About This Report

Integrated reporting

This integrated report documents BASF’s economic, environmental and social performance in 2014. We use examples to illustrate how sustainability contributes to BASF’s long-term success and how we as a company create value for our employees, shareholders, business partners, neighbors and the public.

Further information

The following symbols indicate important information for the reader:

📖 You can find more information within the report.

💻 You can find more information on our website.

🌐 This section shows how the ten principles of the U.N. Global Compact and the Blueprint for Corporate Sustainability Leadership are implemented.

🔍 If the symbol is underlined, the entire chapter is relevant.

Report material available online

HTML version with interactive tools in a new design: basf.com/report

As a downloadable PDF: basf.com/basf_report_2014.pdf
Content and structure

- As an integrated report, BASF Report also serves as progress report in terms of U.N. Global Compact
- Sustainability reporting follows first-time application of Global Reporting Initiative’s G4 “comprehensive” international guidelines

The BASF Report combines the important financial and non-financial information necessary to thoroughly evaluate our performance. We select the report’s topics based on the principles of materiality, sustainability context, completeness and stakeholder inclusion. In addition to our integrated report, we publish further information online. Links to this supplementary information are provided in each chapter.

Our reporting on sustainability issues has been aligned with the Global Reporting Initiative (GRI) framework since 2003. In the BASF Report 2014, our sustainability reporting follows the GRI’s G4 “comprehensive” international guidelines for the first time. From 2012 to 2014, we served as a pilot enterprise in the development of the framework for the integrated reporting of the International Integrated Reporting Councils (IIRC). After the pilot phase in 2014, we joined the IR Business Network in order to discuss our experience with other stakeholders and at the same time receive inspiration for the enhancement of our reporting. This report addresses elements of the IIRC framework by, for example, illustrating connections between nonfinancial and financial performance in the chapters for the segments.

The information in the BASF Report 2014 also serves as a progress report on BASF’s implementation of the ten principles of the United Nations Global Compact and takes into consideration the Blueprint for Corporate Sustainability Leadership of the Global Compact LEAD platform. Furthermore, the report’s content meets the specifications of the German Sustainability Code.

The GRI and Global Compact Index can be found in the online report, providing information on GRI indicators, topics relevant to the Global Compact principles, and the auditor’s report of KPMG AG Wirtschaftsprüfungsgesellschaft.

Requirements and topics

- Financial reporting according to International Financial Reporting Standards, German Commercial Code and German Accounting Standards
- Sustainability reporting focused on material topics

The information on the financial position and performance of the BASF Group is based on the requirements of International Financial Reporting Standards (IFRS), and, where applicable, the German Commercial Code as well as the German Accounting Standards (GAS). Internal control mechanisms ensure the reliability of the information presented in this report. BASF’s management confirmed the effectiveness of the internal control measures and compliance with the regulations for financial reporting.

Identifying the topics that are significant for us forms the basis of our reporting focus and scope.

For more on the Global Reporting Initiative, see globalreporting.org
For more on our selection of sustainability topics, see page 29 onward and basf.com/materiality

The Online Report 2014 can be found at basf.com/report
For more on sustainability, see basf.com/sustainability
For more on the Global Compact, the implementation of the Global Compact principles, the Blueprint for Corporate Sustainability Leadership and Global Compact LEAD, see globalcompact.org and basf.com/globalcompact_e
GRI and Global Compact Index can be found at basf.com/gri gc e
Data

Relevant information included up to editorial deadline of February 24, 2015

All information and bases for calculation in this report are based on national and international standards for financial and sustainability reporting. All of the data and information for the reporting period were sourced from the units responsible using representative methods. The reporting period was the 2014 business year. To make this report as current as possible, we have included relevant information available up to the editorial deadline of February 24, 2015. The report is published each year in English and German.

BASF Group’s scope of consolidation for its financial reporting comprises BASF SE, with its headquarters in Ludwigshafen, Germany, and all of its fully consolidated material subsidiaries and proportionally included joint operations. Shares in joint ventures and associated companies are accounted for, if material, using the equity method in the BASF Group Consolidated Financial Statements.

An asset swap with Gazprom planned for the end of 2014 did not take place. The transaction’s cancellation made it necessary to cease reporting these activities as a disposal group and account for the depreciation, amortization and equity-accounted income that had been suspended since 2012. Figures for the 2013 business year and the first three quarters of 2014 have been adjusted accordingly.

The chapter “Working at BASF” refers to employees active in a company within the BASF Group scope of consolidation as of December 31, 2014. Our data collection methods for environmental protection and occupational safety are based on the recommendations of the European Chemical Industry Council (CEFIC). In the “Environment” chapter, with its subsections on Energy and Climate Protection, Water, and Air and Soil, we report on the emissions and waste of the worldwide production sites of BASF SE, its subsidiaries, and joint operations based on our stake. Work-related accidents at all sites of BASF SE and its subsidiaries as well as joint operations and joint ventures in which we have sufficient authority in terms of safety management, are compiled worldwide regardless of our stake and reported in full. Further data on social responsibility and transportation safety refers to BASF SE and its subsidiaries unless otherwise indicated.

External audit and evaluation

Our reporting is audited by a third party. KPMG AG Wirtschaftsprüfungsgesellschaft has audited the BASF Group Consolidated Financial Statements and the Management’s Report and has approved them free of qualification. The audit of the Consolidated Financial Statements including the Notes is based on the likewise audited financial statements of the BASF Group companies.

Statements and figures pertaining to sustainability in the Management’s Report and Consolidated Financial Statements are also audited. The audit was conducted using the International Standard of Assurance Engagements 3000 and the International Standard of Assurance Engagements 3410, the relevant auditing standards for sustainability reporting. The additional content on BASF’s website indicated in this report is not part of the information audited by KPMG.

Forward-looking statements

This report contains forward-looking statements. These statements are based on current estimates and projections of BASF management and currently available information. Future statements are not guarantees of the future developments and results outlined therein. These are dependent on a number of factors; they involve various risks and uncertainties; and they are based on assumptions that may not prove to be accurate. Such factors include those discussed in the Opportunities and Risks Report from pages 111 to 118. We do not assume any obligation to update the forward-looking statements contained in this report.