

BASF Group 2022

At a Glance



 **BASF**
We create chemistry

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Title

The photo on the cover shows Rebecca Kuo. As part of BASF's team she helped to expand our green power supply in North America in 2022. One of the recipients will be our Verbund site in Freeport, Texas.

Dear reader,

The past year has been a brutal wakeup call that peace and economic stability cannot be taken for granted. Since February 24, 2022, a war has been raging in Ukraine – in the middle of Europe. This is a catastrophe for the people of Ukraine, and it marks a new era for all of us. We absolutely condemn Russia's invasion.

There are considerable consequences for the global economy, and future developments are very uncertain. The past year was characterized by rising energy prices, inflation and fears of far-reaching economic turmoil. Nevertheless, BASF's business proved robust. Natural gas is one of our most important energy sources and a key raw material. Thanks to the incredible efforts of the BASF team, we were able to significantly reduce our gas consumption in Europe.

Russia's war against Ukraine destroyed the political, economic and social ties between Russia and the West that had been built up over decades. We therefore decided to wind down our business in Russia and Belarus in 2022. The sole exception is our business that supports food production, as the war also increases the risk of a global food crisis.

Despite the tense global economic situation, our priorities with regard to climate protection have not changed. Transforming our energy and raw material supply and developing more climate-smart production technologies are still at the top of our agenda. As the industry leader, we continue to make great strides here. We are working hard to significantly reduce our carbon footprint. Our goal: net zero emissions by 2050.

The transformation toward value chains and products with low or zero carbon footprints will give us a competitive edge. In this way, we help our customers to achieve their own sustainability goals. At the same time, we are stepping up our investments in growth regions because a more balanced regional portfolio makes us more resilient in a multipolar world.

The year 2023 will again bring significant challenges. The high level of uncertainty will continue. We are prepared for what lies ahead and we have put ourselves on the right track. We want to shape the transformation. But industry can only provide a stable foundation for prosperity when it operates in a competitive framework. Most recently, the war in Ukraine has made it clear that many urgently



needed modernization efforts in Germany and Europe have been delayed for too long. We therefore urgently need to reset priorities. This will require that policymakers, society and industry work together toward a common goal: a competitive industry that is strong enough to be the motor of change.

Martin Brudermüller

Chairman of the Board of Executive Directors of BASF SE

Key Figures at a Glance

Sales

€87.3 billion

(2021: €78.6 billion)

EBIT before special items

€6.9 billion

(2021: €7.8 billion)

ROCE

10.0%

(2021: 13.7%)

Greenhouse gas emissions

18.4 MMT

(2021: 20.2 million metric tons)

Capital expenditures (capex)

€4.1 billion

(2021: €3.4 billion)

Employees at year-end

111,481

(2021: 111,047)

Personnel expenses

€11.4 billion

(2021: €11.1 billion)

New patents filed

~1,000

(2021: ~820)

Research and development expenses

€2.3 billion

(2021: €2.2 billion)

Employees in research and development

~10,000

(2021: ~10,000)

The BASF Group

At BASF we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. More than 111,000 employees worldwide contribute to the success of around 82,000 customers from almost all sectors.

As the leading chemical company, BASF is present in more than 90 countries. We operate around 240 production sites worldwide – including Ludwigshafen, Germany, the world's largest integrated chemical complex owned by a single company. It was there, in 1865, that the foundation stone was laid for the Verbund concept, which is still one of BASF's great strengths today. Intelligently linking and steering our Verbund plants creates efficient value chains – from basic chemicals to high value-added solutions such as coatings or crop protection products. In the Verbund, we can manage our production in a resource-efficient, CO₂-optimized and reliable way. By-products from one facility are used as feedstocks elsewhere, for example. This saves us raw materials and energy, avoids emissions, lowers logistics costs and leverages synergies.

In addition to Ludwigshafen, BASF operates Verbund sites in Antwerp, Belgium; Freeport, Texas and Geismar, Louisiana; Kuantan, Malaysia; and Nanjing, China. Another is currently being built in Zhanjiang in the southern Chinese province of Guangdong.

We steer our segments along our value chains to address the needs of our customers with differentiated solutions and 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:** The segment offers chemical solutions for surfaces and automotive coatings, as well as battery materials and catalysts.
- **Nutrition & Care:** The segment produces ingredients for consumer applications, such as nutrition and personal care.
- **Agricultural Solutions:** The segment is an integrated provider of seeds, crop protection and digital solutions for the agricultural sector.

Good to know

In the BASF Report 2022, we present how we create value for our stakeholders. The overview is modeled on the framework of the former International Integrated Reporting Council (IIRC).

