	x				Sustainability Statement – Own Workforce	274
ESRS 2 SBM-3 – S1	14g	Risk of incidents of child labor	x				Sustainability Statement – Own Workforce	274
ESRS S1-1	20	Human rights policy commitments	x				Sustainability Statement – Own Workforce	From 272

Disclosure Requirement	Data point		SFDR[a] reference	Pillar 3[b] reference	Benchmark Regulation[c] reference	EU Climate[d] Law reference	Chapter/explanation	Page
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8			x		Sustainability Statement – Own Workforce	274, 275, 276, 279
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	x				Sustainability Statement – Own Workforce	274
ESRS S1-1	23	Workplace accident prevention policy or management system	x				Sustainability Statement – Own Workforce	278
ESRS S1-3	32c	Grievance/complaints handling mechanisms	x				Sustainability Statement – Own Workforce	281
ESRS S1-14	88b + 88c	Number of fatalities and number and rate of work-related accidents	x		x		Sustainability Statement – Own Workforce	290
ESRS S1-14	88e	Number of days lost to injuries, accidents, fatalities or illness	x				Sustainability Statement – Own Workforce	290
ESRS S1-16	97a	Unadjusted gender pay gap	x		x		Not material	
ESRS S1-16	97b	Excessive CEO pay ratio	x				Not material	
ESRS S1-17	103a	Incidents of discrimination	x				Sustainability Statement – Own Workforce	290
ESRS S1-17	104a	Nonrespect of UNGPs on Business and Human Rights and OECD guidelines	x		x		Not applicable	
ESRS 2 SBM3 – S2	11b	Significant risk of child labor or forced labor in the value chain	x				Sustainability Statement – Workers in the Value Chain	293
ESRS S2-1	17	Human rights policy commitments	x				Sustainability Statement – Workers in the Value Chain	293
ESRS S2-1	18	Policies related to value chain workers	x				Sustainability Statement – Workers in the Value Chain	295
ESRS S2-1	19	Nonrespect of UNGPs on Business and Human Rights and OECD guidelines	x		x		Not applicable	
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8			x		Sustainability Statement – Workers in the Value Chain	293
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	x				Sustainability Statement – Workers in the Value Chain	301
ESRS S3-1	16	Human rights policy commitments	x				Sustainability Statement – Affected Communities	304
ESRS S3-1	17	Nonrespect of UNGPs on Business and Human Rights, ILO Principles and OECD guidelines	x		x		Not applicable	
ESRS S3-4	36	Human rights issues and incidents	x				Sustainability Statement – Affected Communities	310
ESRS S4-1	16	Policies related to consumers and end users	x				Not material	

Disclosure Requirement	Data point		SFDR[a] reference	Pillar 3[b] reference	Benchmark Regulation[c] reference	EU Climate[d] Law reference	Chapter/explanation	Page
ESRS S4-1	17	Nonrespect of UNGPs on Business and Human Rights and OECD guidelines	x		x		Not material	
ESRS S4-4	35	Human rights issues and incidents	x				Not material	
ESRS G1-1	10b	United Nations Convention against Corruption	x				Sustainability Statement – Business Conduct	319
ESRS G1-1	10d	Protection of whistleblowers	x				Sustainability Statement – Business Conduct	322
ESRS G1-4	24a	Fines for violation of anticorruption and antibribery laws	x		x		Sustainability Statement – Business Conduct	323
ESRS G1-4	24b	Standards of anticorruption and antibribery	x				Sustainability Statement – Business Conduct	320

[a] Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosure requirements in the financial services sector (Sustainable Finance Disclosure Regulation, SFDR)
[b] Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 Text with EEA relevance (Capital Requirements Regulation)
[c] Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014
[d] Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ("European Climate Law")