[1.6 (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 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	147
BP-1	General basis for the preparation of sustainability statements	In all chapters and on page 147
BP-2	Disclosures in relation to specific circumstances	In all chapters and on page 147
GOV-1	The role of the administrative, management and supervisory bodies	From page 115[a] onward as well as on pages 118[a], 128[a], 133[a], 140[a] and 288
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	From page 115[a], 118[a] and 128[a] onward
GOV-3	Integration of sustainability-related performance in incentive schemes	133[a] and 178
GOV-4	Statement on due diligence	293
GOV-5	Risk management and internal controls over sustainability reporting	152 and 91[a]
SBM-1	Strategy, business model and value chain	15[a], 17[a], 22[a], 154 and 177
SBM-2	Interests and views of stakeholders	In all chapters and on page 159
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	In all chapters and on page 163
IRO-1	Description of processes to identify and assess material impacts, risks and opportunities	In all chapters and on page 163
IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	On this page and on pages 148, 163 and 297
MDR-P	Policies adopted to manage material sustainability matters	In all chapters and on page 150
MDR-A	Actions and resources in relation to material sustainability matters	In all chapters and on page 150
MDR-M	Metrics in relation to material sustainability matters	In all chapters and on page 149
MDR-T	Tracking effectiveness of policies and actions through targets	In all chapters and on page 150
E1 Climate Change		172
E1-1	Transition plan for climate change mitigation	179
E1-2	Policies related to climate change mitigation and adaptation	177
E1-3	Actions and resources in relation to climate change policies	183
E1-4	Targets related to climate change mitigation and adaptation	189
E1-5	Energy consumption and mix	192
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	194
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	192
E1-8	Internal carbon pricing	198

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

ESRS Disclosure Requirement	Disclosure Requirement	Page
E2 Pollution[b]		199
E2-1	Policies related to pollution	200
E2-2	Actions and resources related to pollution	205
E2-3	Targets related to pollution	208
E2-4	Pollution of air, water and soil	209
E2-5	Substances of concern and substances of very high concern	210
E3 Water and marine resources[c]		213
E3-1	Policies related to water and marine resources	214
E3-2	Actions and resources related to water and marine resources	216
E3-3	Targets related to water and marine resources	218
E3-4	Water consumption	219
E4 Biodiversity and Ecosystems		221
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	222
E4-2	Policies related to biodiversity and ecosystems	224
E4-3	Actions and resources related to biodiversity and ecosystems	228
E4-4	Targets related to biodiversity and ecosystems	230
E4-5	Impact metrics related to biodiversity and ecosystems change	231
E5 Resource Use and Circular Economy		232
E5-1	Policies related to resource use and circular economy	233
E5-2	Actions and resources related to resource use and circular economy	234
E5-3	Targets related to resource use and circular economy	237
E5-4	Resource inflows	238
E5-5	Resource outflows	239
S1 Own Workforce		248
S1-1	Policies related to own workforce	249
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	254
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	255 and 293
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	256
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	259
S1-6	Characteristics of the undertaking's employees	261
S1-10	Adequate wages	263
S1-14	Health and safety metrics	263
S1-17	Incidents, complaints and severe human rights impacts	263
S2 Workers in the Value Chain		264
S2-1	Policies related to value chain workers	265
S2-2	Processes for engaging with value chain workers about impacts	268
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	268 and 293

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

ESRS Disclosure Requirement	Disclosure Requirement	Page
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	269
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	273
S3 Affected Communities		275
S3-1	Policies related to affected communities	276
S3-2	Processes for engaging with affected communities about impacts	279
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	281 and 293
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	281
S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	286
G1 Business Conduct		288
G1-1	Business conduct policies and corporate culture	291
G1-3	Prevention and detection of corruption and bribery	289 and 292
G1-4	Incidents of corruption or bribery	295

[a] Reference to chapter outside of the Sustainability Statement
[b] Name of chapter in BASF Report 2025: E2 Pollution Prevention
[c] Name of chapter in BASF Report 2025: E3 Water

General Disclosures

ESRS 2 BP-1 ESRS 2 BP-2

The reporting period is the 2025 business year. We include relevant information made available up to the preparation of this report by the Board of Executive Directors at the accounts meeting on February 23, 2026. The general bases of preparation for the Sustainability Statement are described in About This Report (see page 8). Information about corporate governance disclosures relating to sustainability (Disclosure Requirements ESRS2 GOV-1, ESRS2 GOV-2 and ESRS2 GOV-3) is provided in the Corporate Governance Report from page 114 onward. Information on our corporate due diligence (ESRS 2 GOV-4) is incorporated into chapter G1 Business Conduct from page 288 onward. In 2025, we are applying the simplifications based on the European Commission's transitional arrangements (quick fix) in accordance with the Delegated Act 2023/2772. Corresponding information can be found in the chapters E4 Biodiversity and Ecosystems (from page 221 onward), S2 Workers in the Value Chain (from page 264 onward) and S3 Affected Communities (from page 275 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 145. We consider the year, in which the ESRS first achieve legal effect, such as the exemption of a European subsidiary, or are to be applied in the context of a national CSRD implementation, to be the year of first implementation. In 2025, we again applied the ESRS on a voluntary basis. As stated 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.

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. Opportunities and risks have been considered along the entire value chain. The following chapters deal with the material topics, subtopics and sub-subtopics in line with our double materiality assessment.

Disclosure requirements and data points have been selected according to the materiality of the information if they are considered useful for decision-making and relevant for stakeholders. For more information on the materiality assessment, see page 163 onward. We describe the impacts, risks and opportunities identified in our double materiality assessment in the chapters concerning the respective topical standards. The chapter on opportunity and risk management also includes opportunities and risks pursuant to Disclosure Requirement GOV-5 and presents disclosures on our opportunity and risk management as well as on internal controls over reporting (from page 90 onward). The internal control system for sustainability reporting is described in this chapter, from page 152 onward.

ESRS 2 IRO-2

Our double materiality assessment (see page 163) evaluated the topic S4 Consumers and End Users as not material, given that only a very small portion of our products is sold directly to end users. We provide material information on product safety and product stewardship in the chapter E2 Pollution Prevention (from page 199 onward).

The scope of consolidation applicable to sustainability reporting corresponds to financial reporting. We present general disclosures on the consolidation principles applied to sustainability reporting, 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 8. The figures reported on employees in the chapter S1 Own Workforce (from page 248 onward) include all employees working at an entity included in the scope of consolidation of the BASF Group as of December 31, 2025. 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 chapters covering environmental and social topics. In the environmental reporting of the Group Financial Statements, fully consolidated subsidiaries of BASF SE in which BASF holds an interest of less than 100% are included in full. 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.

Our product portfolio also changed in 2025 based on acquisitions and divestitures. The material portfolio measures are listed from page 36 onward. In October 2025, BASF completed the divestiture of its Brazilian decorative paints business from its Coatings division and signed a binding transaction agreement with Carlyle on the sale of the automotive OEM coatings, automotive refinish coatings and surface treatment business units (see page 39). The discontinued coatings business was included in full in sustainability reporting, with the exception of information on the more sustainable steering of our product portfolio (TripleS method, see page 157, Loop Solutions, see page 237). In the EU taxonomy, we took the coatings business into account in accordance with the IFRS® Accounting Standards (see page 241). For parameters related to the intensity of, for example, CO_2 emissions, energy and water consumption per sales, comparable BASF Group sales including the discontinued coatings business have been taken into account.

In accordance with the EU Taxonomy Regulation and the supplementary delegated acts, the (Consolidated) 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 2025 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").

Sustainability Metrics

Individual sustainability metrics are estimated based on indirect sources, such as sector-average data or other proxies. 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 the chapter E1 Climate Change from page 190 onward) are largely based on models and statistics, they are subject to a high degree of uncertainty. The number of days lost by our workforce (reported in the chapter S1 Own Workforce on page 263) may change over the course of the following business year, as not all relevant information is available on the reporting date. Longer employee absences can only be reported and evaluated after the reporting date, which can lead to deviations from the number reported in the previous year. If additional information is required for individual metrics, we explain these in the corresponding chapters. This applies to changes compared to prior reporting periods, the handling of estimated values and measurement uncertainties.

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 centrally-managed database. The EHS data is captured for each site and companies based at the respective site; the HR data is captured for each company. We collect data relating to energy as well as Scope 1 and Scope 2 emissions at plant level and aggregate this information for the relevant site as a whole. Environmental data (on pollutant 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 at random, after which the data is evaluated based on the respective consolidation criteria and aggregated in the database.

If any changes regarding calculations of metrics have occurred compared with the previous year, or if we have made significant errors in the calculation of these metrics, we have explained this in the respective context. If metrics or their methods of measuring or calibrations are additionally validated by external sources, we indicate this in the respective chapter.

Minimum Disclosures Regarding Policies, Actions and Targets

Time horizons specified in our (Consolidated) Sustainability Statement are used in accordance with the ESRS definitions. Policies are adopted by the Board of Executive Directors and define the principles surrounding a topic; requirements govern how a policy is implemented. Policies and corporate requirements generally apply globally at BASF. Information on how we monitor compliance with policies and requirements (ESRS: Concepts) is provided in the context of the respective chapters. If, as is customary at BASF, we do not communicate a base year in this context, we expect that the relevant policy will be generally and continuously adhered to. The table below provides an overview of the general disclosures concerning application of the most important globally valid policies. When developing and implementing policies, we only involve stakeholders in exceptional cases. In the case of standards dealing with co-determination-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 given, then stakeholders have not been included with regard to the policy. Our policies are accessible to our employees via an internal platform. We make the relevant requirements or policies available to external target groups via our website. Our sustainability management is based on centrally defined global targets and policies, as well as often decentralized actions, projects or initiatives that we implement in order to drive continuous optimization and further development in the respective area. Actions in accordance with ESRS requirements are explained as such in the respective chapters. For projects or initiatives which do not fall under the definition of the ESRS, we have opted to not make the minimum disclosure requirements for actions.

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. Details on the involvement of stakeholders in setting targets can be found from page 159 onward. We have explained any changes to calculations of targets compared with the previous year, or any changes we have made to correct calculation errors, in the respective context.

General disclosures on key global policies

Requirement/policy	Scope of application	Accountable entity	Effect on the value chain
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
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
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
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

General disclosures on key global policies

Requirement/policy	Scope of application	Accountable entity	Effect on the value chain
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
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
BASF's Position on Forest Protection	This voluntary commitment by BASF defines how we protect forests when purchasing raw materials, operating our sites and when our products are used.	Corporate Sustainability	Entire value chain
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
Responsible Care Management System Global standards on CO_2 emissions and energy data, energy efficiency and energy policies	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
Responsible Care Management System Global standards on environmental protection	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
Responsible Care Management System Global standards on process safety, emergency management and crisis management	The global standards govern the operation of our sites, emergency preparedness and emergency response.	Corporate Environmental Protection, Health, Safety & Quality	Own production
Responsible Care Management System Global standards on product, transportation and distribution safety	The global standards govern the safe use of our products.	Corporate Environmental Protection, Health, Safety & Quality	Entire value chain
Procurement policy	This policy defines the organizational framework, basic rules and fundamental principles for procurement activities within the BASF Group.	Corporate Development	Upstream value chain
Procurement requirement	The requirement governs BASF's procurement process.	Corporate Development	Upstream value chain
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
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
Principles for the responsible sourcing of renewable raw materials	These principles describe how BASF sources renewable raw materials responsibly.	Corporate Development	Upstream value chain
BASF Palm Sourcing Policy	This policy defines the process of purchasing palm-based raw materials in BASF's Care Chemicals division.	Care Chemicals	Upstream value chain

General disclosures on key global policies

Requirement/policy	Scope of application	Accountable entity	Effect on the value chain
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 steering and measurement of sustainability factors at BASF.	Corporate Development	Upstream and downstream value chain
Business partner due diligence	This policy governs compliance requirements for our business partners.	Corporate Compliance	Downstream value chain

[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 of the Corporate Center is responsible for specific monitoring activities and for handling corporate governance tasks.

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 (Consolidated) 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 90 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). It 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 evaluation
- 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 emissions – which are among the most important key performance indicators used in steering the BASF Group – are recorded and reported, including with regard to the appropriateness and effectiveness of these performance indicators (for more information, see page 95). 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 topic, 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 performance indicators. The appropriateness and effectiveness of the financial reporting control system 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 emissions.

We have begun compiling a central risk catalog to enable risks to be accounted for consistently in the internal control systems of all relevant BASF Group entities and to ensure proper sustainability reporting. The catalog contains a list of generic risks that could arise from incorrect collection or preparation of the necessary information and reporting with regard to ESRS requirements. 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 determination of reporting boundaries under the ESRS, 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 unintentionally or intentionally 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 the presentation of information in the Combined Management's Report regarding the lack of or incorrect consideration of the qualitative characteristics required by ESRS for proper sustainability reporting as listed in ESRS 1, 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 catalog serves as the basis for performing a systematic analysis of the existing internal control system with the aim of identifying potential gaps in the internal control system 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.

A concept aimed at enabling a Group-wide uniform, systematic assessment of the appropriateness and effectiveness of the internal control system with respect to all sustainability topics on which we report has been implemented step by step since the 2025 business year, starting at the level of the Corporate Center units.

In addition, controls are in place as part of critical reviews held at various management levels during the draft stage of preparing the BASF Report, including the Board of Executive Directors. Furthermore, BASF's Sustainability Reporting Sounding Board is involved as a central decision-making body for issues arising in relation to sustainability reporting and controlling.

Strategy

ESRS 2 SBM-1

Our business

Our "Winning Ways" strategy revolves around our ambition to be the preferred chemical company to enable our customers' green transformation (see page 15). 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 further developing our performance culture. We are systematically integrating sustainability topics into our strategy and business as well as into our assessment, steering and compensation systems. This principle is embedded in our corporate purpose: We create chemistry for a sustainable future.

BASF supplies products and services to around 75,000 customers from various sectors and in almost every country in the world. The majority of our customer portfolio consists mainly of large multinationals and medium-sized enterprises. Only a few of our products are marketed to end users directly. We focus on a business-to-business model and on being a partner for a wide range of downstream industries. Our operating divisions are grouped into the Chemicals, Materials, Industrial Solutions, Nutrition & Care, Surface Technologies and Agricultural Solutions segments (see page 64).

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 processing industries. The Industrial Solutions segment develops and markets ingredients and additives for industrial applications. The Nutrition & Care segment produces ingredients for consumer applications, for example in the fields of human and animal nutrition, cleaning agents and personal care. The Surface Technologies segment offers battery materials, emissions catalysts and precious metal solutions. Agricultural Solutions 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 155 lists our sales revenue by sector. Taxonomy-aligned sales revenue is presented separately under EU Taxonomy from page 241 onward. None of our activities involve controversial weapons or exploration of fossil fuels. We supply individual solutions for tobacco cultivation via the product portfolio of our Agricultural Solutions segment. 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 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 2025 business year.

We generated sales revenue of €59,657 million in the 2025 business year (2024: €61,444 million), see page 48.) The following table shows the distribution of sales revenue among our customers' sectors:

BASF sales revenue in 2025 by sector[a]

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

[a] In accordance with IFRS® Accounting Standards, we took the coatings business into account for the industry split. The figures correspond to an extrapolation for the full year 2025 based on the distribution of divisions in the previous year and the sales figures as of December 31, 2025, excluding the discontinued coatings business.

We work with more than 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 the chapter S2 Workers in the Value Chain from page 264 onward. An overview of our business model and inputs, outputs and impacts on our most important stakeholders, as well as of our value chain, can be found in a visual representation (How We Create Value) from page 22 onward. An overview of our workforce by region can be found in the chapter S1 Own Workforce on page 261.

Our sustainability strategy

For our customers' green transformation (see also page 19), we supply them with products that contribute positively to sustainability, for example through their reduced carbon footprint (see page 188). Our transformation approach and the staggering of our transformation projects over time are explained in the E1 Climate Change chapter on page 177.

Our reported sustainability targets apply worldwide and refer to the BASF Group as a whole (for additional information, see page 32 onward). Our strategic approach covers the entire value chain, from the responsible sourcing 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 strategy, we are channeling our efforts into high-growth markets. For example, we want to expand our organizational structure, production sites and R&D activities in China and India. We are continuously optimizing our organizational structures, production sites and R&D activities worldwide.

Our Verbund concept[1] is based on the integrated linking and steering of our plants. The Verbund 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 raw material elsewhere, for example. This saves raw materials and energy, avoids emissions, lowers logistics costs and leverages synergies. 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 (see page 232).

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

The green transformation of our global value chain

Selected projects in the 2025 reporting year

Offshore wind farm in southern China: grid connection project completed; commissioning planned for 2026
(see E1 Climate Change)

Annual CO_2 reduction of around 7,000 metric tons at the Hannibal site in Missouri by optimizing process control at our incinerators
(see E1 Climate Change)

First commercial loopamid® plant commissioned
(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 renewable and recycled raw materials

Renewable energy

Supplier management

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

Own production

Gradual implementation of new processes

- Feed-in of renewable, recycled and low-emission raw materials
- Emission reduction

Secure, efficient processes

- Operational excellence
- Integrated Verbund structure
- Smart technology & 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

The development of our product portfolio 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 and energy, resource efficiency and circular economy. In addition to implementing new regulatory requirements, we are driving forward the adaptation and development of new production processes with the aim of reducing the environmental footprint of our products. In addition, we use our TripleS method to review the resilience of our product portfolio with regard to environmental and social aspects. The TripleS methodology is founded on clearly defined criteria that are transparently documented in the methodology manual across the respective thematic areas of sustainability (environmental, social, governance – ESG). Currently, there is no generally quantitative, scientific framework available for business-related, more sustainable steering of the product portfolio that companies could refer to when setting targets.

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 positively contribute to at least one of the following sustainability categories: climate change and energy, resource efficiency, circularity, 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. In 2025, we slightly modified and further developed the TripleS method to take account of increasingly IT-based support for assessment and regulatory changes regarding chemical safety, among other things.

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. These include, for example, renewable and biodegradable polymers that can be used as alternatives to synthetic polymers in personal care products, and durable powder coatings that have a lower carbon footprint due to the use of renewable raw materials, among other things. We are continuing our efforts to steer our product portfolio even more toward sustainability with our "Winning Ways" strategy. By 2030, more than 50% of BASF's sales relevant to 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 (base year: 41.4%). When setting the target, we considered the startup of our Verbund site in Zhanjiang, China, for example.

Share of sales revenue generated by each TripleS segment in the 2025 business year

TripleS-Segment	Product performance	Sales revenue (billion €)
Pioneer	Adequate profitability and positive contribution to sustainability above market standard	11.9 / 13.2 — Percentage share in sales revenue 24.9% (2024: 24.2%)
Contributor	Adequate profitability with contribution to sustainability in line with the market standard with respect to climate change & energy, resource efficiency or circular economy	11.3 / 12.1 — Percentage share in sales revenue 23.6% (2024: 22.1%)
Standard	In line with the market standard with no dedicated contribution to climate change & energy, resource efficiency or circular economy	21.2 / 23.7 — Percentage share in sales revenue 44.4% (2024: 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	2.5 / 3.9 — Percentage share in sales revenue 5.3% (2024: 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	0.5 / 0.7 — Percentage share in sales revenue 1.1% (2024: 1.3%)

2025 2024

In 2025, BASF sales revenue[2] from Sustainable-Future Solutions products came to 48.5% (2024: 46.3%). Despite a challenging market environment, we continue to make good progress toward achieving our set target. The Corporate Sustainability unit continuously tracks progress in this regard. These analyses are available to operating divisions and decision-makers. 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 positive 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. Using the TripleS method, we continuously review our relevant global product portfolio[3] at least every four years. This covers around 40,000 products, taking into account the respective application and region in which the product is marketed. The portfolio relevant to TripleS comprises the sales revenue of the BASF segments from sales products sold to third parties in the business year concerned. This excludes for example business that is not product-related, such as licenses or services.

We have integrated TripleS into the assessment of our R&D 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, taking circular design principles into account for example. We are reviewing the sustainability-related challenges our products are facing and we are steering our portfolio in the direction of more sustainable solutions. According to our methodology, in 2025, around €0.8 billion[4] of our annual expenditure on R&D contributed to potential Sustainable-Future Solutions (2024: around €0.9 billion).

[2] Of BASF's €59.7 billion in sales in 2025, excluding the discontinued coatings business, €47.7 billion is relevant for the TripleS evaluation. By the end of the 2025 business year, we had evaluated 99.3% of the relevant portfolio. The prior-year figures include the discontinued coatings business.
[3] 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. The detailed definition of the relevant portfolio and further information can also be found in the TripleS method manual at basf.com/en/sustainable-solution-steering.
[4] Expenditure on R&D excluding the coatings business in 2025. The prior-year figures include the discontinued coatings business.

We review the effectiveness of TripleS through regular portfolio segmentation according to the method and the set target for sales with Sustainable-Future Solutions. Furthermore, we develop action plans in the case of Challenged products. These include for example 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.

» For more information on TripleS, see 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. BASF is therefore engaged in continuous dialog with employees, shareholders, suppliers, customers, members of civil society, nongovernmental organizations and international organizations. We can be contacted directly through our grievance mechanism (see page 291), are involved in networks and initiatives, receive critical feedback in our advisory councils and in the dialog with civil society, and contribute to the communities at our sites.

Sustainability topics are discussed and overseen by the Board of Executive Directors. Our stakeholders' different perspectives and expectations are taken into account when deciding on the company's strategic direction, discussing targets and making business decisions, including through direct dialog with the Board of Executive Directors. For instance, we rely on discussions in our advisory councils (see page 160) to identify areas for improvement with regard to human rights due diligence and the consideration of biodiversity in new investment projects. The Board of Executive Directors also considers this information when making 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 to the Audit Committee on sustainability-relevant topics. Moreover, the Supervisory Board is briefed by the Board of Executive Directors on the development of material sustainability topics on an ongoing basis.

In our stakeholder engagement we focus on cooperation. The Corporate Center unit Corporate Development is responsible for engagement with societal representatives, while Corporate Human Resources is the Corporate Center unit mainly in charge of the exchange with employees. Corporate Investor Relations is the Corporate Center unit tasked with communicating with shareholders. The aforementioned units report to the Chairman of the Board of Executive Directors. If our transition to climate neutrality were to result in structural changes or have other significant social impacts on employees, 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.

BASF is involved in relevant networks and initiatives. We have been a member of the UN Global Compact since its establishment in 2000. BASF consistently supports the Ten Principles of the UN 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 is also a member of the World Business Council for Sustainable Development (WBCSD) and the econsense Forum for Sustainable Development of German Business. BASF participates in several multistakeholder and multisector initiatives. Our diverse commitments include the Chemie³ industry standard for more sustainable value creation, the Cobalt for Development project for improving working and living conditions in artisanal mining cooperatives in the Democratic Republic of Congo, the Global Battery Alliance for a more sustainable and circular battery value chain and the Responsible Lithium Partnership for the responsible use of natural resources in Salar de Atacama, Chile.

Representatives of BASF discuss key issues with independent, international experts in the confidential setting of our own advisory councils. These councils are active for an indefinite period. In this way, BASF aims to gain a better understanding of the impacts of business activities on the environment and society, as well as of risks and opportunities. 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 advisory council comprises four independent international human rights experts and meets several times per year with representatives of Corporate Compliance, Corporate Sustainability and relevant experts from BASF, for example from procurement and the operating divisions. The Nature Advisory Council provides BASF with an independent perspective on our activities and dependencies in relation to nature and biodiversity topics and ecosystem services. The aim is to obtain constructive feedback and specific advice from external experts and to facilitate sound decisions in relation to operational projects as well as the further development of our strategic approach. At the end of 2025, it comprised five members from the fields of science, relevant value chains and multilateral organizations. The council meets several times a year with BASF leaders and experts. We discussed the findings from our double materiality assessment with both councils in 2025. For more information on how we utilize the councils and other formats in the context of affected communities, see page 280 onward.

It is important for us to continue our dialog with civil society to maintain a meaningful understanding of public opinions on potentially controversial topics. In 2024, we established a new format for dialog with the Civil Society Forum. Here, we discuss sustainability topics with representatives of nongovernmental organizations and the trade union spectrum in a confidential setting. The aim is to explain the company's activities in current and potential projects to stakeholders and to obtain critical feedback. The subsequent incorporation of that external feedback aims at finding feasible solutions for all stakeholders. The dialog format is spearheaded by the Corporate Sustainability unit and involves relevant experts from the operating divisions and from the Corporate Center and service units. During a visit by civil society organizations to the Ludwigshafen site in 2025, we had an opportunity to exchange ideas on the transformation of the chemical industry and mutually underline the need for constructive cooperation between industry, civil society and politics. 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. Our globally valid guidelines for community advisory panels are based on the grievance mechanism standards in the U.N. Guiding Principles on Business and Human Rights. Through its complementary societal engagement activities, BASF aims to strengthen the communities around its sites worldwide and have a long-term positive impact on the environment and society. BASF is focused on strengthening public health, promoting skills, e.g., for economic participation and employability, and on protecting natural resources. For case-by-case dialog with stakeholders, for example in relation to investments, we use the format of the ESG Council as an instrument where required. BASF establishes this dialog format for a limited period of time with the aim of engaging the relevant stakeholders, especially affected communities and vulnerable groups such as Indigenous peoples, as well as including the societal perspective in its decision-making process. We also consider the concerns of these affected communities, directly and indirectly, through representative experts and civil society organizations. In this regard, we adhere to our Group-wide policies on interactions with representatives of civil society.

An overview of the expectations of our most important stakeholders and the platforms we use to engage with them are summarized in the following:

Stakeholder expectations[a]

Customers

Stakeholder expectations	Engagement platforms	Exemplary outcomes and milestones reached
– Attractive price-performance ratio – Innovative and more sustainable solutions, for example through low-emission products – Reliable partner	– Strategic customer networks – Customer-specific cooperations to enable green transformation	– Around 40,000 products assessed in terms of their contribution to sustainability using the TripleS method (see page 157) – 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 standards such as ISO 9001 and GMP, taking into account our customers' requirements

Suppliers

Stakeholder expectations	Engagement platforms	Exemplary outcomes and milestones reached
– Fair and reliable business relationship – Support in complying with our Supplier Code of Conduct	– Supplier CO_2 Management Program – Supplier Code of Conduct – Evaluations & training courses – Joint initiatives with suppliers and partners – Sustainability-oriented due diligence management in the supply chain	– Smallholder Engagement program to support smallholder farmers – 357 evaluations of BASF suppliers under the Together for Sustainability (TfS) initiative; 1,019 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

Stakeholder expectations	Engagement platforms	Exemplary outcomes and milestones reached
– 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 market update for analysts and investors on the progress of the "Winning Ways" strategy on October 2, 2025 in Antwerp, Belgium – 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. In 2025, around €2 billion in dividends for the 2024 business year was paid out to the shareholders of BASF SE and shares were repurchased for €355 million. – 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

Stakeholder expectations	Engagement platforms	Exemplary outcomes and milestones reached
– Occupational safety and health – Attractive and fair working conditions	– Safety and health trainings – Global health management and initiatives – Measurement of engagement in the employee survey – Regular feedback for leaders – Feedback meetings between employees and leaders – Cooperation with employee representatives based on mutual trust	– High Severity Injuries (HSI): 0.01 – Health Performance Index: 0.97 – Result of employee survey: Engagement Index 77% – >111,000 participations in compliance training courses

Stakeholder expectations[a]

Communities

Stakeholder expectations	Engagement platforms	Exemplary outcomes and milestones reached
– Safe, disruption-free operations – Attractive jobs – Support for local communities	– Societal engagement – Community advisory panels	– €29 million in societal engagement spending at BASF sites around the world to support health, skills and resources for a sustainable future – For 28 years, children and young people in 45 countries have been able to take part in experiments in BASF Kids' Labs. – In 2025, an additional nine Starting Ventures programs were initiated in South America, Africa and Asia to help people from low-income areas improve their economic opportunities and their quality of life. – 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 the 2025 year-end donation campaign supporting UNICEF, which raised around €375,000 that was used to support malnourished children in Burundi. – More than 1,500 young people from seven countries, supported by around 90 BASF employees, have participated in our Young Voices for a Sustainable Future project, where they were able to address the impacts of climate change on their communities with their ideas. – Community advisory panels provide an ongoing platform for conducting open dialog with local communities at our sites.

Societal stakeholders

Stakeholder expectations	Engagement platforms	Exemplary outcomes and milestones reached
– Jobs and taxes – Responsible and trustworthy partner – Production of safe products in compliance with environmental and social standards	– Advisory councils – Civil Society Forum – Multistakeholder initiatives – Sustainability networks – Regular interaction with NGOs and civil society	– Active participation in sustainability networks (UN Global Compact, World Business Council for Sustainable Development, Alliance to End Plastic Waste) – Cofounder of the Global Battery Alliance for the development of standards and means for the steering of a sustainable value chain for batteries – Visits and constructive discussions with NGOs – Political dialog: representation of political interests based on transparent requirements and our publicly stated positions

[a] The expectations outlined here reflect our understanding of the key expectations of our stakeholders, which is the focus of our stakeholder engagement. These are based on the experience of BASF experts, who are in regular contact with the aforementioned stakeholders.

Our political advocacy is conducted in accordance with transparent requirements and is based on our publicly stated positions. The same applies to our activities in associations. In our Industry Associations Review we have published – exemplary for the fields of energy and climate protection – a comparison of BASF positions and the positions of 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 a global requirement. 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/en/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 once again carried out a double materiality assessment in accordance with ESRS requirements in 2025. This built on the double materiality assessment from 2024. 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.

We identified and validated company-specific impacts, dependencies, risks and opportunities together with internal subject matter experts. We focused on activities, sites and steps in the value creation process that have an elevated potential for negative impacts and risks. 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 feedback was obtained (for example, from our Advisory Councils, from the BASF Civil Society Forum and via discussions in multistakeholder networks, see page 159) as well as indirect input (for example analyses of the interests of customers and capital markets based on big data analysis tools or perception studies). To identify sustainability-related opportunities and risks, we drew on findings from BASF's Group-wide opportunity and risk management, among other sources. Opportunities and risks were identified from the impacts. In addition, opportunities and risks independent of impacts were examined. Since 2024, we have been systematically identifying material sustainability topics based on ESRS requirements as part of our standard risk management process. Furthermore, our impacts and dependencies were reviewed by subject matter experts to identify additional potential risks and opportunities.

Subsequently, 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 a defined threshold. A uniform assessment framework was used to review impacts in terms of their severity, consisting of scale and scope. In the case of negative impacts, we additionally assessed the extent to which an impact was irremediable. 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. The internal subject matter experts used predefined criteria to assess the opportunities and risks with regard to their financial magnitude and likelihood of occurrence. Existing risk management methods and assessment criteria were used as a basis. Our objective here is to ensure that a uniform methodology is applied when assessing financial risks and sustainability-related risks. We prioritize risks based on the severity of their impact and the likelihood of occurrence and thereby look at both financial and sustainability-related risks. In the identification and review process, we work closely with our opportunity and risk management. 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.

ESRS 2 IRO-2

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, the Group 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 sub-subtopic, subtopic or topic (in line with the ESRS 1 Application Requirement 16) with the aim of determining materiality across all topics. The responsible subject matter experts subsequently allocated all applicable Disclosure Requirements and resulting 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

Our ESRS materiality assessment largely confirmed the results from 2024. The following changes were observed compared to the previous year:

Changes in the double materiality assessment compared to the previous year

E1 Climate Change	
Impact eliminated in 2025	**Newly identified impacts in 2025**
Climate-damaging emissions from oil and gas business	Raw materials extraction from fossil sources
	Emissions during use phase
	Emissions at the end of use phase
	Adaptation of sites and infrastructure
	Impacts of failure to adapt
	Newly identified risks in 2025
	Production losses and costs due to insufficient climate adaptation
	Collapse in demand due to rising energy prices
E2 Pollution Prevention	
Impacts eliminated in 2025	
Chemical leakages	
E4 Biodiversity and Ecosystems	
Impacts eliminated in 2025	**Newly identified impacts in 2025**
Land use by BASF sites	Contribution of production sites to global drivers of biodiversity loss
The use of industrial chemicals and their distribution in the environment may have a negative impact on species	
Need for land use due to the cultivation of renewable raw materials	
E5 Resource Use and Circular Economy	
	Newly identified risks and opportunities in 2025
	Growth through circular economy
	Challenges due to new regulatory requirements
S1 Own Workforce	
Impacts eliminated in 2025	**Newly identified impacts in 2025**
Training and skills development	Promoting health and safety awareness
	Newly identified opportunities in 2025
	Unlocking potential through strong leadership
S2 Workers in the Value Chain	
	Newly identified impacts in 2025
	Risk of forced labor in specific supply chains

In chapters E2 Pollution Prevention and E5 Resource Use and Circular Economy, impacts that were previously listed individually in each value chain step have been aggregated for better readability. This year, impacts relating to water pollution are listed in chapter E2 Pollution Prevention for better readability and to avoid repetition. In chapter S3 Affected Communities, the potential impact with regard to the possible restriction of Indigenous peoples' right to free, prior and informed consent has been expanded to include potential land-related impacts in the value chain. 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 as well as biodiversity) and our company's workforce. The risks and opportunities identified have financial effects that affect the presentation of our financial position, financial performance and cash flow as disclosed pursuant to our accounting policies (see Note 23 to the Consolidated Financial Statements on page 388). Affected communities were not involved in the identification of material topics for the Biodiversity and Ecosystems cluster.

