



BASF

We create chemistry

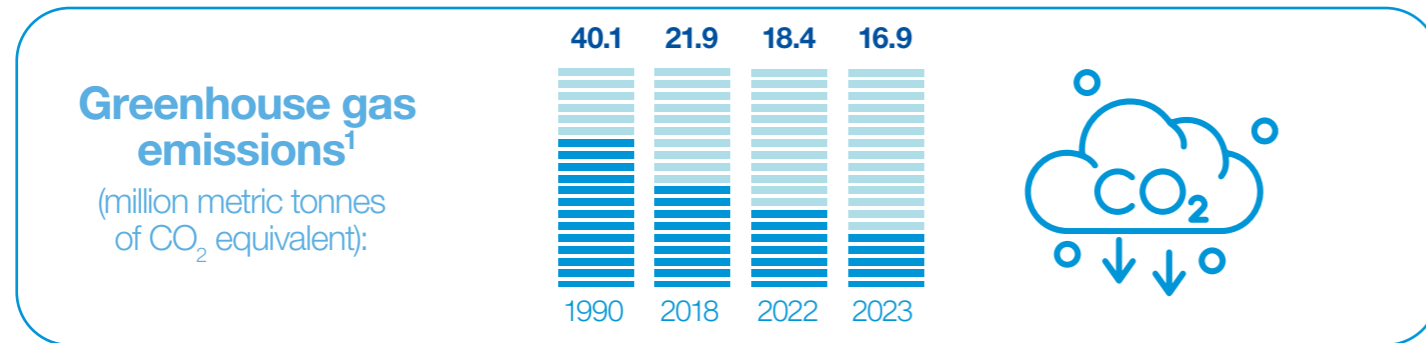
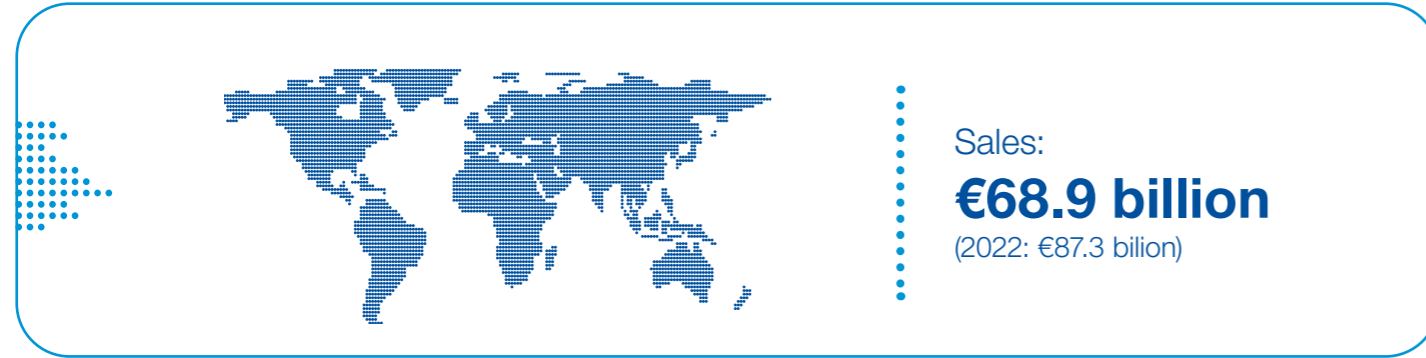
BASF in South America

2023 Annual and Sustainability Report

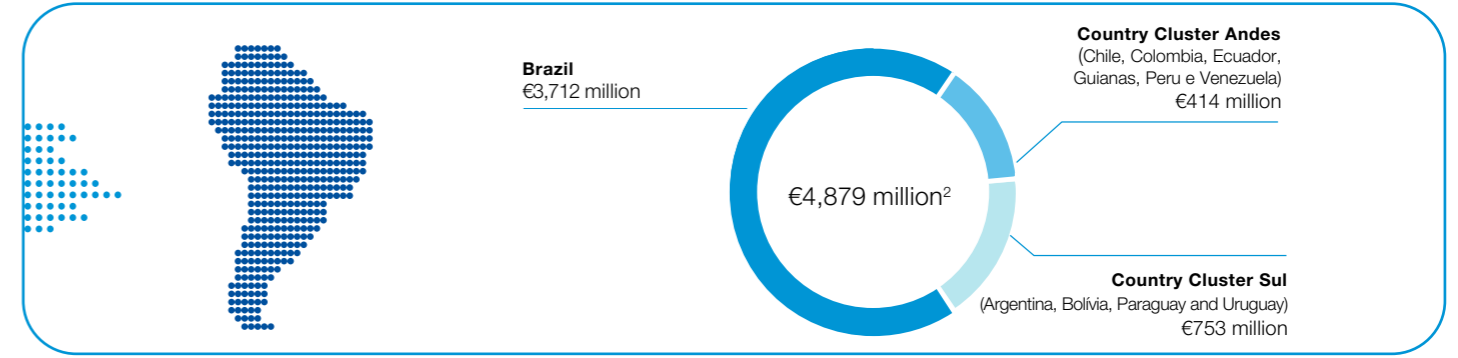
Our Purpose, our values and our innovation power have brought us here and will lead us to a sustainable future.

Key figures

GLOBAL

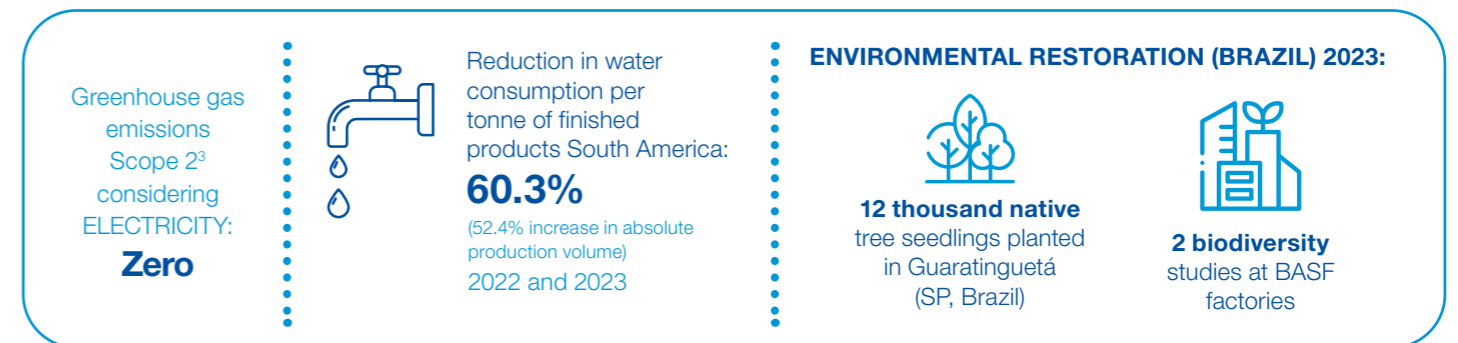
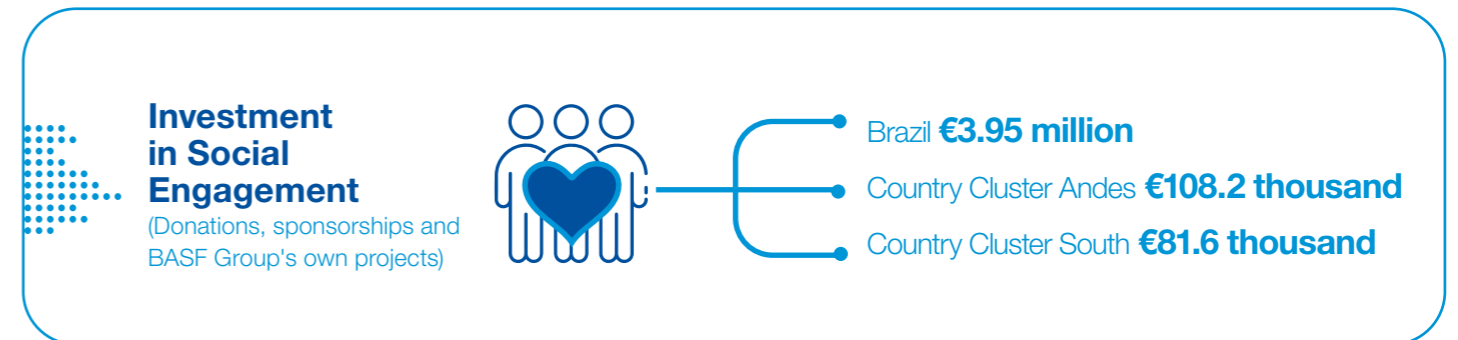


SOUTH AMERICA



SALES BY SEGMENT

Segment	Year	Million €
Chemicals	Sales 2023	377
	Sales 2022	556
	Market Profit 2023	-15
	Market Profit 2022	113
Industrial Solutions	Sales 2023	422
	Sales 2022	490
	Market Profit 2023	81
	Market Profit 2022	89
Materials	Sales 2023	449
	Sales 2022	630
	Market Profit 2023	74
	Market Profit 2022	109
Surface Technologies	Sales 2023	848
	Sales 2022	881
	Market Profit 2023	119
	Market Profit 2022	60
Nutrition & Care	Sales 2023	493
	Sales 2022	553
	Market Profit 2023	79
	Market Profit 2022	135
Agricultural Solutions	Sales 2023	2,156
	Sales 2022	2,459
	Market Profit 2023	717
	Market Profit 2022	784



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

² By location of customer, consolidated Group, third-party sales

³ Indirect emissions from electricity purchased for the company's own use

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South America's commitment to the SDGs			
People - Actions with society			
People - Inclusion of diversity			
People - Health and wellbeing			

About this report

The "BASF in South America" report is published annually as a document on the performance of our activities in the three pillars of sustainability — economy, environment and society. The reference period for this publication is the 2023 fiscal year. This report also provides an overview of the BASF Group, together with its financial performance, prepared in accordance with the requirements of the International Financial Reporting Standards (IFRS), and, where applicable, the German Commercial Code, as well as the German Accounting Standards (GAS). The emissions, waste, energy and water use of the consolidated joint operations are included proportionally, based on our participation. The number of employees

refer to the persons employed in the BASF Group as of December 31, 2023. The scope of this report and the main points of focus of our reports are defined from the material topics along the value chain, identified in internal processes of strategic discussion, global and continuous analysis of data and conversations with shareholders.

[For more information on our selection of sustainability topics, please see the information on page 22 of the BASF Group Report](#)

BASF Group

2023 – At a glance

Sales

€68.9 billion
(2022: €87.3 billion)

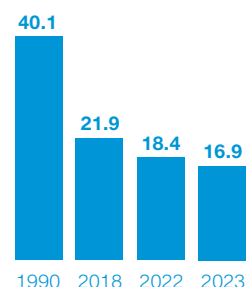
EBIT before special items

€3.8 billion
(2022: €6.9 billion)

ROCE

4.5%
(2022: 10.0%)

Greenhouse gas emissions¹ (million metric tons of CO₂ equivalents)



EBITDA before special items

€7.7 billion
(2022: €10.8 billion)

Free cash flow

€2.7 billion
(2022: €3.3 billion)

Capital expenditures (capex)

€5.2 billion
(2022: €4.1 billion)

Employees at year-end

111,991
(2022: 111,481)

Research and development expenses

€2.1 billion
(2022: €2.3 billion)

Personnel expenses

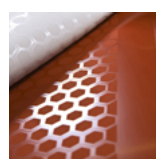
€11.0 billion
(2022: €11.4 billion)

Segment data



Chemicals

		Million €
Sales	2023	10,369
	2022	14,895
EBIT before special items	2023	361
	2022	1,956



Surface Technologies

		Million €
Sales	2023	16,204
	2022	21,283
EBIT before special items	2023	938
	2022	902



Materials

		Million €
Sales	2023	14,149
	2022	18,443
EBIT before special items	2023	826
	2022	1,840



Nutrition & Care

		Million €
Sales	2023	6,858
	2022	8,066
EBIT before special items	2023	107
	2022	618



Industrial Solutions

		Million €
Sales	2023	8,010
	2022	9,992
EBIT before special items	2023	625
	2022	1,091



Agricultural Solutions

		Million €
Sales	2023	10,092
	2022	10,280
EBIT before special items	2023	1,563
	2022	1,220

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



Message from the President for BASF South America

2023 was a year of historic financial records in South America with sales of €4,879 million. This is BASF's second best financial result in the region – the first best was in 2022 with a financial result of €5,792 million. In a very challenging environment, the BASF team has worked with dedication, creativity and resilience to achieve this result.

This achievement contributes to partly counterbalance the negative effects on our global financials due to geopolitical tensions between economic blocks, the war in Ukraine, the resulting increases in raw material, energy and natural gas prices, but also inflation and continued pressure from Asian competition in our markets.

Despite the instability created by this scenario, we remain committed to our investments in South America, reinforcing our long-term commitment to the region. With the difficulties of supply and logistics due to the global economic and social scenario, we have localized part of the production. More than 30 products that we used to import from Germany, the United States and China we started to manufacture in South America. In June 2023, we announced the completion of an investment of €6.3 million in a project to integrate the polyamide 6.6 production chain at the Batistini plant (SP, Brazil), resulting in a 15% increase in the polymer's supply capacity for various markets.

In 2023, we also continued to evolve our focus on Diversity, Equity and Inclusion, surpassing our targets to create an even more diverse environment with the recruiting of women, black and brown people, and people with disabilities, for example. We have a wealth of ethnicities and cultures in the region, which gives us a very important creative potential that strengthens innovation which is part of our essence.

We emphasize our commitment to the environment by driving higher productivity while at the same time protecting the environment. As a result, all of our factories' energy needs for the year were met from renewable sources, documented using I-REC international renewable electricity certification. Besides this topic, we are also exploring the potential of South America regarding renewable raw materials and circularity through chemical and mechanical recycling, as you will see later in this report.

BASF has been innovating since the days of aniline in 1861, and cassette tape in 1966. For 113 years, we have been at the forefront of innovation in South America. We are always on the move, trying to keep up with the changes we see in the world in a creative, open, responsible and entrepreneurial way. We have renewed our portfolio of products and solutions, our way of thinking and doing business, and our practices. We presented the project "Differentiated Steering", which will bring a new way of managing and leading our company in the coming years. We combine the benefits of Verbund, greater business differentiation and the strength of our integrated company.

“

Diversity, equity and inclusion are part of BASF's strategy and organizational culture in all internal and external relations.

”

This will make us faster, more efficient, more competitive and more profitable. Supported by our values, our purpose has guided us to "create chemistry for a sustainable future".

As we look to the future, we are committed to raising awareness of South America's potential – with the creativity of our people and the strength of our biodiversity – to develop green energy and renewable resources. We have many opportunities to grow by capitalizing on the region's green strengths.

We are already identifying opportunities and evaluating the processes and projects we can offer to create value for the company and the society globally. We consider it essential for governments and industries to work together to leverage the region's green potential.

In 2023, we had a deep learning in [human rights](#) issues. We are constantly evolving, aware of the responsibility we have to maintain our pioneering role and leadership in the market. In this report, you will be able to see how we evolved and what we learned during 2023.

Join us on this journey!

Enjoy reading!

Manfredo Rübens

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. Our business comprises the Chemicals, Materials, Industrial Solutions, Surface Technologies, Nutrition & Care and Agricultural Solutions segments.

At a glance

111,991 Employees around the world
234 Production sites worldwide

- Six segments with eleven operating divisions
- Verbund structure ensures efficient and reliable production
- High-performance organization for greater customer proximity, increased competitiveness and profitable growth
- Over 78,000 customers are at the core of our strategy
- More than 70,000 Tier 1 suppliers

Sites and Verbund

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 five other 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. Following the startup of the engineering plastics plant in 2022, a plant for the production of thermoplastic polyurethanes came onstream there in 2023.

Organization of the BASF Group

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

- **Chemicals:** The segment supplies BASF's other segments and customers with basic chemicals and intermediates.
- **Materials:** The segment offers advanced materials and their precursors for the plastics and plastics processing industries.
- **Industrial Solutions:** The 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:** The segment produces ingredients and solutions for consumer applications such as human and animal nutrition, cleaning agents and personal care.
- **Agricultural Solutions:** The segment is an integrated solutions provider of seeds, crop protection and digital solutions for the agricultural sector.

This segment structure enables us to steer our businesses according to market-specific requirements and the competitive environment. We provide a high level of transparency around the results of our segments and show the importance of the Verbund and value chains to our business success. The operating divisions, the service units, the regions, research and development and the corporate center are the cornerstones of the BASF organization. This organizational structure lays the foundation for customer proximity, competitiveness and profitable growth. BASF aims to differentiate its businesses from their competitors to enable BASF to perform even more strongly in an increasingly competitive market environment.

The divisions bear strategic and operational responsibility and are organized according to sectors or products. They manage the 49 global and regional business units and develop strategies for 70 strategic business units.

Five service units provide competitive services for the operating divisions and sites: Global Engineering Services, Global Digital Services, Global Procurement, European Site & Verbund Management and Global Business Services (finance and controlling, human resources, safety, intellectual property, communications, procurement, supply chain and in-house consulting services).

BASF's regional and national companies represent the Group locally and support the growth of the operating divisions with local proximity to customers. For financial reporting purposes, we organize the regional companies into four regions: Europe; North America; Asia Pacific; and South America, Africa and Middle East.

Our specific research and development units are integrated into the divisions, and activities with broad relevance for our businesses are bundled in a research division. This division is globally positioned with research centers in Europe, North America and Asia Pacific. With this setup, we are focusing our research activities even more strongly on our customers and their needs.

The Corporate Center supports the Board of Executive Directors in steering the company as a whole. This steering includes central tasks from the following areas: strategy, finance and controlling, law, compliance and insurance, tax, environmental protection, health, safety and quality, human resources, communications, investor relations, corporate audit and the Net Zero Accelerator unit.

Procurement and Sales Markets

BASF supplies products and services more than 78,000 customers¹ from various sectors in almost every country in the world. Our customer portfolio ranges from major global customers and small and medium-sized enterprises to end consumers.

We work with over 70,000 Tier 1 suppliers² worldwide. They supply us with important raw materials, chemicals, investment goods and consumables, and perform a range of services. Important raw materials (based on volume) include naphtha, liquid gas, natural gas, benzene and caustic soda.

BASF sales by industry 2023

Direct customers	
>20%	Chemicals and plastics Transportation (respectively)
10%–20%	Agriculture Consumer goods (respectively)
<10%	Construction Electronics Energy and resources Health and nutrition (respectively)

Business and Competitive Environment

BASF's global presence means that it operates in the context of various local, regional and global developments. These include:

- Global economic and political environment
- Legal and political requirements
- International trade agreements
- Industry standards
- Environmental agreements (such as the E.U. Emissions Trading System)
- Social aspects (such as the U.N. Universal Declaration of Human Rights)

BASF holds one of the top three market positions in around 80% of the business areas in which it is active. Our most important global competitors include Arkema, Bayer, Celanese, Clariant, Corteva, Covestro, Dow, DSM-Firmenich, Evonik, Huntsman, SABIC, Sinopec, Solvay, Syngenta, Wanhua and many hundreds of local and regional competitors. We expect competitors from Asia and the Middle East in particular to continue to grow in significance in the years ahead.

