Transformation towards a sustainable future
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Member of the Board of Executive Directors of BASF SE
dbAccess ESG Conference, March 2, 2021
Cautionary note regarding forward-looking statements

This presentation contains forward-looking statements. These statements are based on current estimates and projections of the Board of Executive Directors and currently available information. Forward-looking statements are not guarantees of the future developments and results outlined therein. These are dependent on a number of factors; they involve various risks and uncertainties; and they are based on assumptions that may not prove to be accurate. Such risk factors include those discussed in Opportunities and Risks on pages 158 to 166 of the BASF Report 2020. BASF does not assume any obligation to update the forward-looking statements contained in this presentation above and beyond the legal requirements.
Sustainability is on top of the agenda

What political leaders around the globe are saying

“We will put America back in the business of leading the world on climate change.”
Joe Biden, President of the USA

“I want Europe to become the first climate neutral continent in the world by 2050.”
Ursula von der Leyen, President European Commission

“We aim to have CO2 emissions peak before 2030 and achieve carbon neutrality before 2060.”
Xi Jinping, President of China

…and how investors are allocating capital

2001 – 2019 ESG fund development

“I believe that this is the beginning of a long but rapidly accelerating transition.”
Larry Fink, CEO BlackRock

Source: EPFR, BofA Merrill Lynch (2019)
Green Deal: Europe’s ‘Man on the Moon’ moment

Selected Green Deal objectives

- First climate-neutral continent by 2050
- Lead the way to a circular economy
- Move to a zero-pollution environment
- Accelerate to a sustainable food system

More space for differentiation by sustainable innovations and technologies
Assessment of Green Deal impact on BASF portfolio

Selected Green Deal areas with high relevance for BASF

<table>
<thead>
<tr>
<th>Area</th>
<th>Business Impact</th>
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<tbody>
<tr>
<td>Farm to fork</td>
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<tr>
<td>Transition to a circular economy</td>
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<td>Sustainable transport</td>
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<td>Clean, reliable &amp; affordable energy</td>
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<td>A zero pollution Europe</td>
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<tr>
<td>Achieving climate neutrality</td>
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Decreasing impact
Farm to Fork: More than €100 billion market potential in future innovation markets

Green Deal EU 2030 targets

- Reduce chemical plant protection by 50%
- Reduce nutrient losses and fertilizer use > 20%
- Reduce therapeutic anti-microbials by 50% (animal health)
- Transform 25% of farmland into organic farming

Strategic Innovation Market

1. Application technologies
2. Digital services
3. Precision farming
4. Sustainable crop protection
5. Seeds & traits
6. Seed & post-harvest treatment
7. Innovative farming
8. Sustainable animal feed
9. Greenhouse gas emission reduction
10. Sustainable additives
11. Alternative proteins
12. Healthy nutrition
13. Natural formulations

Global Market Potential 2030 (€ billion)

- Application technologies
- Digital services
- Precision farming
- Sustainable crop protection
- Seeds & traits
- Seed & post-harvest treatment
- Innovative farming
- Sustainable animal feed
- Greenhouse gas emission reduction
- Sustainable additives
- Alternative proteins
- Healthy nutrition
- Natural formulations
Accelerating growth in future innovation markets

Farm to Fork: Sustainable Agriculture

1. Application technologies
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6. Seed & post-harvest treatment
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11. Alternative proteins
12. Healthy nutrition
13. Natural formulations
A new growth paradigm: In future, less is more
We are transforming our business
Portfolio: We drive the transformation with our Sustainable Solution Steering

Absolute sales 2020: 16.7 billion €

Sales shares of contributing Accelerators (%)
- Cost savings downstream
- Biodiversity and renewables
- Climate change and energy
- Emission reduction
- Resource efficiency
- Water
- Health and safety
- Hunger and poverty

Primarily addressed SDGs:
- Hunger and poverty
- Health and safety
- Water
- Resource efficiency
- Climate change and energy
- Emission reduction
- Biodiversity and renewables
- Cost savings downstream

(including double nominations)
We develop innovations for a sustainable future: Our Accelerators

- **SLENTEX®** – high-performance flexible insulation material
- **ecovio® M2351** – biodegradable mulch film to avoid white pollution
- **Acronal® MB** – from biomass to dispersions
- **Formic acid** – ecoefficient runway and road deicing
- **Inscalis®** – insecticide with unique mode of action
- **Synative® ES TMP** – biodegradable marine lubricants
Carbon Management: Reducing CO₂ emissions since 1990 – our goal is CO₂-neutral growth until 2030

