



Green Financing Update

March 8, 2022



BASF Green Finance Framework – use of proceeds

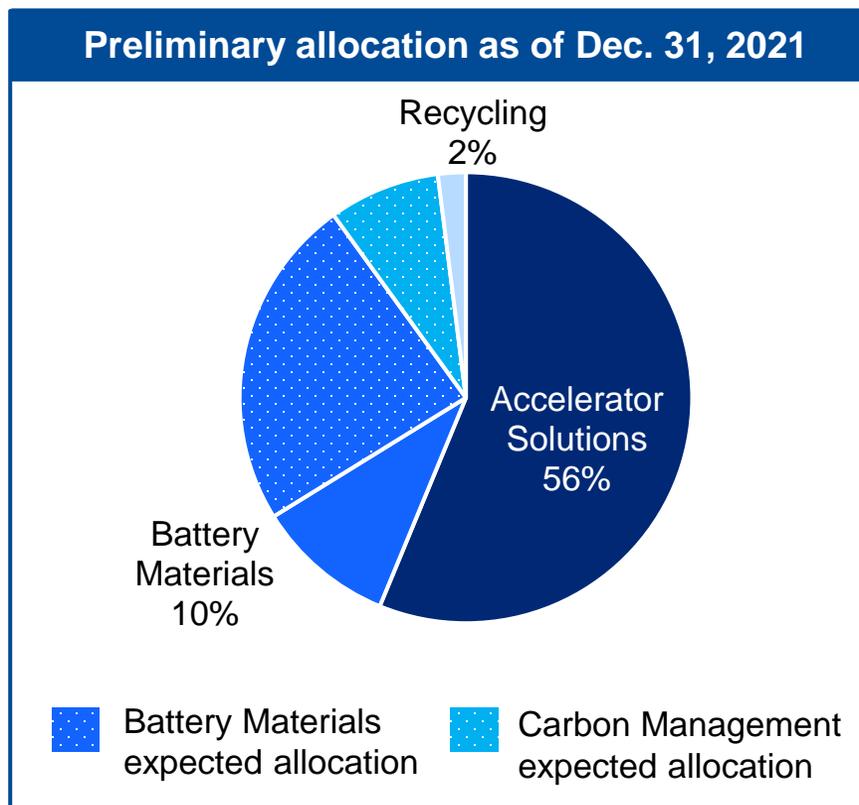
| Green Bond Principles category | Eligible green product/project category |
|---|---|
| Eco-efficient and circular economy products, production technologies and processes |  <p>Accelerator solutions Only the highest level of sustainable products and solutions ('Accelerator') is eligible. These products and solutions have a substantial sustainability contribution in the value chain and no negative impacts on any other relevant sustainability criteria</p> |
| |  <p>Carbon Management Carbon Management bundles BASF's global activities and a long-term research and development program to reduce CO₂ emissions. The objective is to achieve the company's climate protection target and set the course for low-carbon chemical production</p> |
| |  <p>Electric vehicle battery materials and plants Development, manufacturing, acquisition of low carbon transportation components, as for example battery materials</p> |
| |  <p>Recycling: ChemCycling™ products and plants Innovative technologies that promote recycling of plastics: research and development on new materials and additives that facilitate recycling processes as well as several chemical recycling processes to create value out of waste. Chemical recycling allows to recycle waste for which there are no recycling solutions or missing capacities today and is therefore complementary to mechanical recycling</p> |
| Renewable energy |  <p>Renewable energy production and storage Provision of capital for the planning, construction, development and installation of renewable energy production and storage units</p> |

In 2020, BASF successfully issued its inaugural Green Bond as the first European chemical company