Strategies to manage impacts, risks and opportunities

As a company that is active in a very wide variety of different regions and business areas, we take a diversified approach to ensure the resilience of our strategy and our business models. The double materiality assessment is closely interlinked with our opportunity and risk management, so that the results of this assessment are incorporated into both the operational and strategic risk management processes and enable structured assessment by our operating divisions (for additional information on our opportunity and risk management, see page 90 onward). We analyze climate-related physical risks and existing resiliences centrally for our sites (from page 172 onward). In developing our business strategies, we also consider the resilience of our business models with regard to economic, environmental and social aspects as well as their impacts, risks and opportunities. Our operating divisions update their strategies at regular intervals and involve experts from the relevant division as well as from the Corporate Strategy and Corporate Sustainability units. The material topics for the duration of the strategy are identified and evaluated as part of an opportunity-risk analysis. Depending on the extent of the strategy revision, resilience reviews, regulatory aspects and stakeholder expectations are included in order 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. We believe we are currently in a position to address and mitigate the risks identified as material, while at the same time striving to consistently utilize material opportunities.

We provide information on the results of our resilience assessment with respect to these two topics in the chapters E1 Climate Change (on page 172 onward) and E4 Biodiversity and Ecosystems (from page 221 onward). We also report on the disclosure requirement ESRS 2 IRO-1 in accordance with the ESRS requirements in the chapters E2 Pollution Prevention, E3 Water, E5 Resource Use and Circular Economy, S1 Own Workforce, as well as G1 Business Conduct. The following tables list the material impacts, risks and opportunities associated with each topical standard. Additional information on the impacts, risks and opportunities associated with each of the ESRS topical standards is provided in the relevant chapter of this (Consolidated) Sustainability Statement.

Results of the double materiality assessment for the 2025 business year: Material impacts

ESRS standard	Topic/subtopic in the standard	Evaluation/ classification	Time horizon (short-, medium-, long-term)	Position in the value chain	Material impacts	Short description of material impacts
E1 More information from page 172 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	Short-, medium-, long-term	Upstream value chain	Environmental impact of raw materials required for electrification	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 protection	Negative	Short-, medium-, long-term	Upstream value chain	Raw materials extraction from fossil sources	Chemical production uses fossil raw materials that have a negative impact on the environment due to their energy-intensive extraction, as well as the associated land use changes and greenhouse gas emissions.
	Climate protection	Negative	Short-, medium-, long-term	Downstream value chain	Emissions during use phase	Some BASF products, such as propellants or fuel additives, cause emissions that have a negative impact on the environment during use.
	Climate protection	Negative	Short-, medium-, long-term	Downstream value chain	Emissions at the end of use phase	The use of BASF products made from carbon-based raw materials generates greenhouse gases at the end of their life – if recycling is not possible – and thus harms the climate and environment.
	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	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	Negative, potential	Short-, medium-, long-term	BASF's own operations; upstream and downstream value chain	Adaptation of sites and infrastructure	Structural changes and technical adjustments at BASF sites around the world that are necessary in order to protect against extreme weather events – especially in North America, Europe and Asia Pacific – could have a negative impact on the environment and affected communities due to construction activity, the associated land use and increased energy demand.
	Climate change adaptation	Negative, potential	Medium, long-term	BASF's own operations; upstream and downstream value chain	Impacts of failure to adapt	If BASF sites around the world are insufficiently adapted to climate change and the associated extreme weather events, this could lead to negative impacts on employees, local communities and the environment.

Results of the double materiality assessment for the 2025 business year: Material impacts

ESRS standard	Topic/subtopic in the standard	Evaluation/ classification	Time horizon (short-, medium-, long-term)	Position in the value chain	Material impacts	Short description of material impacts
E1 More information from page 172 onward	Climate change adaptation	Positive	Short-, medium-, long-term	Upstream and downstream value chain	Innovations as a lever for climate protection and climate change adaptation	Innovations in chemistry and new technologies can contribute materially to climate protection and adaptation. We use our TripleS method (Sustainable Solution Steering) to steer our product portfolio on the basis of our products' sustainability performance.
E2 More information from page 199 onward	Air pollution	Negative	Short-, medium-, long-term	BASF's own operations; upstream and downstream value chain	Regular emissions to air (excluding greenhouse gases; GHG)	Emissions to air (excluding GHG), such as nitrogen oxides, particulate matter and volatile organic compounds (VOCs), are generated in connection with the procurement, production, use and disposal of our products. These emissions contribute to air pollution.
	Water pollution	Negative	Short-, medium-, long-term	BASF's own operations; upstream and downstream value chain	Regular emissions to water	Emissions to water, such as nitrogen compounds, organic substances and heavy metals, are generated in connection with the procurement, production, use and disposal of our products. These emissions contribute to water 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 could result in water or soil pollution or to an adverse impact on the environment or human health.
E3 More information from page 213 onward	Water withdrawal and consumption	Negative	Short-, medium-, long-term	BASF's own operations; upstream and downstream value chain	Limited availability due to water withdrawal and consumption	Our activities impact water availability through water withdrawal in our own production, as well as water withdrawal and consumption along the entire value chain – particularly in water stress areas.
E4 More information from page 221 onward	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.
	Drivers of biodiversity loss	Negative	Short-, medium-term	BASF's own operations	Contribution of production sites to global drivers of biodiversity loss	BASF production sites can have a negative impact on biodiversity and ecosystems through their contribution to climate change, land use, pollution and resource consumption.
	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 could result in a reduction of biodiversity.
	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.

Results of the double materiality assessment for the 2025 business year: Material impacts

ESRS standard	Topic/subtopic in the standard	Evaluation/ classification	Time horizon (short-, medium-, long-term)	Position in the value chain	Material impacts	Short description of material impacts
E5 More information from page 232 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 or 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 incinerating fossil or renewable raw materials, for example through emissions, land use and environmental pollution.
	Waste	Negative	Long-term	BASF's own operations; upstream and downstream value chain	Resource consumption through waste	We negatively impact the planetary boundaries by the waste generated throughout our value chain through procurement, production, use and disposal.
S1 More information from page 248 onward	Adequate wages	Positive	Short-, medium-, long-term	BASF's own operations	Adequate and competitive compensation	Our market-oriented compensation and corresponding additional benefits create attractive working conditions for our employees and make a positive contribution to society.
	Health and safety	Negative, potential	Short-, medium-, long-term	BASF's own operations	Potential health and safety risk	Our employees are exposed to a potential health and safety risk if they work in laboratories and production plants and handle chemicals, including hazardous substances. This is particularly the case if occupational health and safety instructions or regulations in our production processes are not followed.
	Health and safety	Positive, potential	Short-, medium-, long-term	BASF's own operations	Promoting health and safety awareness	High standards of occupational safety and health have a positive effect on the well-being, safety and resilience of employees. Health programs and safety training enable us to promote safety and health awareness that extends beyond the working environment.
S2 More information from page 264 onward	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 required 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	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 2025 business year: Material impacts

ESRS standard	Topic/subtopic in the standard	Evaluation/ classification	Time horizon (short-, medium-, long-term)	Position in the value chain	Material impacts	Short description of material impacts
S2 More information from page 264 onward	Forced labor	Negative, potential	Short-, medium-, long-term	Upstream value chain	Risk of forced labor in specific supply chains	Sourcing minerals or renewable raw materials from countries with little state control may be associated with the risk of forced labor. Workers in regions with poverty and inequality are particularly affected.
S3 More information from page 275 onward	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 impact 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.
	Land-related impacts	Negative, potential	Short-, medium-, long-term	Upstream value chain	Land-related impacts in the supply chain	Our business activities – especially in the sourcing of raw materials – could lead to changes in land use, limited access to land and resources, and violations of land rights for affected communities. This could affect Indigenous communities in particular, for example through disregarding their right to free, prior and informed consent (FPIC).
	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 good yields in light of increasing disease and pest pressure, so that people benefit from an adequate food supply.
G1 More information from page 288 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.
	Prevention and detection of corruption and bribery	Positive	Short-, medium-, long-term	BASF's own operations	Anticorruption training	In the mandatory trainings, employees 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.

Results of the double materiality assessment for the 2025 business year: Risks and opportunities

ESRS standard	Topic/subtopic in the standard	Evaluation/ classification	Time horizon (short-, medium-, long-term)	Material risks and opportunities	Short description of material risks and opportunities
E1 More information from page 172 onward	Climate change adaptation	Negative, physical	Medium, long-term	Production losses and costs due to insufficient climate adaptation	If production facilities cannot be adequately cooled during extreme weather events such as drought or aridity, this could lead to partial or complete production disruptions as well as reduced production output.
	Climate protection	Negative, transition	Long-term	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 protection	Negative, transition	Medium, long-term	Fragmentation in national and regional climate politics – and thus in the market	Pronounced differences in the regulatory framework due to divergent regional climate politics pose particular strategic challenges for us as a globally active company.
	Climate protection	Negative, transition	Long-term	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 protection	Positive, transition	Long-term	Market opportunities through climate-smart products	Our broad product portfolio includes, among other things, solutions for the circular economy and climate protection. Increasing societal demands and resulting regulations would offer additional market opportunities for these products.
	Energy	Negative, transition	Short-, medium-, long-term	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	Negative, transition	Long-term	Collapse in demand due to rising energy prices	Resource scarcity can lead to rising energy prices. As a result, producer and consumer prices could continue to rise, which could further reduce customer demand. This could jeopardize BASF's competitiveness and growth.
	Energy	Positive, transition	Short-, medium-, long-term	Advantageous procurement conditions thanks to renewable energies	Investments in own power assets and long-term supply agreements reduce dependencies on volatile global markets and lead to comparatively lower carbon abatement and energy procurement costs.
E2 More information from page 199 onward	Water pollution	Negative	Medium, long-term	Increased costs for water treatment due to regulatory changes	Regulatory developments concerning emissions to water may require investments in our infrastructure and upgrades of our systems.
	Substances of concern or of very high concern	Negative	Medium-term	Consequences of regulations with respect to substances of (very high) concern for procurement, sale or production	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.
E4 More information from page 221 onward	Impacts on the state of species	Negative	Short-, medium-, long-term	Regulatory requirements for the marketing of chemicals	Changes in the law and other regulatory developments related to how chemicals may actually or are likely to affect the state of species, affect our opportunities to market BASF products.

Results of the double materiality assessment for the 2025 business year: Risks and opportunities

ESRS standard	Topic/subtopic in the standard	Evaluation/ classification	Time horizon (short-, medium-, long-term)	Material risks and opportunities	Short description of material risks and opportunities
E5 More information from page 232 onward	Resource outflows in connection with products and services	Negative	Medium, long-term	Challenges due to new regulatory requirements	New regulatory requirements to protect the environment – especially in Europe, but increasingly also in other regions – are increasing the pressure on BASF's product portfolio, for example through recyclability requirements or mandatory recyclate content. This can present challenges for us in the sourcing of raw materials, for example due to higher costs and technical restrictions, which in turn can have a negative impact on BASF's business.
	Resource outflows in connection with products and services	Positive	Medium, long-term	Growth through circular economy	New regulatory requirements and societal expectations regarding the circular economy – for example through mandatory recyclate content or recyclability – create potential market opportunities for BASF.
S1 More information from page 248 onward	Secure employment	Negative	Short-, medium-term	Challenges for engagement and retaining skilled employees	The current economic situation and any resulting structural adjustments at BASF can lead to uncertainty among employees. This poses challenges for the company, for example in terms of maintaining employee engagement. Any supposed decline in the attractiveness of BASF as an employer can make it more difficult to recruit appropriately qualified specialists and managers in global competition.
	Training and skills development	Negative	Short-, medium-, long-term	Loss of critical skills and competencies	Demographic and technological change, changing competence profiles and intensified competition for skilled employees and leaders can lead to a loss of skills and knowledge in key roles within our workforce or affect our ability to adequately and quickly develop them.
	Training and skills development	Positive	Short-, medium-, long-term	Unlocking potential through strong leadership	We promote excellent leadership through targeted development offers for leaders at all levels. Leaders can positively influence the engagement of their employees and, together with their teams, contribute productively and efficiently to the implementation of our strategic corporate targets.
S3 More information from page 275 onward	Other social and economic rights	Negative	Short-, medium-, long-term	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, 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, for global climate protection, and are committed to the Paris Agreement. We are determined to follow the path of 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. The Double Materiality Assessment chapter from page 165 onward explains how we analyze and ensure the resilience of our strategy and business models.[3]

Climate-related transition risks are systematically recorded by our opportunity and risk management. Our divisions regularly analyze which of the opportunities and risks identified at Group level apply to their business areas, where possible taking into account the resulting short- and medium-term financial impacts. 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 examine climate-related physical risks and existing resiliences centrally for our sites (see page 173).

In 2024, as part of our business strategy development, we have started to make resilience reviews an even more integral part of our processes. The primary focus here is on our own business. Resilience along the upstream and downstream value chain is only considered as necessary, for example, if a value chain is particularly exposed.

When revising our strategies, we use a variety of scenarios, depending on the scope, to describe future macroeconomic developments (for more information on these scenarios, see the section on climate-related transition on page 174). In contrast to the assumptions made when analyzing climate-related physical risks, the scenarios that we use here limit global warming to different extents. Using multiple scenarios, we address and minimize uncertainties regarding market growth, raw material and energy price developments as well as the expected price development of emissions trading systems, and this 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

[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 148). 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.
[3] The time periods considered in the resilience analysis specified 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 climate-related physical risks and corresponding resilience over a longer period of time, as these only have an impact in the long term.

renewable sources going forward. At the same time, the use of fossil raw materials will decline and the circular economy will become more important.

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.

We also performed a comprehensive analysis of the resilience of the plants at our largest site in Ludwigshafen, Germany, already in 2024. We considered 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 closures – are already being implemented for these plants so as to continuously secure site competitiveness. We have identified a long-term risk for 6% of the plants, which we address through market-oriented measures.[4]

BASF has published a comprehensive corporate carbon footprint report every year already 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 principles 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. For example, our products and solutions contribute to reducing greenhouse gas emissions in many areas.

Climate-related physical and transition risks and opportunities

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

Climate-related physical risks and opportunities

When assessing our production sites for climate-related physical 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 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 and covers all chronic as well as acute climate-related physical risks. Our assessment addresses current risks over a time horizon of five to ten years as well as long-term risks with a time horizon of thirty years. If long-term risks are identified, we examine whether they also represent a medium-term risk, i.e., within the next 10 to 30 years. If materiality is determined in this context, we supplement the assessment with other, less extreme climate scenarios as necessary. Climate-related physical risks are assessed using geographical coordinates at site level. In a first step, a qualitative assessment is performed and vulnerabilities to various climate risks are prioritized so as to obtain an initial indication of potential material risks. Vulnerability analysis takes both internal and external factors into account. Internal factors include 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 areas of the site.

[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).
[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 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 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 Middle Rhein region near Kaub. An extreme drought could significantly impact transportation, or even bring it to a standstill. The identified risk and its potential impacts exceed the current materiality threshold of €10 million. Most of the affected sites contribute only marginally to the overall risk. In logistics we have already implemented countermeasures to ensure security of supply for sites and customers. These include switching to alternative means of transport such as rail or road transport, the expansion of the shipping fleet and the use of special vessels for low water levels (see also page 216). The sites are continuing to work to reduce the residual risk. In parallel, further climate risk assessments of our sites in the coastal region in Mexico have shown potential long-term materiality, also as a result of increasing drought periods, based on the assumption of an IPCC scenario with severe global warming. No significant impacts were identified under moderate scenarios. Regardless of this, smaller measures are planned over the next five to ten years to further strengthen the resilience of the sites.

Climate-related transition risks and opportunities

With respect to climate-related transition 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 defined and quantified 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. The scenarios are regularly further developed and adapted in response to current macroeconomic and geopolitical developments.

The resulting risks arising from the assessment of scenarios were reviewed for materiality as part of the double materiality assessment. 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.

We continuously analyze potential 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 90 onward). The scenarios used for the assessment are not used for assumptions in financial reporting (for more information, see page 198 onward).

Our double materiality assessment (see page 163) identified eleven material impacts on climate change, plus six 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 166).

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

Impact	Evaluation	Position in the value chain	Description
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.
Environmental impact of raw materials required for electrification	Negative	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.
Raw materials extraction from fossil sources	Negative	Upstream value chain	Chemical production uses fossil raw materials that have a negative impact on the environment due to their energy-intensive extraction, as well as the associated land use changes and greenhouse gas emissions.
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.
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.
Emissions during use phase	Negative	Downstream value chain	Some BASF products, such as propellants or fuel additives, cause emissions that have a negative impact on the environment during use.
Emissions at the end of use phase	Negative	Downstream value chain	The use of BASF products made from carbon-based raw materials generates greenhouse gases at the end of their life – if recycling is not possible – and thus harms the climate and environment.
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 protection and climate change adaptation	Positive	Upstream and downstream value chain	Innovations in chemistry and new technologies can contribute materially to climate protection and adaptation. We use our TripleS method (Sustainable Solution Steering) to steer our product portfolio on the basis of our products' sustainability performance.

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

Impact	Evaluation	Position in the value chain	Description
Adaptation of sites and infrastructure	Negative, potential	BASF's own operations; upstream and downstream value chain	Structural changes and technical adjustments at BASF sites around the world that are necessary in order to protect against extreme weather events – especially in North America, Europe and Asia Pacific – could have a negative impact on the environment and affected communities due to construction activity, the associated land use and increased energy demand.
Impacts of failure to adapt	Negative, potential	BASF's own operations; upstream and downstream value chain	If BASF sites around the world are insufficiently adapted to climate change and the associated extreme weather events, this could lead to negative impacts on employees, local communities and the environment.

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

Risks and opportunities	Evaluation	Description
Production losses and costs due to insufficient climate adaptation	Negative, physical	If production facilities cannot be adequately cooled during extreme weather events such as drought or aridity, this could lead to partial or complete production disruptions as well as reduced production output.
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 politics – and thus in the market	Negative, transition	Pronounced differences in the regulatory framework due to divergent regional climate politics 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.
Market opportunities through climate-smart products	Positive, transition	Our broad product portfolio includes, among other things, solutions for the circular economy and climate protection. Increasing societal demands and resulting regulations would offer additional market opportunities for these products.
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.
Collapse in demand due to rising energy prices	Negative, transition	Resource scarcity can lead to rising energy prices. As a result, producer and consumer prices could continue to rise, which could further reduce customer demand. This could jeopardize BASF's competitiveness and growth.
Advantageous procurement conditions thanks to renewable energies	Positive, transition	Investments in own power assets and long-term supply agreements reduce dependencies on volatile global markets and lead to comparatively lower carbon abatement and energy procurement costs.

Our risks and opportunities occur along the value chain. In the upstream value chain, opportunities can be attributed, for example, to advantageous procurement conditions thanks to renewable energies. Risks can result from rising energy prices due to a possible resource scarcity. Within our own company, production losses due to inadequate climate change adaptation and rising production costs due to higher energy prices can generate risks. In the market environment, regulatory requirements can lead to risks, while societal pressure and rising prices can reduce customer demand. On the other hand, climate-smart products can in turn offer market opportunities.

Strategy and governance

E1-2 E1-3

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 protection 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 15). The reduction of emissions in the chemical industry is closely linked to our customers' transformation. We want to be the preferred chemical company to enable our customers' green transformation. However, our key customer industries are facing enormous challenges in reaching their sustainability-related goals. At the same time, the preconditions for business cases at scale do not yet fully exist. Market development, and hence also the speed of green transformation, varies widely between regions and customer industries. Against this backdrop, we are taking a step-by-step approach to the green transformation and focusing our approach even more consequently on development and on the needs of our various customer markets. The focus will continue to be on projects that secure our license to operate. Over time, we stagger our transformation projects based on these priorities.

In recent years, in a first phase, we have already increasingly invested in renewable energy to power our plants. We already today test new technologies and deploy alternative raw materials to 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 second phase, we are focusing even more on Scope 1 reduction measures with specific opportunities for our business as well as prioritizing projects for which we see increasing customer demand and willingness to pay for low- and zero-carbon solutions. In a first step, we focus on using greater amounts of renewable, recycled and low-emission 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, contributing to profitable growth for BASF. As the markets for more sustainable products grow, we want to be in a position to fund the necessary investments in new production technology and also to apply and scale up the new technologies that we are currently developing and, in some cases, already piloting. These technologies also require qualified employees and service providers.

In line with our market-oriented approach and the reduced speed of industrial feedstock transformation, we have adjusted our investments to an expected €1.2 billion from 2026 to 2029. We continue to assume that most of the major capital expenditure for our green transformation will be incurred in the third phase after 2030.

Policies, requirements and principles

General information on our overarching policies can be found in the General Disclosures chapter of the (Consolidated) Sustainability Statement (from page 150 onward). These include the Responsible Care Management System and, as part of this, our global standards in terms of CO_2 emissions and energy data, energy efficiency, energy concepts and environmental protection. Also listed there are our procurement policy, our procurement requirement, our risk-based sustainability management for procurement, the Supplier Code of Conduct, our principles for the responsible sourcing of renewable raw materials and our requirements for PCFs and eco-efficiency analyses. The specific aspects of these policies are explained in the following section.

We have established comprehensive management and control systems to minimize negative environmental impacts. Our **Responsible Care Management System** (for more information, see page 201 onward) includes not only Group-wide requirements and guidelines for health and safety (for more information, see page 251) 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. 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 supply from renewable sources. We use requirements for systematically collecting and monitoring emission and energy data as the basis for improving our sustainability performance and steering our climate protection targets.

We address climate change adaptation centrally through our approach to assessing climate-related physical risks (see page 173). 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 (see page 267). We have defined relevant standards for this in a global procurement requirement. Our overarching procurement policy also includes ensuring BASF's secure supply, including raw materials. We expect our suppliers to comply with internationally recognized environmental standards. Our expectations are set out in the globally valid **Supplier Code of Conduct** (see page 267), which also includes the deployment of energy-efficient, environmentally friendly technologies. We continuously enhance our policy and requirement as well as our structures and processes in order to adapt to changing conditions. We endeavor to ensure compliance with these guidelines using a multistage control process (see page 267).

In addition, BASF has drawn up principles for the responsible sourcing of renewable raw materials, plus standards in relation to PCFs and eco-efficiency analyses of products with the aim of reducing our products' carbon footprints.

Incentive schemes and organizational structures

ESRS 2 GOV-3

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

We anchored reducing our Group-wide CO_2 emissions (Scope 1 and 2)[6] as one of the **most important nonfinancial key performance indicators** 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. The compensation of the Supervisory Board does not include any variable components and is therefore not linked to the achievement of targets.

[6] Target-relevant Scope 1 and Scope 2 emissions (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, which will be publicly available at basf.com/compensationreport.

The targets in the short-term-incentive (STI) program for senior executives in our operating business units include financial targets with a 75% weighting. Other targets with a total weighting of 25% include occupational and process safety, sustainability and further development of the operating divisions, the first two of which are sustainability-related. The other targets are division-specific, adapted to the respective situation and are considered holistically. The sustainability target in 2025 includes elements that contribute to our green transformation, such as sales of our Sustainable-Future Solutions (for more information, see page 157) or the increase of the share of purchased raw materials with supplier-specific PCFs (for more information, see page 187).

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

Our organizational structures are designed in such a way as to enable 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 & Quality, which reports to a member of the Board of Executive Directors, is responsible for our Responsible Care Management System. The Corporate Sustainability unit, which reports to the Chairman of our Board of Executive Directors, develops the BASF Group's climate protection targets and tracks emission reduction levers for target achievement. Together with Corporate Sustainability, the Global Procurement unit, which reports to the Chief Financial Officer, is responsible for the purchasing processes and procurement requirements relating to our raw materials-related targets. 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 sourcing of renewable energy.

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 (see also the section Global targets from page 189 onward).[8] Based on the emission reduction pathways described by the International Energy Agency (IEA) in its Net Zero by 2050 study[9], our target is compatible with limiting global warming to 1.5°C. The targeted reduction by 25% is below the reference value calculated from the data of the study. Already today, our plants for producing basic chemicals such as ammonia, methanol and high value chemicals[10] have an emissions intensity 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

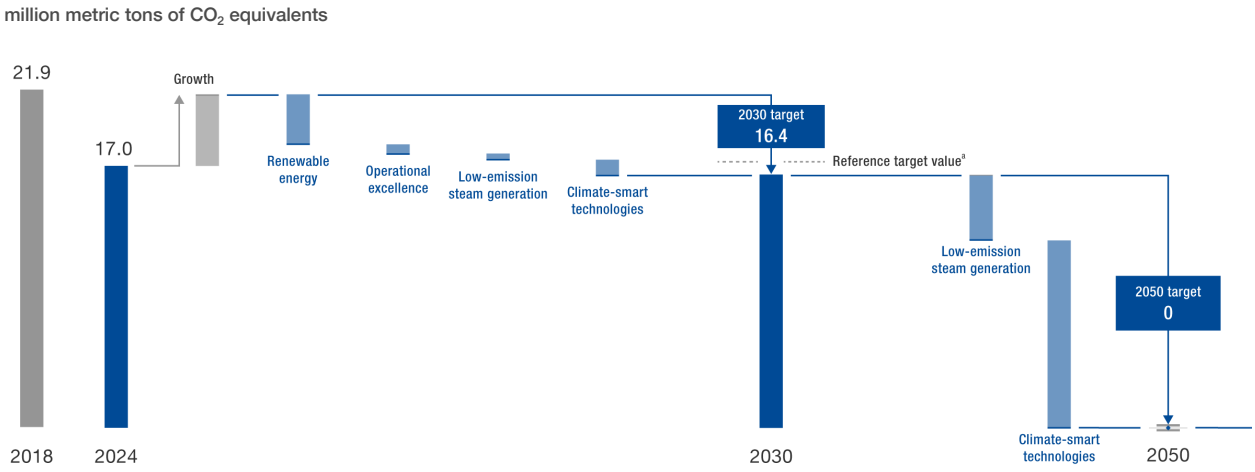
Above and beyond our own production, we take responsibility for emissions along our value chain and have also set ourselves a target for our raw materials-related Scope 3.1 emissions[11] (see Global targets from page 190 onward). However, the IEA study does not provide a basis for deriving an emissions reduction pathway for these emissions.

[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] 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.
[10] Important raw materials such as ethylene, propylene, benzene, toluene and mixed xylenes
[11] 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 2025 business year.

To achieve our climate protection targets, we have developed a transition plan[12] that shows our emissions reduction pathway 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 demand from renewable sources (see the actions on page 183).
- **Operational excellence:** Our operational excellence activities are continually improving the energy and process efficiency of our plants (see the actions on page 185).
- **Low-emission steam generation:** 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 185).
- **Climate-smart technologies:** We are developing completely new emission-free and low-emission processes, and are assessing and piloting new technologies for a more sustainable chemistry (see the actions on page 186).

Transition plan for climate change mitigation



[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 results in a further reduction potential 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

[12] BASF is not an undertaking that is excluded from the EU Paris-aligned Benchmarks in accordance with the exclusion criteria stated in Article 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.

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 "Winning Ways" strategy, in which we have adopted a step-by-step approach (see also Strategy and governance on page 177). For the progress made in implementing our transition plan, clustered by the relevant emission reduction levers, see section Actions (page 183). We continuously evaluate and prioritize specific actions for emission reduction and target achievement 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 at the time of the publication of the transition plan at the beginning of 2025, but is subject to future updates. 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 start of commissioning in 2025 onward, the latter is already supplied exclusively with electricity from renewable sources and shall serve as a model for more sustainable chemical production.

Few of our products lead directly to CO_2 emissions during their use phase. Nevertheless, we also aim to further reduce these emissions by constantly looking for new, more sustainable solutions (see Our Product Carbon Footprints on page 188) and have already achieved significant emission reductions as a result (see the reduction in Scope 3.11 in section Actions along our value chain on page 187).

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 €0.6 billion in Scope 1 measures between 2026 and 2029. These are part of BASF's green transformation expenditures of an expected €1.2 billion between 2026 and 2029. In line with our market-oriented approach and the reduced speed of industrial feedstock transformation, we have adjusted our investments. We aim to continue to promote the use of renewable energies with long-term supply agreements.

In 2025, we invested €77 million, which was attributable to gas-related economic activity (see tables in EU Taxonomy chapter from page 245 onward). In addition to investments made to achieve our emission reduction target, we have also invested in steam generation at the site in Zhanjiang, China. A small part of steam generation there will come from a boiler fired using natural gas, among other things, alongside the future use of process waste heat steam. In addition, there were no significant taxonomy-aligned investments/capex with respect to the environmental objectives of climate change mitigation and climate change adaptation. The low coverage of BASF's activities in the EU taxonomy and the reporting criteria currently used, at present provide a picture of BASF's potential sustainability contribution that is only of limited informative value. The small number of activities that fall under the climate change mitigation environmental objective are presented under EU Taxonomy (see page 241 onward). Hence, BASF is not pursuing any further plans to align economic activities with the provisions of Delegated Regulation (EU) 2021/2139.

[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.

Responsibility in our value chain

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 187). 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 associated Scope 3.1 target. What is more, we are taking responsibility for our other emissions along the value chain (see page 187 onward). 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 subject to 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 234). In the future, we will increasingly drive forward sourcing of renewable raw materials and deploy a make & buy approach analogous to that with which we source renewable energy. Feeding in greater amounts of renewable, recycled and low-emission raw materials in our existing plants will allow us to leverage the unique advantages of our Verbund and to offer our customers products with lower PCFs.

We use a digital solution that continuously determines the PCFs of our 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 for steering 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 157 and our resilience and scenario analyses on page 172). In addition to implementing new regulatory requirements, we are 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.

» 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 protection, makes it possible to develop new processes that are competitive internationally and resolutely drives forward the expansion of renewable energies. Our aim is to contribute to shaping 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 councils such as the Nature Advisory Council, which we established together with external experts (for more information, see page 160). Together with Vulcan Energy, for example, we provided information about the current status and next steps of the geothermal project in Ludwigshafen and the Vorderpfalz region in community townhall events in 2025 (for more information, see page 185). The Civil Society Forum, founded in 2024, also provides space for confidential exchange with representatives of the civil society and trade union spectrum (for more information, see page 160).

[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), which has derived 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 impacts 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. BASF achieved a score of A in CDP's 2025 climate change questionnaire, again attaining Leadership level. Companies at Leadership level are distinguished by factors such as the completeness and transparency of their reporting.

» 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 a low-emission chemistry is closely linked to our customers' transformation (see also Strategy and governance on page 177).

No significant capital and operating expenses within the meaning of the EU taxonomy were incurred in the business year 2025 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 to our electricity supply. In 2025, electricity from renewable sources as a share of total electricity consumption rose further compared with the previous year to 36% (2024: 26%). 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.

As regards the transformation of our electricity supply, we are pursuing a make & buy approach in the short, medium and long term. On the one hand, BASF is investing in its own renewable power assets. On the other hand, we are focusing on purchasing green electricity on the market through long-term supply agreements with plant operators, green electricity purchase agreements or renewable energy certificates, depending on the region and market regulations.

In 2025, we further advanced the supply of electricity from renewable sources. Our new Verbund site in Zhanjiang in southern China, where we started manufacturing the first products from the Verbund in November 2025, is powered entirely with electricity from renewable sources. A joint venture was established for this purpose with the Mingyang Wind Power Group Limited, which includes the development, construction and operation of an offshore wind farm in Zhanjiang. The wind farm is under construction and has a planned capacity of 500 megawatts. The grid connection project has been successfully completed and the wind farm is scheduled to start operation in 2026.

Since the beginning of the 2025 business year, our Zhanjiang site has already been supplied with 100% electricity from renewable sources through a supply agreement with the State Power Investment Corporation (SPIC). In addition to the existing long-term supply agreements 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. We also made progress at other Asian sites in 2025: Six of our production sites in Shanghai will be supplied with 250 gigawatt hours of electricity from renewable sources via China Huaneng Group in the future. This agreement also includes the first ever cross-business-zone[17] electricity supply agreement for electricity from renewable sources from the Chinese provinces of Guangxi and Yunnan to Shanghai. BASF Taiwan has also taken another step toward energy transition. Our Kuanyin site had already participated in the first green electricity auction held by Taiwan Power Company (Taipower), Taiwan's largest electricity supplier, in 2023 and had won the bid of a small amount of renewable energy for three years. In 2025, the Changhua site was also successful in a similar auction.

In spring 2025, we signed an agreement with SP Group (Singapore Power) to install solar rooftop panels at two of our production sites in Singapore. In 2023 and 2024, we had already signed long-term power purchase agreements for electricity from renewable sources at our three sites in Jiangsu, China, and for six of our production sites in Korea.

The Hollandse Kust Zuid offshore wind farm, a joint project with Vattenfall and Allianz, has been 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. We use the electricity generated to supply our production sites in Europe, particularly Ludwigshafen, Germany.

In North America, we were able to secure around 150 megawatts of solar generation capacity through virtual power purchase agreements back in 2022. These solar power plants are already operational. Further long-term supply agreements exist with X-ELIO, providing capacity of 48 megawatts of solar power to supply the Freeport, Texas site (Liberty project) and with other developers, providing 33 megawatts of solar power for the Freeport site and 35 megawatts of wind energy for the Freeport and Pasadena sites in Texas. With the Liberty project, which went into operation in 2025, the purchased electricity for our Verbund site in Freeport will come from 100% renewable energy sources. In some regions, we have also acquired renewable energy certificates. In addition, at the end of 2025, BASF concluded an agreement with BP Energy Retail Company for the purchase of renewable energy certificates. The 15-year agreement covers a wind capacity of approximately 47 megawatts.