[Discover the interactive value creation graphic at \[basf.com/how-we-create-value\]\(https://www.basf.com/how-we-create-value\)](https://www.basf.com/how-we-create-value)

We have organized our six segments into 11 divisions. They manage the 52 global and regional business units and develop strategies for 72 strategic business units.

For more information on the Verbund concept, see basf.com/en/verbund



Chemicals

Petrochemicals | Intermediates

Share of total sales in 2022 **17%**



Materials

Performance Materials | Monomers

Share of total sales in 2022 **21%**



Industrial Solutions

Dispersions & Resins | Performance Chemicals

Share of total sales in 2022 **12%**



Surface Technologies

Catalysts | Coatings

Share of total sales in 2022 **24%**



Nutrition & Care

Care Chemicals | Nutrition & Health

Share of total sales in 2022 **9%**



Agricultural Solutions

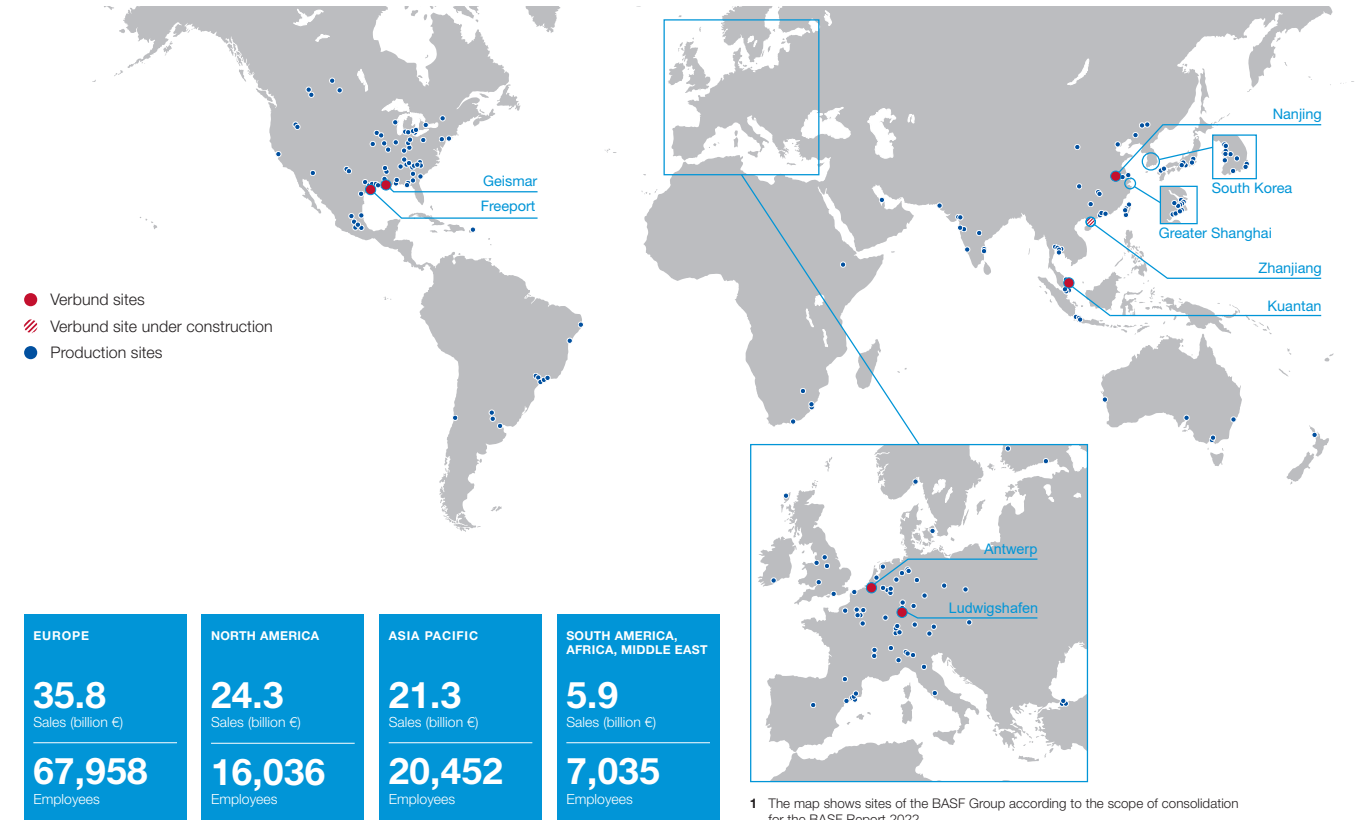
Share of total sales in 2022 **12%**

BASF sales by industry 2022

Direct customers (respectively)

>20%	Chemicals and plastics Transportation
10%–20%	Agriculture Consumer goods
<10%	Construction Electronics Energy and resources Health and nutrition

BASF sites¹



¹ The map shows sites of the BASF Group according to the scope of consolidation for the BASF Report 2022.

