



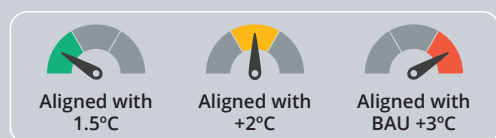
Overall Assessment

According to Planet Tracker's analysis, BASF is on track for a +3°C scenario by 2030.

BASF faces considerable challenges with 83% of CO₂ emissions being Scope 3. Presently management has no Scope 3 target and is not on track to reduce Scope 1 emissions by 25%. Although BASF still targets Net Zero by 2050, it relies on largely nascent or unproven technologies to achieve this. Although 30% of BASF's total GhG emissions across all three scopes comes from the purchase of feedstock, Planet Tracker could not find a target to reduce these emissions.

BASF applies little pressure to its suppliers as the policy for those that 'deviate' is to 'retain and engage'. Management is poorly incentivised to achieve a Net Zero goal. It is possible for the CEO to completely miss all the sustainability targets and still achieve the maximum bonus.

Furthermore, some aspects of disclosure of the short-term incentive plan are opaque, making it hard to assess how it will operate. Investors face significant transition risk after 2030 as it is reliant on numerous factors, namely future technology, that are in their infancy.



This report is one of a series examining the climate transition plans of companies in the Climate Action 100+ list. This project is separate to and not affiliated with Climate Action 100+.



Climate Alignment

- BASF's total emissions were 111,281 KTCO₂e in 2022, of which 15% were Scope 1, 2% were Scope 2 and 83% were Scope 3.
- Based on Planet Tracker's assessment, BASF is on track to reduce Scope 2 emissions by 25% by 2030 but is not on track to reduce Scope 1 emissions by 25%. BASF has no Scope 3 target.
- The lack of any formal Scope 3 commitment is inadequate as: 1) this is 83% of total emissions and; 2) it implies that BASF is not engaged in helping its customers reduce GhG emissions. We also note that about one-third of Scope 3 emissions are from using oil and natural gas as feedstocks, which is under BASF's control.
- BASF targets Net Zero by 2050 but is heavily reliant on technologies that are currently unproven such as Carbon Capture & Storage (CCS) and process electrification. We conclude that it is not on track for Net Zero by 2050.



Policy and Governance

- BASF's short and long-term incentive plans do include sustainability metrics but they are not well aligned with progress towards Net Zero.
- We note that the disclosure on some aspects of the short-term plan is opaque, making it hard to assess how the plan operates in practice.
- The long-term incentive plan is based on the average of three targets, of which one is sustainability.
- About 30% of BASF's total GhG emissions across all three scopes come from the purchase of feedstock. There appears to be no target to reduce these emissions and BASF's policy with suppliers that 'deviate' is to 'retain and engage'.



Risk Analysis

- BASF faces considerable transition risk after 2030. The target of Net Zero by 2050 is reliant on numerous factors, notably technologies that do not exist in a commercially viable form today.
- Making base chemicals today relies on natural gas both as a feedstock and as an energy source. We have identified four main risks:

Today, manufacturing base chemicals relies on natural gas both as a feedstock and as an energy source. BASF will need to transfer to electricity as a power source which, in turn, relies on suppliers. An electrification strategy will at least double the amount of power BASF will require.

Reducing GhG emitted during production needs scalable carbon capture and storage facilities which is reliant on third parties developing the technology and at scale. We note that the company is investing in capacity expansion at approximately 10 times the rate it is investing in GhG reduction.

- 1 Moving to electricity as a power source relies on technology from suppliers that is not yet commercially proven.
- 2 This would also increase BASF's electricity consumption by 2-3x, which in turn requires major investment by utilities to provide renewable electricity at competitive prices.
- 3 The GhG emitted during production requires carbon capture and storage, which is not yet a proven technology or available at the scale required to guarantee meaningful reductions in atmospheric CO₂ levels.
- 4 Global action on carbon taxes is required to ensure a level playing field for chemical companies.



Strategy Assessment

- Chemical companies like BASF are very energy-intensive and current production processes directly produce large quantities of greenhouse gases.
- BASF has a good record of efficiency improvements but the step-change required to reach Net Zero relies on future technology, which is as yet unproven.
- One of the key new technologies is electrification, which will double or triple the amount of electricity BASF will need. This, in turn, requires major investment from utilities and co-ordinated engagement.
- BASF is investing in capacity expansion at approximately 10 times the rate it is investing in GhG reduction.
- Many of the changes needed to reach Net Zero are reliant on third parties, for example, for technology development and for appropriate legislation.

Company Overview

BASF is one of the world's largest chemical companies. It is active in a range of business activities and operates all over the world. It reports in 6 segments. The largest is Surface Technologies

(25% of revenue) and the smallest is Nutrition & Care (9%). Total annual revenue has averaged €69 billion over the last five years – see Figure 1.