Development of BASF greenhouse gas emissions
Schematic overview, scope 1 and 2, million metric tons of CO₂ equivalents

Without active carbon management:
Estimated emissions from planned production growth

1  BASF operations excluding the discontinued oil and gas business; includes other greenhouse gases according to the Greenhouse Gas Protocol, which are converted into CO₂ equivalents
Product Carbon Footprints create transparency for customers

- 20,000 raw materials (Scope 3)
- 10 TWh/a energy (Scope 2)
- 700 production plants (Scope 1)
- CO₂
- ~45,000 sales products

Product Carbon Footprints of ~45,000 sales products
Circular economy: Closing the loop with new business models and innovative approaches like ChemCycling™

ChemCycling™
+ can handle mixed plastic waste
+ produces virgin grade raw materials
+ replaces virgin fossil resources
+ CO₂ emissions prevented¹

Converting plastic waste and end-of-life tires into liquid feedstock

Investments into Quantafuel (pyrolysis of mixed plastic waste) and Pyrum (pyrolysis of end-of-life tires) and uptake supply agreements with both companies.

Agreement with New Energy for uptake of pyrolysis oil derived from end-of-life tire.

Complementary to mechanical recycling

¹ Compared to conventional plastic production and incineration of plastic waste
BASF’s Circular Economy Program: Targets

- **250,000 metric tons** of circular feedstock by 2025
- **Double circular sales** to €17 billion by 2030
- **Prioritize related capex, M&A, R&D**
Measuring the value contribution of businesses
Our value to society for a better future

- Full supply chain
  - Indirect suppliers
  - Direct suppliers
- Own operations
- Customer industries
  - Direct customers in industries supplied by us

- Net Income
- Amortization
- Taxes
- Wages & benefits
- Human Capital
- Health & safety
- Air emissions
- GHG
- Land use
- Waste
- Water consumption
- Water emissions

value in € billion

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Joining forces for a social-ecological market economy

Member companies¹

![Logos of member companies]

Pro-bono consultants

![Logos of pro-bono consultants]

Cooperation with international organizations

![Logos of international organizations]

Public funding and mandates

![Logos of public funding and mandates]

Strategic partnerships

![Logos of strategic partnerships]

¹ As of January 2021, Anglo American and DPDHL joined VBA
“Business success tomorrow means creating value for the environment, society and businesses.”
We have defined ambitious, comprehensive sustainability goals to steer our transformation

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<thead>
<tr>
<th>Effective climate protection</th>
<th>Target</th>
<th>2020 status</th>
<th>SDG</th>
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</thead>
<tbody>
<tr>
<td>Grow CO₂-neutrally until 2030 (Development of carbon emissions compared with baseline 2018(^1))</td>
<td>≤ 21.9 million metric tons</td>
<td>20.8 million metric tons</td>
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<thead>
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<th>Resource efficiency and safe production</th>
<th>Target</th>
<th>2020 status</th>
<th>SDG</th>
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<tbody>
<tr>
<td>Reduce worldwide process safety incidents per 200,000 working hours to ≤ 0.1 by 2025</td>
<td>≤ 0.1</td>
<td>0.3</td>
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<th>Sustainable product portfolio</th>
<th>Target</th>
<th>2020 status</th>
<th>SDG</th>
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<tr>
<td>Achieve €22 billion in Accelerator sales(^2) by 2025</td>
<td>€22.0 billion</td>
<td>€16.7 billion</td>
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<th>Employee engagement and diversity</th>
<th>Target</th>
<th>2020 status</th>
<th>SDG</th>
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<td>Increase the proportion of women in leadership positions with disciplinary responsibility to 30% by 2030</td>
<td>30%</td>
<td>24.3%</td>
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<th>Target</th>
<th>2020 status</th>
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<td>Cover 90% of our relevant spend(^3) with sustainability evaluations by 2025</td>
<td>90%</td>
<td>80%</td>
<td></td>
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<tr>
<td>Have 80% of our suppliers improve their sustainability performance upon re-evaluation</td>
<td>80%</td>
<td>68%</td>
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1. Includes other gases according to the Greenhouse Gas Protocol, which are converted into CO₂ equivalents
2. Products with substantial contribution to sustainability
3. Relevant spend: based on risk matrices, purchasers’ assessments and other sources