Our Strategy

Chemistry is our passion. We want to be the most attractive partner for our customers to overcome challenges that can be solved with chemistry. 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. 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 with innovative products and technologies and accelerate the change needed to achieve this.

Our mission and motivation is to grow profitably and make a positive contribution to society and the environment. For example, BASF's solutions help to protect the climate, avoid or recycle waste, produce healthy and affordable food, and enable climate-smart mobility.

At the same time, we are undergoing profound changes. We need to transform our company, as we have done repeatedly in the more than 150-year history of BASF. This time, we are moving toward climate neutrality and the circular economy. This involves managing long-term policy decisions like the European Green Deal, overcoming the consequences of current geopolitical conflicts such as the

war in Ukraine, and driving forward digitalization. All of this requires a clear vision as well as a high degree of creativity and flexibility.

We want to lead the way in the chemical industry and responsibly shape the change – with ambitious targets and a concrete roadmap: We are gradually switching our energy and raw materials supplies from fossil to renewable sources. We are developing new, pioneering carbon-free and low-carbon production processes for our products. We are accelerating our innovation processes and deepening cooperation with customers, suppliers and other partners to develop high-performance products with a lower carbon footprint. We are developing recycling technologies for various waste streams to strengthen the circular economy. We are systematically aligning our portfolio with growth areas and future technologies, and are integrating sustainability into our value chains even more strongly. We create a working environment in which our employees can thrive and contribute to BASF's long-term success. In short: We live our corporate purpose.

Our six strategic action areas

Innovation is the bedrock 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 €2.3 billion. We are expanding this position by strengthening our research activities, bringing research and development even closer together, and fostering cooperation.

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.

Our core business is the **production** and processing of chemicals. Our strength here lies in the Verbund. It opens up numerous synergies and advantages for 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**. We are focusing on innovation-driven growth areas and sustainable technologies such as battery materials, polymer technologies and catalytic and biotechnological methods.

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.

Good to know

How we act is crucial to the implementation of our strategy and our corporate purpose. BASF's four corporate values serve as a compass for us worldwide and are simultaneously an expression of our ambitions and our shared identity:

- Creative
- Open
- Responsible
- Entrepreneurial



BASF's natural gas supply in Europe

Natural gas is one of BASF's most important feedstocks. We use it as a fuel for energy supply as well as a raw material for the production of basic chemicals. BASF's natural gas demand in Europe was 32 terawatt hours in 2022. The Ludwigshafen site in Germany accounted for around 24 terawatt hours, with around 50% used for central electricity and steam generation in our combined heat and power plants.

The supply situation for natural gas in Europe has changed significantly with the war in Ukraine and the progressive loss of Russian gas supplies. Although all of BASF's European sites could be supplied from our Western European suppliers in line with demand in 2022, this was at significantly higher and volatile prices. Compared with 2021, the additional cost of natural gas for BASF's European sites totaled €2 billion; compared with 2020, the increase was as much as €3.4 billion.

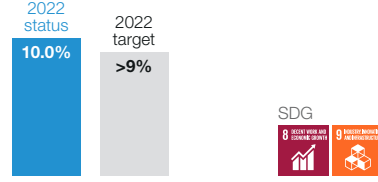
Since March 2022, we have reduced our natural gas demand in Europe through various measures. These include technical optimizations in BASF's production network and switching to other fuels wherever technically possible and economically viable. In addition, we reduced production volumes at some plants with a high natural gas demand and purchased raw materials such as ammonia.

We are continuously monitoring the market and political environment and will decide what adjustments we may have to make in supply and production depending on the situation. The same applies in the event of a potential gas shortage, which would result in national gas allocation in Germany. If this were to occur, we currently assume that BASF would receive sufficient natural gas to maintain operations at the Ludwigshafen site at a reduced load. Now, we would still be able to operate our largest site in Ludwigshafen even if we only had around 30% of the average gas volume that we consumed in 2021.

We are doing everything we can to reduce our dependence on fossil energy, especially natural gas, even faster. Our focus here is on further increasing energy efficiency, a rapid switch to renewable energies in the power supply, and new electricity-based production technologies.