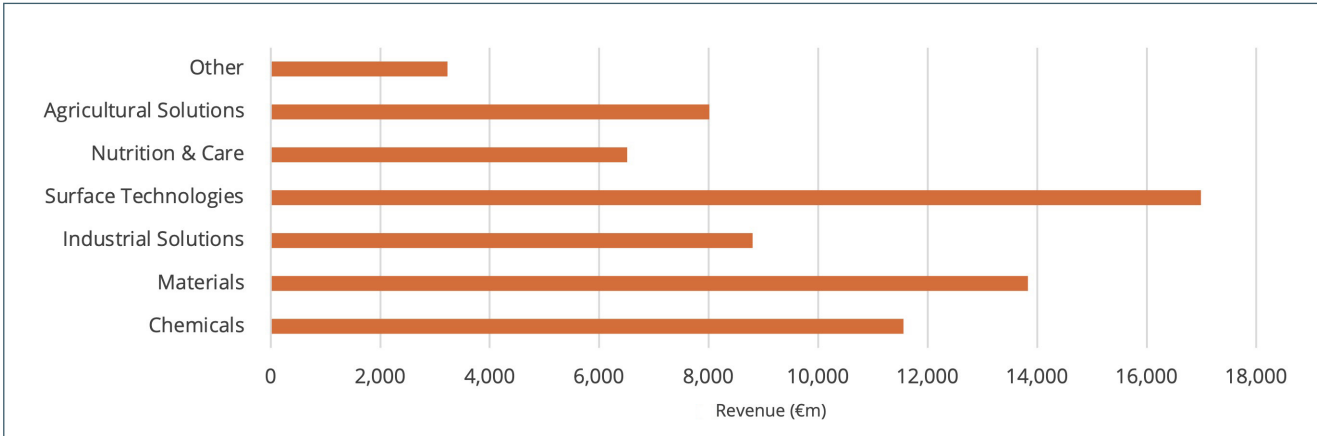


Figure 1: Revenue by Business Segments (5Y Avg.). Source: BASF Annual Reports 2018–2022.

The most profitable segment is Chemicals, with an average operating profit margin (before special items) of 13.4% over the last five years. The least profitable is Surface Technologies at 4.1%. The Chemicals segment

has a volatile margin, with a low of 5.5% in 2020 and a high of 21.9% in 2021. Overall, BASF delivered an average operating profit margin of 8.4%, with a high of 10.4% in 2018 and a low of 6.0% in 2020 – see Figure 2.

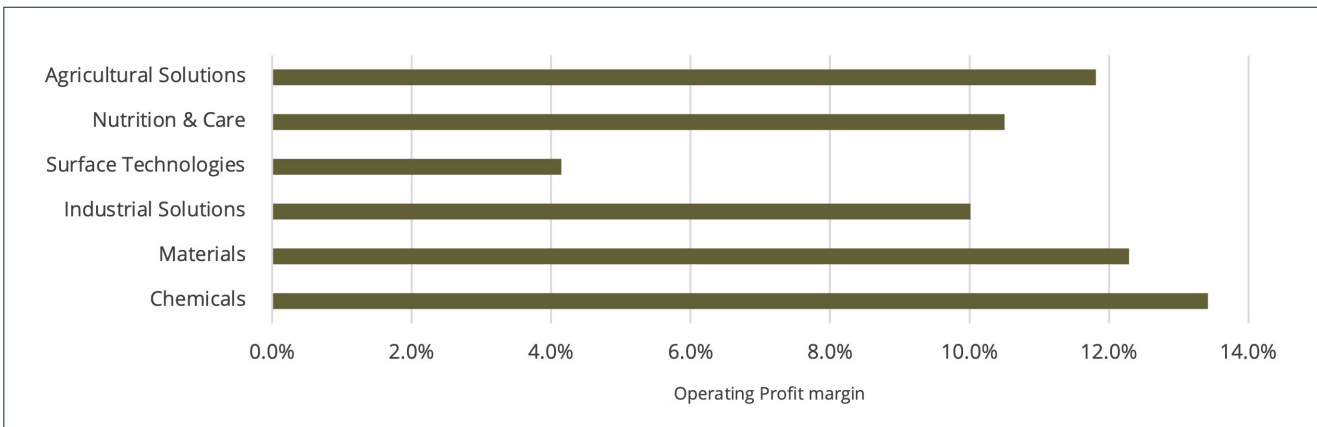
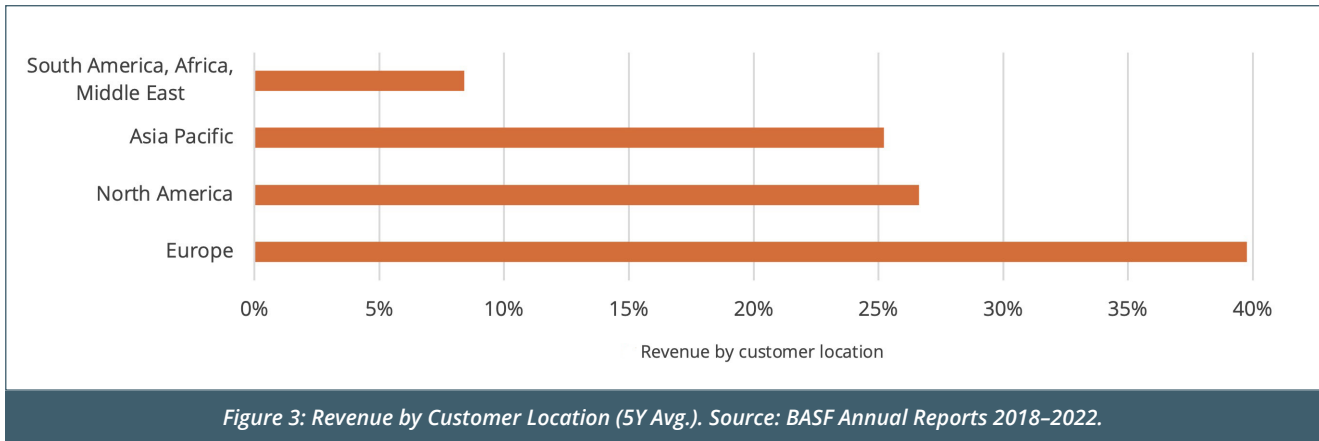


