



BASF Group 2023
At a Glance



□ - BASF
We create chemistry

□ - BASF
We create chemistry

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Title

The cover picture shows three young, committed BASF employees from different regions: Gabriela Uchôna dos Santos, Technical Service employee in São Paulo, Brazil, Rutger Leenknecht, Carbon Management expert in Antwerp, Belgium and Zi Ming Yang from Shanghai, China, research assistant in Process Engineering. All of them are rethinking chemistry and are part of our transformation towards climate neutrality.

 For more information on their projects and fields of responsibility, see [basf.com/report](https://www.basf.com/report)

Dear Reader,

At BASF, we are accustomed to working under pressure – and not just in our plants. The year 2023 once again required enormous effort on our part, as the entire chemical industry is in upheaval. Our markets, our competitors and the needs of our customers are changing rapidly. The world is still experiencing geopolitical conflicts, weak economic growth and high interest rates due to ongoing inflation. In Europe, structurally higher energy price levels, extremely sluggish growth and overregulation are especially challenging for the competitiveness of local European producers. This difficult environment is demanding everything from us and is reflected in our figures.

However, we accept these challenges. We are taking action to maintain our competitiveness, especially in Germany. We want to grow profitably worldwide and become climate-neutral. We worked hard on this in 2023. I am convinced: We will succeed in all these areas because we are a strong company. We have the will to change and a concrete plan, which we are systematically implementing. And we will emerge even stronger from these tough times, just as we have done repeatedly over our 158-year history.

BASF supplies products and services to around 78,000 customers from various sectors in almost every country in the world. We want

to further strengthen these relationships and win new customers too. Our strategy is to produce locally for local markets. We want to be close to our customers, and we focus on innovation-driven growth areas. In 2023, we opened Europe's first colocated center for battery material production and battery recycling in Schwarzheide, Germany. By 2050, we aim to achieve net-zero CO₂ emissions for our production (Scope 1) and our energy purchases (Scope 2). I am excited and proud to see how the entire BASF team is pulling together to make this a reality. We are changing how we produce. We are transitioning our energy supply from grey to green.

We officially inaugurated the offshore wind farm Hollandse Kust Zuid in the Dutch North Sea in 2023. This is an incredible success! And we are already pursuing two other major wind farms: in the German North Sea and off the coast of Zhanjiang in China. Moreover, we have committed to reducing the greenhouse gas emissions from raw materials purchased from our suppliers. By 2030, we intend to reduce our specific Scope 3.1 emissions by 15% compared with 2022.

For the chemical industry, Europe will continue to be the most challenging market. Nevertheless, I remain an optimist! We can successfully maintain and strengthen our industrial basis in Europe



if there is widespread willingness to embrace change among society, business and policymakers. But this will also require a new regulatory framework. One that promotes innovations for climate protection, enables the international competitiveness of new processes and accelerates the expansion of renewable energies at competitive prices.

Martin Brudermüller

Chairman of the Board of Executive Directors of BASF SE

Key Figures at a Glance

Sales

€68.9 billion

(2022: €87.3 billion)

EBIT before special items

€3.8 billion

(2022: €6.9 billion)

EBITDA before special items

€7.7 billion

(2022: €10.8 billion)

ROCE

4.5%

(2022: 10.0%)

Free cash flow

€2.7 billion

(2022: €3.3 billion)

Greenhouse gas emissions

16.9 MMT

(2022: 18.4 million metric tons)

Capital expenditures (capex)

€5.2 billion

(2022: €4.1 billion)

Employees at year-end

111,991

(2022: 111,481)

Personnel expenses

€11.0 billion

(2022: €11.4 billion)

New patents filed

~1,000

(2022: ~1,000)

Research and development expenses

€2.1 billion

(2022: €2.3 billion)

Employees in research and development

~10,000

(2022: ~10,000)

The BASF Group

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. Around 112,000 employees contribute to the BASF Group's success worldwide.

As one of the world's largest chemical companies, BASF is present in 93 countries. We operate 234 production sites worldwide. We laid the foundation for the Verbund concept in Ludwigshafen, Germany, in 1865 – and it remains one of our key strengths to this day. Intelligently linking and steering our Verbund plants creates efficient value chains – from basic chemicals to high value-added solutions. The Verbund enables us to manage our production in a resource-efficient, carbon-optimized and reliable way. By-products from one facility are used as feedstocks elsewhere, for example. This saves raw materials and energy, avoids emissions, lowers logistics costs and leverages synergies.

In addition to Ludwigshafen, Germany, BASF operates Verbund sites in Antwerp, Belgium; Freeport, Texas; Geismar, Louisiana; Kuantan, Malaysia; and Nanjing, China. Another Verbund site is being built in Zhanjiang in the southern Chinese province of Guangdong.

We steer our segments along our value chains to address the needs of our customers with differentiated solutions and strategies:

- **Chemicals:** This segment supplies BASF's other segments and customers with basic chemicals and intermediates.
- **Materials:** This segment produces advanced materials and their precursors for the plastics and plastics processing industries.
- **Industrial Solutions:** This segment develops and markets ingredients and additives for industrial applications.
- **Surface Technologies:** This segment provides chemical solutions for surfaces and automotive OEM coatings, as well as battery materials and catalysts.
- **Nutrition & Care:** This segment produces ingredients and solutions for consumer applications such as human and animal nutrition, cleaning agents and personal care.
- **Agricultural Solutions:** This segment is an integrated solutions provider of seeds, crop protection products and digital solutions for the agricultural sector.