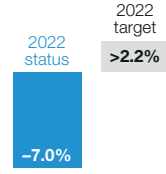
Our Targets

Profitable growth



Most important key performance indicator / reasonable assurance

Achieve a **return on capital employed (ROCE)** considerably above the cost of capital percentage every year

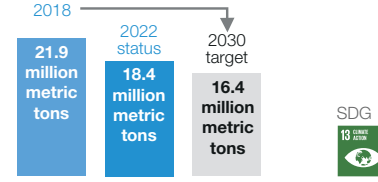


Reasonable assurance

Grow **sales volumes** faster than global chemical production every year



Effective climate protection

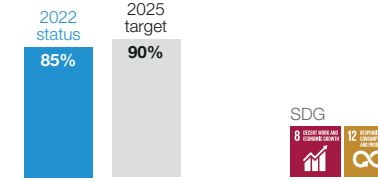


Most important key performance indicator / reasonable assurance

Reduce our absolute **CO₂ emissions²** by 25% by 2030 (baseline: 2018)



Responsible procurement¹

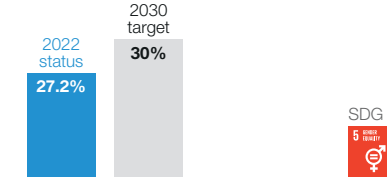


Limited assurance

Cover 90% of our relevant spend with **sustainability evaluations** by 2025

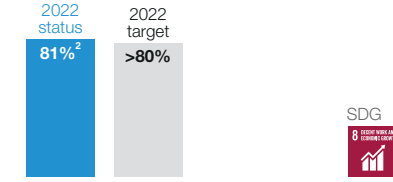


Employee engagement and diversity



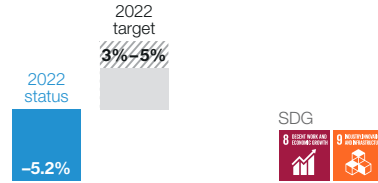
Limited assurance

Increase the proportion of **women in leadership positions** with disciplinary responsibility to 30% by 2030



Limited assurance

More than 80% of our **employees** feel that at BASF, they can thrive and perform at their best



Reasonable assurance

Increase **EBITDA before special items** by 3%–5% per year

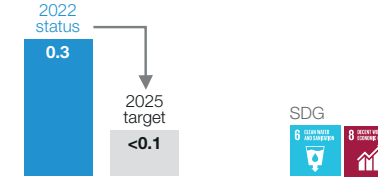


Reasonable assurance

Increase the **dividend per share** every year based on a strong free cash flow

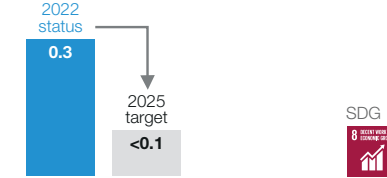


Resource efficiency and safe production



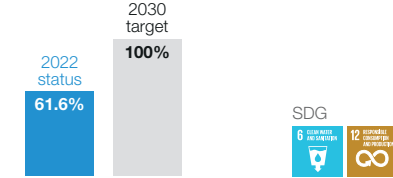
Limited assurance

Reduce worldwide **process safety incidents** per 200,000 working hours to ≤0.1 by 2025



Limited assurance

Reduce the worldwide **lost-time injury rate** per 200,000 working hours to ≤0.1 by 2025



Limited assurance

Introduce **sustainable water management** at our production sites in water stress areas and at our Verbund sites by 2030



¹ Dividend proposed by the Board of Executive Directors
² Scope 1 and Scope 2 (excluding the sale of energy to third parties, including offsetting). The target includes greenhouse gases according to the Greenhouse Gas Protocol, which are converted into CO₂ equivalents (CO₂e). The baseline year is 2018.

¹ Our responsible procurement targets also include a supplier development metric (see page 23 and report.basf.com).
² We regularly determine the employee engagement level. The most recent survey was conducted in 2022.

Sustainability

We contribute to sustainability and to the United Nations' Sustainable Development Goals (SDGs) in many ways. For instance, our innovations, products and technologies help to use natural resources more efficiently, meet the demand for food, enable climate-smart mobility, reduce emissions and waste, and increase the capabilities of renewable energy. Alongside these positive contributions, our business activities also have negative impacts. For example, we create CO₂ emissions, use water and procure raw materials from suppliers, which may involve a potential risk of violating labor, environmental or social standards. This is why we are constantly working to broaden our positive contributions to key sustainability topics along our value chain and reduce the negative impacts.

We are committed to doing business in a responsible, safe, resource-efficient and respectful way. We are guided here by our corporate values and our global 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. Our business partners are also expected to comply with prevailing laws, regulations and internationally recognized principles.

We seek dialog with our stakeholders to discuss critical issues and develop solutions together. We are involved in numerous sustainability initiatives to drive forward sustainability in general and, specifically, as this relates to our value chains. These include the World Business Council for Sustainable Development (WBCSD) as well as networks with thematic focus like the Alliance to End Plastic Waste (AEPW) or the Global Battery Alliance (GBA).