Figure 2: Operating Profit Margin by Business Segments (5Y Avg.). Source: BASF Annual Reports 2018–2022.



BASF's largest end market is Europe (40%), followed by North America (27%) and Asia (25%). Its very broad geographical spread underlines BASF's claim of being

active in almost all countries around the world – see Figure 3.



BASF's most important raw materials include 'gas and crude oil-based petrochemical products such as naphtha and benzene'¹. It uses natural gas both as an energy source and as a raw material to produce base

chemicals. About 90% of purchased materials goods and services are sourced locally so BASF's climate risks are spread globally.

¹ BASF Annual Report 2022



Climate Alignment

EMISSIONS INVENTORY

In 2022, BASF reported total emissions of 111,281 KTCO₂e, with 83% coming from Scope 3, 15% from Scope 1 and 2% from Scope 2. BASF has targets to reduce Scope 1 and 2 but **not** Scope 3. Since 2018, Scope 1 and 2 GhG emissions have been reduced by a compound rate of 3% and 10% respectively.

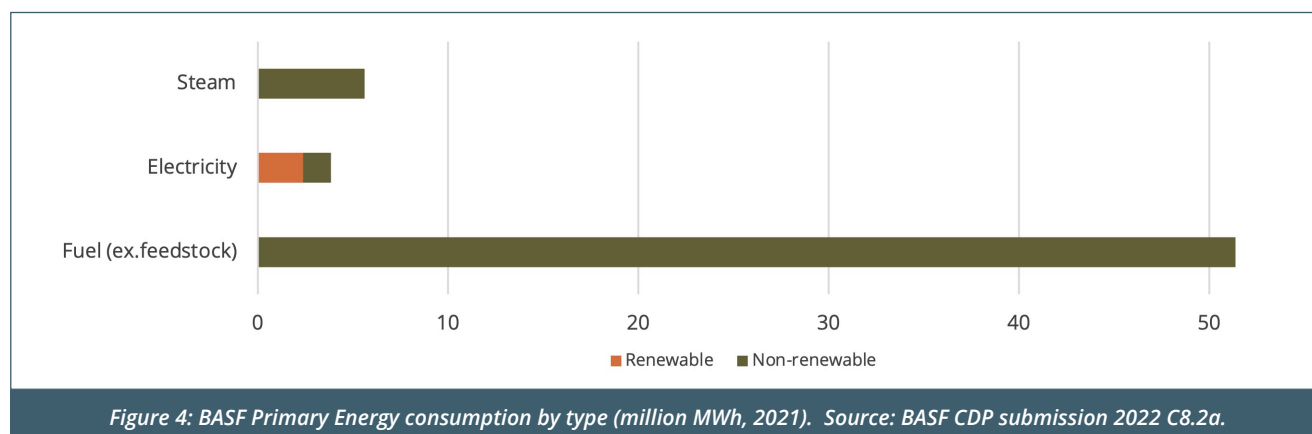
Scope 3 emissions have fallen further, by 14%, but most of this seems to have been caused by a reduction in 2019 caused by a major divestment. Reported Scope 3 'use of sold products' emissions fell from 41,509 KTCO₂e in 2018, to 9,421 in 2019 (a fall of 32,088 or 77%) compared to a total reduction of all scopes of 29,244 KTCO₂e from 2018 to 2022. In other words, the total reduction over the last 5 years was less than the dramatic one-year fall in 'use of sold products' in 2018–2019. It is important to add that Scope 3 emissions for a diverse chemicals company are inherently challenging to assess with accuracy.

