

# BASF UK Group Pension Scheme 2026 Summary Funding Statement

The Trustee of the BASF UK Group Pension Scheme (the Scheme) is required to produce a Summary Funding Statement (SFS) on a regular basis.

This SFS contains the results of the latest Actuarial Valuation (31 December 2023), along with an update of the funding position on 31 December 2025.

The Scheme Actuary monitors the Scheme's finances by comparing the amount needed to provide the benefits due on an ongoing basis (known as the technical provisions), against the assets held.

The Scheme is in:

- **Deficit** if the asset value is **less** than the technical provisions
- **Surplus** if the asset value is **more** than the technical provisions



**BASF**  
We create chemistry

## Scheme Structure

Following the transfer of the assets, liabilities and members of the Chemetall Section to the Citrus Pension Plan in Q4 2025, the Scheme currently consists of two Defined Benefit (DB) Sections, each holding assets and liabilities independently of each other:

- **BPP Hybrid Section**
- **Group Section**

The Scheme Actuary assesses each section separately.

The main Trustee objective is to have enough money to pay pensions now and in the future. Success of this objective relies on the Company continuing to support the Scheme by providing additional funding where the Scheme funding level cannot support itself.

The **BPP Hybrid Section** is supported by BASF plc

The **Group Section** is supported by BASF plc and BASF Metals Limited

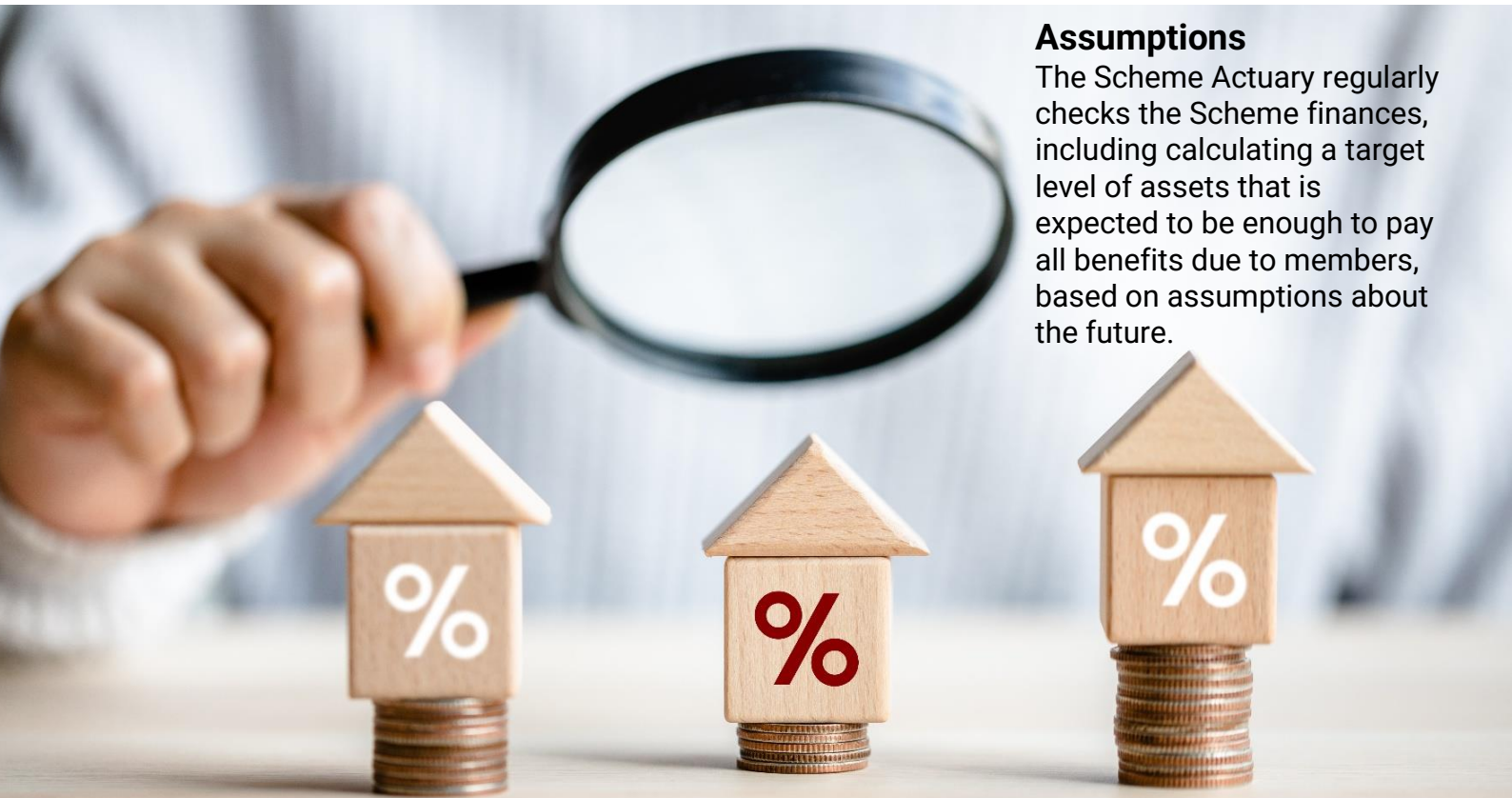
## Working out how much money is needed

The Trustee obtains regular Actuarial Valuations (at least every three years). These estimate the cost of pensions in the future (liabilities) and what assets are needed to pay them. If the assets are less than the liabilities, the Trustee agrees with the Company any contributions to be paid.

Technical provisions are the amount needed to pay members' benefits in full as they retire, based on the Scheme's approach for financing these benefits and prudent financial and demographic assumptions.

## Assumptions

The Scheme Actuary regularly checks the Scheme finances, including calculating a target level of assets that is expected to be enough to pay all benefits due to members, based on assumptions about the future.



Key assumptions include:

- How long people will live
- Future inflation
- Future investment returns