The carbon footprint of purchased electricity in 2025 was around 0.14 metric tons of CO_2 per MWh (market-based approach) (2024: 0.20 metric tons of CO_2 per MWh). For the 2025 business year, by using electricity from renewable sources, we were able to reduce our greenhouse gas emissions by around 1.5 million metric tons of CO_2 compared to the use of electricity from fossil sources (for more information on the expected emission reductions, see our transition plan on page 180).

In order to align the supply of green electricity with the decreased transformation speed, BASF sold its 49% stake in the Nordlicht 1 and 2 offshore wind farms back to Vattenfall in 2025. This transaction is in line with BASF's disciplined approach to capital allocation, as well as BASF's market-driven, step-by-step transformation approach as part of the "Winning Ways" strategy. At the same time, BASF continues its collaboration with Vattenfall, securing a long-term supply of electricity from renewable sources for chemical production in Europe – at a time when additional green electricity will be needed.

[17] "Cross-business zone" here means that electricity from renewable energies generated in other Chinese provinces (e.g. in Guangxi or Yunnan) is used to supply production facilities in Shanghai.

Operational excellence

Through our operational excellence projects, we aim to operate our plants even more efficiently, to make our processes even more resource-saving and thereby reducing CO_2 emissions. Certified energy management systems 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 2025, we implemented more than 550 measures to reduce energy and resource consumption and increase our competitiveness, which led to a reduction in emissions of around 240,000 metric tons of CO_2 (for more information on the expected emission reductions, see our transition plan on page 180). In Hannibal, Missouri, for example, natural gas consumption has been reduced by optimizing process control at our incinerators, resulting in an annual CO_2 reduction of about 7,000 metric tons. In Camaçari, Brazil, we have achieved a reduction in steam consumption by optimizing the valve seals and pipeline layout in one plant, avoiding around 6,700 metric tons of CO_2 emissions annually. At the Caojing site in China, the consumption of natural gas in one plant was significantly reduced by making full use of surplus hydrogen from a third-party company and developing a timely signal transmission system for hydrogen supply in collaboration with the supplier. Together, these actions reduce CO_2 emissions by around 9,600 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 have already made initial progress toward low-emission steam generation: 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 for emission-free steam generation at its site in Ludwigshafen, Germany. Construction began in 2025. The 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 is primarily to be used for producing formic acid. This offers the potential to use the heat pump to reduce CO_2 emissions related to the production 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 operation in 2027, will save up to 100,000 metric tons of CO_2 per year at the company's headquarters. The expansion of the substation at the Ludwigshafen site by the transmission system operator Amprion began in 2025 in order to take account of the future increase in electricity demand due to the electrification of chemical production and energy generation processes, such as low-emission steam generation. Initial partial commissioning is planned from 2029 onward, with overall completion scheduled until 2037.

We are also examining the use of geothermal energy at the Ludwigshafen site as part of a partnership with Vulcan Energy. The results of initial 2D seismic evaluations carried out by our partner in the Vorderpfalz region in spring 2025 confirm the region's geothermal potential. Further measurements, including a 3D seismic evaluation, are planned. Geothermal energy from the Vorderpfalz region could be used by heat pumps to generate emission-free steam. With a potential output of 300 megawatts of thermal energy, around 4 million metric tons of this crucial energy source for the chemical industry could be produced per year. This would avoid roughly 800,000 metric tons of CO_2 emissions. The overarching goal of BASF and Vulcan Energy is to implement the joint geothermal project in the early 2030s.

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

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 start operation at the end of 2026. Another power-to-heat plant is currently being built at the Guaratinguetá site in Brazil. It is scheduled for startup by the end of 2026. The plant will be powered by electricity from renewable energy sources, so that in the future up to 60% of the steam demand on site can be provided with low emissions.

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. The main focus here is on basic chemicals, which are often still emission-intensive to produce. This is the case with steam crackers, for example, which use high temperatures of 850°C to break down crude petroleum into olefins and aromatics. The high temperatures have until now been achieved by burning natural gas. A heating concept using electricity from renewable sources could reduce process-related emissions by at least 90% in future compared to today's conventional technologies. Together with our partners SABIC and Linde, we are testing this new process on an industrial scale, as well as the associated direct and indirect heating concepts, in a demonstration plant for electrically heated steam cracker furnaces at our site in Ludwigshafen, Germany.[19] The prototype is completely integrated into one of the two existing steam crackers at the site.

One common but emission-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. In November 2025, we agreed on a collaboration with ExxonMobil to jointly advance methane pyrolysis technology to commercial readiness. In Baytown, Texas, we are planning to construct and operate a joint demonstration plant intended to help validate the technology at scale.

Together with Siemens Energy, we also pressed ahead with the construction of a proton exchange membrane (PEM) water electrolyzer[20] with a capacity of 54 megawatts at the Ludwigshafen site in Germany. 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 PCF. 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, as sustainable energy carrier. 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.

[19] The project has been granted €14.8 million from Germany's Federal Ministry for Economic Affairs and Climate Action (BMWE) 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 (BMWE) and the Federal State of Rhineland-Palatinate.

Another focus area of our technological development is carbon capture and storage (CCS). This technology is expected to be one of the most economically attractive ways to reduce hard to abate emissions in the medium and long term. For this reason we are examining the implementation of CCS plants at various locations worldwide.

Actions along our value chain

As part of our supplier management, we continuously review compliance with our required criteria when selecting suppliers and evaluating 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 evaluation is mainly performed as part of the chemical industry's Together for Sustainability initiative. 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 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 since requested the PCFs of our raw materials and support our suppliers in determining these, for example, by sharing our knowledge of valuation and calculation methods with them. After around four years, we have more than 2,200 validated PCFs. This corresponds to a coverage of 40% in relation to the greenhouse gas emissions of our raw materials. We are working to further increase the transparency of the PCFs of our raw materials and thus the quality of the PCFs of our products.

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

In addition, we launched the next phase of our Supplier CO_2 Management Program already in 2024, so as to agree PCF reduction pathways with our suppliers. We use dialog forums to exchange information 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 in 2025 in Houston, Texas for the North America region and in Shanghai, China for the Asia Pacific region. The format had already been rolled out in the Europe and South America regions in 2024. We are also enhancing our purchasing processes and establishing PCFs as a relevant criterion for raw materials in the procurement requirements.

Natural gas – in particular low-carbon natural gas – remains a key energy source and raw material for BASF on the path to climate neutrality. In this context, we are focusing on new supply agreements that balance security of supply, flexibility and climate compatibility. In June 2025, BASF and Norwegian energy company Equinor signed a long-term strategic agreement for the annual delivery of up to 23 terawatt hours (around 2 billion cubic meters) of natural gas over a period of ten years. Norwegian natural gas has a carbon footprint less than half the size of the European gas market average, because, among other things, very little methane escapes during its production and processing and predominantly renewable electricity is used. Delivery began on October 1, 2025.

To replace fossil raw materials, we concluded a long-term purchase agreement for certified biomethane with ENGIE in 2024. This is used at our Verbund sites in Antwerp, Belgium, and Ludwigshafen, Germany. Consequently, we are 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 235). In another project with raw material supplier Graphit Kropfmühl, we agreed on an innovative approach to reducing the carbon footprint of its products. We supply the company with Guarantees of Origin for electricity from renewable sources, reducing the PCF of the graphite produced. We then use the graphite as a raw material to reduce the PCF of our insulation material Neopor®. Together with AkzoNobel and Arkema, BASF is working to lower the carbon footprint of architectural powder coatings supplied by AkzoNobel's Interpon brand. To this end, BASF supplies neopentyl glycol (NPG) with a PCF of zero to its

partner Arkema, which in turn transforms the bio-attributed raw materials and thus reduces the carbon footprint of super-durable powder coating resins for AkzoNobel.

In Taiwan, BASF has signed a license agreement with Carbon Cap Applications Technology Co. (CCAT) to provide its OASE® blue gas treatment technology for a carbon capture and storage project at a power plant belonging to the Taiwan Power Company (Taipower) in the Taichung Power Plant Carbon Reduction Technology Park. The project is operated by Taipower and, according to design and planning requirements, is expected to capture 2,000 metric tons of CO_2 annually. BASF and the ANDRITZ Group have signed a license agreement for the use of OASE® blue in a carbon capture project planned to be implemented in Aarhus, Denmark. The project aims to capture around 435,000 metric tons of CO_2 annually from the flue gases of a waste-to-energy plant for sequestration. The implementation of the project is contingent upon the customer receiving funding from the Danish CCS fund.

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 75% 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 233 onward). Both ensure that less and less CO_2 pollutes the atmosphere throughout the life cycle of our products.

Our Product Carbon Footprints

In 2025, we further expanded our product portfolio with a certified reduced carbon footprint, for example in aroma ingredients through the market launch of L-menthol FCC rPCF, in ammonia products, or with our Basotect® EcoBalanced melamine resin foam for sound absorption applications in the transportation and construction industries. The Intermediates division has switched its amine portfolio at our BASF sites worldwide to 100% renewable electricity. In 2025, this transition took place at the European Verbund sites in Ludwigshafen and Antwerp, Belgium as well as the Verbund site in Geismar, Louisiana. At BASF's Nanjing site in China, amine production had already switched to renewable electricity in 2023. In addition, we are counting on acrylic monomers produced with electricity from renewable energies that can be used by customers in adhesive products, for example. With biomass-balanced polyethersulfone (PESU), we have been offering our customers a more sustainable alternative in high-performance plastics for industries such as household, automotive, electrics and electronics since the beginning of 2025. We already offer net-zero carbon footprint versions of some of our products, including the polyamide Ultramid® and the HySorb® superabsorbent for the hygiene industry, as Ultramid® ZeroPCF and HySorb® B 6610 ZeroPCF. 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 lowPCF and zeroPCF 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 235). Furthermore, we use electricity and steam from renewable sources to reduce our PCFs.

[21] BASF operations without oil and gas business

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 our 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. 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 impacts 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 CO_2 emissions that arise during the extraction of raw materials or the manufacture of precursors. A digital solution developed by TfS and Siemens for exchanging PCF data between companies was launched in October 2024. We have fully migrated our queries to this solution since mid-2025. Equally, it has been possible to exchange 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 175 onward). We accept this responsibility and are pursuing ambitious climate protection targets.[22]

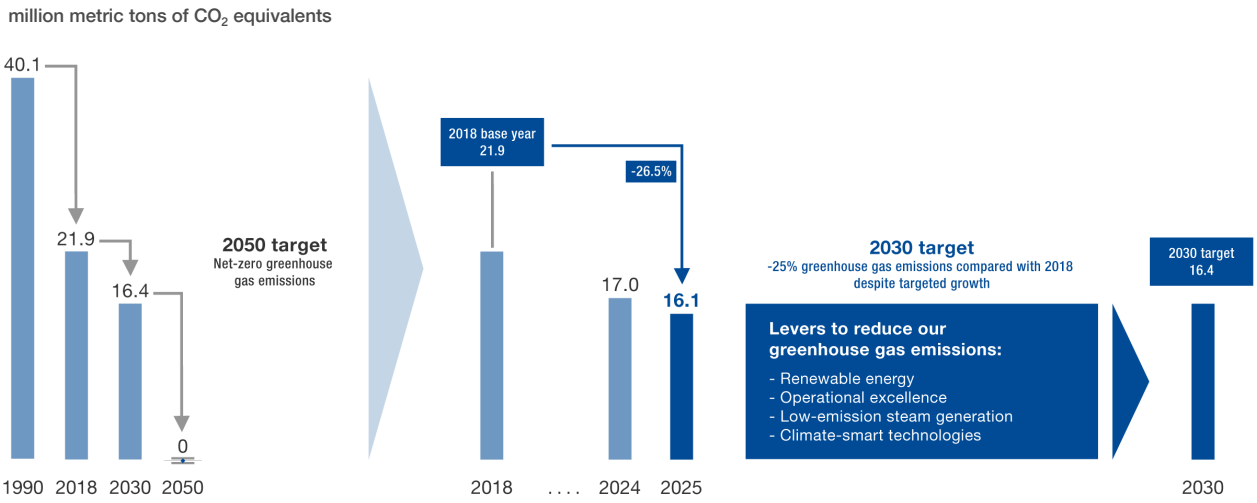
Scope 1 and 2

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 in the period 2018 to 2030 we aim to reduce annual 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] In line with the requirements of the Greenhouse Gas Protocol, we consider future developments in our Scope 1 and Scope 2 emissions in the event of changes to our corporate structure. When recalculating the emissions from the base year, we have set ourselves a limit of 5% cumulative deviations from the base year.

[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 that in turn increase the level of emissions to be reduced. A linear correlation between emissions and production volumes was assumed for the purpose of estimating additional emissions. Our targets 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 179.

[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 CO2 equivalents (CO2e). 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.

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).

In 2025, the BASF Group's emissions from production and energy purchases amounted to 16.1 million metric tons of CO_2 equivalents (2024: 17.0 million metric tons of CO_2 equivalents). We further increased the share of electricity from renewable sources to 36% and, together with measures to increase energy and process efficiency, made a relevant contribution to reducing emissions. Furthermore, the decline in demand year on year led to a reduction in production volumes and thus lower CO_2 emissions. All in all, we have reduced our greenhouse gas emissions in BASF's operations by 60% since 1990. In the coming year 2026, we expect significant additional emissions from our recently commissioned Verbund site in Zhanjiang, China. These have already been taken into account when setting targets. Our projection of target-relevant Scope 1 and Scope 2 emissions for 2026 can be found in the forecast from page 86 onward.

Scope 3.1

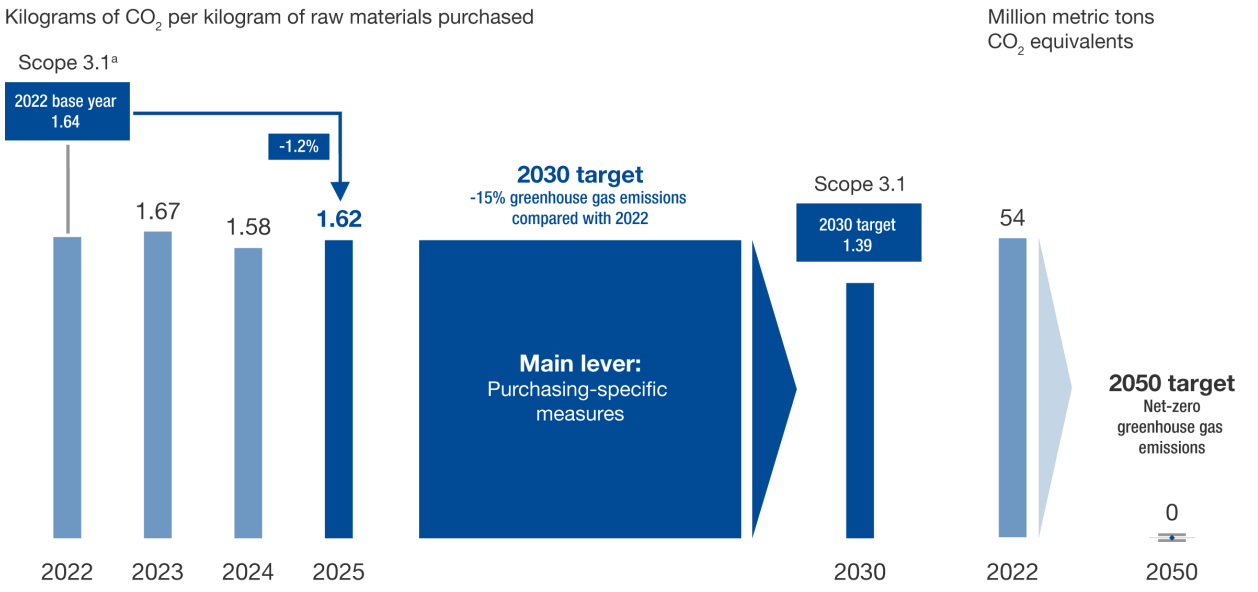
We set ourselves an ambitious Scope 3.1 target[24] for our specific raw materials-related emissions in 2023. This includes around 92% of our Scope 3.1 emissions based on the base year. By 2030, we want to reduce these in relation to the purchasing volume specifically by 15% from the 2022 base year. In this way, we aim to reduce our specific Scope 3.1 emissions from 1.64 kilograms of CO_2 per kilogram of purchased raw material in the base year 2022 to 1.39 kilograms of CO_2 per kilogram of purchased raw material in the target year 2030. Through our commitment, we aim to keep our target-relevant Scope 3.1 emissions at roughly constant 50 million metric tons of CO_2 equivalents by 2030 while at the same time growing production.

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 239).

[24] 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 2025 business year. The target is not science-based and has not been externally audited.

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

In 2025, specific Scope 3.1 emissions[25] amounted to 1.62 kilograms of CO_2 per kilogram of raw materials purchased (2024: 1.58 kilograms of CO_2 per kilogram of purchased raw material). The increase in specific emissions was mainly attributable to a change in the raw materials portfolio. This was countered by initial purchases from suppliers who offer raw materials 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 194.

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 as part of our strategic stakeholder engagement as well as in meetings with investors. In this way, stakeholder expectations are continuously taken into account in the development of strategic approaches, targets and principles of sustainability management.

[25] Scope 3.1, raw materials excluding battery materials, excluding services, technical goods and greenhouse gas emissions from BASF trading business.

Carbon credits

E1-7

As part of the above stated targets, we aim to reduce 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 aim to neutralize all remaining emissions elsewhere through measures that are characterized by high quality and credibility. These include nature-based measures such as reforestation, but also technical possibilities such as the long-term storage of originally biogenic carbon. We plan to use ratings from carbon credit rating agencies such as BeZero and Sylvera to assess the quality of carbon credits. We also plan to leverage initiatives such as the Integrity Council for the Voluntary Carbon Market (ICVCM), its Core Carbon Principles, and the credits assessed through them. We are developing internal standards for evaluating climate protection projects and considering whether to develop our own projects. We are also investigating the use/development of a project under the European Carbon Removal and Carbon Farming Certification Framework (CRCF). With these conditions in mind, we anticipate using a portfolio of different credits. Our focus is on credits that meet well-established standards such as Verra or Gold Standard, but also on certificates that are created under Article 6 of the Paris Agreement or that rely on the CRCF. BASF did not use any carbon credits in the past business year.

Metrics

Energy supply

E1-5

Our total energy consumption in 2025 amounted to 74.3 million MWh (2024: 74.8 million MWh).[26] 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		2025		2024	
		Financial control	Operational control[a]	Financial control	Operational control[a]
Total energy consumption[b]		**74.3**	**73.5**	**74.8[c]**	**74.1[c]**
Fuel consumption from renewable sources (biomass)		0.0	0.0	0.0	0.0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources		5.1	5.2	3.6	3.6
Consumption of self-generated nonfuel renewable energy		0.0	0.0	0.0	0.0
Total energy consumption from renewable sources		**5.2**	**5.2**	**3.6**	**3.6**
Share of renewable sources in total energy consumption	%	6.9	7.1	4.8	4.9[c]
Fuel consumption from coal and coal products		1.0	1.0	1.1	1.1
Fuel consumption from crude oil and petroleum products[b]		0.3	0.4	0.3	0.3
Fuel consumption from natural gas		36.3	35.1	33.7	33.0
Fuel consumption from other fossil sources[d]		24.3	24.5	27.0[c]	26.7[c]
Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources		7.2	7.3	9.0	9.3
Total energy consumption from fossil sources		**69.1**	**68.2**	**71.2[c]**	**70.5[c]**
Share of fossil sources in total energy consumption	%	93.0	92.9	95.1[c]	95.1[c]

[26] The comparative figure for 2024 has been restated to reflect updated data.

BASF Group's energy consumption and mix

Million MWh		2025		2024	
		Financial control	Operational control[a]	Financial control	Operational control[a]
Total energy consumption from nuclear sources[e]		**0.0**	**0.0**	**0.0**	**0.0**
Share of nuclear sources in total energy consumption	%	0.0	0.0	0.0	0.0
Energy production from renewable sources		0.0	0.0	0.0	0.0
Energy production from fossil sources		43.5	42.9	43.8	43.0
Energy intensity (total energy consumption per sales revenue)[f]	**million MWh/ billion €**	**1.17**	**1.16**	**1.15[c]**	**1.14[c]**

[a] Consolidation after operational control takes account of fully consolidated subsidiaries as well as proportionately included joint operations and joint ventures accounted for using the equity method in which BASF exercises operational control at 100%, regardless of the shareholding.
[b] In 2025, BASF optimized the transport costs for raw materials through time charter activities, so that mobile emissions are now also taken into account in energy consumption.
[c] The comparative figure for 2024 has been restated to reflect updated data.
[d] Residues from chemical production plants that cannot be reused in the BASF Verbund.
[e] Only contracts aimed at the use of nuclear energy are included.
[f] 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 48), including the discontinued coatings business. For the sales revenue of the discontinued coatings business, see Note 3 to the Consolidated Financial Statements on page 323.

The generation of our own electricity and steam in highly efficient and predominately natural gas-based combined heat and power plants and our Verbund system (integrated network) are key to a 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 electricity and steam generation and our continuously optimized energy Verbund, we were able to prevent a total of 5.2 million metric tons of CO_2 emissions[27] in 2025 (2024: 6.1 million metric tons of CO_2 emissions) compared with separate, fossil-based electricity and steam generation without the use of the Verbund system.

Corporate carbon footprint

E1-6

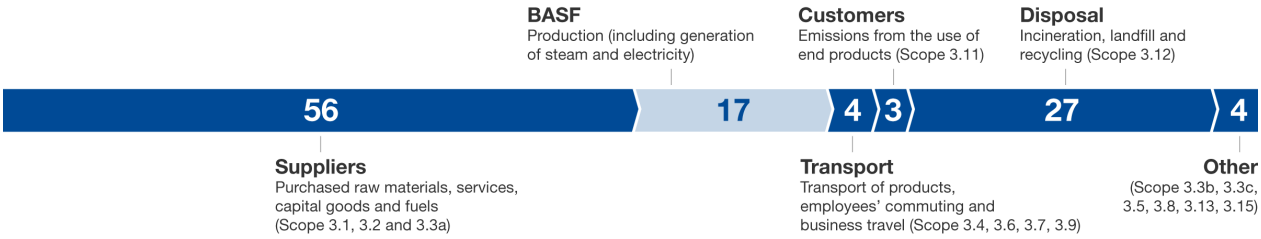
BASF has published a comprehensive corporate carbon footprint report every year already since 2008. This reports on all emissions along the value chain – from raw materials extraction to production and disposal. We are continually working to reduce CO_2 emissions both in our own production and, with our partners, along the value chain (see Strategy and governance from page 177 onward). In 2025, our greenhouse gas emissions according to the Greenhouse Gas Protocol including Scope 1 and Scope 2[28] emissions amounted to 17.270 million metric tons of CO_2 equivalents (2024: 17.952 million metric tons of CO_2 equivalents)[29]. Of this amount, 89% were Scope 1 emissions (2024: 87%) and 11% were Scope 2 emissions (2024: 13%). Carbon dioxide was the largest component and accounted for 98% of emissions (2024: 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 2025, we calculated Scope 3 emissions of around 94 million metric tons of CO_2 equivalents (2024: 92 million metric tons of CO_2 equivalents). The share of emissions that were calculated using primary data[30] amounted to 25% in 2025.

[27] Calculation basis: electricity conversion efficiency of conventional power plants 45%; steam generation efficiency 90%
[28] Market-based approach, including sale of energy to third parties
[29] The comparative figure for 2024 has been restated to reflect updated data.
[30] According to the Greenhouse Gas Protocol Scope 3 standard, the term primary data refers to data that comes directly from our partners in the value chain as well as primary activity data.

The largest contribution to emissions along the value chain in 2025 was in category 3.1 (purchased raw materials, technical goods and services) at 53 million metric tons of CO_2 equivalents (2024: 53 million metric tons of CO_2 equivalents)[31]. For the calculation we use primary data from our suppliers from the Supplier CO_2 Management Program (see page 187), industrial averages and values from external databases[32]. The disposal of our products (Scope 3.12) accounted for the second-largest share at around 27 million metric tons of CO_2 equivalents (2024: 26 million metric tons of CO_2 equivalents)[31] (for additional information on the calculation methods for the Scope 3 categories, see page 196).

CO_2 emissions along the BASF value chain in 2025[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). Downstream leased assets category emissions (Scope 3.13) are already included in Scope 1 and Scope 2 emissions. For this reason, in order to avoid double counting, no additional emissions are reported under this category. The Franchise category (Scope 3.14) is not relevant for BASF because the BASF Group does not operate as a franchisor. Excluding greenhouse gas emissions from BASF trading business.

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

			Retrospective					Milestones and target years		
Million metric tons of CO_2 equivalents	2025		2024		Difference 2025/2024		Base year	2030	2050	Reduction each year on average
	Financial control	Operational control[a]	Financial control	Operational control[a]	Financial control	Operational control[a]	Financial control	Financial control	Financial control	Financial control
Scope 1[b]							2018			
CO_2 (carbon dioxide)	14.063	13.948	14.402	14.202	-2%	-2%	17.025	–	–	–
N_2O (nitrous oxide)	0.109	0.109	0.176	0.172	-38%	-37%	0.667	–	–	–
CH_4 (methane)	0.023	0.021	0.027	0.023[c]	-15%	-9%	0.027	–	–	–
HFCs (hydrofluorocarbons)	0.028	0.028	0.039[c]	0.038[c]	-28%	-26%	0.091	–	–	–
PFCs (perfluorocarbons)	0	0	0	0	0%	0%	0	–	–	–
SF_6 (sulfur hexafluoride)	0.001	0.001	0.001	0.001	0%	0%	0.000	–	–	–
NF_3 (nitrogen trifluoride)	0	0	0	0	0%	0%	0	–	–	–
Total Scope 1 emissions (production companies)	14.224	14.107	14.645[c]	14.436[c]	-3%	-2%	17.810	–	–	–
Sale of energy to third parties (Scope 1)[d]	1.060	0.922	0.874	0.746	+21%	+24%	0.773	–	–	–
Mobile emissions (Scope 1)[e]	0.048	0.048	–	–	–	–	–	–	–	–
Scope 1 emissions (nonproduction companies)	0.037	0.038	0.037	0.038	0%	0%	–	–	–	–
Gross Scope 1 emissions	15.369	15.115	15.556[c]	15.220[c]	-1%	-1%	18.583	–	–	–
Percentage of Scope 1 emissions from regulated emission trading schemes[f]	67%	67%	66%	66%	+1%	+1%	–	–	–	–
Scope 2							2018			
Scope 2 emissions (nonproduction companies)[g]	0.044	0.044	0.044	0.044	0%	0%	–	–	–	–
Location-based Scope 2 emissions (production companies)	3.256	3.408	3.520	3.587	-8%	-5%	3.747	–	–	–
Market-based Scope 2 emissions (production companies)	1.857	2.008	2.352	2.416	-21%	-17%	4.067	–	–	–
Gross location-based Scope 2 emissions	3.300	3.452	3.564	3.631	-7%	-5%	3.747	–	–	–
Gross market-based Scope 2 emissions	1.901	2.052	2.396	2.460	-21%	-17%	4.067	–	–	–

[31] The comparative figure for 2024 has been adjusted to reflect updated data.
[32] 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

			Retrospective					Milestones and target years		
Million metric tons of CO_2 equivalents	2025		2024		Difference 2025/2024		Base year	2030	2050	Reduction each year on average
	Financial control	Operational control[a]	Financial control	Operational control[a]	Financial control	Operational control[a]	Financial control	Financial control	Financial control	Financial control
Share of electricity consumption by market-based calculation[h]	51%	53%	46%	47%	+11%	+11%	–	–	–	–
Target-relevant Scope 1 and Scope 2 emissions										
Total Scope 1 emissions (production companies)	14.224	–	14.645[c]	–	-3%	–	17.810	–	–	–
Market-based Scope 2 emissions (production companies)	1.857	–	2.352	–	-21%	–	4.067	–	–	–
Total target-relevant Scope 1 Scope 2 emissions	**16.081**	**–**	**16.997[c]**	**–**	**-5%**	**–**	**21.877**	**16.4**	**0**	**2.1%**
Scope 3							2022			
Total gross Scope 3 emissions	93.97	96.52	92.33[c]	94.59[c]	+2%	+2%	–	–	–	–
1 – Purchased goods and services	52.56	54.39	51.54[c]	53.33[c]	+2%	+2%	54.13	–	0	–
2 – Capital goods	1.84	1.82	1.87[c]	1.83[c]	-2%	-1%	–	–	–	–
3 – Activities related to fuels and energies (not included in Scope 1 or Scope 2)	2.49	2.52	2.81[c]	2.78[c]	-11%	-9%	–	–	–	–
4 – Upstream transportation and distribution	2.37	2.38	2.32	2.32	+2%	+3%	–	–	–	–
5 – Waste generated in operations	0.69	0.69	0.76	0.75	-9%	-8%	–	–	–	–
6 – Business travel	0.09	0.09	0.12	0.12	-25%	-25%	–	–	–	–
7 – Employee commuting	0.20	0.19	0.20	0.20	0%	-5%	–	–	–	–
8 – Upstream leased assets	0.15	0.15	0.15	0.16	0%	-6%	–	–	–	–
9 – Downstream transportation	1.39	1.43	1.49	1.53	-7%	-7%	–	–	–	–
11 – Use of sold products	2.78	2.78	3.01	3.01	-8%	-8%	–	–	–	–
12 – End-of-life treatment of sold products	27.17	27.79	25.67[c]	26.19[c]	+6%	+6%	–	–	–	–
15 – Investments	2.24	2.29	2.39[c]	2.37[c]	-6%	-3%	–	–	–	–
Total										
Total emissions (site-based)	112.64	115.09	111.45[c]	113.44[c]	+1%	+1%	–	–	–	–
Total emissions (market-based)	111.24	113.69	110.28[c]	112.27[c]	+1%	+1%	–	–	–	–
Other metrics										
Biogenic CO_2 emissions from the combustion or biodegradation of biomass (Scope 1)[i]	0.156	0.156	0.140	0.140	+11%	+11%	–	–	–	–
Biogenic Scope 2 emissions from the combustion of biomass[i]	0.117	0.117	0.053	–	+121%	–	–	–	–	–
Biogenic Scope 3 emissions from the combustion or biodegradation of biomass in the value chain[i,j]	1.49	1.49	1.26[c]	1.26[c]	18%	18%	–	–	–	–
Offsetting[k]	0	0	0	0	0%	0%	0	–	–	–
Total emissions (location-based) per sales revenue (million metric tons CO_2e/billion €)[l]	1.777	1.815	1.708[c]	1.738[c]	+4%	+4%	–	–	–	–
Total emissions (market-based) per sales revenue (million metric tons CO_2e/billion €)[l]	1.754	1.793	1.690[c]	1.720[c]	+4%	+4%	–	–	–	–

[a] Consolidation after operational control takes account of fully consolidated subsidiaries as well as proportionately included joint operations and joint ventures accounted for using the equity method in which BASF exercises operational control at 100%, regardless of the shareholding. For entities where BASF has only operational but no financial control, the Scope 1 emissions according to this principle amount to 0.078 million metric tons CO_2e (2024: 0.068 million metric tons CO_2e), location-based Scope 2 emissions amount to 0.253 million metric tons CO_2e (2024: 0.250 million metric tons CO_2e) and market-based Scope 2 emissions amount to 0.262 million metric tons CO_2e (2024: 0.261 million metric tons CO_2e). Taking this into account, BASF's gross emissions are as follows: Scope 1: 15.447 million metric tons CO_2e (2024: 15.624 million metric tons CO_2e), Scope 2 location-based: 3.553 million metric tons CO_2e (2024: 3.814 million metric tons CO_2e), Scope 2 market-based: 2.163 million metric tons CO_2e (2024: 2.657 million metric tons CO_2e).

[b] 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 years 2024 and 2025, 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.

[c] The comparative figure for 2024 has been adjusted to reflect updated data. This may also include methodological adjustments.

[d] Includes sales to BASF Group companies; as a result, emissions reported under Scope 2 can be considered twice in some cases.

[e] In 2025, BASF optimized the transport costs for raw materials through time charter activities, which are reportable under Scope 1 in accordance with the Greenhouse Gas Protocol standard.

[f] 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.

[g] The emissions are estimated on the basis of location-based emission factors, since no information on market-based factors is available.

[h] The market- and location-based concept is applied exclusively to electricity.

[i] The biogenic emissions are disclosed separately in accordance with the Greenhouse Gas Protocol Standard.

[j] Only biogenic emissions from categories 3.11 and 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 48), including the discontinued coatings business. For the sales revenue of the discontinued coatings business, see Note 3 to the Consolidated Financial Statements on page 323.