BASF is an energy intensive business as many of the processes used to make base chemicals involve very high temperatures. About half of the Scope 1 and 2 GhG emissions come from energy production, both electricity and steam. The balance comes from the actual processes of making the chemicals.

In 2021, BASF's primary energy use was 58.8 million MWh, of which 15.3 (26%) came from electricity, both purchased and internally generated. To put this in perspective, Germany's total electricity production was 554 billion MWh in 2021. The main energy source was steam at 45.0 million MWh. The primary energy source for internally generated electricity is natural gas (80% in 2021).

A major part of BASF's plan to hit Net Zero is the electrification of production process that are currently powered by steam. According to a presentation in 2022², BASF electricity consumption is expected to increase from about 15 million MWh today to 30-45 by 2040. This means that the Net Zero plan is crucially dependent on dramatically increased access to renewable electricity at competitive prices.

BASF's total energy consumption across all sources is illustrated in Figure 4. The vast majority comes from natural gas, which is a non-renewable source. This shows the importance of replacing natural gas with renewable electricity. The electricity shown in Figure 4 is purchased electricity only, excluding self-generated electricity.



² Taking the next step in climate protection – from targets to delivery, BASF investor update, March 2022

EXTERNALITIES TRENDS AND TARGETS

We are focusing here on scope 1 and 2 here as 1) BASF has no scope 3 target and 2) BASF products are used by a very wide range of end customers. We therefore think that Scope 1 & 2 trends give a better indication of whether BASF's internal actions are aligned with the 2050 Net Zero ambition.

The lack of a Scope 3 target raises credibility issues about the company's climate transition strategy as Scope 3 is 85% of BASF's GhG emissions. BASF is not directly responsible for Scope 3 emissions but it can influence them by declining to sell products with higher GhG footprints, especially when alternatives exist.

BASF does state that it "works with selected customers to reduce their carbon footprints and to develop products with a zero Product Carbon Footprint (PCF)" without providing much detail. It is therefore impossible to assess how seriously BASF takes Scope 3 emissions when there is no apparent strategy to require suppliers to have and to implement a Net Zero strategy.

It is also worth adding that about one-half of Scope 3 emissions (55,195 out of 101,296 KTCO₂e) comes from 'purchased goods and services'. About 33,500 KTCO₂e of this is from the purchase of oil and natural gas as feedstocks, which is in theory under BASF's control.

BASF has two main GhG targets:

2030 – 25% reduction of scope 1 & 2 versus 2018. BASF adds that "excluding the effects of the planned growth,

this means cutting CO₂ emissions in half in the current business by the end of this decade". BASF plans to grow its business and there is a large new 'Verbund' (i.e., integrated) facility at the site in Zhanjiang, China coming on stream in 2025. This target was raised from the previous target of 'CO₂-neutral growth' in March 2021. The previous target implied no decrease in carbon-intensity.

2050 - Net Zero "from production sites and energy purchases". The Antwerp site, which was responsible for about 20% of group GhG emissions in 2021, has an "aspiration to approach" Net Zero by 2030³.

- There is no Scope 3 target but BASF does claim to work with customers to help them reduce their carbon footprint. There is very limited data to back up this claim. Note also that Scope 3 emissions include feedstock emissions, which were about 30% of total Scope 1, 2 & 3 emissions in 2021 and are in theory under BASF's control. We recognise that BASF management cannot force suppliers to use renewables immediately, but it could exert considerable influence as a major buyer over time.

- The Net Zero target is not a science-based target⁴.

Note that BASF excludes GhG emissions from selling power to third parties⁵ from its targets and therefore from the executive bonus plans.