Corporate Legal Structure

As the publicly listed parent company of the BASF Group, BASF SE takes a central position: Directly or indirectly, it holds the shares in the companies belonging to the BASF Group and is also one of the largest operating companies. In the BASF Group Consolidated Financial Statements, 260 companies including BASF SE are fully consolidated. We consolidate nine joint operations on a proportional basis and account for 21 companies using the equity method.

[For more information on the companies belonging to the BASF Group, see basf.com/en/corporategovernance](https://www.basf.com/en/corporategovernance)

¹ The number of customers refers to all external companies (sold-to parties) that had contracts with the BASF Group in the business year concerned under which sales were generated.
² BASF considers all direct suppliers of the BASF Group in the business year concerned as Tier 1 suppliers. These are suppliers that provide us with raw materials, investment goods, consumables and services. Suppliers can be natural persons, companies or legal persons under public law.

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 in order to preserve a world worth living in for future generations. 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. Concurrently, these challenges also open up numerous opportunities for new business areas and innovative products. All of this requires a clear vision, responsible action as well as a high degree of creativity and flexibility.

We want to grow profitably and sustainably. To this end, we have set ourselves ambitious targets and defined concrete measures to achieve them: To increase our profitability, we are strengthening our competitiveness with our cost savings program focusing on Europe and we are adapting our Verbund structures in Ludwigshafen, Germany, to ensure the site remains future-proof. We are investing in growth markets, particularly in Asia, with China as the largest and most important growth driver of global chemical production. Furthermore, we are undergoing a fundamental transformation in the way we steer our company. As part of our Differentiated Steering concept, we are implementing new financial steering indicators tailored to each business. Our operating divisions are also continuing to adapt their specific business models and processes – supported by customized process structures, IT systems and governance frameworks.

To further embed sustainability in our business activities, we are driving innovations for a sustainable future, focusing our portfolio on growth areas and developing products with a lower carbon footprint. We are pioneers in climate-neutral production. This means we are gradually converting our energy supply from fossil fuels to renewable sources, developing new, pioneering emission-free and low-emission production processes for our products as well as strengthening the circular economy through the use of alternative raw materials and new recycling technologies.

The success of these measures depends primarily on the ideas and commitment of our employees. This is why we want to create an environment in which they can thrive and contribute to BASF's long-term success. Moreover, the diverse potential of digitalization used in our processes and business models further contributes to the successful implementation of these measures.

Our transformation along the value chain

Supply chain	Production		Products
<p>Energy</p> <p>Renewable energy, low-emission hydrogen, combined heat and power generation</p> <p>Raw materials</p> <p>Renewable and recycled raw materials, raw materials based on the use of CO₂</p> <p>Infrastructure</p> <p>Network expansion and infrastructure for the transportation of hydrogen and CO₂</p> <p>Suppliers</p> <p>Sustainability evaluations, Supplier CO₂ Management Program</p>	<p>Customer-focused production</p> <p>Minimized transportation routes</p> <p>Optimized Verbund structures</p> <p>Efficient value chains</p> <p>Digitalization and automation</p> <p>Efficient processes</p> <p>Operational excellence</p> <p>Energy and resource-efficient processes</p>	<p>Emission-free steam generation</p> <p>Electrified processes, energy recovery</p> <p>Pioneering technologies</p> <p>Emission-free and low-emission processes</p> <p>Key technologies: batteries, polymers, biotechnology</p> <p>Circular economy</p> <p>New material cycles and recycling technologies</p>	<p>Solutions for a sustainable future</p> <p>Low-emission, innovative products (pioneers, contributors)</p> <p>Climate-smart mobility; healthy, affordable food; efficient construction</p> <p>Business models</p> <p>Digitalized and circular approaches</p> <p>Services</p> <p>Transparency (product carbon footprint, corporate carbon footprint), take-back systems</p>

Our Strategic Action Areas

BASF's strategic direction is based on a comprehensive analysis of our markets, competitors and the economic environment. We continuously monitor global trends and short-term developments and anticipate the resulting opportunities and risks. In doing so, we keep a close eye on the demands of our customers and the transformation of our company. The following six strategic action areas enable us to strengthen our leading position in a competitive environment.

Our six strategic action areas

Innovation, sustainability, production, digitalization, portfolio and employees

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.

Our Values and Global Standards

As an international chemical company, we operate in markets and countries with different requirements and conditions. We always follow our corporate values and standards in order to act responsibly and secure our license to operate. By living these values every day, we ensure a culture of respect for our customers, partners and employees.

Together with our Code of Conduct and our global standards, our CORE values lay the foundation for responsible conduct and trustbased relationships with our stakeholders. They define how we want to work together:

- **C – creative:** We make great products and solutions for our customers. This is why we embrace bold ideas and give them space to grow. We act with optimism and inspire one another.
- **O – open:** We value diversity, in people, opinions and experience. This is why we foster feedback based on honesty, respect and mutual trust. We learn from setbacks.
- **R – responsible:** We value the health and safety of people above all else. We make sustainability part of every decision. We are committed to strict compliance and environmental standards.
- **E – entrepreneurial:** We focus on our customers, as individuals and as a company. We seize opportunities and think ahead. We take ownership and embrace personal accountability.

Our standards are based on, and in some cases, exceed existing laws and regulations and take internationally recognized principles into account. We respect and promote:

- The Universal Declaration of Human Rights and the two U.N. Human Rights Covenants
- The 10 principles of the U.N. Global Compact
- The core labor standards of the ILO and the Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy
- The OECD Guidelines for Multinational Enterprises
- The Responsible Care® Global Charter
- The German Corporate Governance Code

The main guidelines are primarily summarized in our Group regulations on compliance, human rights, labor and social standards and in the Supplier Code of Conduct. We want to ensure that we act in line with the applicable laws and uphold our responsibility to the environment and society with our comprehensive management and monitoring systems.

See basf.com/humanrights for more information on the Policy Statement on Human Rights and a comprehensive report on the implementation of due diligence in accordance with the requirements of the National Action Plan developed by the German government, and in accordance with the U.N. Guiding Principles on Business and Human Rights

For more information on the Human Rights Advisory Council, see basf.com/human-rights-council
For more information on labor and social standards, see basf.com/labor_social_standards

Our Targets and Target Achievement 2023

Our objective is profitable growth with the following targets up to and including 2023: We want to grow sales volumes faster than global chemical production, further increase our profitability, achieve a return on capital employed (ROCE) considerably above the cost of capital percentage and increase the dividend per share every year based on a strong free cash flow or at least maintain it at prior-year level.

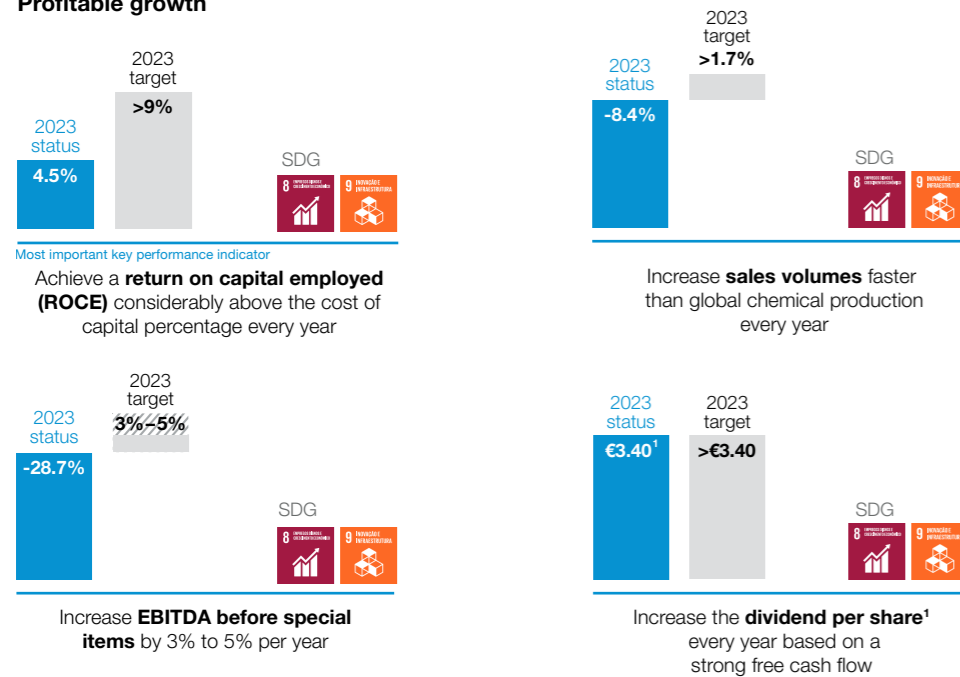
In addition, we have set ourselves broad sustainability targets. We want to considerably reduce our CO₂ emissions in the coming years. In addition to the targets for reducing our emissions from production (Scope 1) and the purchase of energy (Scope 2),¹ we set ourselves a new target for our purchase of raw materials (Scope 3.1)² in 2023. We have also added Scope 3.1 emissions to our net-zero target for greenhouse gas emissions by 2050.

We want to further improve safety in production and since 2023 we have been reporting according to a new system that focuses on high-severity work-related accidents and incidents.

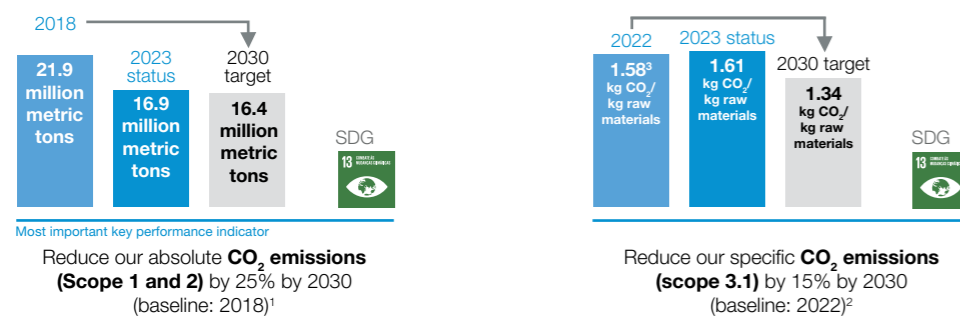
We aim to increase the number of women in leadership positions and create a working environment in which our employees feel that they can thrive and perform at their best.

The objective of these targets is to grow profitably, and at the same time, contribute to the United Nations' Sustainable Development Goals (SDGs). We are focusing here on issues that we as a company can influence: especially SDG 2 (Zero hunger), SDG 5 (Gender equality), SDG 6 (Clean water and sanitation), SDG 7 (Affordable and clean energy), SDG 8 (Decent work and economic growth), SDG 12 (Responsible consumption and production) and SDG 13 (Climate action).

Profitable growth

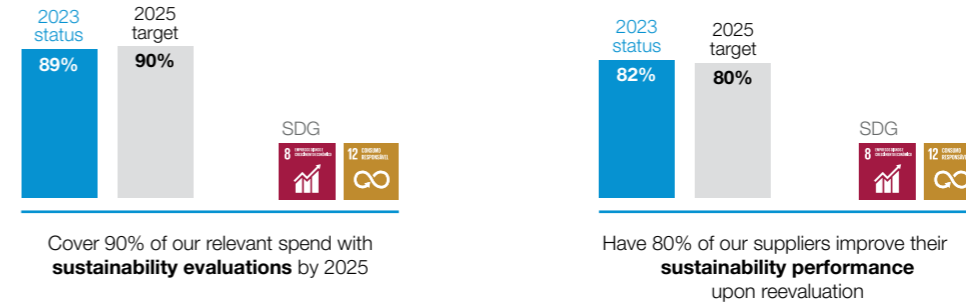


Effective climate protection

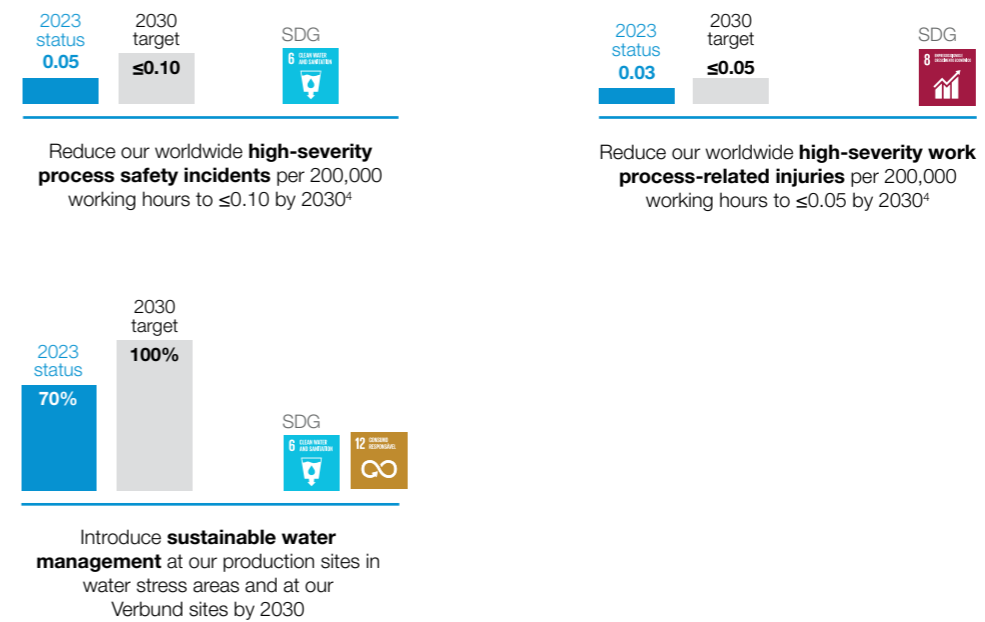


¹ Dividend proposed by the Board of Executive Directors

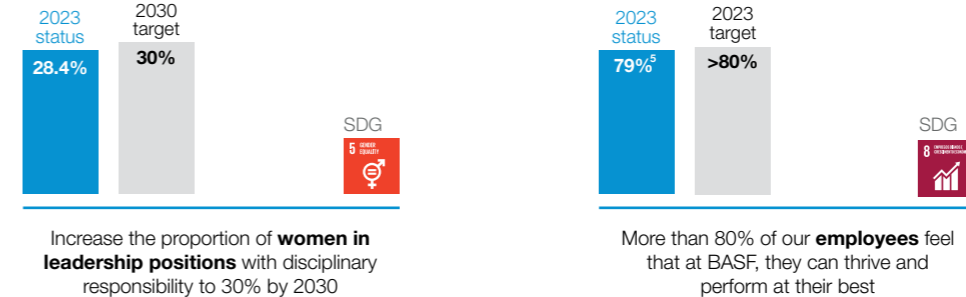
Responsible procurement



Resource-efficient and safe production



Committed employees and diversity



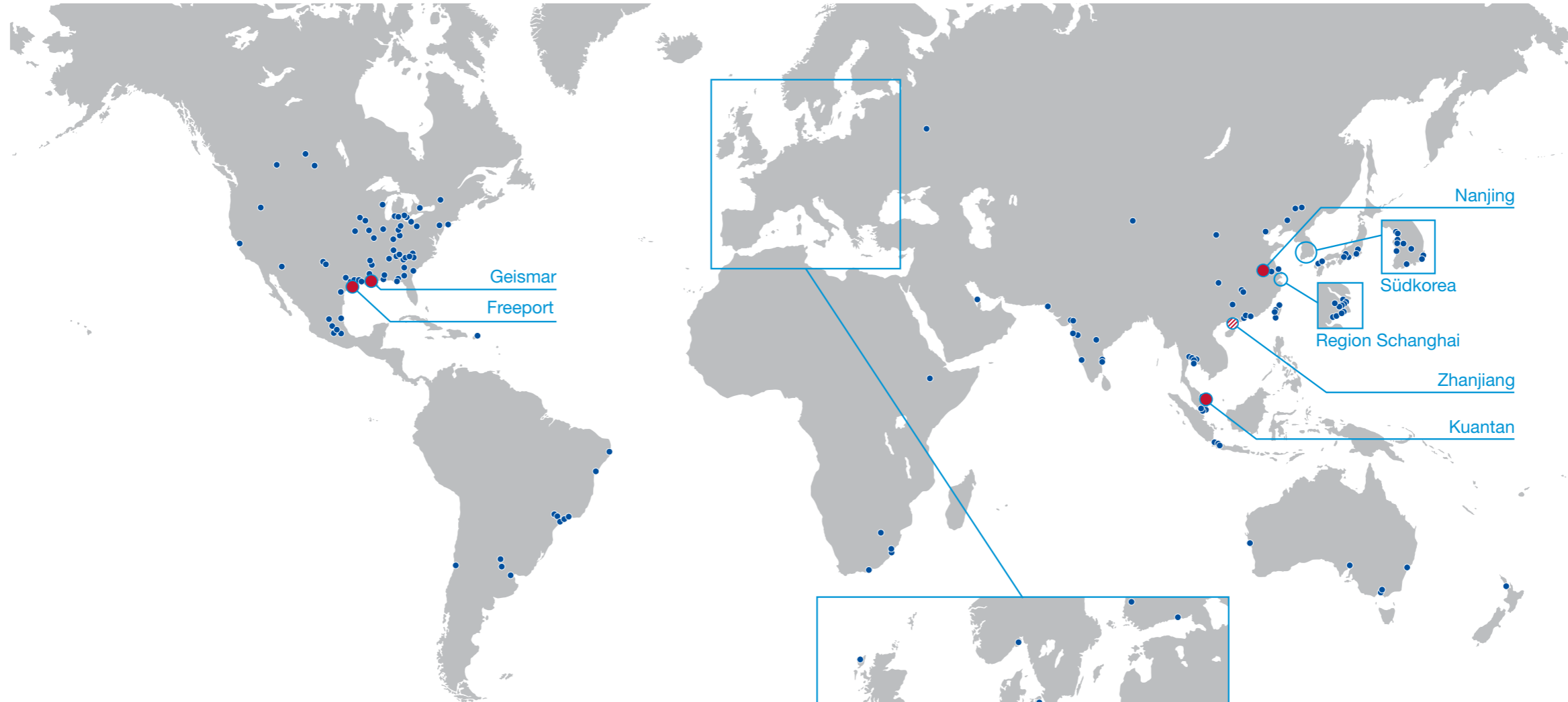
Reduction targets

- 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.
- 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 TFS guideline possible depending on the availability of further primary data. The baseline year is 2022.
- The figure for 2022 was adjusted due to increased data availability.
- We updated the safety targets in 2023.
- We regularly calculate the employee engagement level. The most recent survey was conducted in 2023.

BASF in the Regions

BASF Group sales 2023: €68,902 million

BASF Group employees 2023: 111,991



EUROPE	NORTH AMERICA	ASIA PACIFIC	SOUTH AMERICA, AFRICA, MIDDLE EAST
27.6 Sales (billion €) ¹	19.0 Sales (billion €) ¹	17.1 Sales (billion €) ¹	5.1 Sales (billion €) ¹
67,562 Employees ²	16,060 Employees ²	21,193 Employees ²	7,176 Employees ²

The map shows the BASF Group's production sites according to the scope of consolidation for this report. Sites not shown on the map include pure research and development sites, office and warehouse locations as well as sites of companies outside the scope of consolidation.

- / ■ Verbund sites / Verbund site under construction
- Production sites

¹ In 2023, by location of company
² At year-end 2023

BASF on the Capital Market

In 2023, stock markets were characterized by a weakening of the global economy. Continued high inflation, higher interest rates and increasing geopolitical tensions led to economic uncertainty and dampened demand in many sectors. A dividend at prior-year level of €3.40 per share will be proposed to the Annual Shareholders' Meeting. Based on the year-end share price for 2023, BASF shares offer a high dividend yield of 7.0%.