It isn't possible to accurately predict exactly how much money will be needed to pay all member benefits. This will depend on how actual experience compares with the assumptions made.



## Scheme Assets

The assets include:

- Member contributions
- Company contributions
- Investment growth

The assets are held under Trust, and the Trustee is responsible for investing and monitoring. Assets are held independently; they are not held in separate pots for each member.

## Security of member benefits

If either Section were to wind-up, the Company is required to pay enough into the Scheme to enable member benefits to be completely secured with an insurance company.

If the Company is not able to pay the shortfall you may not receive the full value of your pension. If the Company became insolvent, the **Pension Protection Fund (PPF)** may take over the Scheme and pay compensation to members.

Further information is available at [www.ppf.co.uk](http://www.ppf.co.uk).



## Scheme Solvency

A funding deficit is not the same as the amount that would be needed to provide full benefits if the Section were to 'wind-up'. On wind-up, insurance policies to secure member benefits would be purchased. The cost of these policies vary widely, depending on the terms quoted by insurers.

The 2023 Valuation showed that if each section were to have wound up at that date, and benefits secured with an insurance company, the funding level (ratio of assets to liabilities) would have been approximately:

- **BPP Hybrid Section** 99%
- **Group Section** 110%

Where the funding level is less than 100%, the cost of securing the balance of member benefits becomes a debt (which would need to be paid by the Company).

Sharing this information does not imply that there is any intention on the part of either the Company or the Trustee to wind-up the section. The information is designed to help you understand the financial security of your benefits.



## Latest Actuarial Valuation (31 December 2023)

The Scheme Actuary performs a full valuation of each section of the Scheme (at least once every three years). The results are shown in the table below:

the totals may not sum due to rounding	<b>BPP Hybrid Section</b>	<b>Group Section</b>
	<b>2023</b>	<b>2023</b>
Assets (£m)	744.0	452.6
Technical provisions (£m)	681.5	390.2
Surplus / (Deficit) (£m)	62.5	62.4
Funding level	109%	116%

### BPP Hybrid Section

No new deficit recovery contributions are required following a significant improvement in funding and is now in surplus.