³ BASF press release and investor update, March 2022

⁴ BASF CDP 2022 submission C4.2c

⁵ BASF Annual Report 2022, page 135



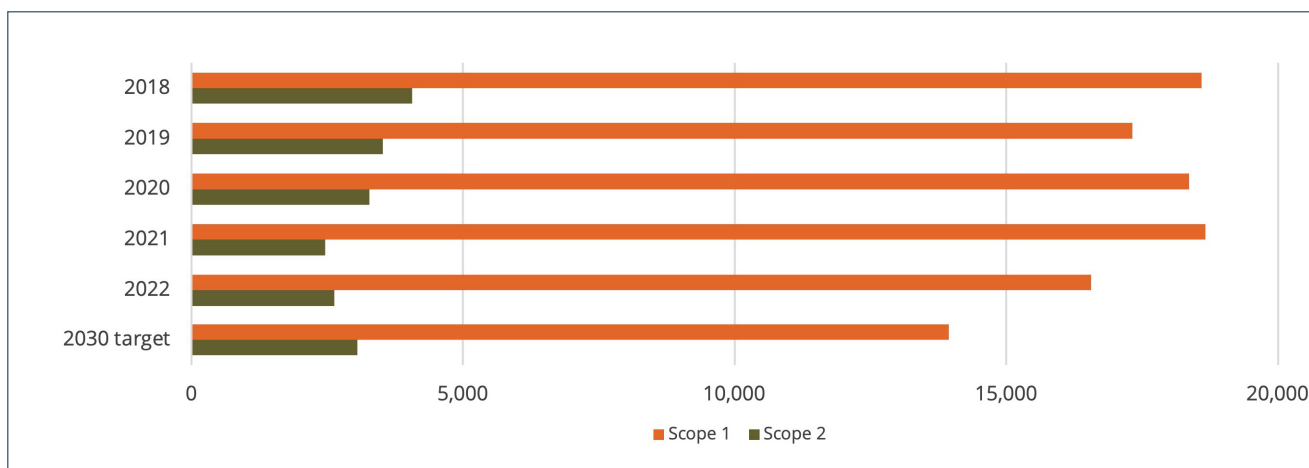


Figure 5: BASF KTCO₂e by Scope. Source: BASF CDP submission.

BASF aims to grow sales volume faster than global chemical production every year. Note that BASF makes commodity chemicals which have volatile prices. In 2022, for example, BASF’s average selling prices increased by 12% but volumes decreased by 7%, compared to global chemical volumes which were up 2%. BASF also has significant new capacity coming on stream in 2025, notably in China. These two factors – volatile pricing and planned new capacity – complicate the extrapolation of current trends.

BASF’s 2030 target already incorporates the planned new capacity. The target to reduce GhG emissions by 25% in absolute terms by 2030 compared to 2018 is equivalent to halving the carbon intensity of the current business.

The 2030 Scope 2 target has already been met – 2022 emissions were 2,629 KTCO₂e, 35% lower than 2018. It is notable that Scope 2 emissions were only 2% of total Scope 1, 2 & 3 emissions in 2022. The progress is laudable but not very consequential in practice as Scope 3 emissions are the elephant in the room.

The Scope 1 target looks much more challenging. Scope 1 emissions were 16,556 KTCO₂e in 2022, only 11% below 2018, and significant new capacity comes on

stream in China in 2025. BASF reports volume growth as a percentage each year. Compounding these numbers gives us a good estimate of cumulative volume growth over the 2018–2022 period, which we calculate as minus 1%. In other words, Scope 1 GhG intensity has fallen 10% over the last three years (11% GhG reduction versus 1% volume contraction).

To hit the 2030 Scope 1 target, absolute GhG emissions need to fall by 16% to 13,945 KTCO₂e at a time when production volumes will be rising. Carbon intensity therefore needs to fall by at least 20% over the next 8 years, compared to a 10% reduction over the last 5 years to meet the 2030 target.

According to BASF, it has reduced the carbon intensity of the products it sells by 74.8% since 1990⁶. This is an impressive achievement but implies that further dramatic changes will be more elusive. Judging the 2022 CDP submission, many recent carbon reduction projects have paybacks of 1–3 years, making them financially very attractive.

We conclude that BASF is on track to meet its Scope 2 target by 2030, but is not on track to meet its more important Scope 1 target. There is no Scope 3 target.

⁶ BASF Annual Report 2022, page 138. The reduction refers to “specific emissions (per metric ton of sales product)”.



The 2050 Net Zero target is much more problematic. In BASF's own words: "At the heart of the long-term transition toward Net Zero CO₂ emissions by 2050 is the use of new technologies, which will replace fossil fuels such as natural gas with electricity from renewable sources. Most of these technologies are being pioneered by BASF in collaboration with partners and are currently in a pilot stage. Broad scale-up of these technologies will only be fully realizable after 2030."