[For more information on sustainability, see \[basf.com/sustainability\]\(https://basf.com/sustainability\)](https://basf.com/sustainability)

We value people and treat them with respect

SUPPLIERS

BASF

CUSTOMERS

We source responsibly

We produce safely and efficiently

We drive sustainable solutions

The climate is changing.
So are we.

To protect the climate, we're changing –
in ways that might surprise you...

For more information on our transformation, see basf.com/change





Rethinking our energy supply

Renewable energy is a central building block on BASF's journey to climate neutrality. To enable us to meet our growing demand in the future, we are gradually switching our supply agreements to green power and investing in our own plants. One example is our share in the Hollandse Kust Zuid offshore wind farm. After full commissioning, expected in 2023, the wind farm will be one of the largest offshore wind farms in the world with 140 wind turbines and a total installed capacity of 1.5 gigawatts.

Transformation: Our Journey to Climate Neutrality

Climate change is the greatest challenge of the 21st century. Swift and resolute action is needed to ensure that the targets agreed in the Paris Climate Agreement can be achieved. We stand by this responsibility. Our target: Net zero emissions by 2050. We have set ourselves an ambitious milestone on this path. By 2030, we want to reduce greenhouse gas emissions by 25% compared with 2018. We are intensely pursuing our climate protection targets with investments of up to €4 billion by 2030. Our focus is on five strategic levers:

- **Grey-to-green:** We are increasingly meeting our electricity needs from renewable sources. In 2022, the share was 16%.
- **Power-to-steam:** In the future, we will increasingly rely on electrification and energy recovery in steam generation, for example, through the use of heat pumps or e-boilers.
- **New technologies:** We are developing pioneering carbon-free and low-carbon production processes, especially for emission-intensive basic chemicals such as hydrogen and olefins.
- **Bio-based feedstocks:** We are increasingly replacing fossil resources with alternative raw materials. In 2022, for example, we procured around 1.2 million metric tons of renewable raw materials.
- **Continuous opex:** We are working to further improve the energy and process efficiency of our plants. In 2022 alone, BASF implemented more than 500 operational excellence measures.

The transformation toward a climate-neutral also requires a political and regulatory environment that promotes innovation in climate protection, makes it possible to develop new processes that are competitive internationally and, above all, resolutely drives forward the expansion of renewable energies. Initial estimates suggest that at the Ludwigshafen site in Germany alone, we would need three to four times more green electricity to fully implement new, low-carbon electricity-based production processes. To meet this demand, we are pursuing a make & buy approach. We are investing in our own power assets and are increasingly buying green electricity on the market. In addition, we have established organizational structures to implement our climate protection targets with even greater focus and speed. These include the new Net Zero Accelerator unit.

[For more information on climate protection, see \[basf.com/climate_protection\]\(https://www.basf.com/climate_protection\)](https://www.basf.com/climate_protection)

Our global climate protection targets

-25%

Reduction in our greenhouse gas emissions by 2030 compared with 2018¹

Net zero

Greenhouse gas emissions by 2050¹

¹ BASF operations excluding sale of energy to third parties, including offsetting

Transformation: New Ideas for the Circular Economy

As the world's population grows, so does demand for limited natural resources. At the same time, many valuable materials end up in landfills or in waste incineration. New concepts are needed to decouple growth from resource consumption. Reduce, reuse and recycle are the keywords of this transition to a system of more sustainable product cycles with less resource consumption and lower carbon emissions.

For BASF, the concept of a circular economy is not new. As early as 1865, it formed the cornerstone of our company's foundation: At that time, Friedrich Engelhorn pursued the idea of producing synthetic dyes from coal tar – a waste product – and organizing production as efficiently as possible. We have stayed true to this tradition to this day and are aligning our actions with circularity more systematically than ever.

We want to further reduce our resource and carbon footprint, which is why we are aligning our feedstock base even more strongly with non-fossil alternatives such as bio-based or renewable raw materials. To expand our supply base, we are also developing additional waste-based sources of raw materials and suitable recycling processes, often with partners.

This is the case, for example, in the chemical recycling of used tires and different types of plastics, where we can feed recovered raw materials such as pyrolysis oil or monomers back into our Verbund structure at different points. Another focus is the recovery of valuable metals from spent batteries and catalytic converters.

In addition, we are developing innovative products and technologies in many areas that will increase the service life of materials or their recyclability. One example is additives for the mechanical recycling of plastics. A Group-wide co-funding program supports our employees in developing new business models for the circular economy – from the initial idea to market launch. Our target: By 2030, we want to double our sales of solutions for the circular economy to €17 billion.