BASF reports its Scope 2 emissions using the market-based approach in accordance with the Greenhouse Gas Protocol. In 2025, the share of total electricity consumption determined in accordance with the market-based approach was 50.9%. Contractual instruments such as energy attribute certificates (Guarantees of Origin, 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 the General Disclosures chapter of the (Consolidated) Sustainability Statement from page 149 onward. We use emission factors from reports from the RWI – Leibniz Institute for Economic Research, the German Environment Agency and the U.S. Department of Energy, as well as supplier-specific emission factors, to calculate Scope 1 emissions resulting from the energetic use of primary energy carriers. 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	Greenhouse gas emissions from purchased chemical raw materials are calculated by multiplying the incoming volumes by cradle-to-gate emission factors. The emission factors used are either supplier-specific or regional and technology-specific values drawn from databases (industry association data, Sphera MLC, ecoinvent, etc.). Missing emission factors are estimated using internal data models or average values of similar chemicals. Emissions from packaging are calculated by multiplying the quantity of packaging purchased within a packaging group by the respective cradle-to-gate emission factor – determined on the basis of the average material composition per packaging group. Greenhouse gas emissions from technical goods and services are calculated on the basis of the monetary purchasing volume in the reporting year by multiplying expenditure (adjusted for inflation and including VAT) by the expenditure-based emission factors from DEFRA (United Kingdom Government's Department for Environment, Food and Rural Affairs).
2	Capital goods	Greenhouse gas emissions from purchased capital goods are estimated as follows: All subareas of global technical procurement related to the procurement of capital goods are analyzed based on their monetary purchasing volume in the reporting year. Each subarea is assigned a corresponding SIC code (SIC: Standard Industrial Classification), as the expenditure-based emission factors from DEFRA are based on the SIC standard classification system. Expenditure, adjusted for inflation and including VAT, is then multiplied by the respective emission factor and added to the resulting products to calculate the total greenhouse gas emissions from capital goods.
3	Activities related to fuels and energies (not included in Scope 1 or Scope 2)	Fuel used by BASF and purchased volumes of electricity and steam are captured annually in an internal EHS database. Either supplier-specific or representative, region-specific emission factors from the Sphera MLC database are used to calculate the greenhouse gas emissions from the extraction, production and transportation of fossil fuels used to generate electricity and steam in BASF's own power plants. The fuels used to generate purchased electricity and steam are determined either using regional statistics or site-specific 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. Greenhouse gas emissions associated with losses of purchased electricity and steam are estimated based on Scope 2 emissions and a grid-based loss factor.

Calculation methodologies for Scope 3 categories

Scope 3 category	Calculation methodology
4 Upstream transportation and distribution	Greenhouse gas emissions from the transportation of raw materials purchased by BASF in the reporting year are calculated by multiplying the product volumes by the respective transport distance and a corresponding emission factor. For high-volume raw materials, the means of transport and distances are specifically recorded, while an estimate is made for other raw materials. A survey conducted by the European Chemical Industry Council (CEFIC) is used for this purpose in Europe, while in other regions road transport is generally assumed. Internal transportation is calculated using the EcoTransIT World (ETW) tool. Greenhouse gas emissions from the transportation of technical goods and capital goods are determined on the basis of estimated weights and material compositions. Road transport is also assumed as the sole method for the transportation of technical goods.
5 Waste generated in operations	When determining greenhouse gas emissions from waste disposal, a distinction is made between solid waste and wastewater as well as between different disposal routes. Greenhouse gas emissions from external waste incineration with energy recovery and from recycling are assessed using the cut-off approach. Emissions from incineration without energy recovery and landfill are calculated using a carbon balance, assuming that all carbon is converted to CO_2 and no methane emissions are released in landfill. CO_2 emissions from wastewater are calculated on the basis of experts' estimates from the carbon content of the wastewater. 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, assuming that the sewage sludge is not sent to landfill and therefore no methane emissions arise.
6 Business travel	Greenhouse gas emissions from business travel are recorded and calculated by the travel agents and mobility service providers commissioned by BASF. In a small number of cases, such as car rental companies, greenhouse gas emissions are determined directly on the basis of activity data using the emission factors from DEFRA (United Kingdom Government's Department for Environment, Food and Rural Affairs).
7 Employee commuting	Emissions are determined on the basis of a survey of BASF SE employees' commuting patterns and then estimated on this basis for all employees in Europe. For the remaining BASF regions, we use statistical data on the commuting patterns of employees. We use DEFRA and EPA (U.S. Environmental Protection Agency) carrier-specific cradle-to-gate emission factors in our calculations.
8 Upstream leased assets	This category comprises leased cars, leased office and storage space and leased equipment. Emissions from leased cars are calculated by multiplying the contractually stipulated kilometers by the relevant DEFRA emission factor, based on drive system and engine size. Since data availability varies, global emissions are extrapolated on the basis of BASF SE data and the number of staff. Greenhouse gas emissions from leased office and storage space are already covered by Scope 1 and Scope 2 emissions, if the building or warehouse is located on one of our production sites. Greenhouse gas emissions for the remaining leased office and storage space are determined on the basis of the leased space and the annual energy consumption of the relevant leased property (office or warehouse). Electricity consumption for servers leased by BASF that are not operated at our sites is provided by the relevant provider. Greenhouse gas emissions are calculated from this information using a site-specific emissions factor.
9 Downstream transportation	Greenhouse gas emissions from BASF's freight transports are calculated as well-to-wheel (WtW) emissions using the ETW IT solution, drawing on transportation data from BASF's ERP system.
11 Use of sold products	This category comprises direct emissions from BASF sales products' use phase. These are products that release or form greenhouse gas emissions when used by end users. These include nitrogenous fertilizers that release nitrous oxide (N_2O) through microbial activity in the soil, urea or additives for the automotive industry, residual fuels for generating energy or carbonates used in the food industry. Other products that contain and release greenhouse gas emissions include dry ice, CO_2 as a gas for the beverage industry, and HFCs as a propellant for the production of polyurethane foam. We use our own sales volume data and product-specific emission factors to calculate the emissions.

Calculation methodologies for Scope 3 categories

Scope 3 category	Calculation methodology
12 End-of-life treatment of sold products	Sales volumes and the carbon content of BASF's sales products are used to calculate the emissions from the disposal of BASF products at the end of their life. 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, China Statistical Yearbook and, where necessary, other country-specific statistics. In the case of disposal by incineration or landfill, it is assumed that all the carbon contained in the product is ultimately emitted as CO_2. In the case of disposal by incineration with energy recovery, 50% of the emissions from combustion are attributed to the energy generated via a burden-sharing approach. Greenhouse gas emissions from the recycling of waste are assessed using the cut-off approach of life cycle analysis.
15 Investments	This category includes the Scope 1 and Scope 2 emissions of joint ventures and associated companies that are accounted for using the equity method and are not included in the BASF Group's Scope 1 and Scope 2 emissions. The emissions of these companies are recorded directly using a database query or taken from publicly available emission reports.

Internal carbon pricing

E1-8

We use scenario-dependent price projections to factor in the costs of CO_2 emissions when assessing investment projects. In addition, these prices can also be used to evaluate research projects and to determine benchmarks. The prices differ for 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 information on the scenarios, see page 174), which are also used to analyze transition risks. The fundamental drivers for the scenarios are influential geopolitical actors and their various interests, 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 €365, depending on the year. This is used for all Scope 1 emissions caused by investments (capex) by our companies worldwide, and is included in the cost calculations. Scope 1 and Scope 2 emissions are also taken into account in the context of our target achievement. 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. The CO_2 prices used in the Consolidated Financial Statements differ from the shadow prices described. Instead, external forecasts for CO_2 prices and spot prices are used, as these enable an objective assessment on the reporting date and satisfy IFRS requirements.

E2 Pollution Prevention

ESRS E2

We work continuously to reduce environmental impacts caused by our business activities. This includes reducing or preventing 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 minimize 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 (see page 163), 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 indicates three material impacts on the environment and two material risks for BASF (see table Results of double materiality assessment).

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

Impact	Evaluation	Position in the value chain	Description
Regular emissions to air (excluding greenhouse gases; GHG)	Negative	BASF's own operations; upstream and downstream value chain	Emissions to air (excluding GHG), such as nitrogen oxides, particulate matter and volatile organic compounds (VOCs), are generated in connection with the procurement, production, use and disposal of our products. These emissions contribute to air pollution.
Regular emissions to water	Negative	BASF's own operations; upstream and downstream value chain	Emissions to water, such as nitrogen compounds, organic substances and heavy metals, are generated in connection with the procurement, production, use and disposal of our products. These emissions contribute to water 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 could 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

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 of our systems.
Consequences of regulations with respect to substances of (very high) concern for procurement, sale or production	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.

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 90 onward).

As the basis for the double materiality assessment, we considered all BASF sites for our own operations. Emissions to air and water are systematically documented and reviewed in a Group-wide database. Pollutant-related impacts are assessed and documented continuously as part of permitting requirements. 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 to include the perspectives of surrounding communities in our decision-making and doing. We are therefore committed to dialog based on a spirit of trust and maintain close relations with surrounding communities at our BASF production 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 community advisory panels where concerns about environmental impacts, such as emissions to air and water, can be voiced (see also page 280). The Civil Society Forum, founded in 2024, provides space for confidential exchange with representatives of the civil society and trade union spectrum (for more information, see page 160). Among others, the topic emissions to water has also been discussed there. In addition, we participate in dialog forums and advisory councils, 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 160).

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

Strategy and governance

E2-1

General information on our overarching policies can be found in the General Disclosures chapter of the (Consolidated) Sustainability Statement (from page 150 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. The specific aspects of these policies are explained in the following section.

When developing our business strategies, we also consider the resilience of our business models (for more information, see Double Materiality Assessment from page 165 onward).

Environmental protection in our production

BASF intends to continue to drive forward the transformation of its production 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, a holistic approach is needed to ensure efficient and resource-saving production and continuous monitoring to protect the environment.

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 reflected in our position paper on water protection.

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

Responsible Care Management System

We have established Group-wide management and control systems for our own production. BASF is involved in the International Council of Chemical Associations' (ICCA) global Responsible Care® initiative. Our Responsible Care Management System, which is based on this, also covers environmental protection in addition to the topics of safety and health (see chapter S1 Own Workforce from page 251 onward for more). We have defined our global standards for emissions to air and water in Group-wide requirements. These requirements apply to substances that have a potentially harmful impact on the environment and 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 202 onward and page 208). 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.

The Corporate Center unit Corporate Environmental Protection, Health, Safety & Quality defines the management and control systems and monitors compliance with internal and legal requirements, while the sites and Group companies are responsible for the implementation of and the compliance with the requirements locally. We continuously update our requirements and guidelines, which can be accessed via an internal BASF database. To this end, we exchange information with authorities, associations and international organizations. We also share information, experiences and practical examples in the global BASF network of experts.

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 and at the same time serve to evaluate the effectiveness of our policies and actions. The key figures for process safety incidents with significant environmental impacts and transportation incidents with significant environmental impacts are also an important indicator of the effectiveness of our policies and actions (for more information, see page 208). The Corporate Center unit Corporate Environmental Protection, Health, Safety & Quality regularly reviews our performance and progress, and hence the effectiveness of our requirements in the areas of environmental protection and safety as well as health, in the course of Responsible Care audits (for Responsible Care audits in the field of occupational medicine, see chapter S1 Own Workforce on page 260), for example in the areas of Organization & Management System, Product Stewardship, Transportation Safety, Process Safety, Environment (Air, Water, Waste) or Emergency Response. The 130 audits performed in 2025 (2024: 121) primarily served to systematically assess risks and monitor the correct implementation of legal and internal requirements – both globally and locally. The regularity of the audits contributes to ensuring uniformly high standards of environmental protection and safety within the BASF Group.

The regulations on which Responsible Care audits are based are also bindingly set out in a global requirement. The audits are conducted at regular intervals of every three to six years at all BASF sites, as well as at companies with BASF majority shareholdings that operate production facilities. They are based on a risk-based approach that ensures that particularly critical areas are audited in a targeted and appropriate manner. A central database secures global coverage and the transparent traceability of all audits. As part of the audits, we create an environmental and safety profile that shows whether the existing environmental and safety performance is sufficient to properly address the existing hazard potential. If deficiencies are identified, we define binding corrective measures, the implementation of which takes place within a defined time frame and is reviewed in follow-up audits. In addition to production sites and plants, the audit process also includes laboratory units, infrastructure units and larger workshops.

Regulatory developments

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 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 address 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 (Sustainable Solution Steering; see page 157). We also invest in research and development in order to continuously develop chemicals with improved toxicological and ecotoxicological properties and to 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.

Process, product and transportation safety

In particular, the reliable and safe operation of our plants represents a key element of our Responsible Care Management System. In the area of process safety, we take extensive preventive measures in order to counteract incidents at our plants 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 of contaminated sites 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. Here, we rely on comprehensive preventive measures and clearly defined responsibilities. We also continuously further develop our production and logistics processes as well as our product stewardship approaches.

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 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. 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.

In order to reduce the impact of our activities on the environment, we continuously invest in process, product and transportation safety. By means of Responsible Care audits in the areas of Organization & Management System, Product Stewardship, Transportation Safety, Process Safety, Environment (Air, Water, Waste) and Emergency Response, we are able to verify compliance with our policies and requirements. 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 385).

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 157) takes into account substances of concern and of very high concern with respect 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 from page 210 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 emissions to air and water. 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.

Upstream value chain

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 (see page 267). In the event of specific incidents in this context, our management processes come into effect (see page 269 and 273). We expect our suppliers to comply with internationally recognized environmental standards. In addition, we call for our suppliers to reduce regular emissions to air and water and to prevent product spills in upstream processing. Our expectations are set out in the globally valid Supplier Code of Conduct (see page 267), which also includes emissions to air and water. We strive toward a situation where our suppliers comply with the requirements set out in the Supplier Code of Conduct.

As part of our supplier management, we therefore review compliance with our required criteria when selecting suppliers and evaluating supplier relationships. We arrange for third parties to evaluate suppliers with a high sustainability risk. Supplier evaluation is mainly performed as part of the chemical industry's Together for Sustainability (TfS) initiative (see page 269). 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 the topic of emissions to air and water.

Downstream value chain

In our downstream value chain, we want to collaborate continuously 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 the TripleS methodology, see from page 157 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 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 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 and as a vital pillar of our commitment to Responsible Care®. We aim to continuously minimize negative impacts on people 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 evaluations – 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 for safe handling – from production to application through to transportation and disposal.

By consistently 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 thereby wish to contribute to the prevention of leakages and emergencies and to mitigating and limiting their impacts. Should emergencies occur, nonetheless, 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 are not governed by a 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. This goes hand in hand with the BASF approach to sustainability steering (see also page 150).

Actions in our own production

Our activities for avoiding and minimizing environmental impacts due to 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 from page 41 onward) in order to design products in such a way that their impacts on the environment are as minimal as possible. Drawing on TripleS, we review our relevant global product portfolio continuously (for more information, see page 157). Moreover, we evaluate the effectiveness of our actions as part of our Responsible Care audits (see also page 201).

Through our focus on operational excellence (see also page 185), 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 hierarchy: prevent, reduce, recover and reuse, restore and regenerate. We therefore further reduce regular emissions to the air through various actions, such as lowering the emission of nitrogen oxides using catalysts, and feed waste gases back to the production process.

Also 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 already 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. In 2025, the first phase of the test operation for reusage took place. 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.

Process safety

In order to take preventive action against environmental impacts due to potential product spills and leakages, we apply demanding safety standards worldwide when planning, building and operating our plants. 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 the 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 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 149). By 2030, we aim for a rate of no more than 0.10 High Severity Process Safety Incidents per 200,000 working hours worldwide.[1] In 2025, we recorded a global rate of 0.04 hsPSI per 200,000 working hours (2024: 0.03). The rate of Process Safety Incidents (PSI rate; number of Process Safety Incidents per 200,000 working hours) was 0.22 in 2025 (2024: 0.22). We are continuously refining our training methods and offerings to increase risk awareness and strengthen our safety culture. In order to further strengthen the topic of operational excellence in the areas of environmental protection, health, safety and quality (EHSQ), BASF hosted the Global EHSQ Days for all employees worldwide in September 2025. The virtual event aimed to raise awareness of key topics such as process safety, occupational safety, emergency and crisis management and environmental protection, to promote company-wide dialog and to disseminate best practices throughout the Group. The Global EHSQ Days thus also underlined BASF's commitment to transparency, continuous learning, persistent improvement and an open safety culture. The focus of the process safety area was on the concept of Inherently Safer Design (ISD) – a central principle that aims to systematically avoid potential hazards already during the design process instead of controlling them retrospectively through technical or organizational protective measures.

In order to maintain a mutual exchange with their teams on topics related to process safety, leaders have various options, including short discussions on selected process safety topics or the presentation of incident investigations. 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 a continuous contribution to improving process safety worldwide.

In the event of incidents, such as 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 may vary in scope and participation depending on the scenario. Depending on the situation, external stakeholders such as business partners, municipal institutions or neighboring companies are also involved, both in drills and in the event of an emergency. Additional expert teams (working groups) may be called in for emergencies, depending on the development of the damage extent. In the event of a global crisis situation, the Global Crisis Management Support Team (GCMS), led by a member of the Board of Executive Directors, is activated. It defines the strategic direction for crisis management and is supported by topic-specific and specialist working groups. The effectiveness and quality of the actions are continuously improved and reviewed through established control mechanisms such as incident investigations, as well as through systematic learning from incidents and Responsible Care audits. At the Ludwigshafen site, BASF began construction of a new Emergency Response Center (ERC) in 2025. Following completion, which is planned for 2028, employees from the site fire department, environmental monitoring and site security units as well as the fully integrated control center will work there.

[1] Includes BASF employees, agency workers and contractors

Transportation safety

We use a range of tools to minimize transportation 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, in the area of ship safety inspection, the templates issued by the Chemical Distribution Institute (CDI) and the Oil Companies International Marine Forum (OCIMF). 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.

Actions in the value chain

We are committed to minimizing the impacts of emissions to air and 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.

Upstream value chain

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 evaluated in respect of serious sustainability risks, with suitable remedial measures instigated where necessary (see page 269 and 273). In shared initiatives with suppliers and other partners, we also develop and test approaches to making the supply of raw materials more sustainable.

We are constantly working to switch to more sustainable raw material alternatives and to reduce the resources consumed in the manufacturing of our products, for example through 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.

Downstream value chain

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 157). 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.

» 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 more sustainable agriculture. Misuse of our 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 through the use of digital tools and innovative technologies. Alongside aspects such as efficacy and productivity, this also includes safe use by our customers and impacts 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 hotlines 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 may 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 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® (OCS) to prevent waste from plastic production from entering water bodies. For example, all of BASF's European production sites for polystyrene, expandable polystyrene, polyurethane, thermoplastic polyurethanes, engineering plastics, polyamides and specialty polymers are now certified by independent third parties according to the OCS European standard. 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 32 onward), we see effective levers in terms of environmental protection in general. These include our climate protection targets to reduce greenhouse gas emissions, our target of closing loops, our TripleS-related 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. Since 2025, the environmental impacts from process safety incidents have been systematically recorded in a global database – as was already the case in the past for transportation incidents. In 2025, we had one process safety incident with significant impacts on the environment and no transportation incidents with significant impacts on the environment (2024: none).[2]

BASF does not have a specific reduction target for emissions to air (excluding greenhouse gases) and water in the topic Pollution Prevention. Relevant indicators are monitored and published on a regular basis (see Metrics section from page 209 onward). The ways in which we track the effectiveness of our policies is discussed in the Strategy and governance section from page 200 onward.

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

[2] Our methodology for assessing environmental impact is based on chemical-specific standards. It includes criteria such as the amount of substance released into the environment and the actual environmental impact observed.

Metrics

Emissions to air and water

E2-4

Emissions to air (excluding GHG)[a]

Pollutant

In kg per year	2025	2024
Carbon monoxide (CO)	2,003,743	1,841,646
Ammonia (NH_3)	1,787,900	1,894,780
Non-methane volatile organic compounds (NMVOCs)	2,456,845	2,622,097
Nitrogen oxides (NO_x/NO_2)	7,715,633	7,793,697[b]
Sulfur oxides (SO_x/SO_2)	905,959	905,966
Hydrochlorofluorocarbons (HCFCs)	12,670	15,667
Chlorofluorocarbons (CFCs)	–	181
Halons	–	198
Arsenic and compounds (as As)	61	53
Cadmium and compounds (as Cd)	21	20
Chromium and compounds (as Cr)	259	123
Mercury and compounds (as Hg)	20	20
Nickel and compounds (as Ni)	798	680
Zinc and compounds (as Zn)	560	835
1,2-Dichloroethane (EDC)	2,006	1,867
Dichloromethane (DCM)	16,595	11,730
PCDD + PCDF (dioxins + furans) (as Teq)	0.002	0.003[b]
Tetrachloromethane (TCM)	1,039	1,025
Trichlorobenzenes (TCBs) (all isomers)	2,799	2,604
Trichloromethane	5,534	5,625
Benzene	13,674	15,425[b]
Ethylene oxide	3,565	3,846
Naphthalene	16,024	14,564
Chlorine and inorganic compounds (as HCl)	113,847	134,044
Hydrogen cyanide (HCN)	2,274	3,163
Particulate matter (PM_{10})	832,095	785,785[b]

[a] The table contains only consolidated values for emissions to air that exceed the threshold values in Annex II of Regulation (EC) No 166/2006.
[b] The comparative figure for 2024 has been adjusted to reflect updated data.

Emissions to water[a]

Pollutant In kg per year	2025	2024
Total nitrogen	2,085,556	1,875,809
Total phosphorus	144,943	172,297
Arsenic and compounds (as As)	423	483
Cadmium and compounds (as Cd)	34	45
Chromium and compounds (as Cr)	508	326
Copper and compounds (as Cu)	1,329	2,212
Nickel and compounds (as Ni)	2,051	1,812
Lead and compounds (as Pb)	–	34
Zinc and compounds (as Zn)	6,265	7,322
Halogenated organic compounds (as AOX)	28,402	37,452
PCDD + PCDF (dioxins + furans) (as Teq)	0.01	0.03
Pentachlorophenol (PCP)	–	1
Trichloromethane	721	–
Nonylphenol and nonylphenol ethoxylates (NP/NPEs)	263	280
Ethylene oxide	–	90
Naphthalene	35	–
Organotin compounds (as total Sn)	294	–
Phenols (as total C)	5,739	4,698
Polycyclic aromatic hydrocarbons (PAHs)	88	–
Total organic carbon (TOC) (as total C or COD/3)	2,948,482	3,485,782
Chlorides (as total Cl)	314,265,963	243,528,382
Cyanides (as total CN)	6,034	4,399
Fluorides (as total F)	133,291	140,374
Octylphenols and octylphenol ethoxylates	58	89

[a] The table contains only consolidated values for emissions to water that exceed the threshold values in Annex II of Regulation (EC) No 166/2006.

The emissions figures presented are based on data from over 200 production sites. The reported emissions vary due to site-specific factors, including production volumes, scheduled plant shutdowns, startup and shutdown processes as well as the acquisition and sale of assets. The application of the threshold values according to Annex II of Regulation (EC) No 166/2006 means that minor emission levels are not included in the overall total. Therefore, emissions may be reportable in one year and not in the following year due to annual fluctuations. In 2025, the total emissions to air remained almost unchanged compared to 2024. The total emissions to water increased compared to 2024. The largest change concerns chloride emissions and is primarily attributable to a technical measure implemented at one of our sites.

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 149 onward in our (Consolidated) 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. They can also be found in 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 and products as part of our product safety management systems (see also page 204).

We work continuously on ensuring our products – including those that may contain substances of concern or very high concern – pose no risk to humans and the environment when they are used responsibly and in the manner intended. Thorough safety and risk assessment enables us to serve markets with innovative and more sustainable products that meet regulatory requirements while still responding to changing regulatory frameworks, increasing sustainability requirements, and market and customer needs.

We aim to comply with all relevant national and international regulations and laws. 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 (see also page 204), which we provide to our customers in around 40 languages. 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 worldwide, 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 service providers (see page 207). 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 substances or products containing 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. The list of restricted substances with hazardous properties is continuously growing. 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 more sustainable portfolio. A potential material risk for value chains, which would affect the whole industry and not specifically 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 2025 are listed 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 in the tables below correspond to the tonnages introduced per hazard class. As individual substances can be assigned to several hazard classes and are therefore recorded several times, it is not possible to derive a reliable total tonnage for all substances of concern or of very high concern introduced into the downstream value chain.

Information on substances of concern (SoC) introduced into the downstream value chain that are classified in one of the following hazard classes or hazard categories in Part 3 of Annex VI of Regulation (EC) No 1272/2008 (CLP Regulation)

Main hazard class[a]	Total volumes (aggregated)	
Metric tons per year	2025	2024
Carcinogenity (Carc. 1; Carc. 2)	4.9	4.2
Germ cell mutagenicity (Muta. 1; Muta. 2)	2.2	2.1
Reproductive toxicity (Repr. 1; Repr. 2)	0.7	0.7
Respiratory sensitization (Resp. Sens. 1)	2.6	2.0
Skin sensitization (Skin sens. 1)	3.7	2.8
Hazardous to the aquatic environment, long-term hazard (Aquatic Chronic 1; Aquatic Chronic 2; Aquatic Chronic 3; Aquatic Chronic 4)	1.3	0.8
Damages the ozone layer (Ozone 1)	<1 kt	<1 kt
Specific target organ toxicity, repeated exposure (STOT RE 1; STOT RE 2)	3.4	3.4
Specific target organ toxicity, single exposure (STOT SE 1; STOT SE 2)	0.6	0.6

[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. The table only contains consolidated values for totals per main hazard class where the main hazard class is a fully implemented component of the CLP Regulation and total volumes greater than 0 metric tons per year have occurred.

Information on substances of very high concern (SVHC) introduced into the downstream value chain 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 volumes (aggregated)	
Metric tons per year	2025	2024
Carcinogenicity (Carc 1A; Carc 1B) (Article 57a)	0.3	0.3
Germ cell mutagenicity (Muta 1A; Muta 1B) (Article 57b)	0.2	0.2
Reproductive toxicity (Repr.1A; Repr. 1B) (Article 57c)	0.1	0.1
Persistent, bioaccumulative and toxic (PBT) Article (57d)	<1 kt	<1 kt
Very persistent and very bioaccumulative (vPvB) (Article 57e)	<5 kt	<5 kt
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).	0.1	0.1

[a] Where components in a product/material are assigned to more than one main hazard class or nominated for the candidate list, the volume of components in each hazard class will be included, respectively.

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. For this reason, 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. On the one hand, we aim to use water as sparingly and efficiently as possible. On the other hand, 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 201).

ESRS 2 IRO-1

As part of our double materiality assessment (see page 163), the topic Water was identified as material. The assessment identified one material impact on water as a resource (see table Results of the double materiality assessment).

Results of the double materiality assessment for E3 Water: Impacts

Impact	Evaluation	Position in the value chain	Description
Limited availability due to water withdrawal and consumption	Negative	BASF's own operations; upstream and downstream value chain	Our activities impact water availability through water withdrawal in our own production, as well as water withdrawal and consumption along the entire value chain – particularly in water stress areas.

The impairment of water quality through regular emissions to water is covered in the chapter E2 Pollution Prevention (see page 199).

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 90 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 withdrawal 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 want to better understand our impact on the environment and include 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 community advisory panels where concerns about environmental impacts, such as water availability and quality, can be voiced (see also page 280). In the Civil Society Forum, founded in 2024, we exchange ideas with representatives of the civil society and trade union spectrum (for more information, see page 160). Among others, cases from the area of water use have also been discussed there. In addition, we rely on dialog forums and advisory councils, 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 160).

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

Strategy and governance

E3-1

General information on our overarching policies can be found in the General Disclosures chapter of the (Consolidated) Sustainability Statement (from page 150 onward). These include, among other things, our Responsible Care Management System and, as part of this, our global standards in terms of environmental protection. BASF's Position on Water Protection, our risk-based sustainability management for procurement and the Supplier Code of Conduct can also be found there. The specific aspects of these policies are explained in the following section.

Water protection in our production

We aim to reduce negative impacts on water availability that may be caused by water withdrawal for our own production. This requires a holistic approach and continuous control. Our water consumption is low compared with the total water volume sourced (see information on Water balance on page 219) and therefore not a material topic for BASF in terms of the double materiality assessment.

We have established Group-wide management and control systems for our own production. BASF is involved in the International Council of Chemical Associations' (ICCA) global Responsible Care® initiative. The responsible use of water as a resource is a core element of our Responsible Care Management System (see page 201), which is based on the eponymous initiative. It is also 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 since 2011 has been our water target "Introduction of sustainable water management" (see page 218 onward). We reviewed our target in 2024 as part of the introduction of the "Winning Ways" strategy and assessed it as important for the implementation of 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. We focus on our Verbund sites as well as on production sites in water stress areas.[1] Here, 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 and of which we are a member.

[1] We define water stress areas as regions in which more than 40% of the 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.

Our global standards and guidelines relating to water are defined in the Group-wide requirement Corporate Requirement Environmental Protection (for more information, for example on implementation, compliance and monitoring, see page 201 onward). These also include aspects of water management such as water use, water treatment and protection against pollution. 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.

When developing our business strategies, we also consider the resilience of our business models (for more information, see Double Materiality Assessment from page 165 onward).

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 172 onward and details of our climate resilience measures in the area of water on page 216).

Water protection in the value chain

We are also aware of and want to mitigate the negative impacts of water withdrawal and consumption on water availability in the upstream and downstream value chains.

Upstream value chain

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 (see page 267). In the event of specific incidents in this context, our management processes come into effect (see page 269 and 273). We have set out our expectations of suppliers in the globally valid Supplier Code of Conduct (see page 267), which also includes the responsible use of water as a resource. When selecting suppliers and evaluating supplier relationships, alongside economic criteria ESG standards are especially important. We expect our suppliers to minimize impacts on water scarcity. We arrange for third parties to evaluate suppliers with a high sustainability risk. Supplier evaluation is mainly performed as part of the chemical industry's Together for Sustainability (TfS) initiative (see page 269). 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 the use of water.

Downstream value chain

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 (Sustainable Solution Steering), see page 157 onward). We offer our customers solutions that help purify water and use it more efficiently.

We report transparently and comprehensively on how we use water. For example, in 2025, we again participated in the program established by the nonprofit organization CDP for reporting on data relevant to climate protection with regard to 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.

Actions

E3-2

Our actions for the responsible use of water as a resource are often decentralized activities, projects and initiatives. 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. This goes hand in hand with the BASF approach to sustainability steering (see also page 150). For this reason, we have not defined an action plan with central resource allocation for the topic Water.

Actions in our own production

An important part of our Responsible Care Management System 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.

Through our focus on operational excellence (see also page 185), we continuously design our plants and processes to be more efficient and resource-saving. This creates direct incentives for investments in efficiency projects.

Corresponding projects address all levels of the mitigation hierarchy: prevent, reduce, recover 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 and increased water reuse. Depending on the further use of the water (from cooling or production processes), varying levels of treatment may be required, for example using membrane filtration. When water is reused for cooling processes, it is often cooled through evaporation in recooling plants before being used again. 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. Multimodal transportation concepts with combined transportation methods increase the efficiency of transportation.

Process optimizations such as the use of modified valves or the recycling of low-temperature cooling water at the General Lagos site in Argentina for example are leading to water savings. 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. In 2025, the first phase of the test operation for reusage took place.

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 the 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.

Production sites located in water stress areas are included in our target of Introducing sustainable water management (for more information, see page 218 onward). This also includes the implementation of actions for improvement.

Actions in the value chain

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

Upstream value chain

We monitor supplier compliance with environmental standards in the upstream value chain worldwide as part of our regular supplier evaluations (see page 269). If there is a need for improvement, we support suppliers in developing and implementing appropriate measures. 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 more efficient water use with regard to more sustainable farming of castor beans in India (see page 271).

Another example is our effort with regard to lithium sourcing. Together with BMW, Mercedes-Benz, Fairphone, Daimler Truck and Volkswagen, we were involved in the Responsible Lithium Partnership initiative from 2021 onwards. This initiative, which concluded in spring 2025, promoted the responsible use of natural resources in the Salar de Atacama 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 Anchorage and the University of Massachusetts Amherst to examine the hydrological conditions in the Salar de Atacama. The results of this study were incorporated as an important component of the Responsible Lithium Partnership initiative's work.

Downstream value chain

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

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 157). Part of the evaluation process is also water protection. For example, more efficient water use in production, new approaches to water treatment or lower water consumption are relevant here.

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

Agriculture is one of the highest water-consuming industries worldwide. For this reason, we develop innovative solutions for efficient water use. We work closely together with our partners to counteract increasing water scarcity.

For example, together with the International Rice Research Institute (IRRI), a research organization headquartered in the Philippines, we were able to identify water-saving practices in rice cultivation as part of the Global Carbon Field Trial Program, which was launched in 2024. The results, published in September 2025, show that direct seeding of rice instead of conventional wet rice cultivation in flooded rice fields can reduce water consumption without affecting yields. Alternate wetting & drying, as well as improved straw management for soil protection, also had a positive effect.

In the field of seed, we enable more efficient water use, for example through vegetable varieties designed for hydroponic cultivation systems. In these high-tech cultivation systems, recycling and targeted management ensure that water is used much more sparingly than in traditional outdoor cultivation.

In addition, our crop protection products support modern and precise application technologies that can help farmers significantly reduce water consumption. Digital applications provide farmers with individual recommendations for optimizing the cultivation of their crops – for example through location-specific control – and thus also contribute to water conservation.

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 214) at our Verbund sites and at all production sites in water stress areas[2] by 2030, covering around 90% of BASF's total water withdrawal. Water stress areas are identified based on the latest data on water stress areas in line with the World Resources Institute's Water Risk Atlas.[2]

In 2025, we achieved 73% of our target[3] (2024: 65%).[4] Sustainable water management was introduced at eleven additional sites (2024: eight 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.

[2] We define water stress areas as regions in which more than 40% of the 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 takes 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.
[3] Our water target is not subject to any legally binding requirements.
[4] The "Introduction of sustainable water management" water target was adopted in 2011. No site had introduced sustainable water management in the base year 2010. The target has been adjusted several times; it is not possible to adapt the comparative information for earlier periods. The number of sites relevant to the water target is reevaluated each year, so the current year corresponds to the reference year.