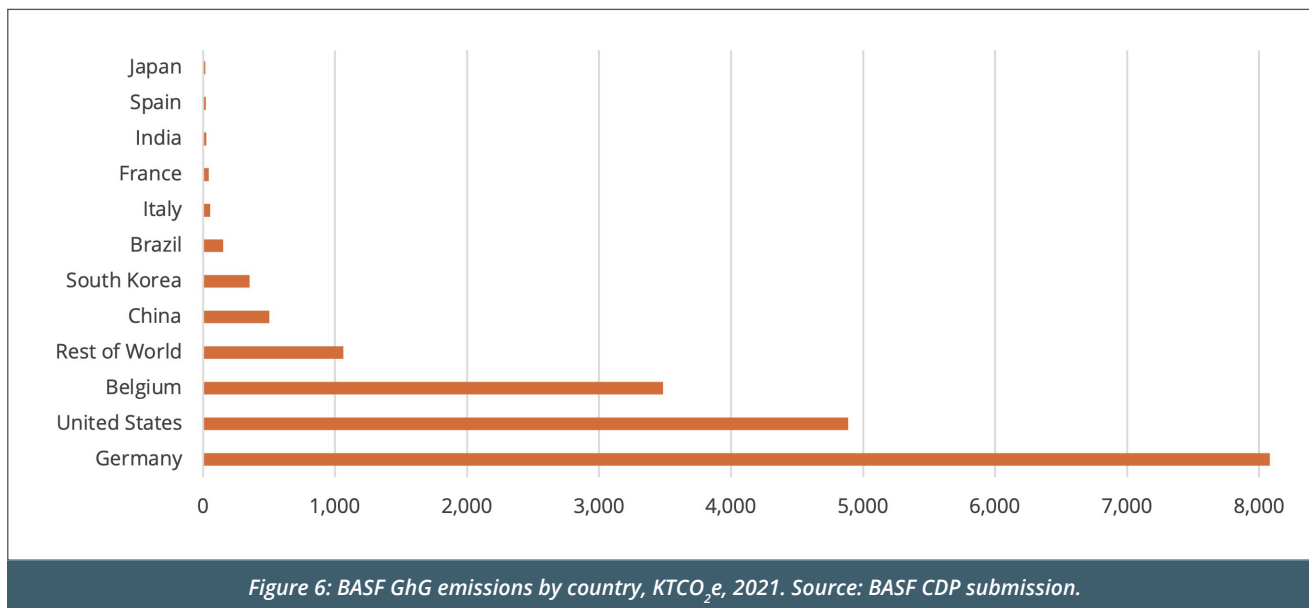
In other words, BASF does not today have the technology in place to achieve the 2050 Net Zero goal. A lot of the required technology, such as electrification of production, has not yet been demonstrated to be commercially viable. It is also notable that some key future technologies are being developed by external partners, which means that BASF is reliant on other companies.

BASF also uses natural gas and oil as feedstocks. BASF

consumed 11.1 million tonnes of feedstock in 2021, with 75% coming from oil and 18% from natural gas⁷. This equates to about 33,500 KTCO₂e or about 27% of total Scope 1, 2 & 3 emissions. As far as we can establish, the only way to achieve Net Zero from feedstock emissions is via carbon capture, another unproven technology, or through greater use of renewable or recycled feedstock.

BASF also specifically mentions that it needs appropriate legislation to ensure a level global playing field and to avoid excessive carbon taxes. This will be an important issue for BASF as it is active all over the world. If regional legislation allows for regulatory arbitrage, then BASF would likely use this as a negotiating tactic.

It is therefore not possible to say that BASF is on track for the next zero 2050 target. We note that BASF's 2022 CDP submission specifically states that BASF has a "transition plan that aligns with a 1.5°C world".



⁷ BASF CDP submission 2022, C-CH8.3a and C-CH8.3b



Policy and Governance

ENGAGEMENT AND INFLUENCE

Suppliers' Engagement

The purchase of energy is about 12% of BASF's total Scope 1 & 2 emissions⁸. The purchase of feedstock is much more significant as this is responsible for about 30% of total (i.e. Scope 1, 2 and 3) emissions. BASF states that it engages with 55% of its suppliers on 'climate-related' issues by procurement spend but that this is limited to data collection⁹.

BASF is a founding member of Together for Sustainability (TfS) which works on standardising supplier evaluations. BASF aims to have conducted sustainability evaluations with 90% of its suppliers by spend, by 2025. There is no disclosed target for reducing supplier GhG emissions as far as we know. BASF states that it 'retains and engages' with suppliers judged to 'deviate from standards'¹⁰.

Other Value Chain Partners' Engagement

BASF claims to engage with 100% of its customers via 'education and information sharing'¹¹. BASF has developed 'a digital, externally certified solution to determine product carbon footprints (PCF) for almost the entire portfolio of BASF's around 45,000 sales products in line with international standards (ISO14044, ISO 14067, Greenhouse Gas Protocol Product Standard)'. This data is being progressively shared with customers.

We also note that BASF has a generally good record on voluntary disclosure:

- "We also participate in the program established by the international non-profit organization CDP for reporting on data relevant to climate protection and have done so since 2004."

- BASF's sustainability reporting has been based on the Global Reporting Initiative (GRI) standards since 2003.
- BASF has aligned its climate-related reporting with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) since 2019.
- BASF reports in accordance with SASB standards for the Chemicals industry.