Good to know

In the BASF Report 2023, we present how we create value for our stakeholders. The overview is modeled on the framework of the former International Integrated Reporting Council (IIRC).

 Discover the interactive value creation graphic at basf.com/how-we-create-value

We have organized our six segments into 11 divisions. They manage the 49 global and regional business units and develop strategies for 70 strategic business units.

For more information on the Verbund concept, see basf.com/en/verbund

BASF sales by industry 2023

Direct customers (respectively)

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



Chemicals

Petrochemicals | Intermediates

Share of total sales in 2023 **15.0%**



Materials

Performance Materials | Monomers

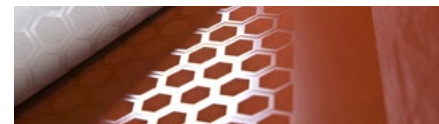
Share of total sales in 2023 **20.5%**



Industrial Solutions

Dispersions & Resins | Performance Chemicals

Share of total sales in 2023 **11.6%**



Surface Technologies

Catalysts | Coatings

Share of total sales in 2023 **23.5%**



Nutrition & Care

Care Chemicals | Nutrition & Health

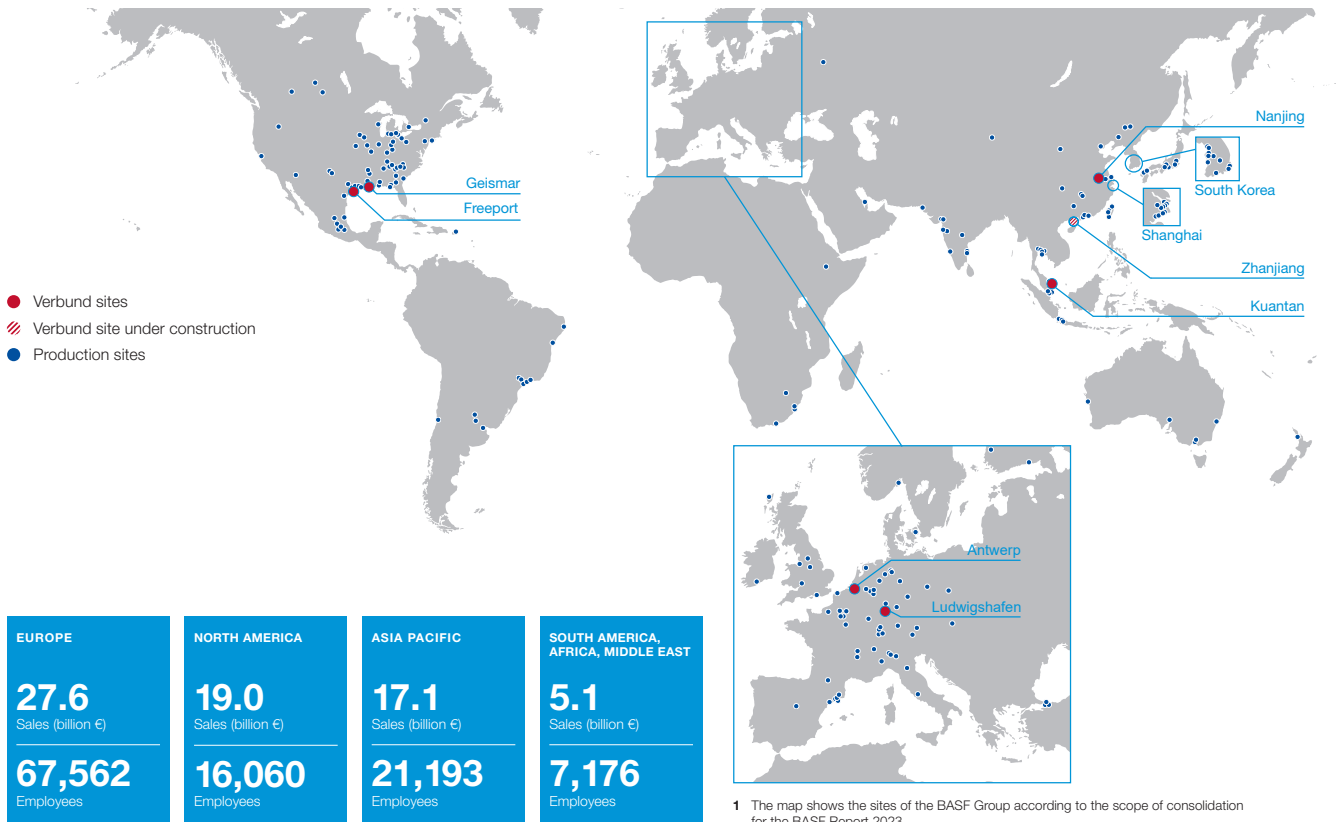
Share of total sales in 2023 **10.0%**



Agricultural Solutions

Share of total sales in 2023 **14.6%**

BASF sites¹



¹ The map shows the sites of the BASF Group according to the scope of consolidation for the BASF Report 2023.