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. Here, we look at water availability, water quality and the impact of our water use 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 267), which, among other things, covers the areas of Responsible Care® initiative including the responsible use of water as a resource. We want to drive sustainability in the supply chain in a targeted manner and are therefore focusing on suppliers with an increased sustainability risk (for additional information, see page 34). For the downstream value chain, we use the TripleS method to aim at reducing the environmental footprint of our products, also taking into account criteria for water protection (for more information, see page 157).

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

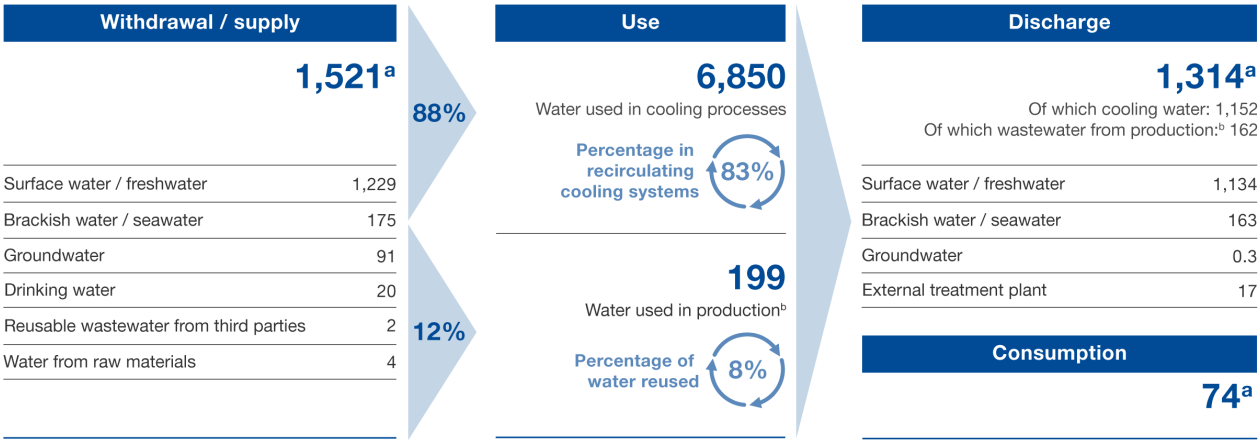
We discuss the sustainability topics that are material for BASF at regular meetings with external stakeholders as part of our strategic stakeholder engagement as well as in meetings with investors. Through this, the expectations of our stakeholders are continuously taken into account when setting potential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

Metrics

E3-4

Water balance of the BASF Group in 2025

Million cubic meters per year



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

Our **water withdrawal** in 2025 amounted to 1,521 million cubic meters (2024: 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.

[5] The AWS Standard (for more information, see a4ws.org) aims for the following outcomes: good water governance, sustainable water balance, good water quality, important conservation sites, and secure access to water and sanitation.

Water use in 2025 totaled 7,050 million cubic meters (2024: 7,102 million cubic meters). The total volume of recycled and reused water in 2025 amounted to 5,714 million cubic meters (2024: 5,734 million cubic meters).

We predominantly use water for cooling purposes (88% of total water withdrawal), after which we discharge it back to our supply sources with no product contact. We reduce our water withdrawal for cooling purposes mainly by using recooling plants. Around 12% of our total water withdrawal 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 2025 amounted to around 74 million cubic meters (2024: 76 million cubic meters).

In 2025, around 33% of our production sites were located in water stress areas.[6] These sites accounted for 19 million cubic meters (2024: 19 million cubic meters), representing 1% of BASF's total water withdrawal. Water consumption at these sites amounted to 8 million cubic meters (2024: 9 million cubic meters).

Production sites located in areas affected by high or extremely high overall water risk[6] (23% of our sites in 2025) accounted for 14 million cubic meters (2024: 13 million cubic meters), representing 1% of BASF's total water withdrawal. Their water consumption in 2025 amounted to 6 million cubic meters (2024: 6 million cubic meters).

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 (Consolidated) Sustainability Statement from page 149 onward.

Based on net revenue (in million €) and water consumption (in cubic meters), water intensity in 2025 amounted to 1,170 cubic meters per million €[7] net revenue (2024: 1,171 cubic meters per million € net revenue).

[6] Sites with high or extremely high water stress and/or overall water risk were determined based on the Water Risk Atlas (Aqueduct 4.0) published by the World Resources Institute.

[7] For parameters related to the intensity of, for example, water consumption per sales, comparable BASF Group sales including the discontinued coatings business are taken into account. See also the explanation in the General Disclosures chapter on page 148. BASF Group sales excluding the discontinued coatings business are presented in the report on the Results of Operations (see page 48); for the sales revenue of the discontinued coatings business, see Note 3 to the Consolidated Financial Statements on page 323.

E4 Biodiversity and Ecosystems

ESRS E4

Biodiversity is the foundation for functioning ecosystems and is under significant pressure. 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

In our double materiality assessment, the topic Biodiversity and Ecosystems was defined as material (see page 163). In our assessment, we drew on three sources of information, in particular:

- Assessments of various stakeholders and external experts
- Assessments by BASF expert units and from specialist literature
- Analysis of digital sources using big data and AI tools, such as the World Wide Fund for Nature's (WWF) Biodiversity Risk Filter (BRF)

Our key stakeholder groups include investors, customers, legislators, suppliers, insurers, competitors and various civil society actors such as 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) or at the World Business Council for Sustainable Development (WBCSD), to expand our knowledge, raise awareness about biodiversity and drive necessary actions forward.

Since 2023, our Nature Advisory Council (NAC) has been a dedicated BASF advisory board for topics related to the protection of biodiversity and ecosystems (see page 160). The NAC supports us in obtaining an independent societal perspective on our activities in relation to nature and biodiversity topics.

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 280).

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 sites
- Attributes of our products

In order to better categorize and understand the impact of BASF on nature at our production sites, in their immediate surroundings and along 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[1]): land use change, pollution, climate change, overexploitation of resources, and invasive species. We also followed this logic in our double materiality assessment (see page 163).

[1] 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.

The following topics are dealt with in separate chapters: climate change in E1 Climate Change (from page 172 onward), environmental pollution in E2 Pollution Prevention (from page 199 onward), use of water as a resource in E3 Water (from page 213 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 land use and the impacts of our business activities on land, as well as the condition of the natural environment in proximity to our relevant sites and in relevant value chains (see below).

No material impacts were identified with regard to desertification and soil sealing.

Our double materiality assessment identified four material impacts on biodiversity and ecosystems as well as one associated material risk for BASF (see tables below). We systematically record opportunities and risks as part of our general opportunity and risk management (for additional information, see page 90 onward).

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

Impact	Evaluation	Position in the value chain	Description
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.
Contribution of production sites to global drivers of biodiversity loss	Negative	BASF's own operations	BASF production sites can have a negative impact on biodiversity and ecosystems through their contribution to climate change, land use, pollution and resource consumption.
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 could result in a reduction of 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	Changes in the law and other regulatory developments related to how chemicals may actually or are likely to affect the state of species, affect our opportunities to market BASF products.

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 32) that also impact our business models and our strategy as well as how they interface with nature, biodiversity and ecosystems.

- We want to continuously improve the efficiency of our resource use and make an increasing contribution to the circular economy (see page 237).
- We aim to use more biomass as a raw material in the upstream value chain and in our production, and to increasingly cover our energy needs from renewable sources.
- We steer our product portfolio with regard to the product-related contributions to improved sustainability (TripleS: Sustainable Solution Steering, see page 157).

These areas of transformation are also relevant to many of our stakeholders (see page 159).

In 2025, we assessed the resilience of our business models generally (see page 165) as well as specifically for the area of biodiversity and ecosystems. The resilience assessment, which is relevant to this topic, considered in particular material impacts, risks and opportunities for BASF, dependencies on ecosystem services (raw materials, energy and water) and stakeholder requirements. The assessment was conducted by our biodiversity expert group under the basic assumption of a predominant continuity concerning our current raw material base and considered short, medium and long-term developments. In this way, we want to contribute to a future-oriented sustainability strategy. Resilience was discussed with the internal Biodiversity Sounding Panel in 2025. This committee consists of representatives from BASF's Corporate Sustainability and Corporate Environmental Protection, Health, Safety & Quality units and aims to coordinate BASF's approach to the topic Biodiversity and impact on nature. Elements of the resilience analysis were also discussed in the Nature Advisory Council in order to validate them externally. This included, for example, our handling of renewable raw materials. In addition, stakeholder views were incorporated into our resilience analysis using big data analyses and experts from the operating divisions.

The core of our business model is the production of chemical products from raw materials that are largely based on hydrocarbons and organic feedstocks. We are continuously working to further improve the efficiency of our production processes (see page 185). We also align our product portfolio with sustainability aspects in a continuous process using the TripleS method, among others. We measure the progress of this alignment on the basis of a specific target (see page 157).

The raw materials we use are largely of fossil origin, including, for example, gas and crude oil-based petrochemical raw materials such as naphtha and benzene. The proportion of renewable raw materials is significantly lower (see page 238). We consider the biodiversity and ecosystem risks associated with the sourcing of fossil raw materials to be low. This conclusion was based on analyses using the WWF's Biodiversity Risk Filter (BRF) (see page 226), an internationally recognized and science-based platform. For BASF, the BRF analysis identifies water as the most important dependency in terms of ecosystem services. In contrast, the supply of fossil raw materials is not a risk identified here. We therefore rate the resilience of our raw material supply with regard to procurement risks in the area of biodiversity and ecosystems as high.

Renewable raw materials are more dependent on ecosystem services (water, pollinators, soil, climate). BASF's sourcing of raw materials is diversified geographically (e.g., Europe and Asia Pacific), through different suppliers and through different raw material categories such as palm oil and European biomethane. Because we do not see any accumulation of risks for renewable raw materials, which account for well under 10% of our raw material base, there are no critical dependencies.

Our energy supply is dominated by fossil fuels, but is increasingly being completed by renewable energies (see page 183). We try to mitigate risks related to biodiversity through investments and diversification of our suppliers and our energy supply.

Although water is an increasingly scarce resource globally, it is not rated as a critical resilience factor due to high recycling rates (see page 219) and sustainable water management by BASF (see page 214).

BASF is broadly positioned in many markets, which increases our resilience. In the field of agriculture, we see a high level of resilience also in future as product demand continues to grow due to basic needs, climate adaptation and regulatory developments.

A material risk for BASF is regulation: New regulations due to actual or anticipated impacts of our products on nature may affect market approval. However, thanks to our track record in a complex regulatory environment, we are well positioned.

Overall, our business model shows high resilience to biodiversity-related risks, due to diversification of markets, raw materials and suppliers, proactive raw material management and the strategic steering of our product portfolio regarding sustainability.

E4-2

Our governance approaches and our policies for the topic Biodiversity and Ecosystems are based on three internationally recognized reference points:

- The five drivers of biodiversity loss as defined by IPBES (see page 221)
- 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)

General information on our overarching policies can be found in the General Disclosures chapter of the (Consolidated) Sustainability Statement (from page 150 onward). These include the Supplier Code of Conduct, BASF's Position on Forest Protection, the Responsible Care Management System and, as part of this, our global standards for environmental protection. Also included are the procurement requirement, our principles for responsible sourcing of renewable raw materials and the BASF Palm Sourcing Policy. The specific aspects of these policies are explained in the following section.

Negative impact: Land use through the sourcing of raw materials

ESRS 2 SBM-3

The use of renewable raw materials can reduce the carbon footprint of our products, but it poses risks to biodiversity and ecosystems, for example through monocultures or deforestation. For this reason, we take environmental and social aspects into account in our risk analyses (e.g., working conditions and food security), rely on certified standards such as International Sustainability and Carbon Certification (ISCC) or Roundtable on Sustainable Palm Oil (RSPO), perform life cycle analyses and seek dialog with stakeholders in order to identify conflicting goals and act responsibly.

By sourcing raw materials from extractive processes such as mining, we influence land degradation and ecosystems, for example through soil erosion, biodiversity loss and water pollution. Our procurement requirement obliges suppliers to comply with environmental and social standards (see page 225); through circular economy, recycling projects such as lithium-ion batteries and the Verbund concept (see page 155), we reduce the need for raw material extraction and use resources efficiently.

The Care Chemicals division publishes the Responsible Sourcing Report (formerly: Palm Sourcing Report) every year. The report documents actions and progress to promote sustainability and transparency in the palm value chain. Since 2023, it has also covered additional renewable raw materials.

Policies regarding the sourcing of renewable raw materials

E4-2

Our Procurement organization has set out requirements for our upstream value chain in a global, risk-based management system. We have defined the relevant standards for this in a global procurement requirement (see page 267). The requirement includes a risk assessment of our suppliers, which also examines their sustainability performance. The aim here, among other things, is to counter the negative impacts on the environment caused by the sourcing of renewable raw materials. We expect our suppliers to comply with internationally recognized environmental standards. Our expectations are laid down in our Supplier Code of Conduct (see page 267), which is integrated into our purchasing conditions. The Code of Conduct covers among other topics our expectations with regard to environmental, labor and social standards as well as the protection of biodiversity. In 2024, we added principles for the responsible sourcing of renewable raw materials to our procurement requirement, with the aim of halting or reversing the loss of biodiversity. We monitor compliance with these principles by means of concrete actions for the respective renewable raw materials, which are explained from page 228 onward.

Palm oil and palm kernel oil are among our most important renewable raw materials, which we use primarily for ingredients in cosmetics, detergents, cleaning products and food products. In addition to the Supplier Code of Conduct, the global BASF Palm Sourcing Policy specifies BASF's requirements for suppliers. These include the protection of forests and ecosystems, traceability, the protection of Indigenous rights and the inclusion of smallholder structures.

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 underscores our responsibility to conserve biodiversity-relevant areas such as carbon-rich forests and peatlands. Implementation is performed via unit-specific risk management systems, supported by minimum standards of the Corporate Center and audits by the Corporate Audit unit. Investment decisions take forest protection into account. In 2025, the position was updated to include the EU Deforestation Regulation (EUDR). BASF again achieved leadership status in the CDP assessment for forests (A rating) in 2025.

Influence of production sites on biodiversity loss

ESRS 2 SBM-3

About 20% of our around 1,200 sites worldwide are production plants. These contribute to the pressure on biodiversity and ecosystems through various effects, although direct causalities per site are usually difficult to establish. However, we record several metrics in our environmental database that are indicative of our contributions, such as emissions. In addition, our land use is documented by our Real Estate Management in terms of land occupation. This data forms the basis for monitoring the impact of our production sites on nature and supporting possible improvements.

We consider the influence of our sites on biodiversity and ecosystems based on effects that we link to the drivers of biodiversity loss as defined by IPBES (see page 221). This analysis assigns environmental parameters recorded in our environmental database as well as data on land use to the individual drivers of biodiversity loss and enables a comparative consideration of the production site portfolio. The driver of invasive species is not taken into account, as we do not consider this relevant for BASF. Therefore, the land use and land occupation of our production sites (indicative of land use), emissions such as eutrophication and acidification (indicative of environmental pollution), the extraction and consumption of water (indicative of overexploitation of natural resources), and site-specific greenhouse gas equivalents (climate change) were specifically considered.

In addition, our production sites were analyzed with regard to their impacts and dependencies on the basis of 33 indicators using the WWF's Biodiversity Risk Filter (BRF), an internationally recognized and science-based platform. The BRF assessment indicated that BASF's greatest dependency lies in the topic Water, both in terms of the quality and availability 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 actively addresses these three dependencies as part of its site management. The BRF analysis identified pollution as the greatest potential impact of BASF at our sites. However, this figure was considerably lower than the BRF estimate for the chemical sector overall. BASF systematically addresses the risk of environmental pollution. Strategies and actions are explained in E2 Pollution Prevention (see page 199). The proximity of our sites to biodiversity-sensitive areas is described in the Metrics section (see page 231).

Policies regarding our production sites and their impact on biodiversity loss

E4-2

We are 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 achieve continuous improvement. We do not have dedicated policies for the protection of biodiversity in proximity to our sites, but instead rely on our comprehensive Responsible Care Management System. Alongside global requirements and health and safety standards (see page 201), this also covers environmental protection.

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

Land use is subject to a high level of control by internal mechanisms and requirements, by authorities and within the framework of registrations and approval procedures.

Potential negative impact: Crop protection products and their impact on biodiversity and land

ESRS 2 SBM-3

The intensive agricultural use of large areas – often using crop protection products – competes with the preservation of near-natural habitats. Farms play an important role here: They not only need to secure yields, but must also meet societal expectations and protect the environment and nature. Actions to promote biodiversity can help to reduce negative impacts and reconcile economic and environmental goals. BASF has been committed to more sustainable agriculture for over 20 years, for example in the BASF Farm Network. This network brings together farmers, environmental organizations, universities and companies to demonstrate how agriculture and nature conservation can coexist through practical projects. The aim is to promote biodiversity on agricultural land and to use water and soil more sustainably.

Improper use of crop protection products can harm people and the environment. We are therefore focusing our smart stewardship activities on comprehensive education and continuously improving our solutions for farmers. In addition to 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 subject to strict legal requirements worldwide. New active ingredients and cultivation systems are only approved by respective authorities if it has been comprehensively proven that they are harmless to humans, animals and the environment when used properly.

Positive impact: More sustainable intensification of farming

ESRS 2 SBM-3

Modern crop protection products make an important contribution to the more sustainable intensification of agriculture. They help to increase yields, reduce crop losses caused by pests and secure the global food supply. At the same time, they enable a more efficient use of resources such as water and fertilizers, which reduces the environmental impact. A more sustainable increase in food production on existing agricultural land can also reduce the pressure to expand agricultural land into adjacent natural areas and thus contribute to the protection of biodiversity.

The Agricultural Solutions division develops innovative solutions for sustainable agriculture – including climate-resistant seeds, biological and chemical pesticides and digital technologies for precise field management. The aim is to reduce CO_2 emissions per metric ton of crop yield and to expand digital applications to over 400 million hectares. These measures are part of a comprehensive strategy that combines productivity and resource conservation, for agriculture that is both economically and environmentally more sustainable.

Policies regarding the impacts of crop protection products and the more sustainable intensification of agriculture

E4-2

We endeavor to continuously minimize the negative impact of our products on safety, health and the environment and to continuously optimize our products. This commitment is based on the objectives set forth by the Responsible Care® initiative of the International Council of Chemical Associations (ICCA) and our own global environmental protection standards. For more information, see chapters E2 Pollution Prevention (see page 199) and E3 Water (see page 213). As with all BASF products, crop protection products are systematically documented and evaluated using the TripleS method. This method takes into account environmental, social and economic aspects throughout the entire life cycle of a product.

In the area of crop protection, we are also committed to international standards, including:

- The International Code of Conduct on Pesticide Management
- The Principles of Integrated Pest Management (IPM)

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.

Material risk: Regulatory requirements for chemicals

ESRS 2 SBM-3

The chemical industry is facing substantial risks due to changes to and development of regulatory requirements or approval conditions. These also affect the area of 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 to 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.

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 actions concerning the sourcing of certified palm-based raw materials

Further actions outlined in the following section often represent locally organized activities, projects and initiatives. They are not governed by a centrally managed action plan.

Actions in the topics Climate Change and Pollution are described in the chapters E1 Climate Change (from page 183 onward) and E2 Pollution Prevention (from page 205 onward). Our actions concerning the protection of water as a resource are also discussed separately in chapter E3 Water (from page 216 onward).

Sourcing of renewable raw materials

We are involved in various initiatives in our upstream value chain to manage the sourcing of renewable raw materials in a way that protects local biodiversity, for example palm-based raw materials. Due to the risk of deforestation during the extraction of these raw materials, we regularly monitor potential deforestation violations at our suppliers' sites with the Palmoil.io platform. We have been a member of the RSPO for more than 20 years and contribute to further national and international initiatives, such as the German Forum for Sustainable Palm Oil (FONAP) and the High Carbon Stock Approach (HCSA) organization.

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 supporting smallholder structures and sustainable production methods that help to protect local biodiversity. Since 2024, we have been working in partnership with the Indonesian nonprofit organization Kaleka in a local follow-up project 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.

Since 2023, BASF has been working with the NGO Solidaridad to promote sustainable palm oil production and improve the living conditions of smallholders in Indonesia and Malaysia. Since 2024, the focus has been on resilient production systems and integrative market access, including preparation for international standards and certifications. In addition, a partnership has been established with Solidaridad and Fedepalma to promote more sustainable palm oil production in Colombia through improved cultivation practices.

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 contract termination. In our decisions, we also take into account results from the RSPO's grievance mechanism.

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.

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

BASF sites and production plants

In the management of our sites and their plants, we aim to act as a good neighbor and strive toward conserving biodiversity and ecosystems and minimizing negative impacts on the environment. 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 of the Corporate Center.

We continuously optimize the production processes at our sites. This includes initiatives to improve energy efficiency (see page 185), reduce emissions to air and water and avoid waste (see pages 205, 216 and 237). We primarily rely on proactive actions and methods to protect biodiversity and only to a lesser degree on compensation measures. These are sometimes necessary, on account of conditions imposed by financial institutions and official bodies, for example.

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.

Impacts in our downstream value chain

In our corporate strategy, we focus on enabling our customers' efforts toward a green transformation with suitable BASF products. Today, we are already using alternative raw materials from renewable sources or recycling, for example, in selected value chains in order to add sustainability attributes to our products. To increase transparency regarding our product-specific greenhouse gas emissions and to implement our CO_2 reduction measures where they add the greatest value, we use a digital solution to calculate the carbon footprint of about 40,000 products on an ongoing basis (see page 188).

With TripleS, we have established a steering tool for our product portfolio based on the sustainability performance of our products (see page 157). 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 ensuring more productive and more efficient food production. An example of this are our free e-learning modules on biodiversity and agriculture. The interactive training is aimed at interested farmers and provides practical knowledge on the promotion of biodiversity in the field. We document participation in our training and development programs annually. In the 2025 business year, 228,904 people participated (2024: 199,427 people).

Global targets

E4-4

Our sustainability-related corporate targets (for additional information, see page 32 onward) also contribute to the protection of nature. These include our climate protection targets to reduce our greenhouse gas emissions (see page 189), our targets in the area of resource use and circular economy (see page 237) and our sustainable water management targets (see page 214).

BASF has not set a dedicated target for the topic Biodiversity and Ecosystems in general or specifically with regard to the impacts of our sites or our production activities. We are reviewing whether we can derive a separate target for the topic Biodiversity and Ecosystems, either from various approaches or as an overarching ambition.

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 from 2020 onward. We regard this target as a key indicator of whether our measures in the upstream value chain are successful. With 79.2% in 2025, we were unable to meet this target due to insufficient availability of RSPO-certified palm kernel oil (2024: 98.1%). The introduction of the EU Deforestation Regulation further exacerbates the situation, resulting in shortages of raw materials suitable for the European market. In 2025, we were able to trace about 98% of our global palm footprint[2] back to the oil mill (2024: 97%).

We remain committed to sourcing 100% certified sustainable palm oil and palm kernel oil to the extent that this is commercially available and possible. By 2030, we also want to source derivatives of palm oil and palm kernel oil as 100% certified (2025: 8.4%, 2024: 10.2%). RSPO certification remains our 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.

With regard to the impact of BASF's raw material sourcing, we are focusing on our strategic target of almost doubling sales with Loop Solutions to €10 billion by 2030 compared to the base year 2023 (see page 237). In doing so, 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.

As part of our Responsible Care Management System, for example, we review the effectiveness of our actions in terms of combating the impacts of our raw material sourcing. We assess our impacts in the downstream value chain using the TripleS method and the associated target in relation to products that have a positive impact on sustainability (see page 157). These Sustainable-Future Solutions also include products that have less impact on ecosystems during production, for example through the use of biomass or recycled raw materials. An example of this is surfactants made from certified, more sustainable palm oil and palm kernel oil, which are used in detergents, cleaning agents and dishwashing detergents.

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

We do not rely on compensation measures to reach the aforementioned targets. With our selected actions and targets, we focus on avoiding or reducing negative impacts pursuant to the mitigation hierarchy.

Metrics

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

BASF production sites use established and globally recognized biodiversity and nature conservation databases[3] to document the proximity to biodiversity-sensitive areas and assess possible direct negative impacts on these areas. For this purpose, a radius of three kilometers starting from the center of the site or its postal address is taken into account. A further development of this approach for particularly large sites is currently under development. The sites document their results in our environmental database (see page 149). In 2025, 29%[4] of our production sites[5] bordered a biodiversity-sensitive area, of which no sites reported negative impacts on such an area.

If a case with direct negative impacts on a biodiversity-sensitive area becomes known, we identify their cause. This could, for example, be a product leak, habitat destruction due to construction work or the feeding in of untreated wastewater. Once we have concluded our investigation, we review the actions planned or already implemented in order to reduce or mitigate any impacts on nature.

» 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

[3] BASF uses the EU-wide protected area networks Natura 2000, the UNESCO World Heritage Site, and the International Union for Conservation of Nature (IUCN), for example.
[4] The method for recording this metric was adjusted in the 2025 business year. As a result, the figure for 2025 can no longer be meaningfully compared with that of the previous year. We have therefore decided not to publish the previous year's figure.
[5] A radius of three kilometers around production sites was defined for the analysis of biodiversity-sensitive areas.

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 (see page 163), with five material impacts[1], one risk and one opportunity for BASF (see table below). The sourcing and use of fossil raw materials negatively impact the environment through emissions, land use and environmental pollution. Waste generated along the entire value chain cannot always be put to new use due to technical and other limitations. The disposal of this waste has a negative impact on the environment. Regulatory requirements concerning the recyclate content of products and their recyclability pose new challenges for BASF's product portfolio, but also open up new market opportunities for us.

ESRS 2 IRO-1

We use a Group-wide program to assess and develop new projects designed to promote the circular economy. We systematically record opportunities and risks as part of our general opportunity and risk management (for additional information, see page 90 onward). 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. Together with the World Business Council for Sustainable Development (WBCSD) and other companies, we developed a proposal for a global standard for circular processes (Global Circularity Protocol) across industries in 2025.

To discuss critical issues and, if needed, develop solutions together, we seek dialog with stakeholders. We are involved in numerous sustainability initiatives to advance sustainability both in general and in relation to our value chain. We are involved in networks, interest groups and associations in order to better understand, among other things, requirements, trends and growth opportunities, and to contribute to the development of standards. We cooperate with partners along the value chain, for example in the chemical industry's Together for Sustainability (TfS) initiative, and are involved in numerous networks such as the Ellen MacArthur Foundation, the WBCSD, the Global Battery Alliance and the Alliance to End Plastic Waste.

[1] Three impacts on the topic of waste were considered separately according to their position in the value chain, but in the following table they were meaningfully summarized in one entry.

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

Impact	Evaluation	Position 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 or renewable raw materials, for example through emissions, land use and environmental pollution.
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 incinerating fossil or renewable raw materials, for example through emissions, land use and environmental pollution.
Resource consumption through waste	Negative	BASF's own operations; upstream and downstream value chain	We negatively impact the planetary boundaries by the waste generated throughout our value chain through procurement, production, use and disposal.

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

Risks and opportunities	Evaluation	Description
Challenges due to new regulatory requirements	Negative	New regulatory requirements to protect the environment – especially in Europe, but increasingly also in other regions – are increasing the pressure on BASF's product portfolio, for example through recyclability requirements or mandatory recyclate content. This can present challenges for us in the sourcing of raw materials, for example due to higher costs and technical restrictions, which in turn can have a negative impact on BASF's business.
Growth through circular economy	Positive	New regulatory requirements and societal expectations regarding the circular economy – for example through mandatory recyclate content or recyclability – create potential market opportunities for BASF.

Successfully transforming to a circular economy requires a suitable framework. Uncertainties in the regulatory environment, the lack of availability of suitable raw materials based on waste and the current state of recycling technologies present challenges for BASF. At the same time, societal and market expectations as well as legal requirements regarding recycling and the circular economy are also creating new opportunities in the market for the distribution of our broad product portfolio.

Strategy and governance

E5-1

We are pursuing a holistic strategy to establish a circular economy and, at the same time, to reduce the environmental footprint of our business activities. Our strategy covers the entire value chain. General information on our overarching policies can be found in the General Disclosures chapter of the (Consolidated) Sustainability Statement (from page 150 onward). These include our procurement requirement and, as part of it, our risk-based sustainability management, our principles for the responsible sourcing of renewable raw materials, the BASF Palm Sourcing Policy, the Supplier Code of Conduct and our Responsible Care Management System. The specific aspects of these policies are explained in the following section.

We want to offer our customers innovative products and solutions to support 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.

Sourcing of fossil or renewable 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 (see page 267). The requirement includes a risk analysis of our suppliers, which also examines their sustainability performance. The aim here, among other things, is to counter the negative impacts on the environment caused by the sourcing of both fossil and renewable raw materials (see page 225). We expect our suppliers to comply with internationally recognized environmental standards. Our expectations are laid down in our Supplier Code of Conduct (see page 267), which is integrated into our purchasing conditions. The Code of Conduct includes, among other things, the protection of human rights, compliance with valid environmental regulations and the efficient use of resources.

The global procurement requirement is supplemented by our principles for the responsible sourcing of renewable raw materials (see page 225) as well as specific internal guidelines, for example on sourcing palm-based raw materials (see page 225) or certain mineral raw materials.

Use of fossil raw materials

Reducing the use of fossil raw materials is not part of our requirements. We are focusing on actions and on our circularity target to increasingly replace fossil raw materials with renewable or recycled raw materials. We pursue BASF's Verbund concept[2] (see page 155) to ensure the efficient use of raw materials.

Waste in the value chain

We rely on our procurement requirement 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. 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 Corporate Requirement Environmental Protection (see page 150). 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 and internal requirements.

Actions

E5-2

We aim to transition to a more circular economy to reduce emissions along the value chain. Our focus is on increasing the use of circular raw materials (both renewable and recycled), designing new material cycles and establishing new business models.

[2] The Verbund concept is not a BASF policy or requirement and therefore also not a policy as defined by the European Sustainability Reporting Standards (ESRS).

E5-5

We help to close and extend 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, in order to 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.

E5-2

As part of our strategic direction toward a circular economy, 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 raw materials, designing new material cycles and establishing new business models. The respective BASF business units will drive forward the implementation of these initiatives in the long term.

We rely primarily on the following actions:

- Responsible sourcing of renewable raw materials
- Use of the mass balance approach
- Partnerships to drive forward chemical recycling
- The steering of our product portfolio toward more sustainability through TripleS (see page 157)

Responsible sourcing of renewable raw materials

In line with our procurement requirement, our responsible sourcing of renewable raw materials takes the protection of biodiversity and ecosystems into account (see page 224). The aim here, among other things, is to counter the negative impacts on the environment caused by the sourcing of both fossil and renewable raw materials.

We are constantly working to switch to more sustainable raw material alternatives and to reduce the resources consumed in the manufacturing of our products, for example through more efficient processes and innovative technologies. In joint initiatives with suppliers and other partners, we develop and test long-term approaches for a more sustainable supply of raw materials, for example based on palm oil and palm kernel oil (see page 228).

Use of the mass balance approach

In addition, we continue to apply 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 renewable and chemically recycled sources, such as bionaphtha, biomethane and pyrolysis oil, into the Verbund long term at our production sites in Asia Pacific, Europe and North America. These alternatives are used in place of fossil feedstocks for our mass balance products. As fossil, renewable 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 REDcert[2] or the International Sustainability and Carbon Certification (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 manufactured products, but due to the alternative feedstocks used they contribute to more sustainability, for example, through fewer CO_2 emissions or lower demand for fossil raw materials. In 2025, we expanded our mass balance portfolio in many areas, for example to include Ccycled® food packaging and biomass balanced products for customers in the automotive, electronics, cleaning and textile industries.

Partnerships to drive forward chemical recycling

One focal point of our activities in the area of circular raw materials is the chemical recycling of plastics. 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 can be used as a raw material. 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, gasification or pyrolysis. As part of ChemCycling®, we feed pyrolysis oil into the BASF Verbund at our production sites in Asia Pacific, Europe and North America as a substitute for fossil feedstocks and manufacture Ccycled® products by applying the mass balance approach. Within the scope of a pilot project with cooperation partners, BASF successfully demonstrated in 2025 that complex vehicle waste such as automotive shredder residues (ASR) can be used as a material. Syngas and its derivatives were produced from ASR and biomass through gasification. In the production of feedstocks for new automotive steering wheels, BASF used the recycled raw material based on the mass balance principle, which made it possible to replace fossil raw materials. The project demonstrates that loops within the automotive industry can be closed.

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 fabric blends such as 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. BASF commissioned the world's first commercial loopamid® plant at its Caojing site in Shanghai, China, in March 2025.

E5-2

Steering our product portfolio

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, see page 157). 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 raw materials and closed-loop product cycles. The latter could further reduce waste along the entire value chain.

Waste management

We are committed to minimizing material consumption along our value chain. We expect our suppliers to comply with internationally recognized environmental standards. We support our suppliers in developing and implementing measures for improvement, for example in waste management. BASF's global network of experts shares information, experiences and best practices on an ongoing basis. Continuous monitoring, documentation and control of waste streams as well as the implementation of improvement measures are an integral part of our environmental management.

Through targeted waste management, which is set out in the Group-wide Corporate Requirement Environmental Protection, 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 (see page 155). If waste cannot be used within the Verbund structures, we assess whether it 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. At the Ludwigshafen site, we introduced a new digital system for commissioning waste disposal at the beginning of 2025. It simplifies correct classification of the waste generated at the site and the commissioning of disposal. If we use external waste disposal companies, we conduct 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.