MANAGEMENT ALIGNMENT

Executive Board Compensation

Like all German companies, BASF has a dual board structure. We will focus on the executive board as this is responsible for managing the company. The compensation of the executive committee is disclosed and discussed in a separate Compensation report, not in the Annual Report. We will also look just at variable compensation (i.e., not base salary, pensions and other benefits) as we want to see whether management is incentivised to behave in a sustainable way.

There are two variable compensation plans:

- **Short-Term Incentive (STI)**¹². The target STI is set as 1.25x base salary while the cap, even if the target is exceeded, is set as 2.5x the base. The STI is split into two parts: BASF's Return On Capital Employed (ROCE) and a 'Performance Factor' based on a number of strategic targets.
- **Long-Term Incentive (LTI)**¹³. This is based on the achievement of annual targets over a 4-year period. By reaching the target LTI, the base salary multiplier is 1.75 while the cap, even if the target is exceeded, is 2.5x base salary. There are three 'strategic targets': growth, profitability and sustainability. The progress against

⁸ BASF CDP submission 2022, C3.3

⁹ BASF CDP submission 2022, C12.1a

¹⁰ BASF CDP submission 2022, C12.2a

¹¹ BASF CDP submission 2022, C12.1b

¹² BASF SE Compensation report 2022, page 4

¹³ BASF SE Compensation report 2022, page 5



these targets is then multiplied by the total shareholder return (share price appreciation plus dividends) over the 4-year period.

- Total variable compensation is therefore set at 3.0x base salary, if targets are met, and capped at 6.0x base salary if they are exceeded. The STI has complicated formulae for calculating the precise pay-outs; the LTI is clearer. Both are also based on targets chosen by the Supervisory Board, which can of course be easy or demanding.

The STI in more detail

The STI formula is still quite complicated and key details are undisclosed. The base level of compensation is capped at 200% of the 'target amount' which is €2 million for the CEO. The CEO can therefore in theory earn €4 million from the STI if certain targets are met. There are two targets:

- 1 Achieved Return on Capital Employed (ROCE) versus an agreed baseline. The baseline was set at 10% for 2022 and achieving, say, 16% would increase the STI by 50%. Note that the relationship is non-linear.
- 2 A more complicated 'performance factor' which is an amalgam of 7 separate performance metrics. 6 of these are financial/operational and 1 is based on sustainability. The detailed algorithms and weightings are not disclosed. Beating all 7 metrics by 25% would increase the STI by another 50% on top of the ROCE contribution, i.e. a total boost of 125%. The cumulative boost is however capped at 200%

There are two important points to make here. First, we note that the sustainability component in one-seventh of one-half of the STI calculation. This means that less than 10% of the STI calculation is due to (undisclosed) sustainability metrics. Second, it appears possible for the CEO to achieve the maximum STI payout while missing the sustainability metrics completely.

As the CEO sets the tone for the executive team, the messaging is clear to the senior management team.

The LTI in more detail

For 2020 and 2021, the LTI target was to "grow CO₂-neutrally until 2030", which is undemanding to say the least. For 2022, the target was changed to alignment with the 25% reduction in GhG emission by 2023 from a 2018 baseline.

The LTI is quite different to the STI. It runs over four years (not one) and includes a measure of share price performance. As with the STI, the maximum payout is capped at 200% of the target award, which is €2.8 million for the CEO. The CEO can therefore in theory earn €5.6 million from the LTI over a 4-year period if certain targets are met. There are three targets:

- 1 **Sales volume growth.** The baseline target is to grow faster than global chemical production by 0.1% or 10 basis points. The maximum score is achieved by growing 2% faster each year, i.e. a cumulative 8% over the 4-year period.
- 2 **Profitability, measured as EBITDA before special items.** The baseline target is grow EBITDA by 4% each year in absolute terms. The max score is achieved by growing EBITDA by 7% each year.
- 3 **Sustainability, more specifically reducing Scope 1 & 2 GhG emissions.** BASF has a target to reduce 2030 GhG emissions by 25% compared to 2018. The LTI is based around BASF being in a pre-defined corridor towards this 2030 target. Interestingly, the central 2022 LTI target was for GhG emissions of 20.2 MtCO₂e plus/minus 0.5 Mt, compared to actual emissions of 20.2 in 2021. In other words, the 2022 baseline target would still have been achieved if GhG emissions had gone up by 0.5 Mt in that year. The maximum score would be achieved by reducing emissions by 1.5 Mt over the 4 year-period, putting BASF ahead of schedule for its 2030 target.

The actual performance uplift is the weighted average of the three target results, with a maximum outcome of doubling (+100%) of the target award.



As with the STI target, it is possible for the CEO to achieve the maximum LTI payout while missing the GhG emissions target. If the CEO hits the maximum for targets 1 and 2, but scores zero for GhG emissions, then the combined uplift will be 67%. If the share price rises by 20% over the 4 years, including dividends, then the maximum cap of 200% will be achieved.