Final terms

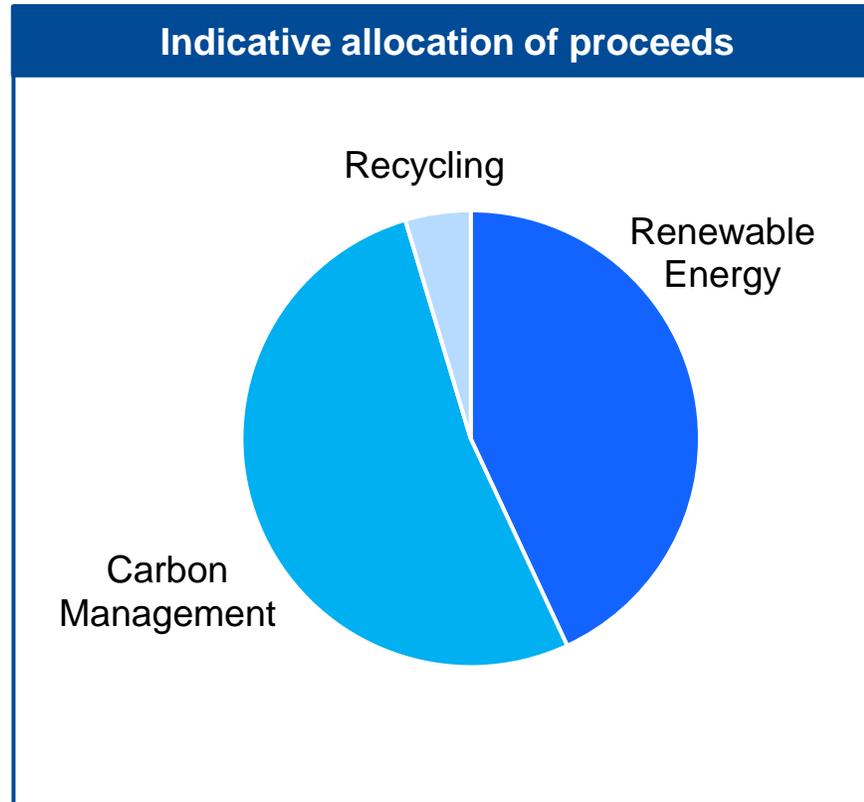
| | |
|------------------------|--|
| Issuer | BASF SE |
| Settlement date | June 5, 2020 |
| Maturity date | June 5, 2027 |
| Volume | €1,000 million |
| Coupon | 0.25% |
| Re-offer price | 99.772% |
| Re-offer yield | 0.283% |
| ISIN | DE000A289DC9 |
| Denominations | €100,000 |
| Use of proceeds | Green projects in line with BASF's Green Finance Framework |
| Listing | Luxembourg |

Update on allocation



- The remaining unallocated proceeds in the amount of €315 million will be entirely used for eligible project expenses incurred in 2021
- The corresponding audited allocation report is planned to be published in Q2 2022, followed by an impact report

Intended use of proceeds for the planned Green Bond issuance in 2022



- The first allocation report will be made available in Q2 2023
- From the current status, BASF intends to allocate the proceeds of its planned Green Bond issuance in 2022 to its projects running since 2021, with the majority of the proceeds expected to be allocated as the pie chart indicates
- These projects form an important part of BASF's sustainability strategy and its path to reduce CO₂ emissions by 25% by 2030
- BASF is currently not intending to allocate major proceeds to the Accelerator Solutions project category, considering that BASF
 - ▶ has already achieved its 2025 target of €22 billion sales of Accelerator products in 2021 and
 - ▶ is in the process of reviewing its target related to the sustainability steering of its product portfolio during 2022
- In light of the current geopolitical situation, BASF will not allocate proceeds to the Battery Materials project category for the time being. BASF will closely monitor the evolving situation and evaluate this decision on an ongoing basis

Examples of BASF's sustainable projects

Offshore wind farm Hollandse Kust Zuid (HKZ)



Photo: Vattenfall / Jorrit Lousberg

Once fully operational in 2023, HKZ will be the largest offshore wind farm in the world with a total installed capacity of 1.5 gigawatts

BASF Carbon Management – the levers to reduce CO₂ emissions



BASF has set up comprehensive carbon management and plans to invest up to €1 billion between 2021 and 2025 to achieve its ambitious climate protection targets

BASF in sustainability ratings and rankings

CDP

In 2021, BASF achieved a rating of “A-” for climate change, forests and water security, thus attaining leadership status in all three categories.



Sustainalytics

BASF ranks among the top 10% of performers in diversified chemicals. The raters positively highlighted that sustainability targets are reflected in board compensation, underlining an overall strong management of ESG issues.



MSCI ESG Research

In 2021, BASF was rated “A.” The analysts highlighted that BASF is present in clean tech markets and has a robust carbon mitigation strategy.



FTSE4Good Global Index

BASF was included again in the FTSE4Good Global Index 2021, ranked best in class in Basic Materials as well as in the sub-sector Commodity Chemicals.



ISS ESG

In 2021, BASF could hold Prime Status (B-), being among the top 7%.





We create chemistry