At a glance

€3.40

Dividend per share (proposal)

7.0%

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

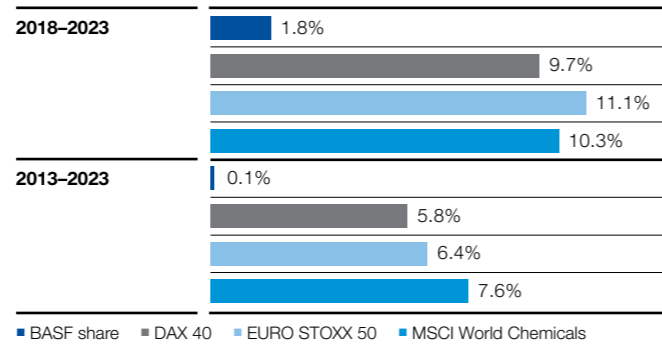
- BASF share price increased by 5.2% in 2023
- Over 900,000 shareholders
- CDP again awards BASF Leadership status

BASF Share Performance

After BASF's share price reached an annual high of €54.04 on February 3, 2023, it initially declined over the year. During the last two months of 2023, the stock market was supported by expectations of future interest rate cuts. BASF shares recovered in line with the overall market and closed the year at €48.78. Share performance

Long-term performance of BASF shares compared with indexes

Average annual increase with dividends reinvested



Weighting of BASF shares in important indexes as of December 31, 2023

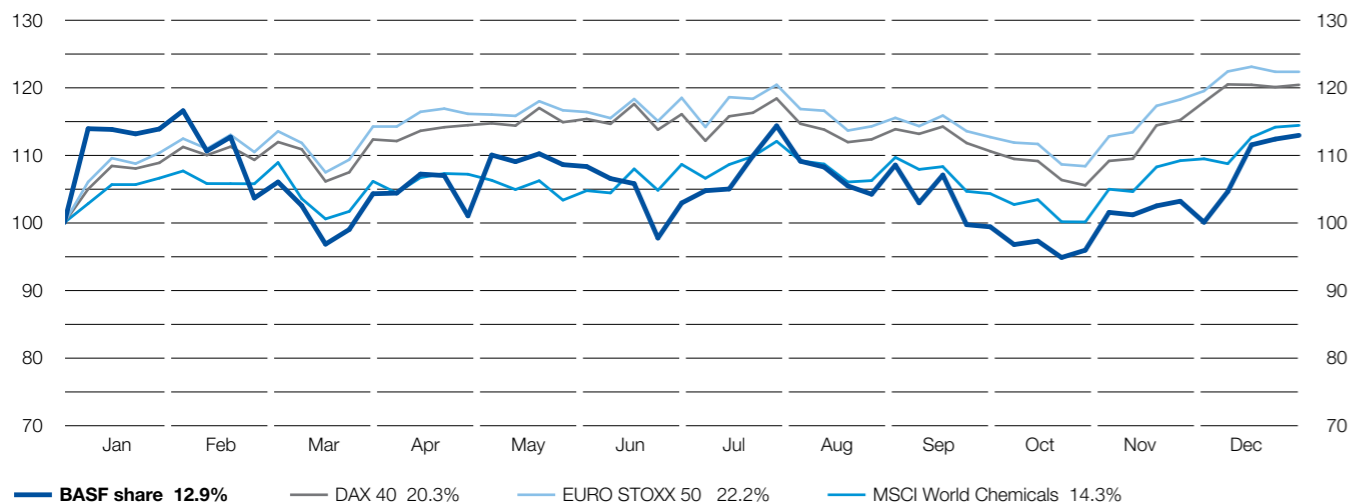
DAX 40	3.6%
EURO STOXX 50	1.4%
MSCI World Chemicals	3.9%

in the course of the year was mainly attributable to the weakening of the economy, continued high inflation, higher interest rates and increasing geopolitical tensions; these led to significant uncertainty on the global markets and dampened demand in many sectors.

Assuming that dividends were reinvested, BASF's share performance increased by 12.9% in 2023. The benchmark indexes of the German and European stock markets – the DAX 40 and the EURO STOXX 50 – rose by 20.3% and 22.2% over the same period, respectively. The global industry index MSCI World Chemicals gained 14.3%.

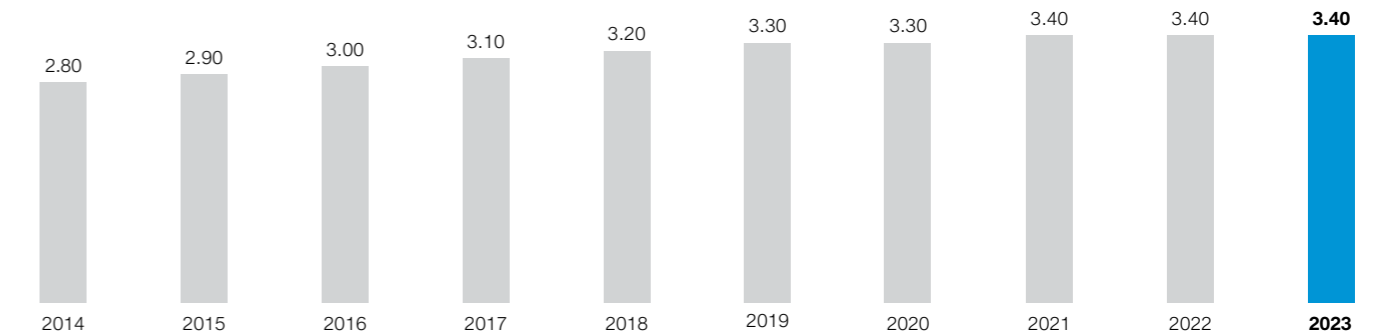
Change in value of an investment in BASF shares in 2023

With dividends reinvested; indexed



Dividend per share

€ per share



Proposed Dividend

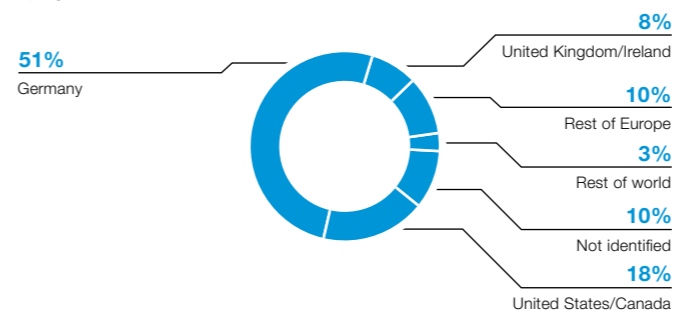
It is to be proposed to the Annual Shareholders' Meeting that a dividend of €3.40 per share, at the same level as in the previous year, be resolved, and thus €3.0 billion be paid out to the shareholders of BASF SE. With this proposed dividend, BASF shares offer a high dividend yield of 7.0% based on the year-end share price for 2023. BASF is part of the DivDAX share index, which contains the 15 companies with the highest dividend yield in the DAX 40.

Broad Base of International Shareholders

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.

Shareholder structure

By region, rounded



Employees Becoming Shareholders

In many countries, we offer share purchase programs that turn our employees into BASF shareholders. In 2023, around 26,700 employees worldwide (2022: around 27,100) participated in the "plus" share program.

BASF – a Sustainable Investment

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.

Analysts' recommendations

Around 25 financial analysts regularly publish reports on BASF. The latest analyst recommendations for our shares as well as the average target share price ascribed to BASF by analysts can be found online at basf.com/analystestimates.

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 Investor Update December 2023, see basf.com/investor-update

BASF in South America – Local Report

Executive Committee

Vera Felbermayer

Vice President of Site Management, Operations and Digital Support for South America

Marcos Allemann

Vice President of Decorative Coatings Solutions for South America

Sergi Vizoso

Senior Vice President of Agricultural Solutions Division for Latin America

Alberto José

Zúñiga Sanchez
Managing Director of Country Cluster Andes

Cristiana Brito

Director of Institutional Relations and Sustainability for South America and Chairman of the Board of Trustees of Eco+ Foundation



Manfredo Rübens

President of BASF, South America

Antonio Lacerda

Senior Vice President of Business Cluster Chemicals, Nutrition & Care, Industrial Solutions and Materials for South America

Renata Milanese

Managing Director of Country Cluster South

Cinthia González

Vice President of People Services for South America

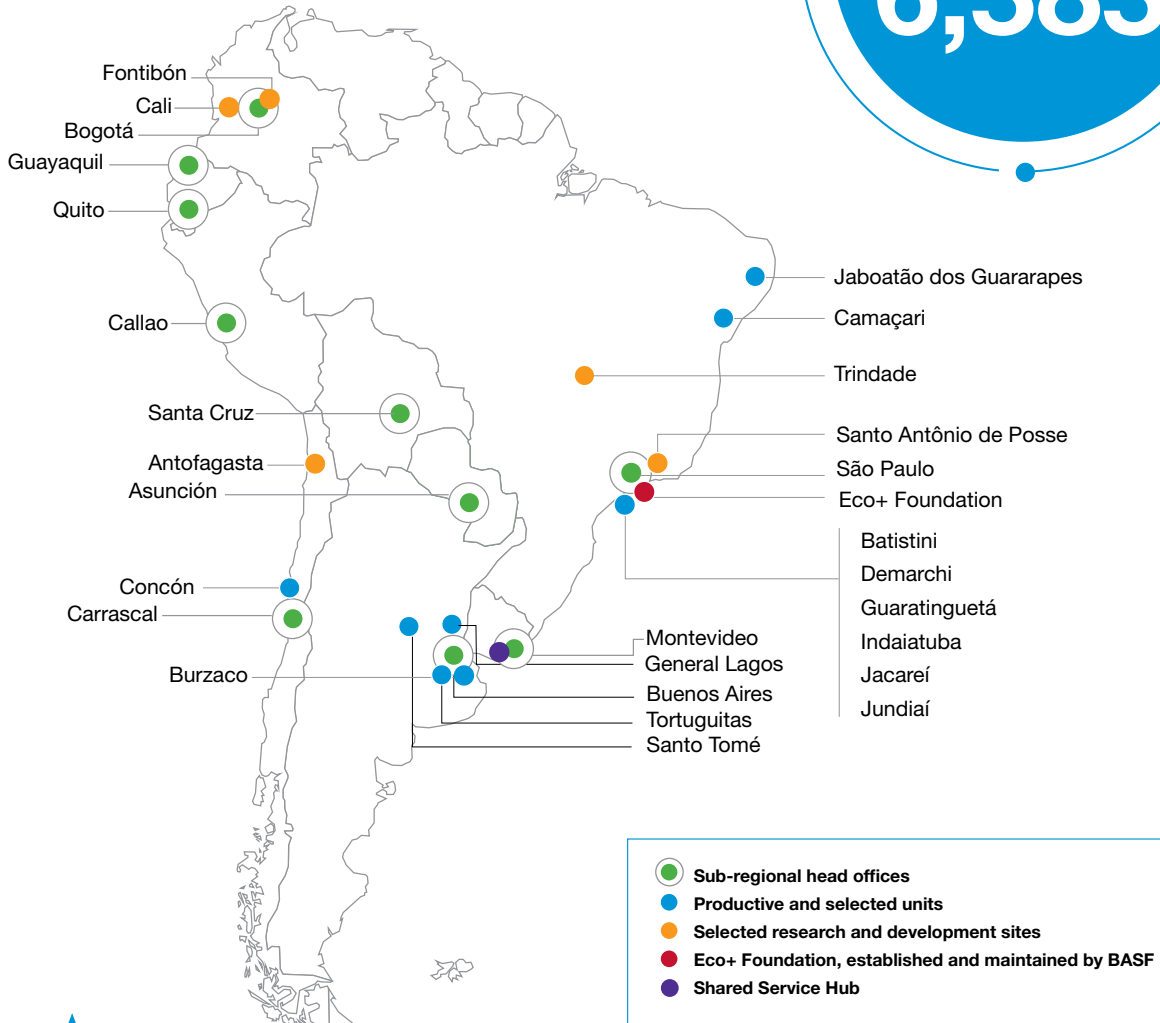
Claus Wünschmann

Senior Vice President of Business and Digital Services, Procurement, Tax and Audit and Chief Financial Officer for South America

André Oliveira

Director of Legal, Insurance and Compliance for South America

Production and selected sites



Presence in South America

Head Office: São Paulo, Brazil

16 production sites and 24 research and innovation centers and mini farms in agriculture organized by geographical location:

- Brazil
- Country Cluster Andes: Chile, Colombia, Ecuador, Guyana, Peru and Venezuela
- Country Cluster South: Argentina, Bolivia, Paraguay and Uruguay



¹ Location of customer, Group consolidated, sales to third parties

Purpose, values and innovation power

In the year 2024, our journey will mark 113 years in South America. We are constantly changing, just like the challenges of our society, like the climate. We are renewing ourselves responsibly with concrete strategies and ambitious goals to keep pace with the changes in the world. We see the challenges of volatility and geopolitical uncertainty as opportunities for innovation. We are proud to contribute to the chemical industry by leading movements that will take us to a sustainable future.

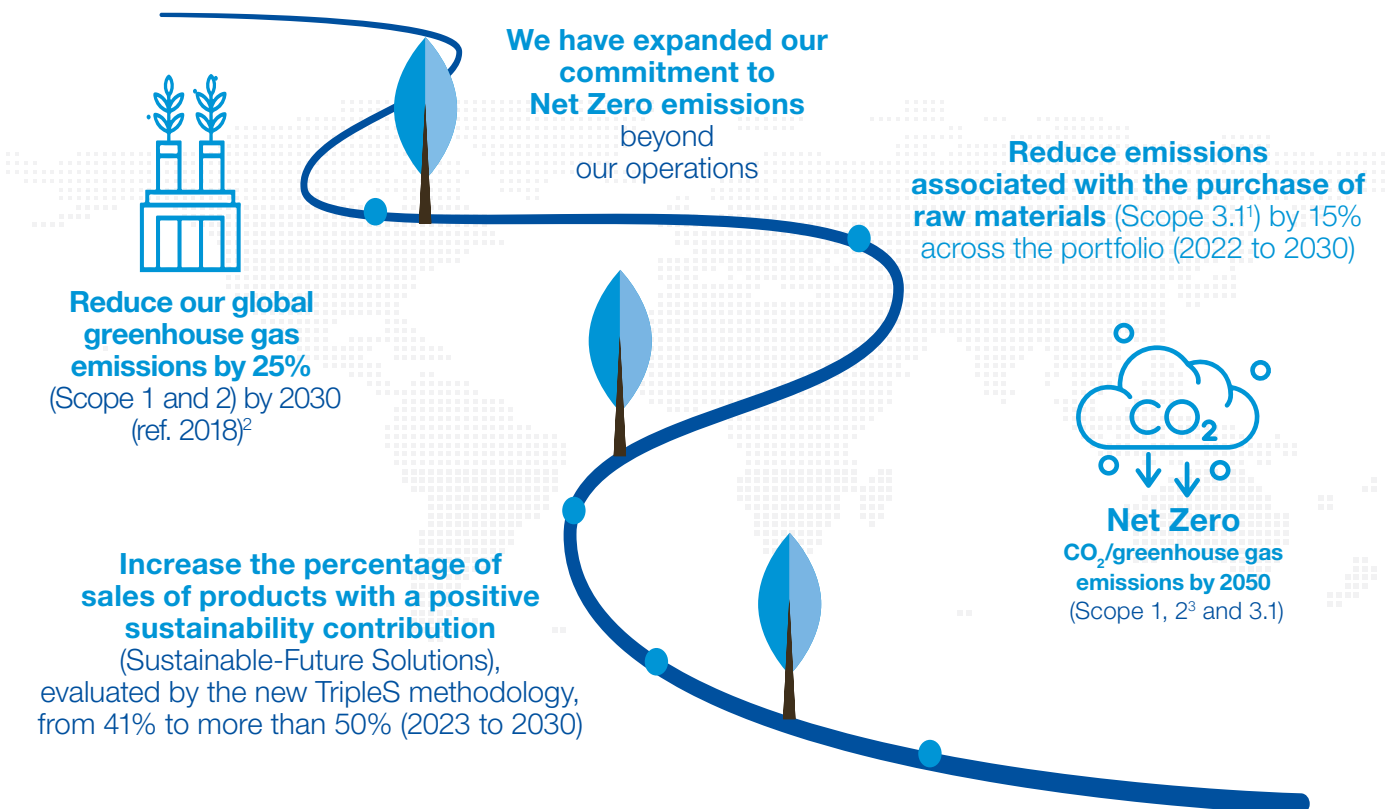
We see South America as a Green Power House, with the capacity to become a global player in a sustainable manufacturing agenda. We combine our abundance of natural resources with our commitment to sustainability, inspiring us to explore low-carbon solutions such as renewable energy, renewable feedstock and biofuel supply, circular economy and carbon monetization initiatives.

We understand that the answers to problems such as climate change, resource scarcity and waste generation can benefit from

our ability to innovate. We support the Paris Climate Agreement's goal of limiting global warming to less than 2 degrees Celsius. We have more than 25 product launches planned over the next three years in our various segments, with a careful eye on sustainability. We embrace our pioneering and leading role in the chemical industry and seek to contribute to the changes needed for a sustainable future, considering environmental, social and economic aspects.

We recognize our role in the manufacturing industry's transition to carbon neutrality, which impacts our businesses globally as well as the environment, society, customers, suppliers and the community. Each country, each business, where we operate in the region has specific characteristics that can contribute to the sustainability of the planet. We are guided by ambitious and well-defined sustainability strategies and pursue a leading role in projects that are carried out in partnership – with the government, with the chemical industry, with the market. We believe that by working together, we can improve our innovative and sustainable business opportunities, as well as our environmental and societal impact.

Our global goals, our drivers



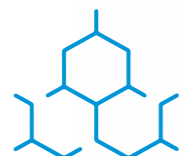
¹ Scope 3.1: raw materials excluding battery materials, services and technical goods, excluding greenhouse gas emissions from BASF trading business. Future adjustment of the baseline, in line with the TFS guideline, possible depending on the availability of further primary data.
² Scope 1 and Scope 2 (excluding the sale of energy to third parties). Greenhouse gases are converted into CO₂ equivalents (CO₂e)
³ Scope 2 - excluding the sale of energy to third parties, in accordance with the Greenhouse Gas Protocol

How did we move forward in South America in 2023

We invested €6.3 million in the plant in São Bernardo do Campo (SP, Brazil), integrating the polyamide 6.6 production chain. As a result, we increased our polymer supply capacity to South America by 15% and reduced effluent and emissions. Also used in the production of engineering plastics, it leads to more sustainable processes – such as circularity in the chain and metal replacement in the automotive sector (reducing the weight of cars and thus energy consumption in production and use).

This investment is part of more than **€1.4 billion invested globally over the past 5 years** to expand our portfolio of engineering plastics, primarily polyamides.

For the new positions created by this investment, we partnered with National Industrial Learning Service (SENAI) to train chemical process operators. The course included more than 100 hours of training and employed 50% female professionals, supporting our efforts on representation and equity throughout the value chain.