Global targets

E5-3

We have set ourselves the target of ensuring that more than 50% of BASF's sales relevant to TripleS are attributable to Sustainable-Future Solutions by 2030 (see page 157). With these products, as well as through future products developed by research and development with circular design principles in mind, we are making a positive contribution to sustainability. We are aiming to reduce the negative impacts of the sourcing and use of fossil raw materials, for example, by using more recycled raw materials in such products and deploying circular solutions to make more efficient use of raw materials. This can also reduce the waste produced along the value chain. With this target, we aim to increase the proportion of our more sustainable products. 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 business-related, more sustainable steering of the product portfolio that companies could use as a basis for setting targets. For more information on the methodology behind this target, see the General Disclosures chapter of our (Consolidated) Sustainability Statement from page 157 onward.

In addition, we aim to generate sales of €10 billion from Loop Solutions by 2030. This target was adopted by the BASF Board of Executive Directors in 2024 on the basis of the TripleS method to strengthen the circular economy. 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 are grouped together as Loop Solutions. These are products that are based wholly or partly on renewable or recycled raw materials, 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. Regional legislation on the circular economy and the requirements set out therein, which we expect that our customers will have to meet, were also taken into account when setting the target. As part of the annual

review of the TripleS target, the products that contribute to the circular economy target are also analyzed. By doing so, we also measure and evaluate our development toward achieving our Loop Solutions target. Despite a challenging market environment, we see continuous progress in achieving our target (2025: €5.8 billion, 2024: €5.7 billion).

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 our two product-specific targets, we will enhance the sustainability of our raw material base in the direction of a more circular economy.

There are no plans to introduce a dedicated waste management target. Our focus is on the efficient use of raw materials in our plants. We are continuously increasing this efficiency thanks to our focused actions (see page 237) and hence are also reducing the volumes of waste generated during production.

Metrics

Resource inflows

E5-4

Petrochemical feedstocks derived from gas and crude oil such as naphtha and benzene are among BASF's most important raw materials by volume. We use liquid gas and natural gas as fuels to generate electricity 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 can be found in chapter E3 Water (from page 213 onward). Investments in property, plant and equipment such as the construction of new facilities or the expansion of capacities at existing production plants are of crucial importance to us as a chemical company. Information on these investments can be found in the chapter Material Investments and Portfolio Measures of the Management's Report (see page 36). 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 raw materials can be replaced with renewable or recyclate-based 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 or 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 235).

We document the volumes of raw materials that we source by determining and adding together their weights. Solids are weighed directly, while for liquids and gases, the volumes are measured and the weights then calculated using their density.

Overall, we purchased 30.1 million metric tons of raw materials in 2025, which we generally also use in the same year (2024: 30.4 million metric tons). Of this, renewable raw materials accounted for 1.1 million metric tons and were mainly based on vegetable oils, fats, grains and sugar (2024: 1.2 million metric tons).

Of the renewable raw materials purchased in 2025, 21% were certified (2024: 24%), among other things by the Roundtable on Sustainable Palm Oil (RSPO), REDcert-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 these are currently still missing.

We sourced 7.2 metric kilotons of recycled raw materials in 2025 (2024: 11.3 metric kilotons). This corresponds to 0.02% of our raw materials (2024: 0.04%). The figure includes pyrolysis oil, which is obtained using chemical recycling (see page 236).

The independent BASF Environmental Catalyst and Metal Solutions (ECMS) division offers customers circular solutions and comprehensive services in the fields of catalysis and precious metal trading and recycling. These are used in mobile emissions catalysts as well as in chemical catalysts. ECMS has many years of experience and a high degree of specialization in the recycling of precious metals such as platinum, palladium and rhodium. 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 the recycling of mineral raw materials. For example, our Battery Materials division is advancing innovative technologies and solutions for recovering metals such as lithium, nickel, cobalt and manganese from end-of-life lithium-ion batteries or production scrap. With the growing market for electric vehicles, the demand for recycling of lithium-ion batteries will increase. As a leading producer of battery materials with global production capacities, BASF has in-depth expertise in battery chemistry and process technology. We are utilizing these competencies to develop battery recycling as an additional growth market in cooperation with partners along the value chain. For example, in June 2025, we started operation of a battery recycling plant for the production of Black Mass at the Schwarzheide site.

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 through to agricultural solutions (see page 154). Our products are frequently used to manufacture durable, high-performance solutions such as electric motors for vehicles or insulation materials for the construction industry. We are making increasing use of alternative raw materials and processes in the manufacture of our products, to close material loops and reduce waste (see page 234). This includes in particular our Ccycled® products (see page 236). 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 and prolong their useful life. With the TripleS method, we create transparency with regard to the sustainability contribution of our product portfolio. The extent to which BASF products can be recycled depends crucially on the products into which they are further processed by our customers. In pilot projects, we were able to demonstrate the principle of recyclability, for example of our high-performance plastics.

BASF generated 2.18 million metric tons of waste in 2025 (2024: 2.18 million metric tons). As is normally the case in the chemical industry, this includes metals, plastic waste as well as reaction and distillation residues, among other things. In coherence with the concept of the circular economy, we are continuously examining recycling or thermal recovery options for all waste. In 2025, we were able to find new uses for 1.32 million metric tons of our waste (2024: 1.09 million metric tons). A further 0.86 million metric tons of our waste were disposed of (2024: 1.09 million metric tons). 1.65 million metric tons (2024: 1.70 million metric tons) of our waste could not be recycled. This corresponds to 75.7% (2024: 77.8%) of the total waste generated. We continuously identify and evaluate safe and environmentally sound disposal routes for nonrecyclable waste. The hazardous waste disposed of in landfill is mainly contaminated construction waste that cannot be recycled due to legal requirements. BASF classifies

waste before its disposal in line with the applicable legislation. The volume is determined by weighing or flow measurement at the disposal company. The data determined by weighing serves as the basis for the applicable treatment or disposal costs. 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 (Consolidated) Sustainability Statement from page 149 onward.

Waste generation in the BASF Group in 2025

	Hazardous waste		Nonhazardous waste	
In millions of metric tons	2025	2024	2025	2024
Recovery				
Recycled	0.15	0.16	0.37	0.32
Thermally recovered	0.68	0.47	0.12	0.14
Waste recovered	**0.83**	**0.63**	**0.49**	**0.46**
Disposal				
Through incineration (without energy recovery)	0.38	0.63	0.05	0.05
In surface landfills	0.12	0.09	0.17	0.18
Other	0.11	0.11	0.03	0.04
Waste disposed of	**0.61**	**0.83**	**0.25**	**0.26**
Total waste generated	**1.44**	**1.46**	**0.74**	**0.73**

EU Taxonomy

The EU taxonomy serves as an instrument within the framework of the EU Green Deal by providing a common classification system for sustainable economic activities.

In accordance with the EU Taxonomy Regulation and the supplementary delegated acts, the (Consolidated) Sustainability 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 2025, applying the new reporting tables from Delegated Regulation (EU) 2026/73.

The low coverage of BASF's activities in the EU taxonomy and the reporting criteria currently used, at present provide a picture of BASF's potential sustainability contribution that is only of limited informative value.

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 157).

To derive the aforementioned financial indicators, we analyzed our product portfolio from our main business 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
- 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 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 2025 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, and the treatment of hazardous waste as relevant with respect to the environmental objective of pollution prevention and control.

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

BASF does not report any taxonomy-eligible activities under the environmental objective of climate change adaptation. Firstly, in this way, we 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 excluding the discontinued coatings business, in line with the presentation in the Consolidated Financial Statements of the BASF Group (see page 334). When taking all six environmental objectives into account, our taxonomy-eligible sales revenue accounted for 12.7% of the total sales revenue in 2025. 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) including expenditures from the discontinued coatings business up to the date of signing the transaction agreement, accounted for 18.8% 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; operating expenditures are not disclosed in this form in our Consolidated Financial Statements. The discontinued coatings business was not included for 2025, in line with the procedure for sales revenue. 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 13.0% of the 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 12[3] to Commission Delegated Regulation (EU) 2026/73 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.
- 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 235) 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

[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

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 CO_2 emissions (see page 188). 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 Energy was taken into account, as was a study on greenhouse gas emissions in hydrogen production carried out by the German environmental agency (Umweltbundesamt, UBA). In addition, we reviewed whether the activity of manufacture of active pharmaceutical ingredients made a substantial contribution to the environmental objective of pollution prevention and control by comparing it with the activity-specific criteria of the products.

Finally, in the third step of the process, it was assessed whether the products identified caused 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 290), by global labor standards (see page 250), and by the BASF Supplier Code of Conduct (see page 267), among other things.

Taxonomy-aligned sales revenue accounted for 1.5% of the total sales revenue defined and reported in the BASF Group's Consolidated Financial Statements in 2025 (see page 334), with the greatest contribution coming from the manufacture of batteries (1.0%). Taxonomy-aligned capital expenditures (including acquisitions and excluding goodwill in accordance with the EU taxonomy) accounted for 0.5% of the total investments reported in the Consolidated Financial Statements. A substantial contribution of 0.3% was identified with respect to capital expenditures for the manufacture of organic basic chemicals (additions to property, plant and equipment). We also invested in the construction of a proton exchange membrane (PEM) water electrolyzer for the production of emission-free hydrogen, which was commissioned in 2025. Taxonomy-aligned operating expenditures accounted for 1.6% of the total operating expenditures, with the largest contribution coming from the economic activity of manufacture of batteries (0.9%). There were no substantial changes to our taxonomy-aligned sales revenues and

[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.

operating expenditures compared to the prior year. The decline in taxonomy-aligned capital expenditures is mainly due to lower investments in the manufacture of batteries.

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 CO_2 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. For the assessed economic activity of manufacture of active pharmaceutical ingredients, the focus of taxonomy alignment is on newly developed substances that constitute a suitable replacement for existing products that do not meet the criteria for biodegradability. This resulted in established active ingredients with multiple benefits for human health being assessed as not taxonomy-aligned.

For more information on sales revenues, see Note 7 to the Consolidated Financial Statements from page 334 onward. For more information on capital expenditures, see Note 14 to the Consolidated Financial Statements from page 354 onward.

EU Taxonomy indicators – 2025 summary

Financial year	2025				Breakdown by environmental objectives of Taxonomy-aligned activities										
KPI	Total	Proportion of Taxonomy-eligible activities	Taxonomy-aligned activities	Proportion of Taxonomy-aligned activities	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Proportion of enabling activities	Proportion of transitional activities	Not assessed activities considered non-material	Taxonomy-aligned activities in previous financial year (2024)	Proportion of Taxonomy-aligned activities in previous financial year (2024)
	Million €	In %	Million €	In %	In %	In %	In %	In %	In %	In %	In %	In %	In %	Million €	In %
Sales revenue[a]	59,657	12.7	905	1.5	1.5	–	–	–	–	–	1.1	0.4	0.8	753	1.2
Capex	4,684	18.8	22	0.5	0.5	–	–	–	–	–	0.1	0.3	4.9	244	3.7
Opex[a]	4,489	13.0	74	1.6	1.6	–	–	–	–	–	0.9	0.7	2.7	79	1.7

[a] In accordance with IFRS® Accounting Standards, the discontinued coatings business was not included in sales revenues and operating expenditures for 2025.

EU Taxonomy indicators – 2025 sales revenue[a]

Financial year	2025				Environmental objective of Taxonomy-aligned activities								
Economic Activities	Code	Proportion of Taxonomy-eligible sales revenue	Taxonomy-aligned sales revenue	Proportion of Taxonomy-aligned sales revenue	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Enabling activity	Transitional activity	Proportion of Taxonomy-aligned in Taxonomy-eligible
		In %	Million €	In %	In %	In %	In %	In %	In %	In %	E	T	In %
Manufacture of batteries	CCM 3.4	1.0	618	1.0	1.0	–	–	–	–	–	E	–	100.0
Manufacture of energy efficiency equipment for buildings	CCM 3.5	0.1	41	0.1	0.1	–	–	–	–	–	E	–	100.0
Manufacture of hydrogen	CCM 3.10	0.0	3	0.0	0.0	–	–	–	–	–	–	–	39.4
Manufacture of soda ash	CCM 3.12	0.0	–	–	–	–	–	–	–	–	–	T	–
Manufacture of chlorine	CCM 3.13	0.0	–	–	–	–	–	–	–	–	–	T	–
Manufacture of organic basic chemicals	CCM 3.14	3.9	202	0.3	0.3	–	–	–	–	–	–	T	8.6
Manufacture of anhydrous ammonia	CCM 3.15	0.3	–	–	–	–	–	–	–	–	–	T	–
Manufacture of nitric acid	CCM 3.16	0.2	–	–	–	–	–	–	–	–	–	T	–
Manufacture of plastics in primary form	CCM 3.17	6.8	41	0.1	0.1	–	–	–	–	–	–	T	1.0
Manufacture of active pharmaceutical ingredients (API) or active substances	PPC 1.1	0.3	–	–	–	–	–	–	–	–	–	–	–
Sum of alignment per objective					1.5								
Total sales revenue		**12.7**	**905**	**1.5**	**1.5**	**–**	**–**	**–**	**–**	**–**			**11.9**

[a] In accordance with IFRS® Accounting Standards, the discontinued coatings business was not included for 2025.

EU Taxonomy indicators – 2025 capital expenditures (capex)

Financial year		2025			Environmental objective of Taxonomy-aligned activities								
Economic Activities	Code	Proportion of Taxonomy-eligible capex	Taxonomy-aligned capex	Proportion of Taxonomy-aligned capex	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Enabling activity	Transitional activity	Proportion of Taxonomy-aligned in Taxonomy-eligible
		In %	Million €	In %	In %	In %	In %	In %	In %	In %	E	T	In %
Manufacture of batteries	CCM 3.4	0.1	4	0.1	0.1	–	–	–	–	–	E	–	100.0
Manufacture of energy efficiency equipment for buildings	CCM 3.5	0.0	0	0.0	0.0						E	–	100.0
Manufacture of hydrogen	CCM 3.10	0.2	6	0.1	0.1	–	–	–	–	–	–	–	50.6
Manufacture of soda ash	CCM 3.12	0.0	–	–	–	–	–	–	–	–	–	T	–
Manufacture of chlorine	CCM 3.13	0.0	–	–	–	–	–	–	–	–	–	T	–
Manufacture of organic basic chemicals	CCM 3.14	10.9	12	0.3	0.3	–	–	–	–	–	–	T	2.4
Manufacture of anhydrous ammonia	CCM 3.15	0.3	–	–	–	–	–	–	–	–	–	T	–
Manufacture of nitric acid	CCM 3.16	0.1	–	–	–	–	–	–	–	–	–	T	–
Manufacture of plastics in primary form	CCM 3.17	3.0	0	0.0	0.0	–	–	–	–	–	–	T	0.0
High-efficiency cogeneration of heat/cool and power from fossil gaseous fuels	CCM 4.30	1.7	–	–	–	–	–	–	–	–	–	T	–
Manufacture of active pharmaceutical ingredients (API) or active substances	PPC 1.1	0.7	–	–	–	–	–	–	–	–	–	–	–
Treatment of hazardous waste	PPC 2.2	1.9	–	–	–	–	–	–	–	–	–	–	–
Sum of alignment per objective					0.5								
Total capex		**18.8**	**22**	**0.5**	**0.5**	**–**	**–**	**–**	**–**	**–**			**2.4**

EU Taxonomy indicators – 2025 operating expenditures (opex)[a]

Financial year		2025			Environmental objective of Taxonomy-aligned activities								
Economic Activities	Code	Proportion of Taxonomy-eligible opex	Taxonomy-aligned opex	Proportion of Taxonomy-aligned opex	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Enabling activity	Transitional activity	Proportion of Taxonomy-aligned in Taxonomy-eligible
		In %	Million €	In %	In %	In %	In %	In %	In %	In %	E	T	In %
Manufacture of batteries	CCM 3.4	0.9	40	0.9	0.9	–	–	–	–	–	E	–	99.9
Manufacture of energy efficiency equipment for buildings	CCM 3.5	0.0	1	0.0	0.0	–	–	–	–	–	E	–	100.0
Manufacture of hydrogen	CCM 3.10	0.7	–	–	–	–	–	–	–	–	–	–	–
Manufacture of soda ash	CCM 3.12	0.2	–	–	–	–	–	–	–	–	–	T	–
Manufacture of chlorine	CCM 3.13	0.6	–	–	–	–	–	–	–	–	–	T	–
Manufacture of organic basic chemicals	CCM 3.14	4.5	29	0.6	0.6	–	–	–	–	–	–	T	14.3
Manufacture of anhydrous ammonia	CCM 3.15	0.5	–	–	–	–	–	–	–	–	–	T	–
Manufacture of nitric acid	CCM 3.16	0.2	–	–	–	–	–	–	–	–	–	T	–
Manufacture of plastics in primary form	CCM 3.17	3.8	3	0.1	0.1	–	–	–	–	–	–	T	1.7
Manufacture of active pharmaceutical ingredients (API) or active substances	PPC 1.1	1.5	–	–	–	–	–	–	–	–	–	–	–
Sum of alignment per objective					1.6								
Total opex		**13.0**	**74**	**1.6**	**1.6**	**–**	**–**	**–**	**–**	**–**			**12.6**

[a] In accordance with IFRS® Accounting Standards, the discontinued coatings business was not included for 2025.

Social

S1 Own Workforce[1]

ESRS S1

Our employees are crucial to BASF's success. We want to attract talented employees, support them in their development and retain them for the long term – in a working environment that inspires and connects. This is founded on an open corporate culture of mutual trust, respect and dedication to top performance.

ESRS 2 SBM-3 ESRS 2 IRO-1 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, 2025. We report figures on our employees in the Metrics section from page 261 onward. In our double materiality assessment (see page 163), the Own Workforce topic was defined as material. In this context, we identified material impacts on employees and risks and opportunities for BASF (see the following table). We explain the associated policies and measures from pages 249 and 256 onward. We systematically record opportunities and risks as part of our general opportunity and risk management (for additional information, see page 90 onward).

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

Impact	Evaluation	Position in the value chain	Description
Potential health and safety risk	Negative, potential	BASF's own operations	Our employees are exposed to a potential health and safety risk if they work in laboratories and production plants and handle chemicals, including hazardous substances. This is particularly the case if occupational health and safety instructions or regulations in our production processes are not followed.
Promoting health and safety awareness	Positive, potential	BASF's own operations	High standards of occupational safety and health have a positive effect on the well-being, safety and resilience of employees. Health programs and safety training enable us to promote safety and health awareness that extends beyond the working environment.
Adequate and competitive compensation	Positive	BASF's own operations	Our market-oriented compensation and corresponding additional benefits create attractive working conditions for our employees and make a positive contribution to society.

[1] According to the ESRS definition, a company's own workforce are employees and nonemployee workers (such as agency workers and freelancers). For the 2025 business year, this chapter refers only to employees.

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

Risks and opportunities	Evaluation	Description
Loss of critical skills and competencies	Negative	Demographic and technological change, changing competence profiles and intensified competition for skilled employees and leaders can lead to a loss of skills and knowledge in key roles within our workforce or affect our ability to adequately and quickly develop them.
Unlocking potential through strong leadership	Positive	We promote excellent leadership through targeted development offers for leaders at all levels. Leaders can positively influence the engagement of their employees and, together with their teams, contribute productively and efficiently to the implementation of our strategic corporate targets.
Challenges for engagement and retaining skilled employees	Negative	The current economic situation and any resulting structural adjustments at BASF can lead to uncertainty among employees. This poses challenges for the company, for example in terms of maintaining employee engagement. Any supposed decline in the attractiveness of BASF as an employer can make it more difficult to recruit appropriately qualified specialists and managers in global competition.

Strategy and governance

S1-1 ESRS 2 SBM-2 ESRS 2 SBM-3

The "Winning Ways" strategy is our plan for BASF's long-term business success (see page 15). As part of this strategy, we are driving development toward a performance culture. After all, we can only achieve BASF's targets with a high level of engagement from our skilled employees and leaders. With our adequate and competitive compensation, we want to contribute to attractive working conditions at BASF and thus attract and retain engaged employees.

Feedback from our employees or their representatives is obtained via various formats and can thus be considered in the development of our strategic direction (see pages 254, 258 and 260). For example, internal employee surveys indicated that processes were perceived to be too complex or bureaucratic. Also therefore, in our strategy we put emphasis on accelerating and becoming more agile.

The health and safety of our employees is our highest priority and forms the basis of our corporate responsibility and our license to operate. However, working in a chemical company entails potential health and safety hazards, which we address with policies and actions (see page 251).

» For more information on our strategies and actions, see basf.com/employees and basf.com/responsibility_for_employees

Human rights due diligence

S1-1 ESRS 2 SBM-2

An integral part of our business model and our strategy is human rights due diligence. We see human rights due diligence as an important, comprehensive and continuous task that we can only fulfill through collaboration across the entire company. We are committed to respecting internationally recognized human rights in our own operations and promoting them along our value chains. In our own operations, we are strictly careful not to cause or contribute to human rights violations. We report on how we act in accordance with responsible corporate governance in the chapter G1 Business Conduct see (page 289).

As a global company with more than 100,000 employees worldwide, we face certain inherent risks related to international labor standards, particularly in countries with higher human rights risks.

In a Group-wide requirement, we outline our commitment to respecting internationally recognized labor standards in our interactions with employees. We have established fundamental principles and rights at work that provide a binding, globally applicable framework for fair and responsible working conditions across our business activities (see graphic):

These principles apply across BASF worldwide and fall under the responsibility of Corporate Human Resources, which reports directly to the Chairman of the Board of Executive Directors. We expect all leaders and employees to comply with these principles and regularly provide internal target group-specific training on labor standards. Our risk-based management process systematically compares BASF's international labor standards with the respective national legislation. In the event of discrepancies between national law and BASF's international labor standards, we always strive to uphold the higher standard in all areas. If conflicts with national law arise, we aim to act in line with our values and internationally recognized principles without violating the law of the country concerned (see page 255).

Individual components of our international labor standards requirements are embedded in the compliance management audits conducted by the Corporate Audit unit (see page 296). In addition, audits are conducted on specific topics.

Below is a more in-depth description of some of the fundamental principles and rights regarding international labor standards at BASF:

No child labor and no forced labor

BASF strictly prohibits all forms of child labor or forced labor, including slavery and human trafficking. This is also specified in 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. In 2025, 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 263).

No discrimination or harassment

BASF stands for respectful and fair cooperation. Any form of discrimination or degradation – including sexual harassment – based on age, ethnic background, skin color, gender, sexual orientation, gender identity or expression, national origin, religion, disability, genetic information, personal characteristics and preferences, or any other characteristic protected by law, violates our global Code of Conduct.

This governs all our employment decisions such as recruiting, hiring, promotions, benefits, disciplinary actions or terminations.

BASF is committed to equal opportunities and fosters an inclusive work environment and offers all employees fair working conditions and support in the event of any possible concerns. Our Policy Statement on Human Rights underlines our commitment to a workplace that is characterized by trust, respect and appreciation.

We are aware that certain groups of individuals may be exposed to an increased risk of disadvantage in their working life. We follow the United Nations and the International Labour Organization, which identifies people with a migrant background, members of minorities, women, nonemployee workers, people with disabilities, underage employees and people with family care responsibilities among the groups that are particularly at risk of discrimination.

If potential cases of discrimination come to our attention, for example via our grievance channels, we are committed to act immediately and take the appropriate remedial actions (see pages 255 and 263).

When identifying leadership talents, we also take into account the promotion and appreciation of diversity, for example in the case of women. We are committed to increase the proportion of women in leadership positions worldwide to 30% by 2030. We strive to always act in accordance with the applicable local laws. As of December 31, 2025, the total proportion of women working in the BASF Group worldwide was 27.3% (2024: 27.1%). The global proportion of women in leadership positions with disciplinary responsibility as of December 31, 2025 was 29.9% (2024: 29.3%). BASF management can use a global dashboard to access information on the proportion of women in management positions at any time. Additionally, the current status is presented at Board meetings.

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

Information on the effective recognition of the rights to freedom of association and collective bargaining is provided from page 254 onward.

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

In the following, we explain the material topics on the basis of the results of our double materiality assessment (see page 249) as well as BASF's relevant policies and requirements.

Occupational safety and health

S1-1 S1-14

We are aware of the great responsibility toward our employees that we bear as an employer. In order to meet this requirement, the Corporate Center unit Corporate Environmental Protection, Health, Safety & Quality establishes globally binding policies for occupational safety and health, as well as continuously reviewing and developing these policies.

These policies are based on the guiding principles of the International Council of Chemical Associations' (ICCA) global Responsible Care® initiative and underline our target of protecting the safety, health and life of all employees in the workplace.

Our safety and health management includes all employees worldwide. Our sites and Group companies are responsible for implementing and complying with both the Group-wide and local guidelines. They are supported in this task by global networks of experts.

Our policies are continuously reviewed and further developed through comprehensive management and control systems, with the participation of our own experts for occupational safety and health, as well as global experts and government institutions. Through this approach, we aim to ensure that our guidelines are implemented consistently and effectively and that legal and regulatory requirements are complied with. By means of regular audits, the Corporate Center unit Corporate Environmental Protection, Health, Safety & Quality monitors compliance with these guidelines. Chapter E2 Pollution Reduction reports on how BASF ensures the effectiveness of the requirements in the context of the Responsible Care Management System (see page 201).

Due to our many years of expertise in the field of occupational safety and health, we are aware of the significant potential negative impacts, especially for employees who work with hazardous substances in laboratories or production plants or operate complex systems and machines. We have set ourselves clear targets to reduce the potential negative impacts for our employees to a minimum (see page 260). We have comprehensive actions in place for this, which are described from page 257 onward. Our high standards of occupational safety and health, as well as our health programs and safety training can have a positive impact beyond the professional environment.

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

S1-1

The Corporate Center unit Corporate Human Resources provides a globally consistent framework in the form of policies and requirements on the following topics:

- Compensation
- Continuous skill development and employee performance feedback
- Leadership and leadership feedback instruments
- Talent acquisition and positioning of BASF as an employer brand
- International labor standards at BASF
- Employee survey

The format of the employee survey is described in more detail from page 260 onward. This survey is our central tool for obtaining feedback from employees. It helps us monitor the effective implementation of our requirements regarding development, talent acquisition and retention, leadership, feedback on the working environment and corporate culture, and the current status of employee engagement. We explain how the other policies are monitored in the context of the following sections.

The policies and requirements mentioned here govern the topics described in the following sections. General information on how we make our policies available and how stakeholders are involved can be found in the General Disclosures chapter of the (Consolidated) Sustainability Statement (from page 150 onward).

Adequate and competitive compensation

We offer our employees adequate, 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, personal performance and the success of BASF or the respective BASF unit. Among other things, these 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. We describe the review of our compensation levels, including on the basis of external market data, from page 257 onward.

As a rule, compensation comprises fixed and variable components as well as benefits. In many countries and companies, our additional benefits exceed legal requirements and include, for example, company pension benefits, supplementary health insurance and share programs. Our global compensation principles help ensure that we offer fair and competitive compensation for employees.

Loss of critical skills and competencies

Attracting and retaining skilled employees is crucial for our success. Technological change is leading to new demands being placed on our employees. Demographic change is also increasing the effort involved in procuring skilled employees. These aspects give rise to a risk for BASF that skill gaps may arise in the workforce and positions could remain unfilled.

To counter this risk, we rely on continuous learning and development. In this way, we aim to further improve the skills and knowledge of our employees, respond to changing requirements and close skill gaps.

In employee development, we follow the principle that everyone has opportunities and is supported in expanding their expertise and experience through learning. At BASF, any discriminatory practices that hinder the personal or professional development of employees are prohibited. Learning takes place according to individual and job-specific requirements and can be accomplished in different ways: individual on-the-job learning, social learning through exchange with others or formal learning in settings such as training and further education courses.

Unlocking potential through strong leadership

Our leaders play an important role in achieving our ambitious targets and making our business a success. For this reason, we expect our leaders to lead their teams and themselves accordingly and to create a competitive advantage for BASF. This requires that they act in line with our CORE values, show and promote our Winning Behaviors of the "Winning Ways" strategy, and acquire and leverage essential leadership skills. This is why, when selecting and developing our leaders, we pay attention to their handling of our values, as well as their general behavior and skills. In addition, we regularly obtain leadership feedback, giving our managers the opportunity to reflect on and improve their behavior as leaders. Furthermore, we also expect our leaders to create an inclusive working environment in accordance with local legislation.

Challenges for engagement and retaining skilled employees

BASF is faced with the challenge of attracting sufficiently qualified skilled employees and leaders and maintaining a high level of engagement among the workforce, even in economically tense times. This is made more difficult by structural adjustments and the general economic situation, which can have a negative impact on the company's attractiveness as an employer and identification with BASF. In addition, technological change is leading to new demands being placed on our employees.

Alongside global competition for skilled workers – particularly in IT, artificial intelligence, manufacturing, engineering and the sciences – and demographic change, in regions such as North America and Europe, these developments pose a risk for BASF of not being able to fill vacancies or to do so in a timely manner.

To address these challenges, BASF is pursuing the approach of consistently positioning itself as an attractive employer worldwide and thus to attract and retain qualified employees for the company. We implement appropriate measures flexibly, tailored to local conditions (see page 259).

Our international labor standards should help to provide employees with orientation and security. They define what fair and responsible working conditions look like at our company – regardless of the site or function. These principles and rights include, for example, clear working conditions, fair and transparent processes for disciplinary actions and dismissals, protection against discrimination and harassment, as well as recognition of the right to freedom of association, collective bargaining and opportunities for participation in the company. We monitor compliance with these principles through our risk-based management process (see page 250). For more details on this process and how employees and their representatives are generally involved in shaping their workplace, see page 254 onward.

Engaging with employees and their employee representatives

S1-2

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

Trust-based cooperation with **employee representatives** is an essential component of our corporate culture (see page 20). Through open and continuous dialog, we create 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 as defined by the European Sustainability Reporting Standards (ESRS). For example, the BASF Works Council Europe and the BASF Group Works Council are informed about the results of the double materiality assessment. Employee representatives are involved according to local legal conditions. Dialog results can be taken into account when designing and implementing our measures, 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, health and occupational safety. In addition to regular meetings in which employee representatives are informed of general topics such as the current economic situation, meetings are held on a case-by-case basis. Involving employee representatives gives BASF deeper insight into employees' key interests and perspectives. We consider agreements such as the successful introduction of the performance management system in 2025 (see page 30), which involved representatives of the employees and the respective companies, to be a positive result of this dialog.

In line with local conditions, our employees are entitled to freely form, join and support legally recognized unions or other forms of employee representation. These organizations are authorized to represent employees' interests, for example in matters such as collective bargaining. BASF expressly supports these rights. We have embedded our commitment to freedom of association and the right to collective bargaining in BASF's international labor standards (see page 250). We do not tolerate any actions intended to disadvantage, intimidate or discourage employees because of their trade union activities. BASF is also committed to social dialog with employee representatives in countries where freedom of association is not guaranteed under national law to the same extent as under European legal systems. In such cases, individual Group companies adopt alternative dialog formats, such as informal meetings, that provide employees with opportunities for exchange.

In the case of organizational changes, for example the elimination of positions due to restructurings, or in the case of other co-determination-relevant topics, we involve employee representatives in consultation on socially responsible solutions, in accordance with existing participation rights. 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 and support all organizational changes or changes in structural measures. BASF supports affected employees in finding other positions within our company and with the development of the necessary skills. Our aim is to act in accordance with the relevant legal regulations and to observe company conditions as well as existing agreements.

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

In order to actively involve employees in shaping their working environment, we rely on multiple feedback instruments, which we explain on page 258 and 260.

In accordance with local legal conditions, we also offer employees the opportunity to get involved in one of our many Employee Resource Groups, which are organized voluntarily by interested colleagues. This includes groups of individuals who potentially experience more frequent discrimination. For example, there is a global employee resource group for women at BASF and different local employee resource groups for the LGBTQI+ community and people with disabilities. All interested employees can get involved in these networks.

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

S1-3

The BASF Compliance Hotline as a grievance mechanism is not only open to all BASF employees, but also to external stakeholders, especially workers in our value chains. For more information on how the problems raised and addressed via this hotline are tracked and monitored, see page 293. 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. Training and information offerings that provide specific knowledge on human rights and international labor standards to various target groups worldwide also cover the topic of compliance 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 key actions:

- Safety and health training for employees
- Risk assessments and risk analyses as well as incident investigations supplemented by root cause analyses
- Global health management: e.g., BASF health checks
- Annual compensation level review
- Feedback talks between employees and leaders
- Leadership development and feedback
- Annual measurement of engagement in the employee survey

The Corporate Center units Corporate Environmental Protection, Health, Safety & Quality and Corporate Human Resources provide the conceptual framework. Additional resources to implement the actions are usually made available by the Global Business Services unit as well as teams working in the operating divisions and at our sites. For example, health initiatives as well as local recruiting activities and education programs are carried out at the respective sites.

Occupational safety and health

We use risk-based methods to prevent potentially negative impacts on the safety and health of our employees. These include risk assessments and risk analyses, guidelines for safe behavior in the workplace, formalized incident investigations supplemented by root cause analyses, structured assignment and implementation of corrective measures as well as a transparent exchange of experience within our global network. 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 this reason, we are constantly refining and enhancing our global requirements and training regarding occupational safety. In addition to legally required training, BASF Group employees receive additional and complementary safety and health training tailored specifically to their role, working environment and location. For example, production employees receive regular training in the safe handling of chemicals, the correct selection and use of personal protective equipment, and emergency management.