Our Strategy

Chemistry is our passion. We make use of this passion for our customers: We want to offer them the best possible solutions and help them achieve their sustainability goals. With our products and technologies, our innovative and entrepreneurial spirit and the power of our Verbund integration, we want to grow profitably and, at the same time, create value for society and the environment. This is our goal, which is embedded in our corporate purpose: We create chemistry for a sustainable future.

Humankind is facing enormous challenges. The climate is changing, natural resources are becoming scarcer, pressure on ecosystems is increasing and our growing world population needs to be fed. More and more urgently than ever, solutions are needed for a sustainable future. Chemistry plays a key role here. In almost all areas of life, it can pave the way to greater sustainability and accelerate the transformation needed to achieve this.

Our innovative products, solutions and technologies help to improve quality of life and protect the environment as well as the climate. We achieve this by using raw materials more efficiently, reducing waste and enabling the production of healthy and affordable food as well as climate-smart mobility.

At the same time, BASF is also undergoing profound changes. We are transforming our company and breaking new ground to increase our profitability and achieve climate neutrality. We are facing up to the challenge of making this change socially just.

This involves managing long-term policy decisions like the European Green Deal, overcoming the consequences of current geopolitical conflicts and driving forward digitalization.



Our six strategic action areas

Innovation is the bedrock and driver of our success. BASF is a leader in the chemical industry with around 10,000 employees in research and development and R&D spending of around €2.1 billion in 2023. We want to further strengthen this position by driving forward our research activities, especially in agriculture, battery materials, polymer technologies and catalytic and biotechnological methods.

We see **sustainability** as an integral part of our strategy as well as our targets, steering processes and business models. Our approach covers the entire value chain – from the responsible procurement of our raw materials and safety and resource efficiency in production to sustainable solutions for our customers. We are focusing our product portfolio even more strongly on resource efficiency, climate change and energy as well as circular economy. That is why we have updated our Sustainable Solution Steering (TripleS) methodology for steering the product portfolio based on sustainability criteria.

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

Our core business is the **production** and processing of chemicals. Our strength here lies in the Verbund. It opens up numerous synergies and advantages to us, for example in the development and application of new technologies. We are therefore continuing to invest in our Verbund structure. At the same time, we are strengthening our presence in growth regions in order to produce locally for the local markets and thus close to our customers.

We want to leverage the diverse growth potential of **digitalization** and seize the associated opportunities to the benefit of our customers. To achieve this, we promote digital skills among our employees, cooperate with partners and make digital technologies and ways of working an integral part of our business.

Investments, acquisitions and divestitures play a key role in strengthening our **portfolio**. Following major acquisitions in recent years, we plan to further develop our portfolio through smaller, bolt-on acquisitions in the future. We are steering our portfolio toward innovation-driven growth areas.

Our **employees** are key to BASF's success. That is why we believe that it is important to have an inspiring working environment that fosters and develops employees' individual talents and enables them and their teams to perform at their best.

Differentiated Steering

To increase the value creation of the individual operating divisions, we are introducing a Differentiated Steering concept, which we will report on at segment level. Key criteria in the selection of specific steering indicators are the respective strategic direction of the business, the role of the business in BASF's portfolio and the contribution of the business to achieve corporate targets. We are focusing on industry-specific value drivers, which enables us to better integrate market conditions into our management and strengthen our business operations. We will also benchmark our performance even more closely against that of our competitors.

This is why we have further developed our financial steering concept for the financial years from 2024 onward. Here, we will differentiate between short-term and medium-term steering more clearly than before. We have established two new most important financial key performance indicators for the BASF Group's steering:

- Income from operations before depreciation, amortization and special items (EBITDA before special items)
- Free cash flow

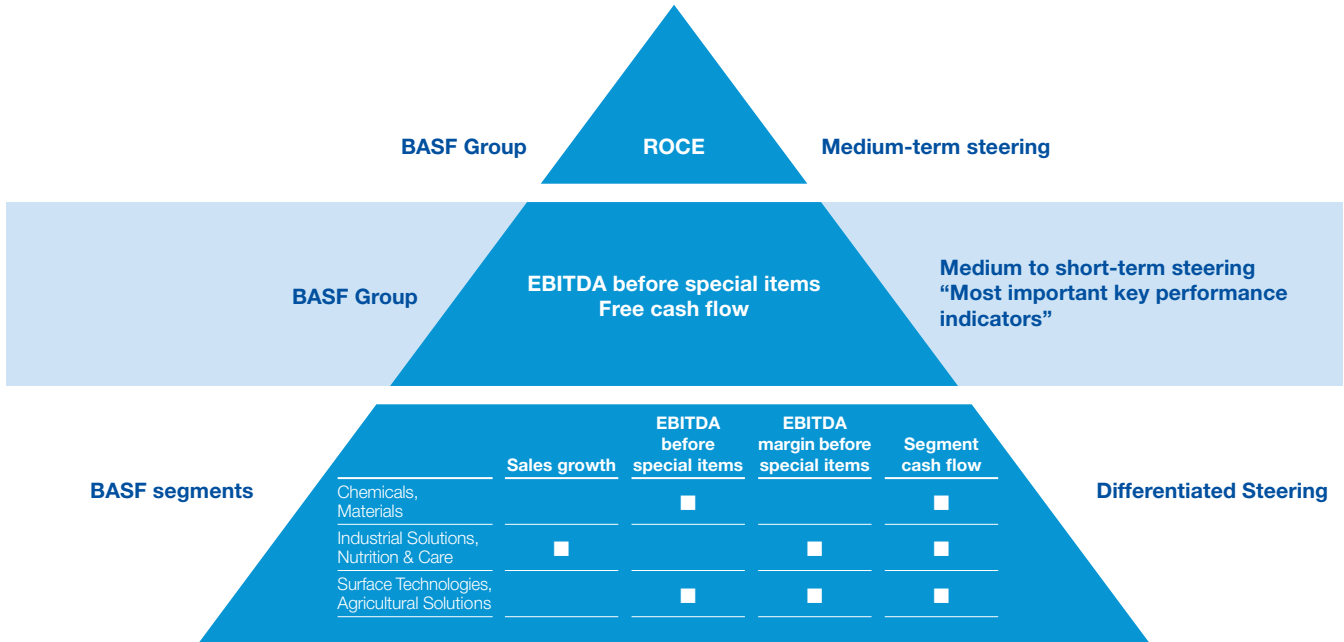
Return on capital employed remains a medium-term key financial target for the BASF Group. We use ROCE to emphasize the importance of managing our return on capital employed over time. Scope 1 and 2 CO₂ emissions remain the most important nonfinancial key performance indicator at Group level. We see sustainability as a decisive factor for our long-term business success.