€6.3 MILLION

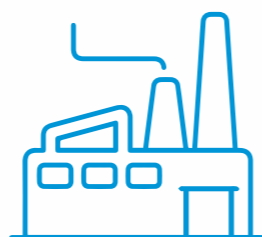
**INVESTMENT
AT THE SITE IN
SÃO BERNARDO DO CAMPO**

We invested €9 million to modernize the decorative paint site, further integrating business objectives with environmental goals. With this investment in the São Bernardo do Campo plant (SP, Brazil), we have optimized the use of raw materials (by reducing the amount needed to manufacture the products) and increasing the potential for a reduction of up to 65% of CO₂. It is a paint dispersion technology that works in an innovative way to optimize the final product, using less raw material while maintaining the same quality. As a result, in addition to the environmental and financial impact, we also help reduce our professionals' exposure to chemicals and noise.

We evolved with the South America Site Optimization (SASO) project, which has as one of its objectives the increase in the use of productive sites, promoting the development and sustainable growth of South American operations.

As such, we contribute to internalize the production of raw materials and final products to the region (which are currently imported), improving delivery reliability, competitiveness and mitigating risks of disruption in the logistics chain. With regional coverage, we contemplate initiatives in all units in South America. Since the beginning of the project in 2018, we have implemented 13 initiatives that contribute to the reduction of CO₂ mainly due to the impact of transportation; and another 23 are in progress. In 2023, internalized products amounted to more than €9.2 million, with an additional production volume for the region of 6.3 kilotons.

CO₂ reduction benefit:
approximately 3.3 ktCO₂/year



**€9 MILLION
FOR MODERNIZATION
OF THE DECORATIVE
PAINTS SITE**



**We share knowledge
to create an international standard of
tools for the emission calculation
of CO₂ transparently**

Strategic CO₂ Transparency Tool (SCOTT) methodology: innovation in emissions measurement

The SCOTT methodology, a digital, algorithm-based solution and the only one of its kind in the world, is another example of our pioneering work in identifying and reducing CO₂ emissions from each chemical reaction in a formulation.

Calculating the greenhouse gas emissions associated with a product's lifecycle, a major challenge for the chemical industry, is already possible with a tool that automatically measures the carbon footprint of various products in the chemical industry.

SCOTT was created in Germany in 2020. It is a public technology and has the partnership of renowned software developers.

SCOTT's digital innovation marks an unprecedented advance in the global decarbonization journey and its application calculates the carbon footprint, from start to finish, of 45,000 traded products/raw materials. The solution complies with European legislation and has been tested and subjected to international external audits.

In addition to these projects, you can see in this edition of the Annual Report how we are betting on the potential of South America and advancing our mission to create chemistry for a sustainable future, building the future we want every day.

Global corporate commitments

Our global corporate commitments cover all parts of our value chain and operations to provide long-term business success



And along the value chain...



Value and Respect

We motivate and engage, advocate for wellbeing and fairness, we value people and treat them with respect



Governance and Compliance

We see corporate governance as a responsibility to our investors, employees, customers, financial markets, business partners and other stakeholders.

We understand and make this commitment to that our company complies with laws and best practices and that everyone (inside and outside the company) not only complies with the law, but also lives our values.

We follow the Compliance guidelines established by the BASF Group worldwide and structured in the Compliance Program. Our most important tool is the Code of Conduct, which defines BASF's high standards of legal compliance and business ethics worldwide and applies to everyone in the BASF Group, from the Executive Board to managers and specialists. There is also a version of the

Code of Conduct specifically designed for suppliers to ensure they are in compliance with our values and principles. Both codes provide guidance on expected business conduct consistent with our values.

The Code is reviewed periodically by BASF's Chief Compliance Officer. Our Code of Conduct guides the behaviors and position of BASF and each of us.

As standard, our contracts and purchase orders with suppliers and partners have clauses that reference our Code of Conduct and values. We follow requirements for hiring suppliers and subcontractors that include ensuring that contractors fully comply with all applicable human rights laws and environmental, social and corporate governance (ESG) standards set forth in international conventions.

Aware of our commitment to human rights, we have the following responsibilities:

1 Ensuring the protection of internationally declared Human Rights

2 Ensuring that there is no direct or indirect use of forced labor or child labor in any form

3 Defending freedom of association and the right to collective bargaining by following applicable laws

4 Complying with minimum wages and respect the limits of working hours

5 Treating employees and co-workers with respect and promote an inclusive work environment by preventing any form of discrimination, unequal treatment, harassment, abuse or inhumane treatment of any person

6 Complying with all environmental, occupational health and safety standards, promote safety and solid environmental development, use all resources efficiently and minimize the impact on biodiversity



Open channels for reporting concerns or suggestions by phone, website or email (see below). We also have an app available - exclusively for employees.

- Argentina 0800 345 3154
- Bolivia 800 101 110
- Brazil 0800 000 0153
- Chile 800 681 002
- Colombia 01 800 5190 527
- Ecuador 1 800 225 5281 999 119
- Paraguay 008 11 800
- Peru 0800 78478
- Uruguay 000 413 598 5681
- Venezuela 0 800 552 6288
- basf.com/compliance
- basf@ethicspoint.com

Human rights - a pillar of our activities

The commitment to respect for human rights has always guided our operations, as can be seen in our codes Codes of Conduct, training and engagement on the subject of our global and local units. This year, the issue gained even more prominence with the entry into force of the German law known as the Supply Chain Act, which applies to our business since January/23 and imposes due diligence obligations to prevent human rights abuses in the supply chain.

In March 2023, authorities in Uruguaiana, Brazil, recorded a case of unacceptable working conditions and underage labor in our supply chain. The affected workers were temporarily employed by subcontractors of BASF contractors in the fields of two rice farms that produced seeds for BASF. We immediately approached the relevant authorities with the main objective of understanding the criticality of the situation, contributing whatever was necessary and evaluating our processes. The work was stopped immediately. The contract with one of partners was terminated, as it became clear that it was not possible to work constructively on the incidents with this partner. The other partner reacted responsibly and committed to resolving the situation as effectively as possible. BASF has also taken additional preventive and training measures to avoid such incidents even more effectively in the future.

We strongly condemn practices that disregard human rights and seek to ensure appropriate working conditions, safety and welfare not only for our employees, but also for contractors and subcontractors.

As a result, the issue remained a priority on the agenda of a task force that included approximately 100 people (with representatives from all business units, as well as various departments such as EHS, Legal, Supply Chain, Operations, Compliance, among others), led by BASF's President for South America. We count on this strategic group to develop measures to ensure that employees and the entire supply chain are aligned with BASF's values and strive to respect human rights inside and outside the company and to make a positive impact on society.

We have strengthened our training with a focus on respect for human rights. In addition, we plan to carry out more risk-based controls of our contractors and their subcontractors, as well as training sessions.

Furthermore, we are improving the supplier monitoring process through the use of platforms capable of capturing market and regulatory information to mitigate the risk of misconduct in our operations.

Training in good agricultural practices in 2023:

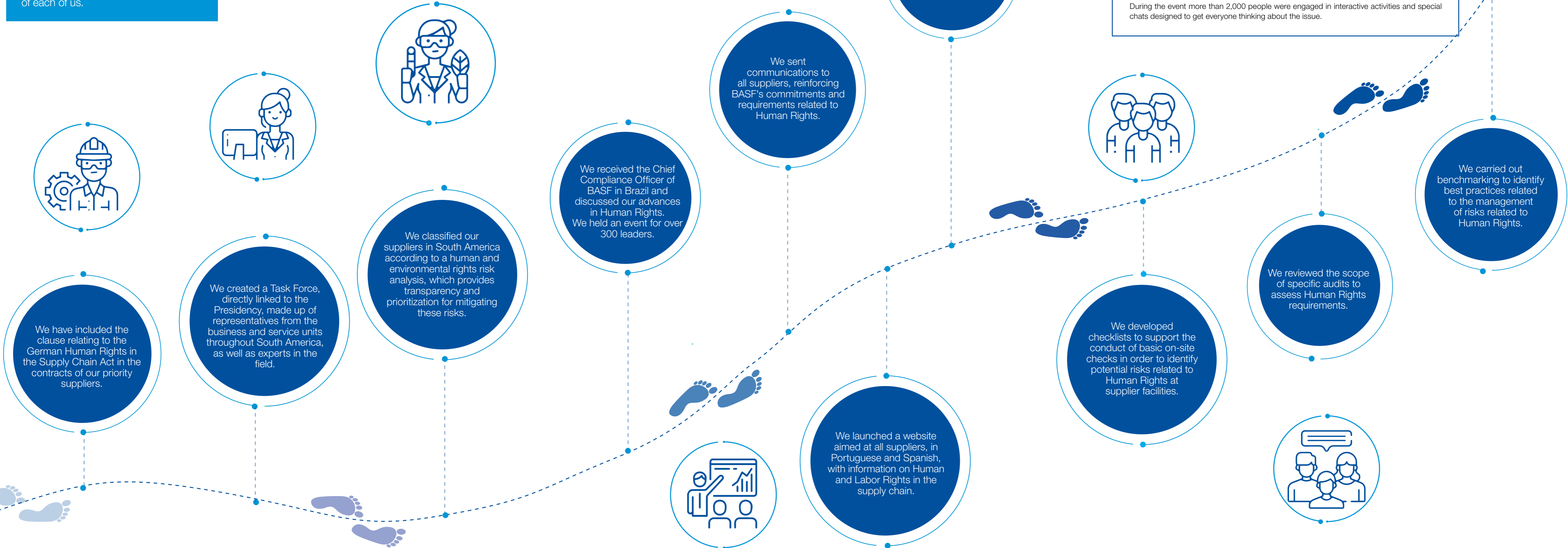
- Total number of people trained by BASF in 2023 in Latin America: 35,070 participants
- Total number of people trained by CropLife Latin America and associates by 2023: 101,306 participants



We are committed to protecting human rights

How we move forward

Our Code of Conduct, Values and the global Compliance Program guides the behaviors and positions of BASF and of each of us.



Compliance Week

Annually, BASF holds its Compliance Week in South America. At **Compliance Week 2023**, we had a week entirely dedicated to the topic of Human Rights.

This is a non-negotiable commitment of BASF that is shared by everyone, from the internal team to partners, suppliers and customers, because we understand that ensuring the safety and respect of all people is a shared responsibility.

During the event more than 2,000 people were engaged in interactive activities and special chats designed to get everyone thinking about the issue.

Our commitment to society

We work to create a sustainable future for everyone. Thus, we make a commitment to society by using positive impact as our guiding principle to create a viable future with a better quality of life, while creating value for our business. We understand and recognize that our success is linked to the wellbeing of society as a whole. We are agents of social change, working to raise awareness and build a more just and equitable society. We are on a journey to pioneer and lead discussions on issues that affect people.

By facilitating market access and developing a sustainable portfolio, we have the opportunity to positively impact the daily lives of millions of people by integrating them into value chains, providing employment and entrepreneurship opportunities to improve livelihoods, and enhancing quality of life. We set clear goals and measure success by our long-term impact on society.

Engagement

Building a more just, inclusive and sustainable society necessarily involves the attitudes and connections of all. Engaging in social, humanitarian, environmental and cultural issues is part of our business strategy.

In this scenario, the corporate world plays a fundamental role, because, in addition to creating economic opportunities, companies also have the responsibility to act as agents of social change.

BASF is aware of its responsibility and believes that it is important to do its part. The company recognizes that its success is inextricably linked to the wellbeing of society at large. For this reason, the company has adopted a social engagement strategy in South America that demonstrates its commitment to ethical values and corporate citizenship, creating value for itself and society by combining the opportunity to contribute to solving social challenges with its business strategy.

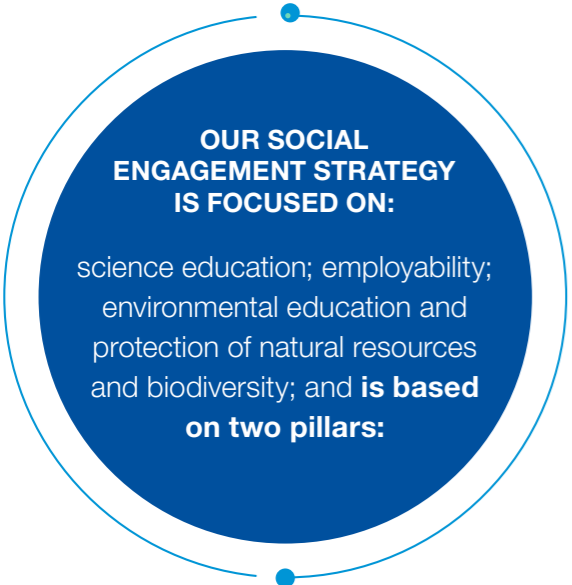
BASF wants to be recognized as a company that creates value for society. To this end, we have identified and promoted opportunities to connect various segments of society, generating financial, social and environmental value for all. These actions link the company's strategy to the needs of communities, primarily through three impact goals: science education; employability; and environmental education, and protection of natural resources and biodiversity. In this way, it enables the various segments to access the construction of alternatives to socio-environmental challenges.



Our success is connected to the wellbeing of society

SOUTH AMERICA 2023:
706,000
 PEOPLE IMPACTED WITH
 SOCIAL ENGAGEMENT ACTIONS

€4.1 million
 SOCIAL INVESTMENT 2023
 (donations, sponsorship, volunteering
 and own projects)



Engaged BASF Peru Team

One of the ways in which BASF promotes social engagement is through its corporate volunteering program. This global program encourages its professionals to engage in activities that benefit communities and social causes. Since 2016, the program has expanded in South America, where BASF has 17 volunteer committees and more than one thousand volunteers from the company and partner institutions are involved in the actions developed.

Activities reflect the core principles of volunteering: strengthening team spirit, working with a nonprofit organization, impact mentoring, leadership development and evaluation of activities.



Shared value: combines the company's contribution to the solution of social challenges with the opportunities generated for the business.



Corporate citizenship: contributes to the social development of the communities in which it is present.



Athletes of the Future Project - Judo, in Guaratinguetá (SP, Brazil)



706,000
PEOPLE IMPACTED

WITH SOCIAL ACTIONS IN ARGENTINA, BOLIVIA, BRAZIL, COLOMBIA, CHILE, ECUADOR, PARAGUAY, PERU AND URUGUAY



Young Voices for a Sustainable Future Project in Camaçari (BA, Brazil)

Come with us and discover part of our journey in 2023

We work through social sponsorship, tax giving, donations, volunteering, community engagement, public-private partnerships, cause-related marketing, social business, alternative business models and/or shared value projects

SPONSORSHIP OF SOCIAL PROJECTS

Conectar para Transformar

BASF's main partnerships in 2023 were with institutions selected through the Connect to Transform (*Conectar para Transformar*) announcement, in Brazil, Chile and Argentina.

In 2023, we reached the 7th edition of the "*Conectar para Transformar*" public notice, a selection of initiatives dedicated to mitigating environmental, social and economic impacts, with a financial contribution of up to €18,000/year for feasibility in the regions where we are present.

Scientific education, employability, environmental education and protection of natural resources and biodiversity are the pillars that support the 12 projects, selected annually, implemented in: Guaratinguetá and São Bernardo do Campo (SP, Brazil), Quinta Normal, Concón and Quintero (Chile), and General Lagos and Malvinas Argentinas (Argentina).

Since it was launched in 2017, "*Conectar para Transformar*" has enabled, by the end of 2023, 20 projects in Chile, positively impacting more than 63,000 people, directly and indirectly.

Access the QR Code and learn more about the impact we are having with the 12 projects selected and implemented in 2023



Recicla Mais

In São Bernardo do Campo, the Recycle More (*Recicla Mais*) project, developed by Vilas Ecológicas - Chácaras Porongaba, encourages the community to use recyclable materials correctly, and also promotes additional income for the beneficiaries through workshops to make products with recycled materials. Activities include collection, sorting and delivery of materials for recycling, lectures in schools, discussion groups and soap-making workshops using cooking oil for a group of waste pickers and the community, and visiting/lecturing in an indigenous village.

Mulheres Empreendedoras

Women Entrepreneurs Project (*Mulheres Empreendedoras*) held in Guaratinguetá (SP, Brazil). The Nobis Platform, with the support of BASF, implemented the second class of the socio-environmental program "Entrepreneurship for Women in Communities". The project impacted directly 60 women from peripheral communities of Guaratinguetá (SP), who were trained to develop a business plan and participated in a multidisciplinary training that helped them improve their ideas and income.

Emotional health as a priority

In São Bernardo do Campo (SP, Brazil), we serve approximately 50 people with symptoms of depression, anxiety, and other chronic illnesses. We provide psychological and social support, as well as tools to stimulate emotional expression.

In addition, 10 meetings were held with local residents on "Art as Subjective Expression and its Benefits", with the participation of 400 students and teachers from the public school system, health professionals and stakeholders from the region.



64 WORKSHOPS + 264 TALKS + 1,054 PARTICIPANTS EXHIBITIONS

1,382 PEOPLE DIRECTLY IMPACTED

SHARED VALUE PROJECTS



Creating opportunities that can significantly improve the quality of life of people in situations of extreme vulnerability: this is the purpose of **Starting Ventures, our shared value project launched in 2017**. In this way, we integrate people into the economy for mutual benefit, creating long-term business value and positive social impact in South America.

The initiative brings together a series of projects whose main objective is to provide these people with access to professional qualification, opening up perspectives of employability and also development through entrepreneurship. Through innovative business models and cross-sector partnerships, the projects develop business solutions for low-income people around the world.

Starting Ventures provides resources to our Business Units to value and make even more powerful entrepreneurship actions. It also facilitates sharing of experience and knowledge across the organization.

The selection of ideas to be funded by Starting Venture is determined by a steering committee and is based on the following criteria: social impact, innovative business models and business potential.

The resources provided by BASF's business units guarantee the viability of the training activities, which, in addition to the large positive social impact, add value to our operations and help to promote the economies of the regions served.

Protecting people and the planet

Launched in 2023, this project aims to improve the livelihoods of family farmers in the rural area of the municipality of Promissão (São Paulo, Brazil) through a socially inclusive and environmentally sustainable business model. This unprecedented initiative, in which Coopercitrus and AZR are partners, is based on programs already implemented by BASF and recognized nationally in Brazil: **PPE and Mata Viva® Program**.

We want to foster an ecosystem of partnerships, a new business model for developing communities and restoring forests.

Through this project, we are helping farmer families become more carbon efficient, restore degraded land, and improve soil health (the foundation of productive agriculture) by planting native trees grown from seeds provided by family farmers. Furthermore, we provided training on climate-smart agricultural practices and the proper use of personal protective equipment (PPE) and agrochemicals.

Our impacts:

- Increased productivity for family farmers through improved soil quality

- Each EPI sold reverts to one seedling for forest restoration, contributing to restoring biodiversity, sequestering carbon and improving ecosystem services.

- Additional income for farmers through the production of seedlings for the Mata Viva® program (currently purchased from commercial greenhouses)



planted trees: 20,000/year (10 hectares)



removal of 2,334 tons CO₂ eq per year



number of PPE kits sold 20,000/year

More Technological Cooperatives

Donation of **trinamiX NIR** units to selected cooperatives in Argentina and Brazil, facilitating the process of mechanical recycling of plastics by providing a higher quality and more reliable waste stream (benefiting the recycling chain and the cooperatives). Between 2023 and 2025, we estimate a total donation of equipment to five different cooperatives.