[For more information on the circular economy, see \[basf.com/circular-economy\]\(https://www.basf.com/circular-economy\)](https://www.basf.com/circular-economy)

Our circular economy targets

250,000 MMT

Recycled and waste-based raw materials processed every year from 2025

€17 billion

Sales of solutions for the circular economy by 2030

Back into the loop

More and more electric vehicles are being registered worldwide. At the same time, the raw materials for their batteries are limited. That is why BASF teams are working on innovative processes to recycle lithium-ion batteries. This produces a substance known as "black mass," from which high-purity lithium salt as well as nickel, cobalt and manganese can be recovered.



Driving sustainability with microorganisms

One of our key technologies is white biotechnology. White biotechnology enables us to produce a wide range of products using a variety of feedstocks in an efficient, resource-conserving and flexible manner: biopolymers, essential ingredients for human and animal nutrition, crop protection products, flavors and fragrances, or ingredients for cosmetics.

For more information on white technology, see [basf.com/research-press-conference](https://www.basf.com/research-press-conference)

Innovation

Innovation has always been the key to BASF's success. The knowledge and skills of our employees is our most valuable resource here and the source of our innovative strength. We had approximately 10,000 employees involved in research and development worldwide in 2022.

Our research and development expenses amounted to €2.3 billion in 2022. Research and development activities in our operating divisions, which is mainly application and customer-related, accounted for 83% of this figure. Corporate research, in which we bundle cross-divisional and long-term topics, was responsible for 17% of these expenses.

Our innovation focus is on developing new products and solutions that help our customers achieve their sustainability goals. By helping them reduce their carbon footprint, use resources more efficiently, or manufacture products in a more environmentally friendly way and recycle them, we ensure our long-term competitiveness. In 2022, we generated sales of around €12 billion with products launched on the market in the past five. In the long term, we aim to further increase sales and earnings with new and improved products – especially with products that make a substantial sustainability contribution in the value chain.

The number and quality of our patents also attest to our power of innovation and long-term competitiveness. In 2022, we filed around 1,000 new patents worldwide, of which nearly 40% were for innovations with a particular focus on sustainability. The Patent Asset Index, a method that compares patent portfolios, again ranked us among the leading companies in the chemical industry in 2022.

Our global network of top universities, research institutes and companies forms an important part of our Know-How Verbund. It gives us direct access to external scientific expertise, talented minds from various disciplines as well as new technologies.

For more information on innovation, see [basf.com/innovations](https://www.basf.com/innovations)

Good to know

~10,000

Employees in research and development

~€2.3 billion

Research and development expenses

- Academic research alliances
- Cooperation with around 220 research partners

Sustainable supply chains

In 2022, we purchased around 1.2 million metric tons of renewable raw materials. In addition to aspects such as supply security or product safety, we also consider possible negative impacts in our procurement, for example on biodiversity. This applies, for example, to palm oil and palm kernel oil, which we again purchased exclusively from RSPO-certified sources in 2022.

Learn more at carecreations.basf.com/sustainability

Responsible Procurement

BASF sources many raw materials, precursors, technical goods and services. Our suppliers are an important part of our value chain. Our objective is to create competitive advantages through our professional procurement structures, to establish stable and reliable supply chains, and at the same time, meet high ethical and environmental standards.

Together with our suppliers, we want to improve sustainability in the supply chain. Consequently, we require our suppliers to comply with the applicable laws in full and to adhere to internationally recognized environmental, social and governance (ESG) standards. We also expect our suppliers to make an effort to enforce these standards at their suppliers.

Our global Supplier Code of Conduct is founded on internationally recognized guidelines, such as the principles of the United Nations' Global Compact. Topics covered by the Code of Conduct include compliance with human rights, the exclusion of child and forced labor, safeguarding labor and social standards, antidiscrimination and anticorruption policies, and protecting the environment. We are continually refining and optimizing this guideline and our structures and processes in response to changing conditions, such as the new obligations arising from the German Supply Chain Due Diligence Act (SCA). For example, we appointed a Chief Human

Rights Officer in 2022, who is responsible in this capacity for overseeing the supply chain risk management system.

We take a closer look at suppliers in critical supply chains, for example, mineral raw materials and renewable resources. Upstream stages of the value chain are assessed for serious sustainability risks and, if necessary, suitable remedial measures are identified and implemented. In addition, we develop and test approaches to make the supply of raw materials more sustainable in joint initiatives with suppliers and other partners. Examples include our joint activities on certified sustainable supply chains for renewable raw materials such as palm, palm kernel and castor oil or for mineral raw materials such as cobalt.