We therefore conclude that **the CEO's variable compensation targets are not aligned with reducing GhG emissions**. They are designed in such a way that he can hit the maximum capped award while missing all the environmental targets. Such an outcome may be unlikely but it does not inspire confidence in the financial incentive to behave more sustainably.



Risk Analysis

FINANCIAL IMPACT

BASF states it has 5 levers to reduce GhG emissions¹⁴:

- 1 Grey-to-Green.** Increasing the share of renewable energies in BASF's global power supply. It was 16% in 2022.
- 2 Power-to-Steam.** Some of BASF's core processes (e.g. steam crackers) require very high temperatures that are currently achieved by burning natural gas. The intention is to switch to electricity from renewable sources "in the future".
- 3 New Technologies.** For example, about three-quarters of the planned GhG reduction at the Antwerp site is expected to come from carbon capture and storage (CCS). BASF is also "developing pioneering carbon-free and low-carbon production processes, especially for emission-intensive basic chemicals such as hydrogen, olefins and aromatics".
- 4 Bio-based feedstock.** BASF procured "around 1.2 million metric tons of renewable raw materials" in 2022.
- 5 Continuous Improvement processes for existing plants.** BASF has a good long-term record here, but a step-change is required to achieve Net Zero.

As discussed earlier, the first three of these levers require investment by third parties and carry considerable technical risk.

According to BASF's 2022 CDP report¹⁵, it faces the following climate-related risks:

- **Access to water.** Most BASF sites require water for their production processes and cooling, and many sites use nearby waterways for logistics. "Exceptional drought and heat" in 2018 reduced profits from BASF's largest site in Ludwigshafen in Germany by about €250 million. BASF concluded that the 2018 drought was a "rare extreme event" but added that the risk in future was "increasing in the coming decades depending on the climate change scenario". BASF will spend €23 million over 2019–2022 to mitigate against a recurrence.
- **Costs associated with the EU Emissions Trading Systems (ETS).** 52% of Scope 1 and Scope 2 emissions are covered by the EU ETS. BASF estimates likely future costs to be approximately €150–300 million per annum based on a carbon price of €55–125, with a cost to respond of €1 billion over the 2021–2025 period. This is already allowed for in BASF's stated plans.

¹⁴ BASF Annual Report 2022

¹⁵ The BASF 2022 CDP submission covers the financial year (FY) ending December 2021. The submission for FY22 has not been published yet.



Strategy Assessment

CAPITAL ALIGNMENT

BASF states that “By 2025, we plan to invest up to €1 billion to achieve our climate protection targets. Additional investments of up to €3 billion are to follow by 2030¹⁶.” This compares with total capex of €5 billion in 2022. To put this further in context, BASF plans “to invest €28.8 billion worldwide between now and 2027 to expand our capacities”.

We therefore estimate that **investment in capacity expansion is running at about 10 times the rate of investment for climate protection.**

We conclude that the vast majority of planned investments are for capacity expansion and not for emission reduction.

TRANSITION APPRAISAL

BASF is very **heavily reliant on emerging technology from third parties to eliminate GhG emissions.** It is also reliant on appropriate legislation to counter regulatory arbitrage and ensure that renewable electricity is available at affordable prices.

As discussed earlier, **30% of BASF’s total GhG emissions come from the purchase of feedstocks, mainly oil and natural gas. There is no target to reduce these emissions,** even though they are in theory under BASF’s control.

We concluded that there is therefore **no credible strategy to become fully Net Zero including the purchase of feedstocks.**

¹⁶ BASF Annual Report 2022



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ABOUT PLANET TRACKER

Planet Tracker is a non-profit financial think tank producing analytics and reports to align capital markets with planetary boundaries. Our mission is to create significant and irreversible transformation of global financial activities by 2030. By informing, enabling and mobilising the transformative power of capital markets we aim to deliver a financial system that is fully aligned with a Net Zero, nature-positive economy. Planet Tracker proactively engages with financial institutions to drive change in their investment strategies. We ensure they know exactly what risk is built into their investments and identify opportunities from funding the systems transformations we advocate.

PLANET TRACKER'S CLIMATE TRANSITION ANALYSIS – CHEMICAL COMPANIES

As part of its material system transition programme, Planet Tracker is examining the transition plans of the chemical companies covered by the Climate Action 100+ list (<https://www.climateaction100.org/whos-involved/companies>). Our goal is to provide investors with the key information and analysis they need to be able to hold chemical companies to account for the quality of their climate transition plans and their execution against those plans, and to encourage them to use this information to engage effectively with these companies with the ultimate aim of driving the sustainable transformation of the chemical sector.

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