Our impacts:

- Reduction of the volume of unidentified plastics, in addition to increasing the reliability and profitability of recycled plastic

- Increase in volume and profitability for members

- Reduction in the volume of unclassified plastics sent to landfills

- CO₂ emission avoided: 1.56 kg of CO₂ for each kg of recycled plastic

Empowered women

Since 2022, we have combined experience, commitment and purpose in partnership with the Association of Empowered Women of the Municipality of Santa Marta (Colombia). Through the Empowered Women (EWA) project, we promote social entrepreneurship, female empowerment and environmental awareness.

The focus of this shared value project is to create the conditions for women in vulnerable situations to develop social enterprises - through a cooperative business model of manufacturing home care products, using SOLUPRAT as their main business. So we offer training, availability of financial resources, and development of solutions with our portfolio. This will provide them with a new source of income, economic autonomy, and the opportunity to advance the role of women in the family and in society.

The items they produce, such as degreasers, detergents, and multi-purpose cleaners, were launched in the brand's first physical store in September 2023, positively impacting six families and positioning the brand in restaurants and hotels in the city.

ENTREPRENEURSHIP



Preservation of natural resources

In 2023, we held the first edition of the Entrepreneurship Program in Argentina, Bolivia, Brazil, Paraguay and Uruguay. Through it, we aim to expand partnerships and inspire action to conserve our natural resources. Employees presented creative, innovative and viable environmental ideas to be implemented in these regions.



among the 11 projects submitted **five finalists were selected** to receive financial support from BASF

Argentina hosts the *Empreenda Já!* program

Since 2020, Brazil has taken actions aimed at the entrepreneurial journey of students, which aims to present ideas with financial value for companies and society.

Entrepreneur Now! project (*Empreenda Já!*) Connections that lead us to the future took a step forward in 2023 and reached Argentina, through the partnership between the Intrapreneurship Center of Fundação Dom Cabral, in Brazil, one of the leading business schools in the world, and Tekoia, in Argentina. Together, the two countries had 358 participants and the development of 28 projects focused on innovation and sustainability.



358 PARTICIPANTS

PUBLIC-PRIVATE PARTNERSHIPS

A close look at riverside communities

Children and adolescents in the community of Eirunepé (Amazones, Brazil) can count on better access to health, education, social services and citizenship, thanks to the Dicara project. This city is one of the 50 most vulnerable in the country.

Since the initiative began in 2023, services have reached ten communities on the banks of the Juruá River and 17 on the Gregório River, isolated locations in the state with very low Human Development Index.

It offers eight free courses on topics related to the Child and Adolescent Statute (ECA), such as environmental protection and human rights.

The exercise of citizenship also stands out as a relevant aspect of the program, proposing artistic, cultural, sports and employment opportunities with the support of local institutions.

By 2023, the Dicara Project will have received €167.400 in investments and has already impacted – directly and indirectly – more than 4,200 people. The action also has the partnership of the Municipal Council for the Rights of Children and Adolescents of Eirunepé and the Sustainable Amazon Foundation (FAS).

Entrepreneurship on the agenda

In 2023, we partnered with Junior Achievement São Paulo (JA), one of the leading entrepreneurship education organizations in Brazil, and used our own resources to develop skills and train young people from the public school system in the city of São Bernardo do Campo (São Paulo, Brazil). The initiative was extended to Jaboatão dos Guararapes (Pernambuco, Brazil), and Camaçari (Bahia, Brazil), through financial incentives. In total, 290 students participated in the action, entitled Young Entrepreneurs.



290 STUDENTS PARTICIPATED

Puppets that bring hope

In 2023, the Teatro Itinerante de Bonecos toured three Brazilian cities in the state of Pernambuco – Jaboatão dos Guararapes, Recife and Olinda – bringing entertainment and culture to these regions. In 2023, the following were carried out:

- 40 theatrical performances
- 40 cultural workshops
- distribution of 12,000 books – related to theatrical presentation
- 4 training workshops for the production of puppets for educators



12,000 CHILDREN IMPACTED

CAUSE-RELATED MARKETING

Music for the flowers

We innovate and create transformative solutions for the healthy growth of the countryside. Based on National Geographic studies, we understand the importance of the sound produced by bees in stimulating the development of flowers, making them more colorful and with sweeter nectar.

This is how we reproduce the sound of their wings, mixed with a musical background. The project developed in Colombia, called BEEMusic, resulted in a sound resource adopted in 2023 during the cultivation processes of various plants and is also available on music streaming channels such as Apple Podcasts and Deezer, in addition to BASF's "A Matter of Chemistry" podcast available on Spotify.

BEEMusic had 200 thousand hits across South America by the end of 2023.

Check it out on Spotify

200,000 ACCESSES



Employees

Employees continue to be one of our strategic pillars. In 2023, we focussed on:

- Contribute to the strategy and success of the business
- Provide the best experience in the workplace
- Continue to position BASF as the Best Place to Work

To achieve our strategy, we have developed a People Roadmap in partnership with BASF divisions, to be implemented between 2023 and 2025.

The People Roadmap has eight pillars of action:

- Employer Branding & Employer Value Proposition
- Talent Attraction & Entry experience
- Learning and development
- Future of Work
- Balancing personal and professional life
- Inclusion of diversity
- Competitive Total Offer
- License to Operate

Of these, we highlighted three pillars for 2023:

Talent attraction and Entry experience: offering the best attraction, selection and onboarding experience to our employees, delighting internal and external talent.

Wellbeing: as a fundamental basis of our people management strategy

DE&I: to have an inclusive and equitable culture, guaranteeing the representation of diversity

Talent Attraction and Entry experience

Entering a new company is not always easy: that's why in 2023 we completely redesigned our BASG entry experience, transforming it into a more digital, human and agile journey that helps new employees to learn from BASF, connect with more people and feel integrated and engaged to perform their best. With this experience we boosted employee engagement to experience BASF culture and contribute to our purpose from an early stage. The entry experience journey starts weeks before the entry date and will accompany the new employee up to 18 months.

As part of the Entry Experience, Campus South America 2023 was held, with the aim of providing an immersive experience about the culture of BASF and its divisions, increasing our people's knowledge, sense of belonging, knowledge and engagement.

Various areas interacted, co-created and presented their content in an interactive and creative way. With the aim of bringing more openness and transparency with senior leadership, the Campus was attended by members of the South America Executive Committee, who shared their inspiring stories and answered questions.



Campus Organization Team in Brazil

Campus happened in a hybrid model: using a platform in the metaverse where various areas interacted, co created and presented their content in an interactive and creative way and hosting face to face activities at various locations in the region. Speed dates, factory visits and interactions with senior management provided an environment for sharing ideas and experiences and strengthening networking.

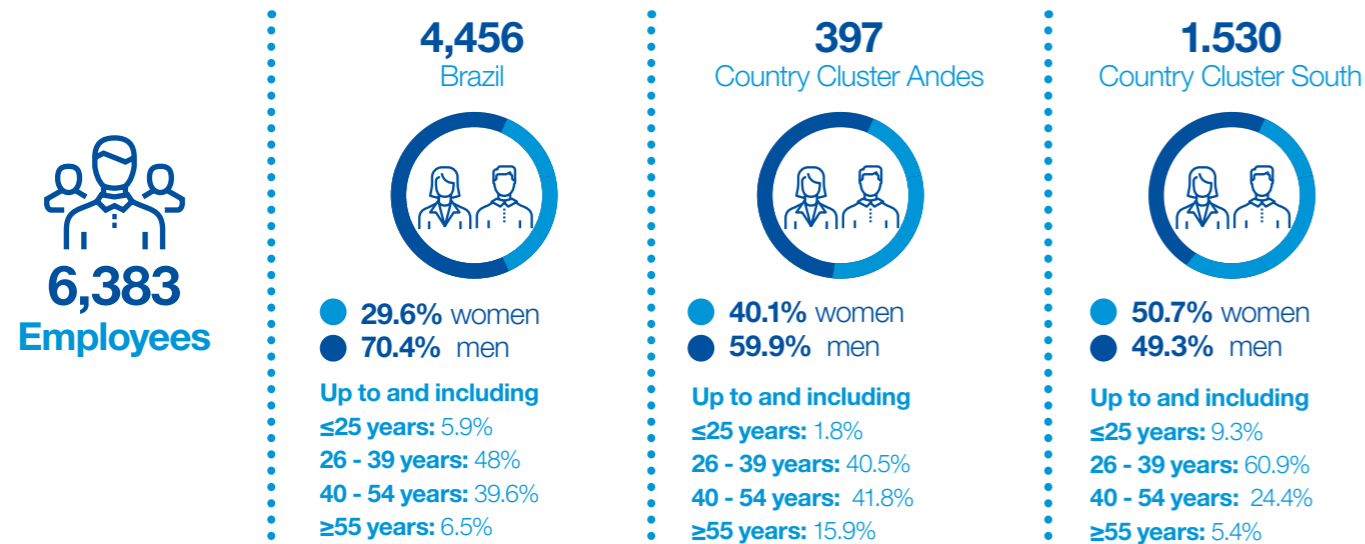
Wellbeing

We have a holistic approach to wellbeing: We align services, experiences and activities that promote emotional connection, personal balance and engagement. We have created and implemented Wellbeing spaces in Brazil, Colombia and Peru. In this way, we aim to provide a relaxing and decompressing environment.

19,600 participants in events and those attending spaces and sports and socio-cultural activities promoted in Brazil.

We registered more than 13,400 check-ins on the Gympass corporate physical activity platform (50% increase compared to 2022), benefiting more than 2,400 professionals and their families.

Through the *Sempre Bem* Channel, implemented in 2020, we offer free and confidential psychological counselling, legal, financial and social assistance to employees and their dependents.



172 CASES REPORTED IN 2023
(56% increase - ref. 2022)

46%
PSYCHOLOGICAL SUPPORT

33%
LEGAL SUPPORT

7%
FINANCIAL SUPPORT

1%
CHANNEL WITH LEADERSHIP

Inclusion of diversity: our voice echoed in the company's routine

We believe in the echo of our voice to contribute to a more just and equitable society. Beyond our borders, we defend this position, and we carry our flag to various movements throughout South America.

We have been on a steady journey, but we know we have to keep moving forward. After all, the fertile environment for the development of innovation, pioneering and value leadership necessarily includes a diversity of ideas, cultures and points of view. Together, we enable high-performing teams. Diversity of experience opens connections and expands interactivity between people, which is at the heart of what we do and our purpose in creating chemistry for a sustainable and inclusive future.

The year 2023 marked the repositioning of the concept of diversity and inclusion in the company, with the addition of equity in the corporate identity. Formerly known as D&I, the division has adopted the acronym DE&I, further reinforcing our mission to enhance and value people: Inclusion of diversity, principles that permeate everything from the selection process to talent development and retention programs, customer service and relationships throughout the chain. Much more than actions, we have a culture that values diversity. Inclusion is a journey, and we have made great strides in 2023 with strong leadership commitment and engagement.

With X-Generations, we are expanding the dialog between the generations and making it even more fluid. We use this value in our culture to encourage empathy and respect among people. On this basis, we encourage and emphasize our openness to the exchange of ideas and the appreciation of the knowledge of each generation.

Based on this new concept, reinforced by daily practice, we developed our strategy, based on four pillars: representation, inclusive culture, equity and active company. We define where we want to go, set our goals and monitor them to follow our path in a guided and consistent way.

Our Inclusion of diversity Key Performance Indicators (KPIs) inspire everyone at BASF, with goals that are aligned with BASF's values. They are easy to understand and are able to represent the main needs of each location.

We worked on the strategic themes, which are represented by affinity groups:

- **Women in BASF (WIB)**, seeks gender equity
- **Be Yourself (BYOU)**, promotes respect for sexual diversity
- **Black Inclusion Group (BIG)**, values racial equity
- **Be Different**, encourages the inclusion of people with disabilities
- **X-Generations**, expands the dialogue between people of different generations

STRATEGIC PILLARS



Part of BIG affinity group and DE&I team at onono® - Scientific and Digital Experiences Center

Check out with us how we are even stronger and together in 2023

EXTERNAL HIRING



60%

of total diversity¹ hired (goal: 60%)



47%

of women between newly hired (goal: 45%)

HIRING OF LEADERSHIP (EXTERNAL AND INTERNAL)



45%

of total diversity¹ hired (goal: 42%)



42.6%

of women hired (goal: 40%)

% OF INCLUSION RATE:



86%

participation in the Employee Voices survey (goal: >80)

4th Diversity, Equity & Inclusion Week

With the theme "Inclusion is Action," we reflect on the importance of transforming our empathy and values into action, and how we can commit ourselves to making our environments increasingly inclusive. We promote talks and debates on ageism, the LGBTI+, community, anti-racism, disability inclusion and gender equality. We count on the participation of professionals who are dedicated to pointing the way to an increasingly egalitarian society.



4,200 people

participated in the fourth edition of the event in South America (2,700 online and 1,500 in-person)



¹ Referring to women, people with disabilities and black people (Brazil)

Performance reflected in recognition:

- Ethos/Época Diversity, Equity and Inclusion Survey
- Best places to work for LGBTI+ people 2023 Instituto Mais Diversidade in partnership with the LGBTI+ Business and Rights Forum and the Human Rights Campaign Foundation (HRC)
- AB Diversity in the Automotive Sector Award (6th edition) in the GENDER category | Best set of indicators in leadership

Diversity in leadership

For us, equity begins with respect and is truly consolidated when it leads to transformation. Our female staff represents 35.45%.

We also develop and inspire the advancement of women in the company, encouraging them to reach their full potential. For example, the mentoring processes of the Eleva program (part of the Women in BASF group – WIB), take into account the principles of training, management and communication.



36.5% of women in leadership positions in South America (2023)



30% of the management staff composed of female leaders (until 2030) Global average BASF



7% of all women hired in Brazil have received mentoring from a BASF leader

We promoted a journey with the leadership team focused on people with disabilities (together with the Talent Group Include, a Diversity and Inclusion Ecosystem).

Capacity building for the community

Our business unit in Guaratinguetá (São Paulo, Brazil) was the protagonist of a pioneering action in the chemical industry.

Through the Diversity, Equity & Inclusion (DE&I) Committee, the Operators and Operators Training Center for the Community served 25 people from the region in 2023 with the offer of professional training to work in the industry. Since 2020, when it was inaugurated, the Center has graduated more than 101 people; 46 women and 20 people with disabilities (PwDs).

By qualifying the residents of the communities in which we operate, we create opportunities for professionals to enter or return to the labor market – in the case of people who have been far away – and reaffirm our commitment as a civic organization focused on building solid foundations for a sustainable future.

2nd edition of BIG Empowered

We are focused and committed to advancing racial equity in our company. In 2022, we launched BIG Empowered, a training program for black people, in partnership with the Business Initiative for Racial Equality. The organization brings together dozens of institutions that direct significant efforts to combat racism and the autonomy of blacks in Brazil, especially in the economic and professional aspects.



In 2023, **34 black professionals** participated in and graduated from communication and public speaking training

In 2023, we had **53 suppliers that met selected diversity criteria**, and we made €13,7 million in purchases (of products and services) from them (€9,7 million in 2022).

PwD 360° Connection Project

In Brazil, there is an initiative to attract, retain and include people with disabilities in BASF. Among other things, we are focusing on improving the accessibility of our Brazilian sites and our internal and external communication channels. With further measures as part of the initiative, we want to ensure that we consider more people with disabilities in the recruitment process and offer them specific training opportunities. The project team works closely with leaders, and brings together fronts from different areas of BASF, such as facilities, business, communication, technology, recruitment and talent development and the local network of employees with disabilities.



In 2023, **12%** of all hires at BASF in Brazil were professionals with disabilities, totaling 5.2% of PwDs

Health and safety

At BASF, safety is a non-negotiable value and an attitude of each individual – inside and outside the company's facilities. Therefore we motivate and encourage risk prevention and control, acting as a multiplier of safe behavior.

We act responsibly in response to the trust society has placed in us. This allows us to affirm that our products are safe when used as directed and do not pose a risk to people or the environment by meeting local and global safety requirements and certifications with high standards.

The safety and health of all employees who work for us is our top priority – including our contractors. We offer safe working conditions to protect employees, contractors and the surrounding communities. We prioritize plant safety through incident prevention, detailed work safety requirements, risk controls of chemical processes with a high level of integrity and transport safety.

We call on each professional to be a multiplier of safe behavior in their workplace (and beyond), developing a culture of safety among their own employees and contractors.

We are part of the Responsible Care® initiative. For us, acting responsibly in accordance with the Responsible Care® guidelines and with a long-term investment: focused on continuous improvement of our environmental, health and safety performance. To monitor our challenges and evolutions, we carry out regular audits in all our units around the world.

We follow the global standard of the **Environmental Protection, Health, Safety and Quality Management System** (EHSQ) BASF, elaborated based on the guiding principles of the Responsible Care® initiative, quality management and other relevant management standards. It covers the global requirements and procedures for environmental protection, health, integrity and safety at each stage of our value chain.



Occupational safety

HIGH SEVERITY WORK PROCESS RELATED INJURIES (HSI)

Global goal: ≤ 0.05
 DEADLINE FOR REACHING THE GOAL:
 from 2022 to 2030
 ACCOMPLISHED 2023: 0.00



Process Safety

HIGH SEVERITY PROCESS SAFETY INCIDENTS (HPSI)

Global goal: ≤ 0.10
 DEADLINE FOR REACHING THE GOAL:
 from 2022 to 2030
 ACCOMPLISHED 2023: 0.04

Customer at the center

At BASF, we put the customer at the center of everything we do. We are committed to delivering more value and the best possible experience to our customers.

We have integrated the NPS system with Salesforce, a global customer relationship management (CRM) platform, enabling us to manage all of our customer relationships and data in a single environment.

Net Promoter Score (NPS)

2023	<div style="width: 75%;"></div>	75
2022	<div style="width: 70%;"></div>	70
2021	<div style="width: 72%;"></div>	72

Our local goals, and the results achieved

2023 Goal	Result
achieve at least a 30% customer response rate in the NPS survey	41% response rate
ensure that at least 90% of the responses received are answered within 20 days	94% follow-up at 20 days
ensure that 100% of the feedback received with identified improvement action had an established action plan	100% of actionable feedbacks with established action plan
complete a customer-centric project by business unit	30 + customer-centric projects completed throughout the year



We work to take care of people

How we made progress in South America in 2023:

Cyber Week

In 2023, we had the 7th edition of Cyber Week – our digital campaign, and even in such a challenging economic year, we had record sales considering all editions. We offer **innovative, sustainable solutions and a differentiated experience** with greater value for customers.

The campaign also had a social component, returning a **portion of sales to eight social and environmental institutions** in Argentina, Brazil, Chile, Colombia and Peru – a total of €139.860 was returned to institutions in Brazil and €6.210 to institutions in other countries.

On this occasion, we actively engage clients with the topic during their buying journey, when we present the projects and institutions in the final stage. In addition, we also took advantage of the campaign period with high employee engagement to **collect hygiene items** for shelters for people in vulnerable situations, where we accumulated more than **4,500 items** in Brazil, with the participation of all business units.



sales
67% higher than
2022



Sale to more than
2,500
customers



Participation of
10 business units,
in 15 countries in South America

Sustainability Week

Another initiative was the Sustainability Week, which took place during Environment Week and promoted the interconnectedness of the ecosystem to enhance sustainable business opportunities in South America. Throughout the week, we offer panels and conversations with personalities, experts and brands that share this journey. In 2023, we focused on four pillars: **energy, renewable raw materials, circularity and green economy.**

28 contents were distributed, totaling more than 13 hours of information exchange with more than 600 participants in South America. At the same time, we promoted BASF's sustainable solutions, products and technologies through our digital sales platforms, generating nearly €5 million in sales and reaching more than three times as many customers as the 2022 edition. As a result, our sustainable solutions have a significant impact throughout the production chain.