The differentiated approach to steering the operating business units takes into account the different business models of the segments. In the future, capital-intensive segments (Chemicals, Materials, Surface Technologies and Agricultural Solutions) will be measured by their absolute contribution to EBITDA before special items. The success of the Industrial Solutions and Nutrition & Care segments primarily depends on the generation of new and profitable business. Therefore, the most effective measure of their performance is a combination of sales growth and margin. Accordingly, the EBITDA margin before special items is the link to the BASF Group's key performance indicator.

To manage cash flow at segment level, we use a specific key figure, segment cash flow, which includes the elements of free cash flow that can be managed by the operating divisions. This key performance indicator is relevant in all segments.

 For more information on the circular economy, see [basf.com/strategy](https://www.basf.com/strategy)

Differentiated financial steering approach of the BASF Group as of 2024



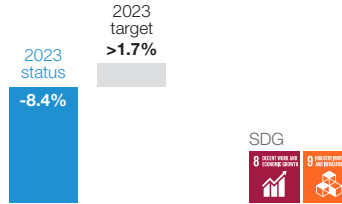
Our Targets 2023

Profitable growth



Most important key performance indicator

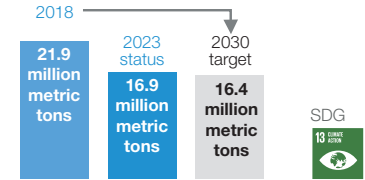
Achieve a **return on capital employed (ROCE)** considerably above the cost of capital percentage every year.



Reasonable assurance

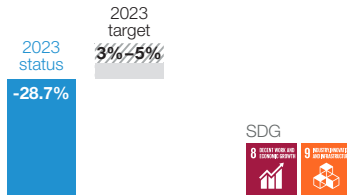
Grow **sales volumes** faster than global chemical production every year.

Effective climate protection



Most important key performance indicator

Reduce our absolute **CO₂ emissions (Scope 1 and 2)** by 25% by 2030 (baseline: 2018).²



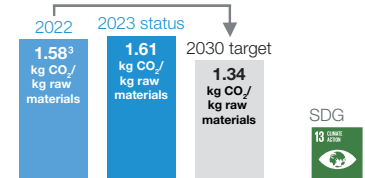
Reasonable assurance

Increase **EBITDA before special items** by 3% to 5% per year.



Reasonable assurance

Increase the **dividend per share** every year based on a strong free cash flow.



Reasonable assurance

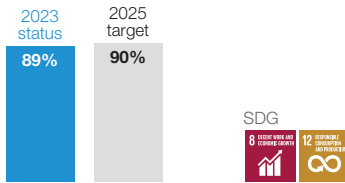
Reduce our specific **CO₂ emissions (scope 3.1)** by 15% by 2030 (baseline: 2022).³

1 Dividend proposal of the Board of Executive Directors

2 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 CO₂ equivalents (CO₂e). The baseline year is 2018.

3 Scope 3.1, raw materials excluding battery materials, services and technical goods, excluding greenhouse gas emissions from BASF trading business. Future adjustment of the baseline in line with the TIS guideline possible depending on the availability of further primary data. The baseline year is 2022.

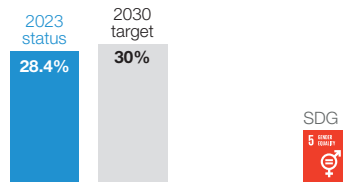
Responsible procurement



Limited assurance

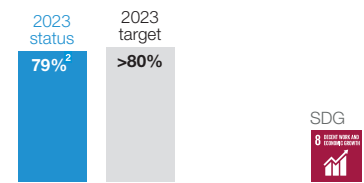
Cover 90% of our relevant spend with **sustainability evaluations** by 2025.

Committed employees and diversity



Limited assurance

Increase the proportion of **women in leadership positions** with disciplinary responsibility to 30% by 2030.