Across all BASF divisions, units work regularly together to develop effective campaigns that are intended to continuously raise awareness of specific safety issues, with the clear goal of reducing or preventing incidents and injuries at work. For example, in the 2025 business year, Global Engineering Services conducted a campaign with a focus on activities in plant engineering that are associated with a higher risk for employees. The aim of the campaign was to raise awareness of potential hazards and to significantly reduce the risk of incidents at work through targeted training. Leaders have a decisive role model function in safety culture, and bear a special responsibility for this topic in production. They regularly receive specific training in order to fulfill this task and to further strengthen the safety culture in the company.

BASF thoroughly investigates incidents, analyzes the root causes, and uses the findings to develop appropriate mitigation measures and achieve continuous improvements. If increased risks for employees are identified, we implement the appropriate corrective and mitigation actions.

These actions are an important part of our occupational health and safety management strategy (see the following section) to promote the safety, health and well-being of our employees. Through them, we want to have a positive influence on the physical and mental health as well as the long-term performance of our employees. This potential positive impact may also extend beyond the workplace.

» For more information on process safety, see basf.com/process_safety and 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. With the BASF health check, we offer our employees a regular, thorough medical examination with extensive diagnostic measures. An essential component is the detailed medical consultation with a special focus on cardiovascular risk factors, which can be significantly influenced by lifestyle. With this program, we want to support employees in actively protecting and improving their health in the long term. In addition, depending on the region, employees may have access to other medical services that provide additional support for their individual health needs. In 2025, as in the previous year, our focus was on mental health. At the center of the global health initiative was the Mental Health Alliance, an information and self-learning platform that imparts knowledge on mental health, prevention and the destigmatization of mental illness. We also offer employees a wide range of materials, training courses and individual support to promote mental health in the workplace and in the personal sphere. In addition, we are focusing more strongly on the topic of women's health worldwide and are developing specific offers to provide employees with targeted support at every stage of their lives, to strengthen their health and to maintain their long-term work ability. Another key focus in 2025 was influenza prevention. BASF employees had the opportunity to be vaccinated against the seasonal flu at numerous sites worldwide. At the Ludwigshafen site in Germany, for example, more than 4,300 employees participated in the influenza vaccination campaign.

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

Adequate and competitive compensation

Adequate wages are an important component of the package we offer to employees that makes us a compelling choice as employer. We review our compensation levels worldwide annually in close cooperation with local units, including on the basis of external market data. This allows us to aim for market-oriented and adequate compensation in the respective countries or markets and to analyze the effectiveness of adjustments to our compensation levels as part of the process.

In addition, we promote adequate and competitive compensation through further processes and offers. Based on defined, globally uniform criteria, positions are classified into BASF job grades, which form the basis for compensation, independent of the individual. The classification is based on the requirements of the relevant function. In this way, we want to make positions globally comparable and create the basis for compensation commensurate with function. In numerous Group companies, our "plus" share program ensures employees' long-term participation in the company's success through incentive shares. In addition, we have introduced an enhanced performance management system in 2025 that provides a closer link between incentives and unit-specific achievements (see page 29).

We regularly review whether employees are receiving adequate wages as defined by the ESRS. We report the result of this review in the Metrics section (see page 261).

Loss of critical skills and competencies

Employee development is organized in collaboration with the respective leader. The central element here is the regular dialog in feedback talks (before 2025: employee dialog) between employee and leader, which take place worldwide and at least once a year. Here, performance, behavior and development are discussed together. On the one hand, it is about reflecting on the past year, and on the other hand, discussing expectations. Leaders and employees can agree development goals and individual learning needs. Here, learning goals should be aligned with the specific job requirements and the employee's development needs. Learning can take place in different formats and in different locations, thus helping to further develop important competencies in the company.

In addition, BASF provides global access to a wide range of training offerings on various learning platforms to support employees in expanding their skills and thus acquiring additional competencies. Furthermore, numerous local and specialized academies offer training courses within the operating divisions and service units. An example of this is the expanded offer of the Data & AI Academy, which helps our employees to develop their understanding of data and artificial intelligence (AI) and leverage it in their work processes. The increased use of AI in our databases also makes it easier for employees to find information and build up valuable knowledge.

In the future, leaders and employees will be able to gain easier insight into the skills and competence gaps of their teams. To this end, BASF integrated AI-supported skills and competencies management into existing HR systems in selected areas in 2025. This transparency makes it possible, for example, to specifically identify qualification requirements and to allocate individual training offerings tailored to the needs of employees and teams.

We monitor the effectiveness of our actions by conducting regular surveys among our employees (see page 260).

Unlocking potential through strong leadership

With a wide range of targeted training and development opportunities for leaders at all levels, we want to contribute to the competitiveness of BASF in the long term. We provide leaders with these opportunities for each phase of their career as well as various formats that enable them to learn from each other and from external experts. We thus offer our leaders a mixture of essential standard training courses, as well as varying focus topics and on-demand offerings.

We aim to develop leaders who manage their teams with professional competence, positivity, empathy and trust, and in this way, create a competitive advantage for BASF. In 2025, we therefore offered inspiration and learning formats for senior executives and talents identified as potential leaders under the focus topic of feedback culture, for example on how open and constructive feedback can motivate employees to perform at a high level and promote growth. Furthermore, all leaders were offered training courses designed to promote both the ability to give feedback and how to consequently handle both strong and low performance. Regular feedback plays an important role in the individual development of

leaders. In 2025, the majority of our leaders with disciplinary responsibility received feedback on their leadership behavior as well as development advice as part of the global leadership feedback survey.

To identify and further develop leadership talents at an early stage, BASF also employs potential assessments. In this way, we want to identify potential leaders and develop them in a targeted manner.

Challenges for engagement and retaining skilled employees

Through regular global surveys of our employees, we want to find out how they perceive BASF. Feedback from this survey and from our dialog with employee representatives gives us specific indications as to where we can make further improvements (see page 260).

The shift toward a Winning Culture (see page 20) will be a decisive factor in the successful implementation of our "Winning Ways" strategy. As our business grows, we create the foundation for job security and attractiveness as an employer. In this way, we also want to strengthen the engagement of our workforce and attract and retain skilled workers. The Winning Behaviors, i.e., behavior for success, pave the way for this. The results of a global survey in 2025 on the implementation of the strategy show that employees have already developed a high level of understanding of these behaviors.

In light of the global competition for suitable skilled employees and leaders, we maintain a range of processes and projects to attract new employees. For example, in 2025 we launched a campaign in Germany, Brazil, China, India and the United States to more effectively reach and attract talent to BASF. To meet our need for highly demanded employees, we run various local events and programs during the business year as part of our employer branding. These include our trainee program with a focus on the use of artificial intelligence and the Top Start program, with which we attract future leaders and train them specifically at BASF. Training skilled employees is a central investment in BASF's competitiveness. This is why we have been counting on developing our own skilled employees for many years and are particularly committed to our apprenticeship programs in Germany. 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. At production sites in the United States, we provide up to three years of dual-track vocational training under the North American Apprenticeship Development Program (NAADP). In addition, we implemented the dual study model at various German locations. Our actions to recruit skilled employees are based on the principle of nondiscrimination (see page 251).

Global targets

S1-5

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

We measure our performance in the area of **occupational safety** by the number of High Severity Work Process Related Injuries (HSI) worldwide. We have set ourselves the target of a global HSI rate of no more than 0.05 High Severity Work Process Related injuries per 200,000 working hours by 2030.[2] The introductory year 2023 serves as a reference value at 0.03. In 2025, the HSI rate was 0.01 (2024: 0.02). We have once again achieved our target. The target is based on the assumption that all work-related injuries are documented completely and correctly. There is a potential limitation due to possible delays in the reporting and documentation of work-related injuries. For more information on the collection of data on occupational health and safety, see the chapter General Information on page 149. Through regular Responsible Care audits, which check compliance with internal and legal requirements in the field of occupational safety, we help to prevent work-related injuries (see page 201).

Our performance in terms of **health** is measured by the Health Performance Index (HPI). The HPI defines and measures our efforts to promote and maintain the health, performance and well-being of all employees and is calculated on a scale from 0.0 to 1.0 (maximum index value). It consists 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. Our target is an annual HPI of 0.9 (base year 2018: 0.96). We once again achieved this in 2025 with an HPI of 0.97 (2024: 0.97). The target is based on the assumption that the health data collected is representative of the workforce, that participation in the voluntary health programs is far-reaching and that its effects on the well-being of employees are measurable and significant. As not all health aspects can be mapped and external influences can falsify the results, there are potential restrictions. The target of the HPI is reviewed by regular Responsible Care audits in the field of occupational health. The audits focus on compliance with medical standards and health. Each site of a relevant size or greater is audited at regular intervals. The audit report documents the findings as well as the agreed corrective actions with clearly defined deadlines, the implementation of which is continuously monitored. If necessary, the specialist units can be actively involved in consultation and supporting implementation of the measures. Furthermore, HPI is monitored in several stages through analyses of incident and illness data as well as targeted measures to reduce the health risk in the future. To further develop the target, BASF's global network of physicians will be involved.

BASF continuously derives measures on the basis of the HPI and HSI to improve occupational safety and health in a targeted manner. This includes the analysis of incidents, first aid training and safety campaigns that can raise awareness of safety and help employees to react appropriately in an emergency situation, both in their professional and private lives.

In addition, we consider **employee engagement** to be a decisive indicator of the success of our actions. To verify this, we rely on regularly obtaining candid and constructive feedback. All employees are invited on a regular basis to give feedback on their working environment and the corporate culture as part of our employee survey. In the employee survey[3], BASF measures employee engagement based on five central questions. Our Engagement Index derived from this is intended to clarify whether employees wish to contribute to the objectives of BASF, enjoy and are proud of working with us, 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 co-determination rights, we engage with employee representatives in the course of approving the questionnaire regarding the configuration of the Engagement Index.

[2] Includes 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 ESRS in the future.
[3] The scope of employees participating in the survey 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.

We have set ourselves the target of achieving an Engagement Index of more than 80%. We identified the target value based on an external benchmarking. The results are evaluated using both statistical and qualitative correlation analyses, in which the main factors influencing engagement are identified on the basis of the survey results and then examined in more detail with regard to possible actions. This analysis is carried out at global and decentralized levels. The respective organizational units' results are evaluated centrally and aggregated to provide leaders with concrete indications of strengths and potential improvements. Overall, we still see room for improvement in the results of the survey for the 2025 business year. Worldwide, nearly 85,000 employees participated in the survey (participation rate: 75%, 2024: 78%). The survey showed a global Engagement Index of 77%, which was a slight decrease compared to the previous year (2024: 79%). Our aim is to increase this score to the defined target value of higher than 80%.

The results of the employee survey are communicated to employees, leaders, the Board of Executive Directors, and the Supervisory Board using various dialog formats (see page 255). The results are discussed between leaders and employees, for example in workshops. This allows questions to be clarified and necessary improvement 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, surveys indicated that processes were perceived to be too complex or bureaucratic. This is one of the reasons why we are focusing on becoming faster and more agile, and empowering employees with greater accountability in our strategy (see page 20).

We review the positive impact of adequate wages on a regular basis through specific actions, which are described on page 257 onward. We address the risks regarding the loss of critical skills and competencies, the securing of skilled workers, and the opportunities offered by unlocking potential through strong leadership with specific actions (see page 258 onward). We have not set ourselves specific targets for all aspects of material impacts as well as risks and opportunities for our company's workforce. For more information on how we measure the effectiveness of implemented actions, see the section Actions (see page 256).

Metrics

S1-6

The total number of employees as of December 31, 2025 was 108,251. This is a decrease compared to the number of 111,822 employees as of December 31, 2024. The decline was primarily due to departures in connection with the ongoing cost savings programs and as part of the divestiture of the Brazilian decorative paints business. The number of employees includes employees of the discontinued coatings business. As of December 31, 2025, the number of employees was 9,928 (2024: 10,122).

Expenses for wages and salaries, social security contributions and assistance, as well as for pensions in 2025 are reported in the Notes to the Consolidated Financial Statements from page 412 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. As of December 31, 2025, the total number of employees at BASF SE was 32,190.

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

Regions	Europe		Asia Pacific		North America		South America, Africa and Middle East		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Employees	65,073	66,726	21,592	21,971	15,652	15,969	5,934	7,156	108,251	111,822

Of which countries with 10% or more of the total workforce	Germany		Greater China		United States	
	2025	2024	2025	2024	2025	2024
Employees	48,955	50,602	12,452	12,687	13,045	13,304

[a] Recorded as head count

We use the following definitions globally for employees in 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 a 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

	Male		Female		Not disclosed[b]		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Employees (total)	78,717	81,572	29,534	30,250	0	0	108,251	111,822
Permanent employees	75,530	78,081	28,063	28,695	0	0	103,593	106,776
Temporary employees	1,095	1,183	900	922	0	0	1,995	2,105
Apprentices[c]	2,092	2,308	571	633	0	0	2,663	2,941
Non-guaranteed hours employees	0	0	0	0	0	0	0	0

[a] Recorded as head count
[b] Not disclosed: We currently do not record a third gender globally. We will regularly review the relevance of this category in external reporting.
[c] The number of apprentices at BASF SE was 1,730.

Employee turnover[a] in the business year

	2025	2024
Average number of employees, BASF Group	110,440	111,744
Employees who had left the company as of December 31	8,280	7,996
Turnover rate as a percentage	7.5%	7.2%

[a] Recorded as head count

The rate of employee turnover, i.e., the proportion of employees who left the company in 2025, amounted to 7.5% globally (2024: 7.2%). We adhere to the ESRS definition, which includes voluntary and involuntary leaves, retirements, and deaths in service.

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 the year 2025, the review concluded that all employees receive adequate wages.

S1-14

Occupational safety and health key figures as of December 31

	2025	2024
Number of fatalities as a result of work-related injuries and work-related ill health	0	0
Rate of recordable work-related injuries[a,b]	3.94	3.78
Number of recordable[b] work-related injuries	772	753
Number of cases of recordable[b] work-related ill health	17	33
Number of days lost to work-related injuries[c]	5,861	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 in accordance with ESRS.
[c] There may be deviations in this metric due to data collection (see page 149). The updated number of days lost for 2024 is 7,671.

Safety is our highest priority. No fatal work-related injuries were recorded in 2025. We rely on extensive measures to prevent further work-related injuries.

S1-17

In 2025, 82 cases of employees who experienced discrimination were reported to us (2024: 79). These were related to gender, age, nationality, disability, religion or worldview, sexual orientation or ethnicity. They 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, 263 complaints (2024: 225) related to the social factors or aspects[4] mentioned in ESRS S1, paragraph 2, were submitted via the BASF compliance grievance mechanism in the reporting period.

In 2025, there were no fines, sanctions or compensation payments in connection with these incidents, and we identified no severe human rights-related incidents in relation to workers in our company (2024: 0).

[4] 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.

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 uphold human rights as well as international 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 achieve a positive impact. By adopting our due diligence approach (see page 296) and establishing standards and initiatives in our work with our partners (see page 268), we advocate for the rights of the workers in our value chain and good and safe working conditions and promote worker training.

Our double materiality assessment (see page 163) indicates three material impacts on the workers in our upstream supply chain (see table Results of the double materiality assessment).

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

Impact	Evaluation	Position 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 required 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.
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.
Risk of forced labor in specific supply chains	Negative, potential	Upstream value chain	Sourcing minerals or renewable raw materials from countries with little state control may be associated with the risk of forced labor. Workers in regions with poverty and inequality are particularly affected.

The impacts identified are a common issue 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. This includes workers from joint venture partners as well as workers who work at our sites but are not part of our own workforce.

In line with the results of our double 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. Further information on the inclusion of the interests and viewpoints of our stakeholders can be found in the General Disclosures chapter of the (Consolidated) Sustainability Statement from page 159 onward.

We consider workers in our downstream value chain during our due diligence reviews of business partners (for more information, see page 296), 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 risks and opportunities 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 90 onward).

Strategy and governance

S2-1

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 aspects that have been identified as material – health and occupational safety as well as potential child and forced 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.

General information on our overarching policies can be found in the General Disclosures chapter of the (Consolidated) Sustainability Statement (from page 150 onward). This includes, among others, 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. The specific aspects of these policies are explained in the following section.

In addition, we have established a requirement for the responsible sourcing of battery materials for the upstream supply chain, which also covers the issues of child and forced labor. The requirement is globally binding for all employees of the Battery Materials division and can be accessed via the BASF intranet. Accountability lies with the Battery Materials division management. As part of the requirement, we are committed to the U.N. Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and Due Diligence Responsible Supply Chains of Minerals from conflict-affected and high-risk areas (CAHRAs). In order to monitor compliance with the requirement, Battery Materials reports once a year to the responsible member of the Board of Executive Directors as well as to the Corporate Compliance and Global Procurement units.

We are committed to complying with applicable laws and international standards (see page 289). We also expect our partners to comply with the law and with standards, including the regulations governing health and occupational safety as well as child and forced 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, the implementation of 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 and forced 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 bear responsibility for ensuring that we act in accordance with our Code of Conduct and 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/supplier_code_of_conduct

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

Human rights due diligence

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 and is responsible for monitoring overall risk management, including human rights risks under the German Supply Chain Due Diligence Act (LkSG). Our Compliance organization reports regularly to the Board of Executive Directors and the Audit Committee on this matter. In addition, we have integrated sustainability-related evaluations in our governance and decision-making processes, for example in relation to investment, acquisition and divestiture projects.

The governance of human rights due diligence at BASF also lies with the Compliance organization. In addition, several specialist units are responsible for steering specific human rights topics, including through our Human Rights Expert Working Group (for more information, see chapter G1 Business Conduct from page 291 onward). 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 (more information on page 160). At the meetings held in 2025, we exchanged views with experts for example on human rights issues in global supply chains, including the risks of forced labor and how to deal with dilemma situations, and discussed our responsibility in the context of due diligence.

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

Procurement guidelines

Our Procurement organization has set out guidelines for the 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 framework 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. 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, verifies the effectiveness and compliance of the risk management.

We have set out our expectations of suppliers in the global Supplier Code of Conduct, which is based, among other things, on the Ten Principles of the UN Global Compact and the Responsible Care® initiative. Topics covered by the Code of Conduct include compliance with human rights, the exclusion of child and forced labor as well as human trafficking, safeguarding labor and social standards, as well as antidiscrimination and anticorruption guidelines. We regularly develop our Code further. 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. In addition to positive environmental effects such as reducing greenhouse gas emissions, these can also have negative effects on social factors, depending on the raw materials. We take this into account in our risk analyses and have drawn up clear principles for the responsible sourcing of renewable raw materials (for information on the monitoring of compliance, see page 225). These basic principles also refer to the ILO's standards and its Declaration on Fundamental Principles and Rights at Work, which in turn include the topics of child and forced labor as well as occupational safety. At the same time, we seek dialog with our stakeholders to identify conflicting goals (see page 271).

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

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, evaluating and developing our suppliers, and improving conditions for their workers by taking preventive measures and through local initiatives. Our management processes come into effect in the event of specific incidents.

We rely primarily on the following actions:

- Engagement with workers via dialog forums and advisory councils
- 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 via dialog forums and advisory councils with external experts, such as our Human Rights Advisory Council (for more information, see page 160) and our Nature Advisory Council (for more information, see page 160). In the Civil Society Forum, founded in 2024, we exchange ideas with representatives of the civil society and trade union spectrum (for more information, see page 160). Topics including children's rights and combating child labor in the seed business were most recently discussed in fall 2024.

Moreover, we also seek direct dialog with our suppliers. We use specific dialog formats in higher-risk business areas such as our seed business or in the procurement of castor oil. In addition, we gain insights into the perspectives of workers in the value chain through the continuous exchange in multistakeholder initiatives, such as Cobalt for Development (see also page 272), the Global Battery Alliance (see also page 272) or the Responsible Mica Initiative (see also page 273). We also enter into dialog with relevant stakeholders through our involvement in other committees such as the sustainability network econsense, where we are the topic sponsor in the Human Rights & Value Creation cluster.

The relevant units such as Sustainability Relations and Corporate Compliance, as well as Global Procurement and the specialist units in our operating divisions are responsible for ensuring appropriate, regular dialog (for additional information on the allocation of responsibilities for the units within the Board of Executive Directors, see page 140).

We assess the effectiveness of our collaboration with workers in the value chain, for example in the course of our supplier evaluations and follow-up evaluations (see page 269 onward). We also assess the progress made with our implemented actions, and with our initiatives and projects.

S2-3

We promote a culture in which critical issues and concerns can always be raised openly. For this purpose, we offer globally standardized grievance mechanisms at operational level. The key instrument is our Compliance Hotline. For more information on how the problems raised and addressed via this hotline are tracked and monitored, see page 294. The Compliance Hotline offers the opportunity to report concerns, risks and violations in BASF's activities or in the value chain confidentially and also anonymously. This also includes potential concerns in relation to health and occupational safety as well

as child and forced labor. In addition to BASF employees, the hotline is open to all external stakeholders, and especially workers in our supply chains.

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.

Evaluating and developing our suppliers

S2-4

When selecting suppliers and evaluating supplier relationships, alongside economic criteria ESG standards are especially important. This means that selecting, evaluating and auditing suppliers are key elements of our sustainable supply chain and risk management, with the intention of ensuring that suppliers comply with the laws, regulations and standards in force, and especially with those relating to our material topics of potential child and forced labor as well as EHS standards. Due to the large number of suppliers, they are evaluated on the basis of risk. Here, we take both country and industry-specific risks and our ability to exert influence into account. Supplier evaluation 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 100 audits (2024: 118) with regard to sustainability standards were carried out at raw material supplier sites on our behalf in 2025. We received EcoVadis sustainability assessments for 257 suppliers with potential sustainability risks (2024: 328). We also take into account other certification systems and external audits, such as the Roundtable on Sustainable Palm Oil, when evaluating 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. To prevent the risk of potential child labor, for example, we use targeted checks on suppliers in higher-risk countries, such as in our seed business supply chains 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 a global audit team that audits EHS topics at contract manufacturers.

We carefully analyze the results of our evaluations, 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 inadequate, 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 evaluations performed in 2025, 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. In 2025, these were attended by a total of 1,019 supplier employees (2024: 990). In addition, the TfS Academy online learning platform is aimed at procurement employees as well as suppliers. It covers the entire spectrum of ESG topics, including child and forced labor, as well as health and occupational safety. There are currently more than 300 courses available in eleven different languages. We also continued our cooperation with East China University of Science and Technology in Shanghai, China, in 2025. A total of 38 employees from 26 Chinese suppliers received further training on ESG topics including child and forced labor as well as health and occupational safety.

Preventive actions and local initiatives

The examples given below entail decentralized measures, projects and initiatives. They are not governed by a centrally managed action plan. Rather, they aim for continuous optimization and further development. This goes hand in hand with the BASF approach to sustainability steering (see page 150).

We are aware of the challenges in specific supply chains. For example, in 2025, we continued our proactive engagement in 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-industry 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 seed business in India. Under the name **Wage Improvements in Seed Hybrids** (WISH), the initiative addresses combating child labor and paying fair wages in the vegetable seed sector in the Indian federal states of Karnataka and Maharashtra. The first phase of the project involved a survey of more than 4,100 households, in which roughly 6,900 children, 200 farmers, 400 workers and other stakeholders took part, identifying the focus topics for improving local conditions. 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. The multistakeholder cooperation was further strengthened by the joining of three further partners from the vegetable seed sector in the fourth quarter of 2024. BASF, Syngenta and Arisa together with the new partners aim to maximize the positive impact of the project by also engaging in a dialog with other national and international companies in the seed business. In 2024 and 2025, external NGOs conducted more than 1,450 training courses and information sessions in 28 villages within the project area reaching more than 600 farmers; BASF was responsible for 211 seed production farms in 2025. The sessions involved more than 10,000 stakeholders from various interest groups in total, including around 3,400 workers. The aim of the project is to achieve tangible improvements with respect to increasing wages and avoiding child labor in the vegetable seed sector. By the end of 2025, average wages in the project area had already improved, depending on region and farm activity. An external research study also showed that the rate of children attending school in the project area's regions rose by 8 to 16 percentage points, while the rate of children dropping out of school decreased by 2 to 4 percentage points. The initiative will continue for an initial six-month period in 2026.

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 page 225 and 228). Based on our Supplier Code of Conduct, we have defined our expectations of suppliers in the palm-based value chain in an additional procurement policy (BASF Palm Sourcing Policy). This addresses not only the protection of forests and other natural ecosystems, but also traceability and environmental aspects, the protection of workers' 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 on 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 about sustainable castor oil, see basf.com/responsible-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 manufacture products including automotive and process catalysts or battery materials for electromobility. 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 EU Conflict Minerals Regulation aims to combat the financing of armed conflicts and human rights violations such as child 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 2024, see basf.com/conflictmineralsreport

We also attach importance to certifications, such as the certificate of the London Bullion Market Association (LBMA) for gold, the certificate of the London Platinum and Palladium Market (LPPM) for platinum group metals, the certificate of the Initiative for Responsible Mining Assurance (IRMA) 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, Samsung SDI, Samsung Electronics, Volkswagen, Stihl and Deutsche Gesellschaft für Internationale Zusammenarbeit (German Corporation for International Cooperation, GIZ), we have been involved in the cross-industry initiative **Cobalt for Development** 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. With the start of the third phase in spring 2025, we have committed ourselves to the initiative for another three years. The aims of the project have been updated with regard to the practical and legal implementation of the mining project with a cooperative in order to provide a sustainable operating basis for the project after completion of the third phase in spring 2028.

» For more information on the Cobalt for Development project, see basf.com/cobalt-initiative and cobalt4development.com

» For more information on responsible sourcing, see basf.com/responsible-sourcing

Also relevant in the context of battery materials is the **Global Battery Alliance** (GBA), which was cofounded by BASF in 2017. It has over 150 members and promotes dialog between businesses, governments and civil society. At the same time, the GBA develops means for steering a sustainable and responsible circular economy for batteries, with the aim of establishing this by 2030. It acts as the multistakeholder platform to develop widely accepted rules for comprehensive and standardized reporting of ESG topics. These include environmental protection, child and forced labor as well as human rights, among other things. The GBA's regulations were tested in pilot projects in 2024, published as a beta version (version in the late development phase) in 2025 and are expected to be ready in time for the future battery passport, the digital identification document for batteries provisioned by the EU Batteries Regulation.

» For more information on the Global Battery Alliance, see globalbattery.org

In addition, our Platinum Group Metals catalyst recycling business, which processes secondary Platinum, Palladium and Rhodium materials, adheres to the LPPM's Responsible Sourcing Guidance. The requirements of the Guidance are mandatory for LPPM-approved refineries (Good Delivery Refiners) as well as for members of the LPPM accreditation lists (Sponge Accreditation Lists). The Guidance provides a framework for responsible sourcing by requiring audited due diligence processes and annual independent third-party reviews to mitigate risks of conflict-related sourcing. Its aim, aligned with the OECD Due Diligence Guidelines for Minerals from Conflict Regions and High-Risk Areas (CAHRAs), is to combat human rights violations, prevent conflicts and uphold anti-money laundering standards.

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 elimination 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

Management of 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 very 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 or forced 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 systematic violations of these standards. In 2025, we made the decision to terminate one direct business relationship, effective March 1, 2026.[2] We are in close contact with our suppliers, especially in higher-risk areas and regions, and monitor the implementation of relevant standards and required measures for improvement. Effective April 21, 2025, BASF has sold its shares in the joint venture companies BASF Markor Chemical Manufacturing (Xinjiang) Co., Ltd. and Markor Meiou Chemical (Xinjiang) Co., Ltd. in Korla, in the northwestern Chinese province of Xinjiang, to Verde Chemical Singapore Pte. Ltd.

In addition, action plans have meanwhile been developed and implemented for cases of infringements of the German Supply Chain Due Diligence Act (LkSG) that were identified in 2024. In the 2025 reporting year, infringements were identified and are currently being processed.

Global targets

S2-5

Our global corporate target of responsible procurement (for additional information, see page 32 onward) aims to holistically improve our suppliers' sustainability performance: It covers both comprehensive sustainability matters and the matters of health and occupational safety as well as potential child or forced 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.

We want to drive sustainability in the supply chain in a targeted manner and are therefore focusing on suppliers with an increased sustainability risk: For the time horizon up to 2030, BASF is concentrating on improving the sustainability performance of those suppliers who achieved 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 confirmed in a follow-up audit. In 2025, the figure was 77% (2024: 76%). In order to achieve our target level 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.

[1] Mica is defined as a group of minerals from the phyllosilicates with the same atomic structure. In colloquial language, mica minerals are referred to as "glimmer."
[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.

For us, a supplier evaluation is valid for three years. We then carry out a new internal classification by means of a risk assessment and derive appropriate follow-up measures based on this. The global target is anchored in the objectives of our employees with purchasing responsibility.

As a matter of principle, we strive to prevent child and forced labor, negative impacts on occupational safety and health protection as well as impacts on other sustainability-related topics. These expectations are set out globally in our Supplier Code of Conduct and are audited via multistage, risk-based monitoring systems. We are steering toward a situation where our suppliers comply 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 or forced 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, as 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 terminate the contracts concerned.

The expectations of our stakeholders are continuously taken into account when setting potential targets. We ensure that this is the case through regular meetings with external stakeholders, which are held as part of our strategic stakeholder engagement, as well as in meetings with investors (see page 159), in which we discuss the sustainability topics that are 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. In order to shape the transformation toward climate neutrality in a socially just manner, we seek collaboration through dialog with communities that may be affected by our business activities. We 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 all communities that could 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 (see page 221). The extraction of mineral raw materials could 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 more sustainable supply chain especially for these materials (see page 271). 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 can be impacted by our production operations and the associated potential environmental emissions or by the disposal of contaminated substances. To meet our commitment that the production of our products is safe for both people and the environment, we have set global targets and established management systems (see page 32).

In our double materiality assessment (see page 163), 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, which result from our operations (see table on page 276).

Results of the double materiality assessment for S3 Affected Communities: Impacts

Impact	Evaluation	Position 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 impact the health of people and communities.
Land-related impacts in the supply chain	Negative, potential	Upstream value chain	Our business activities – especially in the sourcing of raw materials – could lead to changes in land use, limited access to land and resources, and violations of land rights for affected communities. This could affect Indigenous communities in particular, for example through disregarding their right to free, prior and informed consent (FPIC).
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 good yields in light of increasing disease and pest pressure, 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, trust could be lost in BASF and the risk of litigation could increase.

Strategy and governance

S3-1

General information on our overarching policies can be found in the General Disclosures chapter of the (Consolidated) Sustainability Statement (from page 150 onward). This includes the BASF Code of Conduct, the BASF Policy Statement on Human Rights, our environmental protection, health, safety and quality management system, and our Supplier Code of Conduct. The specific aspects of these policies are explained in the following section.

The acceptance and support of our stakeholders are 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. In this way, we want to contribute to a world that offers a better quality of life for everyone. The protection of affected communities is a central concern for us. We aim to produce safely for people and the environment, to respect human rights and not to violate them at any time through our business activities. 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 295).

Another commitment is to act in a responsible and entrepreneurial manner in accordance with international standards (see page 16 and page 289). Through our Policy Statement on Human Rights, we are committed to respecting the human rights of local communities and vulnerable groups and strengthening them along the entire value chain (for more information and the publicly available link to the Policy Statement on Human Rights, see page 291). We have also anchored our human rights responsibility in our BASF Code of Conduct. Respect for human rights is systematically integrated into our corporate governance and our 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 (see page 288).

We expect all our partners to comply with international human rights and have formulated this expectation in our Supplier Code of Conduct (for more information and the publicly available link to the Code of Conduct, see page 266 and 267). Where necessary, we support partners 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.

We review the resilience of our business models with regard to various sustainability aspects as part of our business strategy development (for more information, see Double materiality assessment from page 165 onward). The strategies of our business units are updated at regular intervals together with experts from the business units as well as the Corporate Strategy and Corporate Sustainability units. In addition, we have integrated social and human rights assessments into 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 from page 278 onward.

Material impacts of BASF on affected communities

S3-1 ESRS 2 SBM-3

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 that can arise from the production and use of chemicals both in our own operations and in our upstream and downstream value chains. In the event of negative impacts, societal acceptance of our business activities could suffer in the short to long term, trust in BASF could be lost, and the risk of litigation could increase.

It is part of our due diligence obligations to protect and respect not only the health and safety of our own employees, but also that of contractors, suppliers, neighbors and customers along our value chain. To this end, we continuously identify and assess potential hazards and implement measures to mitigate risks (see page 256). Our Group-wide management system for environmental protection, health, safety and quality is based on the guiding principles of the Responsible Care® initiative and quality management (see also pages 201 and 251 onward).

The Corporate Center unit Corporate Environmental Protection, Health, Safety & Quality, which reports directly to a member of the Board of Executive Directors, determines the Group-wide management and control systems and monitors compliance with internal and legal requirements (for additional information on the responsibilities of the Corporate Center units in the Board of Executive Directors, see page 140 onward). At the same time, the sites and Group companies are responsible for implementing the stipulated guidelines at local level.

We strive to prevent possible adverse health effects along our value chains from the outset. We use findings on potential health risks to take appropriate preventive measures to prevent potential negative impacts on affected communities from occurring or being repeated. We expect the same from our suppliers and have set out this expectation in our Supplier Code of Conduct (see page 267).

With our commitment to product stewardship under Responsible Care® and the initiatives of the International Council of Chemical Associations (ICCA), 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 present any risk to either people or the environment (for more information, see page 207).

