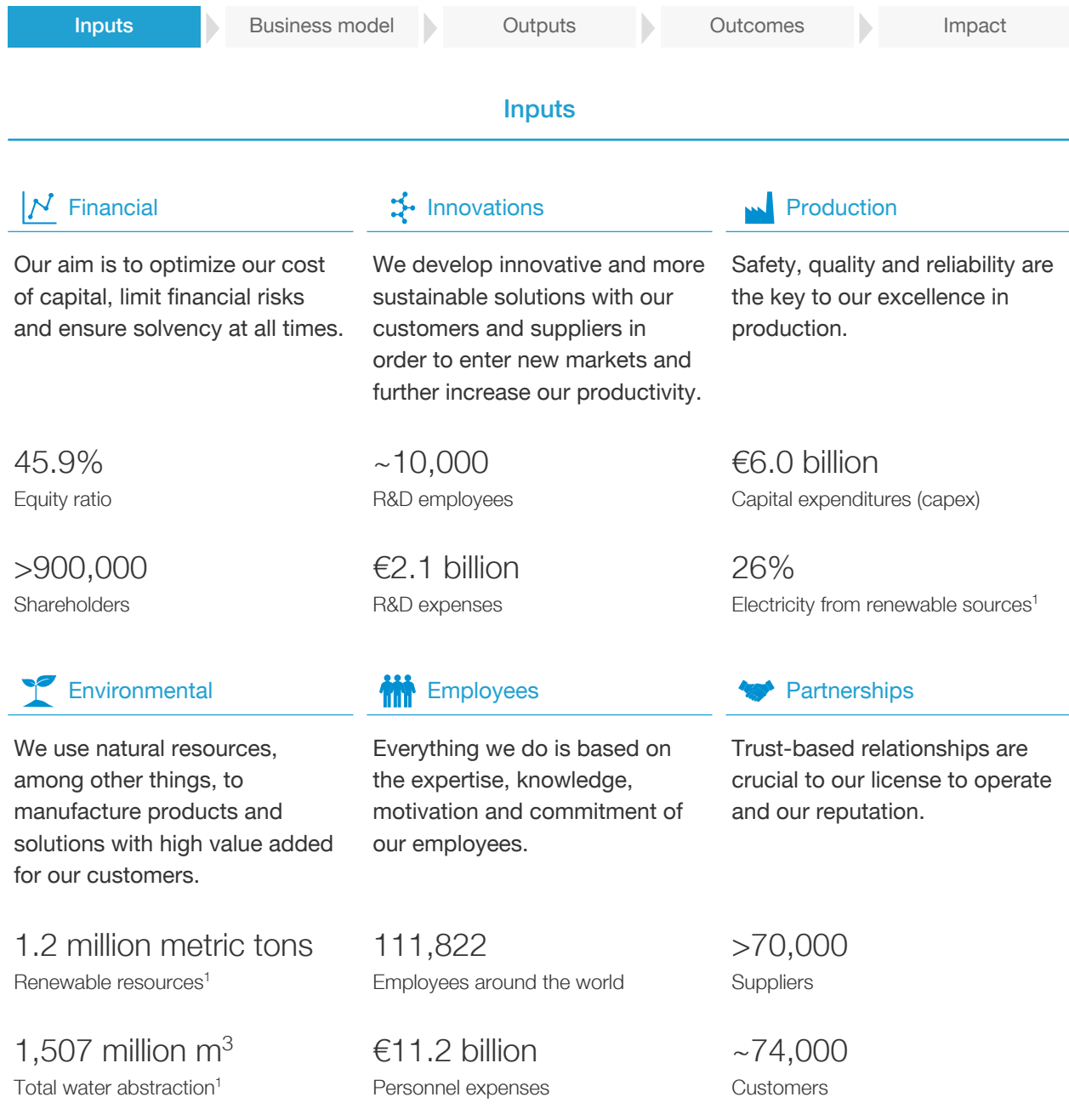


How We Create Value

ESRS 2 SBM-1

The following overview shows how we create value for our stakeholders.