Limited assurance

More than 80% of our **employees** feel that at BASF, they can thrive and perform at their best.

Resource-efficient and safe production



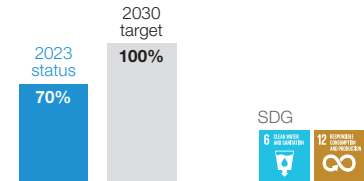
Limited assurance

Reduce our worldwide **high-severity process safety incidents** per 200,000 working hours to ≤0.10 by 2030.¹



Limited assurance

Reduce our worldwide **high-severity work process-related injuries** per 200,000 working hours to ≤0.05 by 2030.¹



Limited assurance

Introduce **sustainable water management** at our production sites in water stress areas and at our Verbund sites by 2030.

¹ We updated the safety targets in 2023.

² We regularly calculate the employee engagement level. The most recent survey was conducted in 2023.

Sustainability

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

The **impacts of our business activities** on the areas of environmental, social and governance are important aspects of our general opportunity and risk management. We contribute to sustainability and to the **United Nations' Sustainable Development Goals** (SDGs) in many ways. For instance, our innovations, products and technologies help to use natural resources more efficiently, meet the demand for food, enable climate-smart mobility, reduce emissions and waste, or increase the capabilities of renewable energy. At the same time, we cause CO₂ emissions, use water and source raw materials from suppliers, which may involve a potential risk of violating environmental, labor or social standards. This is why we are constantly working to broaden our positive contributions to key sustainability topics along our value chain and reduce the negative impacts.

We are committed to doing business in a **responsible, safe and resource-efficient** way. Our actions are guided by our corporate values and our global Code of Conduct. With our comprehensive management and monitoring systems, we want to ensure that we act in line with the applicable laws and uphold our responsibility to the environment and society. We require our business partners to comply with prevailing laws, regulations and internationally recognized principles.

We seek dialog with our stakeholders to discuss critical issues and develop solutions together. We are involved in numerous sustainability initiatives to drive forward sustainability in general and, specifically, as this relates to our value chains. These include the World Business Council for Sustainable Development (WBCSD) as well as networks with thematic focus like the Alliance to End Plastic Waste (AEPW) or the Global Battery Alliance (GBA). In our own independent exchange formats, we discuss our contribution to a socially just climate transformation with representatives from business, science, politics and civil society. For example, we discussed solutions and challenges on the path to climate neutrality with our stakeholders at the BASF Sustainability Lab in 2023.

 For more information on sustainability, see basf.com/sustainability

Who's learning from sharks?

We are. Find out how we are changing airplanes to protect the climate. The climate is changing. So are we.

For more information on our transformation, see basf.com/change





Electrification of our steam crackers

Steam crackers split petroleum into olefins and aromatics – both important groups of substances for numerous chemical value chains. Heating concepts that use electricity from renewable sources could reduce process-related emissions by at least 90% in the future.

We want to test the feasibility of this new process together with our partners SABIC and Linde in a demonstration plant. At the beginning of 2024, this plant was completed at our Ludwigshafen site in Germany and has since then been gradually being put into operation.

Transformation: Our Journey to Climate Neutrality

Climate change is the greatest challenge of the 21st century. Swift and resolute action is needed to achieve the targets agreed in the Paris Climate Agreement. We therefore expanded our climate protection targets: By 2050, we want to achieve net-zero greenhouse gas emissions for our production (Scope 1), our energy purchases (Scope 2) and our purchase of raw materials (Scope 3.1). We have set ourselves ambitious milestones on this path: By 2030, we want to reduce Scope 1 and Scope 2 emissions¹ by 25% compared with 2018 – while growing production volumes in parallel. We aim to reduce our specific Scope 3.1 emissions² by 15% by 2030 from the 2022 baseline. To achieve our climate protection targets, we are focusing on the following measures:

- **Renewable energy:** Our electricity needs are increasingly covered using renewable energy.

- **Carbon abatement:** We are developing emission-free and low-emission production processes, building on lower-emission steam generation and improving the energy and process efficiency of our plants.
- **Circularity:** We are also increasingly using renewable, recycled and CO₂-based raw materials in order to close material cycles.

We want to help shape the transformation toward climate neutrality in a socially just way. This requires 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 electricity requirements from renewable sources will increase significantly due to new, lower-emission production processes. To meet this demand, we are investing in our own power assets and are increasingly buying green electricity on the market.

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

2030 targets

-25%

Reduction in our absolute Scope 1 and 2 greenhouse gas emissions¹ compared with 2018

-15%

Reduction in our specific Scope 3.1 greenhouse gas emissions² compared with 2022

2050 target

Net-zero

Greenhouse gas emissions by 2050 (Scope 1, 2¹ and 3.1)

¹ Scope 1 and Scope 2 (excluding the sale of energy to third parties)

² Scope 3.1, raw materials excluding battery materials, services and technical goods, excluding greenhouse gas emissions from BASF trading business

Transformation: New Ideas for the Circular Economy

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

At BASF we think of circularity in two dimensions: In order to achieve our climate targets, we have to not only further reduce our own carbon footprint, but also that of our products. To do this, we use renewable raw materials and recycled raw material sources. At the same time, we are developing products and technologies to help our customers close loops, create value for society and protect the environment.