For more information on sustainability in procurement, see basf.com/suppliers

Our responsible procurement targets

90%

Share of the BASF Group's relevant spend covered by sustainability evaluations

80%

Percentage of suppliers with improved sustainability performance upon re-evaluation



Kids' Labs: Success through education

With Kids' Labs, we have been getting young people of all ages excited about science for 25 years now. Since then, the experiments have been used by around 1.2 million children and young people in 45 countries. These are complemented by the Virtual Lab, with which we have reached around half a million children since 2011.

Societal Engagement

Societal engagement is a cornerstone of our corporate social responsibility. Our activities are bundled in three action areas globally. We want to improve people's quality of life by preventing and combating disease (health), promoting educational equality, employability and economic participation (skills), and conserving natural resources (resources). Through our activities, we want to strengthen the communities surrounding our sites worldwide, help achieve the SDGs, and have a positive long-term impact on the environment and society.

In the area of international development cooperation, we support the independent charitable BASF Stiftung with donations for its projects in cooperation with various organizations. The 2022 year-end donation campaign in favor of BASF Stiftung supported the United Nations Children's Fund, UNICEF. BASF topped up the donations made by employees of participating German Group companies to a total of around €458,000.

In 2022, BASF also made donations to support people affected by the Russian attack on Ukraine. To this end, BASF initially provided €1 million in emergency aid to the German Red Cross in February 2022. In April, BASF additionally doubled the amount donated as part of the global employee fundraising campaign "#ColleaguesFor-Ukraine" to around €4.2 million. The donations benefited BASF employees from Ukraine and Ukrainian refugees.

One example of our contribution to public health is our cooperation with the non-governmental organization (NGO) Beyond Suncare, which aims to protect people with albinism from skin cancer, discrimination and attacks. The NGO has a long history of working with BASF to develop and provide sunscreen products that address the specific challenges of people with albinism in the sub-Saharan region. BASF provides its know-how and ingredients free of charge. Together, Beyond Suncare and BASF developed an innovative sunscreen product that reduces the risk of skin cancer among the vulnerable population.

[For more information on our engagement in the Rhine-Neckar region, see \[ludwigshafen.basf.de\]\(https://ludwigshafen.basf.de\)](https://ludwigshafen.basf.de)
[For more information on our societal engagement around the world, see \[basf.com/en/engagement\]\(https://basf.com/en/engagement\)](https://basf.com/en/engagement)

Good to know

~€30 billion

BASF Group expenses for societal engagement activities

BASF – An Attractive Investment

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 2022 showed that, at around 19% of share capital, the United States and Canada made up the largest regional group of institutional investors. Institutional investors from Germany accounted for around 6%. Institutional investors from the United Kingdom and Ireland hold 7% of BASF shares, while investors from the rest of Europe hold a further 11% of capital. Approximately 45% 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.

It is to be proposed to the Annual Shareholders' Meeting that a dividend of €3.40 per share, at the same level as previous year, be paid out to the shareholders of BASF SE. With this proposed dividend, BASF shares offer a high dividend yield of around 7.3% based on the year-end share price for 2022.

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 non-profit organization CDP, BASF achieved the score A- in the categories "Climate Change" and "Forests" as in previous years and thus again achieved Leadership status. In the "Water" category, BASF achieved the top rating of A (previous year: A-).

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 latest analyst recommendations, see basf.com/analystestimates

Good to know

€3.40

Dividend
per share (proposal)

7.3%

Dividend yield based on the
year-end share price for 2022

- Flexible Verbund concept for integrated production
- Strategic focus on local production for local markets and on high-growth market segments
- Industry leader in shaping the transformation to net zero CO₂ emissions
- Powerful innovation across a broad range of technologies
- Diverse team of committed, capable and creative employees
- Long-term shareholder value creation and attractive dividend

Ready for the future of e-mobility

The oli [all-è] co-creation project from Citroën and BASF shows how electric vehicles can save weight and conserve resources through elimination, reduction and the use of innovative materials.