¹ The sustainability-related key figures shown in this graphic are – unlike the financial key figures shown – not part of the statutory audit but are part of a separate audit with limited assurance.

Inputs

Business model

Outputs

Outcomes

Impact

Business model



Outputs

Financial

€7.9 billion

EBITDA before special items

~€2.0 billion

Proposed dividend payment to shareholders³

Innovations

1,159

New patents worldwide

~€11 billion

Sales of products that have been on the market for up to five years⁴

Production

>40,000

Sales products for which we calculate a carbon footprint²

6.1 MMT

CO₂ avoided by the Verbund and combined heat and power generation²

Environment

>1,800

Mass balance products based on alternative raw materials²

81%

Water demand recirculated²

Employees

79%

Engagement index according to our annual employee survey²

29.3%

Women in leadership positions²

Partnerships

446

BASF suppliers screened as part of Together for Sustainability²

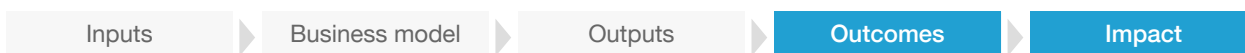
~40

Strategic customer networks²

² The sustainability-related key figures shown in this graphic are – unlike the financial key figures – not part of the statutory audit but are part of a separate audit with limited assurance.

³ Based on the dividend proposed to the Annual Shareholders' Meeting and the number of outstanding shares (892,522,164) as of December 31, 2024

⁴ This is voluntary, unaudited information, which was critically read by the auditor.



Outcomes⁵

Relevant external impact factors for our company's success as well as positive and negative impacts of our business activities:



Economic



Environmental



Social



Selected relevant external impact factors

- Customer demand and requirements
- Investment readiness
- Capital market trends
- State of the economy, competitive conditions, investment climate
- Climate change
- Energy transformation
- Availability of/access to renewable resources
- Climate-related legislation
- Regulations on product safety
- Sustainability targets of our customers
- Demand for more sustainable products, willingness to pay
- Labor, environmental and social standards
- Stakeholder trust
- Interest of qualified personnel and leaders
- Demographic change

Selected impacts of our business activities

- + Growth, progress and value creation for the state, customers, investors and employees
- + Our customers' competitiveness and innovative strength
- + Digital transformation of the industry
- + Attractive dividend and share buyback payments to shareholders
- + Market development through more climate-smart products
- + Contribution to climate protection/ climate change adaptation
- + Innovation as a lever for climate protection
- + Contribution to the circular economy
- + More environmentally friendly and safer products
- Greenhouse gas emissions
- Emissions to air and water
- Land use
- Resource consumption and nonrecyclable waste
- Potential misuse or spillage of products
- + Taxes and competitive wages and salaries
- + Attractive jobs
- + Integration, help to overcome social challenges
- + Global compliance systems and codes of conduct
- Procurement of raw materials with risk of violation of, for example, social and environmental standards
- Health and occupational safety risks
- Personnel adjustments
- Restructuring measures



BASF

We address positive and negative impacts through:

- Corporate strategy
- Portfolio management
- Cost management and cost of capital optimization
- Differentiated Steering

- Climate protection and circular economy initiatives
- Water and energy management
- Actions to protect biodiversity
- Responsible Care Management

- Supplier management
- Sustainability projects in the supply chains
- Compliance Program and Code of Conduct
- Employee training programs
- Performance management system

In providing our customers with solutions to enable their green transformation, we want to grow profitably and create value.

⁵ Outcomes shows examples of impacts on our business and impacts that our activities may have on others, the environment and our business environment as well as the associated measures we take.

⁶ The results of our double materiality assessment are included in the presentation of external factors and impacts of our business activities. These are not shown in full here. A comprehensive explanation of the impacts, risks and opportunities identified as part of our double materiality assessment can be found from page 170 onward.