BASF's Verbund structure presents numerous opportunities for a circular economy: By intelligently networking our plants, we can use by-products from one plant elsewhere as feedstocks or an energy source, thereby using resources efficiently. We are also focusing our raw material base even more strongly on nonfossil circular alternatives. We procure these raw materials responsibly in order to minimize negative environmental impacts.

Many of BASF's products and technologies are already helping to close loops at many points along the value chain. Together with our

customers and other stakeholders, we want to further accelerate the transformation from linear to circular business models.

Our BASF solutions for the circular economy include:

- **Products based on renewable or recycled raw materials**
- **Products that close material cycles (“close the loop”)**
- **Products that increase the resource efficiency or lifespan of materials (“extend the loop”)**

One of the steps we have taken to meet our targets and accelerate the transformation is establishing a company-wide Circular Economy Program. As part of this program, BASF teams are currently developing new approaches within three main action areas and over 50 initiatives: alternative raw materials pathways, innovative material cycles and new business models for the circular economy – which also include digital and service-based concepts. We also cooperate with partners along the value chain and are involved in numerous networks, such as the Ellen MacArthur Foundation, the World Business Council for Sustainable Development, the Global Battery Alliance and the Alliance to End Plastic Waste. In doing so, we want to better understand needs, trends and growth opportunities and contribute to the development of standards.

 For more information on the circular economy, see [basf.com/circular-economy](https://www.basf.com/circular-economy)



From the clothing bin to the runway

At the beginning of 2024, Zara launched a jacket that is made entirely from the recycled polyamide loopamid[®], from the fabric lining to the hook-and-loop fastener and zipper. The BASF solution loopamid[®] is not only made entirely from recycled textile waste, it is also fully recyclable.



Supercomputer enables new research approaches

In 2023, BASF commissioned a new supercomputer in Ludwigshafen, Germany. Curiosity is the world's largest supercomputer used in industrial chemical research. It replaces the supercomputer that has been deployed since 2017. The new supercomputer is considerably more powerful than its predecessor. For example, the supercomputer's complex simulations help us to precisely predict which ingredients harmonize optimally together to achieve the desired effect.

For more information on the supercomputer, see basf.com/en/curiosity

Innovation

Innovation has always been the key to BASF's success. The knowledge and skills of our employees is our most valuable resource and the source of our innovative strength. In 2023, approximately 10,000 employees worldwide were working in research and development (R&D).

Our research and development expenses amounted to €2.1 billion in 2023. R&D activities in our operating divisions, which are mainly application and customer-related, accounted for 83% of this figure. Cross-divisional and long-term topics were responsible for 17% of these expenses.

Our innovation focus is on developing new products, solutions and product improvements that offer our customers competitive and sustainability advantages. By helping them reduce their carbon footprint, use resources more efficiently and manufacture products in a more environmentally friendly way and recycle them, we also ensure our long-term competitiveness and at the same time, play a role in decoupling growth from the consumption of limited resources. In 2023, we generated sales of around €10 billion with products launched on the market in the past five years that stemmed from research and development activities. In the long term, we aim to further increase sales and earnings with new and improved products – especially with products that make a positive sustainability contribution in the value chain.

The number and quality of our patents also demonstrate our innovative power and long-term competitiveness. In 2023, we filed 1,046 new patents worldwide, of which 42.2% were for innovations with a particular focus on sustainability. The Patent Asset Index, a method that compares patent portfolios, once again ranked us among the leading companies in the chemical industry in 2023.

Our global network of top universities, research institutes and companies forms an important part of our Know-How Verbund. It gives us direct access to external scientific expertise, talented minds from various disciplines as well as new technologies.

 For more information on innovation, see [basf.com/innovations](https://www.basf.com/innovations)

Good to know

~10,000

Employees in research and development

~€2.1 billion

Research and development expenses

- Academic research alliances
- Cooperation with around 280 research partners

Sustainable supply chains

In 2023, we purchased around 1 million metric tons of renewable raw materials. In addition to aspects such as supply security and product safety, we also consider possible negative impacts in our procurement, for example on biodiversity. This applies, for example, to palm oil and palm kernel oil, which we again purchased exclusively from RSPO-certified sources in 2023.

For more information, see personal-care.bast.com/sustainability

Responsible Procurement

As a global company, BASF sources raw materials, energy, precursors, technical goods and services from all over the world. These raw materials and precursors are the building blocks for our value creation and thus high-quality products for our customers. Our objective is to create competitive advantages through our professional procurement structures, to establish stable and reliable supply chains, and, at the same time, meet high ethical and environmental standards.

Together with our suppliers, we want to improve sustainability in the supply chain. Consequently, we require our suppliers to comply with the applicable laws in full and to adhere to internationally recognized environmental, social and governance (ESG) standards. We also expect them to make an effort to enforce these standards with their suppliers.

Our global Supplier Code of Conduct is founded on internationally recognized guidelines, such as the principles of the United Nations' Global Compact. Topics covered by the Code of Conduct include compliance with human rights, the exclusion of child and forced labor, adherence to labor and social standards, antidiscrimination and anticorruption policies, and protecting the environment. Around 5,000 new suppliers committed to the Code of Conduct in 2023. We are continually refining and optimizing this requirement and our

standards, structures and processes in response to changing framework conditions, such as new obligations arising from the German Supply Chain Due Diligence Act.