Land-related impacts in the supply chain

Business activities along the value chain – especially in the sourcing of raw materials – could potentially lead to changes in land use, limited access to land and resources, and violations of land rights. This can affect Indigenous communities in particular, for example through disregarding their right to free, prior and informed consent (FPIC).

BASF opposes all forms of human rights violations and, through the BASF Group's Policy Statement on Human Rights, has committed itself to respecting human rights and fostering respect for the human rights of local communities and vulnerable groups along the entire value chain (see page 290). These include, in particular, the observance of land-related rights, as well as the implementation of the principle of the FPIC of Indigenous peoples (see page 224). We have integrated human rights- and land-related assessments into our corporate governance and decision-making processes, e.g., for investments in sites, plants, and financial assets. We also involve key stakeholders in decisions on future investments at an early stage. These may also include representatives of affected communities.

Our procurement requirement obliges suppliers to comply with environmental and social standards on the basis of our global Code of Conduct. We seek regular dialog with our stakeholders to identify conflicting goals and include recognized certification standards in our decisions (see page 225 and 269).

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, seeds and digital solutions help to ensure that crops produce a higher yield so that people benefit from an adequate food supply.

Our innovation-driven strategy for agriculture focuses on selected crop systems: soy, corn 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 a future-oriented and highly efficient agriculture. In light of the increasing global population, demand for food and feed, fibers as well as renewable raw materials and energy is increasing, whereas land suitable for agriculture is limited. This makes it essential to make agriculture even more productive. It must be balanced and ensure that affordable food can be produced in sufficient quantities. 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 and traits, chemical and biological crop protection as well as digital products tailored to regional farming needs and crop systems.

Positive community development

Through our activities, we aim to strengthen the communities surrounding our sites worldwide, promote the attainment of the Sustainable Development Goals (SDGs) and achieve a long-term positive impact on the environment and society. Our business activities can contribute to the positive development of local communities at our sites – for example, by creating jobs and promoting value generation in the regions. In addition, we are in continuous dialog with relevant stakeholders in order to incorporate the insights gained from this into our activities.

Through our societal engagement, we aim to improve people's quality of life through the prevention and combating of diseases (health), promote educational equity, employability and economic participation (skills) and safeguard natural resources (resources) (see page 281).

Our activities follow our global societal engagement policy. This is based on the BASF Code of Conduct and falls within the responsibility of the Corporate Sustainability unit.

Stakeholder engagement

S3-2

Continuous dialog with our stakeholder groups and their involvement are integral to BASF's corporate responsibilities. Central governance, quality assurance and ongoing development of our engagement with societal stakeholders are the responsibility of the Corporate Sustainability unit, which is under the direct responsibility of the Chairman of the Board of Executive Directors. The insights gained in the dialog with stakeholders are included in relevant strategic decisions. Regular company-wide exchange of experiences and insights is designed to ensure the continuous improvement of our approaches and measures.

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 201), we aim, for example, to safeguard the right of residents at our sites to access clean water.

The concerns of affected communities, especially vulnerable groups such as Indigenous peoples, are integrated at several levels: We can be contacted directly via the BASF Compliance Hotline. In addition, we engage in dialog with experts in, for example, human rights and climate science, as well as with nongovernmental organizations that represent the interests of vulnerable groups. On a case-by-case basis, we seek direct dialog with their representatives. In this regard, we observe our Group-wide requirements on relations with representatives of civil society.

We bear a particular responsibility toward the neighbors of our sites. With **community advisory panels**, we promote continuous dialog between residents and our site management and strengthen trust in our activities (see page 160).

We address current and important issues regarding specific topics with our own advisory councils. This enables BASF to better understand the impact of its operations on the environment and affected communities. The **Nature Advisory Council (NAC)**, our advisory council for topics related to biodiversity and ecosystems, serves the purpose of obtaining an independent societal perspective on our activities in relation to nature and biodiversity topics, including those related to affected communities (for more information, see page 160). The **Human Rights Advisory Council (HRAC)** 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. The HRAC helps us to better understand different perspectives on human rights (including the limits of corporate due diligence), address conflicting aims and take into account the rights of Indigenous peoples in our business activities. The council also contributes to building on our human rights-related strengths and identifying potential improvements (for more information, see page 160). In 2025, the councils once again provided valuable impetus for our contributions to sustainable development. The responsible balancing of economic, environmental and social aspects was central to this. For example, insights have been incorporated into our procurement process for renewable raw materials.

Another format is our **Civil Society Forum**, which enables the explanation of current and potential topics and issues and provides space for feedback from civil society (see page 160).

For a case-by-case dialog with stakeholders such as affected communities, we use the format of the **Environmental Social Governance Council (ESGC)** as an instrument where required. In this way, the viewpoints of relevant stakeholders, in particular vulnerable groups such as Indigenous peoples, can be incorporated at an early stage into the decision-making process on future investments. We also review current investments according to the sustainability criteria and employ suitable dialog formats on a case-by-case basis to incorporate the societal perspectives (see page 159).

Our involvement in multistakeholder and other initiatives represents a key component of our strategic approach in relation to affected communities and all workers in the value chain. BASF is involved in initiatives such as Cobalt for Development, the Roundtable on Sustainable Palm Oil and the Global Battery Alliance (see page 272).

Grievance mechanism and remedial actions

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 problems raised and addressed are tracked and monitored, see page 293 onward.

Should concerns be raised or violations identified in relation to our own activities, we immediately take the actions required in order to examine concerns and eliminate any violations found. 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 these violations or investigate them appropriately. Where necessary, we support our suppliers in facing 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.

Actions

S3-4

In order to mitigate negative impacts and risks while simultaneously leveraging opportunities related to 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 governed by a 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 150).

Actions to prevent potential adverse effects on health

We implement numerous actions aimed at mitigating the potential negative impacts of our production and our products on both the environment and society along the entire value chain (see page 157).

In order to minimize negative impacts and risks in the upstream value chain, we rely on dialog with our suppliers as well as the evaluation and further development of their sustainability performance. We support local initiatives to reduce potential adverse effects on health caused by the business activities of our suppliers. Our management processes come into effect in the event of specific incidents (see pages 265 and 269).

To prevent work-related injuries and their associated impacts on employees, their relatives and affected communities, we support and demand safe and risk-aware working practices, learning from incidents and the regular sharing of experiences among our employees. Employees in production also receive regular training on the safe handling of chemicals (see page 256). In addition, teams of experts at all of our sites deal with occupational health, occupational safety and environmental protection matters. The Corporate Center unit Corporate Environmental Protection, Health, Safety & Quality conducts regular audits to monitor compliance with internal and legal requirements (see page 251 and 202).

We also aim to minimize potential incidents impacting the environment and health through our targets for responsible and resource-efficient production, particularly our process safety target (see page 206). To reduce process safety incidents, we focus in particular on technical measures, digital solutions and a leadership culture that places even greater focus on safety awareness and dealing openly with mistakes. In addition, we are continuously 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 185), we continuously design more energy- and resource-efficient plants and processes. This helps to reduce emissions. We thus take various measures to reduce emissions to air, for example by using catalysts to reduce 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 (see page 205).

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 the environment.

In order to minimize negative impacts and risks in the downstream value chain, we address the safe handling and use of chemical raw materials and products as part of our product and transportation safety. Before our products are launched on the market, they undergo various tests and evaluations – depending on legal requirements and their application profile. On the basis of the results, we devise precautionary and protective measures and develop recommendations for safe handling. In order to ensure that our customers receive our goods in harmless condition as well as in safe packaging and transport containers, we rely on qualified selection, approval and clear labeling of packaging and transport containers, on documents accompanying transport and extensive checks (see page 204).

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. In addition to 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 contractors, suppliers, neighbors 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 program (translation from Hindi: "Safety all the time"), initiated by BASF in India, trains farmers and other users in the safe and responsible use of crop protection products and focuses on measures to minimize risk. Since 2016, around 998,000 farmers and 133,000 other users have been reached.

By systematically evaluating the sustainability performance of our suppliers and by cooperating closely with our partners where there is a need for improvement, we can verify whether negative impacts on health are being effectively prevented in our upstream value chain (see page 269). 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 based on our global targets for responsible and resource-efficient production (for additional information, see page 32). To effectively prevent potential impacts along the downstream value chain, we regularly review the effectiveness of our product and transportation safety measures by means of Responsible Care audits (see page 203).

Actions to prevent land-related impacts in the supply chain

Through our business operations, we are connected with a large number of people worldwide who are either directly or indirectly influenced by our activities. In particular, the use of renewable raw materials can be associated with land-related impacts for local communities and Indigenous peoples. We meet our responsibility to respect human rights throughout the entire value chain, particularly in relation to vulnerable groups.

In fulfilling our responsibility to respect the land rights of affected communities, we rely on established monitoring systems. The overarching governance of human rights due diligence at BASF lies with the Compliance organization. In addition, several specialist units are responsible for steering specific human rights topics, for example through our Human Rights Expert Working Group (see page 291). We track the effectiveness of our activities to respect the rights of affected communities using the number of issues and incidents brought to our attention.

We expect that any development activity related to land use change respects the rights of Indigenous peoples and local communities to give or withhold their free, prior and informed consent (FPIC) where they hold legal, communal or customary rights in accordance with the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and the social requirements of the High Carbon Stock (HCS) approach (see page 228). If concerns are raised or a violation is identified in relation to our own activities, we immediately take the action required in order to appropriately address and end the violation.

» For more information, see www.basf.com/forestprotection

In our continuous risk analyses, we take into account environmental and social aspects, such as working conditions and food safety, and expect our suppliers to comply with environmental and social standards based on our global Code of Conduct (see page 225). This applies, for example, when purchasing palm oil, palm kernel oil and their derivatives, which are some of our most important renewable raw materials; these are described in detail under E4 Biodiversity and Ecosystems (see page 228). Based on our global Supplier Code of Conduct, we have defined our expectations of suppliers in the palm-based value chain in an additional procurement policy (BASF Palm Sourcing Policy). In addition to certification standards, traceability and environmental aspects, it also addresses requirements relating to compliance with the principle of FPIC, labor and human rights, and the inclusion of smallholder structures. Our aim is to ensure that these raw materials come from sustainable, certified sources. As an extension of our BASF Palm Progress Report, the Care Chemicals operating division has published a comprehensive Responsible Sourcing Report each year since 2023.

» For more information on our voluntary commitment to palm oil products and the Responsible Sourcing Report, see basf.com/en/palm-dialog

We have also established dedicated processes for the sourcing of mineral raw materials to trace their origin in the supply chain. We have implemented the EU's Conflict Minerals Regulation, for example by carrying out a compliance check for the import of conflict materials into Europe in our ordering system. In this way, we aim to minimize the negative impact of BASF on affected communities (see page 271).

We seek regular dialog with our stakeholders to identify conflicting goals and include recognized certification standards in our decisions. Sourcing of lithium is an example here. Together with BMW, Mercedes-Benz, Fairphone, Daimler Truck and Volkswagen, we have been a member of the Responsible Lithium Partnership initiative since 2021. This initiative, which ended in spring 2025, promoted the responsible use of natural resources in the Salar de Atacama salt flat in Chile (see page 217). In addition, we gain insights into the perspectives of workers in the value chain through the exchange in multistakeholder initiatives, such as Cobalt for Development (see also page 272), the Global Battery Alliance (see also page 272) or the Responsible Mica Initiative (see also page 273), as well as through our involvement in other committees such as econsense, where we are the topic sponsor in the Human Rights & Value Creation cluster.

Actions promoting a positive contribution to food supply

The Agricultural Solutions division is helping to increase agricultural productivity while at the same time reducing environmental impact through chemical and biological crop protection products, seeds and traits, as well as new business models in the areas of digitalization and sustainability. With our innovations, 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 a positive contribution to food supply.

BASF invests in research and development to develop new and resistant seed varieties that can thrive better in different climate zones, under higher disease pressure 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 involved in various initiatives and works with various partners to strengthen food supply chains and improve access to food, particularly in emerging markets. For example, as part of our Smallholder Engagement program, we support Indigenous smallholder farmers in India with our "Healthy Soils, Prosperous Farmers" initiative and support them in building independent and sustainable livelihoods. Here, we place a special emphasis on women and young people. Through targeted skills development and improved market access, we aim to strengthen the health and resilience of the agroecosystems and value chains in which they operate. Since the start of the project, more than 8,000 smallholder farmers have been reached, whose household income is to be increased through innovative approaches such as mixed cropping and solar-powered drip irrigation. Implementation is carried out in strategic partnership with nongovernmental organizations such as Collectives for Integrated Livelihoods Initiatives, Seven Sisters Development Assistance, Solidaridad and the World Vegetable Center. The program pursues a dedicated action plan until 2030 and is expanding continuously, including by transferring the project foundations to Ethiopia (see also page 286).

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 focus on strengthening public health, promoting skills and protecting natural resources: We want to improve people's quality of life by preventing and combating diseases (health), promote educational equity, employability and economic participation (skills), and strengthen the appreciation and protection of natural resources (resources).

In 2025, the BASF Group spent around €29 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 cooperation with various organizations. The 2025 year-end donation campaign in favor of BASF Stiftung went to UNICEF and its effort to support malnourished children in Burundi. BASF topped up the donations made by employees of participating German Group companies by €100,000 to a total of over €375,000.

With our intrapreneurship program **Starting Ventures**, we support projects that – with entrepreneurial ideas, technical expertise and time resources – tackle local challenges together with partners on the ground and thus contribute to the U.N. Sustainable Development Goals (SDGs). A recent example of this is the More Technological Cooperatives project, which supports recycling cooperatives in Brazil in achieving higher incomes through improved sorting rates while also contributing to reducing the environmental impact. Our projects help people from low-income areas in the global south to improve their economic opportunities and their quality of life. At the same time, the program gives us access to new markets and partners. In 2025, implementation of a further nine Starting Ventures projects began in Africa, Asia and South America.

At many sites, BASF works with partners for high-quality education and greater educational equity, 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 resilience of society. For 28 years now, children and young people in 45 countries have been able to take part in experiments in **BASF Kids' and Teens' Labs**. In 2025, Kids' Lab was implemented for the first time in Nashik, India, at 18 local schools. More than 2,000 children and 35 mentors from disadvantaged Indigenous communities learned in interactive experiments on environmental pollution and climate change, for example, how they can work for the environment and society in their everyday lives.

The **Young Voices for a Sustainable Future** project was initiated in 2022 together 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 how to influence the resulting challenges. In 2025, the project encouraged more than 1,500 young people in Brazil's Amazon region, the Philippines, Mexico, Nigeria, Thailand, Uruguay and the United Arab Emirates – supported by around 90 BASF employees – to actively take responsibility and drive positive change in their communities.

Through our activities in the domain of public health, we aim to improve the quality of life of people around the world by preventing and combating disease. We achieve this goal by partnering with the international community, including international healthcare, governmental and humanitarian organizations. More than 180 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 360 million people from contracting malaria. BASF's commitment to eliminating malaria also comprises ongoing product innovation in combination with product safety training and education.

Furthermore, BASF engages in projects to fortify food products with micronutrients, especially in countries of the Global South. 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 products in eight countries with a micronutrient deficiency. In 2025, BASF provided products to combat micronutrient deficiencies in more than 30 countries and delivered technical training in selected markets.

Through our **Smallholder Engagement program**, we support smallholder farmers in low and middle-income countries in creating an independent and sustainable livelihood locally. In doing so, we place particular emphasis on the areas of food safety and quality, building climate resilience and maintaining healthy and resilient ecosystems. Our program includes several projects and is based on a participatory approach with NGOs, research institutions and local governments. The aim is to promote the safe and responsible use of products and sustainable agricultural practices among local stakeholders. In this way, we ensure that our commitment is effective and that long-term improvements in livelihoods are achieved.

One example is the KAJVE 2.0 project, which BASF is implementing in cooperation with the nongovernmental organization Solidaridad and the International Center for Tropical Agriculture (CIAT). The aim of the partnership is to strengthen smallholder coffee farmers in Indigenous communities in the state of Chiapas, Mexico, and to establish more sustainable supply chains for coffee. The focus lies on improving the income and resilience of coffee farmers by promoting regenerative farming methods and innovative agroforestry systems, while at the same time advancing climate and environmental protection. In addition, the exchange of knowledge within the communities and the safe and responsible use of BASF technologies are promoted. Since the start of the project in 2023, around 500 smallholder farmers have taken part in training and further education measures. In the 2024/2025 cultivation season, participants benefited from an average productivity increase of 35% per hectare.

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 policy stipulates 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 32 onward) contribute to the protection of affected communities. These include our climate protection targets to reduce our greenhouse gas emissions (see page 189), our responsible procurement target (see page 273), our sustainable water management target (see page 218) and our targets for safe and resource-efficient production (see page 260 and 206). 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 in particular the land use rights and specific 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. We discuss the sustainability topics that are material for BASF at regular meetings with external stakeholders as part of our strategic stakeholder engagement as well as in meetings with investors. On this basis, stakeholder expectations are continuously incorporated into the development of sustainability management approaches, targets and principles.

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 what is required by law, with the main aim to achieve positive impacts on society, the environment and BASF alike. Through our activities, we strive 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.

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. They guide us to act responsibly in all our activities and secure 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 double materiality assessment that we conducted in 2025 defined Business Conduct as material (see page 163) and identified three material impacts (see the following table). We record opportunities and risks as part of our general opportunity and risk management (for additional information, see page 90 onward). In addition, specific compliance risks are identified through regular risk assessments of our operating divisions and Group companies (see page 295). We also conduct risk-based checks of our global business partners for any signs of corrupt behavior (see section Business partner due diligence).

Results of the double materiality assessment for G1 Business Conduct: Impacts

Impact	Evaluation	Position 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	In the mandatory trainings, employees 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.

Strategy and governance

ESRS 2 GOV-1 ESRS 2 GOV-4 G1-1

General information on overarching policies such as our Policy Statement on Human Rights, our Code of Conduct or the policy for our compliance management system can be found in the General Disclosures of this (Consolidated) Sustainability Statement (see page 150). The specific aspects of these policies are explained in this chapter.

Fundamental principles of responsible corporate governance

ESRS 2 GOV-1 G1-1 G1-3

We are committed to doing business in a responsible and respectful manner. Adherence to compliance standards is the foundation of responsible corporate governance – this is embedded in our CORE corporate values (see page 16). Our standards are based on applicable laws and regulations, in some cases exceed them and take internationally recognized principles into account. 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 UN 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 Responsible Care® Global Charter of the International Council of Chemical Associations (ICCA)
- The German Corporate Governance Code (GCGC)

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. Our **Code of Conduct** firmly embeds these mandatory standards into our employees' day-to-day business. The members of the Board of Executive Directors are also expressly committed 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.

Compliance organization

ESRS 2 GOV-1 G1-3

The head of our Legal and Compliance organization also acts as BASF **Chief Compliance Officer (CCO)**. The 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. Support is provided by the Corporate Compliance unit and more than 100 compliance officers and representatives in the regions[1] and countries worldwide as well as in the operating divisions, service units and in the Corporate Center. Key compliance topics are regularly discussed in the compliance committees established at global and regional level. The Compliance organization reports to the Supervisory Board's Audit Committee twice a year on the status and key developments of the Compliance Program. In the event of significant incidents, the Audit Committee is immediately informed by the Board of Executive Directors. The Board of Executive Directors reports to the Supervisory Board regularly, without delay and comprehensively, on all issues important to the company, including compliance, and coordinates the company's strategic direction with the Supervisory Board.

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 116). As part of their onboarding, newly appointed members of the Board of Executive Directors are individually briefed on BASF's Compliance Program, the compliance management system, and the legal and internal corporate governance requirements. The members of the Board of Executive Directors

[1] The regional structures were dissolved as part of the new strategy. We are reviewing the compliance officer structure in this context.

together with senior management play a key role in our compliance culture. All new Supervisory Board members also familiarize themselves with the BASF Code of Conduct at the beginning of their term of office. Supervisory Board members who serve on the Audit Committee also receive separate training on our Compliance Program. Due to their many years of leadership experience within the BASF Group, all members of the Board of Executive Directors are very familiar with corporate governance, culture and policies, and in particular with the Code of Conduct. On the Supervisory Board, Dr. Kurt Bock, Prof. Dr. Stefan Asenkerschbaumer, Alessandra Genco and Tamara Weinert have in-depth knowledge of corporate governance and corporate policy thanks to their decades of management experience.

Human rights due diligence

ESRS 2 GOV-4

Human rights due diligence is an integral part of our responsible corporate governance and our strategy. We see human rights due diligence as an important, comprehensive task we can only fulfill if everyone in the entire organization works together. We are committed to respecting internationally recognized human rights in our own operations and promoting them along our value chains. In our own operations, we are strictly careful not to cause or contribute to human rights violations.

Part of our corporate value "responsible" (see page 16) is that we strive to apply high standards for responsible labor standards and the protection of health and safety worldwide. In order to meet this high standard and our commitment, we developed an integrated and risk-based approach as well as clear processes for monitoring and managing human rights risks.

We want to ensure that we:

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

Effective cross-functional cooperation is a crucial building block for this – we have structured our organization accordingly. The head of our Legal and Compliance organization also acts as **Chief Human Rights Officer** and is responsible for monitoring overall risk management, including human rights risks. Our compliance organization reports regularly to the Board of Executive Directors and the Audit Committee.

Our Corporate Compliance unit is responsible for the overarching governance of human rights due diligence, ensuring that human rights-related assessments are integrated into our governance and decision-making processes – for example, in the case of investments and acquisitions. In addition, various specialist units are responsible for managing specific human rights issues. Experts in the fields of international labor standards, environmental protection, health and safety, as well as corporate security take a risk-based approach to ensure that we respect the relevant human rights in our own activities.

Our internal cross-unit **Human Rights Expert Working Group**, managed by the Corporate Compliance unit, facilitates close collaboration and exchange on current human-rights related topics and developments between the above mentioned specialist units, which also include specialists from the areas of Procurement, Legal, Human Resources, Sustainability, Communication and Government Relations. Additionally, our approach involves structured collaboration with the operating divisions to identify and actively address division-specific risks. This allows us to ensure that we take a holistic approach to our responsibility for human rights and that we can continuously improve. Like our Corporate Compliance unit, the aforementioned specialist units have their own global organization, train it and are supported by it in the global implementation of due diligence processes and measures worldwide in the countries in which BASF is active. The Expert Working Group, among other things, provides support and advice in challenging and critical situations, in the further development of internal processes and in the creation of information and training opportunities. We also obtain additional external human rights expertise through our Human Rights Advisory Council (see page 160). In addition, we are a founding member of the UN Global Compact and a member of the Global Business Initiative on Human Rights and are involved in initiatives such as Together for Sustainability (TfS) and Responsible Care® (see page 269).

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

The following chapters of this (Consolidated) Sustainability Statement address our corporate due diligence obligations in further detail.

Additional information on corporate due diligence in this report

Corporate Governance	From page 114 onward
E1 Climate Change	From page 172 onward
E2 Pollution Prevention	From page 199 onward
E3 Water	From page 213 onward
E4 Biodiversity and Ecosystems	From page 221 onward
E5 Resource Use and Circular Economy	From page 232 onward
S1 Own Workforce	From page 248 onward
S2 Workers in the Value Chain	From page 264 onward
S3 Affected Communities	From page 275 onward

Explanation of the material impacts of our business

Our global Code of Conduct as well as our compliance management system and associated measures 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.

Contribution of our global compliance measures and systems

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 and requirements for responsible conduct of all BASF employees in their interactions with business partners, officials, coworkers and society. The main guidelines are primarily summarized in our BASF policies on compliance, human rights, labor standards and in the Supplier Code of Conduct (see page 150). With our comprehensive management and monitoring systems, we want to ensure that we act in accordance 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 296).

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, making it easier to report potential violations of applicable law or internal company guidelines. This helps us to uncover potential shortcomings and take appropriate measures to remedy them.

Contribution of our global Code of Conduct

G1-1

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 standards, conflicts of interest, whistleblower protection, trade control and data protection. 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. Through our Code of Conduct, we 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 specified our responsibility for human rights in our Code of Conduct and Policy Statement on Human Rights and embedded this in our Supplier Code of Conduct. The latter indicates that we expect our business partners to comply with prevailing laws, regulations and internationally recognized principles.

For the success of compliance in the company, it is crucial that values and commitments are lived 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

Contribution of our training courses to the prevention of corruption and bribery

G1-3

Workshops and mandatory training are a key element in preventing compliance 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 as 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 the prevention of corruption and bribery as well as information about our grievance mechanisms.

Actions

ESRS 2 GOV-4

While our responsible corporate governance measures are implemented centrally and globally, they are not governed by a centrally managed action plan. This goes hand in hand with the BASF approach to sustainability steering (see page 150).

Our primary goal is to prevent violations from the outset and we rely chiefly on the following actions:

- Training on the BASF Code of Conduct
- BASF Compliance Hotline
- Risk analyses
- Business Partner Due Diligence

Information offerings and training to strengthen our compliance culture

G1-1 G1-3

In 2025, we registered more than 111,000 participations worldwide (2024: >120,000) in our Code of Conduct trainings. In total, more than 93,000 training hours were completed (2024: 105,000). 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 2025 for the managing directors of BASF Group companies.

The online version of the BASF 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.

We particularly encourage our employees to actively and promptly seek guidance if in doubt. They can consult their supervisors, specialist units, such as the Corporate Legal unit, 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.

Grievance procedure for monitoring adherence to our compliance principles

G1-1

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 (see page 268). 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 Compliance Hotline is explicitly mentioned during training courses and in the context of specific campaigns, such as during our Global Compliance Week in November 2025.

Availability, confidentiality, and protection from retaliation

To ensure confidentiality, we have contracted an independent external provider to operate this global Compliance 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. The website is also available to third parties such as suppliers (see page 268), partners and the public. All relevant information, including the rules of procedure, is publicly available on our website in over 50 languages.

Handling compliance reports

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 aim to always respond promptly to violations, to process all concerns promptly and to provide feedback on the status.

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 action in accordance with uniform standards up to termination of employment.

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 requirements 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 requirement. The outcome of the investigation as well as any measures taken are documented accordingly and included in internal reports.

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.

Reported cases and follow-up measures

We consider the number of cases reported through our reporting channels and the resulting follow-up measures, including disciplinary actions, court 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 2025, the BASF Compliance Hotline received 739 reports (2024: 751). These reports are recorded in our global compliance case management system. 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 investigate all cases of suspected misconduct that come to our attention via the BASF Compliance Hotline or other channels and, when necessary, take 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 action as appropriate. Most of the substantiated cases related to violations of our principles on respect in the workplace and personal misconduct in connection with inappropriate handling of conflicts of interests or the protection of company property. In such individual cases, we took disciplinary action in accordance with uniform internal standards and also pursued claims for damages where there were sufficient prospects of success. In 2025, violations of our Code of Conduct led to termination of employment in 59 cases (2024: 67). This affected various groups of employees, including managers.

G1-4

As in the previous year, in the reporting year there were no court convictions for violations of anticorruption and antibribery regulations.

Identification of compliance risks

Based on ongoing systematic risk analysis we identify and evaluate material risks from compliance violations, including corruption. This is done from the perspective of the divisions and the Group companies. 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 organizations are prohibited from accepting gifts of any kind, in accordance with our Zero Gift Policy. Training materials and formats (see section Information offerings 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.

Business partner due diligence

G1-4

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. Based on our global requirement "Third-Party Compliance Due Diligence," we use an IT solution to audit all of our sales intermediaries for potential compliance risks. We have established control mechanisms accordingly. 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 267) also applies to our suppliers, which covers compliance with environmental, social and corporate governance standards, among other requirements. With regard to environmental protection, health and safety, we regularly review our performance as part of our Responsible Care Management System, which also covers audits (see page 201).

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. Sanctioned persons, companies or organizations are excluded as business partners.

Global targets

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 actions and requirements in this field. The corporate requirements cited in this chapter are aimed at continuous optimization and further development. Our Group-wide Compliance Program aims to ensure adherence to our compliance principles.

The internal Corporate Audit unit also regularly reviews the effectiveness of our systems, including our compliance management system, and whether compliance principles are being adhered to. All areas in which compliance violations could occur are covered. 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 2025, Corporate Audit conducted and documented 50 such audits Group-wide (2024: 68).

Appendix to the (Consolidated) Sustainability Statement

ESRS 2 SBM-3 ESRS 2 IRO-2

The table below illustrates the data points in ESRS 2 and topical ESRS 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	118, 124
ESRS 2 GOV-1	21e	Percentage of board members who are independent			x		Corporate Governance Report	124
ESRS 2 GOV-4	30	Statement on due diligence	x				Sustainability Statement – Business Conduct	290
ESRS 2 SBM-1	40d (i)	Involvement in activities related to fossil fuel activities	x	x	x		Sustainability Statement – General Disclosures	154
ESRS 2 SBM-1	40d (ii)	Involvement in activities related to chemical production	x		x		Sustainability Statement – General Disclosures	154
ESRS 2 SBM-1	40d (iii)	Involvement in activities related to controversial weapons	x		x		Sustainability Statement – General Disclosures	154
ESRS 2 SBM-1	40d (iv)	Involvement in activities related to cultivation and production of tobacco			x		Sustainability Statement – General Disclosures	154
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				x	Sustainability Statement – Climate Change	179
ESRS E1-1	16g	Undertakings excluded from Paris-aligned Benchmarks		x	x		Sustainability Statement – Climate Change	180
ESRS E1-4	34	GHG emission reduction targets	x	x	x		Sustainability Statement – Climate Change	189
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	x				Sustainability Statement – Climate Change	192
ESRS E1-5	37	Energy consumption and mix	x				Sustainability Statement – Climate Change	192
ESRS E1-5	40 to 43	Energy intensity associated with activities in high climate impact sectors	x				Sustainability Statement – Climate Change	192
ESRS E1-6	44	Gross Scope 1, 2, 3 and Total GHG emissions	x	x	x		Sustainability Statement – Climate Change	194
ESRS E1-6	53 to 55	Gross GHG emissions intensity	x	x	x		Sustainability Statement – Climate Change	194
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	

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	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	
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	209
ESRS E3-1	9	Water and marine resources	x				Sustainability Statement – Water	214
ESRS E3-1	13	Dedicated policy	x				Sustainability Statement – Water	214
ESRS E3-1	14	Sustainable oceans and seas	x				Not material	
ESRS E3-4	28c	Total water recycled and reused	x				Sustainability Statement – Water	219
ESRS E3-4	29	Total water consumption in m3 per net revenue from own operations	x				Sustainability Statement – Water	220
ESRS 2 SBM-3 – E4	16a (i)		x				Not applicable	
ESRS 2 SBM-3 – E4	16b		x				Sustainability Statement – Biodiversity and Ecosystems	222
ESRS 2 SBM-3 – E4	16c		x				Sustainability Statement – Biodiversity and Ecosystems	231
ESRS E4-2	24b	Sustainable land/agriculture practices or policies	x				Sustainability Statement – Biodiversity and Ecosystems	226
ESRS E4-2	24c	Sustainable oceans/seas practices or policies	x				Not material	
ESRS E4-2	24d	Policies to address deforestation	x				Sustainability Statement – Biodiversity and Ecosystems	225
ESRS E5-5	37d	Nonrecycled waste	x				Sustainability Statement – Resource Use and Circular Economy	239
ESRS E5-5	39	Hazardous waste and radioactive waste	x				Hazardous waste: Sustainability Statement – Resource Use and Circular Economy; radioactive waste: not material	240
ESRS 2 SBM-3 – S1	14f	Risk of incidents of forced labor	x				Sustainability Statement – Own Workforce	250
ESRS 2 SBM-3 – S1	14g	Risk of incidents of child labor	x				Sustainability Statement – Own Workforce	250
ESRS S1-1	20	Human rights policy commitments	x				Sustainability Statement – Own Workforce	249

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 Sustainability Statement – Business Conduct	249, 250, 289
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	x				Sustainability Statement – Own Workforce	250
ESRS S1-1	23	Workplace accident prevention policy or management system	x				Sustainability Statement – Own Workforce	252
ESRS S1-3	32c	Grievance/complaints handling mechanisms	x				Sustainability Statement – Own Workforce Sustainability Statement – Business Conduct	255, 294
ESRS S1-14	88b + 88c	Number of fatalities and number and rate of work-related accidents	x		x		Sustainability Statement – Own Workforce	263
ESRS S1-14	88e	Number of days lost to injuries, accidents, fatalities or illness	x				Sustainability Statement – Own Workforce	263
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	263
ESRS S1-17	104a	Nonrespect of UNGPs on Business and Human Rights and OECD guidelines	x		x		Not applicable	
ESRS 2 SBM-3 – S2	11b	Significant risk of child labor or forced labor in the value chain	x				Sustainability Statement – Workers in the Value Chain	265
ESRS S2-1	17	Human rights policy commitments	x				Sustainability Statement – Workers in the Value Chain Sustainability Statement – Business Conduct	265, 289
ESRS S2-1	18	Policies related to value chain workers	x				Sustainability Statement – Workers in the Value Chain	267
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	266
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	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 S3-1	16	Human rights policy commitments	x				Sustainability Statement – Affected Communities Sustainability Statement – Business Conduct	276, 289
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				Not applicable	
ESRS S4-1	16	Policies related to consumers and end users	x				Not material	
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	289
ESRS G1-1	10d	Protection of whistleblowers	x				Sustainability Statement – Business Conduct	294
ESRS G1-4	24a	Fines for violation of anticorruption and antibribery laws	x		x		Sustainability Statement – Business Conduct	295
ESRS G1-4	24b	Standards of anticorruption and antibribery	x				Sustainability Statement – Business Conduct	292

[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")