Discover the oli concept car at concept-car-citroen.basf.com

The BASF Group in Figures

Million €	2022	2021	2020	2019	2018
Statement of income					
Sales	87,327	78,598	59,149	59,316	60,220 ^a
Income from operations (EBIT)	6,548	7,677	-191	4,201	5,974 ^a
Income before income taxes	1,190	7,448	-1,562	3,302	5,233 ^a
Income after taxes from continuing operations	-391	6,018	-1,471	2,546	4,116 ^a
Income after taxes from discontinued operations	-	-36	396	5,945	863 ^a
Income after taxes	-391	5,982	-1,075	8,491	4,979
Net income	-627	5,523	-1,060	8,421	4,707
Income from operations before depreciation and amortization (EBITDA)	10,748	11,355	6,494	8,185	8,970 ^a
Income from operations (EBIT) before special items	6,878	7,768	3,560	4,643	6,281 ^a
Key data					
Earnings per share	€ -0.70	6.01	-1.15	9.17	5.12
Adjusted earnings per share	€ 6.96	6.76	3.21	4.00	5.87
Dividend per share	€ 3.40	3.40	3.30	3.30	3.20
Dividend yield ^b	% 7.33	5.50	5.10	4.90	5.30
Cash flows from operating activities	7,709	7,245	5,413	7,474	7,939
Payout ratio	% .	57	.	36	63
Price-earnings ratio (P/E ratio) ^b	.	10.3	.	7.3	11.8
Return on capital employed (ROCE)	% 10.0	13.7	1.7	7.7	12.0 ^a

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

^b Based on year-end share price.

Million €	2022	2021	2020	2019	2018
Balance sheet (IFRS)					
Total assets	84,472	87,383	80,292	86,950	86,556
Noncurrent assets	47,050	52,332	50,424	55,960	43,335
of which intangible assets	13,273	13,499	13,145	14,525	16,554
of which property, plant and equipment	22,967	21,553	19,647	21,792	20,780
Current assets	37,422	35,051	29,868	30,990	43,221
of which inventories	16,028	13,868	10,010	11,223	12,166
of which accounts receivable, trade	12,055	11,942	9,466	9,093	10,665
of which cash and cash equivalents	2,516	2,624	4,330	2,427	2,300
Equity	40,923	42,081	34,398	42,350	36,109
Total liabilities	43,550	45,301	45,894	44,600	50,447
of which financial indebtedness	19,016	17,184	19,214	18,377	20,841
Capital expenditures, depreciation and amortization					
Additions to property, plant and equipment and intangible assets	4,967	4,881	4,869	4,097	10,735
of which property, plant and equipment	4,842	4,410	4,075	3,842	5,040
Depreciation and amortization of property, plant and equipment and intangible assets	4,200	3,678	6,685	4,146	3,750
of which property, plant and equipment	3,549	3,064	5,189	3,408	3,155
Research and development expenses	2,298	2,216	2,086	2,158	1,994 ^a

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

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	2022	2021	2020	2019	2018	
Employees at year-end	111,481	111,047	110,302	117,628	122,404	
of which women	26.4	26.1	25.5	25.1	25.1	
of which men	73.6	73.9	74.5	74.9	74.9	
of which up to and including 25 years	8,119	8,207	7,635	8,227	8,584	
of which 26–39 years	39,536	38,798	37,715	40,614	41,910	
of which 40–54 years	42,268	42,531	43,322	46,509	48,826	
of which 55 years and up	21,558	21,511	21,630	22,278	23,084	
Personnel expenses (million €)	11,400	11,097	10,576	10,924	10,659	
Occupational and process safety						
Lost-time injury rate per 200,000 working hours	0.3	0.3	0.3	0.3	0.3	
Process safety incidents per 200,000 working hours	0.3	0.3	0.3	0.3	0.3	
Energy supply and emissions to air						
Electricity	million MWh	14.2	15.3	14.7	14.8	15.1
Steam	million MWh	40.4	45.0	40.3	40.3	39.4
Greenhouse gas emissions (CO ₂ , N ₂ O, CH ₄ , HFC, SF ₆)	million metric tons CO ₂ equivalents	18.4	20.2	20.8	20.1	21.9
Air pollutants (CO, NO _x , NMVOC, SO _x , Dust, NH ₃ and other inorganic substances)	metric tons	23,360	25,869	24,496	25,130	26,866

	2022	2021	2020	2019	2018	
Water						
Emissions to water: organic substances	metric tons	10,600	12,500	11,500	12,100	12,600
Emissions to water: nitrogen	metric tons	2,600	3,000	2,900	3,000	3,100
Emissions to water: heavy metals	metric tons	16	17	22	25	23
Emissions to water: phosphorus	metric tons	240	340	270	260	220
Water supply	million cubic meters	1,590	1,695	1,728	1,717	1,743
Water used for production	%	12	13	13	14	13
Water used for cooling	%	88	87	87	86	87
Waste (million metric tons)						
Total waste generation		2.21	2.41	2.21	2.34	2.19
Waste recovered (recycled or thermally recovered)		1.05	1.15	0.96	0.99	0.80
Waste disposed of		1.16	1.26	1.25	1.35	1.39

For more facts and figures on the BASF Group and an interactive key figures comparison, see report.basf.com

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Further information at [basf.com](https://www.basf.com) and in the
BASF Report 2022 at [basf.com/report](https://www.basf.com/report)