We take a closer look at suppliers in critical supply chains, for example, for mineral raw materials and renewable resources as well as a number of pigments. Upstream stages of the value chain are assessed for serious sustainability risks and, if necessary, suitable remedial measures are introduced. In addition, we develop and test approaches in joint initiatives with suppliers and other partners to make the supply of raw materials more sustainable. Examples include our joint activities on certified sustainable supply chains for renewable raw materials such as palm, palm kernel and castor oil or mineral raw materials such as cobalt.

 For more information on sustainability in procurement, see [basf.com/suppliers](https://www.basf.com/suppliers)

Our responsible procurement targets

90%

Share of the BASF Group's relevant spend covered by sustainability evaluations

80%

Percentage of suppliers with improved sustainability performance upon reevaluation



Experience sustainability – digitally, interactively, innovatively

For 26 years now, children and young people in 45 countries have been able to take part in experiments in BASF Kids' Labs. The Virtual Lab program was expanded this year to include the ProtAct17 app. The mobile app is designed to teach children aged 8 and up to protect the environment and to take action in line with the United Nations' 17 Sustainable Development Goals.

Societal Engagement

Societal engagement is a cornerstone of our corporate social responsibility. Through our activities, we aim to strengthen the communities surrounding our sites worldwide, contribute to the achievement of the Sustainable Development Goals (SDGs) and have a long-term positive impact on the environment and society. By contributing our expertise and resources, we are pursuing three global goals: strengthening public health, promoting skills (e.g., for economic participation and employability) and protecting natural resources. Our aim is to contribute to improving people's quality of life and make a positive contribution to society.

In the area of international development cooperation, we support the independent charitable BASF Stiftung with donations for its projects in cooperation with various organizations. The 2023 year-end donation campaign in favor of BASF Stiftung supported the United Nations Children's Fund, UNICEF, so that more children in Afghanistan can get access to education. BASF topped up the donations made by employees of participating German Group companies to a total of around €335,000.

In 2023, BASF also supported those affected by humanitarian disasters. Following the earthquakes in Turkey and Syria and the payment of €500,000 in emergency aid, BASF launched an employee donation campaign in which more than €844,000 was donated worldwide. BASF doubled the amount to more than €1.6 million, which is available for reconstruction in the affected regions. In addition, €300,000 in emergency aid went to the German Red Cross for people affected by the earthquake in Morocco.

 For more information on our engagement in the Rhine-Neckar region, see ludwigshafen.basf.de/en
For more information on our societal engagement around the world, see basf.com/en/engagement

Good to know

~€37 million

BASF Group expenses for societal engagement activities


BASF – A Sustainable Investment

With over 900,000 shareholders, BASF is one of the largest publicly owned companies with a high free float. An analysis of the shareholder structure carried out at the end of 2023 showed that, at around 18% of share capital, the United States and Canada made up the largest regional group of institutional investors. Institutional investors from Germany accounted for around 4%. Institutional investors from the United Kingdom and Ireland hold 8% of BASF shares, while investors from the rest of Europe hold a further 10% of capital. Approximately 47% of the company's share capital is held by private investors, nearly all of whom reside in Germany. BASF is therefore one of the DAX companies with the largest percentage of private shareholders.

It is to be proposed to the Annual Shareholders' Meeting that a dividend of €3.40 per share, at the same level as in the previous year, be resolved. With this proposed dividend, BASF shares offer a high dividend yield of 7.0% based on the year-end share price for 2023.

BASF shares are also attractive for investors looking for chemical companies with a convincing ESG performance (environment, society and governance). In the analyses of leading ESG rating agencies, BASF is often recognized as a benchmark within the chemical industry. They specifically highlight our innovative strength in the development of sustainable products, our risk management

and the extensive measures with which BASF addresses key sustainability topics. For example, in the current assessments by the nonprofit organization CDP for the 2023 business year, BASF achieved the score A- in the categories "Climate Change," "Forests" and "Water" and thus achieved Leadership status as in previous years.

 For more information about the BASF share, see basf.com/share
For more information on the key sustainability indexes, see basf.com/sustainabilityindexes
For more information on the latest analyst recommendations, see basf.com/analystestimates

Good to know

€3.40

Dividend
per share (proposal)

7.0%

Dividend yield based on the
year-end share price for 2023

- Flexible Verbund concept for integrated production
- Strategic focus on local production for local markets and on high-growth market segments
- Industry leader in shaping the transformation to net-zero CO₂ emissions
- Powerful innovation across a broad range of technologies
- Diverse team of committed, capable and creative employees
- Long-term shareholder value creation and attractive dividend



Rethinking the energy supply

Electricity from renewable sources is a key component for BASF on the path to climate neutrality. To ensure that we can meet our growing demand in the future, we are gradually converting our supply contracts to green electricity and investing in our own plants. In 2023, we successfully advanced our plan for a power supply from renewable sources. An example is the Hollandse Kust Zuid offshore wind farm. The project was officially inaugurated in fall 2023 and should be fully operational in 2024.