Customers who responded to the NPS survey during Sustainable Week helped plant trees to bring the voice of the customer to the campaign, resulting in the planting of 939 trees in several South American countries.

Portfolio focused on the needs of customers, with respect to the environment

B-Cycle

Ensuring proper cleaning of the materials used in the mechanical recycling of plastics has always been one of the biggest challenges for recyclers. Aware of this difficulty – and respecting the requirements necessary to simplify, streamline and ensure the effectiveness of sanitizing these items – we launched a 3-in-1 product in 2023: **Soluprat B-Cycle Surface**. It is a biodegradable product with detergent, anti-odor and anti-foam action, intended for the cleaning of materials with impurities such as dirt, organic matter and grease. Also with the needs of the plastics recycling sector in mind, we have developed the **trinamiX NIR** solution, which allows us to identify the myriad types of plastics in seconds, facilitating the sorting of materials, one of the most difficult stages of mechanical recycling. It is an advanced near-infrared spectroscopy feature used in trinamiX in a reduced size, resulting in accurate and sophisticated data analysis.

The solutions are part of our B-Cycle portfolio, which covers all stages of the recycling process: from sorting and washing to extrusion and conversion, with additives that prevent oxidative and thermal degradation and guarantee the quality and properties of the recycled material.



BASF employees and representatives of the Recycling Center in Buenos Aires (AR)

Renewable raw materials

Replacing fossil resources with renewable ones is one of our priorities and a strategic pillar of processes based on the principles of sustainability.

With this focus, we apply our knowledge, leadership and pioneering spirit to the development of environmentally friendly formulations for home care, industrial and institutional cleaning products.

Our renewable solutions are also used in our manufacturing processes, further enhancing our value chain.

- **Plant-based surfactant program:** Surfactants are components used in the industry to manufacture asphalt, carpet fibers, as well as cleaning products.

For example, in 2023 we launched a Plant-based surfactant program that includes a comprehensive portfolio of Roundtable on Sustainable Palm Oil (RSPO)-certified palm oil-based surfactants. The solution enables industry companies to offer their customers approximately 150 surfactants certified to the RSPO Mass Balance standard.

The production of RSPO certified palm oil has a **lower environmental impact** than non-certified production.

An example of innovation in this context is the creation, in 2023, of the **Glucopon®** biosurfactant, which is based on vegetable and renewable raw materials, whose main purpose is to replace conventional soap. In addition to being biodegradable, it adheres better to the skin.

In 2023, we launched **Lutensit® AMD 3 L**, a plant-based biodegradable solvent used for surface cleaners. It is produced by fermenting lactic acid and is up to 27% more efficient than traditional cleaners on the market.

The **Sokalan® HP 56** formulation is also among the highlights of 2023, as the solution makes it possible to mix colored and white clothes in the same machine wash cycle, even reducing water consumption by 1,100 liters per year per four-person household.

Innovation

Innovation is a transversal practice in the company and transcends our spaces: we innovate with customers, service providers, employees and collaborators, with the market. Because we understand that we can only move forward together.

We use cutting-edge technology and digital data to simplify, preserve resources and strengthen our sustainable practices. We provide the market with solutions that improve people's quality of life, saving resources and help build a sustainable future.



Global research and innovation center in Trindade (Goiás, Brazil)



Global research and innovation center in Santo Antônio da Posse (São Paulo, Brazil)



€2.1 billion
invested globally
in research and
development in 2023

onono®

The BASF Center for Scientific and Digital Experiences in South America (onono®) was created in 2019. It is a Hub that unites the physical and digital space, and that connects the challenges of BASF and its customers with the open innovation ecosystem to transform the most diverse business models. In our fourth year of operation, we worked relentlessly to promote a culture of innovation, connect the digital and scientific ecosystems, bring potential solutions to challenges, and promote intrapreneurship.

Our work is focused on four pillars: innovation, collaboration, connection and transformation.

Throughout the year, we held workshops, events, innovation days and consulting sessions to co-create and design personalized experiences. In addition, we offer dynamic and immersive experiences such as a circular economy room, a 3D printing station, a content production studio, application and performance labs, and a content platform on ESG, sustainability, digitization, and innovation.

onono® advances in 2023:

- +63,000 connections
- +309 events
- +19,500 members on the onono+ platform
- +158 pieces of content published on our channels
- +150 solutions mapped to business challenges
- 12 proofs of concept & co-creations
- 18 workshops
- 15 open innovation challenges
- 2 Intrapreneurship programs, with the promotion of nine ideas to be incubated in South America
- Creation of the Circular Economy Podcast and BASF for mobility

Like in the elements in chemistry, onono® connects essential elements that create infinite possibilities and promote transformative connections.

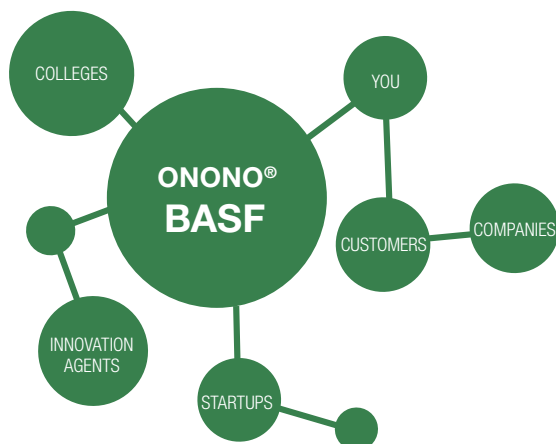
3D printing was the theme of the online event “Making the future”, led by onono®, together with **BASF Forward AM and FORGE**. By leading the discussion on this topic, we aim to broaden the connections and explore the myriad opportunities that this technology can provide to create innovative solutions for various businesses. The meeting marked the launch of the Making the future intrapreneurship program for BASF employees, which included workshops, mentoring, co-creation and prototyping.

For the second year in a row, we promoted the “Ideathon” in Brazil, a marathon of ideas to promote intrapreneurship around specific themes. In 2023, it was conducted in partnership with the Eco+ Foundation and the theme will be “Digital Products and ESG”. We call on BASF professionals to contribute digital solutions to build today’s pathways for tomorrow’s business.

We had 25 participants with ideas for products, applications, tools, and platforms that have the potential to help the industry address sustainability challenges in order to achieve the global goals of the strategy ESG. In addition, participants were able to interact and make connections with colleagues and mentors from different fields and institutions. The group that received the highest score from a panel of judges was classified for the implementation of their idea.



BASF Center for Scientific and Digital Experiences in South America (onono®)



Commitment to the future of the planet

Our history is cemented in our commitment to people and the environment. This is the essence of our legacy: to create value to build a sustainable future. We are actively pursuing ambitious goals and rigorous management to reduce greenhouse gas emissions, improve energy efficiency, and promote a circular economy.

According to our updated methodology, in 2023, around €1 billion of our annual expenditure on research and development contributed to potential Sustainable - Future Solutions.

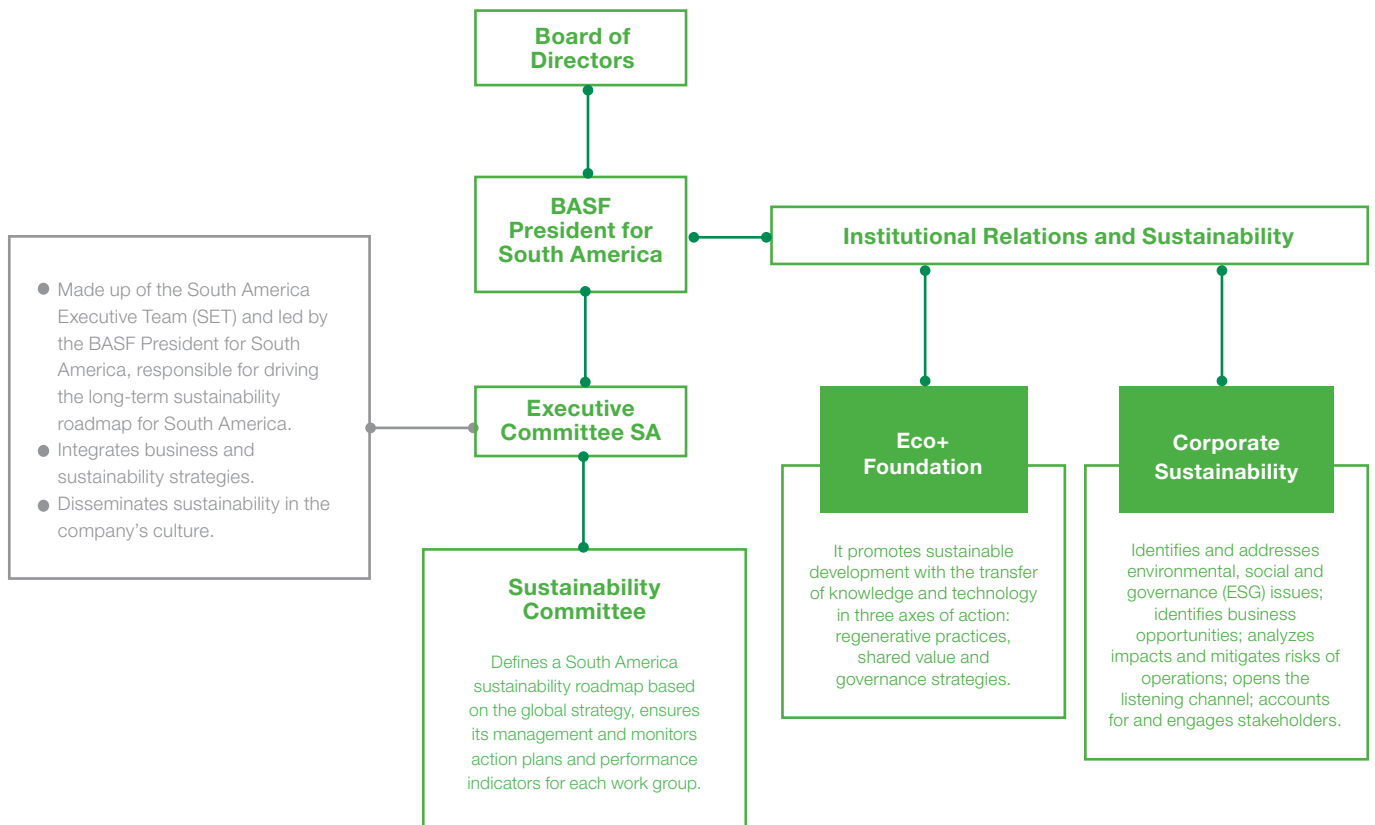
We want to be active and inspiring leaders in the area of sustainability. We create value for society throughout our value chain. We understand


that sustainability can only be truly experienced if this movement happens together. Our six strategic action areas for a sustainable future are innovation, sustainability, operations, digitalization, portfolio and people.

Although Brazil's share of the BASF Group's global CO₂ emissions is modest (0.6%), we understand and embrace our role as a leader and protagonist, acting in a committed and conscious manner in environmental protection actions in the chemical sector.

We have the ambition to continue to be recognized as the most innovative and sustainable chemical company in South America.

Our sustainability governance in South America



Access the link and learn about our Sustainability in Practice cases. 

Reference in water management and climate protection

For 2023 we are again among the A-list companies of the Carbon Disclosure Project (CDP), a non-profit organization for transparency in environmental management.

We received an A- grade for sustainable water management in our operations, and we ranked high in the list of companies committed to climate and forest protection.

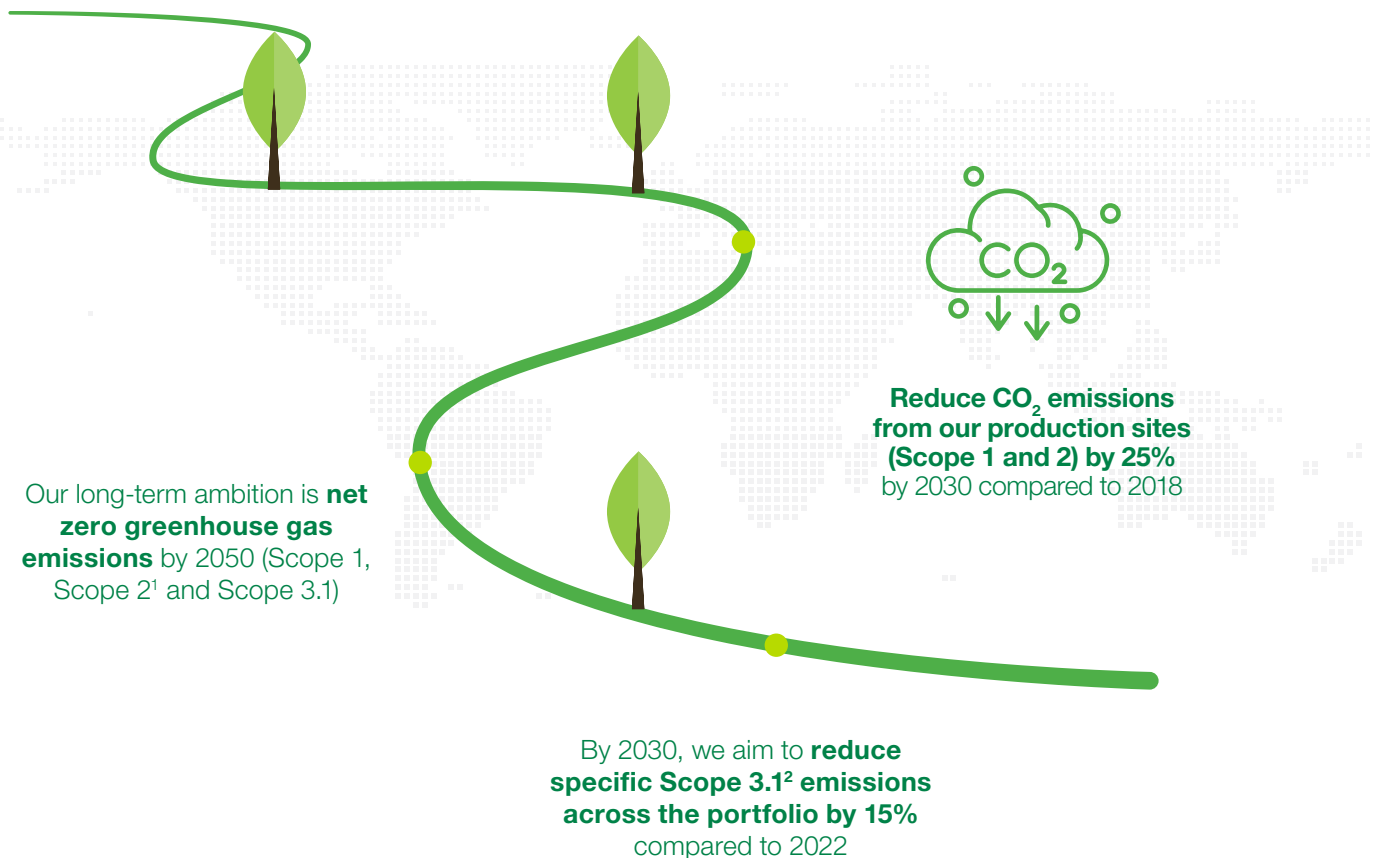
The CDP criteria are based on transparency of emissions reporting, management of climate change risks and opportunities, climate change strategy and CO₂ reduction measures.

As a founding member of the United Nations Global Compact, we are guided by the Sustainable Development Goals (SDGs) and united by our purpose. They are the basis for our social impact criteria.

We want to play an active and responsible role in shaping the transition to a climate-neutral society.

BASF's transition to climate neutrality is a challenge. We are determined to follow this path and become pioneers in climate-neutral chemistry.

Our global goals, our drivers



¹Scope 1 and Scope 2 (excluding the sale of energy to third parties). Greenhouse gases are converted into CO₂ equivalents (CO₂e) in accordance with the Greenhouse Gas Protocol.

²Scope 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.

Our contribution to improve Environmental Protection in 2023:

Triple E - Excellence in Energy Efficiency

It contributes to the more efficient use of energy at BASF and along the entire value chain and disseminates knowledge on the subject. Started in 2016, we constantly reduce CO₂ emissions by identifying potential optimizations in energy use in our production processes. This helps us compete, improves our costs and reduces our environmental impact. Implemented in Camaçari (BA, Brazil), Guaratinguetá (SP, Brasil), Indaiatuba (SP, Brazil), Demarchi (SP, Brazil) e Jacareí (SP, Brazil); Concón (Valparaíso, Chile); and General Lagos (Santa Fé, Argentina).

The program was fundamental for the **ISO 50001** certification of BASF's business units in South America, having been obtained in 2023 in the locations of Indaiatuba (SP, Brazil) and General Lagos (Argentina), totaling seven certified locations in the region.

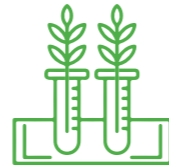


Guaratinguetá production site (SP, Brazil)

MATA VIVA® Forest

The **MATA VIVA®** Project began in 1984 due to the need to recover riparian forest on the banks of the Paraíba do Sul River, in Guaratinguetá (SP, Brazil). Initially, the Project aimed exclusively to comply with the Forest Code. After a certain period, the continuity in planting became voluntary. In 2023, 13,609 seedlings were planted in the process of preserving the flora and biodiversity of the region.

1984 to 2023:



planting of more than **1.4 million** seedlings

more than 350,000 seedlings of native trees planted on the banks of the Rio Paraíba do Sul (SP, Brazil) across 4 kilometers.



restoration of around **160 hectares**

Renewable energies and CO₂

- We voluntarily joined the **Environmental Agreement** conducted by the State Secretariat for International Relations (SERI), the State Secretariat for the Environment, Infrastructure and Logistics of the State of São Paulo (CEMIL) and the Environmental Agency of São Paulo (Companhia Ambiental do Estado de São Paulo - CETESB), with the objective of externalizing our commitment to actions to reduce CO₂ in South America.

- We have acquired International Renewable Energy Certificates (I-RECs), zeroing out greenhouse gas emissions related to Scope 2 electricity. In Argentina, Brazil and Chile, all BASF production plants are supplied with electricity from renewable source. Thanks to the acquisition of I-RECs, we reduced scope 2 emissions in South America by 14,322 tons of CO₂ in 2023.

- Four R&D stations in the Agriculture Solutions division started using electricity from renewable sources in 2023: Santo Antônio de Posse (SP, Brazil), Sinop (MT, Brazil), Rio Verde (GO, Brazil) and Trindade (GO, Brazil). By using electricity from renewable sources, we avoid the emission of 719 tons of CO₂/year.

- We are evaluating projects for the electrification of equipment that currently uses natural gas, as well as the potential use of biofuels.

Waste management

We achieved zero waste to landfills in industrial units in Brazil through reuse and/or environmentally sound disposal.