### Group Section

Further improved its surplus from the previous valuation. The position will continue to be monitored until the next formal valuation.

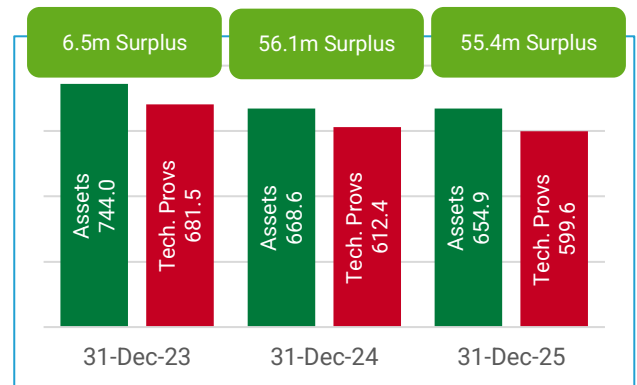
## Actuarial Funding Update (31 December 2025)

Between each full Actuarial Valuation, the Scheme Actuary will complete annual funding updates to illustrate how Scheme funding has changed since the previous full valuation. In the years from 31 December 2023 to 31 December 2025, changes in market conditions including increases in bond yields and reductions in inflation expectations reduced the Scheme's assets and liabilities again.

### BPP Hybrid Section

The graph shown compares the estimated technical provisions with the market value of assets together with the corresponding figures from the 2023 Actuarial Valuation and the 2024 funding update.

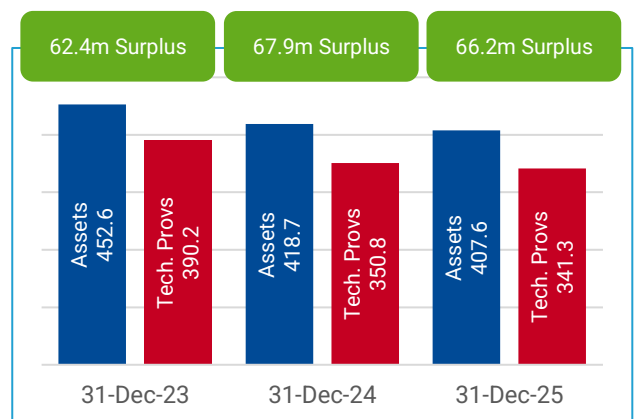
The estimated technical provisions funding level at 31 December 2025 is the same as the 2023 valuation. At 31 December 2025, this amounted to a surplus of £55.4m with a funding level of 109%.



### Group Section

The graph shown compares the estimated technical provisions with the market value of assets together with the corresponding figures from the 2023 Actuarial Valuation and the 2024 funding update.

The estimated technical provisions funding level at 31 December 2025 has improved since the 2023 valuation. At 31 December 2025, this amounted to a surplus of £66.2m with a funding level of 119%.





HELP

SUPPORT

ADVICE

GUIDANCE

## Important information

Regulations require us to confirm to you that no sponsoring employer has taken any money out of the Scheme in the previous 12 months.

## How to get more information

If you are interested in looking at any of the formal documents, please request a copy from the Scheme Administrator using the contact information below. The formal documents include:

- Trust Deed and Rules
- Statement of Investment Principles
- Statement of Funding Principles
- Annual Report & Accounts
- Recovery Plan (where applicable)
- Actuarial Valuation
- Actuarial Reports
- Schedule of Contributions

## Contact information

We hope you have found this information useful. If you have any questions about this Statement or about your own pension, contact the Scheme Administrator using the details below.

 BASF UK Group Pension Scheme  
Gallagher  
PO Box 319  
Mitcheldean  
GL14 9BF

 [basf@ajg.com](mailto:basf@ajg.com)

 [0330 123 0647](tel:03301230647)

 <https://www.pensionportal.co.uk/basf>

You can also view other information about the Scheme on the BASF Pension Website at <https://www.basf.com/gb/en/who-we-are/UK-Pensions>.



# Gallagher

Insurance | Risk Management | Consulting