The BASF Group in Figures

Million €	2023	2022	2021	2020	2019
Statement of income					
Sales revenue	68,902	87,327	78,598	59,149	59,316
Income from operations (EBIT)	2,240	6,548	7,677	-191	4,201
Income before income taxes	1,420	1,190	7,448	-1,562	3,302
Income after taxes from continuing operations	379	-391	6,018	-1,471	2,546
Income after taxes from discontinued operations	-	-	-36	396	5,945
Income after taxes	379	-391	5,982	-1,075	8,491
Net income	225	-627	5,523	-1,060	8,421
Income from operations before depreciation, amortization and special items (EBITDA before special items)	7,671	10,762	11,348	7,435	8,324
Income from operations (EBIT) before special items	3,806	6,878	7,768	3,560	4,643
Key data					
Earnings per share	€ 0.25	-0.70	6.01	-1.15	9.17
Adjusted earnings per share	€ 2.78	6.96	6.76	3.21	4.00
Dividend per share	€ 3.40	3.40	3.40	3.30	3.30
Dividend yield ^a	% 6.97	7.33	5.50	5.10	4.90
Cash flows from operating activities	8,111	7,709	7,245	5,413	7,474
Payout ratio	% .	.	57	.	36
Price-earnings ratio (P/E ratio) ^a	195.1	.	10.3	.	7.3
Return on capital employed (ROCE)	% 4.5	10.0	13.7	1.7	7.7

^a Based on year-end share price.

Million €	2023	2022	2021	2020	2019
Balance sheet (IFRS)					
Total assets	77,395	84,472	87,383	80,292	86,950
Noncurrent assets	45,923	47,050	52,332	50,424	55,960
of which intangible assets	12,216	13,273	13,499	13,145	14,525
of which property, plant and equipment	24,080	22,967	21,553	19,647	21,792
Current assets	31,472	37,422	35,051	29,868	30,990
of which inventories	13,876	16,028	13,868	10,010	11,223
of which accounts receivable, trade	10,414	12,055	11,942	9,466	9,093
of which cash and cash equivalents	2,624	2,516	2,624	4,330	2,427
Equity	36,646	40,923	42,081	34,398	42,350
Total liabilities	40,750	43,550	45,301	45,894	44,600
of which financial indebtedness	19,268	19,016	17,184	19,214	18,377
Capital expenditures, depreciation and amortization					
Additions to property, plant and equipment and intangible assets	6,006	4,967	4,881	4,869	4,097
of which property, plant and equipment	5,864	4,842	4,410	4,075	3,842
Depreciation and amortization of property, plant and equipment and intangible assets	4,941	4,200	3,678	6,685	4,146
of which property, plant and equipment	4,062	3,549	3,064	5,189	3,408
Research and development expenses	2,130	2,298	2,216	2,086	2,158


Continued from page 29

		2023	2022	2021	2020	2019
Employees at year-end		111,991	111,481	111,047	110,302	117,628
of which women	%	26.7	26.4	26.1	25.5	25.1
of which men	%	73.3	73.6	73.9	74.5	74.9
of which up to and including 25 years		8,223	8,119	8,207	7,635	8,227
of which 26–39 years		39,960	39,536	38,798	37,715	40,614
of which 40–54 years		41,892	42,268	42,531	43,322	46,509
of which 55 years and up		21,916	21,558	21,511	21,630	22,278
Personnel expenses (million €)		10,950	11,400	11,097	10,576	10,924
Occupational and process safety^a						
High Severity Work Process Related Injury Rate		0.03	–	–	–	–
High Severity Process Safety Incident Rate		0.05	–	–	–	–
Energy supply and emissions to air						
Electricity	million MWh	13.0	14.2	15.3	14.7	14.8
Steam	million MWh	37.3	40.4	45.0	40.3	40.3
Greenhouse gas emissions (CO ₂ , N ₂ O, CH ₄ , HFC, SF ₆)	million metric tons CO ₂ equivalents	16.9	18.4	20.2	20.8	20.1
Air pollutants (CO, NO _x , NMVOC, SO _x , dust, NH ₃ and other inorganic substances)	metric tons	21,605	23,354 ^b	25,869	24,496	25,130

^a In 2023, we adjusted our safety targets.

^b The comparative figure for 2022 has been adjusted to reflect updated data.

		2023	2022	2021	2020	2019
Water						
Emissions to water: organic substances	metric tons	8,800	10,600	12,500	11,500	12,100
Emissions to water: nitrogen	metric tons	2,100	2,400 ^a	3,000	2,900	3,000
Emissions to water: heavy metals	metric tons	13	15 ^a	17	22	25
Emissions to water: phosphorus	metric tons	220	230 ^a	340	270	260
Water supply	million cubic meters	1,518	1,590	1,695	1,728	1,717
Water used for production	%	12	12	13	13	14
Water used for cooling	%	88	88	87	87	86
Waste (million metric tons)						
Total waste generation		2.13	2.21	2.41	2.21	2.34
Waste recovered (recycled or thermally recovered)		0.99	1.05	1.15	0.96	0.99
Waste disposed of		1.14	1.16	1.26	1.25	1.35

 For more facts and figures on the BASF Group and an interactive key figures comparison, see report.basf.com

^a The comparative figure for 2022 has been adjusted to reflect updated data.

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Further information at [basf.com](https://www.basf.com) and in the
BASF Report 2023 at [basf.com/report](https://www.basf.com/report)