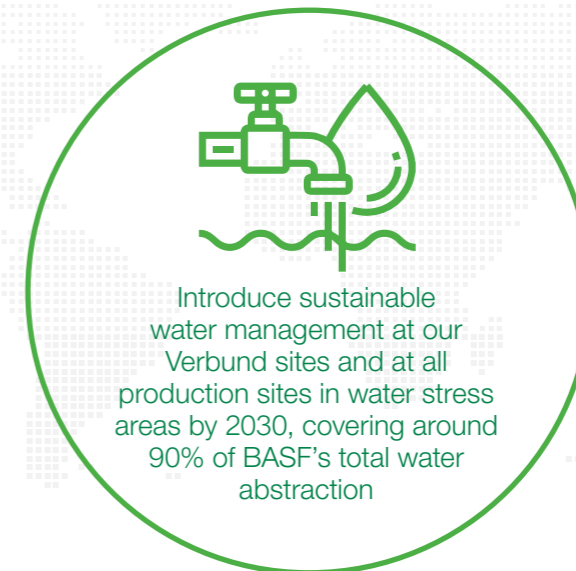
Through the Zero Landfill Program, we reuse, reduce and recycle the surplus materials produced, using methods such as composting and reinforcing the importance of conscious consumption.

Thanks to this program, the Paint and Varnish Complex in São Bernardo do Campo (SP, Brazil) has already stopped sending 12,000 tons to industrial landfills since it was implemented in 2015. In Camaçari (BA, Brazil), the Acrylic Complex has already sent more than 650 tons of waste to new destinations with less environmental impact through recycling, composting or co-processing.

Our global goals, our drivers



marketing of **€17 billion** in solutions for the **circular economy** by 2030



Introduce sustainable water management at our Verbund sites and at all production sites in water stress areas by 2030, covering around 90% of BASF's total water abstraction



Percentage of suppliers with better sustainability performance after **BASF reassessment: 80%** (until 2025)

² Indirect emissions from electricity purchased for the company's own use.

The following graphs, referring to our 2021 to 2023 performance in the themes of emissions, water and energy, include the production sites in Brazil: Camaçari (Bahia), Guaratinguetá (São Paulo), Indaiatuba (São Paulo), Jaboatão dos Guararapes (Pernambuco), Jacareí (São Paulo), Jundiá (São Paulo), São Bernardo do Campo (São Paulo) – Batistini and Demarchi units.

Emissions and carbon management

Emissions of pollutants¹ to the atmosphere (Brazil, tons of pollutants per year)



¹ Pollutants other than methane: CO, NOx as NO2, SOx as SO2, Volatile Organic Compounds (VOCs) other than methane, Particulate Matter, NH3/other inorganic compounds

Greenhouse gas (GHG) emissions (Brazil, tons of equivalent CO₂ per year)



¹ Reduction of due to the improvement of Brazil's electricity factor and acquisition of IRECs

Total fuel consumption (Brazil, MWh)

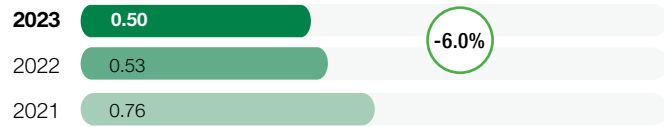


Emissions of organic substances to water (Brazil, tons COD¹ per year)



¹ COD = Chemical Oxygen Demand

Metals emissions¹ to water (Brazil, tons of metals per year)



¹ Metals = As, Cd, Cr, Cu, Hg, Ni, Pb, Zn

Nitrogen emissions to water¹ (Brazil, tons of nitrogen per year)

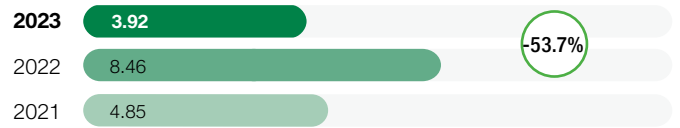
For the 2023 result, the Batistini unit (São Paulo, Brazil) was included. For comparison purposes, the value of nitrogen emissions to water (disregarding Batistini) was 11.8 (+4.7% - ref. 2022)



¹ Total Nitrogen = Ammoniacal + Nitrates + Nitrites

Phosphorus emissions into the environment¹ (Brazil, tons of total phosphorus per year)

Phosphorus emissions at the Jacareí site (São Paulo, Brazil) after the internal ETE - Effluent Treatment Plant - were investigated in detail and, after a monitoring campaign was implemented, returned to normal operating conditions.



¹ In the environment = internal WWTP after treatment + external WWTP + no treatment

Sustainability is one of our strategic pillars, and climate protection is one of our priorities. Climate change is mainly linked to carbon emissions – resulting from manufacturing processes and mainly from the use of energy (fuels, steam and electricity). That is why we are working to offer our customers products with a lower carbon footprint and to reduce emissions from our own operations. Reducing waste generation and optimizing resources are at the heart of our Responsible Care[®] program, the quality, health, safety and environmental management system we use worldwide.

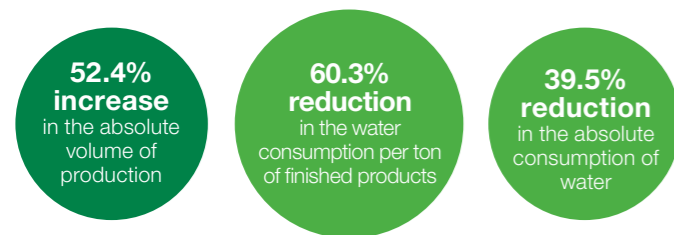
Our carbon management focuses on three main areas: optimizing energy efficiency; sourcing energy from renewable sources (replacing fossil fuels); and developing innovative, less energy-intensive technologies and processes. In South America, we have achieved 100% renewable electricity as of January 2022.

In line with our commitment to create chemistry for a sustainable future, we are committed to the São Paulo Environmental Agreement (SP, Brazil), an idealization of the Environmental Protection Agency of São Paulo State (CETESB), which aims to encourage companies, associations and municipalities to make voluntary commitments to reduce greenhouse gas emissions by 2030.

¹ Emissions from electricity, steam, heat and cooling purchased or acquired (Scope 2 Guidelines - GHG Protocol)

Water

BETWEEN 2002 AND 2023 AT BASF SOUTH AMERICA:



Total water supply¹

(Brazil, million cubic meters per year)



¹ The volume of water abstracted includes surface sources (rivers), underground sources or public networks.

Water used for cooling²

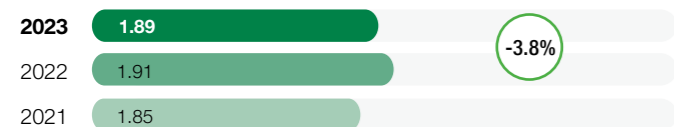
(Brazil, million cubic meters)



² The water used for cooling comes from a closed circuit, so we considered the volume of water recirculated in this system.

Water used for production

(Brazil, million cubic meters)



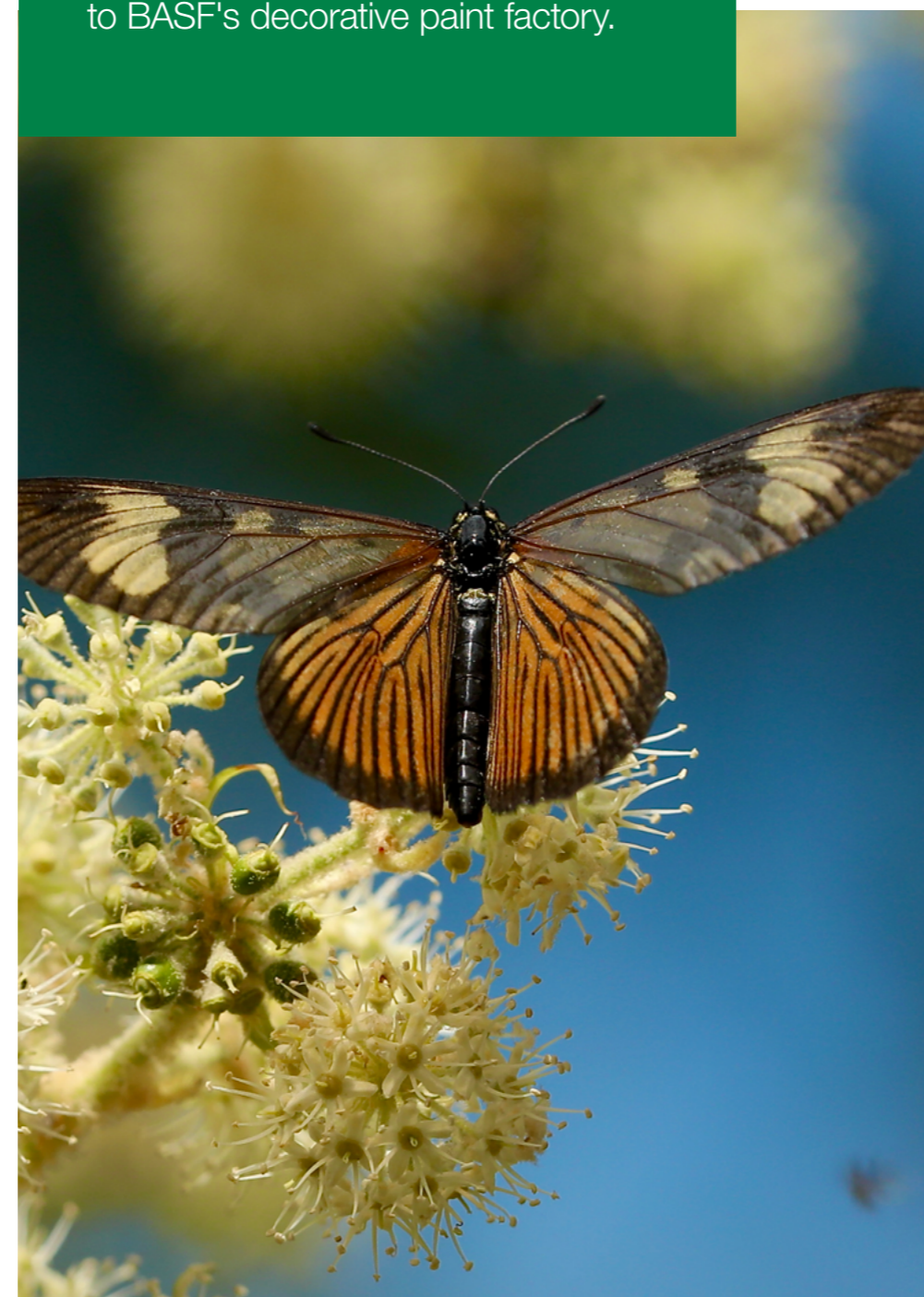
The sustainable use of water extends from supply, through use and reuse, to the return of the resource to the environment. We set clear goals for optimizing this resource, transparently measure and disclose water use data, and encourage collaboration across the value chain, including with other industries.

Within the factories, we have implemented measures to optimize water use, such as recirculation in cooling towers, reuse and elimination of wastage. Between 2002 and 2023, we reduced water consumption per metric ton of finished product in South America by 60.3%, while absolute production volume in the region increased by 52.4% over the same period.

To avoid wasting water, we work to condition our liquid effluents and reuse them in our production chain, following the principles of the circular economy. For example, in 2023, we increased the amount of water reused in production processes by 43% in just one year (2022/2023).

Find out about some initiatives:

Reserva Suviniil: in an area of 30 hectares of Atlantic Forest, in São Bernardo do Campo (São Paulo, Brazil) near Serra do Mar, the space belongs to BASF's decorative paint factory.



Water Producer Incentive Program: Action implemented in the Guaratinguetá Chemical Complex (SP, Brazil) in partnership with the City Hall and the Eco+ Foundation. With this incentive, we aim to increase the availability of water in the Guaratinguetá River Basin through soil conservation and management practices, the recovery of riparian forests, and the protection of remnants of native vegetation and springs. In 2023, the Basin was responsible for the public supply of 95% of the entire community.

Between 2011 and 2023, the project will have restored 118 hectares of forest, maintained an additional 185 hectares of existing forest, and conserved 128 hectares of soil through erosion control measures.



COMPOSED OF

111
BIRD SPECIES

14
SPECIES OF MAMMALS

196
PLANT SPECIES BELONGING TO:

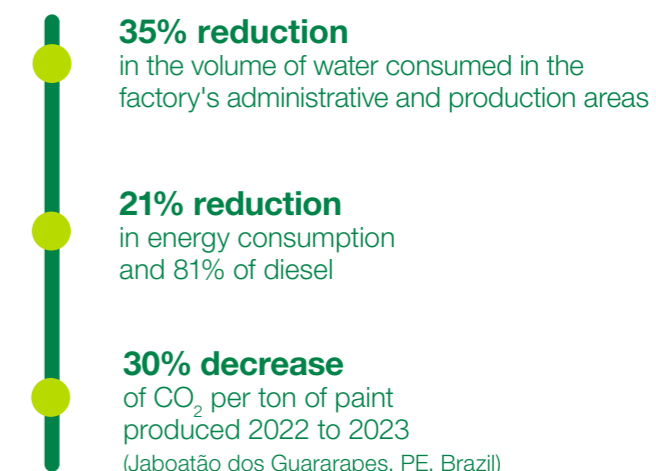
55
FAMILIES AND
117
BOTANICAL GENERA

5
SPRINGS, WHICH SUPPLY THE BILLINGS DAM SYSTEM (SP, BRAZIL)

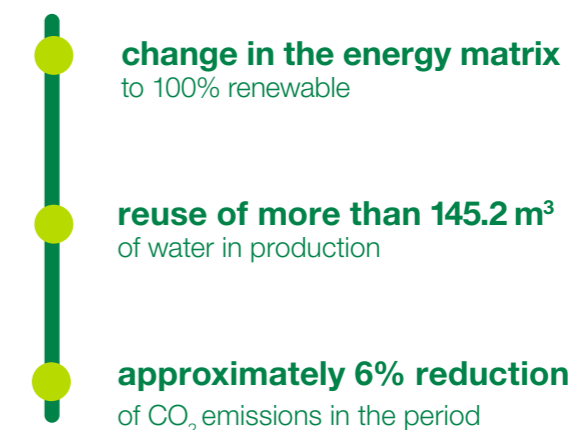
Contributes to CO₂ reduction - more than 5,000 tons/year

Suviniil + Eco-efficient: the program was created to optimize production processes at BASF's decorative paint factories. It began in 2010 at the Paint and Varnish Complex of São Bernardo do Campo (SP, Brazil). The action expanded to Jaboatão dos Guararapes (PE) in 2021.

2010 to 2023 (Demarchi, SP, Brazil)



2022 to 2023 (Jaboatão dos Guararapes, PE, Brazil)



Energy

Total electricity consumption (Brazil, MWh)



Steam consumed (Brazil, metric tons)



Steam Consumption = Imported + Domestically Generated - Exported

We are focused on operational excellence projects at all sites to achieve energy efficiency and reduce our CO₂ emissions. All of these initiatives are aligned with our global commitments and goals and will accelerate and support South America's energy transition.

Energy management systems certified according to ISO 50001 in South American production sites play a key role, which contributes to identifying and implementing impact projects to improve energy efficiency.

At the heart of our long-term transition to net-zero CO₂ emissions by 2050 and a 25% reduction in GHG emissions between 2018 and 2030 is the deployment of new technologies and projects that replace fossil fuels – such as natural gas – with renewable electricity. Our South American manufacturing facilities and some R&D centers are also implementing energy efficiency programs to reduce CO₂ emissions from their operations.

Solar panels guarantee 100% self-sustainability: In 2023, we installed 90 solar panels – 450 W each – at the Agricultural Technology Development Center in Rojas, in the Province of Buenos Aires. This gives the center the ability to be 100% energy self-sufficient, in line with the company's global goal of carbon neutrality by 2050. The electricity generated by the panels exceeds the annual consumption by 15%, which is now fed into the public grid.

Circular economy

To minimize the impact of climate change, we are focused on making our products work within the logic of the circular economy. We focus on three areas: circular materials, new material cycles, and new business models that make the best use of resources, extend their useful life, eliminate the concept of waste, and make better use of raw materials. Globally, we aim to double our sales of circular economy solutions to €17 billion by 2030 (base year: 2020).

Waste is not the end. It could be the beginning, if done well – and it represents a great opportunity for South America. That is why, in addition to our processes, we focus on products that enable this movement.

Plastic, for example, is one of the most important materials when it comes to circularity. When we value this waste, it becomes circular in the economy.

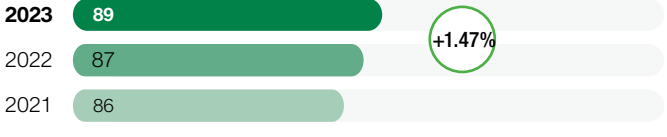
BASF's waste recycling rate in Brazil (2013 to 2023):

from 38% to 89%

+2% (ref. 2022)

Includes all waste that is recycled, reused and sent for co-processing with energy recovery.

Waste recycling rate (Brazil, percentage)



Our approach to circularity in South America in the year 2023:

In 2023, we aimed to implement 10 projects focused on Circular Economy in South America. We ended the year meeting our goal, with projects in Brazil and Chile, in addition to strengthening the Circles Hub, created in Colombia in 2022. Among them, we can highlight:

Sustainable circles in the economy

By promoting the practice of circularity, we strengthen our relationships with our customers, partners and suppliers, discover new points of synergy to create innovative business models, and increase our participation in the value chain.

These are the foundations of Circles Hub, the first circular economy hub that BASF created in Colombia in 2022. It is an ecosystem that connects different actors in the value chain, with the goal of designing and realizing impact projects that contribute to solving the circularity challenges of our partners (19 leading companies in Colombian industry in 2023). We operate mainly focused on three segments: plastics, textiles and organics.

MAWERYC (Management of Waste and Recovery Cycle) Program

A pioneering initiative in waste management, the program helps reduce environmental impact by reducing waste generation and developing and implementing technologies that work in balance with our natural resources.

In 2023, 13 new opportunities were identified, 11 of which were approved for implementation. The program is expected to be implemented at the Concón site in Chile in 2024.

Since its installation at the Guaratinguetá Chemical Complex (SP, Brazil) in 2020 – with expansion to all production plants and some service areas in 2022 – about 100 opportunities have already been identified by the end of 2023.

2020 to 2023



Concón: a hub of sustainability and pioneering spirit

Our operations in Chile have invested heavily in technology and innovation, in line with our commitment to sustainable performance in the chemical sector, in balance with the environment and also in compliance with the Recycling and Extended Producer Responsibility (REP) law.

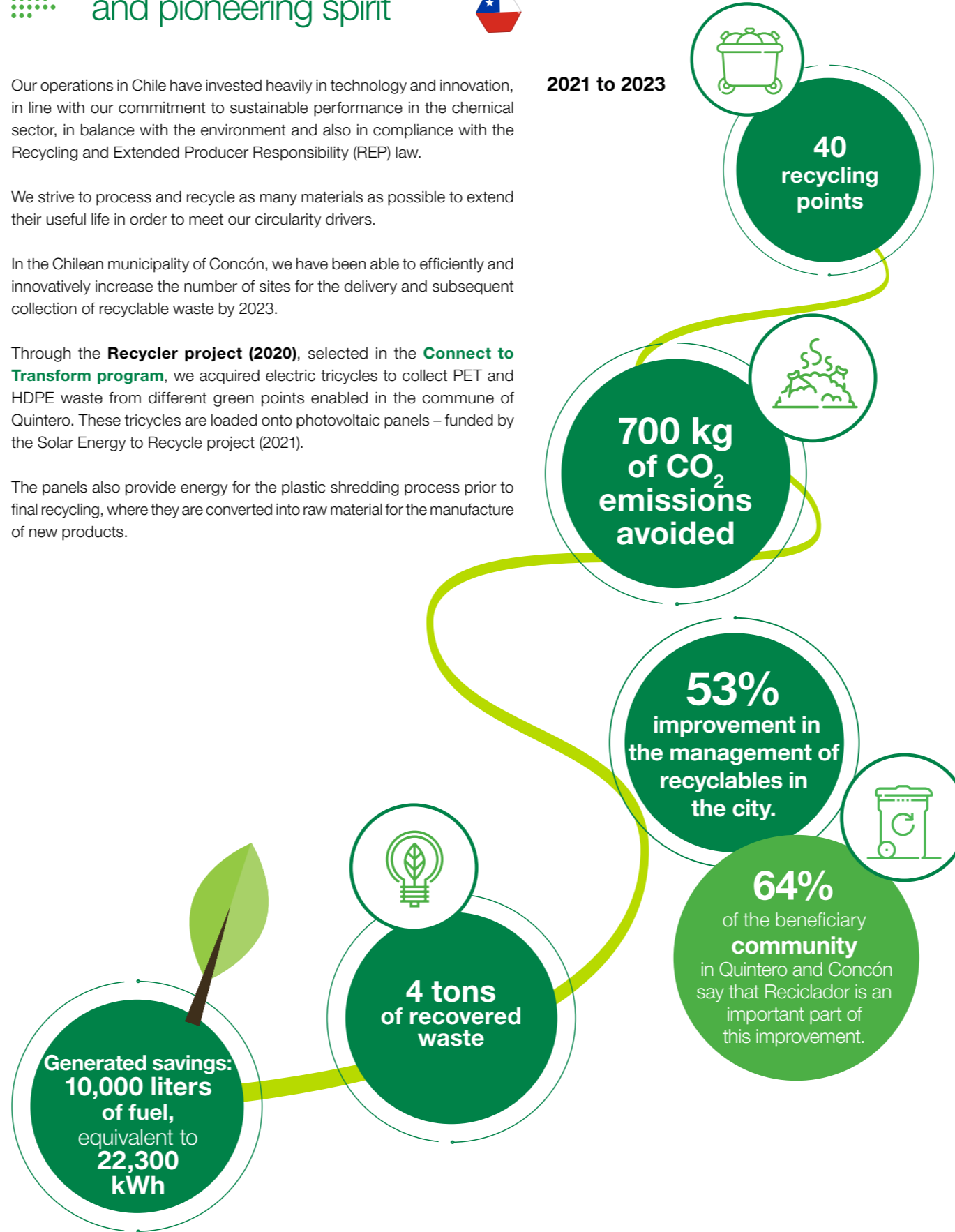
We strive to process and recycle as many materials as possible to extend their useful life in order to meet our circularity drivers.

In the Chilean municipality of Concón, we have been able to efficiently and innovatively increase the number of sites for the delivery and subsequent collection of recyclable waste by 2023.

Through the **Recycler project (2020)**, selected in the **Connect to Transform program**, we acquired electric tricycles to collect PET and HDPE waste from different green points enabled in the commune of Quintero. These tricycles are loaded onto photovoltaic panels – funded by the Solar Energy to Recycle project (2021).

The panels also provide energy for the plastic shredding process prior to final recycling, where they are converted into raw material for the manufacture of new products.

2021 to 2023



Reducing waste generation is a global challenge

The company also seeks to bring the issue to light in order to stimulate debate in society and, in the second half of 2023, onono®, BASF's Scientific and Digital Experiences Center, launched the "It's chemistry!" (*Deu Química!*) videocast, inviting companies, cooperatives, startups and experts to reflect on the challenges, opportunities and trends of circularity to bring a new perspective on natural resources, waste and products.

Over the course of five episodes on YouTube, Spotify and onono +, various BASF representatives host guests who are actively involved in advancing solutions for circularity for a chat on various topics related to the circular economy.

Flooring for the mining industry

The solutions in our B-Cycle portfolio contribute to raising the quality of recycled plastics and encouraging the circular economy in Chile and Peru, through our partnership with Comberplast. Our solutions contribute to the production of modular flooring (non-permanent) for the mining industry. The raw material used is flooring from the fishing industry. Our B-Cycle product makes production possible thanks to the plastic injection process that Comberplast uses to manufacture the flooring.

New destination for plastic buckets

Since 2022, Suvinil has developed a project with recyclers, logistics companies and suppliers of plastic buckets. The project involves the entire chain for:

- the collection of these paint buckets discarded in Civil Construction (in the state of São Paulo, Brazil)
- the sorting of the material
- dispatch to the recycling chain for reuse as raw material in new buckets that will be used by the company throughout Brazil.

In 2023:



Our Featured Business Units

Eco-efficiency and Suvinil citizenship

In 2023, Suvinil, BASF's decorative paints brand, took important steps in our corporate citizenship journey with projects in the areas of vocational training, reverse logistics, a communication campaign and the appreciation of women in the labor market.

The Pintou Partnership (Pintou Parceria): A project that will complete one year of operations in 2023, will focus on relationships and training of painting professionals through various digital formats in addition to in-person meetings. In addition to training, application techniques, market trends, and other topics, participants can share experiences, receive advice from partner professionals, and be fully connected to an extensive knowledge network in the field.

The Pintou Partnership has more than 100,000 accounts involved in digital, including more than 90,000 followers on social networks, in addition to thousands of professionals trained in person.

Paint the Good (Pintar o Bem): The program, in partnership with Instituto Alicerce, was created in 2020 with the goal of transforming the lives of people in vulnerable situations and enabling men and women to enter the labor market. Through it, we provide access to educational content, pedagogical support, and hands-on painting training for community residents. By the end of 2023, it had impacted 28,000 people.

The new phase of the program trained painters to start their careers, giving them access to a profession, through the practical part of the course.

For the 2023 activities, participants received a total scholarship of €198, which was distributed throughout the course. In Paraisópolis, in the south of São Paulo (SP, Brazil), the graduates carried out the revitalization of the facades of 25 houses in the community.

Suvinil Circulates (Suvinil Circula): Launched as a pilot project in 2020, this is a proprietary reverse logistics program that provides the right destination for leftover paint to be properly disposed of, recycled or reused through donations.

The program has collection points in several regions of Brazil where consumers can drop off leftover paints, varnishes and other items.

Currently, the program has 86 collection and support points from 13 groups of Brazilian tenants in the states of Espírito Santo, Minas Gerais, São Paulo, Paraná and Santa Catarina.

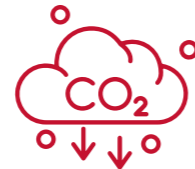
From the start of the Suvinil Circulates pilot project in 2020 until September 2023, more than 17 tons have been collected in more than 302 collections. The impacts of recycling the material are:



we saved over **5 million** liters of water



we saved **391 kWh** in energy



we avoided the emission of around **65 kilos** of CO₂ into the atmosphere

Of all the collected material that was recycled, we avoid the consumption of raw materials:



20 tons of iron ore
11 tons of coal
958 kg of limestone



Mineral mass and paper packaging: The launch of Touch of the Earth (Toque da Terra), a decorative effects compound, and the introduction of paper packaging for water-based paints underscore the brand's concern and commitment to increasingly sustainable consumption.

Toque da Terra is a product that suggests a stained effect, creating a more rustic environment, and is composed of 100% mineral pigments.

The paper packaging was created based on a study conducted by the Eco+ Foundation, with results audited by ACV Brasil, which attested to a lower environmental impact compared to, for example, the metallic container. It was developed with materials that can be fully recycled and easily reinserted into the production chain.

These two novelties, which will be launched in 2023, are part of Suvinil's objective to consolidate itself as a facilitating brand offering reliable, innovative and simple application solutions.



Good agricultural practices

Our Agriculture Solutions division lives in South America the globally defined Sustainability commitments: promoting smart agriculture in the face of climate change (enabling producers to reduce their CO₂ emissions per ton of crop produced); accelerating digital agriculture; developing sustainable solutions; and promoting the responsible management of our solutions. In this way, we seek to balance the production of food, feed and fiber, the needs of producers and communities, and the environmental footprint.


In 2023, we invested €900 million in research and development in the Agricultural Solutions segment, which represents 9% of segment sales; which enables us to offer the market a broad and efficient portfolio of solutions. We are constantly innovating to help develop an agriculture

capable of producing the necessary food, feed, fiber and renewable energy sources for a growing population while protecting our planet. By adopting appropriate agricultural practices and leveraging innovation and technology, we believe in the potential of agriculture to become an industry with positive net CO₂ emissions, while increasing chain productivity.

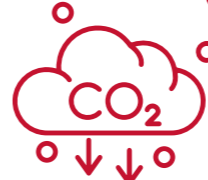
We are also creating new revenue streams for farmers by generating and trading carbon credits, actively building a new carbon agriculture. We leverage our impact through partnerships around the world to drive progress and create an enabling environment for farmers - working together as an industry, with the support of governments, farmers and other stakeholders.



Our 2030 global goals:


more than 400 million hectares (cumulated) with digital technology support by 2030 (2020-2030)


increase by up to 7% per year to offer even more sustainable solutions


30% reduction in CO₂ equivalent per ton of crop produced by 2030 with wheat, soybean, rice, canola and corn


Safe use of our products, through proper Stewardship



The positive impact we wish to achieve on agricultural productivity and society is in synergy with our goals.

How we made progress in South America in 2023:

In partnership with Shehuen, we developed biological beds at the Technological Development Center in San Jerónimo (Santa Fe, AR). It is a 100% ecological method of treating washing water from agrochemical packaging and application equipment, avoiding the disposal of waste into the soil.

[Watch the video](#)

Together with Olfar (biodiesel industrial group), we carried out a barter operation with decarbonization credits (CBIOS), stimulating sustainability in the Brazilian industry. In practice, Olfar transfers the amount of CBIOS sold on the Brazilian stock exchange to BASF in exchange for the supply of agricultural inputs. The operation also included an unprecedented use of sodium methylate, a catalyst used in the production of biodiesel. In doing so, we help promote domestic renewables while meeting customer needs.

We can also highlight the social impact of biodiesel production, with the generation of employment, income and social inclusion in the producing regions. By reducing imports, we continue to support local economies.

Working with Brazilian partners, we promote greenhouse gas emission reductions and soil carbon sequestration, generating certificates that can be traded on the voluntary market. In this way, we want to make it as easy as possible for farmers to access the carbon market.

Did you know?

The CBIO barter model was developed by BASF based on the National Biofuels Policy (RenovaBio) in 2021, and carried out with the biodiesel producer, 3Tentos.

Each CBIO corresponds to one ton of carbon dioxide (CO₂) that is no longer emitted.

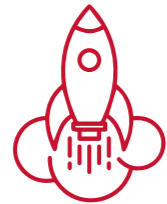


AgroStart by BASF

We create relevant connections with startups and people through AgroStart, helping entrepreneurs to develop and test market their vision. Furthermore, as an innovation ecosystem, we deal with agronomic technology, but also with knowledge management and people development – from education to promoting digital adoption.

The open innovation platform AgroStart, a pioneer in Latin America (with global operations starting 2022), contributes to promoting innovation in the sector, increasing agricultural productivity in a sustainable way, with innovative and disruptive technologies.

AgroStart operates through three pillars: acceleration of start-ups, intrapreneurship (AgroStart Garage) and building partnerships with companies in other sectors (AgroStart Ecosystem). We contribute with knowledge sharing, training and development of professionals in the field.



Interaction with more than **80 startups** in Latin America (2023)



12 intrapreneurship initiatives in 2023 (AgroStart Garage)

participation of **50 professionals from BASF's Agricultural Solutions Division** in Latin America

more than 100 professionals impacted in 9 different areas



Through quarterly meetings starting in 2023, we encourage agribusiness startups to share success stories and strengthen relationships with BASF team and entrepreneurs. In these meetings, startups present their projects to a group of BASF Agro professionals, invited companies and partners of the company's Open Innovation program.

Topics discussed include: advancing digital agriculture, financial solutions, research and development, environmental sustainability, customer experience, emerging technologies, and data.



participation of **more than 40 professionals** in the inaugural edition (Sep/23), in São Paulo (SP, Brazil) and

05 startups



Exchanging, educating and updating agricultural professionals with online information on daily field and management issues.



7 online editions of training



participation of **863 professionals**



Present in Argentina and Brazil, this tool saves up to 60% on herbicides for weed control. It offers more precise application of plant protection products and recommendations for the use of inputs, promoting sustainability in agriculture.

The customized maps of the xarvio FIELD MANAGER, generated from imagery collected by drones, have become allies for more efficient and sustainable crop management, providing information on everything from crop health to the amount of inputs such as herbicides used. The solution currently serves soybean, cotton and sugarcane crops in pre- and post-emergence, as well as pre-emergence in Brazil's major crops (corn, beans, wheat and sorghum).



Since 2017, the Digital Weed Mapping service of xarvio FIELD MANAGER

accounted for a total savings of **more than 36 million liters of water used in the dilution of pesticides, an average of 36,000 liters per 1,000 hectares**



Map-based xarvio FIELD MANAGER technology capabilities delivered the following results in 2023:

Greater efficiency for planting and increased productivity between 2% and 5% in soybean, corn and cotton crops

61% average resource optimization from localized herbicide application

Less variability in crop maturity and a consequent **increase in harvest quality**, with an average product optimization of 30% in soybean and wheat crops.

Uniformization of cotton crop and improvement in fiber quality, **resulting in an average optimization of 25% in product utilization**



Technology democratized with xarvio Agro Experts

In 2023, we launched xarvio Agro Experts, a program whose main objective is to connect specialized and independent agronomic consulting firms with farmers, through xarvio FIELD MANAGER technologies.

It enables more farmers to have access to xarvio technology thus transforming how they do agriculture.

In practice, the program allows these consultancies access to xarvio's existing digital solutions. For this, they have adequate training, provided by Academy xarvio Agro Experts.

In Brazil, xarvio Agro Experts already has eight agronomic consultancies specialized in the states of: Rio Grande do Sul, Paraná, São Paulo, Goiás, Mato Grosso do Sul, Mato Grosso and Rondônia. The program is planned to be implemented in Argentina as well.

Awards



BASF among the best in innovation

For BASF, innovation is not only a differentiator, but a prerequisite for responsible and promising action towards the future we want. Commitment recognized for the fourth consecutive time in the TOP 100 Open Corps evaluation.

BASF occupied the TOP 1 position in the Chemical Industry in open innovation and is the 8th among the TOP 100 Open Corps 2023. The ranking evaluates open innovation leaders in 30 market categories.

In 2023, the 100 Open Startups Ranking evaluated more than 5,000 companies across 30 market categories. In the chemical industry, the top 10 companies were responsible for 69% of the startup relationships identified in the survey.



Recognition of our strategic stakeholders for environmental performance



Ranked as one of the best places to work for LGBTI+ people 2023, a survey by the Human Rights Campaign (HRC), in partnership with the Mais Diversidade Institute and the LGBTI+ Business and Rights Forum



2nd place in the Valor Award Innovation 2023 – sector ranking (chemistry)



We are one of the top 20 companies in the ecosystem according to The Bakery and ABStartups rankings



6th place on the AB Diversity Award in the Automotive Sector, Women in Leadership category

Transportadora Cavalinho: compensation of CO₂ emissions related to transport carried out on behalf of BASF through forest maintenance in the Amazon

Suzano: SUZANO's Caring for Water Award (CDP Water performance)



Access the link to see other awards & recognitions



Ten-Year-Summary BASF Group

Million €

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Statement of income										
Sales	74,326	70,449	57,550	61,223 ^a	60,220 ^b	59,316	59,149	78,598	87,327	68,902
Income from operations (EBIT)	7,626	6,248	6,275	7,587 ^a	5,974 ^b	4,201	-191	7,677	6,548	2,240
Income before income taxes	7,203	5,548	5,395	6,882	5,233 ^b	3,302	-1,562	7,448	1,190	1,420
Income after taxes from continuing operations	-	-	-	5,592 ^a	4,116 ^b	2,546	-1,471	6,018	-391	379
Income after taxes from discontinued operations	-	-	-	760 ^a	863 ^b	5,945	396	-36	-	-
Income after taxes	5,492	4,301	4,255	6,352	4,979	8,491	-1,075	5,982	-391	379
Net income	5,155	3,987	4,056	6,078	4,707	8,421	-1,060	5,523	-627	225
Income from operations before depreciation, amortization and special items (EBITDA before special items)	10,454	10,508	10,327	10,378 ^a	9,721 ^b	8,324	7,435	11,348	10,762	7,671
EBIT before special items	7,357	6,739	6,309	7,645 ^a	6,281 ^b	4,643	3,560	7,768	6,878	3,806
Capital expenditures, depreciation and amortization										
Additions to property, plant and equipment and intangible assets	7,285	6,013	7,258	4,364	10,735	4,097	4,869	4,881	4,967	6,006
of which property, plant and equipment	6,369	5,742	4,377	4,028	5,040	3,842	4,075	4,410	4,842	5,864
Depreciation and amortization of property, plant and equipment and intangible assets	3,417	4,401	4,251	4,202	3,750	4,146	6,685	3,678	4,200	4,941
of which property, plant and equipment	2,770	3,600	3,691	3,586	3,155	3,408	5,189	3,064	3,549	4,062
Number of employees										
	113,292	112,435	113,830	115,490	122,404	117,628	110,302	111,047	111,481	111,991
Personnel expenses										
	9,224	9,982	10,165	10,610	10,659	10,924	10,576	11,097	11,400	10,950
Research and development expenses										
	1,884	1,953	1,863	1,843^a	1,994^b	2,158	2,086	2,216	2,298	2,130
Key data										
Earnings per share	€ 5.61	4.34	4.42	6.62 ^a	5.12	9.17	-1.15	6.01	-0.70	0.25
Adjusted earnings per share	€ 5.44	5.00	4.83	6.44 ^a	5.87	4.00	3.21	6.76	6.96	2.78
Cash flows from operating activities	6,958	9,446	7,717	8,785	7,939	7,474	5,413	7,245	7,709	8,111
EBITDA margin before special items	% 14.1	14.9	17.9	17.5 ^a	15.4 ^b	14.0	12.6	14.4	12.3	11.1
Return on assets	% 11.7	8.7	8.2	9.5 ^a	7.1	4.5	-1.2	9.5	2.1	2.8
Return on equity after tax	% 19.7	14.4	13.3	18.9	14.1	21.6	-2.8	15.6	-0.9	1.0
Return on capital employed (ROCE)	% -	-	-	15.4	12.0 ^b	7.7	1.7	13.7	10.0	4.5
Appropriation of profits										
Net income of BASF SE ^c	5,853	2,158	2,808	3,130	2,982	3,899	3,946	3,928	3,849	7,434
Dividend	2,572	2,664	2,755	2,847	2,939	3,031	3,031	3,072	3,035	3,035 ^d
Dividend per share	€ 2.80	2.90	3.00	3.10	3.20	3.30	3.30	3.40	3.40	3.40 ^d
Number of shares as of December 31 million										
	918.5	918.5	918.5	918.5	918.5	918.5	918.5	918.5	893.9	892.5

a Figures for 2017 were restated with the presentation of the oil and gas activities as discontinued operations.

b Figures for 2018 were restated with the presentation of the construction chemicals activities as discontinued operations.

c Calculated in accordance with German GAAP

d Based on the number of outstanding shares as of December 31, 2023 (892,522,164).

Additional information

South America

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Published April 2024
You can find the online version of this Report
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BASF supports globally the initiative of the
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